

**STANDING COMMITTEE ON FINANCE**

**(2009-10)**

**FIFTEENTH LOK SABHA**

**Ministry of Statistics and Programme Implementation**

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

**FOURTH 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 Statistics and Programme Implementation**

**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 Fourth Report (15th Lok Sabha) of the Standing Committee on Finance (2009-10) on the 'Demands for Grants (2009-10)' of the Ministry of Statistics and Programme Implementation.

2. The Demands for Grants (2009-10) of the Ministry of Statistics and Programme Implementation were laid on the Table of the House on 16 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 Statistics and Programme Implementation 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 Statistics and Programme Implementation and issues arising out of these.

3. The Committee took oral evidence of the representatives of the Ministry of Statistics and Programme Implementation 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 Statistics and Programme Implementation 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;**  
**20 November, 2009**  
**29 Kartika, 1931 (Saka)**

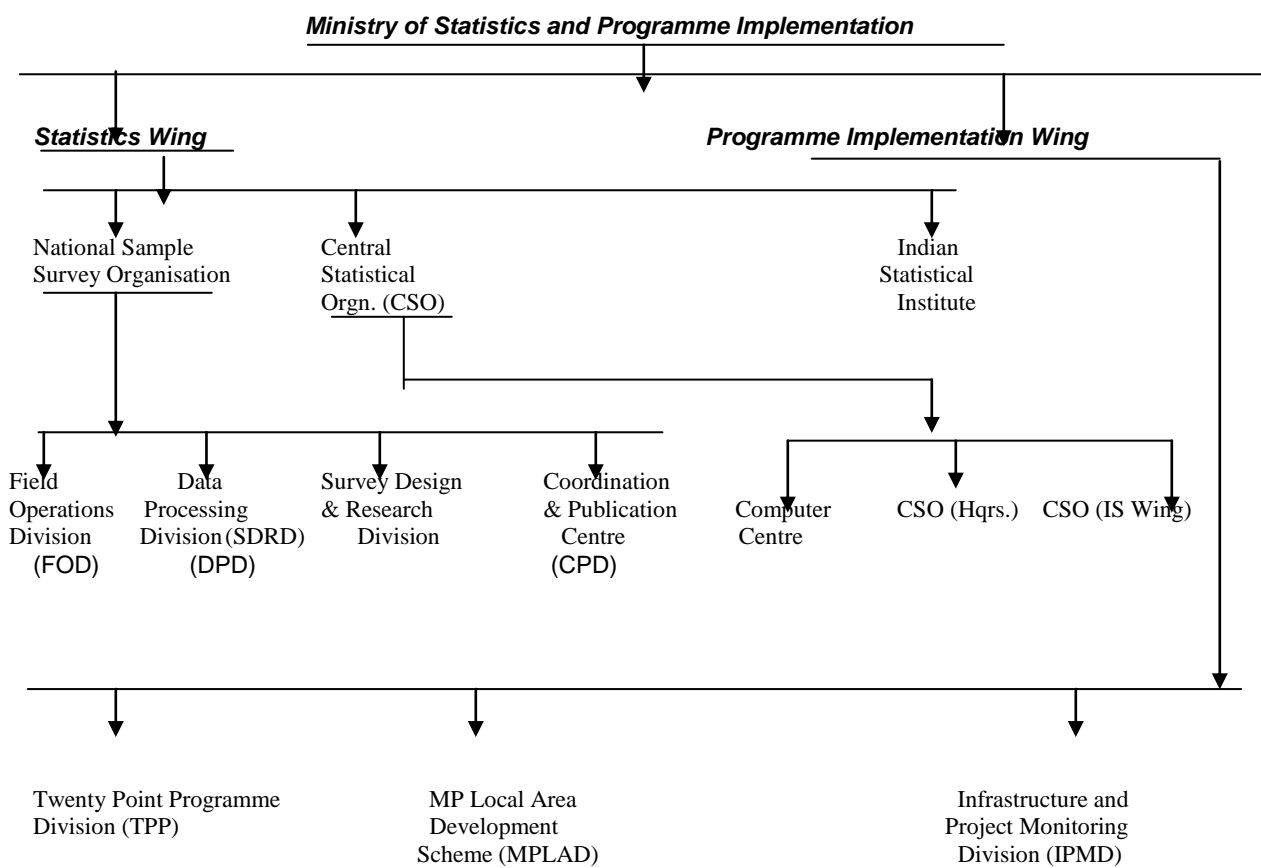
**Dr. Murli Manohar Joshi**  
**Chairman**  
**Standing Committee on Finance.**

# Report

## PART - I

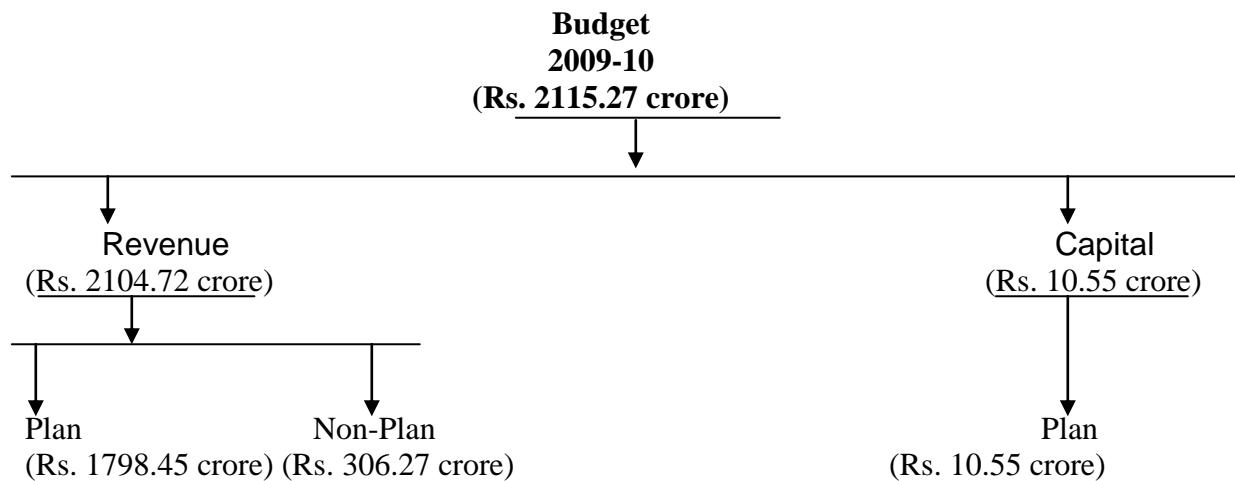
### I. BUDGETARY ALLOCATION

1.1 The Ministry of Statistics and Programme Implementation came into existence w.e.f. 15th October 1999 by merger of the then Department of Statistics and the Department of Programme Implementation. With the approval of the Cabinet, the Government of India, vide a resolution dated 1 June, 2005 set up the National Statistical Commission (NSC). For the year 2009-10, Demand No. 90 has been assigned to the Ministry. The organisational structure of the Ministry is as follows:



## Budget 2009-10

1.2 The Demands for Grants under Demand No. 90 for the Ministry of Statistics and Programme Implementation are Rs. 2115.27 crore for the year 2009-10. The demand under Revenue account is Rs. 2104.72 crore and Rs. 10.55 crore under Capital account. The Ministry proposes to undertake eight Schemes with an estimated outlay of Rs. 1798.45 crore under Revenue head and Rs. 10.55 crore under Capital head.



1.3 A statement showing Budget Estimates, Revised Estimates and Actuals for 2006-2007, 2007-2008 and 2008-2009 (expenditure upto March, 2009) and Budget Estimates for 2009-2010 both under Plan and Non-Plan accounts is as under:

	2006-07			2007-08			2008-09			(Rs. in crore)
	BE	RE	Actual	BE	RE	Actual	BE	RE	Expected expenditure	
<b>Non-Plan</b>	153.18	173.85	164.39	181.54	187.00	176.16	190.00	243.15	262.0452	306.27
<b>%ge increase</b>	<b>4.00</b>	<b>13.41</b>	<b>5.17</b>	<b>18.51</b>	<b>7.56</b>	<b>7.16</b>	<b>4.66</b>			
<b>Plan</b>	83.39	76.00	55.63	92.00	73.00	69.99	129.00	85.00	74.39	229.00
<b>%ge increase</b>	<b>-26.01</b>	<b>-12.74</b>	<b>-26.68</b>	<b>10.32</b>	<b>-3.95</b>	<b>18.65</b>	<b>40.22</b>			
<b>MPLADS</b>	1580.00	1580.00	1451.50	1580.00	1580.00	1470.55	1580.00	1580.00	158000.00	1580.00
<b>%ge increase</b>	<b>0.00</b>	<b>0.00</b>	<b>1.23</b>	<b>0.00</b>	<b>0.00</b>	<b>1.31</b>	<b>0.00</b>			
<b>TOTAL</b>	<b>1816.57</b>	<b>1829.85</b>	<b>1671.52</b>	<b>1853.54</b>	<b>1840.00</b>	<b>1712.71</b>	<b>1899.00</b>	<b>1908.15</b>	<b>1916.44</b>	<b>2115.27</b>
<b>%ge increase</b>	<b>-1.27</b>	<b>0.52</b>	<b>0.33</b>	<b>2.04</b>	<b>0.55</b>	<b>2.46</b>	<b>2.45</b>			

### **Non-Plan Budget**

1.4 The Ministry's Non-Plan budget of Rs. 306.27 crore is primarily salary oriented as the primary function of the Statistics Wing is conduct of surveys and collection, analysis and dissemination of data, which is a staff intensive function. The major components of the Non- Plan budget for the Ministry of Statistics and Programme Implementation during 2009-2010 are given below:—

<b>Object Head</b>	<b>Budget (Rs. in crore)</b>	<b>% of total Non-Plan Budget</b>
Salaries	202.71	66.19%
Domestic Travels	7.79	2.54%
Foreign Travel	0.13	0.04%
Office Expenses	7.14	2.33%
Rent Rates & Taxes	1.20	0.39%
Publications	0.63	0.20%
Other Administrative Expenses	1.29	0.42%
Grants-in-aid	83.33	27.21%

1.5 From the budget of the Ministry, an amount of Rs. 83.33 crore being 27.21% of the Non-Plan Budget during 2009-10 is proposed to be released as grant-in-aid to the Indian Statistical Institute (ISI), Kolkata.

1.6 With the setting up of National Statistics Commission (NSC) w.e.f. 1st June, 2005, Budget of Rs. 0.65 crore has been provided during 2007-08 at the stage of Revised Estimates. Budget Estimate for the year, 2009-10, has been provided at Rs. 0.84 crore.

1.7 Trend of Non-Plan expenditure indicates an increase in expenditure from Rs. 243.15 crore in 2008-2009 (at RE) to Rs. 306.27 crore during 2009-10 which works out to an increase of 25.96% on account of implementation of the recommendations of the Sixth Pay Commission.

## **Plan Budget**

1.8 The Plan budget proposal in BE 2009-10 is Rs. 1809.00 crore to be spent on MPLAD Scheme and seven (7) other Plan Schemes. MPLAD Scheme has a budget provision of Rs. 1580.00 crore. Rs. 229.00 crore has been proposed for seven (7) other Plan Schemes. The major components of expenditure in the proposed Plan Outlay for the 7 Schemes are as follows:-

<b><u>Object Head</u></b>	<b><u>Budget</u></b>	<b><u>% of total Plan Budget</u></b>
Salaries	Rs. 5.1293 crore	2.24%
Domestic Travels	Rs. 7.6700 crore	3.34%
Foreign Travels	Rs. 0.4200 crore	0.18%
Office Expenses	Rs. 10.6193 crore	4.63%
Publications	Rs. 1.7400 crore	0.75%
Other Admn. Expenses	Rs. 5.9000 crore	2.57%
Advertising & Publicity	Rs. 2.6000 crore	1.13%
Professional Services	Rs. 17.7120 crore	7.73%
<b>Grants-in-aid (excluding MPLADS)</b>	<b>Rs. 135.3400 crore</b>	<b>59.10%</b>
Information Technology	Rs. 8.0374 crore	3.51%
Machinery & Equipment	Rs. 1.0100 crore	0.44%
Major Works	Rs. 9.3000 crore	4.06%
Lump sum provision for NE States	Rs. 22.9000 crore	10%

1.9 The proposed expenditure under grants-in-aid of Rs. 1715.34 crore includes (i) Rs. 1580 crore for MPLAD Scheme, ii) Rs. 27.00 crore for ISI Kolkata for its Plan Schemes, iii) Rs. 88.30 crore for implementing the India Statistical Strengthening Project in States (Rs.82.30 crore) and Union Territories (Rs. 6.00 crore), iv) Rs. 10.00 crore for carrying out the plan scheme – Basic Statistics for local level development (Rs. 8.00 crore each for States and Rs. 2.00 crore for UTs which is a Centrally Sponsored Scheme introduced during 2009-10).

1.10 As informed by the Ministry, on the basis of the instructions on Zero Based Budgeting, the Plan Schemes of the XIth Plan have been formulated by amalgamation/modifying/dropping the Plan Schemes of the Xth Plan.

## II. SHORTFALL IN UTILISATION

2.1 The scheme-wise allocation of Budget Estimates, Revised Estimates and Actual expenditure during 2006-07 is as follows:

(Rs. in crore)				
Sl. No.	Name of Plan Scheme	2006-07		
		BE	RE	Actuals
<b>CENTRAL STATISTICAL ORGANISATION (CSO)</b>				
1.	Modernization of Statistical System in India	1.7550	1.8990	1.4625
2.	Additional/Alteration to and Modernisation of OfficeBuilding	1.4500	0.6000	0.3634
3.	Institutional Development & Capacity Building	22.0000	20.3556	12.9149
4.	Improvement of National Account Statistics	1.3140	1.1200	0.7249
5.	Development of Social, Environment & Price Statistics	2.2510	1.1310	0.5288
6.	Improvement of Informal Sector Statistics & Publications	0.1175	0.0875	0.0365
7.	5 <sup>th</sup> Economic Census	8.3600	8.7485	5.6506
<b>Total CSO</b>		<b>37.2475</b>	<b>33.9416</b>	<b>21.6816</b>
National Sample Survey Organisation (NSSO)				
	Field Operation Division (FOD)			
8	Improvement of Informal Sector Statistics & Publications	3.0335	3.5310	3.1269
9	Strengthening of Field Survey Capability of NSSO	6.9086	8.3522	6.9586
	<b>TOTAL FOD</b>	<b>9.9421</b>	<b>11.8832</b>	<b>10.0855</b>
	Data Processing Division (DPD)			
10	Strengthening of Data Processing Capabilities of NSSO	7.4304	6.3227	4.5856
	Survey Design and Research Division (SDRD)			
11	Strengthening of Survey Design & Research Capabilities of NSSO	0.8900	0.9300	0.8637
	(ii) Post evaluation of sample surveys			
	Coordination and Publication Division (CPD)			
12	Grant in aid to States for carrying out NSS sample work in NER	4.0000	2.8500	1.8723
<b>TOTAL NSSO</b>		<b>22.2625</b>	<b>21.9859</b>	
<b>COMPUTER CENTRE</b>				
13	Strengthening of Data Processing, Storage and Dissemination of Computer Centre	<b>1.8800</b>	<b>1.3600</b>	<b>0.5587</b>
14	Grant in aid to ISI, Kolkata	<b>16.0000</b>	<b>13.8618</b>	<b>13.8618</b>
<b>P.I. Wing</b>				
16	Institutional Development & Capacity Building (Prog. Imp. Wing)	<b>6.0000</b>	<b>4.8507</b>	<b>2.1195</b>
<b>Total Statistics &amp; P.I.</b>		<b>83.3900</b>	<b>76.0000</b>	<b>55.6287</b>
17	MPLAD Scheme	<b>1580.0000</b>	<b>1580.0000</b>	<b>1451.5000</b>
<b>Grand Total</b>		<b>1663.3900</b>	<b>1656.0000</b>	<b>1507.1287</b>

2.2 The scheme-wise allocation of Budget Estimates, Revised Estimates and Actual expenditure during 2007-08 is as follows:

Sl. No.	Name of the Plan Scheme	2007-08			(Rs. in crore)
		BE	RE	Actual Expenditure	
<b>Centrally Sponsored Scheme</b>					
1	Basic Statistics for Local Level Development	5.0000	0.0100	0.00	
<b>Central Sector Scheme</b>					
2	India Statistical Strengthening Project (Modernisation of Statistical System in India)	1.0000	0.7200	0.559	
3	Addition/alteration to and Modernisation of Office Building	0.4000	0.40.00	0.4103	
4	Capacity Development of CSO	26.4000	25.2953	21.9191	
<b>Total CSO</b>		32.8000	26.4253	22.8884	
5	Strengthening of Data Processing, Storage and Dissemination of Computer Centre	1.6200	1.0848	0.6425	
6	Total Capacity Development of NSO	28.5000	16.9823	14.6341	
7	Grant in aid to ISI, Kolkata	26.0800	25.2376	25.2376	
<b>P.I. Wing</b>					
8	Institutional Development & Capacity Building (prog. Imp. Wing)	3.0000	3.2700	2.5986	
<b>Total Statistics &amp; P.I.</b>		92.0000	73.0000	66.0012	
9	MPLADS	1580.0000	1580.0000	1470.5500	
<b>Grand total</b>		1672.0000	1653.0000	1536.5512	

2.3 The Scheme wise Budget Estimates, Revised Estimates and expected expenditure during 2008-09 and the Plan budget status for 2009-10 of the Ministry of Statistics and Programme Implementation is as follows:-

Sl. No.	Name of the Plan Scheme	Rs. in crores	2008-09			(Rs. in crore)
			BE	RE	Expected expenditure	
		11 <sup>th</sup> Plan Approved Outlay (2007-12)	BE	RE	BE	
<b>Centrally Sponsored Scheme</b>						
1.	Basic Statistics for Local Level Development	*	5.0000	4.0900	3.4964	12.0000
2.	India Statistical Strengthening Project (Modernisation of Statistical System in India)	*	30.0000	4.9850	0.0000	100.0000
<b>Central Sector Scheme</b>						
3.	Capacity Development	3.4450	63.0000	52.4500	47.8665	80.0000
4.	Sixth Economic Census	0.9100				1.0000
<b>Total CSO</b>		4.3550	98.0000	<b>61.5250</b>	<b>51.3629</b>	<b>193.0000</b>
5.	Strengthening of Computer Centre	0.2000	2.5000	1.5300	1.3061	2.0000
6.	Grant in aid to ISI, Kolkata	1.2000	25.0000	18.7550	18.7550	30.0000
<b>P.I. Wing</b>						
7.	Strengthening, Monitoring and Evaluation for Projects & Programmes	0.1850	3.5000	3.1900	2.9678	4.0000
<b>Total Statistics &amp; P.I.</b>		5.9400	129.0000	<b>85.0000</b>	<b>74.3918</b>	<b>229.0000</b>
8.	MPLADS		1580.0000	1580.0000	1580.0000	1580.0000
<b>Grand total</b>		5.9400	1709.0000	<b>1665.0000</b>	<b>1654.3918</b>	<b>1809.0000</b>

#### **A. Shortfall in Plan Expenditure**

2.4 There has been huge shortfall in plan expenditure of the Ministry of Statistics and Programme Implementation in the preceding year, which is indicated as under:-

Year	Budgeted Expenditure	Actual Expenditure	Shortfall	(Rs. in crore) Percentage of Shortfall
2006-07	83.39	55.63	27.76	33%
2007-08	92.00	69.99	22.01	24%
2008-09	129.00	74.40	54.60	42%

2.5 On the issue relating to absorption of funds, the Secretary, Ministry of Statistics and Programme Implementation, while deposing before the Committee stated as under:-

“I should begin by acknowledging that my Ministry has had in the past, even in the immediate past, problems in absorbing the funds that have been allocated to it. A part of the problem is that as the statistical organization most of our costs are really manpower related cost. Salary and wages are an important component but cost are associated with going out to collect data.

In terms of the Plan expenditures, by and large the Planning Commission has been very gracious with us and has more or less always sided with the kinds of vision that we have had for the Ministry.

Last year, for instance, we had started this major programme of establishing a central training academy for statistics in Greater Noida. We expected that this would be completed by October last year and that all payments would have been made by 2008-09 itself. But unfortunately, as a Government organization, we are dependent upon other public sector agencies such as the CPWD and the National Building Construction Corporation; and the net result was that we were unable to inaugurate the building till February, but that was only an inauguration; it became functional only in April; and the payments are starting to be made now. So, there is a fairly substantial chunk of the budget which got pushed over into the current year.”

2.6 The Secretary further elaborated as follows:-

“.....we started working on a programme for strengthening all States statistical agencies in collaboration with the World Bank. This process unfortunately took a very long time..... Last year, Rs.30 crore had been provided by the Planning Commission under the expectation that we

would be able to begin the process last year itself. But that did not happen and we surrendered the entire amount of Rs.30 crore.....”

**B. Strengthening of Data Processing, Storage and Dissemination of Computer Centre**

2.7 The details of the Budget Estimates, Revised Estimates and actual expenditure for the years 2006-2007, 2007-2008 and 2008-2009 and Budget Estimates for 2009-2010 for Strengthening of Data Processing, Storage and Dissemination of Computer Centre under Plan head are as under:-

Plan	(Rupees in crore)		
Year	BE	RE	Actual
2006-07	1.230	0.710	0.103
2007-08	1.470	0.784	0.412
2008-09	2.500	0.153	0.830
2009-10	1.950	-	-

2.8 The Committee observed that huge allocations were made at the Budget Estimates stage during the years 2006-2007, 2007-2008 and 2008-2009 which were substantially lowered at the Revised Estimates stage and even thereafter , the funds were not fully utilized. On being asked to furnish the reasons therefor, the Ministry, in a written reply stated as under:-

“During 2007-08, provision was kept for procurement of user licences of COGNOS Software, which is required to give access to National and International users of National Data warehouse. However, the Direction Committee on National Data warehouse recommended that at the initial stage, access to the pilot project be given only to the users in the Ministry with existing COGNOS licences. The Computer Centre is acting as nodal agency in the matters of meeting IT needs of the Ministry. Provision of additional funds for meeting IT needs of other segments of the Ministry was made in the B.E. for the year 2008-09 including software for Intranet which was, however, procured only for Computer Centre on a pilot basis.”

## C. Basic Statistics for Local Level Development

Plan	(Rupees in crore)		
Year	BE	RE	Actual
2007-08	5.00	0.01	0.00
2008-09	4.50	3.80	3.14
2009-10	0.80	-	-

2.9 The Committee observed that huge allocation was made at the Budget Estimate stage during the years 2007-08 and 2008-09. which was substantially lowered at the Revised Estimate stages and even thereafter, the funds were not fully utilized. During the current year, Budget Estimates has been projected below 20% vis-à-vis Budget Estimates of the previous year. On being asked to furnish the reasons for the same, the Ministry, in a written reply stated as under:-

“In the 11<sup>th</sup> Plan, it was envisaged that a Centrally sponsored Scheme (CSS) for Basic Statistics for Local Level Development will be introduced for generating village level statistics on the data from the Panchayati Raj Institutions. The introduction of the CSS required approval of the Standing Finance Committee and Planning Commission. At the instance of the Planning Commission the scheme was started in 2008-09 in the form of a pilot project with a view to provide the Planning Commission with Statistical inputs regarding the types of data to be collected and identification of their sources. Accordingly, necessary allocation of funds was made during 2008-09 for the pilot project work in States/UTs covering approximately 500 Panchayati Raj Institutions in each and the budget head in question is meant for the same. The allocation earmarked for the head was proposed to be utilised for training of personnel related to the work, printing of schedules and instruction manuals, honorarium to data-recordists for data compilation work, development of software for data entry and processing, etc. The size of the allocation was in keeping with the fact that a large number of the villages were to be covered in approximately 500 Panchayati Raj Institutions in each of the States/UTs.

The allocation earmarked for the head in 2009-10 is meant to be utilized for spill over work of the previous year related to the aforesaid pilot project and development of web based application. However, the Centrally Sponsored

Scheme (CSS) for Basic Statistics for Local Level Development is also to be introduced during 2009-10, for which allocation of Rs.112 crore has been made under appropriate object heads of Demands for Grants of the Ministry of Statistics and Programme Implementation for 2009-10. The actual CSS will be introduced with effect from 2009-10 on the basis of the findings of the Pilot Survey and subsequent approvals as mentioned above. At present, the pilot project is being implemented in 32 States/UTs. Data collection work has already been completed by 7 States/UTs and is in progress in the others. Meanwhile, a software application has been developed for data entry, validation of data and generation of certain predefined reports. A training of district level statistical personnel from different States/UTs is scheduled to be held in August 2009 to familiarize them with the usage of the application software."

### **III. INDIA STATISTICAL STRENGTHENING PROJECT (ISSP)**

3.1 India Statistical Strengthening Project (ISSP) is aimed at building up a sound statistical system through which the ultimate benefits of the scheme would be in terms of providing a sound data support mechanism in respect of comparable statistical indicators. The objective of the ISSP sought to be achieved through this plan scheme is to strengthen the capacity of the State Statistical System keeping in view the recommendations of the National Statistical Commission (NSC 2001). In particular, the project would be designed to give effect to those NSC recommendations that concern the States/UTs, by strengthening the State/UT level Statistical System, in general and strengthening the role of the State Directorates/Bureaus of Economies and Statistics, in particular. The project is also designed to help build the required capacities at the State/UT level to collect, compile and disseminate relevant and reliable official statistics, to serve the twin objectives of planning and policy making at the State and Sub-State levels. The Ministry of Statistics and Programme Implementation is implementing this project in collaboration with the World Bank.

3.2 The India Statistical Strengthening Project (ISSP) was envisaged to be implemented with the assistance of the World Bank in two tiers viz Tier-I and Tier-II. Under Tier-I, which was a Central Sector Scheme, certain analytical studies and preparatory activities were undertaken and completed for which purpose funds to the tune of about Rs. 3.25 crores were reimbursed by the World Bank. Under Tier-II, the World Bank is expected to provide 80% of the total cost of the project of Rs. 650.43 crores, while the Government of India will bear the remaining 20% cost of the project. The negotiations for obtaining World Bank loan are yet to take place. Moreover, the necessary approval in this regard from the World Bank's Board can be sought only after the Cabinet Committee on Economic Affairs (CCEA) accords the requisite approval for the project. Therefore, no funds have been received so far for the Tier-II of the project from the World Bank.

3.3 The allocation made under ISSP since 2006-07 is given in the following table:-

Year	BE	RE	(Rupees in crore)
			Actual
2006-07	1.58	1.690	1.462
2007-08	1.00	0.720	.559
2008-09	30.00	4.985	-
2009-10	100.00	-	-

3.4 The reasons for under-utilisation of funds each year, as stated by the Ministry are as under:

**2006-07:** It was originally anticipated that the work of Phase-I(Tier-I) of the Study on 'Strengthening of State Statistical Bureaus' would get completed and soon thereafter the work of Phase-II will commence. The delay in the commencement of the Phase-II(Tier-I) of the study on Strengthening of State Statistical Bureaus was the main reason for less actual expenditure incurred during the year 2006-07.

**2007-08:** The planned National Consultants for the Phase-II (Tier-I) could not be appointed by the Government of India due to technical reasons. Only one consultant was appointed by the Government of India. Other two consultants were appointed and paid by the World Bank . Thus expenditure turned out to be less than the BE.

**2008-09:** It was expected that the necessary approval for the project would be accorded by the Planning Commission and Expenditure Finance Committee before negotiations with the World Bank for funds and the project would take off in 2008-09. The provision of funds in BE 2008-09 was kept in anticipation of the said approvals, which could not be obtained. The provision was, therefore, substantially reduced in the RE stage to a token amount.

**2009-10:** It is expected that the process of approvals for the project will be completed during 2009-10, the implementation would commence and funds utilized during the current year.

The Expenditure Finance Committee for appraisal of the scheme has cleared this project as a Centrally Sponsored Scheme (CSS) during the remaining part of the 11<sup>th</sup> Five Year Plan(2007-2012)."

3.5 The action taken note of the Ministry of Statistics and Programme Implementation on the recommendation made in the 70<sup>th</sup> Report of the Committee on the Demands for Grants (2008-09) of the Ministry on taking up the work of implementing the project in right earnest inter-alia reads as under:

“The Ministry of Statistics and Programme Implementation is pursuing the matter actively with the Planning Commission for finalizing the outlay for the entire 11<sup>th</sup> Plan. In the meantime the Ministry has engaged itself in preparatory work such as formulation of National Strategic Statistical Plan, formulation of the guidelines for the States to prepare State Statistical Plans and consultation with the State Governments to participate in the project. Besides, the process concerning the EFC for this project is being pursued.”

3.6 Regarding steps being taken to strengthen the Statistical system of the Country, the Secretary made the following submission during oral evidence:-

“....we had proposed two major statistical interventions – the first was that if you look at the Indian Statistical System, it is, by its design, a federated structure; that is, we have the Central Statistical Agency, which is the CSO; there are 42 Ministries and Departments who have their own statistical set up. And then, each State Government has independent statistical set up of its own. The job of my Ministry is to corroborate the statistical activity of this very widespread system. Our experience has been that the weak link in this chain is the state of the State statistical systems. There are some 5-6 States which have excellent statistical agencies; but the bulk of the States and UTs have serious problems in the quality and the interventions of their statistics.

Since much of the national statistics is aggregated by what comes to us from the States, we felt that there was no way that we would be able to improve the quality of our data systems until we strengthen the State statistical agencies. So, we started working on a programme for strengthening all States statistical agencies in collaboration with the World Bank. This process unfortunately took a very long time. There were two reasons for that. The first reason was that we have to have a fairly clear idea of what kind of intervention we wanted to make at the State level; and the second was that the World Bank itself was not very familiar with this kind of loans. They were much more comfortable with a project-based loan or a scheme-based loan, whereas we were talking about a somewhat different one. We were saying that we were not interested in whether or not computers have been put in place or manpower has been put in place; what we are interested in is the output. We are interested in seeing whether the data being put out is of the right quality; we were much more focused on the outputs than inputs and the World Bank was not particularly familiar with this nor for that matter we were prepared for that type of a thing. So, it took a long time.

.....In the meantime, we allowed the States to prepare for this; we have entered into an arrangement with the World Bank, where the World Bank is providing some funds to each of the participating States to prepare their own State plans for implementation of this larger project. It

is more a planning exercise that is being funded, for hiring the consultants, to examine the State system and to come up with a well defined concrete proposal about how they wish to spend the money.”

3.7 During the course of oral evidence, the Committee was informed that the Ministry had to approach the World Bank for an amount of about Rs.700 plus crore for the Project. In response to the view expressed by the Committee that this amount could have been allocated by the Government of India or the Ministry of Finance or Planning Commission, the Secretary *inter-alia* stated as under:

“...absolutely correct. This could have been done.”

3.8 In a written reply on the present status of the approval for the project, the Ministry have stated as under:-

- “(a) The ISSP has since been appraised by the Expenditure Finance Committee (EFC), which has recommended the proposal for implementation of the scheme viz. ‘India Statistical Strengthening Project’ as a Centrally Sponsored Scheme during the remaining part of the Eleventh Plan Period (2007-2012) at an estimated cost of Rs.650.43 crores (Rupees six hundred and fifty crores and forty three lakhs only), of which 80% would be funded through a World Bank Loan and remaining 20 % would be borne by the Government of India.
- (b) The Note for the CCEA on the project viz. ISSP has since been sent to the Cabinet Secretariat; with the request to have it placed before and got approved by the CCEA.
- (c) If and when the Project (ISSP) is accorded the requisite approval by the CCEA, the World Bank will be requested by the Government of India to formally seek and obtain the approval for the project from the Board of Executive Directors of the International Bank for Reconstruction and Development (IBRD).”

#### IV. SHORTAGE OF MANPOWER

4.1 The Secretary, Ministry of Statistics and Programme Implementation, while tendering evidence before the Committee stated as under in regard to the issue of shortage of manpower in the Ministry:-

“We have sanctioned posts in NSSO at the field level of 3200 people. Normally, for regular work, we do not hire anybody but when we are given some special study to be done by another Ministry, then for the purpose of special study, we would hire contract investigators. But lately, I think we had discussed this last year in front of this august Committee that in the NSSO field staff, we have serious recruitment problems so that at the beginning of this year we found ourselves in a position where out of total staff strength of 3200 we had more than 800 vacancies. So, we are finding it impossible to carry out the next round of survey which began from July this year. So, this year we have actually hired very large number of contract workers. But whenever we hire any contract workers, it is our own people who do the supervision. There is very close supervision done by the NSSO permanent staff.”

4.2 The Secretary further deposed as under:-

“.... The size of my sample has now remained unchanged for nearly 20 years despite the fact that population has grown. We tried to make adjustments that are necessary to make sure that the data quality does not get compromised too much. But the fact of the matter is that it cannot be done without eventually increasing the sample size. The real issue is the man power. We used to have a system earlier where we used to work very closely with the State statistical system using their man power to do a lot of work. But ever since the late 1990s when the financial crunch hit the State Governments, more States have actually abolished a large number of their statistical positions. The State Governments do not have the man power to carry out lot of activities which they were doing earlier. The second part is that our own staff strength in terms of the sanctioned strength has remained more or less constant. On that account, I cannot increase it. The actual recruitment has fallen. Large recruitment took place in the 1970s and people are retiring now. Over the next three to four years and over the last couple of years, we are going to see 100 to 200 people retiring every year from the NSSO. Despite the fact that we intend for 300 to 350 people from the SCC, they are unable to provide us with more than 100 to 120 people. We are not able to make up the backlog. So, more and more, we are forced to rely on contract investigators and that causes some problems with the quality of data. We are trying to correct it by more supervision but nevertheless, it will have some effect”.

4.3 Regarding efforts made to address the problems relating to shortage of manpower, the Ministry, in a written reply stated as under:-

“It is true that the size of first stage sampling units in the Surveys of NSSO has remained more or less same over the years mainly because of the constraints of limited manpower available. But this has never been a limiting factor for compromise on quality of estimates given up by NSSO surveys. There are continual modifications in the Survey Designs for the surveys so as to give the reliable estimates of the parameters at macro levels duly considering all relevant aspects including population at regional and sub-regional levels. The estimates of these parameters have been mostly found to be robust at State and all-India levels based on the sampling design adopted in surveys of NSSO. However, we do take recourse to augment the staff strength by way of appointing Investigators on contract basis as a short term measure to meet the actual requirement of sanctioned strength for the socio-economic surveys from time to time within the prescribed frame work of existing rules and regulations. Matter is also constantly pursued with the agencies like Staff Selection Commission for the regular appointment of the Investigators to fill up the vacancies. As and when some new surveys are taken up by the NSSO on demand, efforts are also made to create the additional staff positions and make the recruitment mostly on contract basis for effective conduct of the field work for such surveys. “

4.4 For addressing the problem of shortage of manpower, the Committee had in their 70<sup>th</sup> Report on the Demands for Grants (2008-09) of the Ministry of Statistics and Programme Implementation recommended inter-alia as follows:

“Ministry of Statistics and Programme Implementation (MoSPI) should address this problem in consultation with the Staff Selection Commission which is the recruitment agency of the cadre, if necessary by suitably modifying the eligibility criteria without compromising skill requirements. The Committee also feel that desirability of having campus recruitment, if necessary by amending recruitment rules should be examined.”

4.5 The action taken note of the Ministry furnished in this regard states inter-alia as under :

“Since the recruitment rules are to be framed as per the existing guidelines of Department of Personnel & Training, it may not be possible to revise the recruitment rules. In view of the 6<sup>th</sup> CPC recommendations, it is expected that the position may improve as the RRs will have to be modified in the light of the merger of scales.

The Committee has recommended Campus recruitment but even then the problem of exodus of incumbents to other jobs will remain.”

## **V. COLLECTION OF TIMELY UPDATED QUALITY STATISTICS**

5.1 The basic purpose of the Ministry of Statistics and Programme Implementation is to collect quality statistics on time.

5.2 On being asked as to whether there is any mechanism for a unified effective and efficient system for collection of timely quality statistics, the Ministry stated as follows:-

“Since the National Statistical System is a decentralized one in India, the collection and dissemination of official statistics rests with various Central and State level agencies. Most of the official statistics flows from the administrative process or as a result of administration of various statutes by agencies at different tiers of Government including quasi-government bodies. In view of such a decentralized system, there are inherent difficulties in having a unified and efficient system in all sectors and, therefore, the Ministry has adopted measures to bring in better coordination and understanding among the statistical agencies, such as COCSCO, High Level Committees, and Working Groups etc. The NSC is also expected to play a vital role in bringing out uniformity in concepts, definitions and practices.”

5.3 The Ministry further elaborated as follows:-

“In order to bring out reliable and timely statistics at national level for all the core sectors like Agriculture, Industry, Foreign Trade, Health & Family Welfare, Labour & Employment etc., the Ministry of Statistics & Programme Implementation (MOS&PI) collects statistics regularly from line Ministries through their printed publications, press releases and various reports. For the Ministries having their websites the information is taken from their websites directly to reduce the delay. The line Ministries collect data from States/Union Territories for release of data concerning their sectors. The MOS&PI also checks data for its consistency and reliability. In case of any inconsistency in time-series data, officers in line Ministries looking after the work are consulted. The data collected and

compiled through such mechanism are released in the form of three annual and one monthly publications viz. Statistical Abstract, India, Statistical Pocket Book, India in Figures and Monthly Abstract of Statistics.

MOS&PI also brings out a number of publications giving data on specific subjects like Energy, Environment, Gender Issues, and Twenty Point Programmes etc. As soon as the reports/publications are prepared, the same are uploaded on the Ministry's website so that the users can access the data concurrently.”

5.4 The Secretary, Ministry of Statistics and Programme Implementation while tendering evidence stated as under on the above issue:-

“The basic issue was that the administrative data system tended and still continues to work in silos. That is, the education department at the district level sends it up to the education department in the State which comes to the HRD Ministry here. There is no cross-connection happening so that at various levels of planning, whether the planning is at the Gram Panchayat, District or at the State level does the data actually come together? It comes up all the way to Centre and then CSO is told that you have to actually put all this data together which it can do but by that time the data has changed its character. We also found out that the only way to correct this is that if the aggregations take place at an earlier level. Maybe, we may not be able to do it immediately at the village level but at least at the district level the aggregation is to take place. So, that forms the first layer of check which requires the data systems of different Departments to be interconnected.

The basic idea is actually to try and get these cross connections. The second issue was that everybody in the State statistical system for any particular variable should be using the same definition. You should not have different people who use different definitions. So, it is essentially to support this organizational element that this project is designed. In terms of the modernization, in terms of information technology and all that, some of it is contained here because without it, we will not be able to do this cross connection. But most of that we will be funding on our own.”

## VI. MONITORING OF PROJECTS

6.1 The Project Monitoring envisages monitoring of all central sector projects costing Rs.20.00 crore and above. For the purpose of monitoring, the projects have been categorized as mega, major and medium category. While all projects are monitored on quarterly basis, the projects costing Rs.100.00 crore and above are monitored on monthly basis.

6.2 As per the Ministry's status report, 300 projects were scheduled for completion during the year 2008-09. By the end of the 3<sup>rd</sup> quarter of the year, another 112 projects were added for completion by March, 2009. Out of these 412 projects due for completion during the year, 89 projects have been commissioned and another 52 projects have been partially completed.

6.3 On being asked about the status of the projects, the Ministry has furnished the following information:-

- “(i) Only one project in the Petroleum Sector namely ‘Dabhol-Panvel pipeline project (GAIL)’ has since been completed. One project in Railway Sector namely, ‘Setting up East Coast Railway Zone at Bhubaneshwar’ has been added in the list of partially completed projects by the end of 4th quarter of the financial year 2008-09.
- (ii) 35 projects of the 271 projects have since been completed during the 4th quarter of the year 2008-09.
- (iii) The mandate of this Ministry is to monitor all on-going central sector projects costing Rs.20 crore and above. New projects are included for monitoring as and when approved by the administrative Ministries. Both new and old projects are monitored regularly on monthly/quarterly basis.
- (iv) The dates of completion (DOCs), as reported by the project agencies, are the basis for the list of projects to be completed during a particular financial year. Out of 271 projects scheduled for completion during 2008-09, only 35 projects have since been completed, with the balance 232 projects still under execution. There have been time overruns in the range of 1-180 months, and cost overruns of 5.13% in these projects.”

6.4 The reasons for the inordinate delay in completion of the ongoing 232 projects, mechanism for monitoring the effective execution of the projects and the steps taken to ensure timely completion of the projects so as to avoid such high cost and time overruns are given below:-

<b>Sl. No.</b>	<b>Sector</b>	<b>No. of Projects</b>	<b>Reasons for Delay</b>
1.	Atomic Energy	2	In the Atomic Energy the cost increase in projects is due to exchange rate variation and delay in supplies from foreign vendors. Delay in civil works is due to locational problems.
2.	Civil Aviation	19	Most of the projects in the Civil Aviation Sector are modernization projects. The main reasons for delay is availability of adequate land and funds causing delay in modernization of non-profit airports.
3.	Coal	19	A number of Coal projects are under expansion and these projects are being funded from internal resources of the Coal Companies which is causing constraint in timely completion of expansion projects. Since Coal projects are location specific, the problem of land acquisition and rehabilitation is a major constraint.
4.	Steel	18	In the Steel Sector, major modernization activities have been taken to expand the capacity of existing plants. Due to very heavy pressure on vendors and suppliers because of large construction activities all over the world, supplies are getting delayed. Delay in award and availability of suitable contractors for carrying out major activities is also causing delay in implementation.
5.	Petroleum & Natural Gas	13	The Refineries which are under expansion are facing supply problems from indigenous as well as foreign vendors. The refineries which are being expanded for clean fuel production are facing constraints in redesigning their fluidized catalytic units which require shut down of their plants for a longer period. In the development of oil exploration, projects encountered delays mainly due to geological problems.

6.	Power	8	The Power projects particularly, Hydro-electric projects are suffering delays due to law and order problems in the North East and in Kashmir. Some projects are also facing problems of geological surprises. Non-availability of contractors in difficult areas is posing a threat to timely completion of projects in Power Sector.
7.	Railway	23	The major problem of Railway Sector is the non-availability of adequate funds for large number of New Line, Gauge Conversion, Doubling projects. A number of projects are also facing land acquisition, rehabilitation problems due to lack of proper response from the State Governments.
8.	Road Transport & Highways	80	Projects are delayed mainly due to basic reasons like land acquisition, realignment of public utilities like water supply, power supply line etc. A number of projects have suffered due to lack of proper response from the State Government authorities. Some projects have been delayed due to delay and slow progress made by the contractors requiring award of the contract afresh.
9.	Telecommunication	28	In the Telecommunication Sector projects are delayed due to lack of proper coordination and in some cases timely availability of equipment and material. Since Telecommunication is very technology intensive, availability of required type of experts and material is also causing delays.
10.	Urban Development	8	The Urban Development projects are mostly of civil construction nature and they are being carried out by CPWD on behalf of the administrative Ministries. Improper contract monitoring and follow up causes delay in civil work projects.

The projects are monitored in detail by the concerned administrative Ministries and the specific problems of the project relating to contracts are discussed in the Standing Committees set up by the Ministries where the representative of the Ministry of Statistics and Programme Implementation

is also present. Besides this arrangement, the Ministry of Statistics and programme Implementation monitors major projects on monthly basis through the Flash Report monitoring system and medium projects on quarterly basis.”

6.5 As per the quarterly project implementation status report on central sector projects, the Information Technology sector has neither reported the outlay nor has shown any expenditure. On being asked as to how the Ministry would monitor the projects in terms of timely completion in the absence of requisite data, the MOSPI in a written reply, informed that two reported projects under Information Technology do not have either the input data relating to the outlay or the expenditure incurred. The matter has therefore been taken up with the concerned project authorities at a higher level.

6.6 In the context of the Road Transport & Highways section, the recent quarterly Project Implementation Status Reports on Central Sector Projects indicate that the Authorities have not reported the outlay, whereas the expenditure in the sector has been taken into account. The Ministry has informed the Committee that NHAI has not furnished the information in respect of Budget outlay for individual NHDP packages.

6.7 To a specific query made by the Committee regarding steps being taken by the Ministry against NHAI for not providing the requisite information, the Ministry has stated as follows:

“Despite repeated requests for eliciting information in respect of the budget outlay for individual NHDP packages, the NHAI has failed to furnish the requisite information in this regard. However, as far as calculation of cost overrun is concerned, it is computed as difference of the expenditure incurred for a particular package and its original project cost.

The Ministry of Statistics and Programme Implementation would be making efforts to elicit information from the NHAI in respect of the budgetary outlay for the individual NHDP packages through persuasive action.”

## VII. PRICE INDICES

7.1 The Secretary, Ministry of Statistics and Programme Implementation had assured the Committee that the Consumer Price Index (CPI – Urban) and Consumer Price Index (CPI -Rural) would be brought out soon. Earlier, in 2007 it was assured that the Price Index would be brought out by December, 2007 and later, during the year 2008, it was again assured that CPI (Urban) and CPI (Rural) would come up by December, 2008. The Committee had, in their 76<sup>th</sup> Report on action taken on the recommendations contained in their report on Demands for Grants (2008-09) expressed unhappiness on the issue of delay in abiding by the assurance given by Secretary in regard to CPI (Urban) and sought an explanation therefor. The action taken note furnished by the Ministry, however, indicated that no concrete progress has been made in this direction..

7.2 On being asked to furnish their comments on the above issue, the Ministry in a written note stated as under:-

“All out efforts have been made for compilation of new series of price indices i.e CPI(Urban) and CPI(Rural).The following is the status of compilation of these indices:-

Regular price collection in the Urban areas spread over to 310 towns covering all States/UTs has been taken up from May 2008 for finalisation of base year prices for compilation of CPI (Urban). Due to abnormal variations in the prices of specially food items during 2008,TAC on SPCL in its 47th meeting held on 4th Feb 2009,after detailed discussions, agreed in principle to have 2009 as the base year for CPI(Urban) and CPI(Rural) subject to further examination of price data pertaining to 2009.

As far as compilation of CPI (Rural) is concerned, on the request of CSO, the Department of Posts (DOP) has taken up the market survey work (identification of markets, shops/outlets and finalisation of item specifications) in the selected villages after training by NSSO (FOD). The work is in progress under the

supervision of NSSO (FOD). Monthly rural price data collection would be taken up after completion of market survey work.”

7.3 Regarding the maximum time required for collecting and compiling the data, the Ministry inter-alia replied as follows:-

“For CPI (Urban), price data are required for all the 12 months of the year 2009 for finalization of base year prices and these monthly price data are being collected presently. As regards to CPI (Rural), the market survey work is currently being conducted by the Department of Posts . It is expected that the two new price indices will likely to come out in 2010-11.”

7.4 As regards the proposals for improvement in the existing methodology for collection/compilation of price statistics, the Ministry stated as under:

“Present segment specific CPI numbers provide changes in the average prices of items consumed by particular segment of the population. For observing the behaviour of price variations in the items of goods and services consumed by the population in the urban and rural areas, a new broad based Consumer Price Index covering both the urban and rural population is needed.

In pursuance of the recommendation of the National Statistical Commission, requirement of policy makers and other users, CSO has taken a new initiative of compilation of CPI (Urban), CPI (Rural) and also national CPI to have a realistic projection of the Consumer inflation in the country.”

## VIII. ECONOMIC CENSUS

8.1 The Economic census is a periodic operation. The last (5<sup>th</sup>) Economic Census was conducted during 2005 but the final results could be released during May 2008.. The Economic Census mainly provides data pertaining to number of establishments and workers therein and their distribution according to different parameters (location i.e. Rural/Urban, Statewise, Districtwise, Blockwise, Having power, Agricultural/Non- agricultural, Perennial/Non-perennial, Ownership, Social group of owner, Registration, Source of finance etc.); type of establishments (Own account establishments, Establishments with hired workers); type of major economic activity, etc. especially for the unorganized sector of the economy. These data are used to prepare development/welfare plans for backward areas/regions by different agencies of the Govt. which ultimately benefit the common man.

8.2 Asked to furnish the reasons for taking an unduly long time in releasing the final results of the fifth economic census, the Ministry informed as follows:-

“The 5<sup>th</sup> Economic Census was conducted during 2005, which captured 41.83 million establishments throughout the country. About four (4) lakh enumerators were deployed to collect the information from these establishments canvassing about 23.5 million schedules. The provisional results of the Economic Census were released in June’2006. The delay in releasing the final results after the completion of the field work was mainly due to processing the huge volume of data using ICR technology, which was introduced for the first time. This required repeated error correction of scanned images by the State level officers deployed in regional computer centres of O/o Registrar General of India (RGI), which consumed considerable time. Moreover, the inter dependence of different agencies/organizations like State Governments, O/o RGI and Computer Centre of the Ministry, which tabulated the results, resulted in some delay.”

8.3 As regards the issue of completing and bringing out the sixth economic census during the eleventh plan period, the Ministry informed that ‘the preparatory work of Economic Census takes more than one year. The 6<sup>th</sup> Economic Census is expected to be conducted during 2011. The data processing and publication of final results may, however, spill over to the 12<sup>th</sup> Five Year Plan’.

## PART - II

### OBSERVATIONS/RECOMMENDATIONS

#### BUDGETARY ALLOCATION

1. There has been a huge shortfall in utilization of the budgeted expenditure of the Ministry of Statistics and Programme Implementation in the last three years. The shortfall witnessed in the Plan Expenditure as compared to the budgeted estimates has been to the extent of Rs. 27.76 crore (33%) in 2006-2007, Rs.22.01 crore (24%) in 2007-2008 and Rs.54.60 crore (42% - anticipated) in 2008-2009. Acknowledging that the Ministry had difficulties in absorbing the allocated funds, the Secretary, MOSPI attributed the problem faced in the recent period in particular, inter-alia to the delay in establishing the Central Training Academy for Statistics, and in implementing the World Bank aided programme for strengthening the statistical agencies of the States / Statistical system of the country i.e. India Statistical Strengthening Project (ISSP). What is worrisome to note is that the under utilization of the budgeted plan funds of the Ministry has been mainly on account of slippages in implementing schemes that have a significant bearing on improving the reliability and adequacy of statistics. There has been recurring and substantial under-utilisation of the Budget allocations under the plan head, Strengthening of Data Processing and Storage and Dissemination of Computer Centre, the entire allocated amount of Rs. 30 crore for the India Statistical Strengthening Project was surrendered in the last year; and the scheme, Basic Statistics for Local Level Development could not be taken up

for effective implementation, despite the substantial budgetary allocation made in the last two years i.e. 2007-08 and 2008-09. Given these facts, it is an imminent necessity on the part of the Government to undertake concerted action for ensuring timely completion of projects and schemes. It is also necessary on the part of the Government to undertake an effective exercise for identifying the shortcomings in the mechanism of budgetary planning and ensuring proper utilization of funds so as to avoid large variations in the Budget Estimates, Revised Estimates and actual expenditure. The Committee would like to be apprised of the concrete steps taken in this direction and their effectiveness in overcoming the shortcomings in a time bound programme.

#### **INDIA STATISTICAL STRENGTHENING PROJECT (ISSP)**

2. Significant budgetary allocations being made for the World Bank aided India Statistical Strengthening Project (ISSP) each year continue to remain underutilized and later surrendered due to the frequent rescheduling of the project. While the actual amount expended on the project was only Rs. 55.90 lakh during 2007-08, the budgeted amount was raised to Rs. 30 crore in 2008-09, which was left unutilized. Surprisingly, although the necessary approvals remain to be obtained for implementing the project, the budget allocation for the current year, 2009-10 has been enhanced to as much as Rs. 100 crore. Earlier, the Committee had, in their 70<sup>th</sup> Report on the Demands for Grants of the Ministry (2008-09) stressed on undertaking the project for implementation in right earnest. Lack of clarity on the part of the Ministry on the nature of intervention required for strengthening the Statistical systems of the States, and unfamiliarity of the World Bank in extending loans to such projects have

been cited by the Secretary, MOSPI as the factors responsible for the undue delay in implementing the project. The Committee are of the considered view that the project, with an approximate cost of Rs. 700-750 crore could very well have been financed by the Government thereby avoiding the prolonged and procrastinated discussions with the World Bank, a fact also agreed to by the Secretary. The ISSP being conceived with the aim of developing and strengthening the State statistical systems in terms of infrastructure facilities and providing reliable, timely and credible socio-economic statistics, the Committee expect the Ministry to urgently address the pending issues pertaining to conceptualizing the same for implementation with clarity, obtain necessary approvals, and ensure that the project is taken up for implementation without any further delay. The Committee desire to be kept apprised of the progress made in this direction. The Committee also expect that dependence on foreign or World Bank loans for such an important project should be avoided particularly in view of the fact that correct statistical data are extremely important for economic, social and strategic planning.

#### **SHORTAGE OF MANPOWER**

3. It is a matter of surprise and serious concern that the sample size for NSSO Surveys has remained unchanged in the last 20 years despite the manifold increase in population. As per the Secretary, MOSPI's submission, shortage of manpower has been cited as the main reason for the inability in increasing the sample size of the surveys. As stated by the Secretary, of the total staff strength of 3200, the existing vacancies were around 800, which amount to about 25% of the total sanctioned posts. The Committee had, in

their 70<sup>th</sup> Report on the Demands for Grants of the Ministry (2008-09) taken cognizance of the issue of shortage of manpower, for overcoming which, it was inter-alia suggested that the method of campus recruitment needs to be considered, and the issue of filling up the vacant posts pursued with the Staff Selection Commission. Apart from pursuing these approaches, the Committee would recommend that for overcoming the problem, the desirability of appropriately revising the methods and conditions of recruitment without compromising the requisite standards and relaxing the limit on filling the number of direct vacancies in a year need to be taken up by the Ministry with the Department of Personnel and Training (DOPT). The Committee trust that these measures combined with the policy of engaging qualified and trained investigators on contract would address the problem of shortage of manpower for carrying out the NSSO field surveys.

#### **COLLECTION OF TIMELY UPDATED QUALITY STATISTICS**

4. The Committee feel concerned to note that there is no efficient on-board system in the MOSPI for having quality and concurrent statistical data immediately. The entire planning process envisaged for the growth of the country becomes futile if the data is outdated, as the Planning Commission relies on the statistical data given by the MOSPI. With the information technology resources currently available, developing an effective system of coordination among various Ministries and State Governments for providing quality, reliable and concurrent data instantaneously would not be a difficult task. Building a strong statistical infrastructure with the national statistical system being in sync with the Central Ministries concerned and the State

Governments, without any vested interest in the administrative system, is an imminent necessity in the interest of the overall development and growth of the country. The Committee, therefore, urge the MOSPI to formulate a concrete and time bound action plan for developing a unified, effective and efficient system of collection of quality statistics and dissemination of data. The Committee desire to be apprised of the policy measures taken in this direction.

#### **MONITORING OF PROJECTS**

5. As per the information furnished to the Committee by the Ministry, 232 Central Sector Projects, scheduled for completion in 2008-09 have witnessed time-overruns ranging from 1 to 180 months, with substantial concurrent cost overruns as compared to the initially estimated project costs. Non-availability of adequate land and funds, issues relating to rehabilitation of the displaced etc., which have been mentioned as contributory factors to the delays in implementing projects is indicative of shortcomings in the pre-approval stage of the projects. These issues need to be addressed in the project conceptualization and approval stage. Other issues, which include, law and order problems, slow progress made by contractors, lack of proper response from the State Governments, etc. which have led to time-overruns and cost escalation of projects can be resolved by ensuring effective monitoring and initiating appropriate corrective measures, and by taking periodic and regular follow up action with the State Governments on issues concerning the States. Apparently, there are serious shortcomings in the mechanisms of inter-ministerial as well as inter-state co-ordination for resolving the problems in

implementing projects. The Committee desire that appropriate corrective steps are taken for addressing issues contributing to delays and cost escalation in implementing projects. The Committee also desire to be apprised of the action taken against those held responsible for the lapses which led to cost escalation and time overrun of the projects.

6. The Committee also feel distressed to note that despite repeated requests of the Ministry, eliciting information from NHAI in respect of the budgetary outlays for individual NHDP packages, the organization has failed to furnish the requisite information in this regard. The Committee desire that the Ministry of Statistics and Programme Implementation conveys the Committee's displeasure in this regard to the nodal Ministry of the NHAI i.e. the Ministry of Road Transport and Highways. The Committee expect a detailed explanation from the nodal Ministry of NHAI for not furnishing the information essential for monitoring implementation of the projects.

#### PRICE INDICES

7. Despite the repeated assurance given to the Committee by the Secretary, Ministry of Statistics and Programme Implementation, the process of compiling and bringing out separate Consumer Price Indices for urban and rural areas [CPI (Urban) and CPI (Rural)] is yet to materialize. Earlier, in 2007, the Secretary, MOSPI had assured the Committee that the indices would be readied for release by the end of the year, which was later shifted to end of 2008. Now, as per the information furnished by the Ministry, the indices are expected to be brought out in 2010-11. The inordinate delay in formulating the

Consumer Price Indices and the abnormal variations witnessed in the prices of food items in particular has necessitated shifting the base year of the proposed indices to 2009. Evidently, no serious efforts appear to have been made for overcoming the problem of shortage of manpower for carrying out the market surveys for collecting data for creating the indices. Having a realistic projection of the consumer inflation in the country being an urgent necessity, the Committee expect that the Ministry would, at least now, take stringent measures for expediting the work of compilation of the separate Consumer Price Indices for urban and rural areas.

### **ECONOMIC CENSUS**

8. The Committee note that too much time is taken in releasing the final results of the Economic Census Surveys. While the 5<sup>th</sup> Economic Census was conducted during 2005, the final results of the survey were released only during May, 2008. A long time lag in releasing the results of the economic census would defeat the essence and purpose of the survey data by making it outdated. As the data is used in formulating developmental/welfare oriented plans and programmes, the Committee recommend that the process of releasing the economic census should be done as early as possible. The Committee hope that the 6<sup>th</sup> Economic Census which is currently being undertaken would be expedited and completed during the 11<sup>th</sup> Five Year Plan itself.

New Delhi;  
20 November, 2009  
29 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 15th 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)**

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**Part II**  
**(1130 to 1230 hours)**

**WITNESSES**

**Ministry of Statistics and Programme Implementation**

1. Dr. Pronab Sen, Chief Statistician of India and Secretary
2. Smt. Lalitha Kumar, Principal Adviser
3. Shri S.K. Das, Director General, CSO
4. Shri S.C. Seddey, DG & CEO, NSSO
5. Shri Chaman Kumar, AS & FA (S&PI)
6. Shri Ramesh Kolli, Addl. Director General
7. Shri J. Dash, Addl. Director General
8. Dr. Rajiv Mehta, Addl. Director General
9. Shri A.K. Yogi, Addl. Director General
10. Smt. Madhu Bala, Addl. Director General
11. Shri Vijay Kumar, Addl. Director General
12. Shri Arvind Kumar, Joint Secretary

3. The Committee heard the representatives of the Ministry of Statistics and Programme Implementation in connection with the examination of Demands for Grants (2009-10) of the Ministry. Members posed questions to the witnesses, which inter alia related to the Demands for Grants (2009-10) of the Ministry, Statistical system of the States/Union Territories, World Bank aided programme for strengthening the Statistical System of the States and Union Territories, proposal to accord statutory status to the National Statistical Commission, manpower problems of the Ministry, need to strengthen the statistical data collection system, criteria for assessing the BPL population etc. The Chairman directed the witnesses to send written replies in response to the questions for which information was not readily available.

A verbatim record of proceedings was kept.

**Part III**  
**(1230 to 1415 hours)**

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The Committee then adjourned.

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\*\*\* Does not pertain 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/modifiction :-

- (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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