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STANDING COMMITTEE ON FINANCE
(2017-18)

SIXTEENTH LOK SABHA

MINISTRY OF PLANNING

[Action taken by the Government on the recommendations contained in Forty-Eighth Report of the Standing Committee on Finance on **'Demands for Grants (2017-18)]**

FIFTY-FIFTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

December, 2017/ Agrahayana, 1939 (Saka)

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Presented to Lok Sabha on 20 December, 2017

Laid in Rajya Sabha on 20 December, 2017

LOK SABHA SECRETARIAT
NEW DELHI

December, 2017 / Agrahayana, 1939 (Saka)

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COMPOSITION OF STANDING COMMITTEE ON FINANCE – 2017-18

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2. Shri Rajesh Ranjan Kumar - Director
3. Shri Ramkumar Suryanarayanan - Additional Director
4. Shri Tenzin Gyaltsen - Committee Officer

INTRODUCTION

I, the Chairperson of the Standing Committee on Finance, having been authorized by the Committee, present this Fifty-fifth Report on action taken by Government on the Observations / Recommendations contained in the Forty-eighth Report of the Committee (Sixteenth Lok Sabha) on Demands for Grants (2017-18) of the Ministry of Planning.

2. The Forty-eighth Report was presented to Lok Sabha / laid on the table of Rajya Sabha on 17 March, 2017. The Action Taken Notes on the Recommendations were received from the Government *vide* their communication dated 2 June, 2017.

3. The Committee considered and adopted this Report at their sitting held on 16 November, 2017.

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

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

NEW DELHI
18 December, 2017
27 Agrahayana, 1939 (Saka)

DR. M. VEERAPPA MOILY
Chairperson
Standing Committee on Finance

REPORT

CHAPTER – I

This Report of the Standing Committee on Finance deals with action taken by Government on the recommendations/observations contained in their 48th Report (Sixteenth Lok Sabha) on Demands for Grants (2017-18) of the Ministry of Planning which was presented to Lok Sabha / Laid in Rajya Sabha on 17 March, 2017.

2. The Action Taken Notes have been received from the Government in respect of all the 7 recommendations contained in the Report. These have been analyzed and categorized as follows:

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

Recommendation Nos. 1, 2,3, 4,5 and 7 (Total 6)
(Chapter- II)

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

NIL (Total NIL)
(Chapter- III)

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

Recommendation Nos. 6 (Total 01)
(Chapter -IV)

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

NIL

(Total - NIL)
(Chapter- V)

3. The Committee desire that the replies to the recommendations/observations contained in Chapter-I may be furnished to them expeditiously.

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

Recommendations (Serial Nos.4 & 5)

Development Monitoring and Evaluation Office(DMEO)

5. The Committee noted that the provisioning for a new scheme of Development Monitoring and Evaluation Office (DMEO) was done to establish the same as an attached office of the NITI Aayog on 18th September, 2015, by merging the erstwhile Programme Evaluation Office (PEO) and Independent Evaluation Office (IEO). In the fiscal 2016-17, a sum of Rs.13.40 crore was allocated for the said scheme at Budget Estimate stage, however, the actual expenditure stood at Rs.8.2 crore only. Further, the substantial allocation and underutilization in the beginning of an initiative and consequent fluctuation needs to be appraised forthwith. The Committee were unable to understand as to how the DMEO was going to be a different organization/office from the previous Independent Evaluation Office (IEO) and Programme Evaluation Office (PEO). The Committee, nevertheless, desired that the DMEO in due course should strengthen and reinforce the evaluation process and bring to fore not only the disabilities and shortcomings of various programmes and schemes but also suggest and advise on "way forward". The DMEO should, therefore, be able to evaluate and recommend positive changes and proper resource utilisation while highlighting the steps to be taken for better implementation and outcome. The Committee took cognizance of the announcement made by the Hon'ble Finance Minister that the Government would introduce outcome based monitoring of expenditure" operated by NITI in some sectors, desired the NITI to come forward with a detailed structure of the initiative at the earliest and share the gist of the same with the committee. Furthermore, it remained to be seen as to how the "outcome based monitoring of expenditure" would be more appropriate vis-à-vis other expenditure monitoring methods. The Committee were curious to know, in case of advantages of outcome monitoring methods, whether the same would also be extended to circumscribe other schemes as well to strengthen institutional and public

accountability of flagship schemes. The Committee desired to be kept abreast of the same.

6. In their Action Taken Replies the Ministry of Planning have submitted as follows:-

> "It is submitted that the main reason for underutilization of the funds allotted is the inability of the Development Monitoring and Evaluation Office (DMEO) to recruit staff against the vacant posts inspite of all the efforts made by the office to fill in these vacancies. The vacancy position as on 21.03.2017 is 71 (45.36%) out of the total 157 posts. It is also submitted that the office expenditure has increased to Rs.10.60 crore as on 21-Mar-2017 against the Revised Estimate allocation of Rs.11.04 crore. Purpose behind the establishment of DMEO was that PEO and IEO were carrying out the same activity i.e. programme evaluation which had the possibilities of duplication of work and thus, wastage of precious resources. The DMEO was established as an attached office of the NITI Aayog to ensure independence and credibility in DMEOs work. Further, the DMEO‟s mandate has been expanded to monitoring of the implementation of Central Government programmes and initiatives in addition to conducting impact evaluation of the Central Government programmes. The observation of the Hon'ble Committee has been noted. However, it is added that the Evaluation Reports produced by DMEO and its predecessors always had not only identified the problems and ineffectiveness in the programme design and its implementation processes, they also carried suitable recommendations to rectify those issues. The final actions on the evaluation findings and recommendations are taken by the programme implementing Ministries/Departments. As advised by the Hon'ble Committee, the DMEO is also taking suitable actions to strengthen the organization and its evaluation processes to make it world class and vibrant monitoring and evaluation organization. NITI Aayog in consultation with Ministries had finalized the Output Outcome Framework which contained measurable outcomes for each scheme and also physical outputs consistence with financial resources. This outcome budget is now an integral part of the expenditure budget document. NITI Aayog has been mandated to monitor the Outcome Budget of various Central Ministries/Departments.

7. The Committee note that the Development Monitoring and Evaluation Office (DMEO) was established as an attached office of NITI by merging the erstwhile Programme Evaluation Organisation (PEO) and Independent Evaluation Office (IEO) due to overlapping of work profile and responsibilities. The Committee further note that its mandate has been supplemented to include monitoring of Central Government programs and to conduct impact evaluation thereof. The Committee do not subscribe to the reasoning given by NITI with regard to the under utilisation of funds and are of the view that the premise given for it seems to be ambiguous. The Committee find it difficult to contemplate as to how the important functions of Development Monitoring and Evaluation Office (DMEO) as outlined by NITI are being performed with scarce man power and expertise. The Committee therefore reiterate that NITI should fast track all its pending tasks with regard to Development Monitoring and Evaluation Office (DMEO) so that it can perform its mandate of strengthening and reinforcing Government programmes and initiatives. The Committee further desire that the sundry issues regarding under utilisation of funds may be resolved forthwith as any discrepancy on part of NITI looks unbefitting upon its role as a 'premier think tank of the government'.

Recommendation (Serial No.6)

Twelfth Five Year Plan (2012-17) and Mid Term Appraisal (MTA)

8. The Committee had expressed their displeasure in the previous report on Demands for Grants(DFGs) with respect to the lackadaisical approach and inability of NITI to share any information with the Committee on the issue of Mid Term Appraisal (MTA) report. They were dismayed to know that till last year, NITI had only prepared a draft appraisal document with less than a year of the Plan period left. The Committee were informed during the last year's Demands for Grants(2016-17) that a decision was taken in February, 2015 to the effect that NITI would undertake Mid Term Appraisal (MTA) of the 12th Five Year Plan with a view to incorporate the shared vision of national development and important initiatives of the Central Government so that they may be implemented in last two years of the Plan. The Committee were not at all convinced by this specious reply of the Ministry on a matter of significant importance and

consequence. They, therefore, desired that not only be this exercise concluded at the earliest, an initiative on the similar lines of Mid Term Appraisal(MTA) may be incorporated within the working of NITI as a time bound and mandatory practice. The Committee noted that 12th Five Year Plan is in its last fiscal (which ends in March 2017) and the Ministry has envisaged a vision document which anticipates to go beyond the traditional areas and cover aspects of internal security/defence etc.; however, details were not provided regarding the budgetary/financial allocation to be made for the same. The Committee also desired that an assessment of performance achievement of both physical and financial targets laid out in the 12th Plan and the Annual Plans should be clearly brought out. The Committee would also direct the NITI to submit the assessment (with respect to MTA and 12th Five Year Plan) to the Committee at the earliest.

9. In their action taken reply the Ministry of Planning have submitted as follows:-

> "Pursuant to the decision taken in the First Meeting of the Governing Council of NITI Aayog held on 8th February, 2015, the appraisal of the 12th Five Year Plan was undertaken by NITI Aayog. The Theme Chapters of the draft Appraisal Document of 12th Five Year Plan were prepared according to the Union Budget 2016-17 and printed. Further, Draft Appraisal Document was circulated to all the concerned Central Ministries/Departments for vetting of facts and figures. After incorporating the modifications suggested by the Central Ministries/Departments, the Appraisal Document was finalized and placed before the Members of the Governing Council of NITI Aayog in its meeting held on 23.04.2017. So far as the Vision Document is concerned, NITI Aayog has set out the new approach which envisages a 15 year long term vision, accompanied by a 7 year strategy and a 3 year action agenda. An outline of the draft Action Agenda has been prepared with inputs from the States, covering a gamut of sectors. The period of the Action Agenda coincided with the period of the 14th Finance Commission's award. Information with respect to financial achievement of 12th Plan resources as provided for appraisal of 12th Plan is as under:

Financing the Twelfth Plan

The Twelfth Plan had estimated the total resources available for financing the Plan at Rs.80.50 lakh crore (at current prices), from the Centre and States put together. This translated to a figure of 11.8 per cent of expected GDP over the five-year period. In the first three years of the Twelfth Plan, for the Centre and the States combined, it is estimated that the total available financial resources for the Twelfth Plan were Rs.35.61 lakh crore (at current prices), amounting to 10.5 per cent of GDP. It is not feasible to expect that the entirety of the balance, about 56 per cent of the originally estimated total Plan resources, would be available in the remaining two years of the Twelfth Plan. The Twelfth Plan had visualized a 0.83 percentage point of GDP increase in Plan resources from the level of 10.97 per cent in the Eleventh Plan realization to 11.80 per cent in the Twelfth Plan projection. Of this, the Centre‟s resources were expected to increase by 0.39 percentage points of GDP while that of the States to go up by 0.44 percentage points. It is, however, to be noted that the increase in total Plan resources amounting to 0.83 percentage points of GDP (were to be more than financed out of a higher Balance from Current Revenues - BCR), was expected to reach 1.88 percentage points of GDP in the Twelfth Plan compared to the Eleventh Plan realization (-0.61 percentage to GDP). It needs to be noted that the Eleventh Plan had a slightly positive BCR amounting to 0.41 per cent of GDP. This was visualized to improve to 3.29 per cent of GDP in the Twelfth Plan. Of the total of 3.29 percentage points of GDP flowing out of BCR, 1.88 percentage points was expected from the Centre while 1.41 percentage points from the States. In other words, the objective was not only to raise the rate of economic growth in an inclusive fashion by increasing the size of the Plan with respect to GDP, but also to do so in a fashion that did not depend on the issuance of more government debt, and in fact was consistent with a reduction in the extent of deficit financing to fund expenditure, including Plan expenditure. However, slippages on the revenue account of the Centre began to surface from the very beginning year of the Twelfth Plan, that is, 2012–13. Thus, as against the Twelfth Plan estimate of the Centre's BCR at 1.88 per cent of GDP, the figures for 2012-13 to 2015-16 RE are negative and ranges between (-) 0.04

and (-) 0.35 per cent of GDP were undoubtedly much lower than the target. However, it showed some improvement at 0.33 percent in 2016-17 (BE). Improvement in the BCR would depend on higher growth momentum in the Indian economy consistent with stability in the world economy. In case of the States, it is observed a reverse situation. As against an estimated BCR of 1.4 percent of GDP in the Twelfth Plan, the actual for 2012–13, 2013-14 and 2014-15 (BE) were above the target. Therefore, it is likely that the target for the Twelfth Plan for States would be realized. The resources of the Centre flowing from BCR, that is the primary source of non-debt funds available to the government, has fallen so sharply, it follows that the ability to persist with Plan expenditures has been restricted from the financing side. This is notwithstanding the higher borrowings. The borrowings of Centre were projected at 3.35 per cent of GDP in the Twelfth Plan. However, Centre's borrowings [including net Miscellaneous Capital Receipts (MCR)] increased over the plan period above the projected, to average around 3.84 percent of GDP (including 2016-17 BE). While the pressure from a weaker BCR at the Centre has reduced the pool of resources for financing the Twelfth Plan, Central Assistance to the States has risen by a greater amount than what was originally projected. During the Plan period, the amount of Central Plan Assistance provided to the States and Union Territories (UTs) aggregated to 111 per cent of the Plan projections at current prices, as against the Gross Budgetary Support (GBS) available for the Central Plan, being only 52 per cent of the targeted amount. From 2014-15, Central Assistance to State Plans also includes Centrally Sponsored Schemes (CSS). The re-structuring of Centrally Sponsored Schemes (CSS) and bringing them to the umbrella of Central Assistance to the States & UT Plans is the major reason behind this increase. However, as the Fourteenth Finance Commission's recommendation for increase in net tax devolution from 32 percent to 42 percent has been accepted by the Union Government which has provided additional unconditional resources to States in 2015-16 & 2016-17(BE). The Central Assistance to State Plans (CASP) has been resized to account for this while, the GBS to Central Plan is slated to rise by a hefty 36 and 18 per cent in 2015-16 (RE) and 2016-17 (BE), respectively. Thus it indicates overall rise in resource allocation for plan schemes. Resources from Public Sector Enterprises (Centre) including Internal and Extra Budgetary Resources (IEBR) amounted to 87 per cent of the targeted amount during the plan.

Table 1 shows the projected and actual resources position of the centre as proportion of GDP. The table shows the average realization of the Plan as 4.53 percent of GDP as against projection of 6.35 percent. During this period, BCR as well as the GBS to Central Plan are less than the projected level. Higher devolution of taxes to States from 32 to 42 percent during 2015-16 RE & 2016-17 BE as recommended by the 14th Finance Commission has resulted in less availability of resources under BCR. Less GBS to Central Plan is mainly due to restructuring of CSS from FY 2014-15 whereby it has shifted from GBS to Central Plan to CASP.

Table 1: Twelfth Plan Projection and Realization of Resources of the Centre

(per cent of GDP)

Sl. No.	Source of Funding	11th Plan Realization (2007-12)	Twelfth Plan Projection (2012-17)	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Actual)*	2015-16 (RE)	2016-17 (BE)	Average Realization (2012-17)
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*	*(10)*
1	Balance	-0.61	1.88	-0.35	-0.04	-0.06	-0.05	0.33	-0.03

	from Current Revenues (BCR)								
2	Borrowings including net Miscellaneous Capital Receipts (MCR)	5.06	3.35	4.49	4.03	3.77	3.57	3.32	3.84
3	Gross Budgetary Support (GBS) to Plan (1+2)	4.69	5.23	4.14	4.00	3.70	3.52	3.65	3.80
4	Central Assistance to States and UTs	1.26	1.26	1.09	0.99	2.17	1.59	1.61	1.49
5	Gross Budgetary Support for Central Plan (3-4)	3.43	3.97	3.05	3.00	1.54	1.92	2.05	2.31
6	Resources of Public Sector Enterprises	2.53	2.38	1.94	2.32	1.83	2.37	2.64	2.22
7	Resources for Central Plan (5+6)	5.96	6.35	4.99	5.32	3.37	4.29	4.69	4.53

Source: Twelfth Plan Document & Union Budgets
*Central Assistance to the State and UT Plans includes the Centrally Sponsored Schemes w.e.f. 2014-15.
Note: RE – Revised Estimates, BE – Budget Estimates.

It is pertinent to note that the borrowings of the Centre during the plan is higher than the projected level (3.35%) which means that the objective of funding a larger Plan size through the generation of non-borrowed resources has not materialized. Some of the shortfall in non-borrowed resources has been offset by larger than envisaged borrowings, in order to maintain GBS at a level that was higher than could have been supported from the realized BCR, supplemented by disinvestment proceeds.

Table 2 shows the absolute numbers for the Twelfth Plan as originally projected and as realized during the Plan computed at current prices. In this framework, the order of shortfall in resource generation is significantly larger than when it is viewed as a proportion of the size of the economy. The estimates that have been made here suggest that the GBS for the Central Plan for the duration of the Twelfth Plan at current prices may be around 76 per cent of

Gross Budgetary Support (GBS). While share of BCR and Borrowings in GBS in the Twelfth plan were projected at 39 per cent and 61 per cent respectively, due to lower growth momentum, the realization are estimated at (-)0.18 per cent and 100.18 per cent.

Table 2: Twelfth Plan Projection and Realization of Resources of the Centre

(Rs. Crore at current prices)

Sl. No.	Source of Funding	Twelfth Plan Projection (2012-17)	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Actual)*	2015-16 (RE)*	2016-17 (BE)*	Realization (2012-17)	Realization Relative to Plan Target (%) (2012-17)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Balance from Current Revenues (BCR)	1387371	-35074	-4316	-7921	-6585	49614	-4282	-0.31
2	Borrowings including net Miscellaneous Capital Receipts (MCR)	2181255	448699	457643	470565	483782	500396	2361084	108.24
3	Gross Budgetary Support (GBS) to Plan (1+2)	3568626	413625	453327	462644	477197	550010	2356802	66.04
4	Central Assistance to States and UTs	857786	108886	112849	270829	216108	241900	950572	110.82
5	Gross Budgetary Support for Central Plan (3-4)	2710840	304739	340478	191814	261089	308110	1406230	51.87
6	Resources of Public Sector Enterprises	1622899	193737	263095	229067	321618	398139	1405656	86.61
7	Resources for Central Plan (5+6)	4333739	498476	603573	420882	582707	706248	2811886	64.88

Source: Twelfth Plan Document & Union Budgets

*Central Assistance to the State and UT Plans includes the Centrally Sponsored Schemes w.e.f. 2014-15.

Note: RE – Revised Estimates, BE – Budget Estimates.

The position of State Resources projected and actual, expressed as a proportion of GDP is given in Table 3. The States Resources have also been compressed during 2012-13, but by a smaller amount. Thus, the resources available from BCR, which were projected at 1.41 per cent of GDP for the

Twelfth Plan were actually larger in 2012-13, 2013-14 and in 2014-15 AP. The average for the three year period 2012–2015 is estimated at 1.63 per cent of GDP, which is higher than what was projected. The resources from PSEs are estimated to be marginally lower, while Central Assistance is significantly higher in 2014-15 BE than the projected level. This is also due to reclassification of Centrally Sponsored Schemes as Central Assistance to State plan. It was a major decision of the Union Government to re-structure and re-classify the Centrally Sponsored Schemes to transfer the resources to States Government through their consolidated fund which ultimately gives a higher responsibility to States to utilize these funds in a more transparent way. Borrowings by State Governments in 2012–13 were slightly lower, but higher in 2013-14 LE and 2014-15 BE. However, for the first three years as a whole, borrowings by State Governments were around 2.15 per cent of GDP, which is marginally lower than the 2.22 per cent projected in the Twelfth Plan.

Table 3: Twelfth Plan Projection and Realization of Resources of the States (Including Delhi & Puducherry)

(per cent of GDP)

Sl. No.	Source of Funding	Twelfth Plan Projection (2012-17)	2012-13 Actual	2013-14 LE	2014-15 AP	Average (2012-15)
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*
1.	Balance from Current Revenues (BCR)	1.41	1.78	1.47	1.63	1.63
2.	Resources of PSEs*	0.56	0.38	0.56	0.49	0.48
3.	Borrowings including Miscellaneous Capital Receipts (MCR)	2.22	1.83	2.29	2.31	2.15
4.	State's Own Resources (1+2+3)	4.19	4.00	4.32	4.43	4.25
5.	Central Assistance (grant)	1.26	1.14	1.23	2.59	1.65
6.	Aggregate Plan Resources (4+5)	5.45	5.13	5.56	7.03	5.91

*Includes resources of local bodies. Note : LE – Latest Estimates, AP – Annual Plan.
Source: Twelfth Plan Document, Book of Estimates of State for Annual Plan 2014-15 & Scheme of Financing of States for 2014-15.

The States resource position in absolute terms (at current prices) is given in Table 4. Thus, for the first three years of the Plan, the aggregate resources available for States and Union Territories (with legislature) amounted to 5.91 per cent of the GDP as against the projected figure of 5.45 per cent. However, in financial terms, and at current prices, the sum of aggregate Plan resources available to the States in the first three years of the Plan stood at 54.7 per cent of the Twelfth Plan total. It would be possible to achieve the twelfth plan projection, if there is significant improvement in balance from current revenue and availability of higher GBS due to higher growth in the economy during 2015-16 and 2016-17. However, it needs to be recognized that the extent of the shortfall at the level of the States would be somewhat less than the likely shortfall for the Centre. The principal reason for the differential movement in financial resources, available to the Centre and in the States, flows from several factors. First, the burden for Assistance for Natural Calamities in States was borne largely by the Centre and thus was felt on the Centre's finances. Second, the large increase, above the anticipated subsidies, particularly in fertilizer, fuel, as well as food, was also borne by the Centre. Third, the Centre's revenue streams were more variable depending more on underlying economic conditions and to that extent it took a larger hit because of the deterioration in these economic conditions on account of the global crisis.

Table 4: Twelfth Plan Projection and Realization of Resources of the States (Including Delhi & Puducherry)

(Rs. Crore at Current prices)

Sl. No.	Source of Funding	Twelfth Plan Projection (2012-17)	2012-13 Actual	2013-14 LE	2014-15 AP	Realization (2012-15)	Realization relative to Plan Target (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Balance from Current Revenues (BCR)	959979	177862	166871	206528	551261	57.42
2.	Resources of PSEs*	380319	38276	63492	61925	163693	43.04
3.	Borrowings including Miscellaneous Capital Receipts (MCR)	1518301	182990	182990	292688	735948	48.47
4.	**State's Own Resources (1+2+3)**	**2858599**	**399129**	**490633**	**561141**	**1450903**	**50.76**
5.	Central Assistance (grant)	857786	113782	139799	327993	581574	67.80
6.	**Aggregate Plan Resources (4+5)**	**3716385**	**512911**	**630432**	**889134**	**2032477**	**54.69**

*Includes resources of local bodies. **Note:** LE – Latest Estimates, AP – Annual Plan.
Source: Twelfth Plan Document, Book of Estimates of State for Annual Plan 2014-15 & Scheme of Financing of States for 2014-15.

10. The Committee have time and again expressed their displeasure in their previous reports on Demands for Grants with respect to the inability of NITI to share any information on the issue of Mid-Term Appraisal (MTA) report. The Committee are not convinced by the equivocal reply of NITI on a matter of significant importance. They would therefore reiterate that an assessment of performance and achievement of both physical and financial targets laid out in the 12th Five Year Plan (and Annual Plans) should be clearly brought out and the exercise thereof be concluded at the earliest. The Committee are of the view that in view of the seemingly lackadaisical approach of NITI especially with respect to the Mid Term Appraisal of 12th Five Year Plan, the proposed vision document envisaging long term vision spanning 15 and 7 years would seem rather farfetched. The Committee thus cannot help deploring the indifferent

approach of the NITI on the issue of non-furnishing of the Mid Term Appraisal report. The Committee would expect to be apprised of the progress in the matter and the follow-up measures initiated thereupon at the earliest.

CHAPTER II

RECOMMENDATIONS / OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Serial No. 1)

Furnishing of documents:

The Committee in their 12th and 31st Report on Demands for Grants had made critical observation regarding non-furnishing of the Budgetary Documents, viz. Outcome Budget, Annual Reports etc. to the Committee. The Committee are constrained to note that this year too the Ministry of Planning have failed to lay the Detailed Demands for Grants and Annual Report to the Parliament in 1st part of the Budget Session i.e. before the recess, thereby delaying the process of examination of the Demands by the Committee. The Committee could thus take it up for detailed examination only after the House reconvened (after the recess) when the Detailed Demands were laid in the House by the Ministry. The Committee take a serious view of such laxity and delay in providing budgetary documents, particularly detailed Demands for Grants, which defeats the purpose of the budgetary process as it leaves a short period for a comprehensive and timely scrutiny by the Departmentally-related Standing Committee. The Committee would admonish the Ministry of Planning (NITI Aayog) for their laxity and would caution them to be more diligent and alert in dealing with Parliamentary process while furnishing their related documents.

Reply of the Government

Residual restructuring, staffing and streaming of activities of NITI Aayog were underway during 2016-17. In the process, the publication of Annual Report 2016-17 was delayed. All efforts have been made to streamline the activities and there would be no such delay in the future. The observations of the Hon'ble Standing Committee on Finance have been noted for strict compliance. Ministry of Planning will furnish the Detailed Demands for Grants in time in future.

[Ministry of Planning O.M. No. F.18/3/2017-Parl. dated 27.07.2017]

Recommendation (Serial No. 2)

Budgetary Allocations

The Committee note that the total budgetary allocation of Ministry of Planning for the year 2017-18 is Rs. 252.52 crore under the Plan head (increase of Rs.52.50 crore over BE 16-17). The Committee note with surprise that although the distinction between Plan and Non-Plan expenditure has been dispensed with and replaced by Capital / Revenue Categorisation in the General Budget and the Demands for Grants of various Ministries / Departments, the Detailed Demands of the Ministry of Planning continue to use the term plan expenditure for the BE of the heads of expenditure in their Detailed Demands for Grants (2017-18). Even though, in the consolidated Demands for Grants (Demand No.73), presented with the General Budget, the BE of Rs.252.52 crore has been shown separately as Rs.252.09 crore under revenue component and the remaining Rs.0.43 crore under Capital head, the same pattern should have been followed in Detailed Demands for Grants as well. The Committee would like to point out that the Ministry of Planning should have paid attention to such budgetary details and remained consistent with the expenditure classification in all their documents laid before Parliament. The Committee would thus expect the Ministry of Planning to stay abreast of budgetary practices and procedures and to be more diligent and accurate in their budgetary documentation.

Reply of the Government

The Hon'ble Standing Committee may be apprised that the total budgetary allocation of Ministry of Planning for the year 2017-18 is Rs.252.52 crore which has increased by Rs.52.52 crore instead of Rs.52.50 crore, as indicated in the Report. In so far as plan expenditure indicated in the Detailed Demands for Grants of Ministry of Planning for 2017-18 is concerned, the same was corrected by issuing a corrigendum dated 06.03.2017. Inconvenience caused to the Hon'ble Committee in the matter is deeply regretted. The other observations of the Hon'ble Standing Committee on Finance have been noted for future compliance.

[Ministry of Planning O.M. No. F.18/3/2017-Parl. dated 27.07.2017]

Recommendation (Serial No. 3)

The Committee take cognizance of the fact that reduction in allocation over the years has apparently resulted from the discontinuation/transfer of the schemes/heads from the Ministry of Planning/NITI to other Departments/Ministries. They note that a request has been made in May 2016 to the Ministry of Finance for more funds, but the same has not been acceded to. The Committee note that the two main schemes operated by the Ministry, namely the Atal Innovation Mission (AIM) and Self-Employment and Talent Utilization (SETU), have been established to be an innovation promotion platform and a Technical, Financial, Incubation and Facilitation programme to support all aspects of start-up business and other self-employment activities, respectively. The Committee further note that an allocation was made in the Budget Estimate of 2015-16 for Atal Innovation Mission (AIM) and Self-Employment and Talent Utilisation (SETU) of Rs. 150 crore and 1000 crore, respectively. Further, an allocation of Rs. 2 crore was allocated at Revised Estimate (RE) stage in 2015-16 which could not be utilised in absence of detailed guidelines and ongoing consultation with various stakeholders. The actual expenditure in respect of this scheme has consistently been much lower than the budgeted expenditure, thereby rendering this well-devised scheme infructuous. The Committee get a general impression that although various initiatives seem to have been launched by the NITI with much fanfare, the concrete outcome expected from them seems to be missing. They would expect the NITI to focus more on results, outcomes and the concretisation of well-conceived ides/innovation. As the allocative role of erstwhile Planning Commission is not to be played any longer, the Committee would suggest that the NITI should now function as an effective think-tank guiding the Central and State Governments in policy-making and also implementation of governmental programmes and schemes. It has now become evident and necessary that with its relatively small budget of Rs. 250 crore or so, the NITI should not be involved in any central scheme, which should actually remain in the domain of the concerned administrative Ministry. Such remaining schemes should be transferred forthwith to the respective line Ministries for greater synergy in implementation. Accordingly, NITI‟s budget under capital head Rs. 0.43 crore should be merged with the revenue component, and in future, budgetary allocation should be made by the Government for their limited requirements under revenue component only, which will be in sync with its role as an independent body of domain experts. The Committee would thus expect the present role and mandate of NITI to be accordingly simplified with greater clarity and vision about its assigned role and functions. They would also desire that the and vision about its assigned role and functions, they would also desire that the NITI must focus on resolving inter-state disputes and conflicts between communities such as water disputes etc. The Committee also desire that the process of providing grant-in-aid to NGOs etc should be based on objective parameters including performance criteria and the same be reviewed and monitored regularly.

Reply of the Government

As per the Allocation of Business Rules (AoBR), NITI Aayog is a premier policy 'Think Tank' of the Government of India, providing both directional and policy inputs and to provide relevant technical advice to the Centre and States. Unlike the erstwhile Planning Commission, allocation of funds to States is not a mandate of NITI Aayog, no separate budget line has been provided to NITI Aayog in 2016-17 BE. However, in order to complete the spill over projects under various committed liabilities approved by the CCEA, Ministry of Finance has been releasing funds from Demand No. 32 of Union Expenditure Budget 2016-17 on the basis of recommendation from NITI Aayog. Further, new initiatives like setting up of Tinkering Labs in the schools, Incubation centres, promotion of digital payments etc. across the country are being funded by NITI Aayog through Central Sector Schemes. NITI Aayog is the premier policy 'Think Tank' of the Government of India, providing both directional and policy inputs. NITI Aayog is designing strategic and long term policies and programmes for Government of India and provides relevant technical advice to the Centre and States. An important evolutionary change from the past, NITI Aayog acts as the quintessential platform of the Government of India to bring States to act together in national interest, and thereby fosters Cooperative Federalism. This includes matters of national and international importance on the economic front, dissemination of best practices from within the country as well as from other nations, the infusion of new policy ideas and specific issue-based support. The institution has to be able to respond to the changing and more integrated world. Atal Innovation Mission (AIM) including Self-Employment and Talent Utilization (SETU) is one single scheme. As a follow-up of Union Budget 2015-16 announcement and subsequent approval by the Cabinet on February 24, 2016, the Atal Innovation Mission (AIM) including Self Employment and Talent Utilization (SETU) has been established in NITI Aayog. 2015-16 was the preparatory year of the Scheme and very little time was left after the approval by the Cabinet, no expenditure could be incurred during 2015-16. During 2016-17, an allocation of Rs. 150 crore was made at BE stage and the same was reduced to Rs. 77.00 crore at the RE stage for implementation of the Mission. The following initiatives are being implemented under the Mission:

(i) Setting up Atal Tinkering Labs (ATLs) in schools: There was a huge response to the call for applications for establishment of ATLs and more than 13,000 applications were received from across the country. These applications were subjected to a four stage screening-cum-selection process. Based on that, top 257 schools were selected for establishment of ATLs in the first phase. The scheme provides Rs. 20 lakh to each of the selected schools over a period of 5 years towards establishment and O&M of ATL. First tranche of the Grant-in-aid (Rs. 12 Lakh) per school has already been released to these schools during the current financial year, 2016-17 for capital and operational expenditure.
Another 200 schools have been approved by the Mission High Level Committee on 17th March, 2017 for establishment of ATLs and release of first tranche has already been initiated. It is expected that approx. Rs. 40 crore would be spent during the current year for establishment of ATLs.

(ii) Scaling up support to Established Incubation Centres (EICs):NITI Aayog received 232 applications from Established Incubation Centres for providing scale up support. After undergoing four stage screening-cum-selection process,6 EICs were recommended by the Screening-cum-selection Committee chaired by Secretary, Department of Science and Technology. The scheme provides a Grant-in-aid support of Rs. 10 crore per EIC with a first tranche of Rs. 2.5 crore. During the current financial year, first tranche of Rs. 2.50 crore is being released to each of the 6 EICs, thereby making a total expenditure of Rs. 15 crore.

(iii) Setting up Atal Incubation Centres (AICs): A total of 3658 applications (1719 from academic institutions and 1939 from non-academic institution) were received from across the country for setting up of Atal Incubation Centres (AICs). These applications were also subjected to elaborate screening and selection process and the Screening-cum-Selection Committee (SSC) headed by Secretary, DST finally recommended 10 applications for establishment of Atal Incubation Centres. The recommendations of the SSC have also been approved by the Mission High Level Committee in its meeting held on 17th March,

2017. The scheme provides Grant-in-aid of Rs. 10.00 crore to each of the AIC, with a first tranche of Rs. 2.00 crore, which is under process at present.

(iv) Launch of Grand Challenge Awards: Grand challenges (GCs) or Innovation challenges are a way of crowding-in innovators and inventors to solve socio-economic challenges in areas that are usually under-served by private enterprise or capital. GCs tend to focus attention on the challenges, and bring new ideas from innovators to solve stubborn socio-economic challenges, often in sectors such as agriculture, health, education, energy, environment, water, etc. Design challenges that are selected for rollout to the public under the AIM‟s Atal Grand Challenges (AGC) should be immediately relevant for India‟s context, physically possible and yet hitherto unknown, and achievable in the time frame. Running a credible Grand Challenge (GC) requires careful design of the specifications and their documentation. Research and international experience in running GCs indicates that governance of awards is tricky, requires extreme flexibility and credibility to make changes as new information becomes available; has broad acceptability by the applicants; and has extremely strong technical knowledge, and awareness of implementation context. Currently, in order to run successful AGCs, the AIM team is undertaking consultations and preparation to create a credible governance system that addresses the aforementioned requirements.

(v) Recruitment of Manpower for the Mission: Four Managers**,** AIM have already joined during September to November, 2016 and the fifth one is likely to join in April, 2017. The appointment of Mission Director is also in the final stages and the proposal has already been forwarded to the DoPT for approval of the Appointment Committee to the Cabinet. In view of the above, it may be observed that there has been significant improvement in the pace of implementation of the Mission as well as utilization of Budget allocation during 2016-17. The Mission High Level Committee in its meeting held on 17th March, 2017 also recommended establishment of another 1000 ATLs and significantly increasing the number of EICs and AICs across the country. This will further help in expanding the spread of ATLs and Atal Incubation Centres across the country and also strengthening of established Incubation Centres and faster utilization of funds in the coming years.

It is important to refer the mandate given to NITI Aayog vide Gazette Notification dated 7.1.2015, which provides that the following pertain to the involvement within States :

(a) To evolve a shared vision of national development priorities, sectors and strategies with the active involvement of States in the light of national objectives

(b) To foster cooperative federalism through structured support initiatives and mechanisms with the States on a continuous basis, recognizing that strong States make a strong nation.

(c) To offer a platform for resolution of inter-sectoral and inter-departmental issues in order to accelerate the implementation of the development agenda.

Further, for NITI to focus on resolving inter-state disputes and conflicts between communities such as water dispute, it may be pertinent to mention that in the Constitution a provision for Inter State Council has been provided for similar formation. In this regard it is submitted that the Inter State Council was set up under Article 263 of the Constitution of India vide Presidential Order dated 28.5.1990. The Constitution of India provides for a Polity which clearly defines spheres of authority between the Union and the States to be exercised in the fields assigned to them. The Union Government has, from time to time, taken steps to look into the contentious issues between the Centre and the States in the areas of distribution of Power. The Union Government, constituted a Commission in 1988 under the Chairmanship of Justice R.S. Sarkaria to review the working of the existing arrangements between the Union and the States. One of the important recommendations of Sarkaria Commission was for establishing a permanent Inter-State Council as an independent national forum for consultation with a mandate well defined in accordance with Article 263 of the Constitution of India. Pursuant to the recommendation, Inter State Council was set up under Article 263 of the Constitution of India vide Presidential Order dated 28.5.1990. The present composition of the Council is as follows :

Prime Minister – Chairman

Chief Minister of all States – Members

Chief Ministers of Union Territories having a Legislative Assembly and Administrators of UTs not having a Legislative Assembly and Governors of States under President‟s Rule (Governor's Rule in the case of J&K) - Member

Six Ministers of Cabinet rank in the Union Council of Ministers to be nominated by the Prime Minister – Member

Four Ministers of Cabinet rank as Permanent invitees Members.

Inter-State Council is a recommendatory body with duties to investigate and discuss the subjects of common interest between the Union and State(s) or among the States, making recommendations particularly for better coordination of policy and action on these subjects and deliberating upon such other matters of general interest to the States which may be referred to it by its Chairman. The Council also deliberates upon such other matters of general interest to the States as may be referred by the Chairman to the Council. A Standing Committee of the Inter-State Council has been constituted for continuous and processing of matters for the consideration of the Council. The Standing Committee comprises of Union Home Minsters as Chairman and 5 Union Ministers of Cabinet Rank and 9 Chief Ministers of States as Members nominated by the Chairman of the Inter-State Council. The XI meeting of Inter State Council was held on 16.7.2016 at Rashtrapati Bhawan headed by Hon"ble Prime Minister and was attended by Vice Chairman, NITI. Five Zonal Councils namely, The Northern Zonal Council, The Central Zonal Council, The Eastern Zonal Council, The Western Zonal Council and Southern Zonal Council were set up vide Part-III of the States Re-organization Act, 1956. Each Zonal Council has set up a Standing Committee consisting of Chief Secretaries of the member States of their respective Zonal Councils. These Standing Committees meet from time to time to resolve the issues or to do necessary ground work for further meetings of the Zonal Councils. Senior Officers of the NITIAayog and other Central Ministries are also associated with the meetings depending upon necessity. The organizational structure of Zonal Councils are as under :

Chairman - The Union Home Minister is the Chairman of each of these Councils.

Vice Chairman - The Chief Ministers of the States included in each zone act as Vice-Chairman of the Zonal Council for that zone by rotation, each holding office for a period of one year at a time.

Members- Chief Minister and two other Ministers as nominated by the Governor from each of the States and two members from Union Territories included in the zone.

Advisers- One person nominated by the Planning Commission for each of the Zonal Councils, Chief Secretaries and another officer/Development Commissioner nominated by each of the States included in the Zone

Union Ministers are also invited to participate in the meetings of Zonal Councils depending upon necessity. The zonal Council are deliberative and advisory bodies. Broadly, these Councils serve

(a) to facilitate socio-economic development of the zonal especially bodies, Broadly these Councils serve
(b) to deal with matters arising out of the reorganization of States such as border disputes integration of services, division of assets and liabilities, linguistic minorities, inter-States Transport and Roads, etc.,
(c) to initiate measure of common interests and benefit to the people in the field of social and economic planning and exchange, pool and use to the best common advantage information, experience and statistics available to each State and
(d) to evolve as far as possible common policies such as (i).Fight against poverty and backwardness (ii) Liberalization of economic and industrial policy (iii) Trade, Commerce, Labour and Industry (iv) Promotion of exports (v) Matters relating to development of power resources and irrigation projects of inter-State importance etc. and some of the other items such as (i) criminal procedure (ii) Prevention detention (iii) Criminal Law (iv) Custody of prisoners detained for reasons of security (v) Police Administration (vi) prevention of occurrence of communal disturbances etc.

The issues raised in the meetings of the Zonal Councils include, inter state water disputes, naxalism, funding and constraints with various central schemes, co-operation between States in dealing with narcotics, coordination between MHA & the States for tackling law & order, countering terrorism etc. Forest & Environmental clearance & land acquisition, issues related to taxes & duties, seeding of beneficiary cards with Aadhar, treatment of industrial effluents & waste water, land use changes to meet requirements of public infrastructure, disputes among two States due to bifurcation etc.
Meetings of the Zonal Councils are held regularly.

(a) The 22nd meeting of the Eastern Zonal Council was held on 27.6.2016 at Indian Institute of Coal Management, Ranchi, Jharkhand.
(b) The 12th meeting of the Standing Committee of the Central Zonal Council was held on 4.8.2016 at Madhyanchal Bhawan, Institutional Area, Vasant Kunj, New Delhi.
(c) The 9th meeting of the Standing Committee of the Southern Zonal Council was held on 14.10.2016 at Thiruvananthapuram.
(d) The 22nd meeting of the Western Zonal Council was held on 21.10.2016 at Sahyadri Guest House, Malabar Hill, Mumbai.
Thus, currently the Inter State Council & the Zonal Councils are functioning as per constitutional provisions. Further, NITI Aayog also takes initiatives to resolve the pending

issues of the States with the various ministries of the Government of India. During discussions, most of the issues get resolved. The following meetings were held in NITI Aayog :

i. The Development issues of Andhra Pradesh were discussed in a meeting on 17.9.2015.
ii. The pending issues of Telangana State were discussed on 28.1.2016.
iii The pending issues of Rajasthan State were discussed on 15.6.2016.
iv. The pending issues of Bihar State were discussed on 8.9.2016.
v. The pending issues of the State of Himachal Pradesh were discussed on 26.9.2016.

The Ministries/ Departments of Government of India already have well developed laid down procedure for inviting applications, scrutiny of proposals, selection for sanctioning grant-in-aid to the NGOs etc. Ministries/ Departments also have system in place for monitoring of grants-in-aid released including third party audit.

The NGO-DARPAN Portal (http//ngo.india.gov.in) being maintained by NITI Aayog facilitates NGOs/ VOs to sign up and obtain a web generated Unique ID. The Unique ID from the NGO-DARPAN Portal is now mandatory for any NGO/VO before applying for grant from any Ministry/ Department. The NGO-DARPAN Portal is further being revamped. The portal will also facilitate capturing fund flow from the disbursing Ministries/Departments to the NGOs/VOs. The portal is also being integrated with PFMS System to monitor the fund flow. Further, concerned Ministries/ Departments have been given suitable directions to prepare IT based Software application for end-to-end processing of applications for sanction/ release of grants w.e.f. 1st April, 2017 and also back-end IT based application for integration with NGO-DARPAN Portal.

The steps taken are expected to ensure transparency and strengthen the accountable system of governance and management of grant-in-aid to NGOs.

[Ministry of Planning O.M. No. F.18/3/2017-Parl. dated 27.07.2017]

Recommendation (Serial No. 4)

Development Monitoring and Evaluation Office(DMEO)

The Committee note that the provisioning for a new scheme of Development Monitoring and Evaluation Office (DMEO) was done to establish the same as an attached office of the NITI Aayog on 18th September, 2015, by merging the erstwhile Programme Evaluation Office (PEO) and Independent Evaluation Office (IEO). In the fiscal 2016-17, a sum of Rs.13.40 crore was allocated for the said scheme at Budget Estimate stage, however, the actual expenditure stood at Rs.8.2 crore only. Further, the substantial allocation and underutilization in the beginning of an initiative and consequent fluctuation needs to be appraised forthwith. The Committee are unable to understand as to how the DMEO is going to be a different organization/office from the previous Independent Evaluation Office (IEO) and Programme Evaluation Office (PEO). The Committee, nevertheless, desire that the DMEO in due course should strengthen and reinforce the evaluation process and bring to fore not only the disabilities and shortcomings of various programmes and schemes but also suggest and advise on “way forward”. The DMEO should, therefore, be able to evaluate and recommend positive changes and proper resource utilisation while highlighting the steps to be taken for better implementation and outcome.

Reply of the Government

It is submitted that the main reason for underutilization of the funds allotted is the inability of the Development Monitoring and Evaluation Office (DMEO) to recruit staff against the vacant posts inspite of all the efforts made by the office to fill in these vacancies. The vacancy position as on 21.03.2017 is 71 (45.36%) out of the total 157 posts. It is also submitted that the office expenditure has increased to Rs.10.60 crore as on 21-Mar-2017 against the Revised Estimate allocation of Rs.11.04 crore. Purpose behind the establishment of DMEO was that PEO and IEO were carrying out the same activity i.e. programme evaluation which had the possibilities of duplication of work and thus, wastage of precious resources. The DMEO was established as an attached office of the NITI Aayog to ensure independence and credibility in DMEOs work. Further, the DMEO‟s mandate has been expanded to monitoring of the implementation of Central Government programmes and initiatives in addition to conducting impact evaluation of the Central Government programmes. The observation of the Hon'ble Committee has been noted. However, it is added that the Evaluation Reports produced by DMEO and its predecessors always had not only identified the problems and ineffectiveness in the programme design and its implementation processes, they also carried suitable recommendations to rectify those issues. The final actions on the evaluation findings and recommendations are taken by the programme implementing Ministries/Departments. As advised by the Hon‟ble Committee, the DMEO is also taking suitable actions to strengthen the organization and its evaluation processes to make it world class and vibrant monitoring and evaluation organization.

[Ministry of Planning O.M. No. F.18/3/2017-Parl. dated 27.07.2017]

Comments of the Committee

(Please *see* Para No. 7 of Chapter I)

Recommendation (Serial No. 5)

The Committee taking cognizance of the announcement made by the Hon‟ble Finance Minister that the Government shall introduce outcome based monitoring of expenditure‟ operated by NITI in some sectors, would like the NITI to come forward with a detailed structure of the initiative at the earliest and share the gist of the same with the committee. Furthermore, it remains to be seen as to how the „outcome based monitoring of expenditure‟ will be more appropriate vis-à-vis other expenditure monitoring methods. The Committee are curious to know, in case of advantages of outcome monitoring methods, whether the same would also be extended to circumscribe other schemes as well to strengthen institutional and public accountability of flagship schemes. The Committee would like to be kept abreast of the same.

Reply of the Government:

NITI Aayog has been mandated to monitor the Outcome Budget of various Central Ministries/Departments. NITI Aayog in consultation with Ministries had finalized the Output Outcome Framework which contained measurable outcomes for each scheme and also physical outputs consistence with financial resources. This outcome budget is now an integral part of the expenditure budget document.

[Ministry of Planning O.M. No. F.18/3/2017-Parl. dated 27.07.2017]

Recommendation (Serial No. 7)

NITI - Way Forward

The Committee note that NITI is holding consultation meetings with the State Government / UTs twice a year, keeping in view its mandate of cooperative federalism, NITI has also stated that it is providing 'Institutional support' to States for development of infrastructure projects and to deliver excellence in social sector. The Committee would like to be apprised of the specific details thereof. The Committee, however, are not sure whether NITI has the requisite wherewithal, expertise and adequate manpower to handle such wide range of subjects including technical matters like digitalization, setting up of tinkering labs, incubation centers etc. especially with such meager resources at their disposal. The Committee desire to be apprised of the outcomes achieved, and the specific interventions made along with the expenditure incurred with regard to the various initiatives stated to have been taken by them. The Committee would recommend for suitably streamlining the NITI set-up, so that they can play their designated role more effectively. The Committee would also like to know about the nature and extent of data mining and analysis being done by them in their various studies and appraisals. Further, with the allocative role being taken away from NITI, the Committee would urge upon them to refocus on the programmes and schemes meant particularly for the social sector, as the Ministry of Finance, by its very nature, can only play a limited role in this regard due to their orientation towards fiscal consolidation. The Committee may accordingly be apprised of the steps taken towards this end.

Reply of the Government

A. As per the mandate of NITI Aayog, with respect to Cooperative Federalism, NITI Aayog is holding consultation Meetings with the State Government/UTs twice a year. In the year 2016, there were three consultations with the States and UTs by the State-Coordination Division.

i) National Conference on Good Practices in the social sector service delivery on 23rd May 2016. It provided a platform for the States/UTs to come together and share their experiences in implementing good practices with regard to education and health service sector programmes.

ii) National Conference of Chief Secretaries and Planning Secretaries of States/UTs on 27th July 2016. The central focus was on the initiation of the new planning process involving the preparation of the long term vision, strategy and concrete three years Action Plan beyond 12th Five Year Plan

iii) Consultation of North Eastern States – From Vision 2030 to Planning and Implementation on 19th&20th Dec. 2016. The workshop brought together senior officials from the States in the North-East, Government of India, multilateral organizations as well as experts. It provided an opportunity for the participants to share their experiences, best practices and also to gain deeper understanding of the emerging context and how best the eight states in the North Eastern Region (NER) can work towards achieving their Vision with a "Whole of Government" approach.

iv) Engagement with the States (Health & Nutrition) during FY 2016-17:

(a) Vision Document

NITI Aayog had initiated the exercise to formulate the vision and strategy for the period beyond the 12th five year plan. During the preparation of chapter on health, consultations, both through meetings and written inputs, were done with various States/ UTs. Draft vision, strategy and action plan, have been shared with the States and UTs for their feedback.

(b) Assessing the performance of States on Health Outcomes- Performance on Health Outcome Index:

'Performance on Health Outcomes' index, to nudge States to bring about the much required improvements in the Health sector has been launched by NITI Aayog along with Ministry of Health and Family Welfare. This has been done with a focus to capture the annual incremental improvements by States, rather than focus on historical achievements. A guidebook for this exercise detailing the index, measurable and methodology of data submission has been prepared seeking feedback on the technical inputs from States through multiple iterations and pre-testing the indicators through field visits in two States prior to its finalisation. The final draft was also shared with the States to seek their inputs and it was followed by five Regional workshops conducted in North (Delhi), South (Vijayawada), East, West (Goa), North-East (Shillong).

(c) Reforms in the Medical Council of India:

The committee on reforms in the Medical Council of India constituted by the Hon"ble PM had sought views and suggestions of various experts including representatives of the

State governments before formulation of the draft. The preliminary report on “National Medical Commission bill” was also shared with the State Governments for further inputs. Thereafter views/opinion of States were invited during a workshop. After extensive deliberations with the stakeholders the Committee finalised the draft National Medical Commission Bill for replacing the Medical Council of India with the proposed National Medical Commission.

(d) Developing model concession agreements for the provision of prevention and treatment services for Non-Communicable diseases (Cardiac Sciences, Oncology and Pulmonary Sciences) at the district level on PPP mode:

NITI Aayog is attempting to develop Model Concession Agreement(s) for the provision of prevention and treatment services for Non-Communicable diseases namely Cardiac Sciences, Oncology and Pulmonary Sciences at the district level hospital (Tier 2 & 3 cities) on PPP mode. As a part of the exercise, consultation with stakeholders including States have been carried out and Working Groups have been constituted with representatives from Industry, MoHFW and States to provide inputs on developing model concession agreements for the provision of prevention and treatment services for Non-Communicable diseases at the district level on PPP mode. Some States viz. Rajasthan, Uttrakhand, Odisha, Meghalaya, Madhya Pradesh, Maharashtra and Andhra Pradesh, have also been involved during discussion and presentation of the Working Groups.

(e) Tracking the performance of District Hospitals:

In a recent review of the health sector by the Hon'ble Prime Minister, NITI was mandated to create a framework for an online portal for tracking the performance of government hospitals based on outcome metrics. In order to undertake this exercise, field visits to the district hospital in the States of Rajasthan and Tamil Nadu were undertaken and similarly information about district hospital in UP and Bihar was obtained. A draft list of indicators was developed and shared with the MoHFW, five States (Punjab, Maharashtra, UP, Assam and Tamil Nadu) and technical/ specialist agencies. A working group was constituted, finalised indicators & draft concept note were shared with all the States and UTs for seeking feedback, subsequent meetings were held with the representatives from MoHFW and States, and after deliberations these indicators were agreed. It was decided that the ranking of district hospitals should be planned and initiated nation wide and improvements in the index can be done after the first round is completed.

(f) National Nutrition Strategy

As suggested by PMO, NITI Aayog had to examine the emerging data on under nutrition, and prepare, in consultation with Ministry of WCD and Ministry of Health, a specific strategy for the poor performing States/ districts. Thus, an Inter-Ministerial Group on Health & Nutrition Data was set up by NITI to develop a Nutrition Strategy. Inter-Ministerial Group meetings were conducted & representatives from States (MP, Odisha, UP, Tamil Nadu & Meghalaya) were invited to participate. Based on these meetings and suggestions/ recommendations received from line Ministries/ Department including RGI, State Governments and Experts such as World Bank, UNICEF, UNDP, WHO, Rice Institute, Nutrition Foundation of India, BPNI and Tata Trust the National Nutrition Strategy was prepared.

B. NITI Aayog has outline a policy to provide institutional support to states for development of infrastructure projects and to achieve delivery excellence in social sector through an initiative of Development Support Services for States (DSSS) for Infrastructure, for Health and Education Sector. They key objectives of this policy is to support state governments in implementation of projects that are critical for development of State/region in a timely and cost effective manner. DSSS(Infrastructure) has been started and DSSS Health and Education and Health in the final stages of the process of selection of the Consultant.

C. NITI Aayog has also initiated an exercise for establishing an outcome monitoring framework of the performance of states in critical economic and social development sectors that include – Healthcare, Education and Water. The primary objective of this framework is to determine performance of various States by reviewing performance with respect to KPIs in each of these sectors. Each State would be requested to submit their respective KPI datasets and NITI Aayog would review and validate such inputs as submitted. The States would then be ranked on these social sectors. For this purpose about ten Regional Workshops have been held with States for Health and Education indices. In these workshops State Government Officials have been apprised with the modalities of these indices and States have been asked to submit the details/documents in support of their activities/performance in Health & Education Sector. For Water Index their exercise is being started shortly.

With regard to setting up of tinkering labs, incubation centres etc. the following initiatives have been implemented under the Atal Innovation Mission (AIM):

(i) **Setting up Atal Tinkering Labs (ATLs) in schools:** There was a huge response to the call for applications for establishment of ATLs and more than 13,000 applications were received from across the country. These applications were subjected to a four stage screening-cum-selection process. Based on that, top 457 schools were selected for establishment of ATLs. The scheme provides Rs. 10 lakh as one time grant for establishment of ATL and another Rs. 10 lakh (@ Rs. 2 lakh per year) towards and O&M over a period of 5 years to each of the selected schools. First tranche of the Grant-in-aid (Rs. 12 Lakh) per school has already been released to these schools during the current financial year, 2016-17 and 2017-18 for capital and operational expenditure.

(ii) **Scaling up support to Established Incubation Centres (EICs):** NITI Aayog received 232 applications from Established Incubation Centres for providing scale up support. After undergoing four stage screening-cum-selection process, 6 EICs were recommended by the Screening-cum-selection Committee chaired by Secretary, Department of Science and Technology. The scheme provides a Grant-in-aid support of Rs. 10 crore per EIC with a first tranche of Rs. 2.5 crore. During the current financial year, first tranche of Rs. 2.50 crore has been released to each of the 6 EICs, thereby making a total expenditure of Rs. 15 crore.

(iii) **Setting up Atal Incubation Centres (AICs):** A total of 3658 applications (1719 from academic institutions and 1939 from non-academic institution) were received from across the country for setting up of Atal Incubation Centres (AICs). These applications were also subjected to elaborate screening and selection process and the Screening-cum-Selection Committee (SSC) headed by Secretary, DST finally recommended 10 applications for establishment of Atal Incubation Centres. The recommendations of the SSC have also been approved by the Mission High Level Committee in its meeting held on 17th March, 2017. The scheme provides Grant-in-aid of Maximum Rs. 10.00 crore to each of the AIC. The release of first tranche is under process.

(iv) **Launch of Grand Challenge Awards:** Grand challenges (GCs) or Innovation challenges are a way of crowding-in innovators and inventors to solve socio-economic challenges in areas that are usually under-served by private enterprise or capital. GCs tend to focus attention on the challenges, and bring new ideas from innovators to solve stubborn socio-economic challenges, often in sectors such as agriculture, health, education, energy, environment, water, etc. Design challenges that are selected for rollout to the public under the AIM‟s Atal Grand Challenges (AGC) should be immediately relevant for India‟s context, physically possible and yet hitherto unknown, and achievable in the time frame. Running a credible Grand Challenge (GC) requires careful design of the specifications and their documentation. Research and international experience in running GCs indicates that governance of awards is tricky, requires extreme flexibility and credibility to make changes as new information becomes available; has broad acceptability by the applicants; and has extremely strong technical knowledge, and awareness of implementation context. Currently, in order to run successful AGCs, the AIM team is undertaking consultations and preparation to create a credible governance system that addresses the aforementioned requirements.

Total Expenditure under the Atal Innovation Mission (AIM):

During 2016-17, an expenditure of Rs. 55.46 crore has been incurred on various activities mentioned above.

Creation of capacities for implementation: The implementation of Atal Innovation Mission has been undertaken in a Mission Mode and a separate cell has been established in NITI Aayog for this purpose. The Cell has a sanctioned strength of 32 personnel headed by a Mission Director in the rank of Addl. Secretary, who will be assisted by five Managers and Ten experts, Heads of Finance and Administration, besides other supporting staff. Highly competent and experienced manpower is being recruited from private sector to fill up these posts. Out of these, five managers have already joined and the appointment order for the Mission Director has also been issued with the approval of the Appointment Committee to the Cabinet. He is expected to join by first week of June, 2017. Till such time, Sr. Consultant (S&T) is leading the AIM Team. Recruitment process also been initiated for hiring of experts. Thus there will be a full complement of qualified personnel in NITI Aayog to implement various initiatives under Atal Innovation Mission.

[Ministry of Planning O.M. No. F.18/3/2017-Parl. dated 27.07.2017]

CHAPTER - III

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

NIL

CHAPTER - IV

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

Recommendation (Serial No.6)

Twelfth Five Year Plan (2012-17) & Mid Term Appraisal (MTA):

The Committee had expressed their displeasure in the previous report on Demands for Grants(DFGs) with respect to the lackadaisical approach and inability of NITI to share any information with the Committee on the issue of Mid Term Appraisal(MTA) report. They are dismayed to know that till last year, NITI had only prepared a draft appraisal document with less than a year of the Plan period left. The Committee were informed during the last year‟s Demands for Grants(2016-17) that a decision was taken in February, 2015 to the effect that NITI would undertake Mid Term Appraisal (MTA) of the 12th Five Year Plan „with a view to incorporate the shared vision of national development and important initiatives of the Central Government so that they may be implemented in last two years of the Plan‟. The Committee are not at all convinced by this specious reply of the Ministry on a matter of significant importance and consequence. They, therefore, desire that not only be this exercise concluded at the earliest, an initiative on the similar lines of Mid Term Appraisal(MTA) may be incorporated within the working of NITI as a time bound and mandatory practice. The Committee note that 12th Five Year Plan is in its last fiscal (which ends in March 2017) and the Ministry has envisaged a visiondocument which anticipates to go beyond the traditional areas and cover aspects of internal security/defence etc.; however, details have not been provided regarding the budgetary/financial allocation to be made for the same. The Committee also desire that an assessment of performance achievement of both physical and financial targets laid out in the 12th Plan and the Annual Plans should be clearly brought out. The Committee would also direct the NITI to submit the assessment (with respect to MTA and 12th Five Year Plan) to the Committee at the earliest.

Reply of the Government

Pursuant to the decision taken in the First Meeting of the Governing Council of NITI Aayog held on 8th February, 2015, the appraisal of the 12th Five Year Plan was undertaken by NITI Aayog. The Theme Chapters of the draft Appraisal Document of 12th

Five Year Plan were prepared according to the Union Budget 2016-17 and printed. Further, Draft Appraisal Document was circulated to all the concerned Central Ministries/Departments for vetting of facts and figures. After incorporating the modifications suggested by the Central Ministries/Departments, the Appraisal Document was finalized and placed before the Members of the Governing Council of NITI Aayog in its meeting held on 23.04.2017. So far as the Vision Document is concerned, NITI Aayog has set out the new approach which envisages a 15 year long term vision, accompanied by a 7 year strategy and a 3 year action agenda. An outline of the draft Action Agenda has been prepared with inputs from the States, covering a gamut of sectors. The period of the Action Agenda coincided with the period of the 14th Finance Commission's award. Information with respect to financial achievement of 12th Plan resources as provided for appraisal of 12th Plan is as under:

Financing the Twelfth Plan

The Twelfth Plan had estimated the total resources available for financing the Plan at Rs.80.50 lakh crore (at current prices), from the Centre and States put together. This translated to a figure of 11.8 per cent of expected GDP over the five-year period. In the first three years of the Twelfth Plan, for the Centre and the States combined, it is estimated that the total available financial resources for the Twelfth Plan were Rs.35.61 lakh crore (at current prices), amounting to 10.5 per cent of GDP. It is not feasible to expect that the entirety of the balance, about 56 per cent of the originally estimated total Plan resources, would be available in the remaining two years of the Twelfth Plan. The Twelfth Plan had visualized a 0.83 percentage point of GDP increase in Plan resources from the level of 10.97 per cent in the Eleventh Plan realization to 11.80 per cent in the Twelfth Plan projection. Of this, the Centre's resources were expected to increase by 0.39 percentage points of GDP while that of the States to go up by 0.44 percentage points. It is, however, to be noted that the increase in total Plan resources amounting to 0.83 percentage points of GDP (were to be more than financed out of a higher Balance from Current Revenues - BCR), was expected to reach 1.88 percentage points of GDP in the Twelfth Plan compared to the Eleventh Plan realization (-0.61 percentage to GDP). It needs to be noted that the Eleventh Plan had a slightly positive BCR amounting to 0.41 per cent of GDP. This was visualized to improve to 3.29 per cent of GDP in the Twelfth Plan. Of the total of 3.29 percentage points of GDP flowing out of BCR, 1.88 percentage points was expected from the Centre while 1.41 percentage points from the States. In other words, the objective was not only to raise the rate of economic growth in an inclusive fashion by increasing the size of the Plan with respect to GDP, but also to do so in a fashion that did not depend on the issuance of more government debt, and in fact was consistent with a reduction in the extent of deficit financing to fund expenditure, including Plan expenditure. However, slippages on the revenue account of the Centre began to surface from the very beginning year of the Twelfth Plan, that is, 2012–13. Thus, as against the Twelfth Plan estimate of the Centre‟s BCR at 1.88 per cent of GDP, the figures for 2012-13 to 2015-16 RE are negative and ranges between (-) 0.04 and (-) 0.35 per cent of GDP were undoubtedly much lower than the target. However, it showed some improvement at 0.33 percent in 2016-17 (BE). Improvement in the BCR would depend on higher growth momentum in the Indian economy consistent with stability in the world economy. In case of the States, it is observed a reverse situation. As against an estimated BCR of 1.4 percent of GDP in the Twelfth Plan, the actual for 2012–13, 2013-14 and 2014-15 (BE) were above the target. Therefore, it is likely that the target for the Twelfth Plan for States would be realized. The resources of the Centre flowing from BCR, that is the primary source of non-debt funds available to the government, has fallen so sharply, it follows that the ability to persist with Plan expenditures has been restricted from the financing side. This is notwithstanding the higher borrowings. The borrowings of Centre were projected at 3.35 per cent of GDP in the Twelfth Plan. However, Centre's borrowings [including net Miscellaneous Capital Receipts (MCR)] increased over the plan period above the projected, to average around 3.84 percent of GDP (including 2016-17 BE). While the pressure from a weaker BCR at the Centre has reduced the pool of resources for financing the Twelfth Plan, Central Assistance to the States has risen by a greater amount than what was originally projected. During the Plan period, the amount of Central Plan Assistance provided to the States and Union Territories (UTs) aggregated to 111 per cent of the Plan projections at current prices, as against the Gross Budgetary Support (GBS) available for the Central Plan, being only 52 per cent of the targeted amount. From 2014-15, Central Assistance to State Plans also includes Centrally Sponsored Schemes (CSS). The re-structuring of Centrally Sponsored Schemes (CSS) and bringing them to the umbrella of Central Assistance to the States & UT Plans is the major reason behind this increase. However, as the Fourteenth Finance Commission's recommendation for increase in net tax devolution from 32 percent to 42 percent has been accepted by the Union Government which has provided additional unconditional resources to States in

2015-16 & 2016-17(BE). The Central Assistance to State Plans (CASP) has been resized to account for this while, the GBS to Central Plan is slated to rise by a hefty 36 and 18 per cent in 2015-16 (RE) and 2016-17 (BE), respectively. Thus it indicates overall rise in resource allocation for plan schemes. Resources from Public Sector Enterprises (Centre) including Internal and Extra Budgetary Resources (IEBR) amounted to 87 per cent of the targeted amount during the plan.

Table 1 shows the projected and actual resources position of the Centre as a proportion of GDP. The table shows the average realization of the Plan as 4.53 percent of GDP as against projection of 6.35 percent. During this period, BCR as well as the GBS to Central Plan are less than the projected level. Higher devolution of taxes to States from 32 to 42 percent during 2015-16 RE & 2016-17 BE as recommended by the 14th Finance Commission has resulted in less availability of resources under BCR. Less GBS to Central Plan is mainly due to restructuring of CSS from FY 2014-15 whereby it has shifted from GBS to Central Plan to CASP.

Table 1: Twelfth Plan Projection and Realization of Resources of the Centre

(per cent of GDP)

Sl. No.	Source of Funding	11th Plan Realization (2007-12)	Twelfth Plan Projection (2012-17)	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Actual)*	2015-16 (RE)	2016-17 (BE)	Average Realization (2012-17)
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*	*(10)*
1	Balance	-0.61	1.88	-0.35	-0.04	-0.06	-0.05	0.33	-0.03

	from Current Revenues (BCR)								
2	Borrowings including net Miscellaneous Capital Receipts (MCR)	5.06	3.35	4.49	4.03	3.77	3.57	3.32	3.84
3	Gross Budgetary Support (GBS) to Plan (1+2)	4.69	5.23	4.14	4.00	3.70	3.52	3.65	3.80
4	Central Assistance to States and UTs	1.26	1.26	1.09	0.99	2.17	1.59	1.61	1.49
5	Gross Budgetary Support for Central Plan (3-4)	3.43	3.97	3.05	3.00	1.54	1.92	2.05	2.31
6	Resources of Public Sector Enterprises	2.53	2.38	1.94	2.32	1.83	2.37	2.64	2.22
7	Resources for Central Plan (5+6)	5.96	6.35	4.99	5.32	3.37	4.29	4.69	4.53

Source: Twelfth Plan Document & Union Budgets
*Central Assistance to the State and UT Plans includes the Centrally Sponsored Schemes w.e.f. 2014-15.
Note: RE – Revised Estimates, BE – Budget Estimates.

It is pertinent to note that the borrowings of the Centre during the plan is higher than the projected level (3.35%) which means that the objective of funding a larger Plan size through the generation of non-borrowed resources has not materialized. Some of the shortfall in non-borrowed resources has been offset by larger than envisaged borrowings, in order to maintain GBS at a level that was higher than could have been supported from the realized BCR, supplemented by disinvestment proceeds.

Table 2 shows the absolute numbers for the Twelfth Plan as originally projected and as realized during the Plan computed at current prices. In this framework, the order of shortfall in resource generation is significantly larger than when it is viewed as a proportion of the size of the economy. The estimates that have been made here suggest that the GBS for the Central Plan for the duration of the Twelfth Plan at current prices may be around 76 per cent of Gross Budgetary Support (GBS). While share of BCR and Borrowings in GBS in the Twelfth plan were projected at 39 per cent and 61 per cent respectively, due to lower growth momentum, the realization are estimated at (-)0.18 per cent and 100.18 per cent.

Table 2: Twelfth Plan Projection and Realization of Resources of the Centre

(Rs. Crore at current prices)

Sl. No.	Source of Funding	Twelfth Plan Projection (2012-17)	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Actual) *	2015-16 (RE)*	2016-17 (BE)*	Realization (2012-17)	Realization Relative to Plan Target (%) (2012-17)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Balance from Current Revenues (BCR)	1387371	-35074	-4316	-7921	-6585	49614	-4282	-0.31
2	Borrowings including net Miscellaneous Capital Receipts (MCR)	2181255	448699	457643	470565	483782	500396	2361084	108.24
3	Gross Budgetary Support (GBS) to Plan (1+2)	3568626	413625	453327	462644	477197	550010	2356802	66.04
4	Central Assistance to States and UTs	857786	108886	112849	270829	216108	241900	950572	110.82
5	Gross Budgetary Support for Central Plan (3-4)	2710840	304739	340478	191814	261089	308110	1406230	51.87
6	Resources of Public Sector Enterprises	1622899	193737	263095	229067	321618	398139	1405656	86.61
7	Resources for Central Plan (5+6)	4333739	498476	603573	420882	582707	706248	2811886	64.88

Source: Twelfth Plan Document & Union Budgets

*Central Assistance to the State and UT Plans includes the Centrally Sponsored Schemes w.e.f. 2014-15.

Note: RE – Revised Estimates, BE – Budget Estimates.

The position of State Resources projected and actual, expressed as a proportion of GDP is given in Table 3. The States Resources have also been compressed during 2012-13, but by a smaller amount. Thus, the resources available from BCR, which were projected at 1.41 per cent of GDP for the Twelfth Plan were actually larger in 2012-13, 2013-14 and in 2014-15 AP. The average for the three year period 2012–2015 is estimated at 1.63 per cent of GDP, which is higher than what was projected.

The resources from PSEs are estimated to be marginally lower, while Central

Assistance is significantly higher in 2014-15 BE than the projected level. This is also due to reclassification of Centrally Sponsored Schemes as Central Assistance to State plan. It was a major decision of the Union Government to re-structure and re-classify the Centrally Sponsored Schemes to transfer the resources to States Government through their consolidated fund which ultimately gives a higher responsibility to States to utilize these funds in a more transparent way. Borrowings by State Governments in 2012–13 were slightly lower, but higher in 2013-14 LE and 2014-15 BE. However, for the first three years as a whole, borrowings by State Governments were around 2.15 per cent of GDP, which is marginally lower than the 2.22 per cent projected in the Twelfth Plan.

Table 3: Twelfth Plan Projection and Realization of Resources of the States (Including Delhi & Puducherry)

(per cent of GDP)

Sl. No.	Source of Funding	Twelfth Plan Projection (2012-17)	2012-13 Actual	2013-14 LE	2014-15 AP	Average (2012-15)
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*
1.	Balance from Current Revenues (BCR)	1.41	1.78	1.47	1.63	1.63
2.	Resources of PSEs*	0.56	0.38	0.56	0.49	0.48
3.	Borrowings including Miscellaneous Capital Receipts (MCR)	2.22	1.83	2.29	2.31	2.15
4.	State's Own Resources (1+2+3)	4.19	4.00	4.32	4.43	4.25
5.	Central Assistance (grant)	1.26	1.14	1.23	2.59	1.65
6.	Aggregate Plan Resources (4+5)	5.45	5.13	5.56	7.03	5.91

*Includes resources of local bodies. Note : LE – Latest Estimates, AP – Annual Plan.
Source: Twelfth Plan Document, Book of Estimates of State for Annual Plan 2014-15 & Scheme of Financing of States for 2014-15.

The States" resource position in absolute terms (at current prices) is given in **Table 4.** Thus, for the first three years of the Plan, the aggregate resources available for States and Union Territories (with legislature) amounted to 5.91 per cent of the GDP as against the projected figure of 5.45 per cent. However, in financial terms, and at current prices, the sum of aggregate Plan resources available to the States in the first three years of the Plan stood at 54.7 per cent of the Twelfth Plan total. It would be possible to achieve the twelfth plan projection, if there is significant improvement in balance from current revenue and availability of higher GBS due to higher growth in the economy during 2015-16 and 2016-17. However, it needs to be recognized that the extent of the shortfall at the level of the States would be somewhat less than the likely shortfall for the Centre.

The principal reason for the differential movement in financial resources, available to the Centre and in the States, flows from several factors. First, the burden for Assistance for Natural Calamities in States was borne largely by the Centre and thus was felt on the Centre's finances. Second, the large increase, above the anticipated subsidies, particularly in fertilizer, fuel, as well as food, was also borne by the Centre. Third, the Centre's revenue streams were more variable depending more on underlying economic conditions and to that extent it took a larger hit because of the deterioration in these economic conditions on account of the global crisis.

Table 4: Twelfth Plan Projection and Realization of Resources of the States (Including Delhi & Puducherry)

(Rs. Crore at Current prices)

Sl. No.	Source of Funding	Twelfth Plan Projection (2012-17)	2012-13 Actual	2013-14 LE	2014-15 AP	Realization (2012-15)	Realization relative to Plan Target (%)
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*
1.	Balance from Current Revenues (BCR)	959979	177862	166871	206528	551261	57.42
2.	Resources of PSEs*	380319	38276	63492	61925	163693	43.04
3.	Borrowings including Miscellaneous Capital Receipts (MCR)	1518301	182990	182990	292688	735948	48.47
4.	**State's Own Resources (1+2+3)**	**2858599**	**399129**	**490633**	**561141**	**1450903**	**50.76**
5.	Central Assistance (grant)	857786	113782	139799	327993	581574	67.80
6.	**Aggregate Plan Resources (4+5)**	**3716385**	**512911**	**630432**	**889134**	**2032477**	**54.69**

*Includes resources of local bodies. **Note:** LE – Latest Estimates, AP – Annual Plan.
Source: Twelfth Plan Document, Book of Estimates of State for Annual Plan 2014-15 & Scheme of Financing of States for 2014-15.

[Ministry of Planning O.M. No. F.18/3/2017-Parl. dated 27.07.2017]

Comments of the Committee

(Please *see* Para No. 10 of Chapter 1)

CHAPTER - V

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

NIL

NEW DELHI
18 December, 2017
27 Agrahayana, 1939 (Saka)

DR. M. VEERAPPA MOILY
Chairperson
Standing Committee on Finance

Minutes of the Fourth sitting of the Standing Committee on Finance (2017-18)
The Committee sat on Thursday, the 16 November, 2017 from 1500 hrs. to 1800 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Dr. M. Veerappa Moily - Chairperson

LOK SABHA

2. Shri Kunwar Pushpendra Singh Chandel
3. Shri Bandaru Dattatreya
4. Shri Nishikant Dubey
5. Shri Venkatesh Babu T.G.
6. Shri P.C. Gaddigoudar
7. Shri Shyama Charan Gupta
8. Shri Rattan Lal Kataria
9. Shri Chandrakant Khaire
10. Shri Bhartruhari Mahtab
11. Shri Prem Das Rai
12. Prof. Saugata Roy
13. Shri Rajiv Pratap Rudy
14. Shri Gopal Shetty
15. Shri Kirit Somaiya
16. Shri Dinesh Trivedi
17. Shri Shivkumar Udasi

RAJYA SABHA

18. Shri A. Nvaneethakrishnan
19. Dr. Mahendra Prasad
20. Shri Ajay Sancheti
21. Dr. Manmohan Singh

SECRETARIAT

1.	Smt. Abha Singh Yaduvanshi	-	Joint Secretary
2.	Shri Rajesh Ranjan Kumar	-	Director
2.	Shri Ramkumar Suryanarayanan	-	Additional Director
3.	Shri Kulmohan Singh Arora	-	Deputy Secretary

WITNESSES

2. XX XX XX XX XX XX

XX XX XX XX XX XX.

3. XX XX XX XX XX XX

XX XX XX XX XX XX.

(The witnesses then withdrew)

4. Thereafter, the Committee took up the following draft reports for consideration and adoption:

(i) Draft Report on 'Review of NSSO and CSO and Streamlining of Statistics Collection Machinery in the Country, including Management Information System for Project Monitoring / Appraisal' of the Ministry of Statistics and Programme Implementation.

(ii) Draft Report on Action Taken by the Government on the Recommendations contained in the 44th Report on Demands For Grants (2017-18) of the Ministry of Corporate Affairs.

(iii) Draft Report on Action Taken by the Government on the Recommendations contained in the 45th Report on Demands For Grants (2017-18) of the Ministry of Statistics and Programme Implementation.

(iv) Draft Report on Action Taken by the Government on the Recommendations contained in the 46th Report on Demands For Grants (2017-18) of the Ministry of Finance (Departments of Economics Affairs, Expenditure, Financial Services and Investment and Public Asset Management).

(v) Draft Report on Action Taken by the Government on the Recommendations contained in the 47th Report on Demands For Grants (2017-18) of the Ministry of Finance (Department of Revenue).

(vi) Draft Report on Action Taken by the Government on the Recommendations contained in the 48st Report on Demands For Grants (2017-18) of the Ministry of Planning.

After some deliberations, the Committee adopted the above draft Reports with minor modifications and authorised the Chairperson to finalise them and present these Reports to Parliament.

A verbatim record of the proceedings has been kept

The Committee then adjourned.

APPENDIX

(Vide Para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FORTY-EIGHTH REPORT OF THE STANDING COMMITTEE ON FINANCE (SIXTEENTH LOK SABHA) ON DEMANDS FOR GRANTS (2017-18) OF THE MINISTRY OF PLANNING

		Total	% of total
(i)	Total number of Recommendations	07	
(ii)	Recommendations/Observations which have been accepted by the Government (vide Recommendation at Sl.Nos.1,2,3,4,5,7)	06	85.72%
(iii)	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies	Nil	0.00
(iv)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee (vide Recommendation at Sl. Nos. 6)	01	14.28%
(v)	Recommendations/Observations in respect of which final reply of the Government are still awaited	Nil	0.00