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**STANDING COMMITTEE ON FINANCE
(2020-21)**

SEVENTEENTH LOK SABHA

MINISTRY OF PLANNING

[Action taken by the Government on the recommendations contained in Twenty-eighth Report of the Standing Committee on Finance on 'Demands for Grants (2021-22)']

THIRTY- EIGHTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2021/ Sravana, 1943 (Saka)

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STANDING COMMITTEE ON FINANCE
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(SEVENTEENTH LOK SABHA)

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Presented to Lok Sabha on 03.08.2021

Laid in Rajya Sabha on 03.08.2021



LOK SABHA SECRETARIAT
NEW DELHI

August, 2021/ Sravana, 1943 (Saka)

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* Not appended in the cyclostyled copy

COMPOSITION OF STANDING COMMITTEE ON FINANCE (2020-21)

Shri Jayant Sinha - Chairperson

MEMBERS

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Sukhbir Singh Badal
4. Shri Subhash Chandra Baheria
5. Shri Vallabhaneni Balashowry
6. Shri Shrirang Appa Barne
7. Dr. Subhash Ramrao Bhamre
8. Smt. Sunita Duggal
9. Shri Gaurav Gogoi
10. Shri Sudheer Gupta
11. Vacant
12. Shri Manoj Kishorbhai Kotak
13. Shri Pinaki Misra
14. Shri P.V Midhun Reddy
15. Prof. Saugata Roy
16. Shri Gopal Chinayya Shetty
17. Dr. (Prof.) Kirit Premjibhai Solanki
18. Shri Manish Tewari
19. Shri Parvesh Sahib Singh Verma
20. Shri Rajesh Verma
21. Shri Giridhari Yadav

RAJYA SABHA

22. Vacant
23. Shri A. Navaneethakrishnan
24. Shri Praful Patel
25. Dr. Amar Patnaik
26. Shri Mahesh Poddar
27. Shri C.M. Ramesh
28. Shri Bikash Ranjan
29. Shri G.V.L Narasimha Rao
30. Dr. Manmohan Singh
31. Smt. Ambika Soni

SECRETARIAT

1. Shri V.K. Tripathi - Joint Secretary
2. Shri Ramkumar Suryanarayanan - Director
3. Shri Kulmohan Singh Arora - Additional Director
4. Ms. Madhumita - Assistant Committee Officer

INTRODUCTION

I, the Chairperson of the Standing Committee on Finance, having been authorized by the Committee, present this Thirty-eighth Report on action taken by Government on the Observations / Recommendations contained in the Twenty-eighth Report of the Committee (Seventeenth Lok Sabha) on Demands for Grants (2021-22) of the Ministry of Planning.

2. The Twenty-eighth Report was presented to Lok Sabha / laid on the table of Rajya Sabha on 16 March, 2021. The Action Taken Notes on the Recommendations were received from the Government *vide* their communication dated 26 April, 2021.

3. The Committee considered and adopted this Report at their sitting held on 29 July 2021.

4. An analysis of the action taken by the Government on the recommendations contained in the Twenty-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
29 July, 2021
7 Sravana, 1943 (Saka)

SHRI JAYANT SINHA,
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 28th Report (Seventeenth Lok Sabha) on Demands for Grants (2021-22) of the Ministry of Planning which was presented to Lok Sabha / Laid in Rajya Sabha on 16th March, 2021.

2. The Action Taken Notes have been received from the Government in respect of all the 10 recommendations contained in the Report. These have been analyzed and categorized as follows:

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

Recommendation No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10.

(Total 10)
(Chapter- II)

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

Recommendation No. NIL

(Total NIL)
(Chapter- III)

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

Recommendation No. NIL

(Total NIL)
(Chapter -IV)

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

Recommendation No. 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.

Recommendation (Serial No. 4)

Development Monitoring and Evaluation Office (DMEO)

5. The Committee note that the major monitoring and evaluation task of NITI Aayog is performed by DMEO. Apart from this, NITI Aayog has developed a number of social sector indices and dashboards by focusing on effective management and better outcomes backed by data analysis. However, the Committee are of the opinion that there is some ambiguity with regard to the quality of data being used by the Ministry. Hence, the Committee are of the view that more emphasis needs to be placed and steps undertaken to improve the quality of data. The Committee further desire that greater use of latest technological developments be made in data collection and analysis. In addition, the Committee also recommend that NITI Aayog have necessary staff at the district level to ensure that high-quality outcomes data is supplied for the CSS.

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

“In order to fulfill its monitoring and evaluation objectives, DMEO dashboards primarily use self-reported data by Ministries/ Departments of the Government of India. Hence, Data Governance Quality Index (DGQI) was undertaken as an initial self-assessment exercise to enable internal review and contemplation and build greater ownership within Ministries/ Departments on their data preparedness levels using a standardized framework so that improvements required in their data systems may be initiated. With these objectives, following six key themes were identified to assess data systems of Central Sector (CS) and Centrally Sponsored Schemes (CSS) of 65 Ministries/ Departments: data generation, data quality, use of technology, data analysis use and dissemination, data security & HR capacity and case studies.

Based on the self-assessment data, it was observed that there is substantial scope for improvement. It was also recognized that immediate focus is needed for digitization of data generation processes and data quality assurance practices to be followed across Ministries/Departments. Emerging technologies need to be integrated while building MIS systems and dashboards should be increasingly used for decision making. Case studies also reflected importance of inter-agency team work.

Based on these findings, it has been planned that DGQI would be an annual exercise. Ministries/ Departments have been requested to develop data strategies and consider establishing Data & Strategy Unit to reach DGQI 5.0 scores by Dec 2022. DMEO has also provided guidelines and templates to assist them in the process. The scope of DGQI would also be horizontally expanded to cover data strategy and data driven outcomes as well as vertically expanded to include non-schematic interventions in addition to CS/ CSS schemes.”

7. The Committee had opined that there is some ambiguity with regard to the quality of data being used by the Ministry for developing a number of social sector indices and dashboards. The Committee further emphasized the need for greater use of latest technological developments in data collection and analysis. The Ministry on their part have acknowledged that there is substantial scope for improving data quality. They also recognized the need for digitization of data generation processes and data quality assurance practices, to be followed across Ministries/Departments. In order to achieve the above objectives, the Ministry has planned a few initiatives like making Data Governance Quality Index (DGQI) an annual exercise, developing data strategies and establishing Data & Strategy Unit, horizontally expand the scope of DGQI to cover data strategy and data driven outcomes as well as vertically expanding it to include non-schematic interventions in addition to CS/CSS schemes. The Ministry further informed that DMEO has also provided guidelines and templates to assist them in this process. The Committee expect these steps to be implemented at the earliest so that data quality is improved and reliability of various indices and dashboards is enhanced. The Committee would thus like to emphasize that NITI Aayog should have necessary staff at the district level to ensure that high-quality outcomes data is supplied for the Centrally Sponsored Schemes. Further, all the data being collected by NITI Aayog should be made fully available to the public in machine readable format to

allow for further research and dissemination. This is particularly important for District and Block level data.

Recommendation (Serial No. 7)

Aspirational Districts Programme (ADP)

8. The Committee while appreciating the socio-economic improvements made in the backward districts under ADP, would like to suggest greater incorporation of latest technologies to provide innovative solutions to the unique challenges facing these districts. The Committee also recommend that more and more start-ups and social entrepreneurs should be encouraged in these districts. The Committee are of the view that greater collaborations should be developed with local NGOs, field volunteers and other development partners which can further help in improving the economic as well as social progress of these backward districts. The Committee further suggest to include independent third parties in areas of data collection and evaluation studies to measure such progress.

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

“The recommendations of the Committee are noted. Use of technology for better governance outcome is one of the key themes of the programme. For instance, out of the additional allocations that districts are getting due to better performance, many of them have taken projects on smart classroom, solar lighting in remote areas, better equipments in health centres, etc. Secondly, the Champions of Change dashboard on which districts are uploading their data, uses advanced technology to detect anomaly in data and generates automatic alert. NITI Aayog also regularly disseminates through social media, innovative works undertaken in a district for adoption and replication by other districts.

The Aspirational District Programme has emerged as an unique platform where NGOs, philanthropies and civil societies are effectively working with the District administration in their respective areas of work. This synergetic relation would be further harnessed to create a more enabling environment in these districts for start ups and social entrepreneurs.

As the programme endeavours to improve the quality of data, as recommended by the Committee, third party validation is an integral part of the programme architecture. In the current year, a major effort is underway to create a process for verification of data at district level, firstly through the designated team of the District administration themselves and secondly by verification of select data by an outside agency. In addition, the Champions of Change dashboard on which districts are uploading data, now has an in built mechanism to identify anomalous data entry and generate alerts for district administration for remedial measures.”

10. The Committee had suggested the inclusion of independent third parties in areas of data collection and evaluation studies to measure the economic as well as social progress of backward districts under Aspirational Districts Programme (ADP). The Ministry in their reply have informed about an effort that is underway to create a process for verification of data at district level. Under this process, data would be first verified through the designated team of the District administration themselves and secondly by verification of select data by an outside agency. The Committee while appreciating the broad framework would like to be apprised of the detailed plan of data verification. The Committee further desire early execution of the said programme. Additionally, since the ADP is now world-famous, NITI Aayog should strive to onboard leading universities and researchers to conduct and publish top-quality research studies on outcomes.

Recommendation (Serial No. 9)

Aspirational Districts Programme (ADP)

11. The Committee learn that well performing districts are awarded financially, whereby one-time additional allocation is given to seven districts on the basis of performance in different categories (total outgo of Rs. 30 crore per month) to strengthen the competitive spirit among the district team. The Committee while appreciating this provision of performance-based allocation, would also like to recommend that the poor-performing districts should also be supported to enable them to develop their capabilities to enhance their performance.

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

“The recommendations of the Committee are noted. While performance based additional allocation remains the dominant strategy, under the programme, there is a provision for taking up innovative projects in a district or a group of districts which addresses their specific problems. This window therefore allows providing allocation to poor performing districts too. As an example, under this window, various projects have been taken up in 23 Aspirational Districts including projects for creation of smart classrooms, reduction of anaemiaprevalance, introducing millet based recipes in nutrition etc.”

13. The Committee while appreciating the provision of performance based fund allocation to aspirational districts, had also recommended that poor performing districts be supported to enable them to develop their capabilities to enhance their performance. The Ministry in their reply informed about a provision under ADP, for taking up innovative projects in a district or a group of districts which addresses their specific problems. This window therefore allows providing allocation to poor performing districts too for projects like creation of smart classrooms, reduction of anemia prevalence, introducing millet based recipes in nutrition etc. The Committee while acknowledging this innovative provision, would reiterate further hand-holding of those districts that are lagging behind on important parameters of health, education etc., either through funds or other means. In particular, poor performing districts require talented staff to help implement Government schemes. NITI Aayog should consider posting its young professionals to these districts for at least 12 months. This will enable NITI to build a cadre of professionals with good understanding of day-to-day realities.

NEW DELHI;
29 July 2021
07 Shravana, 1943 (Saka)

SHRI JAYANT SINHA,
Chairperson,
Standing Committee on Finance

Minutes of the Fourteenth sitting of the Standing Committee on Finance (2020-21)
The Committee sat on Thursday, the 29th July, 2021 from 1430hrs. to 1500 hrs. in
Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Jayant Sinha – Chairperson

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Vallabhaneni Balashowry
4. Shri Shrirang Appa Barne
5. Shri Manoj Kishorbhai Kotak
6. Shri Pinaki Misra
7. Shri Gopal Chinayya Shetty
8. Dr. (Prof.) Kirit Premjibhai Solanki
9. Shri Manish Tewari
10. Shri Rajesh Verma

RAJYA SABHA

11. Shri A. Navaneethakrishnan
12. Dr. Amar Patnaik
13. Shri Mahesh Poddar
14. Shri C.M. Ramesh
15. Shri G.V.L Narasimha Rao

SECRETARIAT

- | | | | |
|----|------------------------------|---|---------------------|
| 1. | Shri Vinod Kumar Tripathi | - | Joint Secretary |
| 2. | Shri Ramkumar Suryanarayanan | - | Director |
| 3. | Shri Kulmohan Singh Arora | - | Additional Director |
| 4. | Shri Kh. Ginlal Chung | - | Under Secretary |

3. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. Thereafter, the Committee took up the following draft reports for consideration and adoption:

- (i) Thirty-second Report on the subject 'Implementation of Insolvency and Bankruptcy Code-Pitfalls and solutions' of the Ministry of Corporate Affairs.
- (ii) Thirty-third Report on Action Taken by the Government on Recommendations contained in 68th Report (Sixteenth Lok Sabha) on

subject 'Banking Sector in India - Issues, Challenges and the Way Forward with specific reference to NPAs/ Stressed Assets in Banks/Financial Institutions' of the Ministry of Finance (Department of Financial Services).

- (iii) Thirty-fourth Report on Action Taken by the Government on Recommendations contained in 12th Report on 'Financing the Startup Ecosystem' of the Ministry of Finance (Departments of Economic Affairs and Revenue) and Ministry of Commerce (Department for Promotion of Industry and Internal Trade).
- (iv) Thirty-fifth Report on Action taken by the Government on the recommendations contained in 25th Report on Demands for Grants (2021-22) of the Ministry of Finance (Departments of Economic Affairs, Expenditure, Financial Services, and Investment and Public Asset Management).
- (v) Thirty-sixth Report on Action taken by the Government on the recommendations contained in 26th Report on Demands for Grants (2021-22) of the Ministry of Finance (Department of Revenue).
- (vi) Thirty-seventh Report on Action taken by the Government on the recommendations contained in 27th Report on Demands for Grants (2021-22) of the Ministry of Corporate Affairs.
- (vii) Thirty-eighth Report on Action taken by the Government on the recommendations contained in 28th Report on Demands for Grants (2021-22) of the Ministry of Planning.
- (viii) Thirty-ninth Report on Action taken by the Government on the recommendations contained in 29th Report on Demands for Grants (2021-22) of the Ministry of Statistics and Programme Implementation.

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

The Committee then adjourned.

A verbatim record of the proceedings has been kept.

APPENDIX

(Vide Para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE TWENTY-EIGHTH REPORT OF THE STANDING COMMITTEE ON FINANCE (SEVENTEENTH LOK SABHA) ON DEMANDS FOR GRANTS (2021-22) OF THE MINISTRY OF PLANNING

		Total	% of total
(i)	Total number of Recommendations	10	
(ii)	Recommendations/Observations which have been accepted by the Government (vide Recommendation at Sl.Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10)	10	100%
(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	Nil	0.00
(v)	Recommendations/Observations in respect of which final reply of the Government are still awaited	Nil	0.00