

48

**STANDING COMMITTEE
ON FINANCE
(2006-07)**

FOURTEENTH LOK SABHA

**MINISTRY OF STATISTICS & PROGRAMME
IMPLEMENTATION**

**DEMANDS FOR GRANTS
(2006-2007)**

[Action Taken by the Government on the recommendations contained in the Thirty-Ninth Report of the Standing Committee on Finance on Demands for Grants (2006-2007) of the Ministry of Statistics & Programme Implementation]

FORTY EIGHTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2006/Agrahayana, 1928 (Saka)

FORTY–EIGHTH REPORT

STANDING COMMITTEE ON FINANCE
(2006-2007)

(FOURTEENTH LOK SABHA)

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Thirty-Ninth Report of the Standing Committee on Finance on Demands
for Grants (2006-2007) of the Ministry of Statistics &
Programme Implementation]*

*Presented to Lok Sabha on 14 December, 2006
Laid in Rajya Sabha on 14 December, 2006*



LOK SABHA SECRETARIAT
NEW DELHI

December, 2006 / Agrahayana, 1928 (Saka)

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COMPOSITION OF STANDING COMMITTEE ON FINANCE – 2006-2007

Maj. Gen (Retd.) B.C. Khanduri — *Chairman*

MEMBERS

Lok Sabha

2. Shri Jaswant Singh Bishnoi
3. Shri Gurudas Dasgupta
4. Shri Shyama Charan Gupta
5. Shri Vijoy Krishna
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28. Shri S.P.M. Syed Khan
29. Shri Mangani Lai Mandal
30. Shri C. Ramachandraiah
31. Vacant

*Nominated to this Committee *w.e.f.* 31.8.2006 *vice* Shri Raosaheb Danve Patil.

SECRETARIAT

- | | | | |
|----|-------------------------|---|-----------------------------|
| 1. | Smt. (Dr.) P.K. Sandhu | — | <i>Additional Secretary</i> |
| 2. | Shri A. Mukhopadhyay | — | <i>Joint Secretary</i> |
| 3. | Shri S.B. Arora | — | <i>Deputy Secretary</i> |
| 4. | Shri T.G. Chandrasekhar | — | <i>Under Secretary</i> |

INTRODUCTION

I, Chairman of the Standing Committee on Finance having been authorized by the Committee to submit the Report on their behalf present this Forty-Eighth Report on action taken by Government on the recommendations contained in the Thirty-Ninth Report of the Committee (Fourteenth Lok Sabha) on Demands for Grants (2006-2007) of the Ministry of Statistics & Programme Implementation.

2. The Thirty-ninth Report was presented to Lok Sabha/laid in Rajya Sabha on 22 May, 2006. The Government furnished the written replies indicating action taken on all the recommendations on 3 August, 2006 and 10 November, 2006. The Draft Action Taken Report was considered and adopted by the Committee at their sitting held on 7 December, 2006.

3. An analysis of action taken by Government on the recommendations contained in the Thirty-Ninth Report (Fourteenth Lok Sabha) of the Committee is given in the Appendix.

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

NEW DELHI;
11 December, 2006
20 Agrahayana, 1928 (Saka)

MAJ. GEN. (RETD.) B.C. KHANDURI,
Chairman,
Standing Committee on Finance.

CHAPTER I

REPORT

This Report of the Standing Committee on Finance deals with action taken by Government on the recommendations contained in their Thirty-Ninth Report (Fourteenth Lok Sabha) on Demands for Grants (2006-2007) of the Ministry of Statistics and Programme Implementation which was presented to Lok Sabha/laid in Rajya Sabha on 22 May, 2006.

2. The Report contained five recommendations. Action taken notes have been received from the Government in respect of all the five recommendations contained in the Report. These have been analysed and categorized as follows:—

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

Sl. Nos. 2 (Para Nos. 21-22) & 3 (Para Nos. 33-35)

(Total 2)

(Chapter II)

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

Nil

(Chapter III)

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

Sl. No. 1 (Para Nos. 14-15), 4 (Para No. 48) & 5 (Para No. 49)

(Total 3)

(Chapter IV)

- (iv) Recommendations/observations in respect of which final reply of the Government is still awaited:

Nil

(Chapter V)

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

Recommendation No. 1 (Para Nos. 14-15)

Modernisation of Statistical System in India (India Statistical Strengthening Project)

4. The Committee had, in their fourth and nineteenth report on the Demands for Grants of the Ministry of Statistics and Programme Implementation of the

years 2004-05 and 2005-06 respectively taken note of the fact that Tier II which was the actual implementation phase of the India Statistical Strengthening Project was dependent on the results of Tier I of the project. The Committee had, therefore, emphasized on the need to ensure that the project schedules were strictly adhered to. From the information furnished by the Government, the Committee noted that the work on building the Concept Paper on Tier-II of the India Statistical Strengthening Project which was dependent on the broad results of implementation of Tier-I of the project has been hampered. While the work on developing the 'Concept Paper' for Tier-II in respect of components relating to 'Creation and Maintenance of Business Register' and 'Improvement of Service Sector Statistics' had commenced, the development of the 'Concept Paper' on the remaining three components could not be initiated *viz.* identifying specific requirements for strengthening the State Statistical Branches Bureaus, assessment of the survey capabilities of the private sector and all India Statistical network. The delay in formulating the 'Concept Paper' for Tier II of the project has been owing to the non-availability of the broad results/achievements relating to implementation of the three components as part of the Tier-I programme of the project.

5. The Committee, therefore, once again emphasized on ensuring that all efforts were made to see that the work on the remaining components of Tier I of the India Statistical Strengthening Project was completed as per the laid down schedules so that Tier-II of the project takes off without further delay. They also wished to be apprised of the progress made in this direction at quarterly intervals.

6. In their Action Taken Reply, the Ministry have stated as follows:

“With a view to ensuring that the remaining components of Tier-I of the India Statistical Strengthening Project are completed as early as feasible, implementation of its different components is being regularly monitored by the Task Forces and Review Missions of the World Bank, besides periodical review by senior officers.

Tier-I of the components on Creation and maintenance of the Business Register has been completed. Tier-I of the components on Improvement of Service Sector Statistics and Assessment of Survey Capabilities of Private Sector is at advance stage of completion. There has been some delay in completion of Tier-I of the component on Strengthening of State Statistical Bureaus due to delay in submission of reports of phase-I of the Tier I of the component by the consultants. The component on Establishment of All India Statistical Network has been de-linked from World Bank project.

Necessary action for preparation of the 'Concept Paper' for Tier-II is also being simultaneously initiated in consultation with the World Bank so as to ensure that the project is completed as per the revised schedule. We are also having elaborate

discussions and review of the up to date progress with the World Bank Mission scheduled in the first week of September, 2006.”

7. On the specifics of the discussions that the Ministry may have had with the representatives of the World Bank on aspects relating to implementing the India Statistical Strengthening Project, the Government *vide* their reply dated 10 November, 2006 informed as under:

“A World Bank Mission comprising Mr. Graham Eele, Sr. Statistician of the World Bank and Mr. Deepak Das Gupta, Ms. Farah Zahir and Ms. Arpita Chakraborty (officers from Delhi Office of the World Bank), visited Central Statistical Organization to review the progress of the ongoing India Statistical Strengthening Project (ISSP).

The following issues were discussed for further action:

- (i) The work relating to Tier-1 of the component ‘Strengthening of State Statistical Bureaus’ may be completed as per the time frame by end of December, 2006.
- (ii) A concept paper for Tier-II of the ISSP may be prepared at the earliest and sent to the Planning Commission for approval. After approval, the same may be sent to the World Bank (WB) through Department of Economic Affairs (DEA). This will enable WB to put ISSP in their programme. The concept paper may be prepared giving key issues, basic objectives, brief outline of the project and costing of the project.
- (iii) Strengthening of State Statistical Bureaus may be taken up in phased manner. 6 to 7 areas may be taken up in all States every year so that the project may be completed in a span of five years. DG & CEO, NSSO indicated that it would be better to phase out activities rather than States. There should be no discrimination amongst the States in initiating the Tier-II of the project. Since the time frame of ISSP matches with the 11th Five Year Plan, efforts may be made to monitor the project in such a way that the entire process is completed within the 11th Five Year Plan.
- (iv) The following projects may be considered for inclusion in Tier-II.
 1. Strengthening of State Statistical Bureaus
 2. Improvement of Service Sector Statistics
 3. Strengthening of capacity of the MOS& PI to manage the project
 4. Statistical Audit/Quality Control”.

8. The Committee are constrained to note that instead of addressing the main concern expressed by them on the need for assessing the reasons for the frequent and inordinate delays being witnessed in implementing the core

components of Tier I of the India Statistical Strengthening Project, the reply of the Government merely recounts aspects relating to the project monitoring role played by the officers of the Ministry of Statistics and Programme Implementation and the task force of the external aiding agency, the World Bank. From the information furnished in the reply on the current status of the India Statistical Strengthening Project, the Committee cannot help inferring that no serious effort seems to have been made to assess and evaluate the reasons for the significant and continued slippages in adhering to the time lines for implementing the core components of Tier I of the Project, the broad results of which are to form the basis for proceeding to the actual implementation phase of this Project for modernizing the statistical system in the country. For instance, three of the four components of Tier I of the Project pertaining to strengthening the State Statistical Bureaus', improvement of service sector statistics' and 'survey capabilities of private sector', which were to be completed by May/June, 2006 as per the revised implementation schedule remain to be executed. Inordinate delays and frequent rescheduling of the time-lines for implementing the Project are, in the opinion of the Committee, indicative of serious deficiencies in the project planning and monitoring processes. The Committee, therefore, desire that a comprehensive evaluation of the entire gamut of issues pertaining to the planning and implementation aspects of the India Statistical Strengthening Project be carried out with a view to identifying the lacunae and drawbacks in the planning process and taking appropriate remedial measures. They also wish to be apprised of the action taken in this direction as well as the ground level progress in implementing the Project at three monthly intervals.

Recommendation No. 4 (Para No. 48)

Project Monitoring Division

9. The Committee noted from the information furnished by the Government that of the 683 projects on the monitor of the Ministry, 77 projects had witnessed time as well as cost overruns. While the time overrun witnessed in the implementation of the projects stretches from 2 to 253 months, the resultant cost escalation had been to the extent of 90.7%. Though the cost overrun in regard to implementing projects as informed to have gone down from 67.6% in the 1990s to 18.1% in the period, April-September, 2005 it was also brought to light that the precarious position of the manpower structure in the Infrastructure Project Monitoring Division (IPMD) had diluted the efficiency of the project monitoring task to a significant extent. Bringing down time and cost overruns in implementing projects was by itself expected to contribute to as much as 2% of the GDP. The Committee, therefore emphasized on ensuring that sustained and focused attention be given to implement adequate measures for minimizing the cost and time escalations in project implementation.

10. The Ministry, in their Action Taken Reply, have submitted as under:—

“Action is being taken to fill up the existing vacancies of Deputy Advisers and also to revise the existing recruitment rules for eligible Deputy Advisers to be absorbed in this Ministry.”

11. The reply of the Government is silent on the observation made by the Committee in the report on Demands for Grants (2006-07) of the Ministry on the need for initiating appropriate measures for minimizing cost and time escalations in implementing projects. The Committee had also, by taking note of the submission made by the Ministry about the precarious position of the manpower structure in the Infrastructure Project Monitoring Division (IPMD) having significantly diluted the efficiency of the project monitoring role, emphasized on taking appropriate measures for filling up the vacant posts in the Division. The related details have not been furnished in the action taken reply. The Committee reiterate the need for initiating and implementing viable measures for reducing time and cost escalations in project implementation, the benefits on account of which are expected to add as much as 2% to the GDP. The Committee also desire to be apprised of details of the measures initiated for filling up the vacant posts of Deputy Advisers in the Project Monitoring Division as well as the revisions carried out or contemplated in the recruitment rules for overcoming the problem of manpower shortage.

Recommendation No. 5 (Para No. 49)

Online Computerized Monitoring System (OCMS)

12. Implementation of the Online Computerized Monitoring System (OCMS) which was perceived to be a major initiative towards ensuring effective monitoring of project implementation had, as pointed out in the earlier reports of the Committee witnessed repeated episodes of delays. The Committee were informed that as per the revised schedule of implementation, the system was set to be operationalised by July, 2006. However, as per the Outcome Budget, 2006-07, the project was likely to become operative only by September 2006. The Committee took strong exception to the frequent shifting of the time schedule for operationalising the OCMS project. They expected that no effort would be spared in ensuring that the project was made operational definitely by September, 2006 and any proposal for extension beyond this could be intimated to the Committee along with sufficient reasons for the same.

13. In regard to the current status of the On-line Computerized Monitoring System, the Ministry, in their Action Taken Reply, informed as under:

“Efforts are being made to operationalise On-line Computerised Monitoring System (OCMS). However, the software developer i.e. The Energy Research Institute (TERI) has not been able to demonstrate the efficacy of the software till-date. In the meantime, Ministry is also on look-out for hiring two system

programmers/Network administrators to take charge of the software being developed by TERI and assist this Ministry in day to day monitoring work. Trial of the software on the hardware Platform is being conducted in the middle of August 2006.”

14. Asked to furnish updated details of the current status of the Project, the Ministry, *vide* their reply dated 10th November, 2006 informed as follows:—

“The Energy Research Institute (TERI) has demonstrated the software developed by them for On-line Computerised Monitoring System (OCMS) only in the month of August, 2006. Subsequently, parallel Flash Report for the month of June, 2006 has been brought out through OCMS and compared with Flash Report brought out by National Informatics Centre (NIC). Similarly, the Quarterly Project Implementation Status Report (QPISR) for the quarter ending June, 2006 has been brought out through OCMS. Discrepancies have been noticed and it has been communicated to TERI, for remedial measures. These glitches have to be attended to by TERI before carrying out a similar exercise for July 2006, August, 2006 and September, 2006.

This exercise will be carried out in respect of Flash Reports for the months of July 2006, August, 2006 and September, 2006 and also QPISR for the quarter ending September, 2006 before finally operationalising the OCMS. After three or four successive reports without flaws are generated, then only monitoring of the projects would be switched over to the OCMS. The software which is complex and new, is to be checked thoroughly. To ensure that the reports generated are accurate, some more time for testing is required. The entire process is likely to be completed by end February, 2007.

Parallely, in September, 2006 and October, 2006 training programmes to the user agencies to familiarize them with the OCMS, have been conducted. We would be communicating project code numbers to the PSUs for web-based entry of project data. For smooth functioning of OCMS a system programmer has also been hired through NICSII.”

15. The Committee note with serious concern that inspite of repeated postponement of the implementation schedule, the On-line Computerised Monitoring System (OCMS) is yet to be made operational. While, at the stage of examination of the Demands for Grants of the Ministry (2006-07), the Committee were informed that the project would be made operational by June 2006, as per the projections of the Outcome Budget (2006-07), the project was to be completed for operationalisation by September, 2006. From the information now furnished in the Action Taken reply, the Committee note that the efficacy of the software developed by the Consultant for enabling online monitoring of project

implementation is yet to be demonstrated and the remedial processes that mainly relate to overcoming the technical glitches being faced would be overcome by February, 2007. The Committee expect that no effort would be spared in ensuring that the technical glitches in operationalising the project are overcome and exercises relating to conducting training programmes etc. are completed so as to ensure that the project is made fully operational by February, 2007. The Committee also wish to be kept apprised of the progress made in this direction.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Serial No. 2, Paragraph No. 21)

From the information furnished, the Committee note that the current series of PCI (UNME) is based on the Family Living Survey (FLS) data collected during 1982-83. As such, the consumption basket of the current series of CPI(UNME) needs to be revised. What the Committee find to be particularly worrisome to note in this regard is that owing to lack of field officers, the Family Living Survey could not be undertaken. Consequently the Tariff Advisory Committee (TAC) had to recommend continuing with the current series of CPI (UNME) for some more time. The Committee understands that the recruitment process for filling up the vacant posts of the Field Officer is underway. The Committee expect that the Family Living Survey will be undertaken immediately upon completion of the recruitment process so as to enable the revision of CPI(UNME) series.

Reply of the Government

The proposal to revise the existing series of CPI(UNME) (Base 1984-85) has been under consideration of the Ministry for a long time. However, it got postponed due to lack of adequate resources to carry out the Family Living Survey (FLS), which is the basis of the revision exercise. The initial proposal to create required no. of plan posts in FOD was turned down. At the instance of the Min. of Finance, the feasibility of engaging a private agency for the FLS was also explored. However, no private agency with proven credibility could be identified which could take up such a large-scale survey simultaneously in different parts of the country.

NSSO was requested to accommodate the proposed FLS in its regular programmes of Socio Economic Survey. The proposal was discussed in the 88th meeting of the Governing Council, NSSO (Feb., 2004) wherein it was tentatively decided to dovetail the FLS with field work of the 62nd round of NSS.

However, due to large no. of vacancies in the grade of Investigators in FOD, FLS could not be launched along with the NSS 62nd round. Meanwhile, arrangement was made to fill up those vacancies on contract basis till regular officials are available through the SSC.

A Working Group was constituted by Governing Council for NSSO, under the Chairmanship of Prof. B.B. Bhattacharya, Vice-Chancellor, JNU for giving technical

guidance for the FLS, Market Survey etc. The Group, however, stressed the urgent need for compilation of comprehensive CPI(Urban) and CPI(Rural) at national level. The Working Group resolved that in view of the limited use of CPI(UNME), it would be ideal to go in for construction of CPI(U) series instead of revising the existing CPI(UNME) series.

The above views of the Working Group was placed before the 44th meeting of the TAC on SPCL (Dec. 2005). In view of severe resource constraints, it was realized that it would not be feasible to introduce the proposed CPI(Urban) series along with revision exercise of CPI(UNME). Considering the limited use of CPI(UNME), it was decided that the existing series of CPI(UNME) might be continued without revision for some more time and all efforts may be made to compile CPI(U). In this context following decisions were taken.

- (i) The resources proposed to be utilized for revision of CPI(UNME) may be used for compilation of CPI(Urban).
- (ii) Existing series of CPI(UNME) may be continued for some more time without revision till CPI(U) series gets stabilized.

In view of the above recommendations of TAC, the training of the field staff of NSSO (FOD) on market Survey for compilation of CPI(U) has been completed recently and the survey work is likely to start shortly by NSSO(FOD) by utilizing the available resources including the field officials expected to join shortly against the vacant posts in FOD. These posts which are being filled now are not additional posts made available to FOD, instead these are vacant posts out of the sanctioned strength of FOD which were laying vacant. In view of above and as already informed, there is no need of a fresh FLS now for revision of the current series of CPI(UNME). As such the proposal of revising existing series of CPI (UNME) has been abandoned altogether.

[Ministry of Statistics and Programme Implementation
O.M. NO.G-20017/3/2006-B&F dated 3.8.2006]

Recommendation (Serial No. 2, Paragraph No. 22)

The Committee had, in their 31st Action Taken Report *inter alia* observed that the Government had failed to furnish details of the measures initiated to ensure early completion of the work on formulating the new series of WPI and switching over to the Producer Price Index (PPI). From the details now furnished, the Committee note that in regard to revising the Wholesale Price Index (WPI), the major task of collecting the price information for the product basket of the new series applicable from April, 2000 onwards remain to be executed. As regards the work pertaining to construction of the Producer Price Index (PPI) for commodity sectors, the Committee note that the Working Group concerned has commenced with the work on addressing the related conceptual, analytical and technical issues. With regard to the new series of CPI (IW) on base 2001=100, the Committee note that the Tariff Advisory Committee (TAC) had at its meeting held in February 2001, decided to release the new series. The

Committee expect that every possible effort is made to ensure that the work on revising the Wholesale Price Index (WPI) is executed within a pre-determined time frame. The Committee also desire that the new series of CPI (IW) on base, 2001=100, which is stated to be ready and under submission to Ministry of Labour, be released by the Ministry at the earliest.

Reply of the Government

Compilation of Wholesale Price Index (WPI) is the responsibility of the Office of Economic Adviser, Ministry of Commerce and Industry. The present WPI series is with the base 1993-94=100. A Working Group was constituted in December, 2003 for revision of current series of WPI under the chairmanship of Prof. Abhijit Sen, Member, Planning Commission which has decided to select 2000-01 as the base year for the new series of the PWI. The Working Group constituted four Sub groups on (i) Agricultural Commodities, (ii) Manufactured Items, (iii) Unorganized/Unregistered sector and (iv) Analytical and other related issues. The Sub Group on 'Manufactured items & related matters' and 'Unorganized/Unregistered Sector' have submitted their reports. The other two reports are in the final stages of submission.

To collect price information for the product basket since April 2000 onwards from source agencies, the following steps have been taken. Chief Secretaries of State Governments/UTs were requested to nominate Nodal Officers for assisting and coordinating among other things the task of price collection. 21 States/UTs have already nominated their Nodal Officers. Department of Industrial Policy & Promotion in a meeting held with the representatives of the State Governments on 13.03.2006 also urged the State governments to extend cooperation in the matter. Interactive sessions/workshops/campaigns with industry/trade associations at important cities in different States were held. So far workshops at Chandigarh, Lucknow, Bhubaneshwar, Bhopal, Kochi, Hyderabad and Mumbai have been held.

The construction of Producer Price Index (PPI) would largely depend on the final recommendations of the Working Group set up for revision of current series of WPI to 2000-01=100 as base. The Working Group has already begun work on the conceptual, analytical and technical issues relating to construction of a Producer Price Index for commodity sectors.

The Labour Bureau Shimla under the M/O Labour has already released the new series of CPI(IW) on base 2001=100 on 9th March 2006 with effect from index pertaining to January 2006.

[Ministry of Statistics and Programme Implementation
O.M. No.G-20017/3/2006-B&F dated 3.8.2006]

Recommendation (Serial No.3, Paragraph No. 33)

The Central Statistical Organisation (CSO) is expected to play a pivotal role in coordinating with the various Ministries and Departments of the Central Government,

State Governments and other Statistical agencies for enabling maintenance of quality standards of core statistics relating to sectors of the agriculture, livestock, health, industry, housing, education, labour, road, transport etc. and to make such data available to economists, Planning Commission and others concerned for usages for the benefit of the country as a whole. The Committee, however, feels constrained to note that the Ministry have, in one of the replies perceived their role in this regard to be merely of advisory nature.

Reply of the Government

CSO is expected to play a pivotal role in maintaining the quality of core statistics as emanating from different Ministries/Departments at the Central level as well as the State Statistical Bureaus. CSO is vested with an Advisory Role for the activities as identified in the above paragraph. CSO interacts regularly with the Central and State Statistical Organisations on all matters concerning the development and quality of the Statistics through Working Groups, Technical Advisory Committees, Standing Committee, etc. at the Central level and the Conference of Central and State Statistical Organizations at the State levels. These interactions have proved effective in maintaining uniformity in statistics and quality of data. The National Statistical Commission has been set up to look into these aspects.

Recommendation (Serial No. 3, Paragraph No. 34)

The Committee also note that the Conference of Central and State Statistical Organisations (CSSO) and Chief Secretaries of the States/Union Territories held in October, 2004 had made a detailed analysis of issues relating *inter alia* to agriculture and livestock statistics, social statistics, health and family welfare statistics and economic census. The Conference had, *inter alia*, identified areas of weaknesses in compiling quality data and suggested remedial measures for overcoming the problems. The Committee, however, note with concern that the Ministry do not have ready information on the follow up action taken on implementation of the recommendations made by the Conference. As per the assurance given, the Committee expects the Government to process the related information on the progress made in implementing the recommendations and apprise them of the facts relating thereto at the earliest.

Reply of the Government

The follow-up action required on the recommendations made by the Conference of Central and State Statistical Organizations held in October 2004 have been examined in consultation with the State Governments and other Central Ministries. A copy of the report is enclosed as Annexure-I.

[Ministry of Statistics and Programme Implementation
O.M. No.G-20017/3/2006-B&F dated 3.8.2006]

Recommendation (Serial No. 3, Paragraph No. 35)

For enabling effective interaction between the Central and State Governments for addressing issues relating to the quality of statistical data, the Committee had, in

their Nineteenth Report, recommended that the Conference of Central and State Statistical Organisation (CSSO) be held at annual intervals. This was agreed to by the Government. The Committee, however, feel seriously concerned to note that the practice of convening the conference annually is not being adhered to. The Committee reiterates the need for invariably holding the Conference of Central and State Statistical Organisations at annual intervals.

Reply of the Government

The concern of the Committee has been carefully noted by the Ministry. The Ministry would like to inform that the next conference of Central and State Statistical Organisations is being scheduled to be held on 7th and 8th September 2006 at Hyderabad and that would be followed up by Annual conferences, for which a Standing Committee has been constituted.

[Ministry of Statistics and Programme Implementation
O.M. No.G-20017/3/2006-B&F dated 3.8.2006]

CHAPTER III

**RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE
DO NOT DESIRE TO PURSUE IN VIEW OF
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. 1, Para Nos. 14 & 15)

The Committee had, in their fourth and nineteenth reports on the Demands for Grants of the Ministry of Statistics and Programme Implementation of the years 2004-05 and 2005-06 respectively taken note of the fact that Tier-II which was the actual implementation phase of the India Statistical Strengthening Project was dependent on the results of Tier-I of the project. The Committee had, therefore, emphasized on the need to ensure that the project schedules were strictly adhered to. From the information furnished, the Committee note that the work on building the Concept Paper on Tier-II of the India Statistical Strengthening Project which is dependent on the broad results implementation of Tier-I of the project has been hampered. While the work on developing the 'Concept Paper' for Tier-II in respect of components relating to 'Creation and Maintenance of Business Register' and 'Improvement of Service Sector Statistics' has been initiated, the development of the 'Concept Paper' on the remaining three components could not be initiated *viz.* identifying specific requirements for strengthening the State Statistical Branches Bureaus, assessment of the survey capabilities of the private sector and all India Statistical network. The delay in formulating the 'Concept Paper' for Tier-II of the project has been owing to the non- availability of the broad results/achievements relating to implementation of the three components as part of the Tier-I programme of the project.

The Committee, therefore, re-emphasize on ensuring that all efforts are made to see that the work on the remaining components of Tier-I of the India Statistical Strengthening Project are completed as per the laid down schedules so that Tier-II of the project takes off without further delay. They also wish to be apprised quarterly of the progress made in this direction.

Reply of the Government

With a view to ensuring that the remaining components of Tier-I of the India Statistical Strengthening Project are completed as early as feasible, implementation of its different components is being regularly monitored by the Task Forces and Review Missions of the World Bank, besides periodical review by senior officers.

Tier-I of the components on Creation and maintenance of the Business Register has been completed. Tier-I of the components on Improvement of Service Sector Statistics and Assessment of Survey Capabilities of Private Sector is at advance stage of completion. There has been some delay in completion of Tier-I of the component on Strengthening of State Statistical Bureaus due to delay in submission of reports of phase-I of the Tier-I of the component by the consultants. The component on Establishment of All India Statistical Network has been de-linked from World Bank project.

Necessary action for preparation of the 'Concept Paper' for Tier-II is also being simultaneously initiated in consultation with the World Bank so as to ensure that the project is completed as per the revised schedule. We are also having elaborate discussions and review of the up to date progress with the World Bank Mission scheduled in the first week of September, 2006.

A World Bank Mission comprising Mr. Grahm Eele, Sr. Statistician of the World Bank and Mr. Deepak Das Gupta, Ms. Farah Zahir and Ms. Arpita Chakraborty (officers from Delhi Office of the World Bank), visited Central Statistical Organization to review the progress of the ongoing India Statistical Strengthening Project (ISSP).

The following issues were discussed for further action:

- (i) The work relating to Tier-I of the component "Strengthening of State Statistical Bureaus' may be completed as per the time frame by end of December, 2006.
- (ii) A concept paper for Tier-II of the ISSP may be prepared at the earliest and sent to the Planning Commission for approval. After approval, the same may be sent to the World Bank (WB) through Department of Economic Affairs (DEA). This will enable WB to put ISSP in their programme. The concept paper may be prepared giving key issues, basic objectives, brief outline of the project and costing of the project.
- (iii) Strengthening of State Statistical Bureaus may be taken up in phased manner. 6 to 7 areas may be taken up in all States every year so that the project may be completed in a span of five years. DG & CEO, NSSO indicated that it would be better to phase out activities rather than States. There should be no discrimination amongst the States in initiating the Tier-II of the project. Since the time frame of ISSP matches with the 11th Five Year Plan, efforts may be made to monitor the project in such a way that the entire process is completed within the 11th Five Year Plan.
- (iv) The following projects may be considered for inclusion in Tier-II.
 1. Strengthening of State Statistical Bureaus
 2. Improvement of Service Sector Statistics
 3. Strengthening of capacity of the MOS& PI to manage the project
 4. Statistical Audit/Quality Control.

Recommendation (Serial No. 4, Para No. 48)

The Committee note from the information furnished that of the 683 projects on the monitor of the Ministry, 77 projects have witnessed time as well as cost overruns. While the time overrun witnessed in the implementation of the projects stretches from 2 to 253 months, the resultant cost escalation has been to the extent of 90.7%. Though the cost overrun in regard to implementing projects is stated to have gone down from 67.6% in the 1990s to 18.1% in the period, April-September, 2005 it has also been brought to light that the precarious position of the manpower structure in the Infrastructure Project Monitoring Division (IPMD) has diluted the efficiency of the project monitoring task to a significant extent. Bringing down time and cost overruns in implementing projects is by itself expected to contribute to as much as 2% of the GDP. The Committee, therefore again emphasise on ensuring that sustained and focussed attention be given to implement adequate measures for minimizing the cost and time escalations in project implementation.

Reply of the Government

Action is being taken to fill up the existing vacancies of Deputy Advisers and also to revise the existing recruitment rules for eligible Deputy Advisers to be absorbed in this Ministry.

[Ministry of Statistics and Programme Implementation
O.M. No.G-20017/3/2006-B&F dated 3.8.2006]

Recommendation (Serial No. 5, Para No. 49)

The Online Computerized Monitoring System (OCMS) which is perceived to be a major initiative towards ensuring effective monitoring of project implementation has itself, as pointed out in the earlier reports of the Committee witnessed repeated episodes of delays. As per the information furnished to the Committee, the system is now set to be operationalised by July, 2006. However, as per the outcome Budget, 2006-07, the project is likely to become operative only by September 2006. The Committee take strong exception to the frequent shifting of the time schedule for operationalising the OCMS project. They expect that no effort would be spared in ensuring that the project is made operational definitely by September, 2006 and any proposal for extension beyond that will be intimated to the Committee along with sufficient reasons for the same.

Reply of the Government

Efforts are being made to operationalise On-line Computerised Monitoring System (OCMS). However, the software developer *i.e.* The Energy Research Institute (TERI) has not been able to demonstrate the efficacy of the software till-date. In the meantime, Ministry is also on look-out for hiring two system programmers/Network administrators to take charge of the software being developed by TERI and assist this Ministry in day to day monitoring work. Trial of the software on the hardware Platform is being conducted in the middle of August 2006.

The Energy Research Institute (TERI) has demonstrated the software developed by them for On-line Computerised Monitoring System (OCMS) only in the month of August, 2006. Subsequently, parallel Flash Report for the month of June, 2006 has been brought out through OCMS and compared with Flash Report brought out by National Informatics Centre (NIC). Similarly, the Quarterly Project Implementation Status Report (QPISR) for the quarter ending June, 2006 has been brought out through OCMS. Discrepancies have been noticed and it has been communicated to TERI, for remedial measures. These glitches have to be attended to by TERI before carrying out a similar exercise for July 2006, August, 2006 and September, 2006.

This exercise will be carried out in respect of Flash Reports for the months of July 2006, August, 2006 and September, 2006 and also QPISR for the quarter ending September, 2006 before finally operationalising the OCMS. After three or four successive reports without flaws are generated, then only monitoring of the projects would be switched over to the OCMS. The software which is complex and new, is to be checked thoroughly. To ensure that the reports generated are accurate, some more time for testing is required. The entire process is likely to be completed by end February, 2007.

Parallely, in September, 2006 and October, 2006 training programmes to the user agencies to familiarize them with the OCMS, have been conducted. We would be communicated project code numbers to the PSUs for web-based entry of project data. For smooth functioning of OCMS a system programme has also been hired through NICS.

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH
FINAL REPLY OF THE GOVERNMENT IS STILL AWAITED

— NIL —

NEW DELHI;
11 *December*, 2006

20 *Agrahayana*, 1928 (*Saka*)

MAJ. GEN. (RETD.) B.C. KHANDURI,
Chairman,
Standing Committee on Finance.

ACTION TAKEN REPORT

Follow-up Action taken on the Implementation of the Recommendations of the 13th Conference of Central and State Statistical Organisations held during 4-6th October, 2004, at New Delhi.

1. Agriculture and Livestock Statistics	
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Recommendation (i)	Remote sensing technology and data available from the improvement of Crop Statistics Scheme should be used for improving the reliability of crop production estimates.
Response	The States of Andhra Pradesh, Assam, Karnataka and Rajasthan are using with different experience the Remote Sensing Technique to estimate crop production. Gujarat has also initiated action to collect the estimates of area shown under various crops using remote sensing techniques. The Bureau of West Bengal has made two attempts to use remote sensing data for estimating area under crops. The results were found widely different. Thus, Standing Technical Committee (STC) has dropped further attempt to use remote sensing data for the purpose of estimating area under tea crop. In Haryana Timely Reporting Scheme are more close, reliable and accurate as compared to the estimates provided by Remote Sensing Technology.
Recommendation (ii)	All efforts should be taken by the States to minimize the divergence between the Final Estimates and Fully Revised Estimates of crop production. The Conference noted that some of the States have already achieved the status of almost no variation.
Response	The States of Andhra Pradesh, Haryana, Karnataka, Kerala, Orissa, Rajasthan, West Bengal, reported that there is no substantial divergence with regard to final estimates and fully revised estimates. Some States like Gujarat & Kerala have taken up necessary action to minimize the divergence.

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<p>Recommendations (iii & iv)</p>	<p>(iii) Results of crop cutting experiments conducted under the General Crop Estimation Surveys should not be mixed up with the results of the crop cutting experiments conducted under the crop insurance scheme. This recommendation may be taken up with concerned agencies in the Ministry of Agriculture.</p> <p>(iv) Since it will be difficult to find resources and develop organizational capacity to conduct a very large number of crop cutting experiments for estimating yield rates at local level, the alternate methodology developed by the Indian Agricultural Research Institute by using small area estimation techniques may be adopted for insurance purposes. It will have the advantage of having only one estimate of crop production at the state level based on general crop estimation surveys. The Ministry of Agriculture should issue the necessary guidelines giving the methodology.</p>
<p>Response</p>	<p>The Department of Agriculture & Cooperation (DAC), Ministry of Agriculture, while issuing operational modalities relating to National Agricultural Insurance Scheme (NAIS) desired that the State Departments plan and conduct requisite number of Crop Cutting Experiments (CCEs) for all notified crops in the notified insurance units in order to assess the crop yield. The State Governments/UTs Administration will maintain a single series of CCEs for both crop production and crop insurance. The minimum number of CCEs required was also laid down at Taluka/ Tehsil/Block level, Mandal/Phirka level and at Gram Panchayat level.</p> <p>Implementation of this recommendation necessitated a large number of crop cutting experiments for all notified crops for insurance, thus creating financial and manpower problems and adversely affecting the work of General Crop Estimation Survey in the States. This necessitated conduct of special studies by Indian Agricultural Statistical Research Institute (IASRI), New Delhi, to develop appropriate small area estimation techniques for this purpose.</p> <p>This issue was also considered in the National Workshop on Agricultural Statistics held on July 2005</p>

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Recommendation (v)	<p>wherein a presentation was made by IASRI, suggesting that Synthetic Method involving crop cut approach and farmers' appraisal need to be tried engaging unemployed youth in the villages as this method is found to be cheaper and more accurate giving low standard error. The Ministry of Agriculture has requested the State Governments to take initiative to implement the approach suggested by the IASRI. Methodology on small area statistics developed by IASRI has also been made available to the State Governments in November 2005.</p>
Response	<p>In the case of Orissa, crop estimates in respect of 13 crops are worked out by the Directorate of Economics and Statistics by following standard methodologies while the estimates in respect of the remaining 17 crops are prepared by the Department of Agriculture without following statistically sound methodologies. The Directorate of Statistics and Economics should be, therefore, made responsible for the estimation of crop production in respect of all the 30 crops.</p>
Recommendation (vi)	<p>No action on this has been initiated by DES. The DES of Orissa has been advised to take up this matter with State Agriculture Department.</p>
Response	<p>The Patwaris and the supervisors above him need to be mandated to accord the highest priority to the work of girdawari. However, the recommendation for basing the estimates on the enumeration of 20 per cent villages under TRS needs to be further examined in view of the variations between final estimates and fully revised estimates.</p>
Response	<p>The responses received from the States are indicated bellow:—</p> <ol style="list-style-type: none"> 1. Rajasthan: Necessary instructions have been issued from time to time for according highest priority to the work of Girdawari by the Board of Revenue. 2. Haryana: To obtain reliable estimates of area under principal crops, Girdawari is conducted on priority basis in 20% randomly selected villages under Timely Reporting Scheme (TRS). The estimates of total production of principal crops are covered by crop cutting experiments survey immediately after harvest to obtain differential

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	<p>estimates of irrigated and non-irrigated and high yielding varieties of principal crops. To bring improvement and timeliness in the crop enumeration work by creating awareness and introducing intensive supervision of girdawari by revenue staff.</p> <p>3. Gujarat: Under TRS, 3661 villages (that is, 20 percent of total 18306 villages) are selected for basing the estimates of major crops in Gujarat and the reports on area sown are sent to Government of India. It has been noticed that the village level reports are not received in time by the Directorate of Agriculture. Necessary action is taken by Directorate of Agriculture to draw the attention of Taluka / District /State authority in this regard.</p> <p>4. Kerala: The field work is done by Investigators with the effective supervision of statistical Inspectors, Taluk Statistical Officers & District level Officers.</p>
2. Social Statistics	
Recommendation (i)	<p>Data on a number of variables relevant for local area development planning do exist at the village level with different source agencies like Auxiliary Nurse Midwives (ANM) and Anganwadi workers. However, a mechanism has to be evolved for consolidating the data sets available from these sources, verifying the reliability and aggregating them at Block and District levels under the technical co-ordination of the District Statistical offices. Appropriate data transmission mechanisms from the village to block, district, state and national levels also need to be evolved.</p>
Response	<p>A High Level Committee under the chairmanship of Prof. Abhijit Sen, Member Planning Commission is looking into this matter.</p>
Recommendation (ii)	<p>The State Governments should evolve appropriate co-ordination mechanisms and strengthen the statistical machinery at the district and lower levels by providing the necessary computer facilities and manpower</p>
Response	<p>The States of Gujarat, Karnataka, and U.P. have already provided Computer facilities at District level for strengthening the statistical machinery. The Ministry of</p>

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Recommendation (iii)	<p>Statistics and Programme Implementation, is currently undertaking a study under the World Bank assisted India Statistical Strengthening Project (ISSP) for strengthening the State Statistical Bureaus and the statistical system.</p>
Response	<p>The line Ministries/Departments in the State Governments must compile the relevant indicators on Millennium Development Goals and the Directorates of Economics and Statistics (DES) should provide the necessary technical guidance.</p>
Recommendation (iv)	<p>The Directorates of Economics and Statistics Haryana Karnataka, Kerala, and U.P. are providing technical guidance for compilation of relevant indicators on Millennium Development Goals. In For Andhra Pradesh, the Centre for Economic and Social Studies (CESS) compiles the MDG and HDR reports.</p>
Response	<p>The State Government agencies should make special efforts to compile data on indicators for which any specific sources are presently not available.</p>
Recommendation (v)	<p>This recommendation has been brought to the notice of all the State Statistical Bureaus for implementation. Positive response has been received from Haryana, Rajasthan and UP.</p>
Response	<p>The Central Statistical Organisation (CSO) should prepare the necessary guidelines and organize training courses for the compilation of indicators and preparation of millennium development reports.</p>
Response	<p>The Central Statistical Organisation has brought out the first Millennium Development Goals, India Country Report, 2005. This has been circulated to the State Governments. State Govt. may prepare State level reports on the model set by the Central Govt.</p>
3. Health and Family Welfare Statistics	
Recommendation (i)	<p>The statistical machinery in the States for compiling health and family welfare statistics is generally weak in most of the States and as such the same has to be adequately strengthened. There are also several agencies dealing with health statistics. A single agency need to be designated to co-ordinate all statistical activities.</p>

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Response	<p>CBHI reported that three Regional Workshops were held in Kolkata, Bangalore and New Delhi during 2002-04 for improving & strengthening Health Information System (HIS) of States/UTs in which all DHS of States/UTs participated. CBHI has written to all States/UTs to nominate State/District Nodal officers. At present, all States/UTs have identified nodal officers who are responsible for timely compilation/transmission of health data of States/UTs to the center relating to Health and Family Welfare Statistics.</p>
Recommendation(ii)	<p>In most of the States, the DES is not involved in any way in the compilation of health and family welfare statistics. The DES in each State has to be, therefore, declared as the nodal agency for statistical co-ordination and standard setting, wherever it has already not been done. Further, appropriate co-ordination mechanisms including setting-up high-level coordination committees and creation of a common statistical cadre should be instituted.</p>
Response	<p>Responses received from States are as follows:—</p> <ol style="list-style-type: none"> 1. Andhra Pradesh:— The Technical Committee at state level should be formed with Health and Family Welfare Departments and personnel to decide and improve the Health statistics. Recently MMR pilot study is being taken and figures are under finalisation. 2. Haryana:— Civil Registration System is one of the major activities of the State Bureau of Health Intelligence. Besides implementation of registration of Births & Deaths (RBD) Act and Haryana RBD Rules compilation of Birth & Death data is also being done in this branch. An inter Departmental Coordination Committee has been constituted under this system. Economic and Statistical Adviser, Govt. of Haryana has been considered as one of the member of the Committee. So far as creation of common statistical cadre is concerned, it is to be considered by the ESA. 3. Rajasthan:— The statistical cell, involved in compilation of health and family welfare statistics in the Health and FW Department has been created with common Statistical Cadre.

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	<p>4. Karnataka:– Directorate of Economics and Statistics is the nodal statistical agency in the State. Common statistical cadre is in existence in the State for over three decades.</p> <p>5. Kerala:– Directorate of Economics and Statistics is very much involved in the compilation of Health Statistics by deploying a wing in the Department of Health Services besides compiling Vital Statistics by the Directorate of Economics and Statistics.</p> <p>6. Uttar Pradesh:– Statistics relating to Health and Family welfare are collected through Economic and Statistics Division. State Planning has been requested to declare Economic and Statistics Division as a Nodal agency. Efforts are being made to formulate a common Statistical cadre in the State.</p>
Recommendation (iii)	The divergence in statistics released by the concerned health departments at the State level with the figures obtained by aggregating district level statistics need to be reconciled.
Response	<p>The CBHI has informed that State/District Nodal Officer are responsible for aggregation and reconciliation of all Health & Family Welfare statistical data relating to States/UTs.</p> <p>In the States of Haryana, Kerala, and Rajasthan, the statistics released by Health and Family Welfare Department at State level are being reconciled with figures obtained by aggregated district level statistics. However, Karnataka has stated that the matter has been addressed to Directorate of Health.</p>
Recommendation (iv)	The concerned Health Departments in the States need to be advised by both the Ministry of Health and Family Welfare of the Central Government and the State Government to take the technical assistance of DES in compiling health and family welfare statistics.
Response	CBHI has written to all States/UTs to implement these recommendations. As an outcome all States/UTs have nominated State/Distt. nodal officers who are responsible for timely compilation/transmission of improved health data of States/UTs to central level maintaining its quality.

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<p>Recommendation (v)</p> <p>Response</p>	<p>The District Statistical Offices under the DES should be suitably strengthened and made responsible for providing technical assistance and consolidation of statistics from all the line Departments including health authorities.</p> <p>In the States of Haryana, Kerala, and Rajasthan the District Statistical Offices are providing technical assistance and consolidation of statistics including health statistics. No State has commented on the strengthening of District Statistical offices.</p>
4. Index of Industrial Production	
<p>Recommendation (i)</p> <p>Response</p> <p>Recommendation (ii)</p> <p>Response</p>	<p>The Index of Industrial Production would be compiled by the State Governments on a monthly basis with 1999-2000 as the base year preferably by December, 2005.</p> <p>Andhra Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Haryana, Kerala, Madhya Pradesh, Orissa, Rajasthan, UP and Chandigarh have initiated the process to compile Index of Industrial Production on monthly basis with base 1999-2000 as the base year. The work of preparation of items basket and weighting diagram is in progress in these States. Some of the States like Orissa requested CSO for supply of month-wise data for construction of IIP on monthly basis. West Bengal has reported that the revision of base with 1999-2000 is under consideration. The A&N Islands have stated that the major wood base industries have been closed down due to non-availability of materials as Hon'ble Supreme Court of India has banned extraction of timber. As such, the IIP has not been compiled by DES. In Karnataka, the IIP is being compiled on quarterly basis and efforts will be made to examine compilation on monthly basis.</p> <p>The guidelines issued by the CSO for the compilation of Index of Industrial Production would be followed by the States.</p> <p>The CSO has sent necessary guidelines and requisite data for revision of base year of State level IIPs from 1993-94 to 1999-2000 to all States/UTs. Most of the States like; Andhra Pradesh, Haryana, Karnataka, Orissa, Rajasthan, Uttar Pradesh, West Bengal have taken up the preparation of item basket and weighting diagram as a part of exercise</p>

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<p>Recommendation (iii)</p> <p>Response</p>	<p>of revision of base year. The regional workshops are being organized to have face-to-face discussions with the States on this issue.</p> <p>The State Governments would identify the common items in the item basket of the State IIP with the item basket of the Central IIP and communicate the same to the Central Statistical Organisation. The production data for these items would be provided by the CSO.</p> <p>Andhra Pradesh, Haryana, Orissa, Rajasthan, and UP have identified the common items in the item basket for inclusion of the State IIP and the same have been sent to CSO for consideration. But Kerala has stated that they are trying to include the same items in the Item basket of the State IIP. In Karnataka the item basket is being identified.</p>
5. Economic Census	
<p>Recommendation (i-v)</p> <p>Response</p>	<p>The Ministry of Statistics and Programme Implementation would issue the necessary approvals urgently and the State Governments would get the required manpower for Economic Census either existing staff or on deputation basis or on contract basis for two years by December, 2004.</p> <ol style="list-style-type: none"> i. The field staff for Economic Census would be engaged urgently. Either school teachers, municipal staff or unemployed youth would be engaged by the States. ii. The field work of Economic Census would be completed during two months between January to June 2005 except in the snow bound areas. iii. It needs to be ensured that the funds provided for the scheme would be utilized only for Economic Census and the funds released by the CSO are transferred to the DES without delay. iv. The schedules for Economic Census need to be printed by the State Governments in good quality paper to meet the requirement of processing through ICR technology through private printing presses, if required. <p>The Fifth Economic Census was carried out in 2005 with the assistance of State Governments. The field work was</p>

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Response	improvement of Civil Registration System and the matter should be taken up with the concerned State Governments. This recommendation was brought to the notice of RGI but the response is awaited. Some of the States like Haryana and Orissa are ready to provide assistance for improvement of Civil Registration System (CRS). Some of the States like Andhra Pradesh, Andaman and Nicobar Islands and Chandigarh are not involved in the work of the CRS.
Recommendation (ii)	The Civil Registration System should be strengthened by creating public awareness and encouraging the production of birth, death and marriage certificates for various educational, employment and inheritance purposes.
Response	The States like; Goa, Haryana, Kerala, Madhya Pradesh, Rajasthan and UT Chandigarh reported that Civil Registration System is being strengthened by creating public awareness through print media and electronic media.
Recommendation (iii)	As far as possible, Panchayats and Nagar Palikas should be vested with the responsibility for the registration of births, deaths and marriages.
Response	Haryana, Karnataka Rajasthan and West Bengal have given the responsibility for the registration of births and deaths to the Panchayat and Nagar Palikas.
Recommendation (iv)	A mechanism needs to be evolved to link UFS (Urban Frame Surveys) used by NSSO and Enumerator Blocks used by RGI for future censuses.
Response	NSSO (CPD), Ministry of Statistics & P.I. reported that the issue is under correspondence with RGI.
Recommendation (v)	The uniform area codes developed by the office of the RGI need to be used by the survey agencies including the State Governments.
Response	The uniform area codes developed by the Officer of the RGI are being used by the State of Haryana, Karnataka, Kerala, Rajasthan and West Bengal.
8. Education, Labour and Transport Statistics	
Recommendation (i)	There should be a nodal agency in the State Governments with adequate statistical manpower, preferably drawn from the DES, for the collection of education statistics from all

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Response	<p>the relevant Departments. Similarly, the machinery in the Department of Secondary and Higher Education in the Ministry of Human Resource Development needs to be strengthened.</p> <p>The statistics Unit in the Department of Secondary and Higher Education in the Ministry of HRD has recently been strengthened by creating SAG level post. In the State of Rajasthan, the Directorate of Secondary Education is working as nodal agency for providing education statistics in the State. Chandigarh and Delhi reported that Directorate of Economics & Statistics will function as nodal agency for education on statistics. In Goa, the DES plays a roll of coordinating agency for educational statistics. Andhra Pradesh has suggested that an Expert Committee should be formed with representatives of education and statistics department with regard to release of educational data. In the State of U.P., a statistical cell has been created for education statistics. Haryana has stated that the decision on education has to be taken by Ministry of Human Resource Development.</p>
Recommendation(ii)	<p>The Directorate of Economics and Statistics are presently not involved in Education, Labour and Road Statistics in several States and the situation needs to be addressed urgently.</p>
Response	<p>DES of Kerala and Rajasthan are involved in compilation of these statistics. In Andhra Pradesh and Haryana these statistics are compiled by their respective Departments.</p>
9. State Statistical System	
Recommendation(i)	<p>The Directorates of Economics and Statistics have to be empowered to enable statistical co-ordination at the State level. It would include:</p> <ul style="list-style-type: none"> (a) Strengthening of DES by elevating it to appropriate level with a professional statistician or economist as its Head, (b) Declaring DES as the nodal agency for statistical co-ordination and standard setting, (c) Involvement of DES in various activities relating to policy formulation and planning,

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Response	<p>(d) Issue of Government directives to all the line Ministries to co-ordinate with the DES in statistical matters.</p> <p>The Ministry of Statistics and PI is currently undertaking a study on strengthening the State Statistical Bureaus and the State Statistical System. The report is awaited. However, the present situation in certain States is as follows:—</p> <p>(a) As reported by Andhra Pradesh, Haryana, Karnataka, Kerala, etc., DES is headed by Professional Statistician or Economist . This is by virtue of their being in the State Statistical service for which this is an essential qualification. Gujarat State Government has formulated a Committee under the Chairmanship of Principal Secretary of Planning to discuss and resolve various issues related to the statistical system. Similarly, West Bengal has constituted a Technical Committee for coordination and improvement of statistical system in the State. DES of Uttar Pradesh has submitted a proposal to the State Government to elevate the post of Director to the level of Secretary. Necessary proposals have also been submitted by DES to the Orissa Government.</p> <p>(b) DES has been declared as a nodal agency for statistical coordination and standard setting in States of Andhra Pradesh, Haryana, Karnataka, Kerala, Rajasthan, Andaman & Nicobar Islands and Chandigarh. The proposal for declaring DES as nodal agency is under consideration in the states of Assam, Goa, Gujarat Orissa and U.P.</p> <p>(c) DES are involved in various activities relating to policy formation and planning in States of Andhra Pradesh Haryana, Karnataka, Kerala, U.P & Chandigarh. The DES of Rajasthan is not involved in policy formulation & planning but it provides information. In Assam, Gujarat, Orissa, and West Bengal, the matter is under consideration.</p> <p>(d) All the line, Departments/Ministries are coordinating with DES in the statistical matters in the state of Andhra Pradesh, Rajasthan & Chandigarh. In the states of Gujarat, Orissa, UP and West Bengal, the matter is under consideration.</p>

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Recommendation (ii)	Organize annual meetings of statistical agencies in various Departments of the State Government to discuss issues of co-ordination and statistical standards.
Response	In the States of Andhra Pradesh, Karnataka & Kerala DES are involved in the annual meeting of Statistical agencies in various departments to discuss issues of coordination and statistical standards. In Rajasthan, proposals are being taken up in new projects such as strengthening of state plans. Uttar Pradesh, has stated that the matter is under consideration.
Recommendation (iii)	Establish a common cadre of statistical officers under the control of DES to man statistical posts in different Departments/Ministries.
Response	In Andhra Pradesh, Karnataka and Rajasthan except (Animal Husbandry, Medical and Health and Agriculture Department) a common cadre of statistical Officers under the control of DES to man statistical posts in different departments have been established. In UP, and Kerala the matter is under consideration.
Recommendation (iv)	State Governments should provide special dispensation for filling up all the vacant Posts in DES including District Statistical Offices.
Response	The matter for filling up all the vacant posts in DES including District Statistical Offices is under consideration in the States of Haryana, Karnataka, Kerala & Rajasthan.
Recommendation (v)	State Governments should consider strengthening of DES, wherever necessary in terms of men, machinery and materials.
Response	The Government of Karnataka, Kerala and Rajasthan are considering the matter for strengthening of DES. However, Haryana stated that the Central Govt. should issue the necessary instructions to State Governments to do the needful. UP has already provided computer for strengthening and imparting training from time to time.
Recommendation (vi)	The CSO should provide the required assistance to DES for capacity building by organizing specialized training and providing trainers.

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Response	The Training Division planned nine training Modules on various topics for non-ISS Statistical Personnel of Central and State Departments and Public Sector Undertakings with course duration of about two-three weeks. Out of these, seven have been organized till February 2006.
Recommendation (vii)	Empower the District statistical offices to obtain data from different data sources located in the district, computerize the same and transmit to the DES and other relevant organisations.
Response	In Rajasthan, the District Statistical Offices are empowered to obtain data from different data sources and transmit the same to DES and other relevant Organizations. Proposal for providing computers to each district are under consideration. However, the states of Haryana, Karnataka, & UP reported that DSOs are already doing this work. Kerala has agreed to implement it.

10. Pooling of Central and State Sample Data

Recommendation (i)	Efforts have to be made by all the State Governments to complete the tabulation of State sample data within a year of completion of field survey by creating the necessary tabulation capabilities.
Response	Efforts are being made to improve the situation by the States of Andhra Pradesh, Goa, Kerala and West Bengal. In Orissa, steps has already been taken to complete the tabulation of State Sample data.
Recommendation (ii)	Efforts should also be made to pool the Central and State sample data after examining the poolability of the data sets so as to derive more reliable estimates at the State level and to obtain estimates at the sub-State level.
Response	In Andhra Pradesh Pooling exercise has already taken place for 43rd, 45th, 50th, 55th and 56th rounds by following the methodology of Shri B.S. Minhans and Shri M.G. Sardana. An attempt has been made to increase the sample size for 62nd round with the help of NSSO to generate reliable district level estimates and it is under process. Orissa and West Bengal reported that effort will be made in this regard.
Recommendation (iii)	The National Sample Survey Organisation should undertake more exercises to examine the poolability of

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Response	<p>Central and State sample data in respect of consumer expenditure and employment surveys in some of the larger States.</p> <p>The NSSO informed that the job of pooling exercise for three States <i>viz.</i>, Maharashtra, Orissa and Uttar Pradesh has been taken up. State data in the desired format has been requested from the DESs.</p>
11. State Income Estimates	
Recommendation (i)	All the States would compile gross fixed capital formation, advance estimates of State domestic product and district domestic product, analysis of local bodies as it is being done in some States.
Response	Andhra Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Orissa, Rajasthan, UP, and West Bengal, and A&N Islands (except GFCF) have been compiling Gross Fixed Capital Formation (GFCF) and advance estimates of SDP. Some of the States are not compiling these estimates for private sector due to lack of data. Most of the above States are analyzing annual accounts of local bodies.
Recommendation (ii)	CSO would provide the guidelines and procedures for compiling District Domestic Product.
Response	The CSO provided the guidelines and procedures for compilation of District domestic Product and the States of Andhra Pradesh, Haryana, Karnataka, Kerala Orissa, Rajasthan, UP and West Bengal, reported that CSO guidelines are being followed. The guidelines are also available on the Ministry's website.
Recommendation (iii)	CSO would also provide the methodology on estimation of supra-regional sectors like Railways, Banking, etc. The time lag in providing the estimates of supra-regional sectors has to be reduced by strengthening statistical set-up in relevant sectors.
Response	The CSO has provided the methodology and also reduced the time-lag in providing data to the States on supra-regional sectors.
Recommendation (iv)	The State Governments have to be given constant guidance for the implementation of various central schemes in the

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Response	<p>States involving large-scale statistical activities, by providing an interface between the Central Statistical Organisation and State Statistical System. In order to achieve the same High Level Co-ordination Committees be set up in all the States where such Committees do not exist presently. These Committees may deal with statistics in respect of all subject areas.</p> <p>High Level coordination Committee has been constituted in the States of Karnataka, Kerala, Madhya Pradesh & Orissa to provide guidelines for implementation of various Central Schemes involving large-scale statistical activities.</p>

APPENDIX

[Vide Para 3 of the Introduction]

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE THIRTY-NINTH REPORT OF THE STANDING COMMITTEE ON FINANCE (FOURTEENTH LOK SABHA) ON DEMANDS FOR GRANTS (2006-07) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

	Total	% of total
(i) Total number of recommendations	5	
(ii) Recommendations/observations which have been accepted by the Government [Vide Recommendations at SI. Nos. 2 (para No. 21-22) & 3 (Para Nos. 33-35)]	2	40%
(iii) Recommendations/observations which the Committee do not desire to pursue in view of the Government's replies (Nil)	Nil	00%
(iv) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee [Vide Recommendations at SI. Nos. 1 (Para No. 14-15), 4 (Para No. 48) & 5 (Para No. 49)]	3	60%
(v) Recommendation/observation in respect of which final reply of the Government is still awaited (Nil)	Nil	00%