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**STANDING COMMITTEE
ON FINANCE
(2006-2007)**

FOURTEENTH LOK SABHA

MINISTRY OF PLANNING

**DEMANDS FOR GRANTS
(2007-2008)**

FIFTY-THIRD REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2007/Vaisakha, 1929 (Saka)

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STANDING COMMITTEE ON FINANCE
(2006-2007)

(FOURTEENTH LOK SABHA)

MINISTRY OF PLANNING

DEMANDS FOR GRANTS
(2007-2008)

Presented to Lok Sabha on 28 April, 2007

Laid in Rajya Sabha on 3 May, 2007



LOK SABHA SECRETARIAT
NEW DELHI

April, 2007 / Vaisakha, 1929 (Saka)

COF No. 53

Price : Rs. 49.00

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Eleventh Edition) and printed by National Printers, New Delhi.

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COMPOSITION OF STANDING COMMITTEE ON FINANCE – 2006-2007

Shri Ananth Kumar — *Chairman*

MEMBERS

Lok Sabha

2. Shri Jaswant Singh Bishnoi
3. Shri Gurudas Dasgupta
4. Shri Shyama Charan Gupta
5. Shri Vijoy Krishna
6. Shri A. Krishnaswamy
7. Dr. Rajesh Kumar Mishra
8. Shri Bhartruhari Mahtab
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19. Shri G.M. Siddeshwara
20. Shri M.A. Kharabela Swain
21. Shri Bhal Chandra Yadav

Rajya Sabha

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24. Shri M. Venkaiah Naidu
25. Shri Yashwant Sinha
26. Shri Mahendra Mohan
27. Shri Mangani Lal Mandal
28. Shri C. Ramachandraiah
29. Shri Vijay J. Darda
30. Shri S. Anbalagan
31. Vacant

SECRETARIAT

1. Dr. (Smt.) P.K. Sandhu — *Additional Secretary*
2. Shri P.K. Grover — *Joint Secretary*
3. Shri S.B. Arora — *Deputy Secretary*
4. Shri T.G. Chandrasekhar — *Deputy Secretary*

INTRODUCTION

I, the Chairman, Standing Committee on Finance having been authorised by the Committee to submit the Report on their behalf, present this Fifty-third Report on the Demands for Grants (2007-08) of the Ministry of Planning.

2. The Demands for Grants of the Ministry of Planning were laid on the Table of the House on the 14 March, 2007. Under Rule 331 F of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Finance are required to consider the Demands for Grants of the Ministries/Departments under their jurisdiction and make Reports on the same to both the Houses of Parliament.

3. The Committee took oral evidence of the representatives of the Ministry of Planning at their sitting held on 3 April, 2007 in connection with the examination of Demands for Grants (2007-08) of the Ministry of Planning. The Committee considered and adopted the draft Report at their sitting held on 26 April, 2007.

4. The Committee wish to express their thanks to the officers of the Ministry of Planning for the co-operation extended by them in furnishing written replies and for placing their considered views and perceptions before the Committee.

5. For facility of reference, the observations/recommendations of the Committee have been printed in thick type.

NEW DELHI;
26 April, 2007

6 Vaisakha, 1929 (Saka)

ANANTH KUMAR,
Chairman,
Standing Committee on Finance.

REPORT

Introductory

The Planning Commission came into existence by way of Government of India Resolution dated the 15th March, 1950 and is discharging the assigned functions as per the Allocation of Business Rules. The main function of Planning Commission is to make an assessment of the material, capital and human resources of the country and investigate the possibilities of augmenting such of these resources as are found to be efficient in relation to the nations' requirements and to formulate a Plan for the most effective and balanced utilization of the country's resources.

2. The Planning Commission's assigned functions are as follows:—

- (i) Make an assessment of the material, capital and human resources of the country, including technical personnel and investigate the possibilities of augmenting such of these resources as are found to be deficient in relation to the nations' requirements;
- (ii) Formulate a Plan for the most effective and balanced utilization of the country's resources;
- (iii) On a determination of priorities, define the stages in which the Plan should be carried out and propose the allocation of resources for the due completion of each stage;
- (iv) Indicate the factors which are tending to retard economic development and determine the conditions which, in view of the current social and political situation, should be established for the successful execution of the Plan;
- (v) Determine the nature of the machinery which will be necessary for securing the successful implementation of each stage of the Plan in all its aspects;
- (vi) Appraise from time to time the progress achieved in the execution of each stage of the Plan and recommend the adjustments of policy and measures that such appraisal may show to be necessary; and
- (vii) Make such interim or ancillary recommendations as appear to it to be appropriate either for facilitating the discharge of the duties assigned to it or on a consideration of the prevailing economic conditions, current policies, measures and development programmes; or on an examination of such specific problem — as may be referred to it for advice by Central or State Governments.

3. The overall Demands for Grants pertaining to Ministry of Planning is as follows:

Demand No. 71 — Ministry of Planning — 129.32 crore.

4. Out of Rs. 129.32 crore Demand of the Ministry of Planning, the Plan and the Non-Plan Budget consists of Rs. 90 crore and Rs. 39.32 crore respectively. Among the Budget Heads, there is a Major Head No. 2245 which relates to Tsunami Relief for which a provision of Rs. 3 crore has been provided for. The Head No. 3451 contains a number of items like renovation & alternation, Information Technology, Economic Advisory Council and National Knowledge Commission. The Planning Commission has provided a Budget Estimate of Rs. 10.5 crore therefor. The Head No. 3475 pertains to Grants-in-aid to Institute of Applied Manpower Research (IIMR), Universities & Research Institutions: Expertise for Planning Process; UNDP assistance for States; Development Reprints; 50th year initiative for planning and strengthening of the evaluation capacity in the Government. Rs. 63 crore is proposed to be spent on these items. The Major Head No. 3601 relates to Modernization of Office Systems for which Rs. 7.5 crore has been provided. Besides, a provision of Rs. 6 crore has also been made for UNDP assistance for rural decentralization and participatory planning for poverty reduction. Among Non-plan expenditure, are the heads of Planning Commission/Planning Board, Secretariat — Economic Services and others (Grants-in-aid to IIMR) for which a budget of Rs. 3.80 crore has been kept for the financial year 2007-08.

5. The BE, RE and Actuals for the Demand Nos. 71 and 72 from the year 2004-2005 are as follows:

2004-2005

(in thousands of rupees)

Demand No. 72	BE		RE		Actuals	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
	1,01,00,00,00	30,88,00	57,20,00	30,88,00	42,15,49	30,79,75

2005-2006

Demand No. 72	BE		RE		Actuals	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
	75,00,00	31,80,00	84,80,00	33,25,00	71,48,72	33,05,66

2006-2007

Demand No. 71	BE		RE		Actuals	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
	89,76,00	34,07,00	57,00,00	40,00,00	-	-

2007-2008

Demand No. 71	BE		RE		Actuals	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
	90,00,00	39,32,00	-	-	-	-

6. In the present Report, the Committee have examined the following issues:—

- (i) Growth Performance in the Tenth Plan — An Overview
- (ii) Irrigation and Agriculture Growth
- (iii) Identification of BPL Households
- (iv) Payment for Professional and Special Service under the Head 'Tsunami Rehabilitation Programme'
- (v) Other Administrative Expenses under Tsunami Rehabilitation Programme
- (vi) Office Expenses under Planning Commission/Planning Board.

7. During the course of examination of Demands for Grants (2006-07) of the Ministry of Planning, the Committee took up the following issues for examination and presented/laid Thirty-eighth report thereon to both Houses of Parliament on the 22nd May, 2006:—

- (i) Geographical Information System (GIS) and Utility Mapping Project
- (ii) Pradhan Mantri Gram Sadak Yojana (PMGSY)
- (iii) Sarva Siksha Abhiyan (SSA)
- (iv) Rural Telephone Connectivity
- (v) Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)
- (vi) Labour and Employment.

8. The Report contained fourteen recommendations/observations *in toto*. Action Taken notes were received from the Government in respect of all the recommendations/observations contained in the Report on Demands for Grants (2006-07).

9. Action Taken Replies in respect of four recommendations/observations were accepted by the Committee. These mainly covered the following aspects:—

- (i) Creation of a Seamless Geographical Information System (GIS) for planning.
- (ii) Assessment of progress and availing funds from NABARD for implementation of the Pradhan Mantri Gram Sadak Yojana (PMGSY).

10. In respect of other six recommendations/observations, the Committee did not wish to pursue the matter keeping in view Government's replies. These, *inter-alia*, include automatic updation of Computer Aided Digital Mapping Project, progress

made in Sarva Shiksha Abhiyan (SSA), rural telephone connectivity, creation of special component to give a boost to rural electrification under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and growth of employment. In so far as the remaining four recommendations/observations, regarding supply of good quality of meals under the Mid-Day Meal Scheme, target for electrification as envisaged in the National Common Minimum Programme *vis-a-vis* claims relating to the number of villages electrified under the RGGVY, are concerned, the replies of Government were not accepted by the Committee and, thus, were again commented upon in the 47th Action Taken Report of the Standing Committee on Finance. Further action taken thereon by the Government is still awaited.

1. GROWTH PERFORMANCE IN TENTH PLAN — AN OVERVIEW

11. Enhancement of human well-being in terms of all socio-economic indicators has been central to the objectives of the Tenth Five Year Plan (2002-07).

12. As regards the sectoral growth performance, inclusive of the agriculture sector in the 10th Plan, the Annual Report of the Ministry of Planning, *inter-alia*, states as under:—

"The experience during the first four years of the Plan indicates shortfall *vis-a-vis* both overall growth target as well as agriculture subtarget. The average growth rate of GDP, at market prices, during these years is estimated to be 7.3% per annum, as per the new series of National Accounts Statistics with 1999-2000 as the base year, brought out recently by the Central Statistical Organisation (CSO). It may be seen from the Table below, that the growth rate was not as expected in the first year of the Plan (2002-03). The main reason for relatively poor performance in 2002-03 was the effect of poor monsoon on agriculture sector, which recorded a growth of (-) 6.9%. There has been some recovery of agricultural sector, particularly in 2003-04 and 2005-06. According to the latest estimates available, the growth rate of GDP is expected to be 8.7% in 2005-06 with growth being 3.9% in agriculture, 8.7% in industry and 10% in services sector. Thus, in the first four years of the Tenth Plan (2002-03 to 2005-06), the Indian economy recorded an overall growth rate of 7.3% and for the three broad sectors, *viz.* agriculture, industry and services sectors, the growth was 1.8%, 8.0% and 8.9%, respectively. From the year 2003-04 onwards, it is seen that the overall growth rates of above 8% have been more supported by increasing growth rates of the industry and the services sector.

Sector-wise growth rates in Tenth Five Year Plan

(in per cent at 1999-2000 prices)

Sl. No.	Sectors/Years	Tenth Plan Targets (2002-07)	2002-03	2003-04	2004-05 (Quick Estimates)	2005-06 (Revised Estimates)	Average for first four years
1	2	3	4	5	6	7	8
1.	Agriculture	4.0	-6.9	10.0	0.7	3.9	1.8
2.	Industry	8.9	7.0	7.6	8.6	8.7	8.0
3.	Services	9.3	7.3	8.2	9.9	10.0	8.9
4.	GDP (at market prices)	8.1	3.6	8.3	8.5	8.7	7.3

Source:Based on National Accounts Statistics, Central Statistical Organisation

During the first half of the current financial year, that is, April to September 2006-07, the overall growth rate registered is 9.1%, in terms of GDP at factors cost at 1999-2000 prices, of which the growth rate of agriculture sector is 2.6%, industry is 10% and services is 10.7%. Commendable growth in GDP with substantial increase in growth rates of industry and services has emerged as a significant feature over the Tenth Plan period."

13. Giving details of the likely sector-wise growth rate of GDP for the Tenth Plan as a whole, the Ministry informed in a written note as under:—

"Based on the information available from the Central Statistical Organisation (CSO), the growth rate of aggregate Gross Domestic Product (GDP) at market prices (at constant 1999-2000 prices) is estimated at 7.8 per cent per annum for the Tenth Five Year Plan (2002-03 to 2006-07), as against the overall GDP growth target of 8.1 percent per annum set for the Tenth Plan period. The growth rate of Agriculture Sector is likely to be 2.1% per annum during the Tenth Plan as against the annual target of 4%. For Industry Sector the growth rate during the Tenth Plan is likely to be 8.7% per annum against the target of 8.9% annually, while for the Services Sector the likely growth rate during the Tenth Plan is 9.3% per annum, which equals the Plan target of growth rate of 9.3% annually for the sector."

14. By way of explaining the reasons for shortfalls in achieving the targeted growth rate of GDP during the Tenth Plan period, the Ministry of Planning, in a written reply, stated:—

"The actual growth rate of aggregate Gross Domestic Product (GDP) at market prices (at constant 1999-2000 prices) is estimated at 7.8 percent per annum for the Tenth Five Year Plan (2002-2003 to 2006-07), as against the plan target of 8.1 per cent. However, it needs to be noted that the growth rate likely to be achieved during the Tenth Plan period is the highest for any Plan, so far. The services and industry sector have achieved growth rate that have been very close to the target fixed for the Tenth Plan. The shortfall in the overall growth target is mainly on account of the shortfall in the growth rate of agriculture sector, which experienced a growth rate of 2.1% per annum in the Tenth Plan against a target of 4% per annum. Agriculture growth has been affected by the erratic monsoon, decline in the share of agriculture sector from 8% of total investment in 1999-2000 to 6% of total investment in 2005-06, inadequate power and rural infrastructure apart from poor maintenance of existing irrigation and traditional water harvesting structures and insufficient technical expertise for watershed development."

15. Questioned specifically about the reasons for the decline in the share of agriculture Sector from 8% of the investment in 1999-2000 to 6% of total investment in 2005-06, the Member Secretary, Planning Commission, during oral evidence stated as under:—

".....agriculture sector investment has declined. There is no doubt about it. But you have to look at what has the Government of India done and what was it that

we were supposed to do during the 10th Plan. In agriculture (DAC), the 10th Plan projection was Rs. 13,200 crore and the actuals in the 10th Plan which are likely to be realized are Rs. 15,040 crore. So we have pretty much been able to provide for what we had targeted for. It is obviously a case that some of our interventions have not produced the results that they should have produced and, therefore, we need to have a good look at it.

The concern about agriculture has been expressed by the Prime Minister in the National Development Council. It has been shared by all the Chief Ministers. They are fully on board with this. An NDC Committee has been set up on Agriculture and they have set up 6 Sub Groups chaired by 6 different Chief Ministers. Their reports are also now available. We are integrating those reports in the 11th Plan. We are hopeful that the strategy of development of agriculture in the 11th Plan would be substantially better and we will come out with certain broad areas of intervention and directions of intervention which will boost agricultural growth."

16. In this regard, the Member Secretary, Planning Commission also stated as follows while tending evidence:—

"When we talk to the Chief Ministers and State Government officers when they come for Plan discussions, one does not get the feeling that in the States the sense of urgency which used to be there at one point of time in 1970s, 1980s and 1990s about agriculture, that is not being shared with the same sense of urgency. That is the feeling that we have been getting. We are worried about it. We have been mentioning this to the Chief Ministers in the current round of discussions and the Chief Ministers have also, more or less, echoed that this needs to be taken care of. So, it is not at the Central level that public investments have gone down. Probably, public investment at the State level also have gone down very substantially."

17. Asked further as to why the State Governments were not paying emphasis on agriculture as in the 1970s, 1980 and 1990s, the Member Secretary, opined as follows:—

"I think it is largely because on the social sector side, there are priorities which are more impelling and, therefore, they are more impelled towards making investments in health, education and other things."

18. Asked about the impact/likely impact on income disparities among various socio-economic groups owing to the slow growth rate of the agriculture sector *vis-a-vis* manufacturing and services sectors, the Member Secretary, planning Commission stated, during oral evidence, as follows:—

"By its very nature, agriculture does not lend itself to double, digit growth rates which the industry and services do. Any developing country has to look at the change in the mix of the population dependent on agriculture with the population dependent on industry and services. The gradual movement should be in the

direction of reducing the population dependence on agriculture and moving towards industries and services."

19. The Member Secretary further added as under:—

".....agricultural growth rate is much lower than the growth rate of industry and services. The rate at which this scene is changing, the rate at which the prosperity is getting distributed in the agriculture sector, is not in parallel with that has been happening in industry and services. The only way to improve upon that is to create good conditions."

20. On this issue, the Ministry, in a post evidence reply, stated:—

"The relationship between the rate of growth of the economy and income disparities among various socio-economic groups of the population are determined by a complex set of factors. While no specific studies have been made to assess the effect of the sectoral imbalance in growth rate being witnessed among various sectors such as industry and services on one hand and agriculture on the other, on the income disparities among various socio-economic groups, specific programmes introduced by the Government from time to time, such as (a) human and social development through literacy, education, health, nutrition, meeting of the minimum needs, elevation of social and economic status of the weaker sections of the society, etc. and (b) direct attack on poverty through employment and income generating programmes and assets-building for the poor, are expected to raise the income of the target group of the population. This increase in income of the target group of the population takes place in addition to the impact of the growth rate of different sectors."

21. Questioned about the steps/policy measures required for the livelihood/employment and economic security for the huge population of the country who were dependent on agriculture, the Member Secretary, Planning Commission stated during oral evidence as follows:—

"If we can attain 4.1 per cent growth rate in agriculture, then that would enable us to maintain the balance in a manner that the distressed population can be minimized provided we can generate employment opportunities in the manufacturing and services sectors which can absorb that population. To that extent, the density of the population depending on land will decrease and, therefore, the prosperity will increase."

22. On the shortfalls in budgetary allocations/support for plan expenditure in the Tenth Plan period and its affect on meeting the planned growth targets envisaged for various schemes, the Committee were informed, in reply, as under:—

"Gross Budgetary Support (GBS) during the Tenth Plan (actuals) is lower than that of GBS (BE) primarily on account of shortfall in actuals *vis-a-vis* BE in 2004-05. Budget 2004-05 provided Rs. 1,45,590 crore as GBS for the plan. Of this GBS for States & UTs Plan, was Rs. 57,704 crore and GBS for Central Plan

was Rs. 87886 crore. Accounts at a Glance presents GBS for Plan (actuals) for 2004-05 (Plan expenditure) at Rs. 132292 crore comprising Rs. 80135 crore for Central Plan and Rs. 52157 crore for States & UTs Plan. Thus the shortfall in GBS for Plan in 2004-05 is owing to the shortfall in GBS for States and UTs Plan and GBS for Central Plan of Rs. 5547 crore and Rs. 7751 crore, respectively. GBS actuals for the Tenth Plan works out to be about 98% of the total allocation for the GBS (BE) for the Tenth Plan. Thus the shortfall in the GBS for Plan might not have much impact on the overall growth."

23. Enhancement of human well being in terms of social-economic conditions has been central to the objective of Tenth Plan.

24. On the achievements relating to poverty alleviation rate, during the Tenth Plan period, a written note furnished by the Ministry *inter-alia* reveals as under:—

"Based on the results of the latest large sample survey data on household consumer expenditure (NSS 61st Round), of the National Sample Survey Organization (NSSO), covering the period July 2004 to June 2005, two different consumption distributions for the year 2004-05 have been obtained. The first one from the consumption data collected using 30-day recall period (also known as reference period) for all the items. The other distribution is obtained from the consumer expenditure data collected using 365-day recall period for five infrequently purchased non-food items, namely, clothing, footwear, durable goods, education and institutional medical expenses and 30-day recall period for the remaining items. These two consumption distributions have been termed as Uniform Recall Period (URP) consumption distribution and Mixed Recall Period (MRP) consumption distribution respectively. The Planning Commission, using the Expert Group methodology has estimated poverty in 2004-05 using both the distributions. The percentage and number of poor in 2004-2005 estimated from URP consumption distribution of NSS 61st Round of consumer expenditure data are comparable with the poverty estimates of 1993-94. The percentage and number of poor in 2004-05 estimated from MRP consumption distribution of NSS 61st Round of consumer expenditure data are roughly (but not strictly) comparable with the poverty estimates of 1999-2000.

The URP-consumption distribution data of the 61st Round yields a poverty ratio (i.e., the percentage of poor in the total population) of 28.3 percent in the rural areas, 25.7 percent in the urban areas and 27.5 percent for the country as a whole in 2004-05. The poverty ratios obtained from the MRP-consumption distribution data of the 61st Round are 21.8 percent in the rural areas, 21.7 percent in the urban areas and 21.8 percent for the country as a whole. The poverty estimates in 2004-05 based on URP consumption distribution (27.5 percent) is comparable with the poverty estimates of 1993-94, which was 36 percent. The poverty estimates in 2004-05 based on MRP consumption (21.8 percent) is roughly (but not strictly) comparable with the poverty estimates of 1999-2000, which was 26.1 percent."

25. A comparative account of economic and social indicators relating to 'Poverty' and Health care *vis-a-vis* Tenth Plan periods as furnished by the Ministry of Planning reveal, as under:

Economic and Social Indicators: A Comparison

	Tenth Plan Target (2002-07)	Latest Position	Eleventh Plan Approach Paper (2007-12)
1. Poverty	Reduction of poverty ratio by 5 percentage points by 2007 and by 15 percentage points by 2012.	The poverty estimates in 2004-05 based on URP consumption distribution (27.5%) is comparable with the poverty estimates of 1993-94, which was 36%. The poverty estimates in 2004-05 based on MRP consumption (21.8%) is roughly (but not strictly) comparable with the poverty estimates of 1999-2000, which was 26.1%.	To reduce the poverty ratio by 10 percentage point during the period of the Eleventh Plan.
2. Health	Reduction of Infant Mortality Rate (IMR) to 45 per 1000 live births by 2007 and 28 by 2012.	IMR was 58 per 1000 live births in 2005.	Reduce Infant Mortality Rate (IMR) to 28 per 1000 live births.
	Reduction of Maternal Mortality Ratio (MMR) to 2 per 1000 live births by 2007 and 1 by 2012.	MMR was 3 per 1000 live births in 2001-2003.	Reduce Maternal Mortality Ratio (MMR) to 1 per 1000 live births.

26. An over-view of the GDP growth progress in the Tenth Plan (2002-03 to 2006-07) *inter alia* reveals that while the growth rate of agricultural sector is estimated to be 2.1% per annum as against the annual target of 4%; the growth of manufacturing sector is likely to be 8.7% per annum as against the target of 8.9%; and the services sector is likely to register a growth of 9.3% per annum, which equals the plan target of growth rate for the sector. The actual growth rate of aggregate Gross Domestic Product (GDP), which is estimated at 7.8% per annum for the Tenth Five Year Plan is short of the plan target of 8.1%. The shortfall in achieving the targeted growth rate, the Committee note, is mainly on account of the shortfall in the growth witnessed in the agriculture sector.

27. The factors attributable to the shortfall in agricultural growth during the Tenth Plan period include, *inter alia*, erratic monsoon (whose effect was very significantly pronounced in the first year of the plan (2002-03), when the agricultural sector registered a negative growth of — 6.9%; decline in the investment in the agriculture sector — which fell from 8% of total investment in 1999-2000 to 6% of total investment in 2005-06; inadequate power and rural

infrastructure; and poor maintenance of existing irrigation and traditional water harvesting structures. From the information and data furnished as well as the oral submissions made by the representatives of Ministry of Planning, the Committee gather the impression that the slow pace of agricultural growth witnessed during the plan period, apart from contributing to the 'distress' of a significant section of the population dependent on agriculture; would also have the negative impact of increasing the income disparities between agricultural and non-agricultural households. As admitted by the Member Secretary while tendering evidence, the policy intervention of the Government to promote agricultural growth 'has not produced the desired results'. However, the approach to the agriculture sector in the Eleventh Plan, as per the member Secretary's submission, would be 'substantially better'. The Committee would like to be informed of the special measures which the Government propose to take during the Eleventh Plan to achieve the intended growth rate in agriculture of around 4%.

28. The Committee are well aware that the agriculture sector does not lend itself to double digit growth, as would be possible in the case of other sectors such as manufacturing and services. At the same time one can not lose sight of the fact that there is a huge population even now dependent on agriculture. Given the ground reality relating to the distress being faced in the agricultural sector, the Committee are of the view that the policy initiatives of the Government have to be necessarily focused on attaining a substantial improvement in the agriculture growth rate, apart from creating avenues for non-agricultural rural employment *inter-alia* in labour intensive manufacturing sectors such as food processing and service sectors like tourism, construction etc.

29. Enabling human well being in terms of all socio-economic indicators has been central to the Tenth Plan. The Committee, however, feel constrained to note that in 2004-05, the percentage of poor in the country's population (poverty ratio) was as much as 27.5%. Further, as per the figures furnished by the Planning Commission, the Infant Mortality Rate (IMR) was as much as 58 per 1000 births in 2005; and the Maternal Mortality Rate (MMR), as much as 3 per 1000 births in 2001-03. At this rate it appears very unlikely to the Committee that the targets of 45 in respect of IMR and 2 in respect of MMR by 2007 would be achieved. The Committee, therefore, express the need for having a relook at the effectiveness of the implementation of socio-economic development oriented policies which have a bearing on the living conditions of the people at large and take immediate corrective measures.

2. IRRIGATION AND AGRICULTURE GROWTH

30. Agriculture is the base of Country's economy and plays a very vital role in its growth. For the 10th Five Year Plan (2002-2007), 4% growth rate per annum was targeted for agriculture sector but due to failure of Monsoon and lack of irrigation facilities and proper Management of water etc. the growth registered was only 2.1% of GDP during the Plan. During the ensuing 11th Plan also, a 4% per annum growth rate has been targeted for this sector. The 11th Plan strategy to raise agricultural output as reflected in the Approach Paper cannot be achieved unless dependency on Monsoon is removed. It can be possible only through proper care of schemes related with availability and Management of Water so that crop failure would not recur due to lack of water and irrigation facilities as experienced during Tenth Plan.

31. Regarding the performance of irrigation sector in the Tenth Plan, the Ministry of Planning, *inter-alia*, informed that the ultimate irrigation potential of the country is estimated as 139.893 million hectare (m. ha) out of which 58.465 m. ha is from major and medium irrigation and 81.4289 m. ha is from minor irrigation. The potential created up to the end of IX Plan was 93.883 m. ha (36.981 from major and medium and 56.902 from minor irrigation). The Targets envisaged at the beginning of the X Plan, the revised targets at the stage of Mid Term Appraisal of Tenth Five Year Plan and the cumulative likely achievement by the end of Tenth Plan are as under:—

Physical targets and achievements

(in m. ha)

	Major and Medium	Minor	Total	% age achievement
Achievement till the end of IX Plan	36.981	56.902	93.883	67% of ultimate irrigation potential
Targets envisaged At the beginning of X Plan	9.936	6.807	16.743	
Revised targets at the Mid Term Appraisal stage	6.500	4.000	10.500	63%
Likely achievements by the end of X Plan	5.300	3.518	8.818	53% of original target envisaged and 84% of MTA revised Target
Cumulative likely achievement by the end of X Plan	42.281	60.420	102.701	73% of ultimate irrigation potential

32. The Ministry of Planning have stated that the area of Water Management has been neglected because of paucity of resources especially with the State Governments and also diffusion of responsibility over several different departments in the Central Government. On the remedial measures proposed to be taken by the Government to remove the constraints related with Management of Water, the Committee were informed:—

“During Tenth Plan there has been a significant increase in the investment in the sector as can be seen from the table below:—

(Rs. crore)

2002-2003 (actual expenditure)	11938
2003-2004 (actual expenditure)	13537
2004-2005 (actual expenditure)	19225
2005-2006 (revised outlay)	24587
2006-2007(approved outlay)	32599

33. Further, it has been *inter-alia* also informed as under:—

“availability of water and its management is not only an issue of funds but also linked to issues like change in cropping pattern, situation of reservoirs, reducing the water availability, very low water use efficiency because of using traditional irrigation methods, absence of Command Area Development and warabandi and farmers participation in water management. All these issues are addressed by the Working Group on Water Resources set up by the Planning Commission for the formulation of the Eleventh Five-Year Plan and recommendations of the Working Group would be kept in view while formulating the Eleventh Five-Year Plan.

The revised National Water Policy, 2002 has advocated development of water resources adopting a basin approach and planning through constitution of multi-disciplinary river basin organisations.

The National Water Resources Council headed by the Prime Minister is in place for guiding on policy issues in water sector. States and Central Ministries are represented in the Council.”

34. The Working Group on Water Resources for the Eleventh Five Year Plan submitted its report to Planning Commission during December, 2006. The Working Group, *inter-alia*, recommended:—

“(i) Rehabilitation of Irrigation Systems

Rehabilitation of the irrigation systems through extension, renovation and modernization(ERM) projects has been identified as a thrust area in XI Plan. All the schemes which are 25 years old should be studied in detail to bring out the status of the scheme in respect of structural safety and performance and ERM

schemes may be formulated and taken up based on such studies. Priority may be assigned to ERM projects where irrigation systems are to be handed over to the Water Users Association (WUA's). Also if total ERM project is not contemplated one time maintenance/deferred maintenance may be allowed as a Plan scheme.

Groundwater development including artificial recharge of groundwater.

There is a good scope for groundwater development considering that the stage of groundwater development in the country is only 58%. As per the Working Group recommendation in the XI Plan it is proposed to create 3.5 m.ha of irrigation potential from the unconfined aquifers mainly underlying alluvial areas of Assam, Bihar, UP and West Bengal States and rest of the country having hard rock and hilly regions. 1.0 m.ha would be developed from deeper unconfined aquifers mainly from the areas where overexploited/critical areas are large like Punjab, Haryana and Gujarat with detailed studies to establish safe yield eliminating any adverse environmental impact. Flood plains in the vicinity of the rivers are good depositaries of groundwater. Their planned management would ensure additional water availability. Rehabilitation of groundwater extraction structures which are dilapidated needs to be taken up with institutional funding for retrieving the lost potential.

In areas with high development of groundwater, sustainable groundwater development and management by incorporating studies on artificial recharge to groundwater, rain water harvesting, conjunctive use of surface and groundwater and regulation of groundwater have been suggested.”

35. The Central Government has left the responsibility on the States to set up Water Users Association (WUA's) to manage distribution of water and also empower them to collect the tariff and retain a part of it for system maintenance. When asked about the reaction of the States in regard to setting up of Water Users' Associations the Ministry of Planning informed as under:—

“The National Water Policy 2002 has emphasized that the management of Water Resources should incorporate a participatory approach by involving not only the Government agencies but also all stakeholders in various aspects of planning, design and management. Recognising the need for legal framework for Participatory Irrigation Management, Ministry of Water Resources has brought out a model act to be adopted by the States for this purpose. So far 11 States namely Andhra Pradesh, Assam, Bihar, Goa, Madhya Pradesh, Maharashtra, Karnataka, Kerala, Orisa, Rajasthan and Tamilnadu have either enacted new act or amended the existing irrigation act to facilitate PIM. Some of the remaining states have been encouraging participation of farmers in irrigation management at outlet level under cooperative/society act. Presently 61000 water users association covering an area of 12.55 m.ha have been formed in 23 States.”

36. The Planning Commission in its Mid Term Appraisal of Tenth Five Year Plan also suggested for setting up of State Water Resources Regulatory Authorities for deciding the water rates. Maharashtra has set up an Authority. As informed, the Planning Commission is continuing to persuade the State Governments during the Annual Plan Working Group meetings with them for follow up action on this issue.

37. The policy of severely under-pricing water from canal systems encourages excessive water use, especially in upstream areas resulting into water-logging and salinity which not only damages soil productivity but also weakens the finances of irrigation departments. As regards correctives measures it has been stated that States should be encouraged to set up water regulators periodically revising water tariff as is being done by the State of Maharashtra. When asked as to how many States have set up water regulators at present and how they were monitored, the steps the Central Government proposes to take to encourage the States to set up Water Regulators for periodical revision of water tariff, the Ministry of Planning in a written reply stated as under:—

“At present only Maharashtra State has set up “Maharashtra Water Resources Regulatory Authority” under the Maharashtra Water Resources Regulatory Authority Act 2005 passed by Legislative Assembly and it is governed by the rules and regulations of the above act. The act empowers the State Government to give directions to the authority in matters of policy involving public interest and authority is bound to follow and act upon such direction.

The Working Group set up by the Planning Commission has recommended that it is better option to recommend instituting water regulatory authorities in all States as Maharashtra has done without giving any special treatment of reforming States under Accelerated Irrigation Benefit Programme”.

38. The total water availability in important reservoirs is quite favourable from the viewpoint of hydroelectricity generation as well as rabi crop. The reported deficiency in rainfall during the Monsoon in 2002, 2004 and 2006 (during the 10th Plan period) has led to poor agricultural growth, reduction in the share of agriculture in GDP, creation of inflationary pressure in some primary products and reduction in the potential growth of other sectors by dampening demand.

39. For improving efficiency, in this regard, the Working Group for the Eleventh Five-Year Plan has recommended the following aspects:

- “(i) Concept of fixing the target efficiency of the water delivery system.
- (ii) Timely and equitable distribution of water.
- (iii) Increasing the production per unit area and per unit volume of water used.
- (iv) Financial sustainability of water delivery infrastructure.”

Participatory Irrigation Management (PIM)

Participatory Irrigation Management (PIM) is being mandatory for assisting the States for taking up Command Area Development works. From XI Plan it is

proposed to increase the assistance for Water Users Association (WUA) from the existing Rs. 600/ha to Rs. 1000/ha in which Centre would contribute Rs. 675, State Rs. 225 and farmers Rs.100. PIM is being advocated by the Centre and a model bill has been prepared and circulated by Ministry of Water Resources to States for adopting PIM. So far 11 States have enacted PIM and rest of the States would be encouraged to adopt them in the Eleventh Five-Year Plan.

Adopting efficient Irrigation Practices: Government of India is already assisting the States for implementing the micro irrigation programme as recommended by the Task Force on micro irrigation. The scheme is being implemented by Ministry of Agriculture since 2005-06.”

40. Questioned about the Eleventh Plan strategy for rehabilitation of existing irrigation systems, ground water development etc., the Ministry of Planning, in reply, *inter-alia* stated:

“It is observed that wherever the rehabilitation of the existing irrigation systems through extension, renovation and modernization projects have been taken up, it has helped the farmers who were till then not getting the water for irrigation. Such projects, which involve special repairs and lining of canals and distributaries, repair and rehabilitation of control structures have helped to reduce the gap between the created and utilized irrigation potential, which also helps in water equity.

A pilot project on artificial recharge of groundwater by Central Ground Water Board at selected places in the country has shown that groundwater levels have risen by 1-2 mts. However since this result is only a pilot and confined to specific areas, larger benefit to all areas is possible only if a massive recharge scheme is taken up throughout the country. With such a scheme, it would definitely help in availability to the farmers by improving the water table.”

41. In regard to the artificial groundwater recharge scheme, the Finance Minister, in the Budget Speech 2007-08, announced, as noted below:

“Depletion of ground water has assumed grave proportions. The Central Ground Water Board has identified 1,065 assessment blocks in the country as ‘over-exploited’ or ‘critical’. Over 80 per cent of these blocks are in 100 districts in seven States. The strategy for ground water recharge is to divert rain water into ‘dug wells’. Each structure will cost about Rs.4,000. The requirement is seven million structures, including about two million structures on and belonging to small and marginal farmers. I propose to provide 100 per cent subsidy to small and marginal farmers and 50 per cent subsidy to other farmers. Ministry of Water Resources will finalise the scheme shortly. In anticipation, I intend to transfer a sum of Rs.1,800 crore to NABARD. The amount will be held in escrow and will be disbursed through the lead bank of the district concerned to the beneficiaries.

Also the Repair, Renovation and Restoration of Water Bodies scheme would be implemented in the States with external assistance. Already Tamil Nadu has

concluded its agreement with World Bank for Rs. 2182 crore to restore 5763 water bodies with a command area of 4 lakh ha. Andhra Pradesh is on the verge of concluding the agreement with West Bengal for Rs. 3000 crore to restore 3000 waterbodies with a command of 2.5 lakh ha. The water bodies restoration would help in enhancing the groundwater recharge.”

42. On the proposed ground water recharge scheme, the Ministry of Planning, in a post evidence reply, *inter-alia* informed as under:—

“Ground Water recharge in the areas where the water table is falling is a critical area of concern to the Government. The Central Ground Water Board has prepared a master plan for artificial groundwater recharge at a estimated cost of Rs. 24500 crore to recharge 36 billion cubic metre of water.”

43. **The Committee are well aware of the fact that the deficiency in rainfall during the monsoon in the years 2002, 2004 and 2006 of the 10th Plan period contributed significantly to the poor agricultural growth, reduction in the share of agriculture in GDP, creation of inflationary pressure in some primary products and reduction in the potential growth of other sectors by dampening demand. Had the dependency on monsoon for agricultural production been lessened over the years *inter alia* by way of proper and effective implementation of irrigation projects/schemes and policies relating to water management, the agricultural sector would not possibly have suffered and faced the distress being witnessed in the current times.**

44. From the information furnished, the Committee find that there has been a significant increase in the investment in the sectors related to water/irrigation from Rs. 11938 crore {actual expenditure} in 2002-03 to Rs. 32599 crore in 2006-07 (approved outlay). Nevertheless, the targets set for the irrigation sector could not be achieved. While, as per the target envisaged under the Tenth Plan, a total of 16.743 mha of irrigation potential was to be added (9.936 mha from major and medium irrigation projects and 6.807 mha from minor irrigation schemes), the likely achievement to this end is expected to be only 8.818 mha, which amounts to 53 percent of the originally envisaged target for the Plan period. This would mean that the percentage of achievement of ultimate irrigation potential (93.883m.ha.) would just increase from 67% at the end of Ninth Plan to 73% by the end of Tenth Plan. Considering these aspects, the Committee are of the view that focused attention needs to be given for ensuring effective formulation and progress of irrigation projects, which would contribute to the improvement of agricultural growth.

45. The Committee note that the National Water Resources Council headed by the Prime Minister, in which, the States and Central Ministries are represented guides the policy issues in water sector. The Committee also observe that the National Water Policy, 2002, emphasizes on management of water resources by incorporating a participatory approach by involving not only the government

agencies but also the stakeholders in various aspects of planning, design and management. The Committee understand in this connection, that in recognition of the need for providing a legal framework for participatory irrigation management a Model Act was brought out by the Ministry of Water Resources, which has since been adopted by eleven States. A few of the remaining States are reported to be encouraging participation of farmers in irrigation management at the outlet level under the co-operative/societies Acts. In the opinion of the Committee much more is desired to be done in this direction. The Committee, in this regard, emphasize that, apart from encouraging the remaining States to adopt the legislation on participatory irrigation management issues relating to changes required in cropping pattern, siltation of reservoirs, low water use/traditional irrigation methods should be adequately addressed and remedied for yielding better results.

46. The Committee also understand that in addition to the ongoing schemes of the Central Ground Water Board, a central sector scheme for artificial recharge of groundwater is proposed to be implemented, which, as per the master plan formulated, involves an estimated cost of Rs. 24500 crore. The Scheme is expected to enable in recharging 36 billion cubic meters of water. As per the related announcement, as made in the Budget- 2007-08, 100% subsidy is to be provided to small and marginal farmers under the scheme, and 50% subsidy to the others. The Committee desire to be apprised of the progress of implementation of this scheme and its efficacy in enabling recharge of groundwater levels. The Committee also desire to be apprised of the progress of schemes relating to rehabilitation of existing systems, renovation and modernization projects, and the extent to which such schemes help the farmers in getting adequate water for irrigation, and improve agricultural yield and production within the next three months.

3. IDENTIFICATION OF BPL HOUSEHOLDS

47. The Standing Committee on Finance, in their report on the Demands for Grants of the Ministry for the year 2005-06 *inter-alia* observed that the system of estimating the population of people living Below the Poverty Line (BPL) was mired with inconsistencies and problems. The Committee had noted that while the State Governments prepared the BPL lists on the basis of the format drawn by the Ministry of Rural Development, the Planning Commission's stipulations provided that the BPL population in each State should not be variant to the Planning Commission's estimation by more than 10%. The Committee, in this regard, were of the view that the ways and means for making an objective and realistic estimation of BPL households should be looked into and the criteria standardised.

48. On the modalities of enumerating the people living below the poverty line (BPL limit), the Member Secretary, Planning Commission stated as follows during oral evidence:—

“.....What Planning Commission does is a separate exercise and what the State Governments do is actually identifying the people. So, one is a conceptual exercise on the basis of which they come to a poverty line and the other one is a definitive exercise on the basis of enumeration on the field.”

49. Elaborating on this issue, a representative of the Ministry of Planning submitted as under:—

“.....what the Planning Commission does is, it takes the survey done by NSS. The NSS does a sample survey in which they interview, of course, there is a selective sample so it will be a fraction of the total population and they interview these people and get a detail enumeration of all the consumption and based on that they build the total consumption of each person/households surveyed. We use this survey data in the Planning Commission and apply a methodology, but we use to estimate the proportion of people who are below a certain poverty line. So, there is a definite poverty line which exists since 1973-74, which will make adjustments etc. On that we calculate for each State what is the proportion of poor. Now, what the Rural Development Ministry and the other Ministries do is that, for example, even ration cards have been issued for a long time and that was totally up to the States. There are some guidelines which are issued by the Central Department whether it is related to PDS or rural development and based on these, each State has its own way of identifying the poor.”

50. It was also supplemented as under by the representative:—

“We have no specific information on BPL families. We just have an absolute or proportional number. What the hon. Member was referring to is the Rural

Development Department in the past few years have carried out their own enumeration based on certain indicators. There are 13 indicators, which they use to order people. They use a mix of these indicators and then they use a cut off. These are all State dependant. The implementation is done by the States, Sir, as you pointed out and we do not have a role in it so far. Certainly, as an intellectual, an exercise is useful and it requires a research effort to link the consumption method. Which is what is used globally.”

51. Questioned on the means by way of which the dichotomy in the estimations of the BPL families by the Planning Commission *vis-a-vis* the State Governments’ estimations could be addressed, the representative of the Ministry stated.

“.....Planning Commission’s job is essentially to measure poverty. It is a nutrition-based measure based on consumption expenditure. There is, in addition, an attempt to identify the poor-not measure but to identify the poor-on the basis of non money-metric criteria. There are 13 criteria which are used across the country. The methodology is uniform across the country for, what is called, BPL survey which was last done in 2002. It has not since been repeated. There are 13 criteria which are taken into account in identifying the poor; this is not an effort to measure the poor. They are based on non-money-metric things like how many clothes do you have; what kind of house do you have.”

52. It was also added by him as follows:—

“.....I was saying that there are 13 criteria which are used across all the States. . But, since the methodology is different—one is money-metric and another is non-money-metric-there is bound to be discrepancy. There will always be discrepancy. There is no getting away from that. I would like to tell you that we have difficulties with these 13 criteria, and one of the things that is going to happen very soon is that we will probably constitute an Expert Group which will look at these 13 criteria. There are some difficulties; let us not get into that. You very rightly raised the point that these 13 criteria, the non-money-metric measure, is actually spread very thinly. Ultimately the resources are scarce. How do we solve the problem of resources not getting spread thinly? I think this is an issue which the Ministry of Rural Development only can answer but we can only about the possible answer.”

53. The Member Secretary, Planning Commission stated in this regard as under:—

“The Expert Group headed by Mr. Suresh Tendulkar is looking at poverty rate measurement issues and we will make a specific reference of the issue you raised here for the consideration of the Expert Group. My own sense says that the combination of 13 factors that he has mentioned, different States are applying within this giving different weights to these and then determining. There is lack of harmony on that score. We will have to address to that also.”

54. The Committee had, in their report on the Demands for Grants (2005-06) of the Ministry of Planning *inter alia* emphasized on standardizing the criteria for estimation of BPL households. The emphasis laid by the Committee on standardizing the criteria was on account of the fact that there is a dichotomy in the estimates of BPL households as made by the Planning Commission and the estimates made by the States on the basis of surveys carried out by them. The BPL household surveys carried out by the State Governments are based on the format prescribed by the Ministry of Rural Development. The Committee understand that an Expert Committee is presently looking into issues relating to 'poverty rate measurement'. As per the assurance given by the Member Secretary while tendering evidence, the issue of harmonizing the criteria for estimation of BPL households which would *inter-alia* enable in overcoming the dichotomy/variation in the population estimates of BPL households as brought out by different Government Departments/bodies would be referred to the Expert Committee. The Committee expect that the Expert Committee currently engaged in addressing issues relating to poverty measurement would look into this aspect and evolve a standardized criteria, which would facilitate an objective and realistic assessment of the BPL households in the country.

Demand No. 71
Ministry of Planning
Major Head : 2245
Minor Head : 80.102
Detailed Head : 08.00.20

4. TSUNAMI REHABILITATION PROGRAMME
OTHER ADMINISTRATIVE EXPENSES

55. The Committee have been informed that 'Other Administrative Expenses' is a primary unit of Appropriation (Object Head) which covers all expenses incurred on hospitality/entertainment expenses, gifts, expenses on conducted tours and also includes expenditure on conferences/seminars/workshops etc. and expenditure on other training programmes.

56. Budgeted allocations under this head are as follows:—

(Rs. in thousands)

(Plan)

Year	Budget Estimates	Revised Estimates	Actuals
2005-2006	—	500	2,15
2006-2007	5000	15,00	—
2007-2008	20,00	—	—

57. Explaining the reasons for provisioning of no Budget Estimates in the year 2005-06, the Ministry stated as under:—

“The Tsunami Rehabilitation Programme was approved by the Empowered Group of Ministers, on 8th December, 2005 and the funds were made available through the last batch of Supplementary Demands for Grants. As such no allocation (B.E.) was possible for the year 2005-06.”

58. On the reasons for wide gap between the Revised Estimates and the Actuals for the year 2005-06, the Ministry in a written reply stated as follows:—

“The Tsunami Rehabilitation Programme which was drawn after detailed deliberations of the inter-Ministerial Core Group could be approved by the Government in December, 2005. As funds were made available only through the third and final batch of Supplementary Demands for Grants in 2005-06, leaving very little time to take up the activities, there was a wide gap between the R.E. and the Actuals.”

59. Questioned about the reasons for making a huge B.E. for 2006-07 and not taking into account the actuals of 2005-06 while making B.E. for 2006-07, the Committee were informed:—

“While formulating the Tsunami Rehabilitation Programme, the fund requirement for 2005-06 and 2006-07 (B.E.) were estimated which were approved by the Empowered Group of Ministers. As such, the Actuals of 2005-2006 could not be taken into consideration while making the B.E. (2006-07).”

60. When asked to furnish the reasons for huge variations between the B.E. and R.E. for the year 2006-07, the Ministry, in their written reply, submitted as under:—

“The fund under the Object Head was budgeted mainly for organizing National/International Seminars/Conferences on coastal protection in the Tsunami affected States/U.Ts. As IIT-Madras and International Ocean Institute (India) also collaborated with the Planning Commission in organizing two such conferences during the year, the expenditure on the part of Planning Commission has been low resulting in huge variation between the B.E. and the R.E.”

61. Further on the questioning of making a low B.E. for the year 2007-08 in comparison to the B.E. of 2006-07, the Committee were informed:—

“Considering the trend of expenditure during 2006-07 and keeping in view the fact that only one technical seminar on coastal protection is proposed during 2007-2008, a low B.E. was made for the year 2007-08 in comparison to the B.E. of 2006-2007.”

62. The Committee understand that the object head, ‘Tsunami Rehabilitation Programme’ was budgeted mainly for organizing National and International Seminars/Conferences on coastal protection in Tsunami affected States/UTs, in connection with which, IIT Madras and International Ocean Institute (India) also collaborated. As per the information furnished, the required allocation (B.E.) could not be proposed under the Head for the year 2005-06, as the related approval was given by the Empowered Group of Ministers at the fag end of the year, which left little time for taking up the activities relating to making allocation for the programme. The Committee, however, are not satisfied with the reason advanced by Government for the wide gap between the Revised Estimates and the Actuals of the year 2005-06 that there was very little time left to take up the activities. They are of the view that the time available should have been taken into account while formulating the estimates.

Demand No. 71
Ministry of Planning
Major Head : 2245
Minor Head : 80.102
Detailed Head: 08.00.28

5. TSUNAMI REHABILITATION PROGRAMME
(PAYMENT FOR PROFESSIONAL AND SPECIAL SERVICES)

(Rs. in thousands)

(Plan)

Year	Budget Estimates	Revised Estimates	Actuals
2005-2006	-	9,73,00	76,79
2006-2007	13,45,00	75,00	-
2007-2008	2,45,00	-	-

63. 'Payment for Professionals and Special Services' is a primary unit of Appropriation (Object Head) which covers all expenses incurred on payment for professionals and special services/consultancy fees.

64. When asked as to why no allocation (B.E.) was made during the year 2005-06, the Ministry in a written reply submitted as under:—

“The Tsunami Rehabilitation Programme was approved by the Empowered Group of Ministers only on 8th December, 2005 and the funds were made available through the last batch of Supplementary Demands for Grants. As such no allocation (B.E.) was possible for the year 2005-06.”

65. On the reasons for huge variations between the R.E. and the Actuals in the year 2005-06, the Committee were informed:—

“The provision under the Head was meant to incur expenditure for monitoring the programme and also for studies for environment assessment, interventions in fisheries sector, livelihoods and other interventions including social assessment Impact Studies. As the programme was approved in December, 2005 and funds were available only through the third and final batch of Supplementary Demands for Grants, the proposed activities could not be taken up during the financial year leading to huge variations between the R.E. and the Actuals for the year 2005-06.”

66. Questioned about the reasons for wide gap between the Actuals of 2005-06 and the B.E. for 2006-07, the Ministry informed as under:—

“The expenditure during 2005-06 was low as the proposed activities could not be taken up during 2005-06 after approval of the programme in December, 2005. The trend of expenditure could not be used as a guiding factor for B.E. 2006-07, as the fund requirement for the first two years of the programme *i.e.* 2005-06 and 2006-07 was assessed and approved by the Empowered Group of Ministers while formulating the Tsunami Rehabilitation Programme.”

67. When asked to state the reasons for proposing a huge B.E. for the year 2006-07, the Committee were informed as follows:—

“While formulating the programme, it was expected that a large number of Impact Studies would be conducted during 2006-07.”

68. On the reasons for wide gap between the B.E. and the R.E. of the year 2006-07, following was submitted:—

“(1) Due to less number of proposals received from the States/U.Ts. for funding Impact Studies, the expenditure under the head is very low.

(2) Savings occurred due to the disengagement of Programme Management Consultants for the Tsunami Rehabilitation Programme.”

69. Stating the reasons for proposing a lesser allocation (B.E.) for the year 2007-08 as compared to the B.E. of yester year, the Ministry informed as under:—

“Considering the trend of expenditure during the last two years lesser allocation (B.E.) for the year 2007-08 in comparison to the B.E. of yester year was proposed.”

70. The Committee note that the provision under this head of account, is meant to incur expenditure on Professional Services for Tsunami Rehabilitation Programme and undertaking studies on environment assessment, interventions in fisheries sector, livelihoods, and other interventions including social assessment Impact Studies. The funds for the head were made available through the 3rd and final batch of Supplementary Demands for Grants of 2005-06 as the programme approval was given in the last month of 2005. The Committee regret to note that there have been significant variations in making the budget estimates, as the activities proposed, could not be taken up during the year 2005-06. This led to huge variations between the Revised Estimates (Rs. 9.73 crores) and the Actuals (Rs. 76.79 lakhs) for the year 2005-06. This is indicative of lack of seriousness towards this important issue of national importance. Again, the Committee are given to understand that the trend of expenditure could not be used as a guiding factor for making the budget estimates for the year, 2006-07 and a huge B.E. to the tune of Rs. 13.45 crore was proposed. Once again, as informed, though a large number of Impact Studies were expected to be conducted during the financial year

2006-07, very few proposals were received from the States/UTs for funding the Impact Studies which resulted in the revised estimates for the year being confined to Rs. 75 lakhs only. Besides this, disengagement of programme management consultants for the Tsunami Rehabilitation Programme is also said to be a factor for under-utilisation of the fund. The Committee while emphasising that utmost care should be taken for making the estimates judiciously to keep the programme in tune with the outcome of the objectives envisaged, cannot also help taking note of the sensitive nature of the Tsunami Rehabilitation Programme. The Committee, therefore, desire to be furnished with a status paper on the environment, social impact studies etc., envisaged and actually undertaken in regard to the Tsunami Rehabilitation Programme within one month.

Demand No. 72
Ministry of Planning
Major Head : 3451
Minor Head: 00.101
Object Head: 03.01.13

6. PLANNING COMMISSION/PLANNING BOARD
(OFFICE EXPENSES)

71. The funds under this object head are being utilised mainly on renovation of rooms/divisions/toilets including regional/project offices, major electrical civil works by CPWD at Yojana Bhawan and in Economic Advisory Council to the Prime Minister at Vigyan Bhawan.

72. The Budget allocations under this head are as follows:—

(Rs. in thousand)

(Plan)

Year	Budget Estimates	Revised Estimates	Actuals
2004-2005	7,00,00	5,16,00	2,65,01
2005-2006	2,00,00	2,00,00	1,85,31
2006-2007	2,00,00	1,30,00	8563*
2007-2008	4,00,00	-	-

* as on 23.3.2007 (including UD figure intimated by Ministry of Urban Development up to December, 2007)

73. On the wide gap between the B.E./R.E. and the Actuals of the year 2004-05, the Ministry stated as under in a written reply:—

“During 2004-05, budget amounting to Rs. 7,00,00,000 was provided against the projected BE of Rs. 1,15,00,000 under OE of MOOS. CPWD could not undertake full work assigned to them, therefore savings was due to non-utilisation of amount sanctioned to CPWD for the renovation work in Planning Commission.”

74. Questioned about the reasons for revising the estimates at BE stage to a much lower level in 2005-06 as compared to the B.E. in the previous year (2004-05), the Committee were informed as under:—

“.....CPWD could not execute major work assigned to them in 2004-05 which was to be completed by them during 2004-05. Therefore, there was no scope for

assigning them fresh additional work and hence B.E. 2005-06 had to be decreased.”

75. When asked to state the reasons for non-utilisation of funds during 2005-06 also, the Ministry submitted:—

“It is submitted that authorization amounting to Rs. 1,97,39,386 against R.E. of 2,00,00,000 was issued to CPWD for renovation of various civil/electrical works during 2005-06, though CPWD completed majority of works only a few were left.”

76. Questioned about the reasons for revising the allocation at R.E. stage to a lower level in 2006-07, the Committee were informed as follows:—

“The reasons for lowering the amount at R.E. stage in 2006-07 was due to the fact that certain ongoing civil/electrical works being undertaken by CPWD were not likely to be completed by CPWD during the remaining period of 2006-07, therefore, a saving of Rs. 70 lakh was reported. Incompleted civil/electrical works would be undertaken in the next financial year.”

77. Further on the sharp enhancement at B.E. stage in 2007-08 as compared to the B.E. of previous year, the reason for variations was attributed as under:—

“.....Rs. 70 lakh would also be required for incomplete civil/electrical works related to previous financial year (*i.e.* 2006-07). In addition to incomplete works as stated above, fresh renovation works like provision of central AC though CPWD, renovation of Planning Commission Library, electrical renovation of rooms for provision of energy — efficient lights in all the rooms would also be undertaken.”

78. The Committee feel constrained to note that year after year, there has been gross under-utilisation of the provisions made under the head ‘Office Expenses of Modernisation of Office System’ which are, *inter-alia*, intended mainly for renovation of rooms/divisions/toilets etc. by CPWD at Yojana Bhawan and in Economic Advisory Council to the Prime Minister at Vigyan Bhawan. From the figures made available to them, they find that an outlay of Rs. 7 crore was provided for office expenses against the projected B.E. of Rs. 1.15 crore which was revised to Rs. 5.16 crore at R.E. stage during the year 2004-05. However, the amount could not be utilised and had to be surrendered due to non-undertaking of the entire work assigned to CPWD which was to be completed during that year itself. This also resulted in not entrusting/assigning of fresh additional work in the following year, owing to which, the Government had to reduce the provisioning to Rs. 2 crore in 2005-06. The Committee note in this regard that, had the Ministry pursued the matter vigorously with CPWD, the amount could have been fully utilised.

79. Further in the year 2006-07, the amount allocated at the B.E. stage was again at a higher level of Rs. 2 crore which was revised to Rs 1.30 crore at R.E. stage and the actual expenditure was confined to about Rs. 85.63 lakhs. The reasons adduced for the surrendering of funds is that certain ongoing civil/electrical works undertaken by the CPWD were not likely to be completed during the remaining period of 2006-07. In view of the huge variations being witnessed under this Head of Account, the Committee desire that Budgetary allocations, as far as possible should be done with utmost care and seriousness to make them more realistic.

NEW DELHI;
28 April, 2007

8 Vaisakha, 1929 (Saka)

ANANTH KUMAR,
Chairman,
Standing Committee on Finance.

STATEMENT OF CONCLUSIONS/RECOMMENDATIONS OF THE STANDING
COMMITTEE ON FINANCE IN THE FIFTY THIRD REPORT (2007-08)

SI. No.	Para Nos.	Recommendations/Conclusions
1	2	3
1.	26, 27, 28 & 29	<p>An over-view of the GDP growth progress in the Tenth Plan (2002-03 to 2006-07) <i>inter-alia</i> reveals that while the growth rate of agricultural sector is estimated to be 2.1% per annum as against the annual target of 4%; the growth of manufacturing sector is likely to be 8.7% per annum as against the target of 8.9%; and the services sector is likely to register a growth of 9.3% per annum, which equals the plan target of growth rate for the sector. The actual growth rate of aggregate Gross Domestic Product (GDP), which is estimated at 7.8% per annum for the Tenth Five Year Plan is short of the plan target of 8.1%. The shortfall in achieving the targeted growth rate, the Committee note, is mainly on account of the shortfall in the growth witnessed in the agriculture sector.</p> <p>The factors attributable to the shortfall in agricultural growth during the Tenth Plan period include, <i>inter-alia</i>, erratic monsoon [whose effect was very significantly pronounced in the first year of the plan (2002-03), when the agricultural sector registered a negative growth of — 6.9%]; decline in the investment in the agriculture sector—which fell from 8% of total investment in 1999-2000 to 6% of total investment in 2005-06; inadequate power and rural infrastructure; and poor maintenance of existing irrigation and traditional water harvesting structures. From the information and data furnished as well as the oral submissions made by the representatives of Ministry of Planning, the Committee gather the impression that the slow pace of agricultural growth witnessed during the plan period, apart from contributing to the ‘distress’ of a significant section of the</p>

population dependent on agriculture; would also have the negative impact of increasing the income disparities between agricultural and non-agricultural households. As admitted by the Member Secretary while tendering evidence, the policy intervention of the Government to promote agricultural growth 'has not produced the desired results'. However, the approach to the agriculture sector in the Eleventh Plan, as per the member Secretary's submission, would be 'substantially better'. The Committee would like to be informed of the special measures which the Government propose to take during the Eleventh Plan to achieve the intended growth rate in agriculture of around 4%.

The Committee are well aware that the agriculture sector does not lend itself to double digit growth, as would be possible in the case of other sectors such as manufacturing and services. At the same time one can not lose sight of the fact that there is a huge population even now dependent on agriculture. Given the ground reality relating to the distress being faced in the agricultural sector, the Committee are of the view that the policy initiatives of the Government have to be necessarily focused on attaining a substantial improvement in the agriculture growth rate, apart from creating avenues for non-agricultural rural employment *inter-alia* in labour intensive manufacturing sectors such as food processing and service sectors like tourism, construction etc.

Enabling human well being in terms of all socio-economic indicators has been central to the Tenth Plan. The Committee, however, feel constrained to note that in 2004-05, the percentage of poor in the country's population (poverty ratio) was as much as 27.5%. Further, as per the figures furnished by the Planning Commission, the Infant Mortality Rate (IMR) was as much as 58 per 1000 births in 2005; and the Maternal Mortality Rate (MMR), as much as 3 per 1000 births in 2001-03. At this rate it appears very unlikely to the Committee that the

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targets of 45 in respect of IMR and 2 in respect of MMR by 2007 would be achieved. The Committee, therefore, express the need for having a relook at the effectiveness of the implementation of socio-economic development oriented policies which have a bearing on the living conditions of the people at large and take immediate corrective measures.

2. 43, 44, 45 & 46

The Committee are well aware of the fact that the deficiency in rainfall during the monsoon in the years 2002, 2004 and 2006 of the 10th Plan period contributed significantly to the poor agricultural growth, reduction in the share of agriculture in GDP, creation of inflationary pressure in some primary products and reduction in the potential growth of other sectors by dampening demand. Had the dependency on monsoon for agricultural production been lessened over the years *inter-alia* by way of proper and effective implementation of irrigation projects/schemes and policies relating to water management, the agricultural sector would not possibly have suffered and faced the distress being witnessed in the current times.

From the information furnished, the Committee find that there has been a significant increase in the investment in the sectors related to water/irrigation from Rs. 11938 crore (actual expenditure) in 2002-03 to Rs. 32599 crore in 2006-07 (approved outlay). Nevertheless, the targets set for the irrigation sector could not be achieved. While, as per the target envisaged under the Tenth Plan, a total of 16.743 mha of irrigation potential was to be added (9.936 mha from major and medium irrigation projects and 6.807 mha from minor irrigation schemes), the likely achievement to this end is expected to be only 8.818 mha, which amounts to 53 percent of the originally envisaged target for the Plan period. This would mean that the percentage of achievement of ultimate irrigation potential (93.883mha.) would just increase from 67% at the end of Ninth Plan to 73% by the end of Tenth Plan. Considering these aspects, the Committee are of the view that focused

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attention needs to be given for ensuring effective formulation and progress of irrigation projects, which would contribute to the improvement of agricultural growth.

The Committee note that the National Water Resources Council headed by the Prime Minister, in which, the States and Central Ministries are represented guides the policy issues in water sector. The Committee also observe that the National Water Policy, 2002, emphasizes on management of water resources by incorporating a participatory approach by involving not only the government agencies but also the stakeholders in various aspects of planning, design and management. The Committee understand in this connection, that in recognition of the need for providing a legal framework for participatory irrigation management a Model Act was brought out by the Ministry of Water Resources, which has since been adopted by eleven States. A few of the remaining States are reported to be encouraging participation of farmers in irrigation management at the outlet level under the co-operative/societies Acts. In the opinion of the Committee much more is desired to be done in this direction. The Committee, in this regard, emphasize that, apart from encouraging the remaining States to adopt the legislation on participatory irrigation management, issues relating to changes required in cropping pattern, siltation of reservoirs, low water use/traditional irrigation methods should be adequately addressed and remedied for yielding better results.

The Committee also understand that in addition to the ongoing schemes of the Central Ground Water Board, a central sector scheme for artificial recharge of groundwater is proposed to be implemented, which, as per the master plan formulated, involves an estimated cost of Rs. 24500 crore. The Scheme is expected to enable in recharging 36 billion cubic meters of water. As per the related announcement, as made in the Budget — 2007-08, 100% subsidy is to be provided to

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		<p>small and marginal farmers under the scheme, and 50% subsidy to the others. The Committee desire to be apprised of the progress of implementation of this scheme and its efficacy in enabling recharge of groundwater levels. The Committee also desire to be apprised of the progress of schemes relating to rehabilitation of existing systems, renovation and modernization projects, and the extent to which such schemes help the farmers in getting adequate water for irrigation, and improve agricultural yield and production within the next three months.</p>
3.	54	<p>The Committee had, in their report on the Demands for Grants (2005-06) of the Ministry of Planning <i>inter-alia</i> emphasized on standardizing the criteria for estimation of BPL households. The emphasis laid by the Committee on standardizing the criteria was on account of the fact that there is a dichotomy in the estimates of BPL households as made by the Planning Commission and the estimates made by the States on the basis of surveys carried out by them. The BPL household surveys carried out by the State Governments are based on the format prescribed by the Ministry of Rural Development. The Committee understand that an Expert Committee is presently looking into issues relating to ‘poverty rate measurement’. As per the assurance given by the Member Secretary while tendering evidence, the issue of harmonizing the criteria for estimation of BPL households which would <i>inter-alia</i> enable in overcoming the dichotomy/variation in the population estimates of BPL households as brought out by different Government Departments/bodies would be referred to the Expert Committee. The Committee expect that the Expert Committee currently engaged in addressing issues relating to poverty measurement would look into this aspect and evolve a standardised criteria, which would facilitate an objective and realistic assessment of the BPL households in the country.</p>
4.	62	<p>The Committee understand that the object head, ‘Tsunami Rehabilitation Programme’ was budgeted mainly</p>

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		<p>for organizing National and International Seminars/ Conferences on coastal protection in Tsunami affected States/UTs, in connection with which, IIT Madras and International Ocean Institute (India) also collaborated. As per the information furnished, the required allocation (B.E.) could not be proposed under the Head for the year 2005-06, as the related approval was given by the Empowered Group of Ministers at the fag end of the year, which left little time for taking up the activities relating to making allocation for the programme. The Committee, however, are not satisfied with the reason advanced by Government for the wide gap between the Revised Estimates and the Actuals of the year 2005-06 that there was very little time left to take up the activities. They are of the view that the time available should have been taken into account while formulating the estimates.</p>
5.	70	<p>The Committee note that the provision under this head of account, is meant to incur expenditure on Professional Services for Tsunami Rehabilitation Programme and undertaking studies on environment assessment, interventions in fisheries sector, livelihoods, and other interventions including social assessment Impact Studies. The funds for the head were made available through the 3rd and final batch of supplementary Demands for Grants of 2005-06 as the programme approval was given in the last month of 2005. The Committee regret to note that there have been significant variations in making the budget estimates, as the activities proposed, could not be taken up during the year 2005-06. This led to huge variations between the Revised Estimates (Rs. 9.73 crores) and the Actuals (Rs. 76.79 lakhs) for the year 2005-06. This is indicative of lack of seriousness towards this important issue of national importance. Again, the Committee are given to understand that the trend of expenditure could not be used as a guiding factor for making the budget estimates for the year, 2006-07 and a huge B.E. to the tune of Rs. 13.45 crore was proposed. Once again, as informed, though a large number of Impact Studies were</p>

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		<p>expected to be conducted during the financial year 2006-07, very few proposals were received from the States/UTs for funding the Impact Studies which resulted in the revised estimates for the year being confined to Rs. 75 lakhs only. Besides this, disengagement of programme management consultants for the Tsunami Rehabilitation Programme is also said to be a factor for under-utilisation of the fund. The Committee while emphasising that utmost care should be taken for making the estimates judiciously to keep the programme in tune with the outcome of the objectives envisaged, cannot also help taking note of the sensitive nature of the Tsunami Rehabilitation Programme. The Committee, therefore, desire to be furnished with a status paper on the environment, social impact studies etc., envisaged and actually undertaken in regard to the Tsunami Rehabilitation Programme within one month.</p>
6.	78 & 79	<p>The Committee feel constrained to note that year after year, there has been gross under-utilisation of the provisions made under the head 'Office Expenses of Modernisation of Office System' which are, <i>inter-alia</i>, intended mainly for renovation of rooms/divisions/toilets etc. by CPWD at Yojana Bhawan and in Economic Advisory Council to the Prime Minister at Vigyan Bhawan. From the figures made available to them, they find that an outlay of Rs. 7 crore was provided for office expenses against the projected B.E. of Rs. 1.15 crore which was revised to Rs. 5.16 crore at R.E. stage during the year 2004-05. However, the amount could not be utilised and had to be surrendered due to non-undertaking of the entire work assigned to CPWD which was to be completed during that year itself. This also resulted in not entrusting/ assigning of fresh additional work in the following year, owing to which, the Government had to reduce the provisioning to Rs. 2 crore in 2005-06. The Committee note in this regard that, had the Ministry pursued the matter vigorously with CPWD, the amount could have been fully utilised.</p>

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Further in the year 2006-07, the amount allocated at the B.E. stage was again at a higher level of Rs. 2 crore which was revised to Rs.1.30 crore at R.E. stage and the actual expenditure was confined to about Rs. 85.63 lakhs. The reasons adduced for the surrendering of funds is that certain ongoing civil/electricals works undertaken by the CPWD were not likely to be completed during the remaining period of 2006-07. In view of the huge variations being witnessed under this Head of Account, the Committee desire that Budgetary allocations, as far as possible should be done with utmost care and seriousness to make them more realistic.

APPENDIX I

MINUTES OF THE TWENTIETH SITTING OF STANDING COMMITTEE ON FINANCE

The Committee sat on Monday, 3 April, 2007 from 1100 to 1230 hours, 1300 to 1430 hours and 1510 to 1730 hours.

PRESENT

Shri Ananth Kumar — *Chairman*

MEMBERS

Lok Sabha

2. Shri Jaswant Singh Bishnoi
3. Shri Vijoy Krishna
4. Dr. Rajesh Kumar Mishra
5. Shri Bhartruhari Mahtab
6. Shri Rupchand Pal
7. Shri R. Prabhu
8. Shri K.S. Rao
9. Shri Jyotiraditya Madhavrao Scindia
10. Shri A.R. Shaheen
11. Shri G.M. Siddeshwara
12. Shri M.A. Kharabela Swain

Rajya Sabha

13. Shri Venkaiah Naidu
14. Shri Yashwant Sinha
15. Shri Mahendra Mohan
16. Shri Mangani Lal Mandal
17. Shri C. Ramachandraiah
18. Shri Vijay J. Darda
19. Shri S. Anbalagan

SECRETARIAT

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

Part-I
(1100 to 1230 Hours)

2.	**	**	**	**	**
3.	**	**	**	**	**
4.	**	**	**	**	**

5. A verbatim record of proceedings has been kept.

The witnesses then withdrew.

Part-II
(1300 to 1430 hours)

6.	**	**	**	**	**
7.	**	**	**	**	**
8.	**	**	**	**	**

9. A verbatim record of proceedings has been kept.

The witnesses then withdrew.

PART-III
(1510 to 1730 hours)

WITNESSES

10. Ministry of Planning

1. Shri Rajeeva Ratna Shah, Member Secretary
2. Shri Ajay Shankar, Pr. Adviser (Bharat Nirman)
3. Dr. Arvind Virmani, Pr. Adviser (PP)
4. Dr. S.N. Dash, Pr. Adviser (I&M)
5. Shri Surya P. Sethi, Pr. Adviser (Energy)
6. Shri B.S. Baswan, Sr. Consultant (S&HE)
7. Dr. Santosh Mehrotra, Sr. Consultant (RD)
8. Dr. (Mrs.) Rita Sharma, Addl. Secretary &FA
9. Smt. Manjulika Gautam, Sr. Adviser (VAC/WCD)
10. Shri A.N.P. Sinha, Sr. Adviser (PC/Admn./HUD/SP-NE)
11. Shri M.K. Khanna, Sr. Adviser (MLP/BRGF/PR)
12. Shri Lambor Rynjah, Sr. Adviser (Agriculture)
13. Shri B.N. Puri, Sr. Adviser (Transport)
14. Prof. N.K. Sethi, Sr. Adviser (Health)
15. Shri Gajendra Haldea, Spl. Adviser (Infrastructure)
16. Shri R. Sridharan, JS(SP) & Adviser (FR)
17. Shri L.P. Sonkar, Adviser (Minerals & TRP/MLP)
18. Shri V.K. Bhatia, Adviser (SER)

19. Shri G.B. Panda, Adviser (SJ)
20. Dr. V.V. Sadamate, Adviser (Agriculture)
21. Dr. C. Muralikrishna Kumar, Adviser (ICT/S&T)
22. Shri K.L. Dutta, Adviser (PP)
23. Shri P.N. Ansari, Adviser (E&F)
24. Dr. Nagesh Singh, Adviser (PAMD)
25. Shri Harish Chandra, Adviser (SP-C/WB)
26. Shri R.C. Mahajan, Adviser (Petroleum)
27. Dr. C. Chandramohan, Adviser (Education)
28. Shri Ambrish Kumar, Adviser (Health)

11. At the outset, the Chairman welcomed the representatives of the Ministry of Planning to the sitting of the Committee and invited their attention to the provisions contained in Direction 55 of the Directions by the Speaker.

12. The Committee then took oral evidence of the representatives of the Ministry of Planning on Demands for Grants (2007-08) and other related matters. The points discussed during the meeting broadly related to issues such as achievement of GDP growth rate/agricultural growth, irrigation projects, National Rural Health Mission, completion of National Highway Development Project and maintenance of Prime Minister Gram Sadak Yojana (PMGSY) etc.

13. Thereafter, the Chairman requested the representatives of Ministry of Planning to furnish notes on certain points raised by the Members to which replies were not readily available with them during the discussion.

14. A verbatim record of proceedings has been kept.

The witnesses then withdrew.

The Committee then adjourned.

APPENDIX II

MINUTES OF THE TWENTY-SECOND SITTING OF THE STANDING COMMITTEE ON FINANCE

The Committee sat on Thursday, 26 April, 2007 from 1330 to 1630 hrs.

PRESENT

Shri Ananth Kumar — *Chairman*

MEMBERS

Lok Sabha

2. Shri Rupchand Pal
3. Shri R. Prabhu
4. Shri K.S. Rao
5. Shri Magunta Sreenivasulu Reddy
6. Shri A.R. Shaheen
7. Shri M.A. Kharabela Swain

Rajya Sabha

8. Shri Santosh Bagrodia
9. Shri C. Ramachandraiah
10. Shri Vijay J. Darda
11. Shri S. Anbalagan

SECRETARIAT

1. Dr. (Smt.) P.K. Sandhu — *Additional Secretary*
2. Shri. P.K. Grover — *Joint Secretary*
3. Shri S.B. Arora — *Deputy Secretary*
4. Shri T.G. Chandrasekhar — *Deputy Secretary*
5. Shri M.L.K. Raja — *Under Secretary*

Part-I

(1330 to 1500 hours)

DISCUSSION WITH DELEGATION FROM INDONESIA

2. ** ** ** ** **
3. ** ** ** ** **
4. ** ** ** ** **

Part-II
(1515 to 1630 hours)

CONSIDERATION AND ADOPTION OF DRAFT REPORTS
ON DEMANDS FOR GRANTS (2007-08)

5. ** ** ** ** **

6. ** ** ** ** **

7. The Committee thereafter considered the draft report on Demands for Grants (2007-08) of the Ministry of Planning and adopted the same with the modifications/ amendments as shown in *Annexure III*.

8. ** ** ** ** **

9. ** ** ** ** **

10. The Committee authorized the Chairman to finalise the Reports in the light of suggestions received from the Members and also make consequential verbal changes arising out of factual verification by the concerned Ministries/Departments and present the same to Parliament.

The Committee then adjourned.

[MODIFICATIONS/AMENDMENTS MADE BY STANDING COMMITTEE ON FINANCE IN THEIR DRAFT REPORT ON DEMANDS FOR GRANTS (2007-08) OF MINISTRY OF PLANNING AT THEIR SITTING HELD ON 26 APRIL, 2007]

Page. 25, Para 46, Last line

After “yield and production”

Add “within the next three months”

Page 32, Para 62, Line 14

Delete “What the Committee also find to be puzzling is that Government have also been unable to furnish a suitable reason for not taking into consideration the Actuals of 2005-2006 while proposing the Budget Estimates of 2006-07. The Committee desire that the endeavour of the Government should be to project realistic budget estimates and ensure proper and effective allocation of the budgeted amounts.”

Page 35, Para 70, Line 23

For “In view of the huge variations witnessed under this Head of Account, the Committee emphasize that utmost care should be taken for making the estimates judiciously to keep the programme in tune with the outcomes of the objectives envisaged.”

Substitute “The Committee while emphasising that utmost care should be taken for making the estimates judiciously to keep the programme in tune with the outcome of the objectives envisaged, cannot also help taking note of the sensitive nature of the Tsunami Rehabilitation Programme. The Committee, therefore, desire to be furnished with a status paper on the environment, social impact studies etc., envisaged and actually undertaken in regard to the Tsunami Rehabilitation Programme within one month.”