

36

**STANDING COMMITTEE ON
FINANCE
(2010-2011)**

FIFTEENTH LOK SABHA

**MINISTRY OF STATISTICS AND
PROGRAMME IMPLEMENTATION**

**DEMANDS FOR GRANTS
(2011-2012)**

THIRTY-SIXTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2011/Shravana, 1933 (Saka)

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(2010-2011)

(FIFTEENTH LOK SABHA)

MINISTRY OF STATISTICS AND PROGRAMME
IMPLEMENTATION

DEMANDS FOR GRANTS
(2011-2012)

Presented to Hon'ble Speaker on 30 June, 2011

Presented to Lok Sabha on

Laid in Rajya Sabha on



LOK SABHA SECRETARIAT
NEW DELHI

August, 2011/Shravana, 1933 (Saka)

C.O.F. No. 36

Price : Rs. 70.00

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fourteenth Edition) and printed by M/s. The Indian Press, Delhi-110 033.

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COMPOSITION OF THE STANDING COMMITTEE ON FINANCE
(2010-2011)

Shri Yashwant Sinha — *Chairman*

MEMBERS

Lok Sabha

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3. Shri Sudip Bandyopadhyay
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6. Shri Bhakta Charan Das
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18. Shri Manicka Tagore
19. Dr. M. Thambidurai
20. Shri Anjankumar M. Yadav
- *21. Dr. Kavuru Sambasiva Rao

*Nominated to this Committee *w.e.f.* 28.01.2011 *vice* Shri Y.S. Jagan Mohan Reddy, ceased to be a member of the Committee on his resignation from Lok Sabha.

Rajya Sabha

22. Shri S.S. Ahluwalia
23. Shri Raashid Alvi
24. Shri Vijay Jawaharlal Darda
25. Shri Piyush Goyal
26. Shri Moinul Hassan
27. Shri Satish Chandra Misra
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29. Dr. Mahendra Prasad
30. Dr. K.V.P. Ramachandra Rao
31. Shri Y.P. Trivedi

SECRETARIAT

1. Shri A.K. Singh — *Joint Secretary*
2. Shri R.K. Jain — *Director*
3. Shri Kulmohan Singh Arora — *Under Secretary*

INTRODUCTION

I, the Chairman of the Standing Committee on Finance, having been authorized by the Committee, present this Thirty-sixth Report (15th Lok Sabha) on the 'Demands for Grants (2011-12)' of the Ministry of Statistics and Programme Implementation.

2. The Demands for Grants (2011-2012) of the Ministry of Statistics and Programme Implementation were laid on the Table of the House on 15 March, 2011. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Finance are required to consider the Demands for Grants of the Ministries/Departments under their jurisdiction and make reports on the same to both the Houses of Parliament. Thereafter, the Demands are considered by the House in the light of the reports of the Committee. However, this year, the Demands for Grants (2011-2012) of the Ministry of Statistics and Programme Implementation were passed by Lok Sabha prior to their consideration by the Standing Committee on Finance. Nonetheless, in pursuance of the observation made by the Chair, the Committee examined the Demands for Grants (2011-2012) of the Ministry of Statistics and Programme Implementation and issues arising therefrom.

3. The Committee took oral evidence of the representatives of the Ministry of Statistics and Programme Implementation on 19 April, 2011.

4. The Committee considered and adopted this Report at their sitting held on 25 May, 2011. Minutes of the sittings of the Committee are given in Appendix to the Report.

5. The Committee wish to express their thanks to the representatives of the Ministry of Statistics and Programme Implementation for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2011-2012).

NEW DELHI;
20 June, 2011

30 Jyaishta, 1933 (Saka)

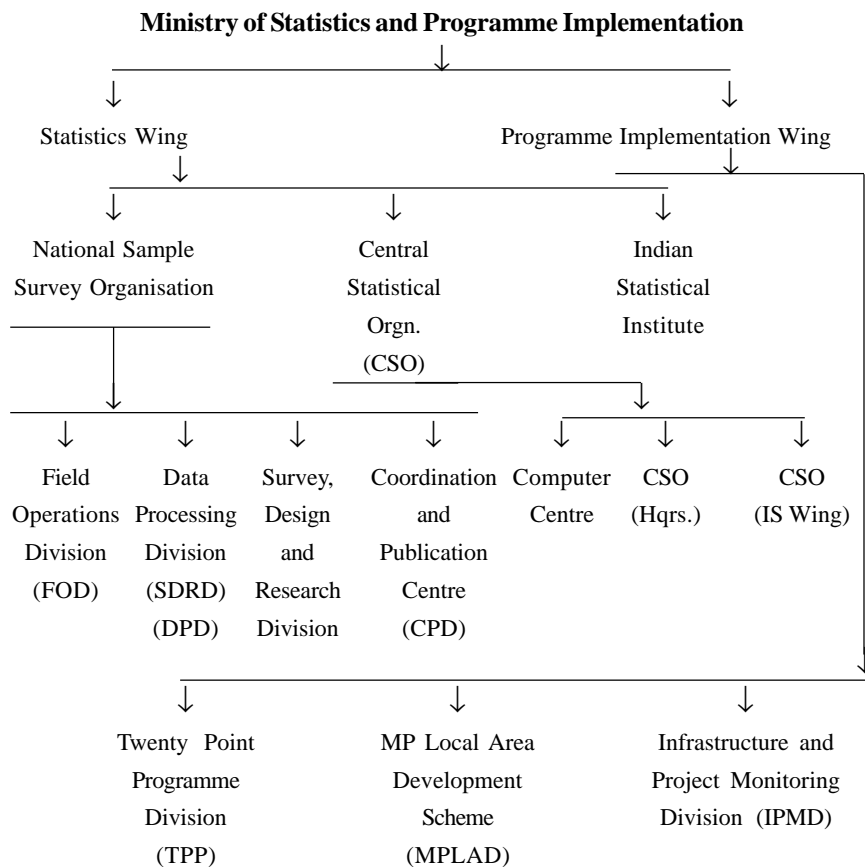
YASHWANT SINHA,
Chairman,
Standing Committee on Finance.

REPORT

PART I

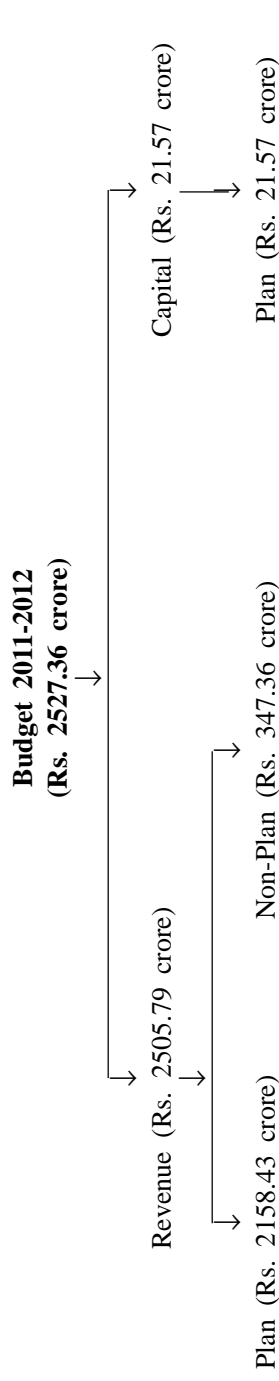
I. BUDGETARY ALLOCATION

The Ministry of Statistics and Programme Implementation came into existence with effect from 15th October, 1999 by merger of the Department of Statistics and the Department of Programme Implementation. With the approval of the Cabinet, the Government of India *vide* resolution dated 1st June, 2005 set up the National Statistical Commission (NSC). For the year 2011-12, Demand No. 91 has been assigned to the Ministry. The organisational structure of the Ministry is as follows :



Budget 2011-2012

2. The Demands for Grants under Demand No. 91 for the Ministry of Statistics and Programme Implementation includes a budget proposal of Rs. 2527.36 crore for the year 2011-12. The demand is Rs. 2505.79 crore under Revenue account and Rs. 21.57 crore under Capital account. The Ministry proposes to undertake eight Plan Schemes with an estimated outlay of Rs. 2158.43 crore under Plan Revenue and Rs. 21.57 crore under Plan Capital.



3. A statement showing Budget Estimates, Revised Estimates and Actuals for 2008-2009, 2009-2010 and 2010-11 (expected expenditure upto March, 2011) and Budget Estimates for 2011-2012 both under Plan and Non-Plan is as under:—

| | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12 | | |
|------------------------|---------|--------|---------|---------|---------|---------|---------|----------------------|---------|
| | BE | RE | Actual | BE | RE | Actual | BE | BE | |
| Non-Plan (Total MOSPI) | 190.00 | 243.15 | 259.70 | 306.27 | 337.86 | 342.78 | 300.35 | 326.70 | |
| (% age change) | | | | (61.2%) | (39.0%) | (32.0%) | -(1.9%) | 326.70 | 347.36 |
| | | | | | | | | Expected expenditure | (15.7%) |
| | | | | | | | | -(3.3%) | -(4.7%) |

(Rs. in crore)

| | | | | | | | | | | |
|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| Plan | 129.00 | 85.00 | 62.85 | 229.00 | 94.00 | 85.40 | 268.00 | 123.00 | 123.00 | 600.00 |
| (Without MPLADS) | | | | | | | | | | |
| (%age change) | | | | (77.5%) | (10.6%) | (35.9%) | (17.0%) | (30.9%) | (44.0%) | (123.9%) |
| TOTAL (Plan + NP) | 319.00 | 328.15 | 322.55 | 535.27 | 431.86 | 428.18 | 568.35 | 449.70 | 449.70 | 947.36 |
| without MPLADS | | | | | | | | | | |
| (%age change) | | | | (67.8%) | (31.6%) | (32.7%) | (6.2%) | (4.1%) | (5.0%) | (66.7%) |
| MPLADS | 1580.00 | 1580.00 | 1580.00 | 1580.00 | 1580.00 | 1531.50 | 1580.00 | 1700.00 | 1700.00 | 1580.00 |
| (%age change) | | | | (0.0%) | (0.0%) | -(3.1%) | (0.0%) | (7.6%) | (11.0%) | (0.0%) |
| TOTAL Plan | 1709.00 | 1665.00 | 1642.85 | 1809.00 | 1674.00 | 1616.90 | 1848.00 | 1823.00 | 1823.00 | 2180.00 |
| (including MPLADS) | | | | | | | | | | |
| (%age change) | | | | (5.9%) | (0.5%) | -(1.6%) | (2.2%) | (8.9%) | (12.7%) | (18.0%) |
| G. TOTAL MOSPI | 1899.00 | 1908.15 | 1902.55 | 2115.27 | 2011.86 | 1959.68 | 2148.35 | 2149.70 | 2149.70 | 2527.36 |
| (Plan + NP) | | | | | | | | | | |
| (%age change) | | | | (11.4%) | (5.4%) | (3.0%) | (1.6%) | (6.9%) | (9.7%) | (17.6%) |

Non-Plan Budget

4. The Ministry's Non-Plan budget of Rs. 347.36 crore in 2011-12 is primarily salary oriented as the primary function of the Statistics Wing is conduct of surveys and collection, analysis and dissemination of data, which is a staff intensive function. The major components of the Non-Plan budget for the Ministry of Statistics and Programme Implementation during 2011-2012 are given below:

| Object Head | Budget | % of total Non-Plan Budget |
|---------------------------------|------------------|----------------------------|
| Salaries | Rs. 218.46 crore | 62.89% |
| Domestic Travel | Rs. 7.54 crore | 2.17% |
| Foreign Travel | Rs. 0.13 crore | 0.04% |
| Office Expenses | Rs. 7.46 crore | 2.15% |
| Rent Rates & Taxes | Rs. 1.62 crore | 0.47% |
| Publications | Rs. 0.66 crore | 0.19% |
| OAE | Rs. 1.76 crore | 0.51% |
| Grant-in-aid to ISI, Kolkata | Rs. 105.00 crore | 30.23% |

5. The Indian Statistical Institute (ISI) is engaged in integrated programme of research, training and practical application of statistics in different disciplines through a large number of projects. By an Act of Parliament, known as the ISI Act (No. 57) of 1959, the Institute was declared as an 'Institute of National Importance' and was conferred with the right to hold examinations and grant degrees and diplomas in statistics and allied disciplines. By the 'Indian Statistical Institute (Amendment) Act, 1995', the Institute has also been empowered to conduct courses, besides statistics, in Mathematics, Quantitative Economics, Computer Science and other subjects related to Statistics. Grants-in-aid to ISI are released on the basis of the recommendations of a Statutory Committee set up under Section 8(1) of the Indian Statistical Institute Act. From the budget of the Ministry, an amount

of Rs. 105.00 crore being 30% of the Non-Plan Budget during 2011-12 is proposed to be released as grant-in-aid to the Institute.

6. National Statistical Commission came into force on 1st June, 2005. Non-Plan budget for the year 2011-12 has been kept at Rs. 1.61 crore.

7. Trend of Non-Plan expenditure indicates an increase in expenditure from Rs. 326.70 crore in 2010-11 (RE) to Rs. 347.36 crore (BE) during 2011-12 indicating an increase of 6.32%.

8. During the year 2009-10, token supplementary of an amount of Rs. 33.36 crore was approved by the Parliament which was adjusted through savings available under Plan Budget. For this only a cash token supplementary of 3 lakh was obtained under 3 different major heads for implementing the 6th Pay Commission recommendation.

Plan Budget

9. The Plan Budget proposal in 2011-12 is Rs. 2180.00 crore to be spent on MPLAD Scheme and seven other Plan Schemes. MPLAD Scheme has a budget provision of Rs. 1580.00 crore which is 72.48% of total plan outlay of Ministry. Out of Rs. 600.00 crore for other Plan Schemes, the major components of expenditure are as follows :

| Object Head | Budget | % of total Plan Budget of Rs. 600 crore |
|-------------------------|-----------------|--|
| 1 | 2 | 3 |
| Salaries | Rs. 5.86 crore | 0.98% |
| Domestic Travel | Rs. 8.23 crore | 1.37% |
| Foreign Travel | Rs. 1.67 crore | 0.28% |
| Office Expenses | Rs. 10.45 crore | 1.74% |
| Publications | Rs. 19.65 crore | 3.27% |
| Other Admn. Expenses | Rs. 16.40 crore | 2.73% |
| Advertising & Publicity | Rs. 38.81 crore | 6.47% |

| 1 | 2 | 3 |
|----------------------------------|------------------|--------|
| Professional Services | Rs. 38.67 crore | 6.44% |
| Grants-in-aid (excluding MPLADS) | Rs. 364.48 crore | 60.75% |
| Information Technology | Rs. 13.71 crore | 2.28% |
| Machinery & Equipment | Rs. 0.42 crore | 0.07% |
| Major Works | Rs. 21.15 crore | 3.52% |
| Lump sum provision for NE States | Rs. 60.00 crore | 10.00% |

10. Grants-in-aid: The proposed outlay under grants-in-aid during 2011-12 is Rs. 1944.48 crore which includes (i) Rs. 1580 crore for MPLAD Scheme, (ii) Rs. 36.00 crore for ISI Kolkata for its Plan Schemes, (iii) Rs. 172.00 crore for India Statistical Strengthening Project (for States Rs. 157.00 crore and for UTs Rs. 15.00 crore), (iv) Rs. 10.16 crore for Basic Statistics for Local Level Development (Rs. 9.76 crore each for States and 0.40 crore for UTs), (v) Rs. 2.75 crore for — Capacity Development, and (vi) Rs. 143.5 crore for Economic Census.

11. On the basis of the instructions on Zero Based Budgeting, the Plan Schemes of the XI Plan have been formulated by amalgamation/modifying/dropping the Plan Schemes of the X Plan.

II. Utilisation of Budget Allocations

12. The Scheme-wise allocation of Budget Estimates, Revised Estimates and Actual Expenditure incurred during 2008-09 is as under:

(Rs. in crore)

| Sl. No. | Name of the plan scheme | 11th Plan Approved Outlay (2007-12) | 2008-09 | | |
|-----------------------------------|--|-------------------------------------|---------|---------|--------------------|
| | | | BE | RE | Actual Expenditure |
| Centrally Sponsored Scheme | | | | | |
| 1. | Basic Statistics for Local Level Development | 5.00 | 5.00 | 4.09 | 3.20 |
| 2. | India Statistical Strengthening Project (Modernisation of Statistical System in India) | 1.00 | 30.00 | 4.99 | 0.05 |
| Central Sector Scheme | | | | | |
| 3. | Capacity Development | 344.50 | 63.00 | 52.45 | 39.04 |
| 4. | Sixth Economic Census | 91.00 | | | 0.00 |
| Total CSO | | | 98.00 | 61.53 | 42.29 |
| 5. | Strengthening of Computer Centre | 20.00 | 2.50 | 1.53 | 1.07 |
| 6. | Grant in aid to ISI, Kolkata | 120.00 | 25.00 | 18.75 | 18.76 |
| P.I. Wing | | | | | |
| 7. | Strengthening, Monitoring and Evaluation for Projects & Programmes | 18.50 | 3.50 | 3.19 | 0.73 |
| Total Statistics & P.I. | | | 600.00 | 129.00 | 62.85 |
| 8. | MPLADS | 0.00 | 1580.00 | 1580.00 | 1580.00 |
| Grand Total | | | 600.00 | 1709.00 | 1642.85 |

13. The scheme-wise allocation of Budget Estimates, Revised Estimates and Actual expenditure incurred during 2009-10 and 2010-11 and the Plan budget status for 2011-12 of the Ministry of Statistics and Programme Implementation is as follows:

(Rs. in crore)

| Sl. No. | Name of the plan scheme | 11th Plan Approved Outlay (2007-12) | 2009-10 | | |
|---|--|-------------------------------------|---------------|--------------|--------------------|
| | | | BE | RE | Actual expenditure |
| Centrally Sponsored Scheme (1+2) | | | | | |
| 1. | Basic Statistics for Local Level Development | * | 12.00 | 84.50 | 9.98 |
| 2. | India Statistical Strengthening Project (Modernisation of Statistical System in India) | * | 100.00 | 8.50 | - |
| Central Sector Scheme (3 to 8): | | | | | |
| 3. | Capacity Development | 344.0 | 80.00 | 58.19 | 51.22 |
| 4. | Sixth Economic Census | 91.00 | 1.0 | 2.00 | - |
| Total CSO without CC (1 to 4)* | | 435.50 | 193.00 | 59.14 | 51.31 |
| 5. | Strengthening of Computer Centre | 20.00 | 2.00 | 1.99 | 1.53 |
| 6. | Grant in aid to ISI, Kolkata | 120.00 | 30.00 | 30.00 | 30.00 |
| P.I. Wing | | | | | |
| 7. | Strengthening, Monitoring and Evaluation for Projects & Programmes | 18.50 | 4.00 | 2.87 | 2.55 |
| Total MOSPI (without MPLADS) | | 594.00 | 229.00 | 94.0 | 85.40 |
| 8. | MPLADS | 0.00 | 1580.00 | 1580.00 | 1531.50 |
| Grand Plan Total (MOSPI) | | 594.00 | 1809.00 | 1674.00 | 1616.90 |

(Rs. in crore)

| Sl. No. | Name of the plan scheme | 11th Plan Approved Outlay (2007-12) | 2010-11 | | 2011-12 | |
|---|--|--|---------------|--------------|-------------------------|---------------|
| | | | BE | RE | Expected expenditure | BE |
| Centrally Sponsored Scheme (1+2) | | | | | | |
| 1. | Basic Statistics for Local Level Development | * | 15.00 | 3.00 | 3.00 | 12.00 |
| 2. | India Statistical Strengthening Project (Modernisation of Statistical System in India) | * | 100.00 | 15.00 | 15.00 | 200.00 |
| Central Sector Scheme (3 to 8): | | | | | | |
| 3. | Capacity Development | 344.0 | 68.00 | 65.30 | 65.30 | 120.00 |
| 4. | Sixth Economic Census | 91.00 | 50.00 | 1.00 | 1.00 | 220.00 |
| Total CSO without CC (1 to 4)* | | 435.50 | 233.00 | 83.31 | 83.31 | 552.00 |
| 5. | Strengthening of Computer Centre | 20.00 | 2.10 | 1.00 | 1.00 | 2.00 |
| 6. | Grant in aid to ISI, Kolkata | 120.00 | 28.00 | 36.00 | 36.00 | 40.00 |
| P.I. Wing | | | | | | |
| 7. | Strengthening, Monitoring and Evaluation for Projects & Programmes | 18.50 | 4.90 | 2.69 | 2.69 | 6.00 |
| Total MOSPI (without MPLADS) | | 594.00 | 268.00 | 123.00 | 123.00 | 600.00 |
| 8. | MPLADS | 0.00 | 1580.00 | 1700.00 | 1700.00 | 1580.00 |
| Grand Plan Total (MOSPI) | | 594.00 | 1848.00 | 1823.00 | 1823.00 | 2180.00 |

Shortfall in Plan Expenditure

14. There has been huge shortfall in plan expenditure (without MPLADS) of the Ministry of Statistics and Programme Implementation in the preceding years, which is indicated as under:—

(Rs. in crore)

| Year | Budgeted Expenditure | Actual Expenditure | Shortfall | Percentage of Shortfall |
|---------|----------------------|----------------------------------|-----------|-------------------------|
| 2006-07 | 83.39 | 55.63 | 27.76 | 33% |
| 2007-08 | 92.00 | 66.00 | 26.00 | 28% |
| 2008-09 | 129.00 | 62.85 | 66.15 | 51% |
| 2009-10 | 229.00 | 85.40 | 143.60 | 63% |
| 2010-11 | 268.00 | 123.00 (expected expenditure) | | |

15. On being asked about the persistent underutilisaiton/shortfall in the Plan Expenditure, the Ministry in a written reply stated as under:—

“The major shortfall is in respect of the major Plan schemes, viz., India Statistical Strengthening Project (ISSP), Economic Census and Basic Statistics for Local Level Development (BSLLD). In case of ISSP, approval of the project by the World Bank took longer time because of the procedures and processes involved. The project was finally approved by the World Bank on June 1, 2010. Under the project, States are required to prepare individual State Strategic Statistical Plan (SSSP) which is prerequisite for release of the fund. Out of 7 States which were expected to complete their SSSP during 2010-11, only one State viz., Karnataka could complete its SSSP. However, 4 more States — Gujarat, Rajasthan, Tamil Nadu and Bihar have since finalized their SSSPs. Funds are likely to be released to Gujarat and Rajasthan. As for Economic Census, Expenditure Finance Committee (EFC) is yet to approve the scheme. Efforts are being made to obtain the approval of EFC. In respect of BSLLD, shortfall is mainly on account of non-completion of assigned activities by the States in spite of regular follow up.

The consolidated Annual Plan 2011-12 proposals of the Ministry were discussed in detail with the senior officers of the Ministry before they were sent to the Planning Commission so as to project realistic assessment of financial resources. The expenditure made by the various Divisions of the Ministry are reviewed by the Director Generals on monthly basis and quarterly by Secretary (S&PI) along with physical monitoring of activities proposed for the quarter and wherever required, corrective actions in the form of advice to concerned Division is taken, so as to avoid last minute shortfall in expenditure. Review of Major works is also done at the level of Joint Secretary & Secretary (S&PI) and further corrective actions are taken.

In respect of schemes, which are operated by more than one Divisions of the Ministry, Division-wise allocations have been made during the annual plan 2011-12. Each Division would be required to maintain an expenditure register, activity -wise and Head-wise, to be put up to DGs on regular basis for perusal and for suggesting remedial measures.”

Analysis of Plan Schemes

16. The Ministry of Statistics and Programme Implementation has been operating the following Seven Plan Schemes under the 11th Five Year Plan (2007-12), besides Members of Parliament Local Area Development Scheme (MPLADS), which is non-lapsable scheme:—

Central Sector Schemes:

- (i) Capacity Development
- (ii) Strengthening of Computer Centre
- (iii) Grants-in-Aid to Indian Statistical Institute, Kolkata
- (iv) Strengthening, Monitoring and Evaluation for Projects and Programmes
- (v) Economic Census

Centrally Sponsored Schemes:

- (i) India Statistical Strengthening Project (ISSP)
- (ii) Basic Statistics for Local Level Development (BSLLD)

(i) Capacity Development

17. The Scheme 'Capacity Development' is a Central sector scheme with 100% assistance from Central Government. The scheme is an amalgamation of nine Schemes of 10th Plan Central sector schemes, three of which were operated by Central Statistical Office (CSO), five by National Sample Survey Office (NSSO) and one by Administration Division of MOSPI, without any change in the basic parameters, but with extended scope.

18. The broad objectives of this composite scheme are:—

- (i) to improve the quality, coverage and timeliness of National Accounts Statistics; Social, Environment and Allied Statistics; Price Statistics; and Economic Statistics;
- (ii) Training and human resources development in official statistics, including setting up of National Academy of Statistical Administration (NASA) for capacity building in production, organization and management of official statistics;
- (iii) to ensure better and intense coordination with the State Governments for generation of reliable socio-economic statistics;
- (iv) to strengthen National Sample Survey Organization (NSSO) for undertaking various socio-economic sample surveys; and
- (iv) to provide conducive office environment in various offices of MOSPI for bringing improvement in efficiency.

19. The allocation made and expenditure incurred under the scheme since 2007-08 is as under:—

(Rs. in crore)

| Year | BE | RE | Actuals |
|---------|-------|-------|---------|
| 1 | 2 | 3 | 4 |
| 2007-08 | 55.30 | 42.69 | 36.96 |
| 2008-09 | 63.00 | 52.45 | 30.04 |

| 1 | 2 | 3 | 4 |
|---------|--------|-------|---------------------|
| 2009-10 | 80.00 | 58.19 | 51.22 |
| 2010-11 | 68.00 | 65.30 | 65.30 (expected) |
| 2011-12 | 120.00 | | |

20. On being asked as to why higher projections were made at BE stage for the year 2008-09, 2009-10 and 2011-12 despite having unspent provision during the preceding years, the Ministry stated as under:—

"BE projections for different years are made keeping in view the items of expenditure proposed and planned to be taken up in the respective years. This does not have any direct link to underutilization of funds in previous years.

As regards increase outlay for the year 2011-12 it is merely on account of strengthening of library facilities at National Academy of Statistical Administration (NASA), completion of pending works at NASA especially infrastructure, conducting of national and international seminars/workshops etc. on emerging areas of official statistics. Provision has also been kept for organizing Organization for Economic Cooperation and Development (OECD) Conference."

(ii) Strengthening of Computer Centre

21. This is an ongoing scheme with extended objectives, and it seeks to strengthen the Computer Centre of MOSPI for creation and maintenance of the National Data Warehouse of Official Statistics. As per the National Policy on Dissemination of Data, approved by the Cabinet in September 1999, the Computer Centre in the Ministry of Statistics and Programme Implementation has been entrusted with the responsibility of creation and maintenance of the National Data Warehouse of Official Statistics. The Computer Centre, under the project on National Data Warehouse of Official Statistics, will preserve data generated by various Central Ministries/ Departments and State Governments etc. and provide information to users. Data preservation and dissemination of various socio-economic surveys is

another important activity being carried out by the Centre. The Centre is also engaged in conducting various training programmes on Information Technology (IT), Software Engineering and electronic data processing for the officers of the Central/State Government departments including the Indian Statistical Service probationers. During the 11th Plan it is envisaged to provide support for creation of facilities for video-conferencing with States for statistical coordination and monitoring.

22. The Budgetary allocation provided for this scheme is as given below:—

| (Rs. in crore) | | | |
|----------------|------|------|------------|
| Year | BE | RE | Actuals |
| 2007-08 | 1.62 | 1.08 | 0.64 |
| 2008-09 | 2.50 | 1.53 | 1.07 |
| 2009-10 | 2.00 | 1.99 | 1.53 |
| 2010-11 | 2.10 | 1.00 | 1.00 |
| | | | (expected) |
| 2011-12 | 2.00 | | |

23. In response to a query on the variations and shortcomings in budget allocation for the scheme, the Ministry in a written reply has stated that the Computer Centre, being the nodal agency in matters of IT needs of the Ministry, provision of additional funds for meeting IT needs of other segments of the Ministry was made in the BE for the year 2008-09 including software, which was however procured only for Computer Centre. BE for the year 2009-10 includes expenditure for setting up of Video Conference facilities which has been postponed. Projected Budget Estimates for the current year include expenditure for setting up of video conference facilities in the Ministry.

(iii) Grants-in-Aid to Indian Statistical Institute (ISI), Kolkata

24. This is an ongoing scheme being operated by MOSPI to ensure that the Indian Statistical Institute continues as an Institute of excellence in

Research, Training and Teaching in the field of Statistics and related subjects within the framework of India Statistical Institute (Amendment) Act, 1995. The Government of India provides funds to this institute by way of Grants-in-aid for its continuing research and academic pursuits.

25. For the year 2011-12 Rs. 40 crores have been allocated to ISI, Kolkata.

(iv) Strengthening Monitoring and Evaluation of Projects and Programmes

26. The objective of this scheme is to monitor on-going Central Sector Projects and their performance in implementation and management of physical infrastructure in the public sector, evaluate the performance and impact of the revised Twenty Point Programme (TPP-2006), and impact of performance of the MPLAD scheme. Project work in diverse sectors such as in Railways, Ports, Mining, Power, Irrigation, Urban Infrastructure, etc. comes under the purview of the scheme.

27. The Budgetary allocation provided to the scheme is as under:

(Rs. in crore)

| Year | BE | RE | Actuals |
|---------|------|------|--------------------|
| 2007-08 | 3.00 | 3.27 | 2.60 |
| 2008-09 | 3.50 | 3.19 | 0.73 |
| 2009-10 | 4.00 | 2.87 | 2.55 |
| 2010-11 | 4.90 | 2.69 | 2.69 (expected) |
| 2011-12 | 6.00 | | |

28. When asked to cite the reasons for reducing the BE at RE stage during the last three years and to justify increase in BE for the current year, 2010-11 the Ministry, in a written reply stated as under:

"The overall allocation in the Plan Scheme has been reduced due to reduction in overall budget of the Ministry at RE stage. Therefore, the

expenditure on the activities have been postponed to next years. Therefore, figures have accordingly been reduced at RE stage.

The Budgetary allocation has been increased due to increase in the number of districts for physical monitoring from 75 districts to 100 districts during 2011-12. Further, more training programmes on MPLADS and Project Monitoring have been planned during 2011-12."

(v) Economic Census

29. This is an ongoing scheme with extended objectives. Economic Census is the complete count of non-agricultural entrepreneurial units within the geographical boundary of the country. The main objective of this scheme is to generate an updated frame of enterprises for the detailed follow-up surveys. However, with the growing importance of economic census, it has become an important survey for development of Business Register mainly for informal sector. The results of the Economic Census generate huge information, which have immense value for the purpose of planning, development and research especially for the unorganized sector of the economy. This Census is not conducted on annual basis, but periodically. While during the Annual Plan 2009-10 and 2010-11 some preliminary works concerning the Census has been taken up, the main work for conducting the census would start in 2011-12.

30. The budgetary allocation for the scheme during the year 2009-10, 2010-11 and 2011-12 is as under:—

| (Rs. in crore) | | | |
|----------------|--------|------|-------------------|
| Year | BE | RE | Actuals |
| 2009-10 | 1.00 | 0.02 | 0 |
| 2010-11 | 50.00 | 0.01 | 0.1 (expected) |
| 2011-12 | 220.00 | | |

31. To a query on the huge variation in budgetary allocation for the above scheme, the Ministry, in a written reply stated as under:—

"During 2009-10 issues regarding uses of EC data, approach for collection of data etc. in the Sixth EC were discussed with all the stake

holders including State DES's, Planning Commission, Ministry of Labour and Employment, Ministry of Micro, Small, and Medium Enterprises, Department of Industrial Policy and Promotion (Ministry of Industry and Commerce), Ministry of Women and Child Development etc. Further, the issue of conducting Sixth EC in the best possible manner was deliberated among the senior officers in brainstorming session(s). These were essential for planning and successful execution of Sixth EC. Since no definite date for launching of Sixth EC during 2009-10 could be decided, the amount was reduced at RE stage.

During 2010-11 it was decided to conduct Economic Census in the second quarter of 2010-11 namely June-Sep. 2011. Therefore all preparatory works like printing of schedules, instruction manual, procurement of training kits and training in few states were proposed. Meanwhile, Govt. decided to conduct Caste Census as well as BPL Census during May-Sep. 2011. Since involvement of same States and district administration for the conduct of three censuses during the same period would be a pressure on them, it was decided after consultation with the Ministry of Rural Development and Registrar General, India to conduct the Sixth Economic Census after completion of both these censuses preferably during Jan.-June 2012. Hence no expenditure could be made during 2010-11.

The Sixth Economic Census is scheduled to be conducted during Jan.-June 2012 at a total estimated cost of Rs. 750 crore. Therefore all preparatory activities such as printing of schedules, instruction manuals, training to field staff in six-seven States are being proposed during 2011-12. These activities would require an expenditure of Rs. 220 crore in place of budgeted estimates of Rs. 54.4 crore stated in the statement above. The Planning Commission has tentatively allocated Rs. 220 crore for the year 2011-12 for the above stated activities of Sixth Economic Census."

(vi) India Statistical Strengthening Project (ISSP)

32. The project is aimed at building up a sound statistical system through which the ultimate benefits of the scheme would be in terms of providing a sound data support mechanism in respect of comparable

statistical indicators. The objective of the ISSP sought to be achieved through this plan scheme is to strengthen the capacity of the State Statistical System keeping in view the National Statistical Commission (NSC) 2001 recommendations. In particular, the project is designed to give effect to those NSC recommendations that concern the States/UTs, by strengthening the State/UT level Statistical System, in general and strengthening the role of the State Directorates/Bureaus of Economics and Statistics, in particular. The project is also designed to help build the required capacities at the State/UT level to collect, compile and disseminate relevant and reliable official statistics, to serve the twin objectives of planning and policy making at the State and Sub-State levels. With a total budget of Rs. 650.43 crore, 80% would be funded through a World Bank loan, and 20% would be borne by the Government of India.

33. The following figures on budget allocation have been provided in regard to this scheme:

(Rs. in crore)

| Year | BE | RE | Actuals |
|---------|--------|-------|---------------------|
| 2007-08 | 1.00 | 0.72 | 0.56 |
| 2008-09 | 30.00 | 4.99 | 0.05 |
| 2009-10 | 100.00 | 0.08 | 0 |
| 2010-11 | 100.00 | 15.00 | 15.00 (expected) |
| 2011-12 | 200.00 | | |

34. When asked about the huge variation in BE, RE and actuals for the years 2008-09, 2009-10 and 2010-2011 and the justification for proposing a higher allocation for the year 2011-12, the Ministry in a written reply stated as under:—

"At the time of the preparation of the BE figures for the concerned years, the provision of funds in BE 2008-09 and 2009-10 was kept in anticipation of the completion of the requisite process of approvals for

the India Statistical Strengthening Project (ISSP). As the required approvals did not materialize till the stage of finalization of RE for the said years, the provision had to be reduced at the RE stage, to a relatively less, a token amount, in order to meet the possible expenditure requirements, in case the required approvals are received later on but during the concerned financial year.

The provision of funds in BE 2008-09 and BE 2009-10 were kept mainly under the heads 'Professional Services' and 'Other Administrative Expenses' primarily to support the appointment of national consultants and organizing workshops towards preparation of the State Strategic Statistical Plans (SSSPs) of the Project Implementing States/UTs.

No expenditure was made under the heads for 'Professional Services' and 'Other Administrative Expenses', during the years 2008-09 and 2009-10 due to non approval of the scheme. For the year 2010-11, the funds were kept under the same heads as for 2008-09 and 2009-10 for appointment of National Consultant for reviewing SSSP prepared by the States/UTs and for organizing workshops. However, no national consultant was appointed by the MOS&PI and the workshops were organized with the assistance of the World Bank. The reviewing of SSSP activities were carried in house by the Project Support Group in Social Statistics Division. Therefore no expenditure incurred during 2010-11.

The provision of funds in BE 2008-09 and 2009-10 were kept in anticipation of the completion of the process of approval for ISSP, which could not be materialized during these two years. However, the allocation had to be revised downwards during RE stage, in anticipation of the required approval of the project, which could not be utilized during the year for non-receipt of approvals. In fact, approvals for the project could be received in June, 2010.

The reason for proposing a higher allocation during 2010-11 and 2011-12 (current year) was that the Ministry was expecting that the required process of approvals would get completed prior to the start

of 2010-11 and had anticipated sizeable requirement of funds for engagement of national consultant and capacity development of Project Support Group. However, the desired approvals could materialize and get completed only towards June, 2010 and hence; the funds for 2010-11 could not be utilized.

It is expected that the some of the participating States/UTs will finalize their respective SSSPs and start implementing the scheme during 2011-12. Hence, an allocation of Rs. 8 crore (Rupees eight crores only) has been proposed for 2011-12 for Organizing Workshops, Capacity building of Project Support."

35. On being asked as to whether the project is likely to be completed in 11th Plan Period, the Ministry replied as under:—

"Although all possible efforts will be made by the Ministry of Statistics and Programme Implementation to expedite the pace of progress of the project, it is not likely to be completed during the 11th Plan period *inter-alia* for the following reasons:

- (a) The completion of the prescribed process of approvals at the ends of the Government of India and the World Bank happened considerably later than the earlier anticipated completion time. In fact, it was only during June 2010 that the World Bank's Board had accorded the requisite approval for supporting the Government of India on this project, in the form of a loan, thereby leaving a period of only about 22 months available for the implementation of the project,
- (b) A project of this kind, immense complexity and large dimensions having being taken up for the first time ever in India, a number of significant challenges have been cropping up from time to time at the level of both the Government of India and participating States/UTs. Although feasible and effective solutions to such problems are being evolved and implemented through intense mutual consultations between the Central and State Governments, the fact remains that more often than not, these have been fairly time consuming exercises, and

- (c) A large number of stake-holders are involved at the level of both the Central and State Governments and the prescribed process of approvals is also both an elaborate and demanding one. Moreover, it took a fairly long time to impart necessary in-depth knowledge and training on various aspects of the projects to a very large number of ISSP project related personnel, both in the Centre and States/UTs."

36. When asked also about the steps taken for strengthening the State Statistical Systems, the Ministry in a written reply stated as under:—

"The ISSP is the first project ever of its kind being implemented in India for the primary purpose of Strengthening of the National Statistical System through the required strengthening and improvement, in all respects, of the State Statistical Systems. An important and unique feature of this project is that the States/UTs have been allowed to develop the SSSPs of their respective States by taking due cognizance *inter-alia* of the State specific requirements and priorities, over and above the requirement to contribute to the cause of supporting the Central level Statistical System with regard to various Socio-Economic indicators. It is expected that, with the implementation of the ISSP by the States/UTs, the States Statistical System would be strengthened adequately.

The project is still in the initial/early stages of implementation and the progress under the project is periodically and closely reviewed by the Steering Committee on ISSP under the Chairmanship of the Secretary, (S&PI). This apart periodic reviews on the implementation of the project in the different States/UTs will be undertaken by MOSPI, in accordance with the MoU provisions for undertaking such reviews.

National Statistical Commission (NSC) has been *inter-alia* undertaking the exercise of periodically reviewing the State Statistical Systems, focusing, among other things on the status of the ISSP project. Besides that, the annual Conference of Central and State Statistical Organizations (COCSSO) has included the review of ISSP as a permanent agenda item."

37. Asked as to whether the Ministry ever looked into and visualized statistics in respect to delivery of justice system, the Secretary, Ministry of Statistics and Programme Implementation, while deposing before the Committee stated as under:

"A point was raised as to what we are doing in regard to a number of areas of statistics. Let me point out one area relating to judiciary and justice. This is an area which is very important and we have taken this up with the Ministry of Justice. I would be happy to tell the Committee that we are in the process of setting up a cell initially on a temporary basis by us loaning officers to the Ministry of Justice. But, I am in dialogue with the Secretary (Justice) to put a formal proposal to establish a statistical cell in the Ministry of Justice precisely to address the sort of issues raised in the Committee about the importance of judicial statistics. The Chief Justice has also made this point. The NSC has also set up a Committee to look into various matters relating to legislative issues. But, amongst them the mandate of the Committee is also to develop a framework for judicial statistics. The Cell will be started immediately and a more detailed base for this will be developed in partnership with the Department of Justice."

(vii) Basic Statistics for Local Level Development (BSLLD)

38. This scheme is a centrally sponsored scheme with 100% central support to States/UTs develop the decentralized data base at Village/Block for local level planning in all States. The Scheme envisages generating village level statistics at the Gram Panchayat level by compilation of information through Panchayat Secretary in coordination with the village level functionaries such as Aganwari workers, ANM, Chowkidar, Village Pradhan, revenue officials, Patwari, etc. The information is to be compiled in a village schedule by the Panchayat Secretary from the existing village level registers and with the help of village level functionaries. No house to house survey is undertaken. Basic Statistics for Local Level Development at village level is compiled in all the Gram Panchayats in three years during the Eleventh Plan *i.e.* 2009-10, 2010-11, and 2011-12.

39. The budgetary allocation for the scheme is as under:—

| (Rs. in crore) | | | |
|----------------|-------|------|------------|
| Year | BE | RE | Actuals |
| 2007-08 | 5.00 | 0.01 | 0.00 |
| 2008-09 | 5.00 | 4.09 | 3.20 |
| 2009-10 | 12.00 | 0.85 | 0.10 |
| 2010-11 | 15.00 | 3.00 | 3.00 |
| | | | (expected) |
| 2011-12 | 12.00 | | |

40. When asked to attribute the reasons for inability of the Ministry to utilize the budget allocations for the scheme year after year, the Ministry in their written reply stated as under:—

"The allocation of fund for the BE 2008-09 was made in accordance with the estimated amount expected to be spent on the scheme for preparatory activities and a payment of honorarium to the field workers. This was reduced at the RE stage on the basis of proposals received from the States. However, the actual expenditure was still lesser due to pruning of the costs which were proposed by the States and due to late receipt of financial proposals from some States, which could not be accommodated during the financial year.

The budget allocations in 2009-10 and 2010-11 were actually less than that for 2008-09 due to the reduced requirement of funds estimated for the residual activities in some States/UTs and some of the preparatory activities, which could not be taken up during the year 2008-09. The allocated BE's for 2009-10 and 2010-11 were reduced at the RE stage in keeping with the requirement actually proposed by the States/UTs. The actual expenditure in 2009-10 was less than the RE as the requirement of funds for data entry work and preparation of reports on completion of work was not proposed by the State/UTs concerned. However, these requirements as per estimated costs spilled over to BE 2010-11. Finally, all the States/UTs could not send these requirements in time resulting in reduction in actual expenditure.

The actual expenditure incurred amounts to Rs. 0.2470 crore against the RE provision of Rs 0.30 crore."

41. To a query on the present status of implementation of scheme as well as efforts made by the Ministry to pursue the matter with the Panchayati Raj Institutions regarding implementation of the scheme, the Ministry replied as under:—

"Based on the reports submitted by the States/UTs on the 1st phase of the pilot, a Cross-Sectional Synthesis Report has been prepared by the Ministry. The Cross-Sectional Synthesis Report will form the basis for a proposal to be considered by the Planning Commission, Expenditure Finance Committee (EFC), and other concerned ministries for introducing the scheme as a CSS in the 12th Five-Year Plan. In the meantime, the 2nd phase of the pilot scheme will be completed by the end of 2011-12.

Panchayati Raj Institutions are fully involved in implementation of the scheme so far. In future also they will be pursued to be the main partner of the scheme. However, at present, the PRIs are not quite capable of handling data and ensuring reasonable quality. Capacity building for the PRI personnel and other local level institutions for compilation work will be therefore, a major part of scheme. The field functionaries of the Directorate of Economics and Statistics will also be involved in scrutiny, data processing etc. to ensure data quality."

III. National Statistical Commission (NSC)

42. The Government of India through a Resolution dated 1st June, 2005 decided to set up the National Statistical Commission (NSC). The setting up of the NSC followed the decision of the Cabinet to accept the recommendation of the Rangarajan Commission, which reviewed the Indian Statistical System in 2001. The National Statistical Commission (NSC) was initially constituted with effect from 12th July, 2006 to serve as a nodal and empowered body for all core statistical activities of the country; to evolve, monitor and enforce statistical priorities and standards and to ensure strong statistical coordination through a closer linkage between statistical programming and budgeting. The NSC has one part-time Chairman and four part-time Members, each having specialization and experience in specified statistical fields. Besides, Secretary, Planning Commission is an *ex-officio* Member of the Commission. The Chief Statistician of India is the Secretary to the Commission.

43. For reform of the administration of the Indian Statistical System, the Rangarajan Committee, in its Report of 2001 had *inter alia* observed as under:—

"The Commission has recommended the creation of a permanent and statutory apex body — National Commission on Statistics (NCS) — through an Act of Parliament, independent of the Government in respect of policy making co-ordination and maintaining quality standards of core statistics."

44. In response to a query regarding conferring statutory status to the National Statistical Commission and time-frame fixed for introducing a Bill in Parliament, the Ministry stated as under:—

"With regard to conferring statutory status to the National Statistical Commission, the Commission appointed a Committee on 8th November, 2010 under the Chairmanship of Prof. N.R. Madhava Menon to look into legislative measures on statistical matters, including a Bill to provide

statutory status to the Commission. The tenure of the Committee is one year, but the Committee has been requested to give its report within a period of six months in respect of (a) statutory provisions to be made to make the Commission more effective in exercising its mandate, and (b) statutory provisions to be made to have State level Statistical Commissions and their relationship with the NSC. Report of the Committee is awaited.

No timeframe has been fixed for introducing a Bill in the Parliament, on the issue of conferring statutory status to the National Statistical Commission."

45. To a query on the recommendations made by the National Statistical Commission under the Chairmanship of Dr. Rangarajan (2001) and number of recommendations therein implemented, the Ministry in a written reply stated as under:—

"The National Statistical Commission under the Chairmanship of Dr. C. Rangarajan has made 623 recommendations under 11 sectors of economy. The implementing agencies include Central Ministries/ Departments, Reserve Bank of India and State Governments.

The report on status of implementation of these recommendations has been received from some of these agencies and appropriate steps have been taken to obtain the report from the remaining agencies. Based on the information available, 261 recommendations have been implemented and the remaining 362 recommendations are being processed by the various implementing agencies

As decided by the National Statistical Commission (NSC), a Standing Committee has been constituted under the chairmanship of Dr. Sudipto Mundle, member NSC, *vide* order No. 8/63/2010-NSC dated 8th June, 2010. Two meetings of the Committee have been held so far, first on 11th June, 2010 and second on 15th September, 2010. The Committee noted that the Rangarajan Commission made 623 recommendations and that the records show that 261 recommendations have been implemented. The Committee decided to prioritize some of the recommendations for its monitoring.

46. On the issue of finalisation of list of core statistics and the Methodology of collection of such statistics, the Ministry replied as under:—

"With regard to the process of identifying core statistics, a statement indicating the views of different Central Ministries/ Departments and a suggestive list of core statistics were placed before the National Statistical Commission in its 39th meeting held during 28th to 29th December 2010. The Commission desired that the list is to be recast in a sequential way and a concept paper may be prepared keeping in view the following aspects:

- (1) Concept note indicating the thought process that has gone into the process of identifying core statistics.
- (2) Core statistics in the form of indicators, economic parameters etc.
- (3) The statistical processes through which and the periodicity by which the core statistics are presently produced and the agencies that are presently involved in the production.
- (4) The processes that would follow after identifying core statistics.

The Commission also desired in the aforesaid meeting that — (a) the material on indicators in respect of different sectors depicting the statistical profile of the country available in the India Development Report 2008 published by the Indira Gandhi Institute of Development Research may be made use of, in the preparation of core statistics; and

(b) the core set of economic statistics considered in the Draft regional programme for the improvement of economic statistics by the ESCAP as well as the SNA 2008 framework may be used for the purpose. The preparation of a concept paper and the list of core statistics in the manner suggested by the Commission are under progress.

After notification of core statistics by the Government on the basis of recommendations of the Commission, the Commission would lay down standards in respect of methodology."

IV. Shortage of Manpower

47. The Ministry of Statistics and Programme Implementation in their Outcome Budget 2011-12 has stated that there are about 26% vacancies in Indian Statistical Service and Subordinate Statistical Service. In the absence of regular field staff as per requirement, the sample surveys to be undertaken by NSSO will have to be conducted through Contract Employees, which may affect the quality of data collected. Similarly, the National Academy of Statistical Administration (NASA), though physically ready, is facing problem of qualified Faculty. The implementation of the scheme, 'India Statistical Strengthening Project', which will be driven by the States/UTs, will also depend upon the availability of qualified manpower with States/UTs, as they are also facing the same problem of manpower shortage. Drafting of State Strategic Statistical Plans by States would also depend upon availability of competent Consultants for the job. The implementation of the scheme 'Basic Statistics for Local Level Development', which has been drafted with the objective of developing the decentralized data base at village/block level for local level planning in all the States, may also face similar constraints. Although the Pilot Survey to identify the data sources for compiling basic statistics for local level development and to check the efficacy of the survey instruments has been completed, the implementation of the main scheme would depend upon the extent to which the Panchayati Raj Institutions (PRIs) are able to organize the continuing data collection.

48. As regards the sanctioned strength, actual strength and the vacancy position in the Indian Statistical Service and Subordinate Statistical Service, the Ministry in their written reply stated as under:—

Sanctioned strength, vacancy and action taken by ISS

| Grade | Sanctioned | In position | Vacancy | Action taken to fill the vacant posts |
|-------|------------|-------------|---------|---|
| 1 | 2 | 3 | 4 | 5 |
| JTS | 226 | 201 | 25 | DPC to be held to fill vacant posts of DR quota from the feeder grade officers on ad-hoc basis shortly. |

| 1 | 2 | 3 | 4 | 5 |
|--|-----|-----|-----|--|
| STS | 201 | 128 | 73 | Presently, none of the JTS officers have completed 5 years of requisite service for promotion to STS. Relaxation from DOPT is sought to fill the vacant posts of STS. |
| JAG & NFSG | 231 | 223 | 8 | DPC will be held in due course to fill the vacant posts. |
| SAG | 2 | 2 | 0 | — |
| HAG-II | 10 | 9 | 1 | Sh. V.K. Bajaj, DDG was offered promotion to HAG-II, but he opted for forgoing the same. The decision of the appointing authority is awaited. On receipt of the same, further necessary actions will be initiated. |
| HAG-I | 2 | 2 | 0 | — |
| Reserve (leave, training, deputation etc.) | 50 | 40 | 10 | — |
| Total | 801 | 684 | 117 | |

Note: JAG posts includes upgraded posts of SAG.

Sanctioned Strength and vacancy in Subordinate Statistical Service

49. Position in respect of Subordinate Statistical Service as on 1.2.2011 regarding shortage of manpower is as under:—

| S. No. | Grade | Sanctioned Strength | Actual Strength |
|--------|--------------------------------|---------------------|-----------------|
| 1 | 2 | 3 | 4 |
| 1. | Statistical Investigator Gr. I | 1562 | 1386 |

| 1 | 2 | 3 | 4 |
|------|---------------------------------|-------|------|
| 2. | Statistical Investigator Gr. II | 2371 | 1409 |
| (ii) | Vacancy Position: | | |
| 1. | Statistical Investigator Gr. I | - 176 | |
| 2. | Statistical Investigator Gr. II | - 962 | |

50. Regarding reasons for shortage of manpower and steps taken to fill up vacant posts, the Ministry stated as under:—

"Action has been initiated to fill up vacant posts in Statistical Investigator Grade I by promotion from Statistical Investigator Grade II on *ad hoc* basis. SSC has recommended 322 candidates against confirmed vacancy of 423 from Common Graduate level Exam 2010 for appointment in S.I. Gr. II. Pre appointment formalities have been initiated in respect of candidates whose dossiers have been received. 521 vacancies have been communicated to SSC for Common Graduate Level Exam 2011.

Persistent problem of shortage of manpower in SSS is due to large number of retirements, low rate of joining of new recruits and higher rate of attrition from the Service.

Most of the vacancies caused in SSS Gr. I is due to retirement which are being filled up by making *ad hoc* promotion from S.I. Gr. II. Since new Recruitment Rules of SSS have not been approved, regular promotion in S.I. Grade I is not considered and thus total vacancy in S.I. Gr. II are not reported to SSC. DOPT has been sent revised draft RRs, as suggested by them, on 15-2-2011 for their approval. So far as low rate of joining and high rate of attrition is concerned, it is considered that lower grade pay in SSS in comparison to other Group B services and lack of promotional avenues are the reasons for not attracting and retaining the talented candidates. For granting enhanced Grade Pay to the SSS incumbents at par with Assistants of CSS,

Income Tax Inspector/Custom Excise Inspector, the matter has been taken up at Ministerial level and Hon'ble Finance Minister, *vide* D.O. Letter dated 29-12-2010, has been requested to consider the higher Grade Pay of Rs. 4800 to S.I. Gr. I and Rs. 4600 to S.I.

Gr. II of SSS in place of Rs. 4600 and Rs. 4200 respectively. In order to consider better promotional avenues, necessary action for Cadre Review has been initiated."

V. Infrastructure and Projects Monitoring

51. The Infrastructure and Project Monitoring Division is the management arm and apex monitoring institution of the Government. It is responsible for the monitoring of 11 key Infrastructure Sectors and monitoring of Central Sector Projects in 16 sectors costing more than Rs.150 crores. (The threshold level for monitoring has been revised *w.e.f.* April, 2010). The projects are monitored on monthly as well as on quarterly basis. The monitoring of Infrastructure Sectors *viz.* Power, Coal, Steel, Railways, Telecommunications, Ports, Fertilizers, Cement, Petroleum & Natural Gas, Roads and Civil Aviation involves bringing out a monthly Review Report on Infrastructure Performance and Capsule Report on Infrastructure Performance.

52. Apart from this the Division brings out a consolidated report on the Accelerated Irrigation Benefit Programme (AIBP). It also plays an important role in institutional development and capacity building in the area of project planning, implementation and management and other inter-sector issues. The Division has also played an extensive role in the adoption of state-of-the-art technology and practices in project management all over the country. The IPMD also organizes training/seminar/workshop on project planning, evaluation and overall project management, usage/application of OCMS, data capturing techniques.

Infrastructure Performance Monitoring

53. The monitoring of important infrastructure sectors in the country is designed to provide an overview of the performance with a view to highlighting slippages, if any, before the decision making authorities. This Ministry monitors the performance of the country's eleven key infrastructure sectors, *viz.*, Power, Coal, Steel, Railways, Telecommunications, Ports, Fertilizers, Cement, Petroleum & Natural Gas, Roads, and Civil Aviation. The performance of these sectors is analyzed with reference to the pre-set targets for the month and for the cumulative period and the achievements during the corresponding month and cumulative period of the last year.

54. Infrastructure performance is regularly reported through the following monthly reports:

- (i) Review Report on Infrastructure Performance.
- (ii) Capsule Report on Infrastructure Performance.

55. The overall infrastructure performance during 2010-11 (April-November) has shown moderate growth. All sectors except roads recorded a positive growth over the performance for the corresponding period of the previous year. The growth rate in respect of production of finished steel, crude oil & refinery, performance of civil aviation (cargo as well as passengers) and addition in switching capacity of telephone exchanges (telecom sector) was higher than the growth rates achieved during the corresponding period of the last year. However, as compared to the targets set for this period, except refinery production and highway up-gradation by NH(O) & BRDB most of the sectors have lagged behind their targets. Sector-wise details are given in the following paragraphs.

Power

56. The overall power generation during the past few years has increased consistently. During 2009-2010 the power generation at 771.55 Billion Units (BU) recorded a growth of 6.8% over the power generation for 2008-2009. The growth rate was higher compared to 2.5% achieved during 2008-09. The All India Plant Load Factor (PLF) of the Thermal Power Stations (TPS) during 2009-2010 was 77.5%, which was higher than the PLF of 77.3% achieved during 2008-2009.

57. During 2010-11 (April-November) the power generation in the country at 530.41 Billion Units (BU) recorded a growth of 4.6% over the power generation during the corresponding period of the last year. However, compared to the target set for the period, it lagged behind by 3.1%.

Coal

58. The coal production during 2009-2010 at 526.15 Million Tonnes (MT) was marginally higher than the target set for the year and it registered a growth of 8.0% over the production of 487.27 MT during 2008-09.

59. The overall coal production during 2010-11 (April - November) at 319.80 MT recorded a growth of 0.6% over the production of 317.79 MT during the corresponding period of the last year. However it lagged behind its target for the period by 10.4%.

Steel

60. The overall production of finished steel during the year 2009-2010 was 65.46 MT, which recorded a growth of 3.2% over the production of 63.44 MT in 2008-2009.

61. During 2010-11 (April-November), the production of finished steel at 45.81 MT recorded a growth of 6.7% over the production of 42.92 MT during the corresponding period of last year. The capacity utilization of main producers (SAIL+VSP+Tata Steel) during the period was 88.5%, which was higher than the utilization of 88.1% during the corresponding period of previous year.

Cement

62. The production of cement during 2009-2010 at 206.61 million tonnes (MT) was 10.1% higher than the production of 187.61 MT for the last year. The growth rate has 93 increased compared to 7.6% during 2008-09. The overall capacity utilization at 84% was lower than the achievement of 87% during 2008-2009.

63. The production of cement during 2010-11 (April-November) at 137.43 MT was 4.1% higher than the production of 132.00 MT for the corresponding period of last year. The overall capacity utilization at 73% was lower than the achievement of 81% during the corresponding period of previous year. Cement consumption during 2010-11 (April-November) was 135.76 MT.

Fertilizers

64. The overall production of fertilizers (nitrogen and phosphate) during 2009-2010 at 16.22 million tonnes (MT) was slightly higher (0.1%) than the target set for the year and it was also 13.2% higher than the

production during 2008-2009. During the year, the overall capacity utilization (Nitrogen + Phosphate) was 93.6% was equal to the target for the year but it was higher than the achievement of 82.7% during 2008-09.

65. During 2010-11 (April-November) the production of fertilizers at 10.97 MT was 5.4% lower than the target for the period and it was almost equal than the production during the corresponding period of last year. The overall capacity utilization was 95.0% compared to the target of 100.4%. The same capacity (95.0%) was utilized during the corresponding period of the last year.

Petroleum

66. **Crude Oil:** The production of Crude Oil during 2009-2010 at 33.69 million tonnes (MT) was 11.4% lower than the target of 38.00 MT but it recorded a growth of 0.5% over the production of 33.51 MT during the corresponding period of last year.

67. The production of Crude Oil during 2010-11 (April-November) at 24.81 MT was slightly lower (0.3%) than the target of 24.89 MT, but it was 11.5% higher than the production of 22.25 MT during the corresponding period of last year.

68. **Refinery Production:** The refinery production (in terms of crude throughput) during 2009-2010 at 160.12 MT was higher than the target of 153.18 MT, but it was 0.4% lower than the production of 160.77 MT during the year 2008-2009. The overall capacity utilization at 107.5% during 2009-10 was lower than the achievement of 107.9% in the previous year.

69. The refinery production during 2010-11 (April-November) at 106.53 MT was 2.1% higher than the target of 104.37 MT and it was also 0.8% higher than the production of 105.69 MT during the corresponding period of the last year. The overall capacity utilization was 102.6% compared to 101.8% achieved during the corresponding period of previous year.

70. **Natural Gas:** The overall natural gas production during 2009-2010 at 47,573 Million Cubic Meters (MCM) was 8.8% lower than the target of 52,167 MCM, but it recorded a growth of 44.8% over the production of 32,846 Million Cubic Meters gas produced during 2008-2009.

71. The Natural Gas production during 2010-11 (April-November) at 35,292 Million Cubic Meters (MCM) was 1.4% lower than the target of 35,790 MCM; but it was 19.8% higher than the production of 29,467 MCM during the corresponding period of the last year.

Roads

72. In Road sector, the National Highway Authority of India (NHAI) and Border Road Development Board (BRDB) and National Highways (Original) NH (O), in the Ministry of Road Transport and Highways are engaged in construction and up-gradation of highways. During 2009-2010, the NHAI has constructed/strengthened 2673.94 Kms. national highways to four lanes against the target of 3165.00 Kms. and the achievement of 2203.00 Kms. during 2008-2009. The NH (O), and BRDB have widened/strengthened 68.64 Kms. to four lanes, 1233.85 Kms. to two lanes and strengthened 1012.70 Kms. of existing weak pavement. In addition they have improved 30.67 Kms. of low-grade sections and riding quality of 3168.02 Kms. highways. As part of up-gradation of highways, 122 bridges were also reinforced/constructed.

73. During 2010-11 (April-November) the NHAI has widened/strengthened 1007.08 Kms., highways against the target of 1293.83 Kms. and the achievement of 1486.00 Kms. during the corresponding period of the last year.

Railways

74. The revenue earning freight traffic moved by the Railways during 2009-2010 at 887.99 MT recorded a growth of 6.6% over the freight traffic movement for the year 2008-2009. It was marginally lower (0.2%) than the target set for the year. All commodities recorded positive growth.

The Railways booked 7442.65 million passengers during the year 2009-10, which was 4.9% higher than the passengers booked in the last year.

75. During 2010-11 (April-November) the freight traffic moved by the Railways at 593.43 MT recorded a growth of 3.3% over the freight movement of 574.40 MT during the corresponding period of last year. But it was 1.9% lower than the target set for the period. The growth rate was lower compared to 7.4% during the corresponding period of previous year.

Shipping and Ports

76. The major ports in the country handled 560.97 MT cargo during 2009-2010, which was 5.7% higher than the achievement for the previous year but it was 3.5% lower than the targets set for the year.

77. During 2010-11 (April-November) the major ports handled 365.92 MT cargo which recorded a growth of 0.8% over the handling of 362.91 MT cargo during the corresponding period of previous year, but it was 8.5% lower than the target of 399.95 MT. Shortfall from target was due to less handling of the cargo.

Civil Aviation

78. During 2009-2010, the five international airports namely Mumbai, Kolkata, Delhi, Chennai and Trivandrum collectively handled 5,93,234 tonnes of export cargo, which was 10.4% higher than the cargo handled during 2008-09. Further these five international airports handled 4,63,289 tonnes of import cargo during this year, which was 7.9% higher than the import cargo handled during 2008-09.

79. During 2010-11 (April-November) these airports handled 4,59,311 tonnes of export cargo, which was 17.7% higher than 3,90,124 tonnes of export cargo handled during the corresponding period of the previous year. Further these airports handled 3,70,785 tonnes of import cargo during this period which recorded a growth of 26.1% over 2,94,136 tonnes cargo handled during the corresponding period of the previous year.

Telecommunications

80. During 2009-2010, at the national level 138.80 lakh lines were added in the switching capacity of telephone exchanges, which was 3.6% lower than the addition of 143.93 lakh lines during 2008-09. During 2009-2010, the private sectors provided 5.84 lakh new (net) wire line (Fixed) telephone connections, which was 32.0% lower than 8.60 lakh connections provided during the previous years, while the public sector surrendered 15.92 lakh connections. The mass surrendering of wired telephone connections by the public sector was due to non-payment of bills and preference for cell phones. Further both the public and private sectors provided 1925.30 lakh new (net) Cell phone connections, which was 47.3% more than 1306.82 lakh cell phone connections provided during 2008-09. Total 1915.22 lakh connections (fixed + cell phones) were provided during 2009-2010, which were 48.2% higher than 1292.33 lakh phones provided during 2008-2009.

81. In 2010-11 (April-November), 99.28 lakh new telephone lines were added in the switching capacity of telephone exchanges, which was 39.7% higher than the addition of 71.06 lakh lines during the corresponding period of previous year. During April-November 2010, private sectors provided 3.09 lakh new (net) wire line (Fixed) telephone connections, which was 22.5% lower than 3.99 lakh connections provided during the corresponding period of the last year.

Monitoring of Projects

82. During the course of oral evidence, the Ministry informed the Committee that the Project Monitoring envisages monitoring of all Central Sector Projects costing Rs. 150 crore and above. The Ministry informed that 563 projects costing Rs. 150 crore and above are on monitor with Cost Overrun of 20.3% and time overrun of 51%. In 2010-11; 96 projects were completed by January, 2011 as against 327 projects that were to be completed. 83 ongoing projects have both time and cost overrun, 54 projects have only cost overrun and 193 projects have only time overrun.

83. In their Annual Report 2010-11 the Ministry furnished the analysis of extent of time and cost overruns in respect of 572 projects as on 30.11.2010 with respect to the original schedule, which is given below:—

| Sl. No. | Sector | No. of Projects | Total cost | | | No. of Projects | Projects with time overrun | | | Range (Months) |
|---------|----------------|-----------------|---------------|------------------|------------------|-----------------|----------------------------|------------------|-------|----------------|
| | | | Original Cost | Anticipated Cost | Cost overrun (%) | | Original Cost | Anticipated Cost | Cost | |
| | | | | | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| 1. | Atomic Energy | 4 | 21982.29 | 24167.29 | 9.94 | 3 | 20876.00 | 23061.00 | 12-36 | |
| 2. | Civil Aviation | 8 | 4812.40 | 4812.40 | 0.00 | 2 | 2155.86 | 2155.86 | 3-5 | |
| 3. | Coal | 44 | 25210.20 | 28547.29 | 13.24 | 19 | 13439.80 | 16616.47 | 3-64 | |
| 4. | Fertilisers | 6 | 5317.41 | 5317.41 | 0.00 | 0 | 0.00 | 0.00 | — | |
| 5. | Mines | 1 | 4091.51 | 4401.76 | 7.58 | 1 | 4091.51 | 4401.76 | 27-27 | |
| 6. | Steel | 19 | 43780.53 | 65379.56 | 49.33 | 11 | 31356.04 | 37455.14 | 6-36 | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--------------|--------------------|------------|------------------|------------------|--------------|------------|------------------|------------------|-------|
| 7. | Petroleum | 70 | 142330.59 | 155206.10 | 9.05 | 31 | 39019.62 | 56326.32 | 1-74 |
| 8. | Power | 83 | 179759.57 | 185289.32 | 3.08 | 41 | 105637.36 | 110079.48 | 1-83 |
| 9. | Railways | 147 | 68578.35 | 126174.41 | 83.99 | 26 | 17681.46 | 39580.32 | 3-225 |
| 10. | Shipping and Ports | 22 | 16082.62 | 16926.26 | 5.25 | 11 | 6224.59 | 6880.29 | 3-78 |
| 11. | Telecommunications | 42 | 20234.49 | 20696.79 | 2.28 | 38 | 18186.25 | 18711.63 | 3-58 |
| 12. | Urban Development | 2 | 15071.00 | 30503.36 | 102.40 | 2 | 15071.00 | 30503.36 | 6-15 |
| 13. | Water Resources | 1 | 542.90 | 1187.00 | 118.64 | 1 | 542.90 | 1187.00 | 60-60 |
| Total | | 572 | 592196.97 | 714713.86 | 20.70 | 299 | 309140.38 | 382338.42 | |

84. When asked to attribute reasons for delay in timely completion of projects and steps initiated by the Ministry to arrest the trend of time and cost overruns of Projects, the Ministry stated as under:—

"Some of the factors responsible for delay in timely completion of projects are:

- (i) Land acquisition and rehabilitation and resettlement,
- (ii) Forest/environment/wildlife clearance,
- (iii) Clearances from multiple agencies/Government Departments and lack of inter-departmental coordination at the State-level leading to delay in shifting of utilities, etc.
- (iv) Fund constraints/inadequate budgetary provision,
- (v) Law and order problems and local resistance,
- (vi) Geological surprises and natural calamities,
- (vii) Lack of supporting infrastructural facilities like approach road,
- (viii) Slow progress by contractors due to labour supply and financial problems, delay by vendors in supply of goods and services,
- (ix) Delay in finalization of detailed engineering drawings and subsequently delay in relevant work,
- (x) Changes in scope,
- (xi) Delay in technology selection or subsequent change in technology.

There has been a continuous decline in the extent of time and cost overruns which can be attributed to closer monitoring and system improvements by the Ministries concerned, with the active support of this Ministry. An analysis of cost overruns in the last 20 years with respect to the originally approved cost shows that the cost

overrun has declined from 61.6% in March, 1991 to 12.06% till March, 2008. There is an upward trend from 14.72 % in March, 2010 to 17.5% in June, 2010 mainly due to exclusion of projects costing to Rs. 20-150 crores from the monitoring system as these being less complex had lower cost overrun compared to major projects above Rs. 150 crores.

As on 01.12.2010, the cost overrun in respect of the 572 projects costing Rs. 150 crore and above presently on the monitor with respect to their original approved cost, is of the order of 20.70%.

The cost overrun has come down on account of various policy and control measures taken by the Government.

The time overrun had also dropped from 62.2% as on March, 1993 dropped to 34.12% in March, 2007 but has again risen due to problems in Road Transport and Highways, Steel, Power, Petroleum and Natural Gas and Coal Projects for various reasons. It is now stabilized in the last few months and was of the order of 50.8 % in November, 2010.

The mechanism of the Standing Committee in the various infrastructure Ministries identifies reasons for time and cost overruns and fixes responsibility on agencies/individuals for delay and cost overruns. The recommendations of the Committee are implemented by the concerned Ministries which *inter-alia* submit Action Taken Report along with the revised cost estimates for approval of the Competent Authority/Cabinet Committee on Infrastructure.

All projects costing Rs. 150 crore and above are monitored with respect to time on the basis of milestones drawn from the Bar Chart/PERT Chart of these projects on a monthly basis. The cost overrun is judged from the cost incurred to achieve the milestones against approved cost for these milestones as reported by Project Managers/PSUs. The reports

of milestones, delays and costs incurred are directly obtained from the project enterprises/PSUs/Administrative Ministries online on the Online Computerised Monitoring System (OCMS) and compilations of these reports are also sent to the concerned Ministries for taking necessary corrective measures."

85. Regarding time and cost overruns in the projects of Railways, the Ministry in a written reply stated that the Railway sector is suffering from time overruns as a result of delay in land acquisition, diversion of forest land, thin spread of resources and taking up a large number of projects without adequate funds, initiating projects without a definite date of completion and taking up of financially unviable projects.

86. In certain cases, Ministry of Railways has subsequent to sanction fixed a date of completion, when the Ministry of Statistics and Programme Implementation took up the matter. However, in other cases, in the absence of a fixed date of commissioning, the monitoring of time overrun becomes difficult. The Ministry actively monitors the parameters such as physical progress, expenditure incurred and flags the Railway projects with time and cost overruns.

87. In pursuance of an earlier recommendation made by the Standing Committee on Finance, a Committee on Time and Cost Overruns under the Chairmanship of Additional Secretary with members from different Ministries has been constituted. The said Committee has examined the issues relating to time and cost overruns and has held four meetings so far. Some generic problems and problems in sectors such as Telecommunications, Shipping and Ports, Railways, Civil Aviation, Highways and Power sectors have been discussed. The issues relating to a few important sectors like Steel, Petroleum, Urban Development etc. will be discussed shortly. Also, detailed discussions on a wide range of cross-cutting issues/problems such as land acquisition, environmental and forest clearance, clearances from revenue officials, etc. were also discussed. Based on the deliberations, the Committee has observed generic and sector-specific reasons for time overruns.

88. When asked about the recommendations made by the said Committee, the Ministry stated as under:

"Some of the measures that the Committee has recommended include:

- Setting up a Central Sector Project Co-ordination Committee (CSPCC) under the Chief Secretaries of States/UT to resolve project related problems of PSUs with State.
- Agencies and to improve coordination at the State level. The Committee, with members from PSUs, State Agencies, etc. should meet at least once in each quarter.
- More delegation of powers, particularly the financial, strategic and operational decisions, to the PSUs.
- Ensuring that all pre-requisites like land acquisition, environment, forest and wildlife clearances, if any, and removal of utilities, removal of encroachments, etc. be put in place before award of contract/start of project construction and these pre-requisites/clearances should be taken up in close co-ordination with the State Authorities immediately in a fixed time frame after sanction of the project by competent authority, if not earlier.
- Ensuring that finances are adequately arranged before the award of work (*i.e.* financial closure should be complete).
- The project authorities should take up only financially viable projects in which FIRR and/or EIRR is more than 12%.
- System of proper risk analysis & mitigation and provision for contingencies.
- Setting up of reasonable targets/timelines instead of very optimistic timelines.
- Updation of land records on priority basis by the State Governments (preferably computerization of land records).

- Nominating (by State Governments) dedicated teams/personnel for land acquisition proceedings for Central Projects.
- Training and certification of project managers, development of skilled manpower.
- Increasing the number of available contractors/vendors.
- Capacity building of contractors and vendors, including through project management training.
- Indexing of prices of project material inputs to Producers Price Index (PPI) instead of WPI."

PART II

OBSERVATIONS/RECOMMENDATIONS

Budgetary Allocation

1. The Committee are constrained to note the persistent underutilization of allocated funds in the Plan Expenditure of the Ministry of Statistics and Programme Implementation during the last five years. The unspent balance in the Plan Expenditure as compared to the Budget Estimates has been to the tune of Rs. 27.76 crore (33%) in 2006-07, Rs. 26.00 crore (28%) in 2007-08, Rs. 66.15 crore (51%) in 2008-09, Rs. 143.60 crore (63%) in 2009-10 and Rs. 145 crore (54%) in 2010-11. This persistent and rising trend of underutilization of funds in the Plan Expenditure shows the inability of Ministry to absorb the allocated funds and depicts poor management of budget planning on the part of the Ministry.

2. The Committee feel that keeping in view the fact that during the last three years, the Ministry were able to expend less than 50% of allocated budget on Plan Schemes, the demand of Rs. 600 crore for the year 2011-12 is unwarranted.

3. The Committee had in their earlier reports on Demands for Grants of the Ministry of Statistics and Programme Implementation emphasized the need for undertaking an effective exercise for identifying the shortcomings in the mechanism of budgetary planning and ensuring proper utilization of funds. The Committee are dismayed to note that this advice has fallen on deaf ears and no concrete efforts have been made by the Ministry in this regard. The Committee, time and again, recommended that the Government should devise an effective mechanism for identifying and overcoming the deficiencies in the existing system of budgetary planning for assessment of funds

required and in ensuring proper utilization of allocated funds. The Committee would like to be apprised of the concrete steps taken in this direction.

Economic Census

4. The Committee note that some preliminary work concerning the Sixth Economic Census has been taken up during the Annual Plans 2009-10 and 2010-11. The main work for conducting the census would start in January-June 2012 at a total cost of Rs. 750 crores. The Planning Commission has tentatively allocated Rs. 220 crore for the year 2011-12. Since the results of the Economic Census generate huge amount of information, which has immense value for the purpose of planning, development and research especially for the unorganized sector of the economy, the Committee desire that without any further delay the work concerning the Sixth Economic Census should be expedited and completed during the 11th Five Year Plan itself.

India Statistical Strengthening Project (ISSP)

5. The Committee note that India Statistical Strengthening Project (ISSP) is aimed to build up sound capacities at the State/UT level to collect, compile and disseminate relevant and reliable official statistics for planning and policy making at the State and Sub-State level. The Committee also note that the ISSP could not gain momentum as desired for being a project of complex and large nature, delay in the approval by the World Bank, (since the project is 80% funded by the World Bank), delay in the release of seed money for preparation of the required detailed State Strategic Statistical Plans (SSSPs).

6. The Committee feel that since the ISSP is the first project ever of its kind being implemented in India for the primary purpose of strengthening of the National Statistical System, it requires strengthening and improvement in all aspects. To expedite the pace and progress of the project during the 11th Plan period the Project

Steering Committee of the Ministry should monitor the scheme periodically. Deficiencies noticed in the project should be addressed so as to build up a sound Statistical System and data support mechanism in the country. The Committee recommend that ISSP should be focused on building a strong statistical system with adequate and trained manpower at the Center, State and Sub-State level for maintaining and disseminating credible and reliable statistics. The Committee would like to be apprised of the action taken in this regard.

7. Considering the importance of statistics in respect of delivery of justice system, the Committee are happy to note that the Ministry of Statistics and Programme Implementation is in the process of setting up a Statistical Cell in the Ministry of Justice and the National Statistics Commission has also set up a Committee to look into various matters related to the judicial system. The Committee desire that the Government should expedite the process of establishing the Statistical Cell in the Ministry of Justice during the 11th Plan period itself. The Committee expect to be apprised of the Ministry's plan of action and progress in the direction.

Basic Statistics for Local Level Development (BSLLD)

8. The Committee note that Basic Statistics for Local Level Development (BSLLD) is a centrally sponsored scheme with the objective to develop the decentralized data bases at village / Block level for Local Level Planning in all States. The scheme envisages generating village level statistics at the Gram Panchayat level by compilation of information through Panchayat Secretary in coordination with the village level functionaries. The Committee further note that Panchayati Raj Institutions are fully involved in implementation of the Scheme. However, at present the PRIs are not capable of handling data and ensuring reasonable quality. Since the success of BSLLD would depend upon the extent to which the Panchayati Raj institutions are able to organize the continuing data collection, which, they are not capable of

handling by ensuring reasonable quality, the Committee desire that the Government should ensure availability of qualified and competent manpower at the local level for the Scheme. Capacity building for the PRI personnel and other local level institutions for compilation work should be made a major part of the Scheme. The Committee are not happy with the existing trend of utilisation of budgetary allocations. Budget estimates are revised southwards continuously but these are not being spent fully. The Committee also desire that realistic assessment of budgetary requirements for the Scheme should be projected so as to avoid underutilization of funds. The Committee expect to be apprised of the specific action taken in this regard.

National Statistical Commission (NSC)

9. The Committee note that with regard to conferring statutory status to the National Statistical Commission, the Commission appointed a Committee on 8th November, 2010 under the Chairmanship of Prof. M.R. Madhava Menon to look into legislative measures on statistical matters, including a Bill to provide statutory status to the Commission. However, no timeframe has been fixed for introducing the Bill in Parliament. The Committee reiterate that conferring statutory status would enable the National Statistical Commission to function in an independent manner for strengthening the statistical system in the country. The Committee hope that the Committee, under the Chairmanship of Prof. M.R. Madhava Menon would submit their report on conferring statutory status to the NSC within the period of six months and the related Bill, which would enable the National Statistical Commission to function independently is brought before Parliament accordingly.

10. The Committee note that the National Statistical Commission under the Chairmanship of Dr. C. Rangarajan has made 623 recommendations covering 11 sectors of the economy. 261 recommendations have been implemented and the remaining

362 recommendations are being processed by the various implementing agencies. The Committee desire that the remaining 362 recommendations should be implemented by the concerned implementing agencies in a time bound manner and the Committee, which has been constituted under the Chairmanship of Dr. Sudipto Mundle, member, NSC should monitor the progress of implementation of remaining 362 recommendations on priority basis for their implementation.

11. The Committee note that with regard to the process of identifying core statistics, a statement indicating the views of different Central Ministries/Departments and a suggestive list of core statistics were placed before the National Statistics Commission in its 39th meeting held in December, 2010. The Commission desired that the list is to be recast in a sequential way and a concept paper may be prepared, keeping in view *inter-alia* the core statistics in the form of indicators, economic parameters etc., and the statistical processes through which and the periodicity by which the core statistics are presently produced and the agencies that are presently involved in the production. The Committee further note that after notification of core statistics by the Government, the Commission would lay down standards in respect of methodology. The Committee desire that Government should expedite the preparation of the concept paper and list of core statistics as per the suggestions of the Commission so that the list of core statistics is notified and the Commission could formulate the standards in respect of methodology for collection of such statistics without any further delay.

Shortage of Manpower

12. The Committee note that there are about 117 vacancies in Indian Statistical Service (ISS) and 1138 vacancies in the Subordinate Statistical Service (SSS). Shortage of manpower has been affecting the quality of data collected by National Sample Survey Organisation (NSSO) and National Academy of Statistical Administration (NASA)

besides adversely affecting the functioning of prestigious schemes of the Ministry. The Committee are given to understand that the vacancies in Indian Statistical Service (ISS) are mainly dependent on promotion which is within the purview of the Ministry. The Committee note that Ministry has drawn a programme to fill the vacancies. Hence, the Committee expect that suitable action will be taken expeditiously for filling up the vacant promotional posts so as to address the problem of shortage of manpower. As regards manpower shortage in Subordinate Statistical Service (SSS), Staff Selection Commission has initiated steps for recruitment of Investigator Grade-II. Recruitment Rules have been sent to Department of Personnel and Training (DOPT) for their approval. The Committee expect the Ministry to pursue the matter with DOPT for early approval of the revised Recruitment Rules.

13. The Committee have noted that large attrition rate due to lack of promotional avenues and lower grade are major reasons for shortage of manpower. The Committee want that the matter relating to the revision of grade pay for certain posts should be pursued with the Ministry of Finance for an early decision so as to check the attrition rate thereby overcoming the shortage of manpower.

Infrastructure and Project Monitoring

14. The Committee note that the overall infrastructure sectors performance during 2010-11 (April-November) has shown moderate growth. However, as compared to the targets set for this period, except refinery production and highway upgradation, most of the sectors have lagged behind their targets. The Committee in their 14th Report on Demands for Grants (2010-11) of the Ministry of Statistics and Programme Implementation *inter-alia* recommended that the reasons for inability to achieve the set targets should be properly examined and analysed to impress upon the concerned Ministries/Departments/PSUs for taking appropriate remedial measures for meeting the targets and

improving the growth rate. The Committee expect the Ministry to pursue the matter with the concerned Ministries/Departments/PSUs in the right earnest.

15. The Committee are dismayed to note that 563 projects costing Rs. 150 crore and more which are on the monitor of the Ministry have experienced cost overrun of 20.3% and time overrun of 51%. 83 ongoing projects have both time and cost overruns, 54 projects have only cost overrun and 193 projects have only time overrun. The reasons attributed by the Ministry for time and cost overruns include, land acquisition and rehabilitation and resettlement, forest/environment/wildlife clearances, delay in shifting utilities, removal of encroachments, law and order problems, lack of proper co-ordination at State level, lack of resources/fund constraints, change in scope, technology selection, geological surprises etc. The Committee are of the firm opinion that persistent problems of time and cost overruns in the infrastructure projects, could be avoided if pre-project activities including clearance are completed before sanction of projects or before award of contract. Evidently, the Ministry has been lagging behind on this issue. The Committee expect that the recommendations of the in-house Group of the Ministry constituted at the behest of the Committee, under the Chairmanship of an Additional Secretary would be implemented by the Government in a time bound manner so as to resolve the issues related to time and cost overruns of Central Sector Projects. The Committee desire to be apprised of the outcome in this regard on quarterly basis.

16. The Committee are constrained to note that a large number of projects have been initiated by Railways without adequate funds and without definite date of completion. The projects of Railways have time overruns ranging from 03 to 225 months with substantial cost overruns. The Committee feel that this is a very pathetic situation and needs to be addressed quickly with regard to conceptualizing the projects especially. The Committee desire that the Ministry of Statistics and

Programme Implementation convey the Committee's displeasure in this regard to the Ministry of Railways and take corrective measures for addressing issues which contribute to delays and cost escalation. The Committee want the dates should be fixed without further delay for commissioning the projects of Railways and ensure that the projects take off within time. The Committee desire to be apprised of the outcome in this regard.

NEW DELHI;
20 June, 2011

30 Jyaishta, 1933 (Saka)

YASHWANT SINHA,
Chairman,
Standing Committee on Finance.

APPNEDIX

MINUTES OF THE SIXTEENTH SITTING OF THE STANDING COMMITTEE ON FINANCE (2010-11)

The Committee sat on Tuesday, the 19th April, 2011 from 1100 hrs to 1600 hrs.

PRESENT

Shri S.S. Ahluwalia — *Acting Chairman*

MEMBERS

Lok Sabha

2. Shri C.M. Chang
3. Shri Bhakta Charan Das
4. Shri Khagen Das
5. Shri Gurudas Dasgupta
6. Shri Nishikant Dubey
7. Shri Bhartruhari Mahtab
8. Shri Mangani Lal Mandal
9. Shri Rayapati Sambasiva Rao
10. Dr. K.S. Rao
11. Shri N. Dharam Singh
12. Shri Manicka Tagore
13. Dr. M. Thambidurai

Rajya Sabha

14. Shri Raashid Alvi
15. Shri Piyush Goyal
16. Shri Satish Chandra Misra
17. Dr. Mahendra Prasad
18. Dr. K.V.P. Ramachandra Rao

SECRETARIAT

1. Shri A.K. Singh — *Joint Secretary*
2. Shri R.K. Jain — *Director*
3. Shri T.G. Chandrasekhar — *Additional Director*
4. Shri Ramkumar Suryanarayanan — *Deputy Secretary*
5. Shri Kulmohan Singh Arora — *Under Secretary*

Part I

(1100 hrs. to 1330 hours)

WITNESSES

Ministry of Statistics and Programme Implementation

1. Dr. T.C.A. Anant, Secretary (S&PI) & Chief Statistician of India
2. Shri S.K. Das, DG, CSO
3. Shri Pankaj Jain, Addl. Secretary
4. Shri J. Dash, DG & CEO
5. Shri Chaman Kumar, AS&FA (S&PI)
6. Prof. Bimol Roy, Director, ISI, Kolkata
7. Shri Ashish Kumar, ADG (NAD)
8. Shri H.K. Sharma, ADG (ESD)
9. Shri V.K. Arora, ADG (FOD)
10. Smt. S. Jayalaxmi, ADG (SSD)
11. Shri A.K. Bhatia, ADG (CAP)
12. Shri A.K. Mehra, ADG (Trg)
13. Shri Arvind Kumar, JS (S&PI)

2. In the absence of the Chairman, the Committee chose Shri S.S. Ahluwalia to chair the sitting under Rule 258(3) of the Rules of Procedure.

3. The Committee took oral evidence of the representatives of the Ministry of Statistics and Programme Implementation in connection with

examination of Demands for Grants (2011-12). The major issues discussed during the sitting broadly related to persistent underutilization of allocated funds to the Ministry, revision of price indices, strengthening of statistical system and accuracy of statistical data, implementation of the recommendations made by the Rangarajan Committee in its Report of 2001 for reform of the Indian Statistical System, Fifth Economic Census, Project monitoring relating to time and cost overruns of projects etc.

4. The Chairman directed the representatives of Ministry of Statistics and Programme Implementation to furnish replies to the points raised by the Members during the discussion within ten days.

The witnesses then withdrew.

A verbatim record of proceedings was kept.

Part II
(1400 hrs. to 1600 hrs.)

WITNESSES

| | | | | |
|----|-----|-----|-----|-----|
| 5. | *** | *** | *** | *** |
| 6. | *** | *** | *** | *** |

The witnesses then withdrew.

A verbatim record of the proceedings was kept.

The Committee adjourned at 1600 hours.

MINUTES OF THE EIGHTEENTH SITTING OF THE
STANDING COMMITTEE ON FINANCE
(2010-11)

The Committee sat on Wednesday, the 25th May, 2011 from 1100 hrs to 1730 hrs.

PRESENT

Shri Yashwant Sinha — *Chairman*

MEMBERS

Lok Sabha

2. Shri C.M. Chang
3. Shri Harishchandra Chavan
4. Shri Nishikant Dubey
5. Shri Bhartruhari Mahtab
6. Shri Mangani Lal Mandal
7. Shri Rayapati Sambasiva Rao
8. Shri Magunta Sreenivasulu Reddy
9. Dr. K.S. Rao
10. Shri Manicka Tagore

Rajya Sabha

11. Shri S.S. Ahluwalia
12. Shri Raashid Alvi
13. Shri Vijay Jawaharlal Darda
14. Shri Piyush Goyal
15. Shri Moinul Hassan
16. Shri Satish Chandra Misra
17. Shri Mahendra Mohan

18. Dr. Mahendra Prasad
19. Dr. K.V.P. Ramachandra Rao

SECRETARIAT

1. Shri A.K. Singh — *Joint Secretary*
2. Shri R.K. Jain — *Director*
3. Shri T.G. Chandrasekhar — *Additional Director*
4. Shri Ramkumar Suryanarayanan — *Deputy Secretary*
5. Shri Kulmohan Singh Arora — *Under Secretary*

Part I
(1100 to 1400 hours)

WITNESSES

- | | | | | |
|----|-----|-----|-----|-----|
| 2. | *** | *** | *** | *** |
| | *** | *** | *** | *** |
| 3. | *** | *** | *** | *** |
| | *** | *** | *** | *** |

A verbatim record of the proceedings was kept

The witnesses then withdrew

Part II
(1500 hrs. to 1730 hrs.)

WITNESSES

- | | | | | |
|----|-----|-----|-----|-----|
| 4. | *** | *** | *** | *** |
| | *** | *** | *** | *** |

A verbatim record of the proceedings was kept.

The witnesses then withdrew

5. The Committee then took up the following draft reports for consideration and adoption:—

- (i) Draft Report on Demands for Grants (2011-12) of the Ministry of Finance (Department of Revenue);

- (ii) Draft Report on Demands for Grants (2011-12) of the Ministry of Planning; and
- (iii) Draft Report on Demands for Grants (2011-12) of the Ministry of Statistics and Programme Implementation.

6. The Committee adopted the draft reports relating to the Ministry of Finance (Department of Revenue) and Ministry of Statistics and Programme Implementation without any modifications/amendments. The Committee adopted the draft report relating to the Ministry of Planning with some changes as suggested by Members. The Committee authorised the Chairman to present these Reports to Parliament.

The Committee then adjourned at 1730 hours.

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