

FORTY-SIXTH REPORT
STANDING COMMITTEE ON FINANCE
(2011-2012)

(FIFTEENTH LOK SABHA)

MINISTRY OF PLANNING

*[Action taken by the Government on the recommendations contained in
the Thirty-fifth Report of the Standing Committee on Finance on
Demands for Grants (2011-12) of the Ministry of Planning]*

Presented to Lok Sabha on 22.12.2011

Laid in Rajya Sabha on 22.12.2011



LOK SABHA SECRETARIAT
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COMPOSITION OF THE STANDING COMMITTEE ON
FINANCE (2011-2012)

Shri Yashwant Sinha — *Chairman*

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| 3. Shri Kulmohan Singh Arora | — | <i>Under Secretary</i> |

INTRODUCTION

I, the Chairman of the Standing Committee on Finance, having been authorised by the Committee, present this Forty-sixth Report on action taken by Government on the recommendations contained in the Thirty-fifth Report of the Committee (Fifteenth Lok Sabha) on Demands for Grants (2011-12) of the Ministry of Planning.

2. The Thirty-fifth Report (15th Lok Sabha) was presented to Lok Sabha/laid in Rajya Sabha on 2 August, 2011. Replies indicating action taken on all the recommendations contained in the Report were furnished by the Government on 14 October, 2011.

3. The Committee considered and adopted this report at their sitting held on 19 December, 2011.

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

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

NEW DELHI;
19 December, 2011

28 Agrahayana, 1933 (Saka)

YASHWANT SINHA,
Chairman,
Standing Committee on Finance.

CHAPTER I

REPORT

This Report of the Standing Committee on Finance deals with action taken by Government on the recommendations/observations contained in their Thirty-fifth Report (Fifteenth Lok Sabha) on Demands for Grants (2011-12) of the Ministry of Planning, which was presented to Lok Sabha on 2 August, 2011 and simultaneously laid in Rajya Sabha on the same day.

2. Action taken notes have been received from the Government in respect of all the 13 recommendations contained in the Report. These have been analysed and categorized as follows:

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

Recommendation Nos.1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12 and 13

(Total: 12)

(Chapter II)

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

Nil

(Total: Nil)

(Chapter III)

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

Recommendation No. 6

(Total: 1)

(Chapter IV)

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

Nil

(Total: Nil)

(Chapter V)

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

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

A. Targeted Subsidies to the Poor

Recommendation (Serial No. 6)

5. The Committee recommended as under:

“The Committee note that targeted PDS is in place through which subsidized foodgrain is distributed. However, the present system is not without flaws. The Committee further note that the Government propose to replace existing method of fertilizer subsidy payment through industry to direct payment to the poor farmers below the poverty line by March, 2012. They find that a Taskforce has been set up to work out the modalities for the same. The Committee emphasize that the interest of the bargadaars or share-croppers should be adequately taken care of in the new method of fertilizer subsidy.

In this connection, with regard to other items on which direct cash transfer is proposed, the Committee are not convinced that this would be a panacea for all ills of the present distribution system. They fear that the proposed system may also not be free from leakages and manipulations. Moreover, the Committee are informed that many State Governments are implementing Universal PDS successfully, thus there is no reason why it should not be tried out at the Central level. Therefore, the Committee would recommend the Government to consider universalisation of PDS in a phased manner.”

6. The Government, in their action taken reply stated as follows:

“The subject matter comes within the purview of the Department of Food and Public Distribution. According to information obtained from them, the concept of universal Public Distribution System was in vogue prior to the year 1997. However, due to various limitations, it was replaced by the Targeted Public Distribution System (TPDS) since June 1997 with a view to target the benefits to the poor sections of the society in a more effective manner.

Presently, formulation of the National Food Security Bill is being deliberated by the Government. As per the draft bill discussed in Empowered Group of Ministers meeting held in July 2011, the coverage of population is proposed at 75% in rural areas and 50% in urban areas.

A Task Force on direct subsidy in respect of kerosene, LPG & fertilizers has been set up under the chairmanship of Shri Nandan Nilekani, Chairman, UIDAI to examine and implement a solution for transfer of subsidy directly to the farmers. The mandate of the Department of Fertilizers is to make available fertilizers to the farmers at affordable prices. The Task Force is expected to give implementable solution on how the direct transfer of subsidy to the beneficiary can take place. An Interim Report of the Task Force has been submitted to the Government on 5th July, 2011 and is available on the website of Ministry of Finance. In addition, the Task Force mandate has also been extended to include an implementable solution for targeted PDS system and the Interim Report is expected by the end of August, 2011.

In respect of fertilizers, the Task Force has recommended a three stage approach to the issue of direct subsidy. Phase-I is to capture the information availability regarding fertilizers at the farm gate level, wherein the availability at the last point of sale will be captured. In Phase-II, which will be implemented after the Phase-I stabilizes, the subsidy is expected to be transferred to the last point sale and in Phase-III, when the Phase-I & II stabilizes, the subsidy is expected to be transferred directly to the intended beneficiary once the AADHAR Nos. are given to the beneficiaries and AADHAR enabled payment bridges are in place. The roll out of Phase-I will be in December 2011 and the roll out of Phase-II in June 2012. Phase-III will take place after AADHAR Nos. are given to all the eligible beneficiaries.”

7. The Committee are not satisfied with the Ministry’s reply that a Task Force on direct subsidy in respect of Kerosene, LPG & Fertilizers has been set up and its interim report submitted to the Government. In addition, the Task Force mandate has also been extended to include an implementable solution for targeted PDS system. The subsidy is expected to be transferred directly to the needed beneficiary once the AADHAR number are given to the beneficiaries and AADHAR enabled payment bridges are in place. Since the AADHAR numbers have its own limitation in covering the marginalized section of the society, the concept of Food Security

will not be achieved. Further, the scheme of AADHAR being riddled with innumerable contradictions, the Committee expect the Ministry to work out an alternative mode of transfer of subsidies to obviate the further delays. The Ministry's silence with regard to universalisation of PDS surprises the Committee. The Committee reiterate that direct cash transfer would not be a panacea for all ills of the present Public Distribution System (PDS) and the proposed system may also not be free from leakages and manipulations and recommend that the Government should consider universalisation of PDS in a phased manner. The Committee also emphasize that the interest of the bargadaars or share-croppers should be adequately taken care of in the new method of fertilizer subsidy.

B. Backward Regions

Recommendation (Serial No. 7)

8. The Committee recommended as under:

“The Committee note that one of the basic objectives of the planning in India is to reduce inequalities and raise the level of economic development in the country in a balanced manner. It is, however, indeed saddening to note that even after lapse of more than six decades, there are 250 backward districts, out of which 60 Selected Tribal and Backward districts in the country are affected by left-wing extremism. It is surprising that the Planning Commission has not yet conducted a study on impact of additional central assistance provided under various special area programmes and efforts made by the State Governments to redress the imbalance in development of the backward regions within the States. Alarming, the Planning Commission, an advisory planning body at the apex level, is depending on World Bank study on this vital issue. The Committee, therefore, recommend the Planning Commission to set up an Expert Group/Task Force for evaluating the impact of measures initiated towards development of backward regions and for formulating a roadmap to achieve the same in a focused and time-bound manner. In this regard, the Committee would like to emphasize that due share should be given to the backward States in the Annual Plan allocation. The Committee also disapprove of the Ministry's failure to maintain the data on funds spent exclusively on rural infrastructure. The Committee, therefore, recommend that expenditure data on rural infrastructure should be maintained and monitored in centralized manner to enable analysis of the progress made in this regard. The Committee further recommend that convergence of BRGF, MGNREGS and IAP should be done, followed by a well-defined district plan for development of backward regions.”

9. In their Action Taken Reply, the Ministry of Planning have stated as under:

“Regarding evaluation of Area Programmes, the Programme Evaluation Organization (PEO) of Planning Commission had commissioned an Evaluation Study of Hill Areas Development Programme (HADP) which has been completed and the report has been placed in the public domain *i.e.* in the Planning Commission website (planningcommission.gov.in). Further, PEO has commissioned an evaluation study of Backward Regions Grant Fund (BRGF) recently. The evaluation of Border Area Development Programme (BADP) is also going to be conducted by the PEO.

The Planning Commission is currently in the process of formulation of the Twelfth Five Year Plan (2012-17). Various Steering Committees and Working Groups have been constituted for this purpose. A Steering Committee for Rural Livelihoods and Rural Governance has been set up to provide a critical review of, *inter-alia*, MGNREGA and BRGF during the Eleventh Five Year Plan and suggest strategies, priorities and allocations for the Twelfth Five Year Plan. A Working Group on Area Programmes has also been constituted to review the performance of various Area Programmes *viz.* BRGF, BADP, & HADP/WGDP to bring out achievements and failures, if any, together with necessary remedial measures and to suggest strategies, priorities and allocations for the Twelfth Five Year Plan. The Steering Committee for Rural Livelihood and Rural Governance would consider the inputs from evaluation studies and the Report of the Working Group on Area Programmes and suggest strategies, priorities and allocations for the area programmes in the Twelfth Five Year Plan.”

10. The Committee are surprised at Ministry's silence on their recommendation on maintenance of expenditure data on rural infrastructure, considering its vital importance in assessing the progress made in this regard. Since the maintenance and monitoring of expenditure data on rural infrastructure is pre-requisite for analysis of the progress made in backward rural regions, the Committee reiterate their earlier recommendation that expenditure data on rural infrastructure should be maintained and monitored in a centralized manner to evaluate the progress made in this regard. The Committee further recommend that convergence of BRGF, MGNREGS and IAP should be done, followed by a well-defined district plan for development of backward regions.

C. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

Recommendation (Serial No. 9)

11. The Committee recommended as under:

“As regards the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), the Committee note from the data furnished that the shortfall in utilization of total funds available was as much as Rs. 3250.20 crore (27%) in 2006-07, Rs. 3448.72 crore (18%) in 2007-08, Rs. 5146.96 crore (27%) in 2008-09 and Rs. 11,673.96 crore (24%) in 2009-10. In 2010-11, of the total available funds amounting to Rs. 38,595.73 crore, the utilization by the States has only been to the extent of Rs. 18979.25 (49% till November, 2010) leaving a significant amount to be spent in the last quarter. The average days of employment and wages per household provided under the scheme work out to only 43 days and Rs. 65 in 2006-07, 42 days and Rs. 75 in 2007-08, 48 days and Rs. 84 in 2008-09, 54 days and Rs. 90 in 2009-10 and 35 days and Rs. 98 in 2010-11 (till November, 2010), which is way below the mandate of providing 100 days of employment and a minimum wage of Rs. 100. The Committee are further dismayed that the percentage of works completed against the total works taken up has been consistently below 50 per cent during the last four years with 45.98% in 2006-07, 45.97% in 2007-08, 43.74% in 2008-09, 48.29% in 2009-10, and in 2010-11 it is expected to be much less as only 4.02% (till November, 2010) works have been completed. As emphasized by the Committee in their previous Reports, the issues of concern relating to the MGNREGS, which include shortfall in utilization of budgeted amounts, huge spending in the last quarter, inability to provide the mandated days of employment and wages, non-completion of works taken up etc., need to be thoroughly looked into for taking appropriate corrective steps. The Committee would like to emphasize here that the Government should ensure that the MGNREGS provides a supplementary means of livelihood for the rural people, primarily during their lean periods and it should not cause shortage of labourers for the main agricultural activities. The Committee also desire to be apprised of the status of implementation of the scheme in left-wing extremism hit districts. The Committee further recommends that a comprehensive study on impact of the MGNREGS on agricultural productivity and assets created under the scheme should be carried out.”

12. In their action taken note the Ministry of Planning have submitted as below:

“Mahatma Gandhi NREGA is demand based legislation. The Act provides a legal guarantee for at least 100 days of wage employment to every rural household in every financial year for doing unskilled manual work on demand. There are no pre-determined targets for employment as well as for utilization of funds under the Act. Implementation of the Act is done by the State Governments/UT Administrations while funds are provided by the Central Government as per the provisions of the Act.

As regards providing 100 days employment under the Act, since it is demand based, members of a household are required to submit a written application for work. Further, number of days of employment availed by a household in a year depends upon the demand for work and availability of other employment opportunities in the area. The mandate under the Act is to provide at least 100 days of wage employment for doing unskilled manual work based on demand for work by the households. The average person days demanded has been around 50 days a year since the inception of MGNREGA. In 2010-11, the average person days per household was 47 and average wages per person days was Rs. 99.89.

Completion of works under MGNREGA in 2010-11 was 50.80%. From the financial year 2010-11, all States have been asked to furnish information on MIS. It takes time to digitize the entire information and place it on the website and there is a time lag before data is updated on the web site because of different level of adaptability of MIS by the States. There is a lag between physical and financial closure of works due to late submission of Project Completion Report (PCR) and squaring of accounts at different levels Gram Panchayats and Block level. Some works are abandoned due to nonfeasibility encountered at a later stage e.g. detection of hard rock boulder in digging of Wells. Since works are subject to audit only after their completion, there is a tendency on part of the implementing agencies not to close them to avoid audit. A circular has been issued to all the States/UTs in January, 2011 to complete on-going works with in a given time-frame and indicate progress of works taken up and completed in the labour budget proposal. The details of completion of works under MGNREGA in 2010-11 are given in **Annexure-I**.

Funds available with the States/UTs which remain un-utilized in a financial year are carried forward to the next financial year to be used for meeting the labour demand in subsequent year. As the Act provides that work has to be provided to an applicant within 15 days of the demand failing which unemployment allowance becomes payable, funds have to be kept upfront in order to meet any sudden spurt in the labour demand in an area.

During the last 5 years of implementation of MGNREGA, the expenditure has always been more than 70% and therefore, funds have not been underutilized. As explained above, funds have to be kept upfront and a good quantum of which remain in the pipeline keeping in view the nature of the programme. The details of availability of funds and expenditure in 2010-11 are given in **Annexure-II**.

With a view to strengthen the implementation of Mahatma Gandhi NREGA and to ensure that more and more of the rural population is benefited, the Ministry of Rural Development has undertaken the following measures:

- (i) Awareness generation among rural population has been taken up through intensive IEC activities involving both print as well as electronic media.
- (ii) Administrative expenditure has been enhanced from 4% to 6% to enable the implementing agencies to appoint dedicated staff for effective implementation of the Act.
- (iii) ICT based MIS has been made operational to make data available to public scrutiny. The data includes Job cards, Muster rolls, Employment demanded and allocated, number of days worked, shelf of works, Funds available/funds spent and funds released to various implementing agencies, Social Audit findings, registering grievances and generating alerts for corrective action.
- (iv) In the light of the shortcomings in social audit under MGNREGA, the Ministry of Rural Development has published The MGNREG Audit of Schemes Rules, 2011 in the Gazette on 30.6.2011 for the purpose of much needed transparency under MGNREGA.
- (v) Payment of wages to MGNREGA workers has been made mandatory through their accounts in Banks/Post Office to infuse transparency in wage disbursement. An amendment to this effect has been made in para 31 of Schedule-II of the Act.

- (vi) Rolling out Biometric based ICT enabled real time transactions of MGNREGA workers to eliminate fake attendance and false payments.
- (vii) Periodic reviews in the Performance Review Committee meetings held on quarterly basis. State specific reviews are also undertaken.
- (viii) Independent Monitoring and verification by National Level Monitors and Eminent Citizens.
- (ix) Visit by members of Central Employment Guarantee Council.
- (x) State and district level Vigilance and Monitoring Committees have been set up and instructions have been issued for holding regular meetings of the Committees.
- (xi) Instructions have been issued directing all States to appoint Ombudsman at district level for grievance redressal in a time bound manner.

The Mahatma Gandhi NREGA provides for supplementary wage employment to ensure livelihood security. Productive absorption of under employed and surplus labour force in the rural sector has always been a major focus of planning for rural development. The situation of unemployment has been compounded by the absence of any social security mechanism. Mahatma Gandhi NREGA intends to provide the social security mechanism for the days which is beyond the period of engagement in agriculture without creating competitive disadvantage towards agricultural productivity.

Status of implementation of MGNREGA in naxal-affected districts is at **Annexure-III**.

An Evaluation Study on the programme MGNREGA has been entrusted to the Programme Evaluation Organization (PEO), Planning Commission. The proposed study envisage to cover various objectives of the MGNREGA including impact of the programme on agricultural activities, number of assets created, assessment of quality of assets and how these assets are benefiting the villagers. In this regard, a Steering Committee has been constituted under the Chairmanship of Dr. Mihir Shah, Member, Planning Commission. Two meetings of this Committee have so far been held. As per decision taken in the meetings of the Committee, the study will be launched in 100 districts of the country covering the three phases of implementation of MGNREGA."

13. The Committee note that though the Government has undertaken number of measures to strengthen the implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme, still it has failed to provide the mandated days of employment and wages to intended beneficiaries. In 2010- 11, the average person days per household was 47 days and the average wages per person days was Rs. 99.89. Completion of works under MGNREGA in 2010-11 was pegged at 50.80%. The Committee are dismayed at such a sorry state of affairs. They are unhappy to observe the casual reply of the Government regarding fixing of targets as well as utilisation of funds for employment under the Scheme. They wonder as to how without predetermined targets, the benefits could be extended to the beneficiaries in an effective way.

14. The Committee have been informed that the Ministry of Rural Development has undertaken certain measures to ensure the proper functioning of the scheme. The Committee are of the opinion that these measures, if carried out in right earnest would facilitate the normal functioning of the scheme. The Committee would expect that they may be apprised of the outcome of the measures taken by the Ministry of Rural Development on quarterly basis.

15. The Committee further note that an Evaluation Study on MGNREGA has been entrusted to the Programme Evaluation Organization (PEO), Planning Commission to assess the impact of the MGNREGA on agricultural activities, number of assets created, assessment of quality of assets and how these assets are benefiting the villagers. The Committee express their doubt on the feasibility of this evaluation study as the Programme Evaluation Organization is itself suffering from shortage of manpower and the Committee wondered as to how they would be able to conduct this evaluation study. Moreover, no time limit/timeframe has been fixed by the Government regarding completion of evaluation study. The Committee time and again have recommended that the issues of concern relating to the MGNREGA which included shortfall in utilisation of budgeted amounts, huge spending in the last quarter, inability to provide the mandated days of employment and wages, non-completion of works taken up etc. need to be thoroughly looked into for taking appropriate steps. A time frame should be fixed for completion of the evaluation study to be conducted by the Programme Evaluation Organization (PEO). The Committee also reiterate their earlier demand to Government to provide a supplementary means of livelihood for the rural people primarily during lean period.

D. Skill Development

Recommendation (Serial No. 12)

16. The Committee recommended as under:

“The Committee regret to note the fact, as deposed by the Member-Secretary, Planning Commission before the Committee, that given the size of younger population, the infrastructure available for skill development such as ITI etc. is not adequate. As conceded by the Member-Secretary, Planning Commission, a legislation to make mandatory for the industry to run the training centres for improving the skills should be brought in to redressing the mismatch between demand and supply of skilled workers. The Committee also desire that the vocationalisation of education should be done on priority especially at school level, say from 8th to 12th standards, so that the envisaged target of achieving 500 million skilled people by 2022 can be achieved.”

17. The Ministry of Planning, in their action taken reply stated as follows:

“Government of India has been implementing Craftsmen Training Scheme and Apprenticeship Training Scheme to train the people. Under the Craftsmen Training Scheme, number of initiatives have been taken to involve the private sector with the objective of bringing about synergy in the market demand and availability of supply such as upgradation of 1396 ITIs in the PPP, creation of Centres of Excellence through World Bank assistance and Skill Development Initiative—Modular Employable Skill Programme implemented through number of private vocational training providers. In addition, the Apprenticeship Training Programme is covered by Apprenticeship Act, 1961 wherein industry trains the apprentices in accordance with the provision of the Act.

As regards vocationalisation of education from 8th to 12th standards, it is submitted that as per Selected Education Statistics (2008-09) of Ministry of Human Resource Development, the number of students in Upper Primary level (Classes VI-VIII) were 5.55 crore, however, their number at Secondary level (Classes IX-X) and Higher Secondary level (Classes XI-XII) was 2.90 crore and 1.67 crore, respectively as compared to the projected population of 4.84 crore and 4.87 crore for the age group 14-15 and 16-17 years respectively. Thus there is a wide gap between enrolment and projected population at Secondary and Higher Secondary level.

Therefore, it would be beneficial if these dropped out children, as also a large number of children who may not have the competency, but are compelled to pursue academic courses in the absence of any other option, as well as those with an inclination towards vocational skills, to be channelized into vocational education. It would be much appropriate to have pre-vocational courses (optional) at Classes IX & X and vocational education at Higher Secondary level with appropriate certification by accrediting agencies. The Department of School Education & Literacy, MHRD is implementing a scheme of Vocational Education at 10+2 stage. The existing scheme had many problems, including inflexible curriculum and duration, lack of need based courses and trained teachers, poor vertical mobility and linkage with industry etc. The scheme is being restructured and will now aim at preparing educated employable and competitive human resources for various sectors of economy and the global market, enhancing the employability of youth through competency—based modular vocational courses, providing multi entry and exit learning opportunities, horizontal and vertical mobility. The Mid-Term appraisal of the XI Five Year Plan has emphasized that in vocational education, curriculum revision, appropriate certification by accrediting agencies, facility for horizontal and vertical mobility and linkage with industry for self employment/employment should be prioritized. A National Vocational Education Qualification Framework (NVEQF) has been prepared focusing on students from class IX onwards. The scheme of vocationalisation of Secondary Education is under approval stage.”

18. The Committee are constrained to note that the Government has shown its apathy towards redressing the mismatch between demand and supply of skilled workers in the country. As conceded by the Member Secretary, Planning Commission before the Committee that a legislation to make mandatory for the industry to run the training centers for improving the skills should be brought in. However, the Government is silent on this issue in their action taken reply. The Committee recommend that the Government should bring a legislation in this regard at the earliest so that the target of achieving 500 million skilled people by 2022 could be achieved. They also reiterate their earlier recommendation to ensure vocationalisation of education at school level on priority basis. The Committee further desire that National Vocational Education Qualification Framework (NVEQF) should be implemented in the 12th Five Year Plan itself so that year-wise funding could be done on the same.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Serial No. 1)

Analysis of Demands for Grants (2011-12)

The Committee's examination of the Demands for Grants of the Ministry of Planning reveals that the formulation of budget for plan programmes and schemes has been reduced to an exercise of unrealistic estimates, under-utilization of funds and huge spending in the last quarter. For instance, the plan provision in 2009-10 of Rs. 452.00 crore at BE was substantially reduced in RE to Rs. 109.00 crore but only Rs. 86.33 crore was spent, of which Rs. 49.67 crore (57.52%) was spent in the last quarter. Similarly, the plan allocation of Rs. 2000.00 crore in BE 2010-11 was reduced to Rs. 1045.00 crore (RE). But, the Ministry could spend only Rs. 219.68 crore (till 11 March, 2011), of which Rs. 139.84 crore (63.65%) was incurred in the last quarter. In spite of the norms stipulated by the Ministry of Finance that not more than 331/3% will be spent in the last quarter, incurring such large scale expenditure to the tune of almost 60% in the last quarter of the year clearly shows lack of financial discipline and accountability. As a result, the plan programmes and schemes have been badly affected with substantial shortfall in utilization of funds year-after-year. In the case of scheme, "New Initiative in Skill Development through PPP", the shortfall in utilization of budgeted expenditure was as much as 79% in 2009-10 and 70% in 2010-11 (expected). There has also been substantial under-utilization of funds allocated for schemes namely, "Modernisation of Office System" and "Strengthening Evaluation Capacity in Government". The shortfall in utilization under the scheme, "Unique Identification Authority of India (UIDAI)", is 74% in 2009-10 and 96.5% in 2010-11. The Ministry has attributed the shortfall in 2010-11 to under-utilization of funds in UIDAI for reasons, which include, delay in setting up of regional offices and finalization of proposal for hiring of UID Biometrics Centre of Competence (UBCC). The Committee had in their 13th Report on Demands for Grants for the year 2010-11 commented upon the Ministry's failure in regard to appropriate projection of fund requirements in formulating budget estimates for programmes and schemes. It is evident that the efforts that have been made by the Ministry in this regard have been found

to be ineffective. The Committee expect the Ministry of Planning is supposed to be a role model for other Central Ministries/Departments in preparation of realistic budget estimates and utilization of allocated funds. They would, therefore, once again emphasize that a more stringent system of budget planning and control be put in place which will be subjected to effective monitoring at the highest level in the Ministry.

Reply of the Government

The observations of the Hon'ble Standing Committee on Finance have been noted for compliance. While preparing Budget Estimates for financial year 2011-12, projections of fund requirement for schemes were based on the provisions as projected by concerned Divisions/ respective spending authorities and the past trend of expenditure. Trends of expenditure of various schemes are proposed to be monitored closely during the year to ensure timely utilization of budgeted allocations and to avoid incurring of expenditure beyond 33^{1/3}% of the Budget Estimates in the last quarter. As recommended by the Standing Committee, utilization of allocated funds would be reviewed at the level of Principal Adviser (PC&MD)/Member Secretary, Planning Commission with all the spending authorities and Divisions of Planning Commission entrusted with the responsibility of executing the Plan Schemes. With these measures, situation is expected to improve significantly in 2011-12 and coming years.

[Ministry of Planning, O.M. No. 28/8/2011-Parl., dated 14.10.2011]

Recommendation (Serial No. 2)

Mid-Term Appraisal of the 11th Plan

Objective of the 11th Plan

While the 11th Plan objective was to achieve faster and more inclusive growth at a targeted GDP growth rate of 9 percent per annum with growth rate of 4 percent in the agriculture sector, the mid-term appraisal projects GDP growth rate of 8.1 percent. The Committee are dismayed that during the first four years of Plan period, while the agriculture sector has faced a substantial decline in growth rate with the average growth rate of 2.9 percent, industry and services sector have registered an average growth rates of 7.55 percent and 10.02 percent respectively, which are lower than the targets envisaged. The Committee are anguished that despite policy measures that have been spelt out in the Plan document, the 11th Plan has failed to achieve the targets in respect of each sector of the economy. The Committee

are concerned that inordinate delay took place in the Mid-Term appraisal itself, which was completed in December, 2010, leaving the Government with no time to take the remedial measures and achieve the targets. The Committee, therefore, desire the Ministry to create a conducive policy environment for each sector of the economy to attain the targeted level of growth as to take the economy to higher growth path in the 12th Plan.

Reply of the Government

The Eleventh Five Year Plan (2007-12) had set a GDP growth target of 9 percent per year on average, over the 5 years of the Plan. This was an increase from the GDP growth target of 8 percent that had been set for the Tenth Five Year Plan (2002-07). The higher target was entirely consistent with the strong performance of the economy during the last two years of the Tenth Plan which had recorded growth in excess of 9.5 percent. The levels of investment and saving that are necessary for achieving 9 percent growth in GDP had already been achieved to a great extent by the end of the Tenth Plan.

The first year of the Eleventh Plan (2007-08) experienced high GDP growth estimated at 9.3 percent supported by the savings rate of 36.9% and an investment rate of 38.1%. Thus the savings and investment rate realized during the first year (2007-08) of the Eleventh Plan surpassed the target set at 34.8% for savings and 36.7% for investment. The global economic and financial crisis that developed during 2007-08 and blew up into a crisis in 2008-09 undermined the ability of the Indian economy to achieve the 9 percent growth trajectory. The growth rate fell from 9.3 percent in 2007-08 to 6.8 percent in 2008-09. The slowdown in the GDP growth was not entirely due to global economic crisis. Negative agricultural growth caused by extremely unfavourable monsoon also contributed substantially to the economic slowdown in 2008-09. However, the economy bounced back in the year 2009-10 in spite of continued negative growth in agriculture Sector.

The economy has recovered faster than expected due to its strong macro-economic fundamentals as evidenced by the Revised Estimates of National Income, 2010-11 released by Central Statistical Office (CSO) on 31st May, 2011. These estimates indicate a GDP growth rate of 8.0 percent for the year 2009-10 and 8.5 percent for the year 2010-11.

Co-ordinated policy regime, stimulus packages like expansionary fiscal and monetary policy helped the economy to recover fast. The Mid-Term Appraisal (MTA) of the Eleventh Five Year Plan, had recast

the likely achievement of the economy during the plan at an annual average GDP growth of 8.1 percent. However, in view of a global financial crisis and negative growth rate of agriculture sector during 2008-09, the achievement of higher than 8 percent GDP growth rate on an average during the first four years of the Eleventh Five Year Plan is quite significant.

Mid-term evaluation of the Eleventh Five Year Plan was initiated in July, 2009, *i.e.* just around two and a half years of the operation of the Plan. Since evaluation is a routine exercise, inputs received at various stages and discussions held during the mid-term evaluations were enlisted appropriately for policy interventions concurrently. These were formally documented in the mid-term appraisal report.

As for creating conducive policy environment for each sector of the economy to attain the targeted level of growth and take the economy to higher growth trajectory in the 12th Plan, Sector specific Steering Committees and Working Groups have been set up by the Planning Commission. These Steering Committees and Working Groups would *inter alia* look into the sectoral constraints and suggest measures that could be taken during the 12th Plan period to create more conducive policy environment for specific sectors so as to help achieve higher targeted growth in the Twelfth Plan.

[Ministry of Planning, O.M. No. 28/8/2011-Parl., dated 14.10.2011]

Recommendation (Serial No. 3)

Formulation of the 12th Plan (2012–17)

The Committee note that the preparation of the 12th Plan is being delayed for want of National Development Council's approval of the Approach Paper to the Plan. The Committee cannot but deprecate that the Planning Commission has failed to perform its basic function, as the 12th Plan, which should have been finalized by this time, is yet to see the light of the day. The Committee, while emphasizing the need for completing the procedural formalities at the earliest, urge upon the Planning Commission to ensure that the Approach Paper to the 12th Plan is finalized and placed in public domain without any further delay. In this regard, the Committee would like to emphasize that the Planning Commission, instead of dissipating its efforts on so many fronts, gives focused attention to important/key areas.

Reply of the Government

The Planning Commission has undertaken wide ranging consultations with all stakeholders for preparing the Approach to the Twelfth Plan so as to ensure inclusiveness since inception of the Plan.

Towards this exercise, Planning Commission has held five regional consultations with all the States and Union Territories, Panchayati Raj Institutions, Civil Societies, Industry, academia and other stakeholders. In addition, efforts were made to reach out to as many stakeholders as possible through use of innovative media like committed web-site for the 12th Five Year Plan. The wide ranging consultative process, which attempted to provide all concerned stakeholders an option of voicing their views and concerns, took more time than anticipated. Based on these consultations and in-house discussions, the objectives, goals and directions that may be pursued during the 12th Five Year Plan have broadly been agreed. These have also been approved by the Full Planning Commission. As the broad objective and direction has already been identified/agreed, the process of preparing the 12th Five Year Plan has already been initiated. The Sector specific Steering Committees and Working Groups to make suitable recommendations for the 12th Five Year Plan have already been set up. This would give them adequate time to make appropriate recommendations for the 12th Five Year Plan and also facilitate adherence to the time-lines. The Approach to the 12th Five Year Plan has been approved by the Cabinet and the same is being placed before the NDC for its approval, in its meeting scheduled for 22nd October, 2011.

[Ministry of Planning, O.M. No. 28/8/2011-Parl., dated 14.10.2011]

Recommendation (Serial No. 4)

Agriculture Sector

The Committee note with serious concern that the country has not been able to overcome the plateau status reached in agriculture for more than a decade. The 11th Plan had commenced with the slogan, "Faster and More Inclusive Growth", to achieve *inter-alia* an important sectoral target of raising the rate of growth in agriculture to 4 percent from 2.5 percent in the Tenth Plan. However, the average of the annual growth rates of agriculture and allied sectors during first four years of the 11th Plan has been 2.9 percent, thereby adversely impacting the livelihood of more than 60% of Indians who still depend on agriculture. The Committee are given to understand that the targeted growth of agriculture in remaining period of the Plan is 3 to 3.5 percent, for which the Government has put in place various schemes and programmes such as Rashtriya Krishi Vikas Yojana (RKVY) , etc. But, the Committee are not convinced that in the remaining period of the 11th Plan the growth rate could be achieved. The Committee are of the view that in a country where 60% of the population is dependent

on agriculture, the target of achieving 4 per cent growth, should not remain a mere slogan. This is an area which needs to be addressed urgently and sympathetically. The Committee while emphasizing the need of radical change in the approach towards the agriculture sector for fast-track growth, are of the view that in addition to various schemes launched by the Government to spur agricultural growth, payment of fair and adequate remunerative prices to the farmers of their produce is *sine quo non* for the agriculture growth rate. The Committee desires the Ministry to make concerted efforts in this regard.

Reply of the Government

Since submission of earlier reply, the Central Statistical Organisation have released the revised GDP estimates on 31st May 2011. The revised estimates place the growth of agriculture, forestry and fishing sector during the year 2010-11 at 6.6% which is slightly higher than the earlier estimate of 5.4% which was released in February 2011. Taking the revised estimates into account the average annual growth of agriculture, forestry and fishing sector during first four years of the Eleventh Plan goes upto 3.2 percent. In view of such performance in first four years of the Eleventh Plan, achievement by the end of the Plan is expected to be between 3 and 3.5%.

As mentioned in the previous reply remunerative prices to farmers require efficient and competitive functioning of the agriculture markets for which several strategies are being pursued which include (i) legislative reforms like persuading the States to reform their respective Agriculture Produce Marketing Committee Acts, (ii) the policy of announcing Minimum Support Prices and market intervention schemes, (iii) information dissemination on arrival and prices of agricultural commodities in various markets through use of mass media and information technology, and (iv) strengthening agricultural marketing and post-harvest infrastructure like storage, cold storage and food processing to save farmers from distress sale and for value addition. In addition to the other on-going programmes in this regard, the Finance Minister has announced in his budget speech this year, "To attract investment in this sector, henceforth, capital investment in the creation of modern storage capacity will be eligible for viability gap funding scheme of the Finance Ministry. It is also proposed to recognize cold chains and post-harvest storage as an infrastructure sub-sector."

As regards the course of action to be followed in the Twelfth Five Year Plan, a Steering Committee and Eleven Working Groups have been constituted to examine in-depth and recommend the policies and

programmes in agriculture and allied sectors covering the specific areas. The terms of reference of the one of Working Groups set up to examine matters relating to agriculture marketing include some specific terms such as, "To identify the bottlenecks in the internal agricultural trade and make recommendations for development of agricultural marketing" and "To review the working of agricultural markets, wholesale mandis and commodity boards, agricultural produce marketing committees, the facilities provided in these markets and the overall supply chain management of different agricultural commodities and suggest measures to improve their functioning to safeguard the interests of the farmers, especially small and marginal farmers."

Based on the recommendations of the Steering Committee and the Working Groups further policy steps and other initiatives will be taken during the Twelveth Five-Year Plan for higher price to the farmers for their produce.

[Ministry of Planning, O.M. No. 28/8/2011-Parl., dated 14.10.2011]

Recommendation (Serial No. 5)

Agriculture Sector

Another disquieting aspect that concerns agriculture growth is flow of inadequate funds to agriculture and allied sectors. Of the total Gross Capital Formation (GCF) in agriculture and allied sectors of Rs. 138597 crore in 2008-09, the contribution from public sector constitutes only 17.64% (Rs. 24452 crore) as compared to 82.35% (Rs. 114145 crore) from private sector. While the capital investment in agriculture and allied sectors has not been satisfactory, the budgetary allocation to agriculture sector in 2011-12 is less than adequate. For instance, the allocation for the sub-schemes of the Rashtriya Krishi Vikas Yojana (RKVY) extending Green Revolution in the Eastern Region is Rs. 400.00 crore and Rs. 300.00 crore each for increasing production of pulses, oil palm, vegetables and coarse cereals. Similarly, though sixty per cent of land is unirrigated, the budgetary allocation for irrigation in 2011-12 is meager. The Committee deprecate this tokenism on the part of the Government. Since the agriculture sector occupies center-stage to promote inclusive growth, enhanced rural incomes and sustained food security, the Committee expect that the Planning Commission, which is currently engaged in the exercise of preparation of the 12th Plan, would address the issues affecting agriculture and allied sectors with due seriousness and formulate appropriate remedial schemes/sectoral policies which is also conducive for private sector investment and participation, so that the revival in agriculture sector can be achieved.

Reply of the Government

Gross Capital Formation (GCF) in agriculture and allied activities, which was around 8 per cent of GDP from agriculture and allied activities during nineties, has since increased to 20 per cent in 2009-10 showing a significant improvement. Since 2005-06 the Public Sector GCF in agriculture and allied activities has grown at an average annual rate of 11 percent and GCF in private sector at over 16 percent as per the National Accounts Statistics, 2010. Higher Gross Capital Formation in the private sector has been facilitated by the policies conducive to participation of the private sector including increased credit flow to the sector.

Rashtriya Krishi Vikas Yojana was launched in 2007-08 with Revised Budget Estimate of Rs. 1263 crore. Allocation to RKVY has been increased to Rs. 7860 crore in 2011-12 which is over 6 fold increase in its outlay in 4 years. The allocation for the sub-schemes of the Rashtriya Krishi Vikas Yojana (RKVY) extending Green Revolution in the Eastern Region (Rs. 400.00 crore) and for increasing production of pulses, oil palm, vegetables and coarse cereals (Rs. 300.00 crore) is a part of the total allocation of Rs. 7860 crore which is earmarked for these special purposes. The allocation for these purposes will be supplemented by the other normal allocation from the RKVY, the other programmes of the Central Government as well as by the plan outlay of the State Governments.

Further, the Government has provided increase at an average rate of 15 per cent per annum during the 11th Five-Year Plan to the Central Plan Outlay for Agriculture and Allied sector the details of which are presented in the following table:

Central Plan Outlay (BE) for Agriculture and Allied Activities during Eleventh Five-Year Plan

Sl.No.	Year	Budget Estimate (Rs. in crore)	Growth over Previous Year (%)
1.	2007-08	8558.07	15.8
2.	2008-09	10074.51	17.7
3.	2009-10	10628.81	5.5
4.	2010-11	12308.47	15.8
5.	2011-12	14744.14	19.8

As regards the course of action to be followed in the Twelfth-Five Year Plan, a Steering Committee and eleven Working Groups have been constituted to examine in-depth and recommend the policies and programmes in agriculture and allied sectors covering the specific areas, *viz.*, Crop Husbandry, Horticulture, Animal Husbandry, Fisheries, Agricultural Research & Education, Natural Resources Management, Institutional Finance and cooperatives, Marketing, Agricultural Extension, Decentralized Planning and Disadvantaged Groups. These Steering Committee and Working Groups are represented by the eminent experts in their respective fields, the State Government officers, the NGOs and other stakeholders. The Working Groups have initiated discussions on their respective subjects. The Chairmen of the Working Groups have held meeting with the State Government representatives to take into account their views in order to assess the growth potential and critical gaps and obtain States' perspective in the formulation of the Twelfth Plan. Based on the recommendations of the Steering Committee and the Working Groups further policy measures and other initiatives will be taken during the Twelfth Five-Year Plan to achieve higher agricultural growth as well as to promote private sector investment and participation in agriculture and allied sectors.

[Ministry of Planning, O.M. No. 28/8/2011-Parl., dated 14.10.2011]

Recommendation (Serial No. 7)

Backward Regions

The Committee note that one of the basic objectives of the planning in India is to reduce inequalities and raise the level of economic development in the country in a balanced manner. It is, however, indeed saddening to note that even after lapse of more than six decades, there are 250 backward districts, out of which 60 Selected Tribal and Backward districts in the country are affected by left-wing extremism. It is surprising that the Planning Commission has not yet conducted a study on impact of additional central assistance provided under various special area programmes and efforts made by the State Governments to redress the imbalance in development of the backward regions within the States. Alarming, the Planning Commission, an advisory planning body at the apex level, is depending on World Bank study on this vital issue. The Committee, therefore, recommend the Planning Commission to set up an Expert Group/ Task Force for evaluating the impact of measures initiated towards development of backward regions and for formulating a roadmap to achieve the same in a focused and time-bound manner. In this regard,

the Committee would like to emphasize that due share should be given to the backward States in the Annual Plan allocation. The Committee also disapprove of the Ministry's failure to maintain the data on funds spent exclusively on rural infrastructure. The Committee, therefore, recommend that expenditure data on rural infrastructure should be maintained and monitored in centralized manner to enable analysis of the progress made in this regard. The Committee further recommend that convergence of BRGF, MGNREGS and IAP should be done, followed by a well-defined district plan for development of backward regions.

Reply of the Government

Regarding evaluation of Area Programmes, the Programme Evaluation Organization (PEO) of Planning Commission had commissioned an Evaluation Study of Hill Areas Development Programme (HADP) which has been completed and the report has been placed in the public domain *i.e.* in the Planning Commission website (planningcommission.gov.in). Further, PEO has commissioned an evaluation study of Backward Regions Grant Fund (BRGF) recently. The evaluation of Border Area Development Programme (BADP) is also going to be conducted by the PEO.

The Planning Commission is currently in the process of formulation of the Twelfth Five Year Plan (2012-17). Various Steering Committees and Working Groups have been constituted for this purpose. A Steering Committee for Rural Livelihoods and Rural Governance has been set up to provide a critical review of, *inter-alia*, MGNREGA and BRGF during the Eleventh Five Year Plan and suggest strategies, priorities and allocations for the Twelfth Five Year Plan. A Working Group on Area Programmes has also been constituted to review the performance of various Area Programmes *viz.* BRGF, BADP, & HADP/WGDP to bring out achievements and failures, if any, together with necessary remedial measures and to suggest strategies, priorities and allocations for the Twelfth five Year Plan. The Steering Committee for Rural Livelihood and Rural Governance would consider the inputs from evaluation studies and the Report of the Working Group on Area Programmes and suggest strategies, priorities and allocations for the area programmes in the Twelfth Five Year Plan.

[Ministry of Planning, O.M. No. 28/8/2011-Parl., dated 14.10.2011]

Comments of the Committee

(Please See Para No. 10 of the Chapter I)

Recommendation (Serial No. 8)

Strengthening Evaluation Capacity in Government

The Committee are distressed to note that the scheme, "Strengthening Evaluation Capacity in Government", which is intended to evaluate the programmes and schemes of the Government has consistently failed to deliver owing to substantial shortfall in utilization of funds to the extent of 88% in 2008-09, 86% in 2009-10 and 82% in 2010-11. The underutilization of funds has been attributed to shortage of manpower and delay in completion of evaluation studies outsourced. The Committee in their 3rd Report on Demands for Grants (2009-10) had urged upon the Government to fill up the vacancies in PEO. It is evident that no improvement has taken place because of lack of co-ordination between the Ministry of Planning and Department of Economic Affairs in this regard. Even, the much-awaited Independent Evaluation Organisation (IEO) is yet to take off due to procedural complexities. The Committee while emphasizing that the Ministry should take up the issue at the highest level to fill up the vacancies in PEO, the procedures involved in outsourcing of studies should be simplified for better response.

Reply of the Government

The action that has been taken in respect of the Report of Standing Committee on Finance on Demands for Grants 2011-12 of the Ministry of Planning is as under:

- (1) Planning Commission Administration has taken up the matter with the Deptt. of Economic Affairs (DEA) Ministry of Finance and Ministry of Statistics & Programme Implementation to fill up the vacancies at PEO Hqrs. and in the field units (7 Regional Evaluation Offices/8 Project Evaluation Offices) of PEO.
- (2) In order to enhance the scope of outsourcing of evaluation studies, steps have already been initiated to revise the existing list of empanelled Research Institutions/NGOs accommodating more capable Research Institutions/NGOs of the country so that quality evaluation studies could be undertaken within the given time schedule.
- (3) The outsourcing procedure has been simplified to speed up the outsourcing process of the evaluation studies.
- (4) The Government has approved the establishment of Independent Evaluation Office (IEO) and a notification in this regard has been issued. Process for the appointment of

staff, including that of Director General, IEO has already been initiated and it is expected that the IEO will start functioning by the beginning of 2012.

[Ministry of Planning, O.M. No. 28/8/2011-Parl., dated 14.10.2011]

Recommendation (Serial No. 9)

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

As regards the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), the Committee note from the data furnished that the shortfall in utilization of total funds available was as much as Rs. 3250.20 crore (27%) in 2006-07, Rs. 3448.72 crore (18%) in 2007-08, Rs. 5146.96 crore (27%) in 2008-09 and Rs. 11,673.96 crore (24%) in 2009-10. In 2010-11, of the total available funds amounting to Rs. 38,595.73 crore, the utilization by the States has only been to the extent of Rs. 18979.25 (49% till November, 2010) leaving a significant amount to be spent in the last quarter. The average days of employment and wages per household provided under the scheme work out to only 43 days and Rs. 65 in 2006-07, 42 days and Rs. 75 in 2007-08, 48 days and Rs. 84 in 2008-09, 54 days and Rs. 90 in 2009-10 and 35 days and Rs. 98 in 2010-11 (till November, 2010), which is way below the mandate of providing 100 days of employment and a minimum wage of Rs. 100. The Committee are further dismayed that the percentage of works completed against the total works taken up has been consistently below 50% during the last four years with 45.98% in 2006-07, 45.97% in 2007-08, 43.74% in 2008-09, 48.29% in 2009-10, and in 2010-11 it is expected to be much less as only 4.02% (till November, 2010) works have been completed. As emphasized by the Committee in their previous Reports, the issues of concern relating to the MGNREGS, which include shortfall in utilization of budgeted amounts, huge spending in the last quarter, inability to provide the mandated days of employment and wages, non-completion of works taken up etc., need to be thoroughly looked into for taking appropriate corrective steps. The Committee would like to emphasize here that the Government should ensure that the MGNREGS provides a supplementary means of livelihood for the rural people, primarily during their lean periods and it should not cause shortage of labourers for the main agricultural activities. The Committee also desire to be apprised of the status of implementation of the scheme in left-wing extremism hit districts. The Committee further recommends that a comprehensive study on impact of the MGNREGS on agricultural productivity and assets created under the scheme should be carried out.

Reply of the Government

Mahatma Gandhi NREGA is demand based legislation. The Act provides a legal guarantee for at least 100 days of wage employment to every rural household in every financial year for doing unskilled manual work on demand. There are no pre-determined targets for employment as well as for utilization of funds under the Act. Implementation of the Act is done by the State Governments/UT Administrations while funds are provided by the Central Government as per the provisions of the Act.

As regards providing 100 days employment under the Act, since it is demand based, members of a household are required to submit a written application for work. Further, number of days of employment availed by a household in a year depends upon the demand for work and availability of other employment opportunities in the area. The mandate under the Act is to provide at least 100 days of wage employment for doing unskilled manual work based on demand for work by the households. The average person days demanded has been around 50 days a year since the inception of MGNREGA. In 2010-11, the average person days per household was 47 and average wages per person days was Rs. 99.89.

Completion of works under MGNREGA in 2010-11 was 50.80%. From the financial year 2010-11, all States have been asked to furnish information on MIS. It takes time to digitize the entire information and place it on the website and there is a time lag before data is updated on the website because of different level of adaptability of MIS by the States. There is a lag between physical and financial closure of works due to late submission of Project Completion Report (PCR) and squaring of accounts at different levels-Gram Panchayats and Block level. Some works are abandoned due to non-feasibility encountered at a later stage e.g. detection of hard rock boulder in digging of Wells. Since works are subject to audit only after their completion, there is a tendency on part of the implementing agencies not to close them to avoid audit. A Circular has been issued to all the States/UTs in January, 2011 to complete on-going works within a given time-frame and indicate progress of works taken up and completed in the labour budget proposal. The details of completion of works under MGNREGA in 2010-11 are given in **Annexure-I**.

Funds available with the States/UTs which remain un-utilized in a financial year are carried forward to the next financial year to be used for meeting the labour demand in subsequent year. As the Act

provides that work has to be provided to an applicant within 15 days of the demand failing which unemployment allowance becomes payable, funds have to be kept upfront in order to meet any sudden spurt in the labour demand in an area.

During the last 5 years of implementation of MGNREGA, the expenditure has always been more than 70% and therefore, funds have not been underutilized. As explained above, funds have to be kept upfront and a good quantum of which remain in the pipeline keeping in view the nature of the programme. The details of availability of funds and expenditure in 2010-11 are given in **Annexure-II**.

With a view to strengthen the implementation of Mahatma Gandhi NREGA and to ensure that more and more of the rural population is benefited, the Ministry of Rural Development has undertaken the following measures:

- (i) Awareness generation among rural population has been taken up through intensive IEC activities involving both print as well as electronic media.
- (ii) Administrative expenditure has been enhanced from 4% to 6% to enable the implementing agencies to appoint dedicated staff for effective implementation of the Act.
- (iii) ICT based MIS has been made operational to make data available to public scrutiny. The data includes Job cards, Muster rolls, Employment demanded and allocated, number of days worked, shelf of works, funds available/funds spent and funds released to various implementing agencies, Social Audit findings, registering grievances and generating alerts for corrective action.
- (iv) In the light of the shortcomings in social audit under MGNREGA, the Ministry of Rural Development has published the MGNREGA Audit of Schemes Rules, 2011 in the Gazette on 30.6.2011 for the purpose of much needed transparency under MGNREGA.
- (v) Payment of wages to MGNREGA workers has been made mandatory through their accounts in Banks/Post Office to infuse transparency in wage disbursement. An amendment to this effect has been made in para 31 of Schedule-II of the Act.
- (vi) Rolling out Biometric based ICT enabled real time transactions of MGNREGA workers to eliminate fake attendance and false payments.

- (vii) Periodic reviews in the Performance Review Committee meetings held on quarterly basis. State specific reviews are also undertaken.
- (viii) Independent Monitoring and verification by National Level Monitors and Eminent Citizens.
- (ix) Visit by members of Central Employment Guarantee Council.
- (x) State and district level Vigilance and Monitoring Committees have been set up and instructions have been issued for holding regular meetings of the Committees.
- (xi) Instructions have been issued directing all States to appoint Ombudsman at district level for grievance redressal in a time bound manner.

The Mahatma Gandhi NREGA provides for supplementary wage employment to ensure livelihood security. Productive absorption of under employed and surplus labour force in the rural sector has always been a major focus of planning for rural development. The situation of unemployment has been compounded by the absence of any social security mechanism. Mahatma Gandhi NREGA intends to provide the social security mechanism for the days which is beyond the period of engagement in agriculture without creating competitive disadvantage towards agricultural productivity.

Status of implementation of MGNREGA in naxal affected districts is at **Annexure-III**.

An Evaluation Study on the programme MGNREGA has been entrusted to the Programme Evaluation Organization (PEG), Planning Commission. The proposed study envisage to cover various objectives of the MGNREGA including impact of the programme on agricultural activities, number of assets created, assessment of quality of assets and how these assets are benefitting the villagers. In this regard, a Steering Committee has been constituted under the Chairmanship of Dr. Mihir Shah, Member, Planning Commission. Two meetings of this Committee have so far been held. As per decision taken in the meetings of the Committee, the study will be launched in 100 districts of the country covering the three phases of implementation of MGNREGA.

[Ministry of Planning, O.M. No. 28/8/2011-Parl., dated 14.10.2011]

Comments of the Committee

(Please See Para Nos. 13, 14 and 15 of the Chapter I)

Recommendation (Serial No. 10)

Indira Awaas Yojana

The Committee note with serious concern that the Government has not increased the financial assistance of Rs. 45,000/- in plain areas and Rs. 48,500/- in hilly/difficult areas provided for construction of dwelling units for the poor under Indira Awaas Yojana (IAY) to cover the actual construction cost. Instead, the Government should have considered other option like constructing permanent houses under reverse hypothecation in liberal and easy installments for repaying the loan amount by the beneficiaries. As emphasised by the Committee in their earlier Reports, it may not be feasible for the poor people from below the poverty line to raise the balance of the construction cost by way of loan of Rs. 20,000 at the interest rate of 4%. The Committee would, therefore, like to emphasise that IAY should be suitably redesigned so as to ensure that the beneficiaries do not suffer for want of funds.

Reply of the Government

In the past three years, the unit assistance has been enhanced twice—firstly on 1st April, 2008 from Rs. 25,000/- and Rs. 27,500/- (for hilly and difficult areas) to Rs. 35,000/- and Rs. 37,500/- (for hilly and difficult areas) respectively and again as on 1st April, 2010 to Rs. 45,000/- and Rs. 48,500/-. In addition to unit assistance under IAY, a beneficiary can avail funds for construction of a toilet from the Total Sanitation Campaign programme. IAY beneficiary can also avail loan up to Rs. 20,000/- under the Differential Rate of Interest (DRI) scheme. Considering the inflationary impact in the cost of construction, efforts are being made to enhance this assistance further.

A Committee on concrete Bankable schemes for rural housing was set up by the Ministry of Rural Development which has submitted its final recommendations to the Ministry. It has also formulated a few Bankable Schemes which will be discussed with all stakeholders as part of new initiatives for 12th Five Year Plan.

As per reports/feedback received from the States/DRDAs, many IAY beneficiaries are availing DRI facility. However, the uptake of the scheme is slow due to either banks not willing to extend the credit or the procedural requirements of the banks involved. As on 11.7.2011, 103655 number of beneficiaries have availed of this facility.

The Ministry is in the process of redesigning IAY as a critical contribution to achieving the national target of eradicating homelessness by the end of the XII Five Year Plan. Further in order to provide

additional financial assistance to the IAY beneficiary for better house construction, as mentioned earlier, a Committee on Bankable scheme for rural housing was constituted and the Committee has given its recommendations which are being examined. The recommendations *inter-alia* include addressing housing micro credit scheme through composite loan mechanism, partnership management/MoUs with select Banks, NGOs, MFIs and other select delivery channels which would enable IAY beneficiaries to access additional funds for house construction.

[Ministry of Planning, O.M. No. 28/8/2011-Parl., dated 14.10.2011]

Recommendation (Serial No. 11)

New Initiative in Skill Development through PPP

The Committee believe that the prosperity of a Nation rests with the skills of the People. The Committee are, however, disturbed at the way the scheme, "New Initiative in Skill Development", has been dealt with since its conceptualization. The utilisation of funds under the scheme, "New Initiative in Skill Development through PPP", has not been found satisfactory again in 2010-11 as the Ministry could spend Rs. 0.03 crore against BE of Rs. 10 crore. This is indicative of the fact that neither the Planning Commission nor the Government realized the importance of skill development. The admission made by the Ministry of Planning that the shortfall in utilisation under the scheme is owing to involvement of various other stakeholders, which has delayed the decision making process regarding the proposals under the scheme, only gives credence to the Committee's view that there is a need for reviewing the Scheme by having a nodal agency for channelizing funding, co-ordinating, and facilitating the implementing agencies, both in public and private sectors involved in the scheme. The Committee would like to emphasize that Government should review this issue and not hesitate in entrusting the implementation of the scheme to a single nodal agency.

Reply of the Government

Planning Commission formulated a scheme "New Initiative in Skill Development through PPP" to facilitate operationalising the mandate of the National Skill Development Coordination Board which is constituted under the Chairmanship of the Deputy Chairman, Planning Commission as a part of the Coordinated Action on Skill Development. All expenditure incurred on the meetings of the NSDCB, its Sub-Committees, regional consultations, its initiatives for grants-in-aid

to State Skill Development Missions for undertaking pilot projects in uncovered Districts are being financed through this scheme. The mandate of the scheme does not cover financing activities of all the Ministries involved in the Skill Development work. It is purely a scheme formulated by the Planning Commission to support NSDCB in fulfilling its mandate.

[Ministry of Planning, O.M. No. 28/8/2011-Parl., dated 14.10.2011]

Recommendation (Serial No. 12)

The Committee regret to note the fact, as deposed by the Member-Secretary, Planning Commission before the Committee, that given the size of younger population, the infrastructure available for skill development such as ITI etc. is not adequate. As conceded by the Member-Secretary, Planning Commission, a legislation to make mandatory for the industry to run the training centres for improving the skills should be brought in to redressing the mismatch between demand and supply of skilled workers. The Committee also desire that the vocationalisation of education should be done on priority especially at school level, say from 8th to 12th standards, so that the envisaged target of achieving 500 million skilled people by 2022 can be achieved.

Reply of the Government

Government of India has been implementing Craftsmen Training Scheme and Apprenticeship Training Scheme to train the people. Under the Craftsmen Training Scheme, number of initiatives have, been taken to involve the private sector with the objective of bringing about synergy in the market demand and availability of supply such as upgradation of 1396 ITIs in the PPP, creation of Centres of Excellence through World Bank assistance and Skill Development Initiative—Modular Employable Skill Programme implemented through number of private vocational training providers. In addition, the Apprenticeship Training Programme is covered by Apprenticeship Act, 1961 wherein industry trains the apprentices in accordance with the provision of the Act.

As regards vocationalisation of education from 8th to 12th standards, it is submitted that as per Selected Education Statistics (2008-09) of Ministry of Human Resource Development, the number of students in Upper Primary level (Classes VI-VIII) were 5.55 crore, however, their number at Secondary level (Classes IX-X) and Higher Secondary level (Classes XI-XII) was 2.90 crore and 1.67 crore, respectively as compared

to the projected population of 4.84 crore and 4.87 crore for the age group 14-15 and 16-17 years respectively. Thus there is a wide gap between enrolment and projected population at Secondary and Higher Secondary level. Therefore, it would be beneficial if these dropped out children, as also a large number of children who may not have the competency, but are compelled to pursue academic courses in the absence of any other option, as well as those with an inclination towards vocational skills, to be channelized into vocational education. It would be much appropriate to have pre-vocational courses (optional) at Classes IX & X and vocational education at Higher Secondary level with appropriate certification by accrediting agencies. The Department of School Education & Literacy, MHRD is implementing a scheme of Vocational Education at 10+2 stage. The existing scheme had many problems, including inflexible curriculum and duration, lack of need based courses and trained teachers, poor vertical mobility and linkage with industry etc. The scheme is being restructured and will now aim at preparing educated employable and competitive human resources for various sectors of economy and the global market, enhancing the employability of youth through competency—based modular vocational courses, providing multi entry and exit learning opportunities, horizontal and vertical mobility. The Mid-Term appraisal of the XI Five Year Plan has emphasized that in vocational education, curriculum revision, appropriate certification by accrediting agencies, facility for horizontal and vertical mobility and linkage with industry for self employment/employment should be prioritised. A National Vocational Education Qualification Framework (NVEQF) has been prepared focusing on students from class IX onwards. The scheme of vocationalisation of Secondary Education is under approval stage.

[Ministry of Planning, O.M. No. 28/8/2011-Parl., dated 14.10.2011]

Comments of the Committee

(Please See Para No. 18 of the Chapter I)

Recommendation (Serial No. 13)

Role of the Planning Commission

The Planning Commission came into existence in 1950 with the objective of raising the standard of living of the people by augmenting production and optimizing available resources. There is no denying the fact that the country has seen significant developments in many fields since independence. At the same time, there should not be any denial of the fact that given the experience of over six decades of

planning, the extent of progress made has been far from satisfactory. Despite a good number of policy measures initiated and interventions made at different levels, the development policies have not benefited the majority of the people in the country; which could be widely seen through prolonged prevalence of imbalance in development across States and within States, unsatisfactory performance in human development parameters, failure in achieving desired agricultural growth rate, high drop out at primary level education, absence of universalisation of higher education, mismatch between demand and supply of skilled personnel, inability in earmarking 2-3% of GDP to the health sector as envisaged etc., on the policy front also, planning in the country has failed to deliver the desired results owing to disjunction between planning and budgeting, lack of synchronization between the plans/policies and implementation and proper monitoring etc. The Committee regret to observe that the basic objectives of planning are yet to be achieved. When the issue calls for an immediate and serious introspection, the Committee are surprised to note that the Ministry of Planning is satisfied with tailor made solutions like implementation of UID scheme. The Committee can only observe that the Ministry of Planning/Planning Commission do not seem to have a futuristic vision in social planning in the post-reforms period. The Committee are of the view that while planning is very much relevant in India, the Planning Commission has to come grips with the emerging social realities to reinvent itself to make itself more relevant and effective for aligning the planning process with economic reforms and its consequences, particularly for the poor. The Committee, therefore, recommend that the Government should constitute an Expert Group immediately for evaluating the performance of the Planning Commission and redefining its role and objectives so as to relate the planning process to the life of the common man and its role in the implementation of programmes and schemes.

Reply of the Government

The Planning Commission was set up by a Resolution of the Government of India in March 1950 in pursuance of declared objectives of the Government to promote a rapid rise in the standard of living of the people by efficient exploitation of the resources of the country, increasing production and offering opportunities to all for employment in the service of the community. The Planning Commission was charged with the responsibility of marking assessment of all resources of the country, augmenting deficient resources, formulating plans for the most effective and balanced utilisation of resources and determining priorities.

The Planning Commission since its inception, has taken due care in sincere discharge of its duties and has been successful in meeting its obligations by way of formulating eleven five year plans, in addition to other well documented achievements. Planning Commission during the course of its working has been evolving its strategies by way of continuous internal assessment of its working. It has always kept itself abreast with the latest developments and aligned its policies in such a manner so as to keep the interests of poor in mind. As regards the suggestion of the Committee to set up an Expert Group for evaluating performance of the Planning Commission, the matter has been brought to the notice of the Competent Authority.

As one of the initiatives to re-invent itself, Planning Commission has recently obtained the approval of Government for setting up of an Independent Evaluation Office (IEO) for evaluating major flagship programmes. The IEO is to be funded by the Government of India and will be charged with the task of evaluating the impact of the programmes/schemes being implemented by various Departments/ Ministries of the Government of India throughout the country. The IEO seeks to conduct the evaluation of flagship programmes in a professional and unbiased manner so that the findings can be utilised by Planners and policy-makers to improve the implementation efficiency of these programmes and further 'equity and inclusive growth', which is the main objective of these programmes.

Another important step taken by Planning Commission is setting up a High Level Expert Committee, under the Chairmanship of Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister, to suggest measures for the efficient management of public sector expenditure. The Committee has recently submitted its draft report.

[Ministry of Planning, O.M. No. 28/8/2011-Parl., dated 14.10.2011]

CHAPTER III

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

—NIL—

CHAPTER IV

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

Recommendation (Serial No. 6)

Targeted Subsidies to the Poor

The Committee note that targeted PDS is in place through which subsidized foodgrain is distributed. However, the present system is not without flaws. The Committee further note that the Government propose to replace existing method of fertilizer subsidy payment through industry to direct payment to the poor farmers below the poverty line by March, 2012. They find that a Task Force has been set up to work out the modalities for the same. The Committee emphasize that the interest of the bargadaars or share-croppers should be adequately taken care of in the new method of fertilizer subsidy.

In this connection, with regard to other items on which direct cash transfer is proposed, the Committee are not convinced that this would be a panacea for all ills of the present distribution system. They fear that the proposed system may also not be free from leakages and manipulations. Moreover, the Committee are informed that many State Governments are implementing Universal PDS successfully, thus there is no reason why it should not be tried out at the Central level. Therefore, the Committee would recommend the Government to consider universalisation of PDS in a phased manner.

Reply of the Government

The subject matter comes within the purview of the Department of Food and Public Distribution. According to information obtained from them, the concept of universal Public Distribution System was in vogue prior to the year 1997. However, due to various limitations, it was replaced by the Targeted Public Distribution System (TPDS) since June, 1997 with a view to target the benefits to the poor sections of the society in a more effective manner.

Presently, formulation of the National Food Security Bill is being deliberated by the Government. As per the draft bill discussed in Empowered Group of Ministers Meeting held in July, 2011, the coverage of population is proposed at 75% in rural areas and 50% in urban areas.

A Task Force on direct subsidy in respect of kerosene, LPG & fertilizers has been set up under the chairmanship of Shri Nandan Nilekani, Chairman, UIDAI to examine and implement a solution for transfer of subsidy directly to the farmers. The mandate of the Department of Fertilizers is to make available fertilizers to the farmers at affordable prices. The Task Force is expected to give implementable solution on how the direct transfer of subsidy to the beneficiary can take place. An Interim Report of the Task Force has been submitted to the Government on 5th July, 2011 and is available on the website of Ministry of Finance. In addition, the Task Force mandate has also been extended to include an implementable solution for targeted PDS and the Interim Report is expected by the end of August, 2011.

In respect of fertilizers, the Task Force has recommended a three stage approach to the issue of direct subsidy. Phase-I is to capture the information availability regarding fertilizers at the farm gate level, wherein the availability at the last point of sale will be captured. In Phase-II, which will be implemented after the Phase-I stabilizes, the subsidy is expected to be transferred to the last point sale and in Phase-III, when the Phase-I & II stabilizes, the subsidy is expected to be transferred directly to the intended beneficiary once the AADHAR Nos. are given to the beneficiaries and AADHAR enabled payment bridges are in place. The roll out of Phase-I will be in December, 2011 and the roll out of Phase-II in June, 2012. Phase-III will take place after AADHAR Nos. are given to all the eligible beneficiaries.

[Ministry of Planning, O.M. No. 28/8/2011-Parl., dated 14.10.2011]

Comments of the Committee

(Please See Para No. 7 of the Chapter I)

CHAPTER V

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

—NIL—

NEW DELHI;
19 December, 2011
28 Agrahayana, 1933 (Saka)

YASHWANT SINHA,
Chairman,
Standing Committee on Finance.

ANNEXURE I

Work status under MGNREGA (FY: 2010-11)

Sl.No.	States	Total Works Takenup (In Nos.)	Total Works Completed (In Nos.)	% Age of Works Completed
1	2	3	4	5
1.	Andhra Pradesh	1286311	864989	67.25
2.	Arunachal Pradesh	2454	926	37.73
3.	Assam	31136	10650	34.20
4.	Bihar	202415	82349	40.68
5.	Chhattisgarh	156226	89287	57.15
6.	Gujarat	85094	45158	53.07
7.	Haryana	12890	7573	58.75
8.	Himachal Pradesh	62253	33975	54.58
9.	Jammu and Kashmir	56116	36542	65.12
10.	Jharkhand	227798	47419	20.82
11.	Karnataka	435182	91089	20.93
12.	Kerala	147084	104489	71.04
13.	Madhya Pradesh	686703	291035	42.38
14.	Maharashtra	49205	18707	38.02
15.	Manipur	8812	7897	89.62
16.	Meghalaya	14035	7755	55.25
17.	Mizoram	3812	3253	85.34
18.	Nagaland	10531	8937	84.86
19.	Odisha	220906	59278	26.83
20.	Punjab	14939	6793	45.47

1	2	3	4	5
21.	Rajasthan	199119	52262	26.25
22.	Sikkim	2314	1534	66.29
23.	Tamil Nadu	69515	31391	45.16
24.	Tripura	71922	65433	90.98
25.	Uttar Pradesh	752067	448148	59.59
26.	Uttarakhand	42206	29749	70.49
27.	West Bengal	246013	142974	58.12
28.	Andaman and Nicobar Islands	399	263	65.91
29.	Dadra and Nagar Haveli	31	7	22.58
30.	Daman and Diu	0	0	0.00
31.	Goa	760	559	73.55
32.	Lakshadweep	75	0	0.00
33.	Puducherry	667	1	0.15
34.	Chandigarh	NR	NR	NR
Total		5098990	2590422	50.80

ANNEXURE II

Financial Performance Under MGNREGA (FY: 2010-11)

(Rs. in crore)

Sl. No.	States	Central Release	Total Funds Available	Total Expenditure
1	2	3	4	5
1.	Andhra Pradesh	7418.07	9107.10	5439.39
2.	Arunachal Pradesh	35.28	55.55	50.57
3.	Assam	609.29	1269.28	921.04
4.	Bihar	2103.65	3197.56	2664.25
5.	Chhattisgarh	1685.05	2233.09	1633.98
6.	Gujarat	894.86	1281.59	788.22
7.	Haryana	131.00	232.09	214.70
8.	Himachal Pradesh	636.25	820.00	501.96
9.	Jammu and Kashmir	313.60	412.57	377.77
10.	Jharkhand	962.87	1638.11	1284.35
11.	Karnataka	1573.05	2897.92	2537.17
12.	Kerala	704.23	843.33	704.34
13.	Madhya Pradesh	2565.77	5535.53	3637.25
14.	Maharashtra	204.71	597.59	358.12
15.	Manipur	342.99	416.43	440.71
16.	Meghalaya	209.81	331.46	319.02
17.	Mizoram	216.03	278.43	293.15
18.	Nagaland	511.57	635.71	605.37
19.	Orissa	1561.86	1791.88	1533.14
20.	Punjab	128.79	230.52	165.84

1	2	3	4	5
21.	Rajasthan	2788.82	6340.42	3289.07
22.	Sikkim	44.49	83.48	85.26
23.	Tamil Nadu	2024.90	2824.89	2323.32
24.	Tripura	382.61	638.02	631.87
25.	Uttar Pradesh	5266.59	7221.48	5631.20
26.	Uttarakhand	289.81	404.07	380.20
27.	West Bengal	2117.61	2779.94	2532.46
28.	Andaman and Nicobar Islands	7.69	11.99	9.04
29.	Dadra and Nagar Haveli	0.48	1.27	1.23
30.	Daman and Diu	0.00	0.00	0.00
31.	Goa	5.08	16.10	9.93
32.	Lakshadweep	2.34	5.80	2.52
33.	Puducherry	29.82	38.95	10.82
34.	Chandigarh	0.00	0.00	0.00
	Total	35768.97	54172.15	39377.26

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
12.	Chhattisgarh	Surguja	194511	265488	275623	211234	260513	103.5	148.6	154.6	112.1	120.3	33.0	33.0	35.7	35.3	34.2	10260.8	15694.8	18499.8	14809.5	18458.4	
13.	Chhattisgarh	Bijapur					12480					4.7					33.2					1275.9	
14.	Chhattisgarh	Narayanpur					12603					3.0					49.7						494.4
10.	Jharkhand		1394108	1679868	1576348	1702599	1987360	520.5	747.5	750.0	842.5	830.9	39.5	27.2	28.5	34.2	33.5	71155.1	106253.9	134171.7	137970.2	128435.4	
15.	Jharkhand	Bokaro	22142	60969	57077	48918	64000	17.0	19.1	21.0	22.6	27.4	28.9	39.8	31.0	33.2	32.3	1564.1	2508.8	3624.7	3732.4	4190.8	
16.	Jharkhand	Chatra	95400	59783	112537	73981	87998	35.4	36.8	54.3	48.6	38.5	33.5	31.5	30.0	34.7	37.6	4015.3	7621.7	8490.6	7644.1	6111.3	
17.	Jharkhand	Garhwa	81978	61789	87743	70894	68111	43.6	38.0	45.7	31.9	28.8	35.8	31.0	33.5	34.5	35.2	4867.8	4800.4	7159.7	5336.0	4257.3	
18.	Jharkhand	Gumla	86810	143986	94274	71240	79261	37.7	80.8	35.9	32.4	30.7	26.5	32.0	20.2	30.7	27.3	5070.4	11816.0	7472.9	5289.0	4761.5	
19.	Jharkhand	Hazaribagh	63378	123827	102275	96722	70254	15.0	42.3	17.8	32.9	25.5	9.2	19.9	22.4	26.0	32.0	2792.1	5663.2	6035.9	6216.5	4199.1	
20.	Jharkhand	Latehar	62375	79197	54130	52183	69667	23.4	38.9	36.8	30.6	33.3	25.6	25.0	33.0	44.7	43.4	3168.8	5064.9	5830.5	4949.0	6294.0	
21.	Jharkhand	Lohardaga	42493	45873	30310	26335	40258	28.6	21.9	15.8	18.3	16.9	38.8	36.7	37.0	35.0	43.5	3617.7	3157.0	2879.9	2904.3	2796.8	
22.	Jharkhand	Palamu	80264	117876	82436	83455	78659	36.7	46.7	43.8	34.4	31.5	30.6	30.0	34.5	35.0	34.5	4629.2	6197.3	6681.7	5558.8	4545.6	
23.	Jharkhand	West Singhbhum	95373	39930	62950	100479	145115	37.6	19.5	40.8	56.7	44.3	28.0	30.0	55.0	52.0	55.0	5213.6	2811.8	10551.4	10108.7	6552.6	
24.	Jharkhand	East Singhbhum		89500	61100	76159	96891		23.4	31.6	33.0	36.4		45.2	41.6	42.2	38.7		3595.6	7115.2	6534.8	5393.2	
25.	Jharkhand	Ramgarh			42510	68888	56840			15.9	15.4	20.1			27.2	33.0	33.1			2830.1	2861.7	3584.8	
13.	Madhya Pradesh		2866349	4346916	5207665	4714591	4407643	1971.8	2753.0	2947.0	2624.0	2198.2	43.2	41.7	43.3	44.2	44.4	186268.6	289172.6	355496.2	372228.1	363724.9	
26.	Madhya Pradesh	Balaghat	248484	217624	227015	228746	191358	130.7	131.3	135.5	135.9	95.3	40.7	51.4	59.8	57.2	55.0	13390.0	13136.0	17979.9	18250.4	19775.1	
14.	Maharashtra		355024	474695	906297	591547	451169	1593.3	184.9	419.9	274.4	200.0	37.1	40.0	46.2	39.7	45.9	17461.2	18907.2	36154.3	32109.3	33812.0	

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
27. Maharashtra			Gadchiroli	38155	62777	61496	41292	29128	89	119	306	271	176	511	405	490	198	31.4	873.2	1966.4	2338.8	2594.9	2920.9
28. Maharashtra			Gondia	23472	83296	96494	42462	59492	84	128	622	166	194	600	600	600	557	55.9	1261.8	990.2	2000.5	2464.4	2829.6
19. Orissa				1394169	1096711	1199006	1398300	2004815	799.3	405.2	432.6	554.1	976.6	35.6	36.4	37.6	36.2	39.4	73346.6	57956.9	67829.3	93898.4	15314.3
29. Orissa			Deogarh	32673	19712	14968	15747	16840	214	106	4.8	5.5	7.8	30.5	30.0	37.6	38.5	40.8	1925.5	1249.5	1089.7	1162.2	1334.9
30. Orissa			Gajapati	63011	47640	47051	59991	67950	27.3	177	18.3	28.1	32.8	39.0	44.5	45.1	45.8	46.8	2832.5	2020.8	2502.7	3503.4	4874.0
31. Orissa			Malkangiri	38833	36738	32110	24819	58841	43.3	236	154	100	348	27.9	35.9	44.1	39.5	42.8	3044.3	3288.2	2087.5	2010.4	5017.7
32. Orissa			Rayagada	70423	52161	58863	58537	75826	41.6	194	28.7	30.7	48.4	46.1	47.2	44.3	45.4	47.1	3727.3	2847.7	4486.1	4672.4	7481.2
33. Orissa			Sambalpur	76646	29216	28172	29540	60560	384	166	8.1	11.1	37.6	29.2	30.0	28.0	27.3	38.3	3539.1	2157.5	2168.0	2325.2	5215.2
25. Uttar Pradesh				2573245	4096408	4336466	5483434	6431213	822.9	1363.1	2272.2	3559.2	33490	16.6	14.5	18.1	21.7	21.4	77967.5	189825.1	356887.7	590003.9	563120.1
34. Uttar Pradesh			Sonbhadra	83072	98416	105262	186544	183258	52.8	58.5	104.0	1484	887	53.0	52.6	37.2	40.3	41.2	5061.7	8461.8	17242.6	25044.7	16665.4
27. West Bengal				3083757	3843335	3025854	3479915	4998239	440.1	968.8	786.6	1551.7	1553.1	18.3	17.0	26.5	33.4	33.7	39462.6	100434.6	94038.5	210898.2	253246.1
35. West Bengal			Paschim Medinipur	369777	313673	319753	342500	498029	58.0	76.1	86.7	178.1	171.7	14.1	17.7	25.5	30.0	30.4	5037.7	8474.2	10600.7	23397.7	26741.4
National Average/Total				20984179	33889122	45112792	52585999	54947068	9050.6	14359.2	21632.5	28359.5	25715.2	40.2	42.6	47.9	48.1	47.7	862335.6	1586688.6	2725009.9	3790522.8	3937727.1
Naxal Districts Average/Total				2713378	3457600	3524454	3363055	3723832	1233.3	1538.7	1612.9	1608.3	1578.9	37.3	39.4	43.3	43.0	41.9	127813.3	183413.1	218511.6	229109.3	252139.8

ANNEXURE IV

MINUTES OF THE SEVENTH SITTING OF THE STANDING
COMMITTEE ON FINANCE (2011-12)

The Committee sat on Monday, the 19th December, 2011 from
1700 hrs. to 1800 hrs.

PRESENT

Shri Yashwant Sinha—*Chairman*

MEMBERS

Lok Sabha

2. Shri Bhakta Charan Das
3. Shri Nishikant Dubey
4. Shri Bhartruhari Mahtab
5. Shri Prem Das Rai
6. Shri Rayapati S. Rao
7. Shri Magunta Sreenivasulu Reddy
8. Dr. M. Thambidurai
9. Shri Shivkumar Udasi

Rajya Sabha

10. Shri Piyush Goyal

SECRETARIAT

1. Shri R.K. Jain — *Director*
2. Shri Ramkumar Suryanarayanan — *Deputy Secretary*
3. Smt. Meenakshi Sharma — *Deputy Secretary*

2. The Committee took up the following draft Reports for
consideration and adoption:—

- (i) Draft Report on action taken by the Government on the
recommendations contained in the Thirty-third Report
(15th Lok Sabha) on Demands for Grants (2011-12) of the
Ministry of Finance (Departments of Economic Affairs,
Financial Services, Expenditure and Disinvestment);

- (ii) Draft Report on action taken by the Government on the recommendations contained in the Thirty-fourth Report (15th Lok Sabha) on Demands for Grants (2011-12) of the Ministry of Finance (Department of Revenue);
- (iii) Draft Report on action taken by the Government on the recommendations contained in the Thirty-fifth Report (15th Lok Sabha) on Demands for Grants (2011-12) of the Ministry of Planning;
- (iv) Draft Report on action taken by the Government on the recommendations contained in the Thirty-sixth Report (15th Lok Sabha) on Demands for Grants (2011-12) of the Ministry of Statistics and Programme implementation; and
- (v) Draft Report on action taken by the Government on the recommendations contained in the Thirty-seventh Report (15th Lok Sabha) on Demands for Grants (2011-12) of the Ministry of Corporate Affairs.

3. The Committee adopted the draft reports at Sl. Nos. (ii) and (iv) without any modification and those at Sl. Nos. (i), (iii) and (v) with minor modifications. The Committee authorised the Chairman to finalise the Reports in the light of the modifications suggested and present these Reports to Parliament.

The Committee then adjourned.

APPENDIX

(Vide Para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE THIRTY-FIFTH REPORT OF THE STANDING COMMITTEE ON FINANCE (FIFTEENTH LOK SABHA) ON DEMANDS FOR GRANTS (2011-2012) OF THE MINISTRY OF PLANNING

	Total	% of Total
(i) Total number of Recommendations	13	
(ii) Recommendations/observations which have been accepted by the Government (Vide Recommendations at Sl. Nos. 1, 2, 3, 4, 5, 7, 8, 10, 11, 12 and 13)	12	92.31
(iii) Recommendations/observations which the Committee do not desire to pursue in view of the Government's replies	Nil	0.00
(iv) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee (Vide Recommendations at Sl. No. 6)	01	7.69
(v) Recommendation/observation in respect of which final reply of the Government is still awaited	Nil	00.00

