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**STANDING COMMITTEE ON FINANCE
(2013-14)**

FIFTEENTH LOK SABHA

MINISTRY OF PLANNING

*[Action taken by the Government on the recommendations contained in
Sixty Ninth Report on Demands for Grants (2013-14) of the
Ministry of Planning]*

SEVENTY SEVENTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

December, 2013/ Agrahayana, 1935 (Saka)

SEVENTY SEVENTH REPORT

STANDING COMMITTEE ON FINANCE
(2013-2014)

(FIFTEENTH LOK SABHA)

MINISTRY OF PLANNING

*[Action taken by the Government on the recommendations contained in
Sixty Ninth Report on Demands for Grants (2013-14) of the Ministry of Planning]*

Presented to Hon'ble Speaker on 18 October, 2013

Presented to Lok Sabha on 09 December, 2013

Laid in Rajya Sabha on 09 December, 2013



LOK SABHA SECRETARIAT
NEW DELHI

December, 2013/ Agrahayana, 1935 (Saka)

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Contained in the Sixty Ninth Report of the Standing Committee on Finance
on Demands for Grants (2013-14) of the Ministry of Planning
.....

* *Not appended in the cyclostyled copy*

COMPOSITION OF STANDING COMMITTEE ON FINANCE (2013-14)

Shri Yashwant Sinha - Chairman

MEMBERS

LOK SABHA

2. Shri Suwendu Adhikari
3. Dr. Baliram
4. Shri Sudip Bandyopadhyay
5. Shri Udayanraje Bhonsle
6. Shri Gurudas Dasgupta
7. Shri Nishikant Dubey
8. Shri Rahul Gandhi
9. Shri Deepender Singh Hooda
10. Shri Chandrakant Khaire
11. Shri Bhartruhari Mahtab
12. Dr. Chinta Mohan
13. Shri Sanjay Brijkishorlal Nirupam
14. Shri Prem Das Rai
15. Shri S.S. Ramasubbu
16. Adv. A. Sampath
17. Shri Thakur Anurag Singh
18. Shri Subodh Kant Sahai*
19. Dr. M. Thambidurai
20. Shri Shivkumar Udasi
21. Shri Dharmendra Yadav

RAJYA SABHA

22. Shri Naresh Agrawal
23. Shri Rajeev Chandrasekhar
24. Smt. Renuka Chowdhury
25. Shri Piyush Goyal
26. Shri Satish Chandra Misra
27. Dr. Mahendra Prasad
28. Shri Ravi Shankar Prasad
29. Shri P. Rajeeve
30. Shri Praveen Rashtrapal
31. Dr. Yogendra P. Trivedi

SECRETARIAT

1. Shri A.K. Singh - Joint Secretary
2. Shri Ramkumar Suryanarayanan - Additional Director
3. Shri Sanjay Sethi - Deputy Secretary

* Nominated as Member of the Standing Committee on Finance w.e.f 16th September, 2013

INTRODUCTION

I, the Chairman of the Standing Committee on Finance, having been authorised by the Committee, present this Seventy Seventh Report on action taken by Government on the recommendations contained in the Sixty Ninth Report of the Committee (Fifteenth Lok Sabha) on Demands for Grants (2013-14) of the Ministry of Planning.

2. The Sixty Ninth Report (15th Lok Sabha) was presented to Lok Sabha/laid in Rajya Sabha on 22 April, 2013. Replies indicating action taken on all the recommendations contained in the Report were furnished by the Government on 22 July, 2013.

3. The Committee considered and adopted this report at their sitting held on 27 September, 2013.

4. An analysis of action taken by Government on the recommendations contained in the Sixty Ninth 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;
27 September, 2013
05 Asvina, 1935 (Saka)**

**YASHWANT SINHA
Chairman,
Standing Committee on Finance**

CHAPTER I

REPORT

This report of the Standing Committee on Finance (Fifteenth Lok Sabha) deals with action taken by the Government on the recommendations/observations contained in their Sixty-ninth Report on the Demands for Grants (2013-14) of the Ministry of Planning which was presented to Lok Sabha on 22 April, 2013 and simultaneously laid in Rajya Sabha on the same day.

2. The Report contained 6 recommendations. Action taken notes have been received from the Government on 22 July, 2013 in respect of all the recommendations contained in the Report. The replies have been analysed and categorised as follows:

- (i) Recommendations/Observations that have been accepted by the Government:
Recommendation Nos.1, 2, 3,4, 5, and 6.

Total: 06

(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: Nil

Total: Nil

(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/ Observation contained in Chapter I of this Report be furnished to them expeditiously, in any case not later than three months of the presentation of this Report.

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

5. **From the scrutiny of Action Taken replies furnished by the Ministry of Planning, the Committee find that the replies are either silent or elusive in respect of some of the issues raised in the recommendations, which are dealt with in Chapter-I of the Report. The Committee would expect the Ministry to be more careful in future and furnish comprehensive replies as per procedures being followed and intimated to them from time to time.**

A. **Analysis of Demands for Grants (2013-14)**

(Recommendation Sl. No.1)

6. Upon noticing that recurrent and substantial under utilization of funds allocated at the stage of Budget Estimates (BE) as well as Revised Estimates (RE) occurred under some of the heads like 'Public Finance Management System', the Committee recommended the Ministry to identify the shortcomings in formulation of budget estimates and effectively monitor utilization of funds. The Committee also desired to be apprised about the details of the specific schemes for which a separate lump sum provision of Rs. 5,000 crore had been made under the head 'New Programmes' in BE 2013-14.

7. The Ministry of Planning, in their Action Taken Reply, have inter alia stated as under:

"Public Finance Management System (PFMS) - The budget provision for 2012-13 were framed keeping in view the expenditure projected in Detailed Project Report for National Rollout of Plan Accounting and Public Finance Management System, which was placed before Expenditure Finance Committee (EFC) for approval. EFC in its meeting held on 19/9/2012 approved the same with total outlay of Rs.1088.60 crore over a period of 5 years (12th Five Year Plan). The Cabinet approval for the proposal of EFC is still in process. Hence, the expenditure during financial year 2012-13 could not be incurred as per BE/RE 2012-13. The possession of hired accommodation at Shivaji Stadium Annexe Building could not be taken over due to administrative reasons till August, 2012. The expenditure on its renovation etc. could not be done during 2012-13. The actual expenditure on the scheme till the close of financial year 2012-13 was Rs.24.20 crore. The Cabinet approval is expected during 2013-14

for national rollout of this scheme, which involves the creation of posts at various levels with incremental effect on expenditure on account of the establishment as well as infrastructural cost during 2013-14. The hired accommodation is now being renovated during current financial year and, therefore, the requirement of fund for 2013-14 has been included, accordingly, in the BE for 2013-14”.

8. The Ministry of Planning, in their Action Taken Reply, have further stated that specific Schemes being taken up as per Finance Minister’s announcement in Budget Speech for 2013-14 against the lump sum provision of Rs.5000 crore under their Demands for Grants are as under:

Sl. No.	Budget Para No.	Name of the Scheme	Ministry/Department concerned	Amount (Rs. crore)
1	19	Scheme to address Women Empowerment	Ministry of Women & Child Development	200.00
2	21	Corpus fund to Maulana Azad Education Foundation	Ministry of Minority Affairs	100.00
3	49	Pilot Programme on Nutri-Farms for introducing new crop varieties	Department of Agriculture & Cooperation	200.00
4	51	Pilot scheme to replant and rejuvenate coconut gardens in Kerala	Department of Agriculture & Cooperation	75.00
5	52	Equity grants to Farmer Producer Organizations (FPO)	Department of Agriculture/ Department of Financial Services	150.00
6	73	Additional allocation to India Micro Finance Equity Fund	Department of Financial Services/Ministry of Micro, Small & Medium Enterprises	100.00
7	87	New Public Sector Bank for Women	Department of Financial Services/RBI	1000.00
8	103	Schemes for Science & Technology Innovations	Ministry of Science & Technology	200.00
9	104	Grants for Institutions of Excellence to selected four Institutions	Ministry of HRD/Ministry of Culture	400.00
10	107	Capacity Building for Panchayati Raj Institutions	Ministry of Panchayati Raj	200.00

Sl. No.	Budget Para No.	Name of the Scheme	Ministry/Department concerned	Amount (Rs. crore)
11	112	Nirbhaya Fund – dignity and safety of women	Ministry of Women & Child Development/ Ministry of Home Affairs	1000.00
12	113	Financial assistance for Skill-trained Youth	Department of Economic Affairs	1000.00
13		Others (to be specified)		375.00
			Total	5000.00

9. In response to a specific query as to whether these New Schemes were finalized and got approved by Expenditure Finance Committee (EFC) of the Ministry of Finance, the Ministry of Planning have stated as under:

“... the schemes announced in the budget for which amount was budgeted under Planning Commission’s demand are now being transferred to line Ministry’s demand in the Supplementary Budget by making technical adjustment.... As such, the line Ministries/Departments are to take approval of the EFC for these schemes.

...As per available information, EFC for the scheme Establishment of Women’s Bank was held on 29.07.2013 and as the amount provided is less than Rs. 100 crore, schemes Replanting and Rejuvenate Coconut Gardens in Kerala and Equity Grant to Farmer Producer Organization (FPO) are not required to be placed before the EFC...”

10. It has also been noticed from the reply furnished by the Ministry that Rs. 100 crore, originally provided as ‘Corpus fund to Maulana Azad Education Foundation’ in the Ministry of Planning’s Demands for Grants is not proposed to be transferred to the Ministry of Minority Affairs in the Supplementary Budget. Similarly, out of Rs. 400 crore originally provided as ‘Grants for Institutions of Excellence to selected four Institutions’ in the Ministry of Planning’s Demands for Grants, Rs. 300 crore is now being transferred to Ministry of HRD (Rs. 200 crore) /Ministry of Culture (Rs. 100 crore) in the Supplementary Budget.

11. Thus, out of Rs. 5000 crore budgeted under the Ministry of Planning’s Demands for Grants, while Rs. 4425 crore is now being transferred to line Ministry’s demand in

the Supplementary Budget, the Schemes for which the remaining amount of Rs. 575 crore is to be utilized are yet to be specified.

12. As there had been recurrent and substantial under utilization of funds under some of the heads such as ‘Public Finance Management System’, the Committee had recommended to the Ministry to identify the shortcomings in formulation of budget estimates and effectively monitor utilization of funds. The Ministry admitted that under utilization of budgeted funds for this Scheme was on account of want of necessary approvals and certain administrative reasons. The Committee are unhappy to note that although the Expenditure Finance Committee (EFC) had approved the Scheme way back on 19.09.2012, the Cabinet approval for the same is yet to be obtained even after a period of approximately one year. The Committee feel that such avoidable delay would not only lead to locking up the scarce funds but also surrendering them at a later stage. The Committee urge upon the Government to accord priority to such an important Scheme and grant necessary approvals at the earliest so that the allocated funds earmarked in 2013-14 are fully utilized.

13. The Committee note that in BE 2013-14, a lump sum provision of Rs. 5000 crore under the head “New Programmes” had been made in the Ministry of Planning’s Demand for Grants, out of which, Rs. 375 crore was earmarked for certain unspecified Schemes without identifying the line Ministries. The Committee further note that out of Rs. 5000 crore, Rs. 4425 crore is now being transferred to line Ministry’s demands in the Supplementary Budget in respect of New Schemes pertaining to the respective Ministries/ Departments. The Committee are unhappy that Rs. 200 crore initially allocated to the line Ministries is now not proposed to be transferred to them, thereby leaving an unspecified amount of Rs. 575 crore in the Ministry of Planning’s Demands. The Committee also strongly disapprove the extant practice being followed by the Ministry of Planning in allocating funds in their Demands for Grants without identifying the line Ministries. This practice is a clear violation of budgetary guidelines. The Committee would recommend to the Government to avoid this practice in future.

The Committee would also like to be apprised of the details of the Schemes for which the remaining amount of Rs. 575 crore is to be utilized.

B. Unique Identification Authority of India (UIDAI)

(Recommendation Sl. No.2)

14. Considering that in the absence of legislation, Unique Identification Authority of India (UIDAI) is functioning without any legal basis, the Committee insisted the Government to address the various shortcomings/issues pointed out in their earlier report on 'National Identification Authority of India Bill 2010' and bring forth a fresh legislation. The Committee also desired details such as number of aadhaar cards issued during the last three years vis-à-vis target set; number, nature and redressal mechanism of complaints and punishment awarded in the matter of issue of cards; and the cost per card.

15. As regards the NIDAI Bill, the Ministry of Planning, in their Action Taken Reply, have stated as follows:-

“..... With regard to the Observations of the Standing Committee on Finance on the National Identification Authority of India Bill, 2010, the draft Note for the Cabinet has been forwarded to Planning Commission. The same had been submitted to the PMO for the approval of the Prime Minister as the Minister in Charge. It had been decided that the matter be first examined by a Group of Ministers. The matter was considered by Group of Ministers in its meeting held on 1st July, 2013 and a formal view is being taken shortly.”

16. So far as the target and achievement with regard of issue of aadhaar cards and the cost per card, the Ministry of Planning, in their Action Taken Reply, have stated that:-

“UIDAI has been authorized to enroll 60 crore residents by March 2014 through the multiple registrar approach. As against this, UIDAI has enrolled 36.58 crore residents and a further 10.94 crore residents have been enrolled by RGI. Total enrolments by the end of June 2013 is 47.52 crore. The total Aadhaar generation upto the end of June 2013 is 37.37 crore.

.....The average cost per card is estimated to range between Rs.100 to Rs.157.”

17. The total budgetary allocations made for UIDAI since its inception upto 31.03.2014 is Rs. 5440.30 crore, as per details given below:

S.No	Financial Year	Amount (Rs. crore)
1.	2009-10	25.65*
2.	2010-11	268.41*
3.	2011-12	1187.52*
4.	2012-13	1338.72*
5.	2013-14	2620.00^
TOTAL		5440.30

*Actual Expenditure

^ Budget Estimates

18. On the issue of existence of Redressal Mechanism of complaints, the Ministry of Planning, in their Action Taken Reply, have stated as under:

“Grievance cell has been set up in each of the Regional Offices of UIDAI to attend to the complaints of residents. to facilitate residents to update and correct their Aadhaar data, on-line self-service portal (SSUP) and update through Post have been launched in November 2012. In order to manage the queries and grievances during the enrolment and post enrolment stages and to serve as a central point of contact to the residents and all other partner of UIDAI, a Contact Centre was established in July 2010. The Contact Centre supports the residents through two support channels- phone and e-mail. The residents can contact the contact centre through either of the support channels for any queries related on Aadhaar scheme. A new Contact Centre has been on board since Feb. 2013 with branches at Jamshedpur and Pune.....”

19. As regards punishments awarded in the matter of issue of Aadhaar, the Ministry of Planning, in their Action Taken Reply, have submitted the following:-

“.....As and when instances of non-compliance of prescribed processes/guidelines are detected or brought to the notice of UIDAI, show cause notices are issued against erring Enrolment Agencies / Operators/ Supervisors and appropriate action is taken from time to time.

.....To dis-incentivize the casual approach of partners towards demographic data quality penalties are prescribed. Sum of Rs.1,16,28,200/- has been imposed as penalty between April 2012 to April 2013”.

20. The Committee note that out of 60 crore residents to be enrolled by UIDAI by March 2014, 47.52 crore residents (79.2%) have been enrolled and 37.37 crore (62.28%) Aadhaar cards have been generated till June, 2013. The number of residents to be enrolled and cards to be generated by March, 2014 are 12.48 crore (20.8%) and 22.63 crore (37.72%) respectively. While the details regarding number of Aadhaar cards generated has been furnished, the reply is silent as regard to the number of cards issued. In the absence of the desired information, the Committee are unable to ascertain the possible time lag in generation of Aadhaar cards and their issue. The Committee desire that the time lag between generation of cards and their issue, if any, be reduced and immediate steps be taken to ensure speedy distribution of cards.

21. Further, the total budgetary allocations made for UIDAI since its inception upto BE 2013-14 is Rs 5440.30 crore, out of which Rs. 2820.30 crore has been utilized upto 31.03.2013 and the remaining amount of Rs. 2620 has been allocated in BE 2013-14. The Ministry have informed that the average cost per card is estimated to range from Rs 100 to Rs 157. Taking the average cost per card to be Rs. 130, the total expenditure for issue of 60 crore cards is estimated to about Rs 7800 crore. Thus, the expected requirement of funds during 2013-14 is Rs. 4979.70 crores, whereas only Rs. 2620 crore has been kept for BE 2013-14, which is thus grossly inadequate. Given the tardy progress in enrollment/ generation of aadhar cards, being done without legislative approval, it is doubtful that UIDAI could achieve the targets envisaged during 2013-14. The Committee are constrained to observe a disturbing approach in the budgetary exercise of the Ministry by fixing inflated targets without commensurate budgetary allocations. The Committee would, therefore, expect the Government to review enrolment progress/funds requirement and project realistic requirement of the funds after legislative approval.

22. Regarding grievance redressal mechanism, the Ministry have stated that the Cell has been set up in each of the Regional Office of UIDAI. The Committee are of the view that given the magnitude of pan India enrolment and huge

generation of aadhar cards, functioning of Grievance redressal Cell at Regional level is insufficient and needs to be improved. The Committee are dissatisfied to note that the action taken reply is elusive on the number and nature of complaints received regarding issue of Aadhaar Cards. The Committee would like to be apprised of the details in this regard particularly in the light of recent judgement of the Supreme Court mentioning that no person should suffer for not possessing the Aadhaar card. The Government must in the meantime issue instructions to State Governments and to all other authorities that it should not be made mandatory for any purpose.

23. The Committee have time and again insisted the Government to address the various shortcomings/issues pointed out in their earlier Reports and bring forth a fresh legislation on UIDAI. However, in the action taken replies, the Ministry have mentioned that the matter is yet to be placed before the Cabinet. The Committee, therefore, again urge upon the Government to bring the requisite legislation in the next session of Parliament.

C. Productive Employment and Skill Development

(Recommendation SI. No.3)

24. Considering that the Government had set an ambitious target of skilling 50 million people in the 12th plan period including 9 million in 2013-14 and upon noticing that the existing training capacity in the country is 4.5 million and it needed to be more than doubled to achieve the target, the Committee while insisting the Government to achieve this objective by increasing the training capacity desired to be apprised about the progress made in this regard. The Committee also *inter alia* recommended that like Right to Education there should be compulsory skill development programme; Backward Region Districts be given priority and skill development programme dovetailed with MNREGA & BRGF. The Committee also desired the Planning Commission to consider establishing a mechanism to ensure monitoring, evaluation and implementation of various skill development initiatives undertaken by various Central Ministries/Departments as well as State Governments and private entities.

25. On the issue of enhancing existing skill development capacity, the Ministry of Planning, in their Action Taken Reply, have inter alia stated as under:

“The need to enhance the existing skill development capacity both in the government run institutions as well as private sector institutions has been recognized as a priority area in the 12th Plan. Governments both at the Centre and the States are taking necessary initiatives to put in place physical infrastructure, adequate number of trainers, certification and assessing bodies, revision of course curriculum, etc. Private sector is sought to be incentivized by National Skill Development Corporation to strengthen their training capacity. Training initiatives in the PPP mode in existing government ITIs and other institutions are also being tried out.

26. In the context of establishing a mechanism to ensure monitoring, evolution and implementation of various skill development initiatives, the Ministry, in their Action Taken Reply have inter alia stated as under:

“The above recommendations / observations of the Committee are sought to be addressed by setting up a National Skill Development Agency (NSDA) which will be located in Ministry of Finance. The notification for setting up of the NSDA has been issued by the Department of Economic Affairs, Ministry of Finance on 6th June, 2013.....

.....The National Skill Development Agency aims to provide the much needed single point focus to coordinate and harmonize the skill development efforts of the Central and State Governments and the private sector to achieve the skilling targets of the 12th Plan and beyond. The NSDA will anchor and operationalise the National Skills Qualifications Framework (NSQF) to ensure that quality and standards meet sector specific requirements and that there is scope for progression as also easy entry and exit between work and study. The Government is trying to bridge the regional divides in backward, LWE affected districts through various schemes including BRGF and IAP. The NSDA is also mandated to ensure that the skilling needs of the disadvantaged and the marginalized groups like SCs, STs, OBCs, minorities, women and differently abled persons are taken care of.

27. The reply furnished by the Ministry is silent on the information sought by the Committee about the progress made with regard to increasing the existing training capacity to achieve the target of skilling 50 million people in the 12th Plan

period. The Committee would like to be apprised of the annual plan to achieve the increase in training capacity.

28. The Committee are also surprised at the Ministry's silence on their recommendation that like the Right to Education, there should be a compulsory skill development programme. The Committee would like to have specific comments of the Ministry in this regard.

29. Although the Ministry have stated that the Government is trying to bridge the regional divides in Backward, Left Wing Extremism (LWE) affected districts through various schemes including Backward Regions Grant Fund (BRGF) & Integrated Action Plan (IAP), the reply is elusive on the recommendation of the Committee that Skill Development Programme be dovetailed with MGNREGA & BRFG. The Committee would like to be apprised of the steps taken/proposed to be taken in this regard. In this context, the Committee would further like to suggest that Security Related Expenditure (SRE) Scheme should dovetail with the IAP list, which should also be based on the same criteria as LWE district.

30. The Committee also desired the Planning Commission to consider establishing a mechanism to ensure monitoring, evaluation and implementation of various skill development initiatives undertaken by various Central Ministries/Departments as well as State Governments and private entities. In their action taken note, the Ministry of Planning have stated that this recommendation/observation of the Committee is sought to be addressed by setting up a National Skill Development Agency (NSDA) which will be located in Ministry of Finance, for which the Notification has been issued by the Department of Economic Affairs, Ministry of Finance on 6th June, 2013. The Committee have also been informed that the National Skill Development Agency aims to provide the much needed single point focus to coordinate and harmonize the skill development efforts of the Central and State Governments and the private sector to achieve the skilling targets of the 12th Plan and beyond. While expressing satisfaction on notifying a

National Skill Development Agency (NSDA), the Committee hope that the Agency will make earnest efforts to meet skilling targets proposed to be achieved. The Committee would like to be apprised of further developments in this regard.

D. Streamlining and Restructuring of Centrally Sponsored Schemes (CSSs)

(Recommendation Sl. No.4)

31. The Committee upon noticing that 173 Centrally Sponsored Schemes (CSSs) at the end of 11th Plan would be restructured into 70 Schemes and each Scheme would be reviewed once in two years felt that further streamlining, restructuring and rationalizing the number of CSSs would only enhance their productiveness. The Committee emphasized that while reviewing the Schemes, an element of accountability be built in the mechanism. The Committee also recommended the Government to devise means to ensure equitable distribution of benefits of Centrally Sponsored Schemes to the deficient States so that they do not suffer in accessing the funds under CSS. Further, while noticing that in 2013-14, resources to the tune of Rs. 5,87,082 crore are expected to be transferred to the States & UTs under share of taxes, non-plan grants & loan, and central assistance, the Committee desired to be apprised of the quantum of funds to be saved by restructuring of CSSs and the manner in which these funds are proposed to be utilized.

32. The Ministry of Planning, in their Action Taken Reply, have *inter alia* stated as under:

“.... The Cabinet has approved following:

- (a) Restructure the existing CSS/ACA Schemes in the Twelfth Five-Year Plan into 66 Schemes, including Flagship Programmes.
- (b) Endorse 17 Flagship Programmes with significant outlays for major interventions required in health, education, irrigation, urban development, infrastructure, including rural infrastructure, skill development, etc.
- (c) Keep at least 10% of the outlay of each CSS/ACA/Flagship Scheme as Flexi funds.
- (d) Classify and budget all Plan schemes under which Central Assistance is provided to the States together as Central Assistance to State Plans with effect from 2014-15 (BE) onwards.
- (e) Formulate state specific guidelines for each CSS/ACA/Flagship scheme and constitution of an Inter-Ministerial Committee for this purpose.

(f) For each **new** CSS/ACA/Flagship scheme, at least 25% of funds may be contributed by the General Category States and 10% fund by the Special Category States including States of J&K, Himachal Pradesh and Uttarakhand.

(g) Place the funds for all CSS/ACA schemes with the Administrative Ministries and transfer CSS/ACA funds to the States through the Consolidated Fund of the States concerned. This mode of transfer may be implemented in a phased manner in BE 2014-2015.

(h) These arrangements will come into force for the remaining years of the Twelfth Five Year Plan.

It is expected that with the above re-structuring, the concern expressed by the SFC regarding inefficiency due to implementing plethora of schemes would be addressed. Provision of 10% fund as flexi-fund and approval for the constitution of an Inter- Ministerial Committee to consider states' specific guidelines would provide much needed flexibility. In addition, provision of upto 75% of funds in all new Centrally Sponsored Schemes for General Category States and upto 90% for Special Category States would also address the concern of the Committee regarding the difficulties being faced by some of the States in accessing Central Assistance in CSSs."

33. The Committee in their 32nd Report (15th Lok Sabha) on 'Appraisal of BPL Criteria' had *inter alia* recommended that the plethora of schemes and programmes operating should be streamlined and rationalized to manageable proportions. The Committee in their subsequent reports had also emphasized the restructuring and rationalization of Centrally Sponsored Schemes (CSSs) to enhance their efficiency and scale. The Ministry of Planning in their action taken note have stated that the Cabinet has *inter alia* approved to restructure the existing CSS/ACA Schemes in the Twelfth Five-Year Plan into 66 Schemes, including Flagship Programmes. The Ministry have further added that with the above re-structuring, the concern expressed by the Standing Committee on Finance regarding inefficiency due to implementing plethora of schemes would be addressed. The Committee are happy to note that in pursuance of their recommendations, 173 CSSs at the end of 11th Plan will now be restructured into 66 Schemes including Flagship Programmes in the Twelfth Five-Year Plan. The Committee suggest that the government must continue to make efforts for

further streamlining, restructuring and rationalizing the number of CSSs, which will only enhance their productiveness.

34. The Committee, however, note that the action taken replies are silent on the information sought by them with regard to the quantum of funds to be saved by restructuring of Centrally Sponsored Schemes (CSSs) and the manner in which these funds are proposed to be utilized. The Committee would like to be apprised of the details in this regard.

E. Energy Sector
(Recommendation Sl. No.6)

35. Considering that Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) had not been able to fulfill the primary objective of providing access to electricity to all rural households on account of certain inherent weaknesses in its design, the Committee had recommended for the comprehensive review of the Scheme and rectification of deficiencies noticed with a view to ensure energisation of villages electrified, increased access to electricity, upgradation of transformer capacity, improvement in supply of electricity etc.

36. In this context, the Ministry of Planning, in their Action Taken Reply, have stated as under:

“Ministry of Power is in the process of modifying the RGGVY Scheme to ensure that the revised scheme addresses the concerns/deficiencies noticed during the 11th Plan period. In this context, EFC meeting has already been convened under chairmanship of Finance Secretary on 21.3.2013. Final decision in this respect would be taken by Cabinet.”

37. Since several deficiencies had been noticed in implementation of Rajiv Gandhi Grameen Vidhyutikaran Yojana (RGGVY), the Committee had recommended its comprehensive review. The Ministry of Planning in their action taken reply have stated that the Scheme is being modified and the revised Scheme would be decided by the Cabinet. Keeping in view the availability of power at the grass root level, the Committee are of the considered view that the Ministry of Planning should ensure that the process of rectification of

deficiencies of the Scheme is expedited, so that among other things, there is improvement in upgradation capacity of transformers and supply of electricity. The Committee would like to be apprised of further action taken in this regard.

New Delhi;
27 September, 2013
05 Asvina, 1935 (Saka)

YASHWANT SINHA
Chairman,
Standing Committee on Finance

MINUTES OF THE SECOND SITTING OF THE STANDING COMMITTEE ON FINANCE (2013-14)

The Committee sat on Friday, the 27th September, 2013 from 1100 hrs to 1310 hrs.

PRESENT

Shri Yashwant Sinha – Chairman

MEMBERS

LOK SABHA

2. Dr. Baliram
3. Shri Gurudas Dasgupta
4. Shri Nishikant Dubey
5. Shri Deepender Singh Hooda
6. Shri Chandrakant Khaire
7. Dr. Chinta Mohan
8. Shri S.S. Ramasubbu
9. Adv. A. Sampath
10. Shri Subodh Kant Sahai
11. Dr. M. Thambidurai
12. Shri Shivkumar Udasi

RAJYA SABHA

13. Shri Naresh Agrawal
14. Dr. Mahendra Prasad
15. Shri P. Rajeeve
16. Shri Praveen Rashtrapal
17. Dr. Yogendra P. Trivedi

SECRETARIAT

- | | | |
|---------------------------------|---|---------------------|
| 1. Shri A.K. Singh | – | Joint Secretary |
| 2. Shri Ramkumar Suryanarayanan | – | Additional Director |
| 3. Shri Sanjay Sethi | – | Deputy Secretary |
| 4. Shri Kulmohan Singh Arora | – | Under Secretary |

2. At the outset, the Chairman welcomed Shri Subodh Kant Sahai and congratulated him on his nomination to the Committee for the year 2013-14. The Committee thereafter took up the following draft Reports for consideration and adoption :-

- | | | | | |
|------|----|----|----|----|
| (i) | XX | XX | XX | XX |
| | XX | XX | XX | XX |
| (ii) | XX | XX | XX | XX |

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(iii) Draft Report on action taken by the Government on the recommendations contained in the Sixty-ninth Report (15th Lok Sabha) on Demands for Grants (2013-14) of the Ministry of Planning;

(iv) XX XX XX XX
XX XX XX XX

(v) XX XX XX XX
XX XX XX XX

3. The Committee adopted the above draft reports with minor modifications. The Committee authorised the Chairman to finalise the Reports in the light of the modifications suggested and present these Reports to Hon'ble Speaker/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 SIXTY NINTH REPORT OF THE STANDING COMMITTEE ON FINANCE (FIFTEENTH LOK SABHA) ON DEMANDS FOR GRANTS (2013-2014) OF THE MINISTRY OF PLANNING

	Total	% of Total
(i) Total number of Recommendations	06	
(ii) Recommendations/observations which have been accepted by the Government (Vide Recommendations at Sl. Nos. 1, 2, 3, 4,5 and 6)	06	100.00
(iii) Recommendations/observations which the Committee do not desire to pursue in view of the Government's replies	NIL	0.00
(iv) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee	NIL	0.00
(v) Recommendation/observation in respect of which final reply of the Government is still awaited	NIL	0.00