

FOURTH REPORT
STANDING COMMITTEE
ON FINANCE
(1999-2000)

(THIRTEENTH LOK SABHA)

MINISTRY OF STATISTICS AND
PROGRAMME IMPLEMENTATION

DEMANDS FOR GRANTS
(2000-2001)

Presented to Lok Sabha on.....
Laid in Rajya Sabha.....

25 APR 2000



LOK SABHA SECRETARIAT
NEW DELHI

April, 2000/Chaitra, 1922 (Saka)

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COMPOSITION OF STANDING COMMITTEE
ON FINANCE (1999-2000)

Shri Shivraj V. Patil — *Chairman*

MEMBERS

Lok Sabha

2. Shri Raashid Alvi
3. Shri Sudip Bandyopadhyay
4. Shri Ajoy Chakraborty
5. Shri Rattan Lal Kataria
6. Shri Krishnamraju
7. Shri Brahmanand Mandal
8. Shri M.V. Chandrashekhara Murthy
9. Shri M.V.V.S. Murthy
10. Shri Kamal Nath
11. Shri Rupchand Pal
12. Shri M. Padmanabham
13. Shri Prakash Paranjpe
14. Shri Raj Narain Passi
15. Dr. Sanjay Paswan
16. Shri Annasaheb M.K. Patil
17. Shri Varkala Radhakrishnan
18. Shri Pravin Rashtrapal
19. Shri Ram Singh Rathwa
20. Shri G. Ganga Reddy
21. Shri S. Jaipal Reddy
22. Shri T.M. Selvaganpathi
23. Mohammad Shahabuddin
24. Shri Ajit Singh

(iv)

25. Shri C.N. Singh
26. Shri Kirit Somaiya
27. Shri Kharabela Swain
28. Shri Narayan Dutt Tiwari
29. Shri Braja Kishore Tripathy
30. Smt. Renuka Chowdhury*

Rajya Sabha

31. Dr. Manmohan Singh
32. Shri N.K.P. Salve
33. Shri Krishna Kumar Birla
34. Shri Narendra Mohan
35. Shri M. Venkaiah Naidu
36. Shri P. Prabhakar Reddy
37. Shri Ranjan Prasad Yadav
38. Prof. M. Sankaralingam
39. Shri Amar Singh
40. Shri Vijay Darda
41. Shri Suresh A. Keswani #
42. Vacant@
43. Vacant@
44. Vacant@
45. Vacant@

SECRETARIAT

1. Dr. A.K. Pandey † — *Additional Secretary*
2. Shri Harnam Singh — *Joint Secretary*
3. Dr. (Smt.) P.K. Sandhu — *Director*
4. Shri N.S. Hooda — *Assistant Director*

*Nominated *w.e.f.* 14 February, 2000.

#Nominated *w.e.f.* 24 February, 2000.

@Vacant consequent upon the retirement of S/Shri K. Rahman Khan, Dr. Biplab Dasgupta, Prafull Goradia, Gurudas Das Gupta from Rajya Sabha *w.e.f.* 2 April, 2000.

INTRODUCTION

I, the Chairman of the Standing Committee on Finance having been authorised by the Committee to submit the Report on their behalf, present this Fourth Report on Demands for Grants (2000-2001) of the Ministry of Statistics and Programme Implementation.

2. The Demands for Grants of the Ministry of Statistics and Programme Implementation were laid on the Table of the House on 15 March, 2000. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Finance is required to consider the Demands for Grants of the Ministries/ Departments under its jurisdiction and make Reports on the same to both the Houses of Parliament.

3. The Committee took oral evidence of the representatives of the Ministry of Statistics and Programme Implementation at their sitting held on 28 March, 2000 in connection with examination of their Demands for Grants for the year 2000-2001.

4. The Committee considered and adopted the Report at their sitting held on 19 April, 2000.

5. The Committee wish to express their thanks to the Officers of the Ministry of Statistics and Programme Implementation for co-operation extended by them for placing their considered views and perceptions before the Committee.

NEW DELHI;
19 April, 2000

30 Chaitra, 1922 (Saka)

SHIVRAJ V. PATIL,
Chairman,
Standing Committee on Finance.

REPORT

1. The Ministry of Statistics and Programme Implementation came into existence in October, 1999. Prior to this, there were two separate departments of Statistics and Programme Implementation which were merged in April, 1999. The Statistics Wing has National Sample Survey Organisation (NSSO) having 173 field offices. It conducts various sample surveys in the field. It is one of the elitist organisations in this field. The other organisation is Central Statistical Organisation (CSO) which is responsible for coordinating statistical work in various Ministries of Government of India. There is also a computer centre under this wing which caters to the data processing needs of the Ministry and other Government Offices under different Ministries. The Statistical Wing is the apex body in official statistical system of the country.

2. The Programme Implementation Wing has four divisions *viz.* Twenty Point Programme Monitoring Division which deals with schemes relating to poverty alleviation, employment generation, education and health, etc.; Members of Parliament Local Area Development Scheme (MPLADS) Division; Infrastructure Monitoring Division which monitors the performance of the infrastructure sectors and helps in removing the bottlenecks in the way of their accelerated growth; and Project Monitoring Division. It monitors and facilitates the implementation of projects costing Rs. 20 crores and above in the Central sector and joint sector, if the project is costing Rs. 100 crores and above. The budgetary proposals of the Ministry are contained only in Demands for Grants No. 77.

Demand No. 77
Major Head : 2553
Sub-Major Head : 00.01
Minor Head : 01
Detailed Head : 01.00.31

MPLAD SCHEME

Plan	(In thousands of Rs.)		
Year	B.E.	R.E.	Actuals
1998-1999	7,90,00,00	7,90,00,00	7,90,50,00
1999-2000	15,80,00,00	15,80,00,00	15,80,00,00
2000-2001	15,80,00,00	—	—

3. The Members of Parliament Local Area Development Scheme (MPLAD) is in operation since 23 December, 1993. Under this Scheme, the Members of Parliament (MPs) had a choice to suggest to the concerned District Collector, works of capital nature to the tune of Rs. One Crore per year which has now been revised to Rs. Two crores from 1998-99 onwards, to be taken up in their respective Constituencies/States for creation of durable assets based on locally felt needs. The District Collectors are to execute small development works on the recommendations of Members of Parliament in accordance with the guidelines prescribed in that behalf by the Government from time to time. The latest guidelines have been issued in September, 1999, under which the monitoring arrangements for the Scheme have been provided in detail.

4. For effective implementation of the works taken up under this Scheme, each State Government/UT administration is required to designate one nodal Department for physical monitoring through field inspection. The Heads of District are also required to visit and inspect at least 10 per cent of the works every year. Besides, it is also the responsibility of the senior officer of implementing agencies of these works to regularly visit the work spots and ensure that the works are progressing satisfactorily as per prescribed procedures and

specifications. Officers of the District at the Sub-divisional and block level are also required to closely monitor the implementation of these works through visits to worksites. The Head of the Districts should also involve the MPs in such inspections and furnish monitoring Reports once in two month to the MPs as well as the Ministry of Statistics and Programme Implementation, which in turn is required to always have complete and updated picture of the works under implementation. The District Heads should also communicate information on the progress of works under the Scheme on the internet to the Ministry and copies of such reports are required to be forwarded to the MPs.

5. As per the information furnished by the Ministry it has been reported that so far an aggregated amount of Rs. 470280.00 lakhs has been released under the Scheme to the District Collector etc.; out of which an amount of Rs. 309570.6 lakhs is reported to have been spent till 29 February, 2000. The release of funds by the Ministry is being done four times in a year and each instalment consists of Rs. 50 lakhs.

6. When the Committee drew the attention of the representatives of the Ministry to the fact that the information on implementation of the sanctioned scheme was not being received on time, the Secretary stated as under:

"We have been requesting to strengthen monitoring side of MPLADS. In fact, we had also sent a proposal for strengthening it. We wanted to have some audit inspection parties so that whenever we received some complaints about the misutilisation or misapplication of funds, we could send these teams to the fields to see whether they have followed the guidelines and whether there is misutilisation of funds etc. It could enable us to take further action. Unfortunately, these inspection Committees and Audit Parties have not been sanctioned for want of funds and staff. In all such cases what we are trying to do is, we request the Collector to send somebody and have it inspected."

7. When the Committee drew the attention of the Secretary towards delay of four to six weeks of time involved between the making of proposals and getting it sanctioned, the Secretary replied as follows:

"The procedure has been streamlined so far as the sanctions are concerned. Earlier it used to take quite some time before the cheque could be issued by the RBI and set to the Collector after the request is received in our Office. When the request came

with the accounts etc. we used to scrutinise them and send it to the Pay and Accounts Officer of Cabinet Secretariat who used to then advise the Reserve Bank and the Reserve Bank would send the cheque to the PAO of the Cabinet Secretariat and they used to send it to us. It used to take two or three weeks in normal course and sometimes there could be delays also. Thanks to the initiative taken by the Minister of State. This was as a case study for avoiding delays. He addressed both the Cabinet Secretariat and the Reserve Bank Governor. Procedures have since been streamlined. Now, in a week's time we are able to get the cheques from RBI. The good news is that there is going to be a Pay & Accounts Officer in our office so that there is no need for sending the papers to the Cabinet Secretariat PAO in future. This will be in place from 1 April, 2000 and with that the delays can be avoided."

8. When some Members suggested that the instalment be made of Rs. One crore instead of Rs. 50 lakhs on account of very fact the fund has been raised to Rs. two crore per year, the Secretary stated as follows:

" In fact, this suggestion had also come to the Ministry and it was also discussed with the hon. Minister etc. one problem which is there is that all the money which is being released is sent directly to the concerned collector of the district where an account is opened in the name of the MP concerned, and these funds are deposited there. We have released about Rs. 4,700 crore in all, and the expenditure as on 28 March, 2000 is about Rs. 3,095 crore. The overall expenditure is about 65.8 per cent. So, a review was recently taken, and it was felt that if instead of releasing Rs. 50 lakh, suppose we release Rs. 1 crore each, then the outflow of funds from the Government of India will be much more at a time, and burden on the Government of India will be much more, as it has to pay interest on this fund. But the matter is still under consideration and I will also convey to the concerned authorities about the hon. Members' observatio."

He further added, "But there is lot of merit in your suggestion that instead of four instalments let there be two instalments of Rs. One crore each. This will also speed up the things."

9. When asked by the Committee whether any evaluation of the scheme has been done, the Secretary stated as follows:

"I am very happy to say that the Project Evaluation Organisation of the Planning Commission has taken up the task of making an assessment of the operation of MPLADS. This is an independent assessment apart from what is being done by the Collector and the State Governments at various levels."

10. The Committee have also been apprised that during the financial year 1999-2000, a total of Rs. 952.5 crore out of the budget provision of Rs. 1580 crore has already been released till 31 January, 2000 which includes Rs. 35.0 crore for 1997-98, Rs. 667.5 crore for 1998-99 and Rs. 280.0 crore for the current Financial year, 1999-2000.

11. The Committee are constrained to note that despite the fact that they have been repeatedly recommending in their earlier reports that an effective mechanism for monitoring the Scheme should be evolved, much still remains to be done. Information with regard to the sanction of the Scheme, proper utilisation of the money and completion is often not forthcoming. As admitted by the Secretary, there is definitely a need to further strengthen the monitoring mechanism. The Committee desire that through an effective monitoring system every effort should be made to ensure that the amount released is spent for the purpose for which it was sanctioned.

12. The Committee are also pained to note that though they have been repeatedly underlining the need for evaluation of the schemes, no headway has been made, except that, of late, the Ministry has informed that the Project Evaluation Organisation of the Planning Commission has taken up the task making an assessment of the operation of the scheme. No time period within which such an assessment is to be completed, has been mentioned. The Committee expect that such an evaluation shall be undertaken expeditiously.

13. The Committee are also of the firm belief that one of the main reasons why the funds sanctioned under the scheme are not spent on time is that, on an average, minimum four to six weeks time is taken for sanction, as a result of which the report with regard to the expenditure gets delayed causing further delay in the release of the next instalment. They have, however, been informed that the procedure in this regard has now been streamlined and there would not be any delay so far as sanctions are concerned. In view of this, they would recommend that instead of releasing the money in four instalments, the Ministry may consider releasing the money in two instalments of Rs. one crore each.

Demand No. 77

Major Head : 3454
Sub-Major Head : 02
Minor Head : 00.204
Detailed Head : 01.00.13

OFFICE EXPENSES

Plan	(In thousands of Rs.)		
Year	B.E.	R.E.	Actuals
1998-1999	80,90	35,34	47,19
1999-2000	48,90	46.90	13.36*
2000-2001	19,76,34	—	—

*Upto February, 2000

14. The Committee have been informed that the head 'Office Expenses' includes all contingent expenses for running an office such as furniture, postage, purchase & maintenance of office equipment, liveries, hot & cold weather charges (including wages of staff paid from contingencies), telephones, electricity & water charges, stationery, printing of forms, purchase & maintenance of staff car & other vehicles for office use, including spot expenses for vehicles for office use. Actual Office Expenses upto February, 2000 is Rs. 13.36 lakhs and likely expenditure upto 31.03.2000 is 32.34 lakhs. It was further pointed out that the higher allocation for the current year has been made because a new Plan Scheme "Modernisation of Statistical system in India" has been planned to be introduced during 2000-2001 with Rs. 1900.00 lakhs under head — "Office Expenses" during 2000-2001. This will include expenditure on Modernisation of Offices of the Ministry by providing modern machines and equipments and communication facilities.

15. The Committee note that during 1998-99 higher budgetary provision was made under the Head 'Office Expenses' but at the Revised Estimates stage, it was slashed down to more than half. The actual expenditure, however, exceeded the Revised Estimates.

During the last financial year *i.e.* 1999-2000 again, provision of Rs. 48.90 lakhs kept at the Budget Estimates stage, was marginally brought down to Rs. 46.90 lakhs at the Revised Estimates stage, whereas the actual expenditure upto February, 2000 was only to the tune of Rs. 13.36 lakhs, which is negligible as compared to the amount kept at the Budget Estimates stage. The Committee were informed that the likely expenditure upto 31 March, 2000 is going to be Rs. 32.34 lakhs which means that an amount of approximately Rs. 19 lakhs would be spent only during the month of March. The Committee are of the considered view that the practice of spending major portion of the amount towards the close of the financial year is not at all a healthy practice, since it is prone to encourage wasteful expenditure. With a view to ensuring that funds do not lapse, the Ministries are caught up in mad race of somehow spending the entire amount towards the close of the financial year. The Committee, therefore, desire that the expenditure incurred during the financial year should be evenly spread out, so that the amount allocated is spent only on productive activities and in a prudent manner. The low expenditure also shows that there is a need to be more careful in formulating the budget estimates which should be nearer the reality.

Demand No. 77
Major Head : 5475
Minor Head : 00.112
Detailed Head : 01.00.52

MACHINERY AND EQUIPMENT

Plan	(In thousands of Rs.)		
Year	B.E.	R.E.	Actuals
1998-1999	1,54,10	1,54,10	1,63,78
1999-2000	1,67,00	2,46,00	38,61*
2000-2001	54,75,00	—	—

*upto Feb., 2000.

16. The Head 'Machinery and Equipment' includes machinery equipment, apparatus etc. other than those required for the running of the office. This also includes special plants and equipments acquired for specific work. Actual expenditure under head upto February, 2000 is Rs. 38.61 lakhs and likely expenditure upto 31.03.2000 is Rs. 171.08 lakhs. A new Plan Scheme 'Modernisation of Statistical System in India' with a provision of Rs. 5000.00 lakhs under the head M&E has been planned to be introduced during 2000-2001. Under the Plan Scheme — Computer, Hardware, Software with network facilities have been planned to be purchased and installed. Laptops have also been planned to be introduced and used for data collection at the grass-root level. Introduction of distributed data processing system is likely to enhance the timeliness, reliability & quality of data.

17. It is noticed that a provision of Rs. 1.67 crores was kept for the year 1999-2000 at the Budget Estimates stage which was subsequently increased to Rs. 2.46 crores at the Revised Estimates stage. The actual expenditure against this, upto February, 2000 was only Rs. 38.61 lakhs, which was further expected to touch a figure of Rs. 1.71 crores towards the close of the financial year *i.e.* 31.03.2000. Though the reasons for such a slow pace of utilisation have not

been adduced by the Ministry, the very fact that approximately an amount of Rs. 75 lakhs remained unutilized is indicative of lack of seriousness on the part of the Ministry in making realistic estimates. The Committee have been stressing upon the importance of making realistic estimates from time to time. They once again reiterate that concerted efforts should be made to project realistic estimates so that the budgetary exercise becomes more meaningful.

18. The Committee have also been informed that a provision of Rs. 54.75 crores has been made in the Budget Estimates of the current financial year towards meeting the expenditure of a new Plan Scheme on 'Modernisation of Statistical System in India' introduced during 2000-2001 under which computers, laptops, hardware, software with network facilities have been planned to be purchased and installed. While recognising the importance of such a scheme, the Committee believe that expeditious completion of this scheme will go a long way in not only improving the reliability and quality of data but will also help in making the same available on time. They, therefore, recommend that the work under this scheme should be taken up with due earnestness and the funds be utilised fully during the current year itself.

Demand No. 77
Major Head : 5475
Minor Head : 00.112
Detailed Head : 01.00.53

MAJOR WORKS

Plan	(In thousands of Rs.)		
Year	B.E.	R.E.	Actuals
1998-1999	2,30,00	2,30,00	2,08,96
1999-2000	10,90,00	3,30,00	15,63*
2000-2001	12,55,00	—	—

*upto Feb., 2000

19. "Major Works" include cost of acquisition of land, buildings and structures. A provision of 8.71 crores was made in the B.E. for the establishment of National Statistical Training and Research Institute under the Modernisation programme of the Ministry. The project could not be taken up for implementation due to non-approval of the scheme by the Government. Actual expenditure upto February, 2000 under this head is 15.63 lakhs. The new Plan Scheme "Modernisation of Statistical System in India" includes Rs. 1000.00 lakhs under the head 'Major works'. As a result, the B.E. 2000-2001 has been fixed again on a higher side.

20. During 1998-99 a provision of Rs. 2.30 crores was made at the BE/RE stage, whereas the actual utilisation was less. However, during 1999-2000 a provision of Rs. 10.90 crores was made at the Budget Estimates stage which was further reduced to Rs. 3.30 crores at the Revised Estimates stage and the actual expenditure against this was only to the tune of Rs. 15.63 lakhs. One of the reasons adduced for the amount having remained unutilised is the non-approval of the scheme by the Government for the establishment of National Statistical Training and Research Institute under the modernisation programme of the Ministry. During the current

financial year, an enhanced provision of Rs. 12.55 crores has been kept which includes Rs. 10 crores for the new Plan Scheme on 'Modernisation of Statistical System in India'. The Committee fail to understand that when the scheme for establishment of National Statistical Training and Research Institute was not approved, why at the revised Estimates stage at least, a realistic estimate could not be made. The Committee are of the considered view that there is a tendency in the Ministry to make higher estimates, year after year at the Budget Estimates stage, reducing these at the Revised Estimates stage and ultimately ending up by spending actually only a meagre amount. This does not speak well of a Ministry, which is supposed to be monitoring proper implementation of various schemes by other Ministries and whereas it is failing to implement its own programmes which are quite small in nature.

21. The Committee desire that the entire budgetary exercise should be taken up with due seriousness so that at least at the time of the Revised Estimates, the estimates reflect the ground realities. They hope that the enhanced provision of Rs 12.55 crores made during the current financial year will be utilised fully under the new Plan scheme towards modernisation of statistical systems in the country, so that marked improvement in the quality of data could be effected.

PLAN SCHEMES

22. The erstwhile Department of Statistics which has now been amalgamated with the Department of Programme Implementation under the new Ministry of Statistics and Programme Implementation has been implementing a number of schemes under the Ninth Five Year Plan. During the current financial year *i.e.* 2000-2001, 34 schemes are proposed to be implemented with the main objective of bringing improvement in quality and timely collection of data and to fill up data gaps existing in unorganised segments of economy for comprehensiveness in National Accounts, Industrial Statistics, Socio-Economic Statistics etc. Some of the Plan Schemes like Economic Census, Improvement of Informal Sector Statistics, have a substantial staffing component. A few others are aimed at strengthening the infrastructures, so that the assigned job is handled timely and more efficiently. It involves replacement of old computers systems, procurement of new computer hardware/software, photocopying machines, electronic typewriters and strengthening and streamlining of field set up; construction of office building, purchase of ready built flats for various field offices of Field Operations Divisions, aimed at accelerating the data collection mechanism and data dissemination systems is also included in the Plan.

23. For the year 2000-2001 a provision for an amount of Rs. 174000 lakhs has been made to meet the expenditure on 34 Plan Schemes compared to Budget Estimates 1999-2000 (Rs. 3500 lakhs). Statement giving Scheme-wise and year-wise Plan provision and actual expenditure during 1997-98, 1998-99, 1999-2000 and the provision for the current year has been indicated in Annexure I.

24. When asked by the Committee, as to why under the various Schemes under implementation, there was significant under-utilisation and that too when the funds provided under each of these Schemes were not very large, the Secretary explained that one of the reasons why the amount could not be utilised was that the work for construction got delayed due to the fact that execution of the work was being carried out by CPWD and the Ministry had no choice but to depend on them. Amongst the other reasons which caused under-utilisation was that some of the items on which expenditure is shown

related to modernisation schemes for which the World Bank is yet to give sanction. When the Committee expressed their dissatisfaction with the replies put forth by the representatives of the Ministry, they assured the Committee that the pace of expenditure was likely to improve because some of the Schemes which had been planned would now be getting off the ground.

25. The Secretary further informed the Committee that the Budget Estimates (1999-2000) of Rs. 3,500 lakhs was reduced and fixed at Rs. 2,700 lakhs at R.E. stage. As against R.E. of Rs. 2,700 lakhs, the utilisation of funds till the end of January, 2000 was Rs. 2,454 lakhs. By March end, 2000, the utilisation of funds will improve further.

26. On a specific query raised by the Committee as to whether the rest of the money would be spent in two or three months time, the representative of the Ministry conceded that it would not be possible to spend the entire amount.

27. The Committee are deeply anguished to note that in a large number of Plan Schemes which are being operated, the funds provided have remained under-utilised with the result that the same have been allowed to lapse year after year. In some of the schemes the actual utilisation is so low that the actual amount spent was as good as negligible. Schemes such as 'Implementation of UN System of National Accounts', 'Computerisation of National Accounts Statistics and Preparation of 'Data Base', Development of CPI Series separately for Urban and Rural Population at national level', and 'Development of Environment Statistics' are some of such glaring examples. What is of more serious concern to the Committee is that most of the schemes so neglected, have been launched with the main objective of bringing improvement in the quality and pace of collection of data with a view to filling up data gaps existing particularly in the unorganised segments of the economy.

28. Such slippages under the planned schemes are only indicative of lack of seriousness on the part of the implementing authorities in the Ministry and absence of proper and effective monitoring mechanism. The Committee, while taking serious note in this regard, desire that suitable mechanism should be evolved expeditiously with a view to ensuring that the funds allocated during a particular year are spent in a judicious manner and are not allowed to lapse. There is, therefore, a need that regular monitoring of the schemes should be done, at least once in every month at the highest appropriate level in the Ministry, so that the bottlenecks could be identified in time and all loose threads are tied up.

ANNEXURE I

29. STATEMENT SHOWING FINANCIAL PROVISIONS & EXPENDITURE UNDER VARIOUS PLAN SCHEMES DURING NINTH FIVE YEAR PLAN

Sl.No.	Name of Plan Scheme	1997-1998		1998-1999		1999-2000		2000-2001	
		Amount earmarked	Amount spent	Amount earmarked	Amount spent	Amount earmarked	Amount spent upto 1/2000 (estimated)	Amount earmarked	Amount spent upto 1/2000 (estimated)
1	2	3	4	5	6	7	8	9	9
1.	Additions/Alterations to and Modernisation of Office Building	30.00	24.30	50.00	50.00	100.00	71.00	100.00	100.00
2.	Estimates of rural/urban investment	10.80	7.42	11.00	8.69	12.00	7.54	14.00	14.00
3.	Preparation of Input/Output Transaction Tables for States/UTs	4.00	3.96	7.00	5.15	8.00	4.21	12.00	12.00
4.	Computerisation of National Accounts Statistics and preparation of data base	18.00	7.30	21.00	20.33	14.40	3.00	74.00	74.00

	1	2	3	4	5	6	7	8	9
5. Development of Integrated System of Regional Accounts Statistics for States & UTs	185.00	106.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6. Implementation of the UN System of National Accounts, 1993	20.00	4.00	53.15	1.54	2.00	0.13	49.00		
7. Preparation of Quarterly Estimates of GDP and Coordination of Real Sector Data for the IMF's SDDS	0.00	0.00	9.00	4.00	5.00	3.01	6.00		
8. Improvement of National/State Accounts Statistics in India	0.00	0.00	0.00	168.76	0.00				5
9. Modernisation of Statistical System in India	0.00	0.00	0.00	0.00	873.18	12001.48			
10. Fourth Economic Census	4509.00	4202.02	1022.00	501.25	300.00	229.67	80.00		
11. Improvement of Informal Sector Statistics	142.00	73.40	156.00	131.44	170.00	138.02	176.95		
12. Development of CPI Series separately for urban and rural population (CPI-U & CPI-R) at national level	79.00	0.00	154.00	.57	6.00	0.18	183.00		

	1	2	4	5	6	7	8	9
13.	Development of environment Statistics	22.00	6.73	36.78	13.97	15.00	2.13	19.00
14	Strengthening of Social Statistics Unit	8.58	6.00	17.63	8.49	13.95	2.34	14.77
15.	Conducting/Sponsoring training Courses	14.00	4.66	14.00	59.60	141.00	16.63	75.00
16.	Payment for professional services in research studies	48.00	34.86	67.60	58.95	54.50	35.25	105.00
17.	Secretariat for National Advisory Board on statistics	1.35	1.35	10.00	5.60	12.00	1.30	14.50
18.	Awards/Fellowships for outstanding and meritorious work in statistics	2.00	0.00	17.60	0.51	39.32	0.71	31.50
*19.	Streamlining of ASI data processing and strengthening analytical capabilities of ASI Unit	70.00	37.65	78.70	48.94	62.15	38.93	78.79
*20	Compilation of Comparable State level Indices of Industrial Production (IIP) and Composite All-India IIP	269.50	0.00	0.00	0.00	0.00	0.00	0.00

1	2	4	5	6	7	8	9		
21.	Grants-in-aid to ISI	1000.00	881.28	900.00	900.00	900.00	900.00	720.00	1191.00
22.	Construction/Purchase of office accommodation for field offices of FOD	200.00	161.65	150.00	155.00	150.00	150.00	62.15	150.00
23.	Strengthening and streamlining of field offices of FOD	91.00	54.66	149.00	113.08	97.74	66.37	111.40	
24.	Strengthening of training facilities in Zonal Centres of FOD	30.00	22.58	51.00	31.03	54.84	23.54	123.21	
25.	On-line Transmission of Survey Data from field offices to processing centres—Modernisation in the Data Collection System	75.00	86.33	60.00	47.58	35.00	32.41	139.00	
26.	Rationalisation of data processing facilities	155.00	123.29	131.00	138.59	142.00	128.46	202.95	
27.	Upgradation of the existing micro processor system for accelerating data processing	14.00	5.50	15.00	16.25	73.88	2.89	55.70	

1	2	3	4	5	6	7	8	9
28.	Construction of office building for NSSO at Calcutta	30.00	0.00	30.00	3.96	30.00	6.84	5.00
29.	Organisation of Library and Modernisation of statistical system	10.85	6.41	3.50	5.75	6.44	4.71	32.41
30.	Post-Survey evaluation of sample surveys conducted by NSSO	5.75	4.43	9.50	8.25	15.81	8.12	17.90
31.	Grants-in-aid to the States for (1) Carrying out Central NSS sample work in Manipur, Tripura, Mizoram & Arunachal Pradesh (2) participating in NSS programmes	100.00	100.00	120.00	120.00	120.00	186.00	180.00
32.	Strengthening and modernisation for NSS publications	9.00	2.58	3.00	8.00	9.29	1.07	20.17
33.	Pooling of Central & State data of NSSO Survey	4.78	5.09	5.00	6.58	7.00	6.06	8.60
34.	Strengthening of training programmes in EDP at various levels	4.81	5.78	15.00	16.45	7.50	7.80	8.90

	2	3	4	5	6	7	8	9
35.	Preservation of data on electronic media	14.00	6.78	11.00	12.41	11.00	2.89	
36.	Creation and maintenance of data bases on Economic Statistics with necessary provision of on-line accessibility	54.00	9.29	6.00	6.59	11.00		
37.	Modernisation of Cadre management of ISS and SSS							14.77
38.	Canvassing of Annual Survey of Industries Part-II Schedule							384.00
39.	Institutional Development and Capacity building in Programme/Project Planning, Implementation, Monitoring and Performance Management of Infrastructure in Public and Private Sector (2000-05)							320.00
40.	Grant Assistance to MPLADS	79000.00	48800.00	79000.00	78950.00	158000.00	95250.00	1580000.00

Scheme has been completed.
Scheme was dropped.
Targets & achievements Nil.
New Schemes.

PROJECT MONITORING

30. The Committee have been informed that the Project Monitoring Division (PMD) of Programme Implementation Wing monitors and facilitates the implementation of projects costing Rs. 20 crores and above, in the Central sector. It also monitors private and joint sector infrastructure projects in Civil Aviation, Coal, Power, Petroleum & Natural Gas, Mines, Ports, Roads and Telecommunications sectors costing Rs. 100 crores and above. It brings out periodical reports, review notes, suggest remedial measures and facilitates solutions of the problems of projects under implementation, assist the Ministries/ Deptts./PSUs in evolving suitable monitoring system for keeping a close watch on the projects under their control and timely flow of information. It continuously appraises the Committee of Secretaries (CoS) headed by Cabinet Secretary, of the constraints in implementation and action taken or initiated by various agencies on its directions.

31. The monthly monitoring of mega and major projects is one of the main jobs done by the Project Monitoring Division — PMD. The PMD monitors all mega projects costing Rs. 1,000 crore and above and major projects costing Rs. 100 crore to Rs. 999 crore through flash report system which is based on the monitoring of major milestones drawn on the basis of CPM and PER charts. The reports received either through on-line NICNET system or through other fast communication methods are processed in the PMD. The reports generated are examined by the respective Ministries and also by this Ministry. Based on the feedback from the project authorities and PMD's analysis, exception reports are drawn for each project which is just a one-page document. All medium projects costing Rs. 20 crore to Rs. 99 crore are monitored on quarterly basis.

These reports are circulated for use at the highest levels in the Government, that is, the Prime Minister's Office, Cabinet Secretariat and also to the Planning Commission. The reports are also circulated to the respective controlling Ministries.

The PMD also assists the Committee of Secretaries. It brings out issues*and problems in different projects through notes to the Committee of Secretaries for consideration and direction.

32. As regards the progress of implementation of the ongoing projects, the Committee have been informed that as on 1st October, 1999, there are 34 mega projects costing Rs. 88,064 crore, 167 major projects costing Rs. 56,274 crore and 245 medium projects costing Rs. 11,317 crore. In all, as on 1st October, 1999, there are 446 projects costing Rs. 1,55,656 crore. The analysis of time and cost overrun with respect to the latest approved date of completion and cost shows that 205 projects have time overrun ranging from one month to 132 months. The delays in certain sectors like coal, hydro-electric power projects, railways, surface transport stand fairly high while in other sectors, the range of delays is comparatively low. Out of 446, 182 projects have cost overrun with respect to their latest approved costs. The overall increase in the cost of these 182 projects is 33.4 per cent.

33. In their Nineteenth Report (12th Lok Sabha), the Committee had noted that as on December 1998, out of 428 projects on the monitor of the Ministry of Statistics and Programme Implementation, 220 projects were running behind schedule with respect to their approved dates of commissioning. The total anticipated cost of these 220 projects had increased from 79,547 crores to Rs. 97,314 crores which gave an escalation of Rs. 17,767 crores. The Committee were pained to note that despite a number of corrective steps claimed to have been taken to contain time and cost overrun in the projects, a large number of projects continued to suffer from the same old malady of cost escalation and delay in completion. The Government in their reply had stated that they had forwarded the recommendations made by the Committee to the Ministries/Departments concerned for implementation and taking due care at pre-sanction scrutiny and post-sanction appraisal of projects. They were also requested to devise mechanisms to adhere to the time and cost stipulations with proper accountability to complete the projects without time and cost overruns.

34. As regards reasons for the cost overruns, Committee were informed as under:

“The recent studies carried out by us in PMD in regard to projects on the monitoring system indicate that several projects are delayed initially on account of factors such as delays in tying up foreign credit, finalisation of technology transfer agreements, contracts, over which the project enterprises do not have any control. A further analysis of the factor of delays observed in the implementation of projects shows that the most

important factor of delay is in acquisition of land, particularly forest land. The progress of at least 54 projects, mostly in Railways, Coal and Power, had suffered on account of this reason. The second important factor is that the funds constraints have affected at least 58 projects, mostly in Railways, Coal and Surface Transport sectors. The third most important factor, which affects the progress of implementation of a maximum number of projects namely, 45 in number, is the delay in award of contracts. The fourth is the delay in timely completion of civil works by contractors is also affecting 39 projects — one project in Surface Transport sector, four projects in Coal sector, three projects in telecommunications, two projects in Information and Broadcasting, and seven other projects in different sectors. The other most important factor delaying the implementation of projects is geo-mining faults in coal hydel power projects.”

35. When asked about the fixing of responsibility for time and cost overruns in the implementation of the projects under various Ministries, the Secretary informed that ‘the system of Standing Committees has been introduced after the issue of guidelines on this subject by the Planning Commission in August, 1998. As on December, 1999, the Standing Committee have started functioning in 22 Ministries/ Departments. This Standing Committee is headed by Addl. Secretary/ Jt. Secretary of the concerned Ministry and a representative each from the Planning Commission, Department of Expenditure and Ministry of Statistics and Programme Implementation is also represented on it. Their major objective is to look into the reasons of delays and also to fix responsibilities. I agree that in all cases responsibilities have not necessarily been fixed. But certainly a very serious attempt has been made to find out why delays have taken place. The report of these standing committees is submitted to the Cabinet Committee on Economic Affairs alongwith the views on the subject by the PIB — Public Investment Board, and before any cost revision is permitted, this aspect is certainly looked into. Therefore, at this stage, we can only say that the fixation of responsibility is very much there in the minds of the Government and we as a member of the Standing Committee try to see that the reporting is done most objectively and most sincerely’.

36. As regards the frozen projects, the Committee have been informed that the projects which are unable to make progress for want of funds, due to law and other problems, technology failure and geomining faults are frozen or transferred to the private sector. Fifty projects of different Ministries have so far been frozen till 31 December, 1999.

37. During Evidence, the representative of the Ministry further elaborated:

"A central empowered Committee under the Planning Commission has been set up to see which projects have not been able to spend more than 20 per cent of the anticipated cost and have already completed 60 per cent of the gestation period. This Committee would also be looking into all proposals of such Ministries which have projects that have languished for years and that they think are not fit to be pursued. The Committee will be making suggestions in future, after going into all aspects of the viability of the projects, as to either close down or passed on to the private sector or the joint sector."

38. The Committee while examining the Demands for Grants for the year 1999-2000 had found that out of the 428 projects which were supposed to be monitored by the erstwhile Department of Programme Implementation as on 31.12.1998, as many as 220 projects were running behind the schedule, having huge cost as well as time over-runs. The total anticipated cost of these projects had increased from Rs. 79,547 crore to Rs. 97,314 which amounted to an escalation of Rs. 17,767 crore. The Committee have now been informed by the Secretary, Ministry of Statistics and Programme Implementation that as on 1st October, 1999, there were 34 mega projects costing Rs. 88,064 crore, 167 major projects costing Rs. 56,274 crore and 244 medium projects costing Rs. 1,55,656 crore. The analysis of time and cost over-run with respect to latest approved date of completion and cost shows that 205 projects have time over-run ranging from one month to 132 months. The delay in certain sectors like coal, hydro-electric power projects, railways, surface transport stand fairly high, while in other sectors the range of delay is comparatively low. Out of 446 projects, 182 projects have cost over-run with respect to their latest approved costs. The overall increase in the cost of these 182 project is reported to be 33.4%. There are 50 projects which were frozen/dropped on account of their having become unviable.

39. The Committee are shocked to note that despite their repeated recommendations in the earlier Reports for exercising pre-sanction scrutiny and post-sanction appraisal of projects and evolving a system of close monitoring, so that the time and cost stipulations could be strictly adhered to, precious little has been achieved. The slippages on the twin account of time as well as cost still continue unabatedly, despite all the claims made by the representatives of the Ministry of having devised a number of adequate measures including a system of flash reports, sending the information to the Prime Minister's Office, the constitution of the Empowered Committees in some of the Ministries like Power and setting up of various Tasks Forces.

40. The Committee have, however, been informed that a system of Standing Committee has been introduced after the issue of guidelines on this subject by the Planning Commission in August, 1998 under which a Standing Committee has been set up in each Ministry/Department headed by Additional Secretary/Joint Secretary with the representatives of the Planning Commission, Department of Expenditure and Ministry of Statistics and Programme Implementation for close monitoring for time and cost over-runs in the case of projects costing Rs. 50 crores and above relating to the infrastructure sectors. The Committee have also been informed that as on December, 1999, the Standing Committees have started functioning in 22 Ministries/Departments. The Committee hope that something tangible will definitely come out, if the projects are monitored closely in such Standing Committees. However, in view of the enormous amount involved in the delayed projects on account of the huge cost over-runs, the Committee are of the considered view that there is still a need to further strengthen the monitoring mechanism. They are confident that if suitable mechanism is evolved which could help in identifying various bottlenecks and overcoming the problems which are very often faced either due to land acquisition, change in the scope of work, contractual delays, constraints of funds, finalisation of technology or other related issues; much can be achieved and the savings effected can definitely go a long way in solving the perennial problem of fiscal deficit faced by the country year after year.

TWENTY POINT PROGRAMME

41. A package of programme comprising schemes relating to poverty alleviation, employment generation, education and health, etc. called Twenty Point Programme (TDP-86) has been in operation since 1975. The TP has a vital role to play in ensuring growth with equity and social justice.

42. The 20-Point Programme forms an integral part of the Plan and Non-Plan schemes of the State Governments/UT Administrations and the Central Ministries/Departments. The outlays for different items under the Programme are derived from the relevant Plan heads under State Governments/UT Administrations and Nodal Ministries/Departments at the Centre. Some schemes, like family welfare programme, are funded entirely by the Central Government while other programmes like Swarnajayanti Gram Samridhi Yojana and Indira Awas Yojana are jointly financed by the Centre and the States.

43. The Department/Ministries concerned with the subjects of TPP-86 set the annual targets in consultation with the States. The Ministry of Statistics & Programme Implementation monitors the implementation of 20-Point Programme. Under TPP-86, there are 119 items identified for monitoring; 54 items are monitored on the basis of evaluatory criteria and 65 items are amendable to physical targeting/monitoring. Out of these 65 items, 20 items are being monitored on monthly basis.

44. During evidence when the Members of the Committee drew the attention of the representatives of the Ministry towards 'Indira Awas Yojana' under which the houses are made at a far off distance from the village boundary and two very small size room of very low quality material are constructed as a result of which people do not move in them for a number of years and the money spent goes waste, the representative of the Government stated as under:

"What we have been doing is that whenever we come across such problems in our monthly and half yearly reports on 20-Point Programme, we bring them to the notice of the Administrative Ministries for necessary remedial action. In this connection, I would also like to submit that out of 119 items that we have in all in 20-Point Programme, only 65 items are target oriented and the rest are evaluatory based items. In the monthly monitoring, we are able to take care of only the most crucial items in which the Indira Awas Yojana is also included."

45. The Members also pointed out that the criteria suggested for choosing the beneficiaries under this scheme are so rigorous that it is very difficult to find out any deserving person. All statistical data have to be manipulated deliberately at lower echelons to make a person deserving of the aid under this scheme. The funds go from Government of India and MPs do not even know who the beneficiaries are. In some of the States, it is the Gram Sabha/Panchayat which choose the eligible people but the village Sarpanch may furnish changed list of his own choice to the District Authorities, so there should be a Committee of MPs, MLAs, Sarpanch of the village and Government officials to decide the beneficiaries under this scheme. On this, the representatives of the Ministry submitted as under:

“Indira Awas Yojana was one of the scheme which achieved 90% or more of the targets during 1998-99. It slipped down during 1999. As for the criteria for selection of the beneficiaries. I must submit that we will bring this suggestion of the Committee to the notice of the Administrative Ministry. The present selection system involves mainly the village and the officials at the district level. Therefore, it will be a kind of a new and a very useful suggestion.”

46. The Committee have further been informed:

“In the Monthly Programme Report, when the achievement is found to be more than 90 per cent of the target, the performance is categorised as ‘Very Good’. The performance is ‘Good’ if the achievement is between 80 and 90 per cent; and it is ‘Poor’ if the achievement is below 80 per cent of the targets.

During the period April 1999—September, 1999 ‘Very Good’ performance was achieved in the cases of Primary health Centres (PHCs), Integrated Child Development Services (ICDS) Blocks Operational, opening of Anganwadis, Slum Improvement, Villages Electrified and Pumpsets Energised. Performance was ‘Good’ in the case of Scheduled Tribe (ST) Families Assisted. In the cases of rest of the items, the achievement was below 80 per cent of the targets.”

47. Alleviation of poverty and improving the quality of life of the people, specially of those who are below the poverty line, has been one of the prime objectives of Planned development in the country. A package of programmes/schemes relating to poverty alleviation, employment generation, education and health etc. called Twenty Point Programme (TPP) has been in operation since 1975. Though the Twenty Point Programme (TPP) has a vital role to play in ensuring growth with equity and social justice, the Committee are disappointed to find that during the period April, 1999 to September, 1999, 'very good' performance rating could be achieved only in the case of Primary Health Centres (PHCs), Integrated Child Development Services (ICDS), opening of Anganwadis, Slum improvements, Village Electrified and energisation of Pump Sets. In the case of rest of the items except in the case of Scheduled Tribe Families Assisted which got a 'Good' rating, the achievement was below 80% of the targets which amounts to 'Poor' rating. The Committee are of the view that some of the Schemes have not been successfully implemented with the result that the benefits have not reached the deserving beneficiaries. Indira Awas Yojana is one such scheme which has not been properly implemented over a period of time. The Committee are of the strong view that every effort must be made with a view to ensuring that each of the schemes gets implemented effectively and serves the purposes for which it was formulated.

NEW DELHI;
19 April, 2000
30 Chaitra, 1922 (Saka)

SHIVRAJ V. PATIL,
Chairman,
Standing Committee on Finance.

APPENDIX I

MINUTES OF THE SEVENTH SITTING OF STANDING
COMMITTEE ON FINANCE (1999-2000)

The Committee sat on Tuesday, 28 March, 2000 from 1500 hours to 1715 hours.

PRESENT

Shri Shivraj V. Patil — *Chairman*

MEMBERS

Lok Sabha

2. Shri Raashid Alvi
3. Shri Rattan Lal Kataria
4. Shri Brahmanand Mandal
5. Shri Rupchand Pal
6. Shri Prakash Paranjpe
7. Shri Raj Narain Passi
8. Dr. Sanjay Paswan
9. Shri Annasaheb M.K. Patil
10. Shri Pravin Rashtrapal
11. Shri Ram Singh Rathwa
12. Shri S. Jaipal Reddy
13. Shri T.M. Selvaganpathi
14. Shri Kharebela Swain
15. Shri Braja Kishore Tripathy

Rajya Sabha

16. Dr. Manmohan Singh
17. Shri Krishna Kumar Birla
18. Shri Narendra Mohan
19. Shri P. Prabhakar Reddy
20. Shri Vijay Darda
21. Shri Suresh A. Keswani

SECRETARIAT

1. Dr. A.K. Pandey *Additional Secretary*
2. Shri N.S. Hooda *Assistant Director*

WITNESSES

1. Shri K.V. Irriraya	Secretary
2. Shri Sarveshwar Jha	Addl. Secretary
3. Dr. N.S. Sastry	DG&CEO, NSSO
4. Shri T.K. Das	JS&FA
5. Shri R. Datta	Joint Secretary
6. Dr. R.L. Narasimhan	DDG (CSO)
7. Dr. G. Ravindran	DDG (CSO)
8. Shri N.R. Dash	Director (IFD)
9. Shri A.K. Sharma	Director (Head of Office)
10. Shri K.S. Prasada Rao	Director (ISS)
11. Shri V.K. Arora	Director (MPLADS)
12. Shri J.L. Narayan	Joint Adviser (PI Wing)
13. Dr. S.B. Rao	Director, ISI, Calcutta
14. Shri K.S. Aleria	Deputy Secretary
15. Shri S.K. Malhotra	Under Secretary
16. Shrimati Preeti Srivastava	Under Secretary
17. Shri Sanjeev Joshi	Assistant Director

Ministry of Planning

1. Dr. S.P. Paul — Adviser, Planning Commission
2. Shri K.N. Pathak — Deputy Adviser, Planning Commission

At the outset, the Chairman welcomed the Members of the Committee and official witnesses of the Ministry of Statistics and Programme Implementation and invited their attention to the provision contained in Direction 55 of the Directions by Speaker, Lok Sabha. The Committee then took oral evidence of the representatives of the Ministry of Statistics and Programme Implementation on their Demands for Grants (2000-2001).

3. The Chairman requested the representatives of the Ministry of Statistics and Programme Implementation to furnish notes on certain points raised by the Members during the evidence.

4. The evidence was concluded.

5. A verbatim record of the proceeding has been kept.

The witnesses then withdrew.

The Committee then adjourned.

APPENDIX II

MINUTES OF THE THIRTEENTH SITTING OF STANDING COMMITTEE ON FINANCE (1999-2000)

The Committee sat on Wednesday, 19 April, 2000 from 1500 hours to 1700 hours.

PRESENT

Shri Shivraj V. Patil — *Chairman*

MEMBERS

Lok Sabha

2. Shri Rattan Lal Kataria
3. Shri Krishnamraju
4. Shri M.V.V.S. Murthy
5. Shri Kamal Nath
6. Shri Rupchand Pal
7. Shri Prakash Paranjpe
8. Dr. Sanjay Paswan
9. Shri Varkala Radhakrishnan
10. Shri Kirit Somaiya
11. Shri Kharebela Swain

Rajya Sabha

12. Dr. Manmohan Singh
13. Shri N.K.P. Salve
14. Shri Krishna Kumar Birla
15. Shri P. Prabhakar Reddy
16. Shri Amar Singh
17. Shri Vijay Darda

SECRETARIAT

- | | |
|---------------------------|-----------------------------|
| 1. Dr. A.K. Pandey | <i>Additional Secretary</i> |
| 2. Shri Harnam Singh | <i>Joint Secretary</i> |
| 3. Dr. (Smt.) P.K. Sandhu | <i>Director</i> |
| 4. Shri S.B. Arora | <i>Under Secretary</i> |
| 5. Shri N.S. Hooda | <i>Assistant Director</i> |

2. At the outset, the Chairman welcomed the Hon'ble Members to the sitting of the Committee. The Committee then took up for consideration the following draft Reports:—

- (i)
- (ii)
- (iii)
- (iv) Draft Report on Demands for Grants (2000-2001) of the Ministry of Statistics and Programme Implementation.

3. The Committee after deliberations adopted the above draft Report subject to the following:—

	Subect				Remarks	
(i)						
(ii)	**	**	**	**	**	
(iii)	**	**	**	**	**	**
(iv)	Report on Demands for Grants (2000-2001) of the Ministry of Statistics and Programme Implementation				Without any modification	

4. The Committee authorised the Chairman to finalise the draft Reports in the light of modifications as also to make verbal and other consequential changes arising out of the factual verification and present the same to both the Houses of Parliament.

The Committee then adjourned.