

STANDING COMMITTEE ON FINANCE

(2003)

THIRTEENTH LOK SABHA

**MINISTRY OF STATISTICS &
PROGRAMME IMPLEMENTATION**

DEMANDS FOR GRANTS

(2003-2004)

FORTY- FOURTH REPORT



*Presented to Lok Sabha on 21 April, 2003
Laid in Rajya Sabha on 21 April, 2003.*

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2003/Chaitra, 1925(Saka)

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09 April, 2003

COMPOSITION OF STANDING COMMITTEE ON FINANCE – 2003

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SECRETARIAT

- | | | | |
|----|------------------------|---|----------------------|
| 1. | Shri P.D.T. Achary | - | Additional Secretary |
| 2. | Dr. (Smt.) P.K. Sandhu | - | Joint Secretary |
| 3. | Shri R.K. Jain | - | Deputy Secretary |
| 4. | Shri S.B. Arora | - | Under Secretary |

*Nominated vice Sh. Mukhtar Abbas Naqvi w.e.f. 26.3.2003

** Nominated w.e.f. 7.04.2003

INTRODUCTION

1. I, the Chairman, Standing Committee on Finance having been authorised by the Committee to submit the Report on their behalf, present this Forty Fourth Report on Demands for Grants (2003-2004) of the Ministry of Statistics & Programme Implementation.

2. The Demands for Grants of the Ministry of Statistics & Programme Implementation were laid on the Table of the House on 12 March, 2002. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Finance are required to consider the Demands for Grants of the Ministries/Departments under 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 26 March, 2003 in connection with examination of the Demands for Grants (2003-2004) of the Ministry.

4. The Committee considered and adopted the draft Report at their sitting held on 09 April, 2003.

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

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

NEW DELHI;
09 April, 2003
19 Chaitra, 1925(Saka)

N. JANARDHANA REDDY
Chairman,
Standing Committee on Finance

Report

Introductory

The Ministry of Statistics and Programme Implementation came into existence as an independent Ministry on 15.10.1999 after the merger of the Department of Statistics and the Department of Programme Implementation. The Ministry has two wings, one relating to Statistics and the other regarding Programme Implementation. The Statistics Wing consists of the Central Statistical Organisation (CSO), the National Sample Survey Organisation (NSSO) and the Computer Centre. The Programme Implementation Wing has four Divisions, namely, (i) Twenty Point Programme Division, (ii) Infrastructure Monitoring Division, (iii) Project Monitoring Division and (iv) Member of Parliament Local Area Development Scheme Division. Detailed Demands of the Ministry have been included in Demand No. 87.

2. The detailed Demands for Grants of the Ministry of Statistics & Programme Implementation were laid in Parliament on 12th March, 2003.

3. In the present Report, the Committee have examined following issues:-

- (i) National Statistical Commission (NSC)
- (ii) Modernisation of Statistical System in India
- (iii) Central Statistical Organisation – Natural Resource Accounting
- (iv) Publication
- (v) Professional Services

National Statistical Commission (NSC)

The Government of India had set up the National Statistical Commission, through Resolution No. M/13011/3/99-Admn. IV dated the 19th January, 2000 of the Ministry of Statistics and Programme Implementation. Dr. C. Rangarajan was appointed as the part-time Chairman of the Commission.

2. The Commission submitted its Report on 5th September, 2001. The Report contains the recommendations for revamping the statistical system of the country through a five fold approach as listed below:

- Reform the administrative structure of the Indian Statistical System and upgrading its infrastructure so as to ensure its autonomy.
- Improvement of the present system of collection of data, in relation to data that are currently being generated.
- Exploration of alternative techniques, in relation to the existing statistics, if the present system for collecting data is under strain for whatever reasons.

- Identification of new data series that may be generated in keeping pace with the expanding economy.
- Evaluation of appropriate methodologies for collection of data, in relation to the new data requirements.

3. Asked about the deficiencies noticed by the Commission, strategies and alternative techniques being evolved for revamping statistical system, the Ministry in their reply, submitted as under:-

a) The deficiencies noticed by the Commission in general are the following :-

- i) Non-availability of an effective and adequately empowered co-ordination mechanism and the absence of a policy making body or authority for evolving a national statistical strategy.
- ii) Over dependence of the statistical system on the administrative set up and traditional records.
- iii) Decline in the quality and reliability of statistics generated.
- iv) Inordinate delays in transmission and publication of data.
- v) Data gaps in respect of various sectors like the output of fruits and vegetables and other minor crops, and estimates of meat, meat products and fish.
- vi) Inadequate data on basic socio-economic indicators required for micro-level planning.
- vii) Absence of proper mechanism either for providing appropriate training to the official statisticians or for promoting specialization among the officers of the Indian Statistical Service.
- viii) Stagnation in the career prospects of ISS officers due to bleak promotional avenues, which has adversely affected the system.
- ix) Lack of appropriate legal backing for the statistical activities.

b) The strategies proposed and efforts made to revamp the statistical system are the following:-

- i) As the Indian Statistical System is a decentralized system, an effective and adequately empowered co-ordination mechanism with a policy making body for evolving a national statistical strategy is the most critical requirement. It is proposed to set-up a statutory National Statistical Commission to achieve the above objective. A Bill is proposed to be introduced in the Lok Sabha during the Budget Session, 2003.
- ii) Some methodological studies have been initiated for developing alternate methodologies for data collection.
- iii) New Statistical systems and methods like preparation and use of business register, modern business surveys, and statistical network and strengthening of State Directorates of Economics and Statistics are proposed to be instituted through the Modernization Project.

- iv) A Central Training Facility on Official Statistics is proposed to be established for strengthening human resource development activities.
 - v) The career prospects of Statistical Service Officers are proposed to be improved through regular cadre reviews.
 - vi) In order to co-ordinate the implementation of the recommendations of the Commission by various Ministries/Departments an 'Empowered Committee' has been constituted under the Chairmanship of the Secretary(S&PI).
 - vii) The Collection of Statistics Act, 1953 is proposed to be amended in line with the recommendations of the National Statistical Commission.
- c) The development of alternative technique is a lengthy and difficult process as it involves the formulation of a conceptual framework based on prevailing practices and experiences, conducting methodological studies, analysis of results, incorporating modifications, estimating cost and resource requirements, formulation of detailed project proposals and its implementation. Methodological studies have been taken up on the following:-
- i) Reference period for the collection of consumer expenditure data of food items.
 - ii) Methods of enhancing the quality of data collection from manufacturing and trading enterprises in the informal sector.
 - iii) Sampling design for improvement of crop statistics scheme with a view to derive correction factors for improving the area estimates of principal crops at the State level.
 - iv) Use of small area estimation techniques for deriving crop production estimates at sub-district levels.

4. During the oral evidence, the Ministry informed the Committee that :-

“During the year, the Ministry has taken concrete steps to implement the recommendations of the National Statistics Commission. The Commission submitted its Report in 2001. It made a very large number of recommendations, 623 in all, of which 282 relate to the Ministry. We have been able to implement a large number of these recommendations. Many others are at various stages of technical, operational, administrative and financial approval. One of the most significant recommendation of the National Statistical Commission relates to the creation of a Statutory Apex Body for coordinating the statistical function in the country and pursuant to this recommendation, we have formulated the National Statistical Commission Bill, which we are committed to introduce in the current Session of Parliament. The Bill has been vetted by the Ministry of Law and it is in its final stages of approval before introduction in the House. We are also undertaking to amend the National Collection of Statistics Bill, 1953 in order to make it a more effective instrument of collection of data required for policy formulation. This will take a little more time.

The National Statistics Commission, in its Report, has observed certain shortcomings and recommended a series of remedial measures for bringing about improvement in the system to enable it to provide more accurate and up-to-date data required for formulation of development policies. In this context, it has become imperative to revise and reformulate the plan scheme of modernization of Statistical System in India. As a result, we have not been able to kick start this scheme during the current year. But it is being reformulated in consultation with the World Bank which has evinced keen interest in this scheme and is going to fund Tier I of the project for which we have received the approval of the Department of Economic Affairs.”

In reply to the Supplementary List of Points, the Ministry mentioned that an 'Empowered Committee' under the Chairmanship of the Secretary (S&PI) had been constituted on 2nd Jan.2003 for monitoring the implementation of the recommendations of the NSC. The first meeting of the Committee was held on 7th Feb.2003. In this meeting, the recommendations of the Commission relating to Ministry of Agriculture, Department of Company Affairs, Department of Industrial Policy & Promotion and the Ministry of Statistics &PI were discussed. It was agreed that each of the Ministries would prepare a detailed action plan with definite milestones and target dates for the implementation of important NSC recommendations concerning the respective Ministries.

5. Attention of the Ministry was drawn to paragraphs 11.4.2, 11.4.5 and 11.4.6 of the Report of the National Statistical Commission, wherein it was pointed out that the measurement of inflation was inadequate. The above paragraphs reads as under:-

“11.4.2 The commonly-used measure of inflation in the Indian economy is based on the WPI. As WPI measures the price change at the level of either the wholesaler or the producer and does not take into account retail margins, it thus represents the production side and not the consumption side. For a true measure of inflation, it is necessary to measure the changes in the prices only at the final stage of transaction.

11.4.5 Price changes in the Services Sector are not duly accounted for in the WPI, even though they are largely influenced by inputs from the Industrial Sector. Today, the Services Sector has developed to such an extent that a major share of the country's GDP comes from this sector. The working group constituted for revision of WPI numbers has examined the issue of constructing a separate index for services. The group identified problems, which are likely to emerge such as availability of data on different services on a continuous basis, identifying services purchased by producers and services purchased by consumers, non-tradable services, etc. The group has recommended that a services index may be constructed by including financial intermediation (including banking, insurance, etc.), transport services (road and rail), communications (postal and tele-communication), water supply, electricity, gas and construction activity. Data on these services will have to be obtained from the concerned Government departments, private establishments and through specially-designed sample surveys. The Working Group on revision of WPI, has recommended that a Services Price Index should be developed, initially as a complement to the WPI. It should be merged with the WPI, once it has stabilised and established its robustness.

11.4.6 (vi) As the present WPI is an inadequate measure of inflation; there is a need for a separate index for measurement of inflation in the economy. The proposed CPI for the rural and urban areas could be used for this purpose.”

6. The Secretary, in his submission on WPI, during oral evidence, stated as under:-

“On the WPI, the initiative has to be taken by the Department of Industrial Policy and Promotion, Ministry of Industry. But as the agency in-charge of implementation of the recommendations of the NSC, I have constituted an Empowered Committee, making use of an authority given to me by the Cabinet. There, all the Departments are accountable and the Department of Industrial Policy and Promotion has agreed to undertake this exercise. So it is on the anvil.”

7. The Committee observe that National Statistical Commission has submitted its report on 5.9.2001 containing 623 recommendations of which 282 relate to the Ministry of Statistics and Programme Implementation. Though the Ministry has been able to implement a large number of recommendations still many of them are languishing in various processes of technical, operational, administrative and financial nature

8. They are given to understand that National Statistical Commission Bill for creating a Statutory Apex Body for coordinating the statistical functions in the country has been formulated and is likely to be introduced in the current Budget Session of Parliament. They desire that Apex Body may be put in place at an early date.

9. The Committee are in agreement with the recommendations of the National Statistical Commission about the measurement of inflation. They feel that present system for computing the inflation rate is fraught with flaws and should be replaced by a system which recognizes the use of realistic data without any further delay.

10. The Committee note that an Empowered Committee has been constituted to monitor the implementation of the recommendations of the National Statistical Commission. They want that the decisions of the Empowered Committee may be conveyed to the respective Ministries for compliance expeditiously and expect that Ministry of Statistics & Programme Implementation to monitor the compliance.

Modernisation of Statistical System in India

11. In the context of liberalization policies, transparency in administration and opening up of the economy, the need for the modernization of statistical system of India to become responsive to the requirements of the country and to meet the international commitments was felt and a series of regional meetings were held with the State Statistical Agencies during 1995. Based on extensive consultations during 1995 with various agencies, a project proposal was formulated to achieve the following:-

- Improve the range of data sets presently available to meet the emerging needs;
- Upgrade the quality and flow of official data;
- Strengthen institutional capacity to gather, process and disseminate the data sets;
- Improve the match between the needs of those who use the data and the work of those who provide it;
- Introduce innovative methodologies and standardisations to produce official data of highest quality

12. The World Bank initially indicated a loan assistance of US \$ 200 million for the implementation of the project over a period of 5 years.

13. The Government prepared a revised project document based on the recommendations of the National Statistical Commission and forwarded the same to the World Bank on 3rd January, 2002. A Review Mission of World Bank visited India during 18-28 August 2002 and had detailed discussions on various components of the project.

The mission was of the view that the project was too complex to be implemented in a single phase and more details would be required in respect of some of the major components like “Strengthening of State Statistical System”, “Creation and Maintenance of Business Register” etc. This was again reviewed by a Bank mission during 13-31 January, 2003 and based on the discussions, an integrated concept paper on Tier I of the project has been prepared for transmission to the World Bank through the Department of Economic Affairs.

14. Asked as to why the Review Mission of the World Bank was of the view that the project was too complex to be implemented, the Ministry in their reply, submitted as under:-

- a) After reviewing the various components proposed in the project, the World Bank was of the view that there was considerable heterogeneity in terms of the state of preparedness to move towards the desired objectives. For example, it was pointed out by the World Bank that considerable time and effort will be needed to develop concrete and detailed plans across the various State Directorates of Economics to upgrade their activities. In this context, it was found necessary to undertake a preparatory study of the State Directorates of Economics. The World Bank, therefore, suggested a 2-tier approach. The proposed study of State DES has been included in Tier-I of the project.
- b) A Business Register is a list of all business enterprises/establishments meeting the specified criteria. Such a list is necessary as it provides frames for the proper conduct of sample surveys to understand the current trends in business and direct measurement of their contribution to the economy.
- c) As per the advice of the World Bank, the Project has to be taken up in two tiers. Accordingly, an integrated concept paper for Tier-I activities has been prepared.
- d) The integrated concept paper has been sent to the World Bank through the Department of Economic Affairs. The response of the World Bank is awaited.

15. Asked about the progress made in the implementation of the plan scheme – Modernisation of Statistical System in India, the Secretary, Ministry of Statistics & Programme Implementation, during oral evidence, submitted as under:-

“The NSC in its Report has observed certain shortcomings and recommended a series of remedial measures for bringing about improvement in the system to enable it to provide more accurate and up-to-date data required for formulation of development policies. In this context, it has become

imperative to revise and reformulate the plan scheme of modernization of statistical system in India. As a result, we have not been able to kick start this scheme during the current year. But it is being reformulated in consultation with the World Bank which has evinced keen interest in this scheme and is going to fund Tier I of the project for which we have received the approval of the Department of Economic Affairs.”

“In our reply, we have enumerated some of the major initiatives, but there is a quest for improvement which is unending. We are making further efforts to improve upon this. Even on the project monitoring side, we have developed a software system. We are going to operationalise it very shortly under the aegis of a project funded by the World Bank.”

16. Earlier, the Committee were informed that irrespective of the outcome of the discussions with the World Bank, it had been decided to implement some of the components of the project to the extent possible through usual budgetary resources. Accordingly funds were provided in the normal budget for 2002-03 for the following schemes:

- (i) Institutional Development & Capacity Building
- (ii) Improvement of National Accounts Statistics
- (iii) Strengthening of Field Operations of NSSO
- (iv) Development of Social, Environment & Price Statistics and
- (v) Strengthening of Data Processing, Storage and Dissemination capacity of Computer Centre.

17. The Committee regret to point out that in spite of their repeated recommendations to make the plan scheme ‘Modernisation of Statistical System in India’ operationalised the need for which was felt way back in 1995, the same is languishing yet at the approval stage. They are given to understand that the project is revised and re-revised/replaced at the behest of either World Bank that is providing a loan assistance of US\$ 200 million or as per the recommendations of National Statistical Commission.

18. Though the government have categorically stated that irrespective of the outcome of the discussion with World Bank, some of the components of the project will be implemented through usual budgetary resources, no progress seems to have been made as the funds provided under different heads for various components remained unutilized and were surrendered.

19. Expressing their displeasure over the inordinate delay, the Committee strongly emphasize that the Government should realize the vital importance of the scheme and make all out efforts to get the scheme sanctioned and operationalised at the earliest. They desire that the components listed out for implementation through usual budgetary resources should be implemented forthwith.

20. They also want that the progress made in the operationalisation of the plan scheme may be intimated to the Committee from time to time.

Central Statistical Organisation – Natural Resource Accounting

21. Natural Resource Accounting deals with stocks and stock changes in natural assets, which comprise biological assets (produced or wild), subsoil assets (proved reserves), water, air and land areas (including water areas) with their terrestrial and aquatic ecosystems (eco-zones). In the environmental-economic accounting system, an increasing emphasis needs to be placed on the natural environment that has or could be affected by human activities. The United Nations Statistical Division has issued an interim version of the framework on integrated environmental and economic accounting in 1993. This gives a conceptual basis for implementing the required satellite systems for integrated environmental and economic accounting that describes the inter relationship between the natural environment and economy. United Nations is currently revising this version and a *Handbook of System of Integrated Environmental and Economic Accounting* (SEEA), 2000 is being finalised.

22. The valuation of natural resources has assumed significance under the Agenda 21 of the United Nations Conference on Environment and Development held during June, 1992 in Rio de Janeiro. This requires integration of national accounts with natural resource accounting for taking suitable decisions for sustainable development and computation of Green GDP.

23. The National Statistical Commission who has also examined the Natural Resource Accounting has concluded as under:-

“Natural Resource Accounting (NRA) is a useful tool for the measurement of genuine economic performance and growth, taking environmental factors into consideration. Proper valuation of environmental resources is also necessary for making investment decisions pertaining to environmental management, for designing environmental policy, and for measuring environmentally corrected national income. The Commission realises that the estimation of Green GDP, a term coming to be used in recent

times, is quite difficult in the absence of a strong database on natural resources as well as a suitable methodology for valuation of stocks and flows of natural assets.”

24. The Ministry took up a pilot project on Natural Resource Accounting in Goa for which a Technical Working Group was constituted under the chairmanship of Secretary, Ministry of Statistics and Programme Implementation. On the recommendation of the second meeting of the Technical Working Group held on 23rd September, 1998, methodology of the project had been finalized and an amount of Rs. 11.90 lakhs was released to Government of Goa for the project implemented by Tata Energy Research Institute (TERI) for the first phase. The Phase-II of the project will be under taken after examining the proposals from TERI and other expert organizations, which will be taken up simultaneously in about 4-5 other States of the Country also.

25. The Committee in their Report on Demands for Grants (2002-03) had recommended that the pilot project on Natural Resource Accounting initiated in Goa, should be started for the whole of the country after developing a suitable methodology. The project should include all sorts of natural resources including their availability in Exclusive Economic Zone (EEZ). In their action taken reply, the Government have stated:

“The report of the pilot project on Natural Resource Accounting (NRA) in Goa submitted by Tata Energy Research Institute (TERI) is under study. On the basis of the experience gained, it is proposed to take up Phase-II in 3-4 States, so that the methodology is firmed up before the task of preparing NRA for the whole country is taken in hand.”

26. Asked about the salient features of the report submitted by the Tata Energy Research Institute and the Phase II of NRA, the Ministry in their reply, submitted as under:-

a) In order to develop a framework and methodology for the Natural Resource Accounting (NRA) in the country, the Tata Energy Research Institute, New Delhi was given a pilot project on NRA in Goa. The Phase I of the project was entailed an analysis of the secondary data available from various sources. TERI submitted its final report in 2001. The following sectors were covered in Phase I of the project:

- Land use
- Forests
- Minerals (Iron ore)
- Energy and emissions accounts for the domestic sector
- Energy and emissions accounts for the transport sector

For the above sectors/resources, physical accounts were prepared, while monetary valuation was attempted only for depletion of forest and mineral resources. The value of depletion was adjusted in the value added by the two sectors as assessed under the conventional system of national accounts.

Physical and economic accounts in respect of the depletion/degradation of natural resources in the State, over the period 1991 to 1996 were also presented in the Report. The study also identified the data gaps and inconsistencies in the present data system and also the requirement of primary data, the collection of which could be taken up in Phase-II.

- b) Phase-II of NRA Project at Goa has not yet been taken up. Competitive bids from experienced professional organizations are proposed to be invited during 2003-04.
- c) The following sectors are proposed to be covered in the Phase-II of Goa project.
 - Water: Accounts for depletion and degradation
 - Forests (including mangroves): Non-timber forest products and ecological services.
 - Aquatic resources : Depletion of fish.

27. When enquired as to why all sorts of natural resources, available in the Exclusive Economic Zone (EEZ) are not being covered for the purpose of Natural Resource Accounting, the Ministry in their written reply, submitted as under:-

“The concept of NRA is still in the development phase. Moreover, the resources available for pursuing this activity are limited. Hence, at the stage, it is proposed to cover only the contribution of fishery and aquaculture under phase II of NRA in GOA.”

28. The Committee understand that the need for availability and valuation of natural environmental resources in the Country was not felt till 1998. It was only in September, 1998 that the Technical Working Group of the Ministry of Statistics & Programme Implementation decided to initiate the pilot project of National Resource Accounting (NRA) and accordingly Tata Energy Research Institute (TERI) was engaged to develop the framework and suitable methodology initially for phase I of NRA in Goa covering (i) Land use, (ii) Forests, (iii) Minerals (Iron ore), (iv) Energy and emissions accounts for the domestic sector and (v) Energy and emissions accounts for the transport sector.

29. The Committee regret to point out that the report submitted by TERI in January, 2001 has not yet been evaluated.

30. The Committee further note that the bids for Phase II of Goa project covering (i) Water: Accounts for depletion and degradation, (ii) Forests (including mangroves): Non-timber forest products and ecological services and (iii) Aquatic resources : Depletion of fish, are proposed to be invited during 2003-2004.

31. The Committee hope that analysis and valuation of Phase I of Goa Report will be completed soon and Phase II of the project will also be taken up during the year after finalizing the organization/institution to undertake the work.

32. The Committee would like to know the progress made in this regard. They also desire that the NRA may be extended to other states as early as possible after developing suitable methodology.

**Demand No. 87
Detailed Demand No. 16
Object Head-wise
Publication**

(in thousands of Rs.)

Year	BE		RE		Actual	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
2001-02	32,55	49,25	28,75	69,75	17,69	62,04
2002-03	67,05	71,14	39,25	58,80		
2003-04	96,25	58,80				

33. The object head 'Publication' includes expenditure on printing of office codes, manuals and other documents, whether priced or not, but excludes expenditure on printing of publicity material. This also includes discount to agents on sale of publications etc.

34. Since the Animal Welfare Division was brought within the purview of the Ministry of Statistics & Programme Implementation during December 2001, taking into account the requirements of the Division, the non-plan allocation under the object head was enhanced in RE 2001-02..

35. The Plan Scheme "Development of Consumer Price Index" could not take off during the year 2001-02 due to non-sanction of posts required for undertaking the survey. The Fourth Economic Census was completed during 2000-01. As a result, the allocations made under the head in Plan Schemes "Fourth Economic Census" and "Development of Consumer Price Index Series" in BE 2001-02 were not spent during

2001-02. Some of the publications such as "Sarvekshana", were assigned to private printers at competitive prices, after obtaining No Objection Certificate from the Directorate of Printing, Government of India. This resulted in lower expenditure. All the above factors resulted in non-utilisation of the full amount in Plan at BE and RE stages during 2001-02.

36. The Plan Scheme "Modernisation of Statistical System in India" with a budget allocation of Rs. 20 lakh under the object head 'Publication', was expected to take off during 2002-03. This was an additionality over the budget estimates of 2001-02. It was intended to bring out a number of survey reports under the Scheme. A number of publications, such as Selected Socio-Economic Statistics, India, Women and Men in India, Compendium on Environment Statistics etc. were expected to be printed under the Plan Scheme 'Development of Social, Environment and Price Statistics'. Against an allocation of Rs. 9.5 lakh during 2001-02, Rs. 15 lakh was allotted under the head in the Scheme during 2002-03. The Report on Delhi Group Meeting on Informal Sector has been planned to be brought out. On the basis of the report, a number of studies are expected to be commissioned. Publication of the reports on studies related to Informal Sector is intended to be brought out. A new quarterly publication, "NSSO Bulletin", providing news on various NSSO activities, summary of reports, list of publications available on CD/hard copy etc. has been started from the current year. The above factors have led to higher allocation in BE 2002-03 and BE 2003-04 under the head in the Plan Scheme "Improvement of Informal Sector Statistics". During 2003-04, the proceedings of the 4th National Workshop on Environment Statistics are proposed to be published under the Plan Scheme "Development of Social, Environment & Price Statistics". Higher allocations under the head in BE 2002-03 have also been made in the Plan Scheme "Institutional Development & Capacity Building" (Programme Implementation Wing) with the objective of revising the existing a) manual on Project Implementation and b) Standard Contract Document and bringing out updated documents. The manual on 'Online Computerised Monitoring System" is also expected to be brought out under the Scheme for the benefit of all project authorities and the personnel in various Ministries in Government of India. The increase in allocations under the above mentioned Plan Schemes has resulted in increase under the head in BE 2002-03 & BE 2003-04.

37. The expected expenditure under the object head 'Publication' during 2002-03 is Rs. 23.91 lakh (Plan) and Rs. 48.94 lakh (Non-Plan).

38. The Committee are informed that allocations under the Head 'Publication' are being made to incur expenditure for carrying out publication work under plan and non-plan schemes. They note that there is a wide gap between the allocations under plan and non-plan schemes. They further note that the details of expenditure incurred under non-plan schemes have not been furnished by the Government. Hence they deplore the practice of non-supply of data to the Committee and feel that huge allocations under non-plan scheme shows the imprudence on the part of the Government. The Committee want that the details of expenditure may be intimated to them so as to ascertain that expenditure has been incurred judiciously.

Demand No. 87
Detailed Demand No. 28
Object Head-wise
Professional Services

(in thousands of Rs.)

Year	BE		RE		Actual	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
2001-02	18,01,70	7,80	3,26,20	16,37	80,51	8,94
2002-03	2,12,75	25,18	1,51,00	8,72		
2003-04	7,41,75	8,72				

39. The object head 'Professional Services' includes charges for legal service, consultancy fees, fees to staff artists, remuneration to the examiners/invigilators etc. for examinations, remuneration to casual artists by the All India Radio, Delhi Doordarshan and other types of remunerations. It also includes payment for services rendered and supplies made by other Departments, such as Railways, Police, etc.

40. A provision of Rs. 16.50 crore was made under the head in the Plan Scheme "Modernisation of Statistical System in India" during 2001-02 for commissioning a large number of studies and consultancies for furtherance of the objectives of the Scheme. This resulted in higher allocation (Plan) at BE stage during the year 2001-02.

41. The Plan Scheme "Modernisation of Statistical System in India" could not be operationalised during 2001-02, resulting in the surrender of a substantial amount (Rs. 14.50 crore) under the head at the RE stage and Nil expenditure during the year. Very few good quality research/study proposals were received under the Plan Scheme "Payment of Professional Services" during 2001-02, resulting in low utilisation of the budget allocated. Hence lower utilisation under the head compared to BE & RE (Plan) during 2001-02

42. The substantial increase under the head in the Budget Estimates (Plan) for the year 2003-04 is due to an allocation of Rs. 4.00 crore under the head in the Plan Scheme "Modernisation of Statistical System in India" against no allocation under the head in the same Plan Scheme during 2002-03. The Scheme is being conceptualized in two stages. In the first stage, which is expected to take off during 2003-04, a large number of pilot studies, consultancies etc. will be undertaken. Appropriate allocation in this regard has been made under this head.

43. A number of research/studies is expected to be commissioned in the Plan Schemes 'Improvement of National Accounts Statistics', 'Development of Social, Environment and Price Statistics', 'Strengthening of Survey Design and Research Capabilities of NSSO' and 'Institutional Development and Capacity Building' of Programme Implementation Wing. This has necessitated higher allocations in BE 2003-04. Under the Plan Scheme "Development of Social, Environment & Price Statistics" funds under

the head will be utilized for commissioning research/studies in the areas of Time Use, Gender, Natural Resource Accounting, National Accounts and Small Area Estimation. These have been identified as new thrust areas. The above factors have resulted in substantial increase under the head in BE (Plan) 2003-04.

44. The expected expenditure under the head during 2002-03 is Rs. 79.43 lakh (Plan) and Rs. 8.22 lakh (Non-Plan).

45. The Committee find that against the allocation of over Rs. 18 crore (BE) reduced to Rs. 3.26 crore (RE), the actual expenditure incurred under Head 'Professional Services' was Rs. 80.5 lakh during the year 2000.01. The reasons for this sharp decline were stated to be non start of the plan scheme 'Modernisation of Statistical System in India' and receipt of a few good quality of research/study proposals under the plan scheme 'Payment of Professional Services'. The Committee appreciate the cautious approach adopted by the Government while scrutinizing the research/study proposals and find that only good quality of proposals are sanctioned to avoid wasteful expenditure. They, however, feel that it is equally important that budgetary exercise is undertaken with due seriousness to avoid mismatch between estimates and actuals. They hope that this aspect will be kept in view while projecting the demands in future.

NEW DELHI;
09 April, 2003
19 Chaitra, 1925(Saka)

N. JANARDHANA REDDY
Chairman,
Standing Committee on Finance

STATEMENT OF CONCLUSIONS/RECOMMENDATIONS OF THE STANDING COMMITTEE ON FINANCE IN THE FORTY-FOURTH REPORT (2003-2004)

Sl. No.	Para No.	Conclusion/Recommendation
1.	7,8,9 & 10	<p>The Committee observe that National Statistical Commission has submitted its report on 5.9.2001 containing 623 recommendations of which 282 relate to the Ministry of Statistics and Programme Implementation. Though the Ministry has been able to implement a large number of recommendations still many of them are languishing in various processes of technical, operational, administrative and financial nature</p> <p>They are given to understand that National Statistical Commission Bill for creating a Statutory Apex Body for coordinating the statistical functions in the country has been formulated and is likely to be introduced in the current Budget Session of Parliament. They desire that Apex Body may be put in place at an early date.</p> <p>The Committee are in agreement with the recommendations of the National Statistical Commission about the measurement of inflation. They feel that present system for computing the inflation rate is fraught with flaws and should be replaced by a system which recognizes the use of realistic data without any further delay.</p> <p>The Committee note that an Empowered Committee has been constituted to monitor the implementation of the recommendations of the National Statistical Commission. They want that the decisions of the Empowered Committee may be conveyed to the respective Ministries for compliance expeditiously and expect that Ministry of Statistics & Programme Implementation to monitor the compliance.</p>
2.	17,18, 19 & 20	<p>The Committee regret to point out that in spite of their repeated recommendations to make the plan scheme 'Modernisation of Statistical System in India' operationalised the need for which was felt way back in 1995, the same is languishing yet at the approval stage. They are given to understand that the project is revised and re-revised/replaced at the behest of either World Bank that is providing a loan assistance of US\$ 200 million or as per the recommendations of National Statistical Commission.</p> <p>Though the government have categorically stated that irrespective of the outcome of the discussion with World Bank, some of the components of the project will be implemented through usual budgetary resources, no progress seems to have been made as the funds provided under different heads for various components remained unutilized and were surrendered.</p> <p>Expressing their displeasure over the inordinate delay, the Committee strongly emphasize that the Government should realize the vital importance of the</p>

scheme and make all out efforts to get the scheme sanctioned and operationalised at the earliest. They desire that the components listed out for implementation through usual budgetary resources should be implemented forthwith.

They also want that the progress made in the operationalisation of the plan scheme may be intimated to the Committee from time to time.

3. 28,29,
30,31
& 32
- The Committee understand that the need for availability and valuation of natural environmental resources in the Country was not felt till 1998. It was only in September, 1998 that the Technical Working Group of the Ministry of Statistics & Programme Implementation decided to initiate the pilot project of National Resource Accounting (NRA) and accordingly Tata Energy Research Institute (TERI) was engaged to develop the framework and suitable methodology initially for phase I of NRA in Goa covering (i) Land use, (ii) Forests, (iii) Minerals (Iron ore), (iv) Energy and emissions accounts for the domestic sector and (v) Energy and emissions accounts for the transport sector.

The Committee regret to point out that the report submitted by TERI in January, 2001 has not yet been evaluated.

The Committee further note that the bids for Phase II of Goa project covering (i) Water: Accounts for depletion and degradation, (ii) Forests (including mangroves): Non-timber forest products and ecological services and (iii) Aquatic resources : Depletion of fish, are proposed to be invited during 2003-2004.

The Committee hope that analysis and valuation of Phase I of Goa Report will be completed soon and Phase II of the project will also be taken up during the year after finalizing the organization/institution to undertake the work.

The Committee would like to know the progress made in this regard. They also desire that the NRA may be extended to other states as early as possible after developing suitable methodology.

4. 38
- The Committee are informed that allocations under the Head 'Publication' are being made to incur expenditure for carrying out publication work under plan and non-plan schemes. They note that there is a wide gap between the allocations under plan and non-plan schemes. They further note that the details of expenditure incurred under non-plan schemes have not been furnished by the Government. Hence they deplore the practice of non-supply of data to the Committee and feel that huge allocations under non-plan scheme shows the imprudence on the part of the Government. The Committee want that the details of expenditure may be intimated to them so as to ascertain that expenditure has been incurred judiciously.

5. 45
- The Committee find that against the allocation of over Rs. 18 crore (BE) reduced to Rs. 3.26 crore (RE), the actual expenditure incurred under Head

'Professional Services' was Rs. 80.5 lakh during the year 2000.01. The reasons for this sharp decline were stated to be non start of the plan scheme 'Modernisation of Statistical System in India' and receipt of a few good quality of research/study proposals under the plan scheme 'Payment of Professional Services'. The Committee appreciate the cautious approach adopted by the Government while scrutinizing the research/study proposals and find that only good quality of proposals are sanctioned to avoid wasteful expenditure. They, however, feel that it is equally important that budgetary exercise is undertaken with due seriousness to avoid mismatch between estimates and actuals. They hope that this aspect will be kept in view while projecting the demands in future.

MINUTES OF THE NINTH SITTING OF STANDING COMMITTEE ON FINANCE

The Committee sat on Wednesday, 26 March, 2003 from 1100 to 1615 hours.

PRESENT

Shri N. Janardhana Reddy – Chairman

LOK SABHA

1. Shri Raashid Alvi
2. Shri Ramesh Chennithala
3. Smt. Renuka Chowdhury
4. Shri Trilochan Kanungo
5. Shri Rattan Lal Kataria
6. Dr. C. Krishnan
7. Shri Sudarsana E.M. Natchiappan
8. Capt. Jai Narain Prasad Nishad
9. Shri Rupchand Pal
10. Shri Prakash Paranjpe
11. Shri Raj Narain Passi
12. Shri Pravin Rashtrapal
13. Shri Ramsinh Rathwa
14. Shri Kirit Somaiya
15. Shri Kharabela Swain
16. Shri Sudip Bandyopadhyay

Rajya Sabha

17. Shri Murli Deora
18. Shri Prithviraj Chavan
19. Shri M. Rajasekara Murthy
20. Dr. Biplab Dasgupta
21. Shri Palden Tsering Gyamtso

SECRETARIAT

1. Dr. (Smt.) P.K. Sandhu - Joint Secretary
2. Shri R.K. Jain - Deputy Secretary
3. Shri S.B. Arora - Under Secretary

Witnesses

Ministry of Statistics & Programme Implementation

1. Shri K.K. Jaswal, Secretary (S&PI)
2. Shri Gautam Basu, AS & FA (S&PI)
3. Shri A.K. Mishra, AS (S&PI)
4. Dr. S. Ray, DG &CEO, NSSO

5. Prof. K.B. Sinha, Director (ISI)
6. Dr. A.C. Kulshreshtha, ADG
7. Dr. Vaskar Saha, ADG
8. Shri A.K. Saxena, JS(S&PI)
9. Dr. G. Ravindran, DDG
10. Shri M. Neelkantan, DDG
11. Shri Vishnu Kumar, DDG
12. Shri N.R. Dash, Director
13. Shri A.K. Ganeriwala, Director
14. Shri V.K. Arora, Director (MPLADS)
15. Shri J.L. Narayan, Jt. Adviser
16. Shri Deepak Rastogi, Director

2. At the outset, the Chairman welcomed the representatives of Ministry of Statistics & Programme Implementation to the sitting of the Committee and invited their attention to the provisions contained in Direction 55 of the Directions by the Speaker.

3. The Committee then took oral evidence of the representatives of the Ministry of Statistics & Programme Implementation on Demands for Grants (2003-04) of the Ministry of Statistics & Programme Implementation and other related matters.

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

5. The evidence was concluded.

6. A verbatim record of proceedings has been kept.

The witnesses then withdrew

MINUTES OF THE TENTH SITTING OF STANDING COMMITTEE ON FINANCE

The Committee sat on Wednesday, 09 April, 2003 from 1500 to 1550 hours.

PRESENT

Shri. N. Janardhana Reddy – Chairman

MEMBERS

LOK SABHA

2. Shri Ramesh Chennithala
3. Shri Trilochan Kanungo
4. Shri Rattan Lal Kataria
5. Shri Sudarsana E.M. Natchiappan
6. Shri Rupchand Pal
7. Shri Prabodh Panda
8. Shri Ramsinh Rathwa
9. Shri T.M. Selvaganapathi
10. Shri Lakshman Seth
11. Shri Kirit Somaiya
12. Shri Kharbela Swain

RAJYA SABHA

13. Dr. Manmohan Singh
14. Shri Prithviraj Chavan
15. Shri Swaraj Kaushal
16. Shri Praful Patel
17. Shri Dinesh Trivedi

SECRETARIAT

1. Shri P.D.T. Achary - Additional Secretary
2. Dr. (Smt.) P.K. Sandhu - Joint Secretary
3. Shri R.K. Jain - Deputy Secretary
4. Shri S.B. Arora - Under Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. The Chairman also welcomed Shri Swaraj Kaushal on his nomination as a member of the Committee.

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8. The Committee then considered the draft report on the Demands for Grants (2003-2004) of the Ministry of Statistics and Programme Implementation and adopted the same without any amendment.

9. The Committee authorised the Chairman to finalise the 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.

