

NINTH REPORT
STANDING COMMITTEE ON FINANCE
(1999-2000)

(THIRTEENTH LOK SABHA)

**MINISTRY OF STATISTICS AND
PROGRAMME IMPLEMENTATION**

DEMANDS FOR GRANTS
(2000-2001)

*[Action taken by the Government on the recommendations contained in the
Fourth Report (Thirteenth Lok Sabha) of the Standing Committee on Finance
on Demands for Grants (2000-2001) of Ministry of Statistics
and Programme Implementation]*

Presented to Lok Sabha on 22 December, 2000

Laid in Rajya Sabha on 22 December, 2000



LOK SABHA SECRETARIAT
NEW DELHI

December, 2000/Agrahayana, 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 Brahmanand Mandal
7. Shri M.V. Chandrashekhara Murthy
8. Shri M.V.V.S. Murthy
9. Shri Kamal Nath
10. Shri Rupchand Pal
11. Shri M. Padmanabham
12. Shri Prakash Paranjpe
13. Shri Raj Narain Passi
14. Dr. Sanjay Paswan
15. Shri Annasaheb M.K. Patil
16. Shri Varkala Radhakrishnan
17. Shri Pravin Rashtrapal
18. Shri Ram Singh Rathwa
19. Shri S. Jaipal Reddy
20. Shri T.M. Selvaganpathi
21. Mohammad Shahabuddin
22. Shri Ajit Singh
23. Shri C.N. Singh
24. Shri Kirit Somaiya
25. Shri Kharebela Swain
26. Shri Narayan Dutt Tiwari

(iv)

27. Smt. Renuka Chowdhury*
28. Shri Kodikunnil Suresh##
29. Shri G. Putta Swamy Gowda###
30. Vacant

Rajya Sabha

31. Dr. Manmohan Singh
32. Shri N.K.P. Salve
33. Shri Krishna Kumar Birla
34. Shri Narendra Mohan
35. Shri P. Prabhakar Reddy
36. Shri Ranjan Prasad Yadav
37. Prof. M. Sankaralingam
38. Shri Amar Singh
39. Shri Vijay Darda
40. Shri Suresh A. Keswani #
41. Dr. Biplab Dasgupta**
42. Shri K. Rahman Khan*
43. Shri Praful Patel*
44. Shri S.S. Ahluwalia**
45. Vacant

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 N.S. Hooda | <i>Assistant Director</i> |

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

**Nominated *w.e.f.* 24 April, 2000

*Nominated *w.e.f.* 5 May, 2000

**Nominated *w.e.f.* 16 May, 2000

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

**Nominated *w.e.f.* 1 August, 2000

***Nominated *w.e.f.* 7 December, 2000

INTRODUCTION

I, the Chairman of the Standing Committee on Finance (1999-2000), having been authorised by the Committee to submit the Report on their behalf present this Ninth Report on action taken by Government on the recommendations contained in the Fourth Report of the Committee (Thirteenth Lok Sabha) on Demands for Grants (2000-2001) of the Ministry of Statistics and Programme Implementation.

2. The Fourth Report was laid in Rajya Sabha/presented to Lok Sabha on 25 April, 2000. The Government furnished the replies indicating action taken on all the recommendations on 24 July, 2000. The Draft Action Taken Report was considered and adopted by the Standing Committee on Finance at their sitting held on 20 December, 2000.

3. An analysis of action taken by Government on recommendations contained in the Fourth Report (Thirteenth Lok Sabha) of the Committee is given in the Appendix.

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

NEW DELHI;
20 December, 2000
29 Agrahayana, 1922 (Saka)

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

CHAPTER I

REPORT

This Report of the Standing Committee on Finance deals with action taken by Government on the recommendations/observations contained in their Fourth Report (13th Lok Sabha) on Demands for Grants (2000-2001) of the Ministry of Statistics and Programme Implementation which was presented to Lok Sabha on 25 April, 2000.

2. The Report contained 14 recommendations. Action taken notes have been received from the Government in respect of all the recommendations contained in the Report. These have been analysed and categorised as follows:—

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

Sl. Nos. 1, 2, 3, 4, 5, 7, 9, 10, 11, 12 & 13

(Total 11)

(Chapter II)

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

Sl. No. 8

(Total 1)

(Chapter III)

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

Sl. Nos. 6 & 14

(Total 2)

(Chapter IV)

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

(Total Nil)

(Chapter V)

3. The Committee will now deal with the action taken by Government on some of their recommendations/observations:—

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

Machinery and Equipment

4. The Committee were 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 believed that expeditious completion of this scheme would go a long way in not only improving the reliability and quality of data but would also help in making the same available on time. They, therefore, recommended that the work under this scheme should be taken up with due earnestness and the funds be utilised fully during the current year itself.

5. In their action taken reply, the Government have stated that a provision of Rs. 60 crores has been made for the purchase of machinery and equipment under the newly introduced scheme 'Modernisation of Statistical System in India' during 2000-01. The expenditure under this scheme can, however, be made only after the project has been approved by the Government and World Bank assistance has been committed. The project proposal is presently under review by a Committee under the Chairmanship of the Minister of State for Statistics & Programme Implementation.

6. Committee are not convinced with the reply of the Government. Four months of the current financial year have already lapsed and the proposal is still pending in the Ministry itself, whereas the scheme will be implemented with the assistance of World Bank, which may also study the feasibility of the same and in the process, Rs. 60 crores sanctioned in the budget may remain unutilised. They reiterate their earlier recommendation that the work under the scheme should be taken up with due earnestness and the funds be utilised fully during the current year itself so that the budgetary exercise becomes more meaningful.

Twenty Point Programme

7. 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) had been in operation since 1975. Though the Twenty Point Programme had a vital role to play in ensuring growth the equity and social justice, the Committee were disappointed to find that during the period April, 1999 to September, 1999 'very good' performance rating could be achieved only by 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 were of the view that some of the Schemes had not been successfully implemented with the result that the benefits had not reached the deserving beneficiaries. Indira Awas Yojana was one such scheme which had not been successfully implemented with the result that the benefits had not reached the deserving beneficiaries. Indira Awas Yojana was one such scheme which had not been properly implemented over a period of time. The Committee were of the strong view that every effort have been made with a view to ensuring that each of the schemes got implemented effectively and served the purposes for which it was formulated.

8. In their action taken reply, the Government have stated that the Ministry of Statistics & Programme Implementation has been pursuing vigorously the implementation of the Twenty Point Programme with the State Governments/Union Territory Administrations. Secretaries/Administrators of the State/Union Territories were requested on the 28th January, 2000 and 25th March, 2000 to take additional steps to ensure achievement of the targets fixed under the various items of the Twenty Point Programme. It has been observed that, due to various reasons, implementation of some of the items of the Twenty Point Programme start picking up in the last quarter of the financial year.

9. The performance has improved in the last quarter of the financial year and out of the 21 items of monthly monitoring, based on the March, 2000 Report, the performance is 'Very Good', (i.e. achievement is 90% and above) in 13 items and 'Good' (i.e. achievement is between 80% to 90%) in one item. The performance is 'Poor' (i.e. achievement is below 80%) in 7 items. Out of the 7 items in 'Poor' category, category, performance is above 50% in 5 items.

10. Some of the State Governments have issued further instructions/directions to the implementing agencies to accelerate achievement under the Twenty Point Programme.

11. From the reply of the Government, Committee note that out of 21 items of monthly monitoring 7 *i.e.* 33% have shown 'Poor' performance. It shows that the implementation of these schemes is not done with the seriousness they deserve. Committee are not satisfied with the achievements made under the Twenty Point Programme and reiterate that to ensure the full implementation of the schemes, there is a need for effective monitoring agencies at the Centre, State and district levels, which could keep a watch on the performance at various levels so that the performance shows a definite improvement.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 1, Para No. 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.

Reply of the Government

Conveying the recommendations of the Standing Committee on Finance, the Chief Secretaries/Administrators of the States/UTs have been requested to strengthen the monitoring mechanism and ensure that the amount released is spent quickly for the purpose for which it was sanctioned.

[M/o Statistics & Programme Implementation O.M. No. G20017/3/
2000-B&F, dated 24.7.2000]

Recommendation (Sl. No. 2, Para No. 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.

Reply of the Government

Conveying the recommendations of the Standing Committee on Finance, the Secretary, Planning Commission has been requested to submit expeditiously the report on the evaluation of MPLADS being conducted by the Project Evaluation Organisation of the Planning Commission.

[M/o Statistics & Programme Implementation O.M. No. G20017/3/
2000-B&F, dated 24.7.2000]

Recommendation (Sl. No. 3, Para No. 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.

Reply of the Government

All concerned have been informed of the change in procedure for releasing funds in two instalments of Rupees one crore each instead of four instalments of Rs. 50.00 lakhs each vide the Ministry's letter No. C/5/2000-MPLADS dated the 19th May, 2000 (copy enclosed).

[M/o Statistics & Programme Implementation O.M. No. G20017/3/
2000-B&F, dated 24.7.2000]

MEMBER OF PARLIAMENT LOCAL AREA
DEVELOPMENT SCHEME
GOVERNMENT OF INDIA

MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION
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V.K. Arora
Director
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Dated 19th May, 2000

No: C/5/2000

To

Commissioners
Corporation of Calcutta/Chennai/Delhi
District Collector/District Magistrate/Dy. Commissioner
All Districts

Sub: Release of MPLADS Funds in two instalments

It has been decided that

- (i) the per year allocation of Rs. 2 crores will be released in two instalments of Rs. 1 crore each.
- (ii) the instalment of Rs. 1 crore in respect of an MP would be released once the balance amount, after taking into account the cost of all the works sanctioned (unsanctioned balance), comes to less than Rs. 1 crore.

2. The relevant provisions of the Guidelines stand amended accordingly.

Sd/-
(V.K. Arora)

Copy to:

1. Hon'ble Members of Parliament Rajya Sabha & Lok Sabha.
2. Rajya Sabha/Lok Sabha Secretariat, Parliament House Annex, New Delhi.
3. Chief Secretary/Administrator, all States/UTs.

Sd/-
(V.K. Arora)

Recommendation (Sl. No. 4, Para No. 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.

Reply of the Government

The actual expenditure during 1999-2000 under C.S.O. (Plan). Office Expenses is Rs. 23.75 lakhs. It was expected that the National Statistical Commission would be established during 1999-2000. It was, indeed, established on January, 2000. However, no budgetary provision was made either at B.E. stage or at R.E. stage for the Commission. The Ministry was planning for expenditure for the Commission for the months of February & March, 2000 by re-appropriation from C.S.O. (Plan) O.E. However, Ministry of Finance allocated Rs. 35.00 lakhs in February, 2000 as an advance out of the Contingency Fund of India under Non-Plan to meet the expenditure of NSC which was established in January, 2000. Hence the full amount under O.E. (Plan) could not be spent.

During the current year 2000-2001, all efforts will be made to utilise the funds allocated for the purpose.

[M/o Statistics & Programme Implementation O.M. No. G20017/3/
2000-B&F, dated 24.7.2000]

Recommendation (Sl. No. 5, Para No. 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.* 31.3.2000. 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.

Reply of the Government

Under the head "Machinery and Equipment", budgetary provision made at the BE stage was increased from Rs. 1.67 crores to Rs. 2.46 crores. The actual expenditure during 1999-2000 was, however, Rs. 2.28 crores. Procurement of computer during 1999-2000 was delayed because of the Y2K Problem. The savings of 18 lakhs was due to non-approval of the scheme of "Modernisation of Statistical System" which included launching of a pilot project for collection of data through LAPTOP computers. The progress of expenditure is now being monitored more closely.

[M/o Statistics & Programme Implementation O.M. No. G20017/3/
2000-B&F, dated 24.7.2000]

Recommendation (Sl. No. 7, Para No. 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 meager 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.

Reply of the Government

The saving was on account of non-clearance of the project for "Modernisation of Statistical System" which included establishment of "National Statistical Training and Research Institute" and strengthening of facilities at the zonal training centres. The actual expenditure under Major Work during 1999-2000 was Rs. 1.021 crore. The spending units have been instructed to be more realistic in future, and the progress of expenditure is being monitored closely.

[M/o Statistics & Programme Implementation O.M. No. G20017/3/
2000-B&F, dated 24.7.2000]

Recommendation (Sl. No. 9, Para No. 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 utilization 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 existing particularly in the unorganized segments of the economy".

Reply of the Government

The reason for low expenditure/under-utilisation of funds in the above mentioned Plan Schemes are as under:

(1) Implementation of UN System of National Accounts, 1993:

One of the major components of this Plan Scheme was sponsoring research type studies for updating the rates/ratios used in the compilation of national accounts which are based on quite old studies. For this purpose proposal from research institutions and NGOs were invited but unfortunately no response was received inspite of repeated reminders. This is one of the major reasons for non-utilization of Plan funds under the Scheme.

This Plan Scheme is basically staff oriented and some posts were envisaged to be created. The Ministry of Finance has not approved the creation of posts and so the provision under salaries could not be spent.

(2) Computerisation of National Accounts and preparation of Data base:

During the year 1999-2000, the total allocation of funds was Rs. 14.40 lakh, out of which Rs. 5.00 lakhs was towards capital content and the rest Rs. 9.40 lakhs towards office expenses. Against this budget allocation, Rs. 2.55 lakhs was spent during the year. It was proposed to utilise the balance funds for networking of National Accounts Division, as envisaged in the plan scheme. However, since the availability of funds under the scheme was short of the finances require (estimated cost Rs. 14 lakhs) for the networking, the same could not be carried out and, therefore, the allocated funds under the scheme were not fully spent. However, it is proposed to carry out the networking of computers during 2000-2001.

- (3) **Development of CPI Series separately for Urban and Rural Population CPI(U) & CPI(R) at National level.**

There was a provision of Rs. 4.10 lakhs during 1999-2000 and out of this amount Rs. 2.73 lakhs has been spent. Slightly less expenditure is due to non-attendance of a Non-official Member during the meeting of Technical Advisory Committee (TAC) on Statistics Prices & Cost of Living (SPCL). The meeting of Technical Advisory Committee (TAC) on Statistics Prices & Cost of Living (SPCL) could not be convened in the quarter ending March, 2000 as there was no sufficient agenda items for consideration.

- (4) **Development of Environment Statistics:**

There was a budget provision of Rs. 15.00 lakhs during 1999-2000 and only Rs. 10.24 lakhs has been spent out of this budget. Full amount could not be spent due to the following reasons (i) Three Plan post (Deputy Director, Assistant Director & Senior Investigator) remained vacant for a major part of the year and (ii) An amount of Rs. 3.00 lakhs was kept under the head "Publication" which could not be utilized fully. The amount of Rs. 19.00 lakhs kept in the Budget for the year 2000-01 every effort will be made to utilize the amount.

[M/o Statistics & Programme Implementation O.M. No. G20017/3/
2000-B&F, dated 24.7.2000]

Recommendation (Sl. No. 10, Para No. 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.

Reply of the Government

A suitable mechanism has been adopted for ensuring full utilization of funds in a judicious manner during 2000-01. Secretary (S&PI) will hold a monthly expenditure meeting to monitor the progress of expenditure *vis-a-vis* achievement of targets for various schemes. In this regard Secretary, MOS&PI has already taken a meeting on 14.6.2000.

[M/o Statistics & Programme Implementation O.M. No. G20017/3/
2000-B&F, dated 24.7.2000]

1	2	3	4	5	6	7	8	9
6.	Implementation of the UN System of National Accounts, 1993	20.00	4.00	53.15	15.43	2.00	1.20	49.00
7.	Preparation of Quarterly Estimates of GDP and Coordination of Read Sector Data for the IMF's SDDS	0.00	0.00	9.00	4.00	5.00	4.41 ⁰	6.00
8.	Improvement of National/State Accounts Statistics in India	0.00	0.00	0.00	168.76	0.00	—	—
9.	Modernisation of Statistical System in India	0.00	0.00	0.00	0.00	873.18	60.14	12001.48
10.	Fourth Economic Census	4500.00	4202.02	1022.00	501.25	300.00	256.97	80.00
11.	Improvement of Informal Sector Statistics	142.00	73.40	156.00	131.44	170.00	159.96	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	1.57	6.00	2.73	183.00
13.	Development of Environment Statistics	22.00	6.73	36.78	13.97	15.00	10.24	19.00
14.	Strengthening of Social Statistics Unit	8.58	6.00	17.63	8.49	13.95	5.24	14.77
15.	Conducting/sponsoring training Courses	14.00	4.66	14.00	59.60	141.00	55.00	75.00

1	2	3	4	5	6	7	8	9
16.	Payment for professional services in research studies	48.00	34.86	67.60	58.95	54.50	42.81	105.00
17.	Secretariat for National Advisory Board on Statistics	1.35	1.35	10.00	5.60	12.00	5.35	14.50
18.	Awards/Fellowships for outstanding and meritorious work in statistics	2.00	0.00	17.60	0.51	39.32	4.50	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	63.82	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
21.	Grants-in-aid to ISI	1000.00	881.28	900.00	900.00	900.00	810.00	1191.00
22.	Construction/Purchase of office accommodation for field offices of FOD	200.00	161.65	150.00	155.00	150.00	72.18	150.00
23.	Strengthening and streamlining of field offices of FOD	91.00	54.66	149.00	113.08	97.74	72.79	111.40

1	2	3	4	5	6	7	8	9
24.	Strengthening of training facilities in Zonal Centres of FOD	30.00	22.58	51.00	31.03	54.84	26.05	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	44.49	139.00
26.	Rationalisation of Data processing facilities	155.00	123.29	131.00	138.59	142.00	145.58	202.95
27.	Upgradation of the existing micro processor system for accelerating data processing	14.00	5.50	15.00	16.25	73.88	93.16	55.70
28.	Construction of office building for NSSO at Calcutta	30.00	0.00	30.00	3.96	30.00	30.00	5.00
29.	Organisation of Library and Modernisation of statistical system	10.85	6.41	3.50	5.75	6.44	8.17	32.41
30.	Post-Survey evaluation of sample surveys conducted by NSSO	5.75	4.43	9.50	8.25	15.81	10.76	17.90

1	2	3	4	5	6	7	8	9
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	8.56	20.17
33.	Pooling of Central & State data of NSSO Survey	4.78	5.09	5.00	6.58	7.00	6.66	8.60
34.	Strengthening of training programmes in EDP at various levels	4.81	5.78	15.00	16.45	7.50	8.79	8.90
35.	Preservation of data on electronic media	14.00	6.78	11.00	12.41	11.00	10.99	
36.	Creation and Maintenance of Data basis on Economic Statistics with necessary provision of on-line accessibility	54.00	9.29	6.00	6.59	11.00	8.83	
#37.	Modernisation of Cadre management of ISS and SSS							14.77
#38.	Canvassing of Annual Survey of Industries Part-II Schedule	—						384.00

	2	3	4	5	6	7	8	9
#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	158000.00

* Scheme has been completed.

‡ Scheme was dropped.

• New Schemes.

Recommendation (Sl. No. 11, Para No. 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 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 projects is reported to be 33.4%. There are 50 projects which were frozen/dropped on account of their having become unviable.

Reply of the Government

Observations of the Committee have been noted.

[M/o Statistics & Programme Implementation O.M. No. G-20017/3/
2000-B&F, dated 24.7.2000]

Recommendation (Sl. No. 12, Para No. 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 stipulation could be strictly adhered to precious little has been achieved. The slippages on the twin accounts 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 Task Force.

Reply of the Government

Observations of the Committee have been noted for further guidance and action for improvement.

[M/o Statistics & Programme Implementation O.M. No. G-20017/3/
2000-B&F, dated 24.7.2000]

Recommendation (Sl. No. 13, Para No. 40)

The Committee have, however, been informed that a system of Standing Committee has been introduced after 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 crore 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 further need to 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.

Reply of the Government

The question of further strengthening the monitoring system and evolution of suitable mechanism which could help in identifying various bottlenecks and overcoming the problems encountered in the implementation of the projects which have been delayed, has been considered at the highest level in a series of meetings taken by Minister of State (Statistics & Programme Implementation). Some of the steps

that have been identified for immediate action to arrest delays in implementation and cost over-runs are:

- (i) Project Monitoring Division (PMD) has identified six major factors which come in the way of implementation of the projects on time, resulting in cost over-runs. Efforts are being made to identify policy issues in these factors so that decisions can be taken by the appropriate authorities.
- (ii) It is proposed to focus on monitoring of 28 projects that today account for 86.36% of total cost over-runs in projects. More detailed information on the factors has been called for from the concerned Ministries/Departments on the 2nd June, 2000, particularly the problems encountered by the projects under implementation with a view to finding out immediate solutions and for taking further measures to avoid future delays. The evolution of any further/new mechanism, as per the recommendations of the Standing Finance Committee, could, therefore, be considered on receipt of replies from the Ministries/Departments concerned.
- (iii) The Ministry of Statistics & Programme Implementation proposes to keep track of ground realities and have a focussed view of them and highlight critical problems for resolution through inter-ministerial coordination.
- (iv) The Ministry is already in the process of streamlining 'standard contract clauses' for domestic bidding with a view to bringing transparency and reducing litigations causing delay in implementation.

[M/o Statistics & Programme Implementation O.M. No. G-20017/3/
2000-B&F, dated 24.7.2000]

CHAPTER III

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

Recommendation (Sl. No. 8, Para No. 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 crore made during the current financial year will be utilized 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.

Reply of the Government

The Plan provision for major works under the Plan Scheme 'Modernisation of Statistical System in India' during 2000-01 is Rs. 10 crore. The expenditure under this scheme can, however, be made only after the project has been approved by the Government, and World Bank assistance has been committed. The project proposal is presently under review by a Committee under the Chairmanship of the Minister of State for S&PI.

[M/o Statistics & Programme Implementation O.M. No. G-20017/3/
2000-B&F, dated 24.7.2000]

CHAPTER IV

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

Recommendation (Sl. No. 6, Para No. 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 utilized fully during the current year itself.

Reply of the Government

A provision of Rs. 60 crores has been made for the purchase of machinery and equipment under the newly introduced scheme 'Modernisation of Statistical System in India' during 2000-01. The expenditure under this scheme can, however, be made only after the project has been approved by the Government and World Bank assistance has been committed. The project proposal is presently under review by a Committee under the Chairmanship of the Minister of State for S&PI.

[M/o Statistics & Programme Implementation O.M. No. G. 20017/
3/2000-B&F, dated 24.7.2000]

Comments of the Committee

(Please see Para No. 6 of the Chapter-I of the Report)

Recommendation (Sl. No. 14, Para No. 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 case of Primary Health Centres (PHCs), Integrated Child Development Services (IVDS), opening of Anganwadis, Slum Improvements, Village Electrified and energisation of Pumpssets. 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.

Reply of the Government

The Ministry of Statistics & P.I. has been pursuing vigorously the implementation of the Twenty Point Programme (TPP) with the State Governments/Union Territory Administrations. Chief Secretaries/Administrators of the States/Union Territories were requested on the 28th January, 2000 and 25th March, 2000 to take additional steps to ensure achievement of the targets fixed under the various items of the Twenty Point Programme. It has been observed that, due to various reasons, implementation of some of the items of the TPP starts picking up in the last quarter of the financial year.

The performance has improved in the last quarter of the financial year and out of the 21 items of monthly monitoring, based on the March, 2000 Report, the performance is 'very Good' (*i.e.*, achievement is 90% and above) in 13 items and 'Good' (*i.e.*, achievement is between 80% to 90%) in 1 item. The performance is 'Poor' (*i.e.*, achievement is below 80%) in 7 items. Out of the 7 items in 'Poor' category performance is above 50% in 5 items.

Some of the State Governments have issued further instructions/ directions to the implementing agencies to accelerate achievement under the Twenty Point Programme.

[M/o Statistics & Programme Implementation O.M. No. G. 20017/
3/2000-B&F, dated 24.7.2000]

Comments of the Committee

(Please see Para 11 of Chapter-I of the Report)

CHAPTER V

RECOMMENDATION/OBSERVATION IN RESPECT OF WHICH
FINAL REPLY OF THE GOVERNMENT IS STILL AWAITED

—NIL—

NEW DELHI;
20 December, 2000

29 Agrahayana, 1922 (Saka)

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

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

The Committee sat on Wednesday, 20 December, 2000 from
1700 hours to 1930 hours.

PRESENT

Shri Shivraj V. Patil — *Chairman*

MEMBERS

Lok Sabha

2. Shri Rattan Lal Kataria
3. Shri Raj Narain Passi
4. Dr. Sanjay Paswan
5. Shri Varkala Radhakrishnan
6. Shri Ram Singh Rathwa
7. Shri S. Jaipal Reddy
8. Shri Kirit Somaiya
9. Shri Kharebela Swain
10. Shri Narayan Dutt Tiwari
11. Shrimati Renuka Chowdhury

Rajya Sabha

12. Shri Krishna Kumar Birla
13. Shri M. Sankaralingam
14. Shri Suresh A. Keswani
15. Shri K. Rahman Khan
16. Shri S.S. Ahluwalia

SECRETARIAT

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

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee and requested them to consider the draft Reports on (i) Financial Institutions—Objectives, Performance and Future Prospects and (ii) Action Taken Report on the Recommendations contained in the Fourth Report (13th Lok Sabha) of the Standing Committee on Finance on Demands for Grants (2000-2001) of the Ministry of Statistics and Programme Implementation.

3.

4. Thereafter, the Committee considered and adopted the draft Action Taken Report on the Recommendations contained in the Fourth Report (13th Lok Sabha) of the Standing Committee on Finance on Demands for Grants (2000-2001) of the Ministry of Statistics and Programme Implementation without any modification/amendment.

5. The Committee, thereafter, authorised the Chairman to finalise the Report to present to both the Houses of Parliament.

The Committee then adjourned.

APPENDIX

[Vide Para 3 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FOURTH REPORT (THIRTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON FINANCE ON DEMANDS FOR GRANTS (2000-2001) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

	Total	% of Total
(i) Total number of recommendations	14	
(ii) Recommendations/Observations which have been accepted by the Government [Vide Recommendations at Sl. Nos. 1, 2, 3, 4, 5, 7, 9, 10, 11, 12 and 13)	11	
(iii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies [Vide Recommendations at Sl. Nos. 8)		
(iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee [Vide Recommendations at Sl. Nos. 6 & 14)	2	14.29
(v) Recommendation/Observation in respect of which final reply of the Government is still awaited [Vide Recommendation at Sl. No. NIL)	0	NIL