

TWENTY SIXTH REPORT
STANDING COMMITTEE
ON AGRICULTURE
(2002)

(THIRTEENTH LOK SABHA)

MINISTRY OF AGRICULTURE
(DEPARTMENT OF AGRICULTURAL
RESEARCH & EDUCATION)

DEMANDS FOR GRANTS
(2001-2002)

*[Action Taken by the Government on the Recommendations/
Observations contained in the Nineteenth Report of the
Standing Committee on Agriculture (2001)]*

Presented to Lok Sabha on.....**22 MAR 2002**
Laid in Rajya Sabha on **24 APR 2002**



LOK SABHA SECRETARIAT
NEW DELHI

March, 2002/Phalgun, 1923 (Saka)

COMPOSITION OF THE STANDING COMMITTEE
ON AGRICULTURE (2001)

Shri S. S. Palanimanickam — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ram Tahal Chaudhari
3. Shri Shivraj Singh Chouhan
4. Shri Shamsheer Singh Dullo
5. Shri Ramdas Rupala Gavit
6. Shri Thawar Chand Gehlot
7. Shri Raghunath Jha
8. Shri Shivaji Vithalrao Kamble
9. Shri Abul Hasnat Khan
10. Shri Y.G. Mahajan
11. Shri Haribhau Shankar Mahale
12. Shri Savshibhai Makwana
13. Shri Jagannath Mallick
14. Shri M. Master Mathan
15. Shri Dalpat Singh Paraste
16. Shri Tarachand Shivaji Patel
17. Shri Prakash V. Patil
18. Shri Sharad Pawar
19. Smt. Rama Pilot
20. Shri G. Sukender Reddy
21. Shri N.R.K. Reddy
22. Shri Pyare Lal Sankhwar
23. Shri Adi Shankar
24. Shri Chhatrapal Singh
25. Shri Lakshman Singh
26. Shri Rampal Singh
27. Shri Tejveer Singh
28. Shri Zora Singh Mann
29. Shri Bhal Chandra Yadav
30. Shri Mahboob Zahedi

Rajya Sabha

31. Smt. Jamana Devi Barupal
32. Shri Khagen Das
33. Shri Oscar Fernandes
34. Shri H.K. Javare Gowda
35. Shri Korambayil Ahammed Haji
36. Shri Kailash Joshi
37. Shri Kanshi Ram
38. Dr. A.R. Kidwai
39. Shri M. Rajashekara Murthy
40. Shri Yadlapati Venkata Rao
41. Shri Sharief-Ud-Din Shariq
42. Shri Devi Prasad Singh
- \$43. Shri R. Kamaraj
- *44. Vacant
- **45. Vacant

SECRETARIAT

1. Shri P.D.T. Achary — *Additional Secretary*
2. Dr. (Smt.) Paramjeet
Kaur Sandhu — *Joint Secretary*
3. Shri Raj Shekhar Sharma — *Deputy Secretary*
4. Sh. K.L. Arora — *Under Secretary*
5. Shri Anil Kumar — *Executive Assistant*

\$Shri R. Kamaraj nominated *w.e.f.* 14th August, 2001.

*Shri Devi Lal ceased to be a Member of the Committee owing to his demise on 6.4.2001.

**Shri R. Margabandu retired *w.e.f.* 24th July, 2001.

COMPOSITION OF THE STANDING COMMITTEE
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11. Shrimati Prabha Rau
12. Shri Bhaskar Rao Patil
13. Shri Tarachand Shivaji Patel
14. Shri Lakshman Singh
15. Shrimati Rama Pilot
16. Shri Adhir Chowdhary
17. Shri Abul Hasnat Khan
18. Shri Mahboob Zahedi
19. Shri N.R.K. Reddy
20. Shri Ambati Brahmaniah
21. Prof. S.P. Singh Baghel
22. Shri Chandra Bhushan Singh
23. Shri Bhalchandra Yadav
24. Shri Anant Gudhe
25. Shri Daud Ahmad
26. Shri Raghunath Jha
27. Shri Surinder Singh Barwala
28. Shri Tarlochan Singh Tur
29. Shri Bhan Singh Bhaura
30. Vacant

(vi)

Rajya Sabha

31. Dr. A.R. Kidwai
32. Shri Oscar Fernandes
33. Smt. Jamana Devi Barupal
34. Shri Kailash Joshi
35. Shri Suryabhan Patil Vahadane
36. Shri M. Rajashekara Murthy
37. Chaudhary Harmohan Singh Yadav
38. Shri R. Kamaraj
- *39. Sardar Balvinder Singh Bhundar
40. Shri R.S. Gavai
41. Shri Sharief-Ud-Din Shariq
42. Shri Balwant Singh Ramoowalia
43. Shri Rao Man Singh
44. Shri Gandhi Azad
45. Vacant

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4. Sh. K.L. Arora — *Under Secretary*
5. Shri Anil Kumar — *Executive Assistant*

*Resigned from Rajya Sabha w.e.f. 7.3.2002.

INTRODUCTION

1. I, the Chairman of the Standing Committee on Agriculture (2002) having been authorised by the Committee to submit the Report on their behalf, present this Twenty Sixth Report on Action Taken by the Government on the recommendations/observations contained in the Nineteenth Report of the Standing Committee on Agriculture (2001) (Thirteenth Lok Sabha), on Demands for Grants (2001-2002) of the Ministry of Agriculture (Department of Agricultural Research and Education).

2. The Nineteenth Report of the Standing Committee on Agriculture (2001) on Demands for Grants (2001-2002) of the Ministry of Agriculture (Department of Agricultural Research & Education) was presented to Lok Sabha and laid in Rajya Sabha on 19.4.2001. The Ministry of Agriculture (Department of Agricultural Research & Education) was requested to furnish action taken replies of the Government to recommendations contained in the Nineteenth Report. The replies of the Government to all the recommendations contained in the Report were received.

3. However, in view of the unsatisfactory replies to some of the recommendations contained in their Nineteenth Report, the Committee took oral evidence of the representatives of the Ministry of Agriculture (Department of Agricultural Research and Education), Ministry of Finance and Planning Commission on 22nd November, 2001. The Committee wish to express their thanks to the officers of the Ministry of Agriculture (Department of Agricultural Research and Education), Ministry of Finance and Planning Commission for placing before them, the information desired in connection with the examination of the subject. The Committee also appreciate the frankness with which the officials/representatives shared their views, perceptions and constraints with the Committee.

4. The Committee considered the action taken replies furnished by the Government at their sitting held on 14th March, 2002, approved the draft comments and adopted the Twenty Sixth Report. Minutes of the sittings are placed in Appendices I & II.

5. An analysis of the Action Taken by the Government on the recommendations/observations contained in the Nineteenth Report (13th Lok Sabha) of the Committee is given in Appendix-III.

NEW DELHI;
14 March, 2002
23 Phalguna, 1923 (Saka)

S.S. PALANIMANICKAM,
Chairman,
Standing Committee on Agriculture.

ANNEXURE

CHAPTER I

REPORT

This Report of the Committee on Agriculture deals with the action taken by the Government on the recommendations contained in the Nineteenth Report (Thirteenth Lok Sabha) of the Standing Committee on Agriculture (2001) on Demands for Grants (2001-2002) of the Ministry of Agriculture (Department of Agricultural Research & Education) which was presented to the Lok Sabha and laid in Rajya Sabha on 19th April, 2001.

1.2 Action taken replies have been received from the Government in respect of all the 12 recommendations contained in the Report. The Committee also took oral evidence of the representatives of the Ministry of Agriculture (Department of Agricultural Research and Education), Ministry of Finance and Planning Commission on 22nd November, 2001 in view of the replies of the above mentioned bodies involved in implementing some of the recommendations of the Committee. The Action Taken Replies have been categorised as follows:

(i) Recommendations/Observations that have been accepted by the Government (Chapter II of the Report)

Recommendation Sl. Nos. 7,8, & 11. (Total 3)

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

Recommendation Sl.No. NIL

(iii) Recommendations/Observations in respect of which reply of the Government have not been accepted by the Committee (Chapter IV of the Report to be commented upon in Chapter I of the Report)

Recommendation Sl.Nos. 1,2,3,5,6,9,10 and 12 (Total 8)

(iv) Recommendations/Observations in respect of which final replies of the Government are still awaited (Chapter V of the Report)

Recommendation Sl.No. 4 (Total 1)

1.3 The Committee will now deal with the action taken by the Government on some other recommendations.

A. *Agricultural Research and Education to get 1% of AGDP*

Recommendation No. 1

1.4 The Committee had noted that the Department of Agricultural Research and Education was initially given an approved IXth Plan Outlay of Rs. 2653.22 crores which included Rs. 400.00 crores as a one time catch up grant. Later on, although this initial allocation of Rs. 2635.22 crores was revised to Rs. 3376.95 crores by the Planning Commission for the entire IXth Plan, yet the DARE/ICAR has been allocated only Rs. 2749.39 crores as Budget Estimates (BE) in five years which have been further reduced to Rs. 2514.17 crores at Revised Estimate (RE) stage. Rs. 684.00 crores has been added for 2001-2002 in the total five years actual REs of Rs. 2514.17 crores. Rs. 2514.17 crores is Rs. 121.05 crores less than Rs. 2635.22 crores initially envisaged for DARE and Rs. 862.05 crores less than the revised enhanced allocation of Rs. 3376.95 crores for the entire IXth Plan.

The Committee had also noted that the Central Government as a whole, actually have raised their total IXth Five years' Plan allocations to Rs. 548061.90 crores from the earlier IX Plan (Five years') approved allocations of Rs. 489361.00 crores. In spite of, this steep increase in the central plan allocations, there is a steep decrease in the DARE/ICAR plan allocations even from the actually committed plan allocations by the Planning Commission and the Ministry of Finance in their favour.

The Green Revolution, the White Revolution and the Blue Revolutions India have been bestowed upon after her independence could be possible mainly because of the research work and adoption of technologies developed by the dedicated efforts of the Scientist engaged in agriculture and its allied sectors.

The Government has set a target of achieving 4% annual growth in agriculture and allied sector during the X Plan from the financial year 2002-03, contrary to the annual growth of 0.9% in 2000-01 and 0.7% in 1999-2000 in agriculture and allied sector. The Committee felt that this 4% annual growth target during the Xth Plan could be achieved by giving special provisions to the pressing needs of the Research and Educational activities of the apex Department/Institutes viz. DARE/ICAR. Imposing drastic financial cuts at RE stage or even later in the financial year leads to dislocation of programmes and annual plan targets as is evident from the Financial Statements of the Department in each year of the IXth Plan period.

The Committee, therefore, once again, had strongly recommended that present level of about 0.20% budgetary allocations made to DARE/ICAR of the Agricultural Gross Domestic Product (AGDP) is hardly sufficient and should be increased to the level of at least 1% of AGDP with a tendency of gradual increase upto 2% of AGDP in Xth Plan onwards as has been happening in the economically and agriculturally developed nations of the world. This enhanced priority financial support to DARE/ICAR will not only help the nation to achieve the targeted 4% growth rate envisaged for agricultural and allied sector but also help the Indian farmers to compete.

1.5 The Department in their reply have stated that the positive recommendation of the Committee was sent to Planning Commission and Ministry of Finance for taking appropriate steps while allocating the funds to this Department. The Ministry of Finance had informed earlier that total Plan Fund of the country is placed at the disposal of the Planning Commission, which is further distributed by the Commission among various Ministries/Departments. The specific assurance of Planning Commission for providing

Plan Funds at the level of at least 1% of AGDP is still awaited. The Department is further pursuing the matter with the Planning Commission.

1.6 Later in the month of November, 2001 the Department in their reply stated that the Department brought this recommendation to the kind notice of Ministry of Finance. The Ministry of Finance have noted that any enhancement for a particular sector has to be considered within the overall plan size for which Gross Budgetary Support is allocated to Planning Commission. Inter-sectoral allocations and Ministry-wise allocations are decided by the Planning Commission.

However, the Planning Commission responded that the pre-determined earmarking of plan allocations, such as being suggested in this case, is not in the interest of the optimal use of available resources (which are always scarce). The plan has to be sensitive to the changing context needs, exigencies and the priorities laid down by the Government from time to time. The Planning Commission would always support DARE's/ICAR's good projects irrespective of ceilings, even if they were beyond any stipulated limit. Good Projects and schemes will never be allowed to suffer for want of funds. Pre-determined earmarking of plan allocation on a said formula has the potential of mis-allocation of scarce resources, which is avoidable.

1.7 The Department is strongly of the view that the budgetary allocations made for the Annual Plans are insufficient and should be increased to the level of at least 1% of AGDP in the Tenth Plan, which may be enhanced to a level of 2% gradually.

1.8 In this connection, during evidence held on 22nd November, 2001, the Secretary, Planning Commission stated as under:

“We would also like to mention that the share of the budgetary support out of the budgetary support allocated to the Department of Agricultural Research and Education has been consistently increasing over the Ninth Plan period level of 0.92 per cent in 1997-98 to 1.3 per cent in 2001-2002.”

1.9 The Secretary, Ministry of Finance (Department of Economic Affairs) on comparative increase in the DARE’s Budget stated:

“We have got the figures for the first four years of the Ninth Plan. The average annual increase for the Plan as a whole is 11.49 per cent whereas the average annual increase in the case of DARE is 16.5 per cent. So, the increase in the allocation for DARE is much more than the annual increase in the overall Plan expenditure. That is in response to this recommendation.

So, in fact, they are getting better than the average for all other Ministries.”

1.10 The Secretary (DARE) and DG (ICAR) on non-adequacy of funds actually received by DARE stated:

“As far as the submission of the proposal is concerned, we have submitted a proposal for much higher allocation to the Planning Commission. It was to the tune of Rs. 3376.95 crores for the entire Plan Budget, which finally came down to Rs. 2514 crores. The total plan allocation that we wanted in the beginning was Rs. 3367 crores for the entire Ninth Plan and we were initially allocated Rs. 2635.22 crores as Budget Estimate and in five years it has been further reduced to Rs. 2514 crores. I would say that even the amount that we originally proposed is not enough but looking at the Plan allocation that we have been getting in the past, it was not very wise to propose a very high budget.

This year, for instance, it is about Rs. 862 crores but what we are now getting is much less. To answer your question, it was not sufficient.”

1.11 On a query about the effect of getting lesser allocations than proposed by DARE on R&D of Agriculture in the country, the Secretary (DARE) further stated:

“In general, the total production in respect of productivity that we have in the country, we may claim to have one of the highest per unit investment in the country. But when we have to meet all demands in frontier areas of research it has to be commensurate with upgrading the infrastructure, human resources and conducting research in some of the frontier areas like genetic engineering, biotechnology, climate change etc. All of our institutions have got to have proper infrastructure. Our institute (Pusa Institute) in Delhi, which is 65 years old, even for basic infrastructure and facility, if you want to do research that is competitive, you have to build the infrastructure and human resources. We have been pulling on at very minimum resources. We are not trying to say that we have not been able to contribute but we could contribute much more that we are able to if you really renovate the infrastructure, provide modern laboratories and train people. Therefore, the Budget provided to us is not at all sufficient.***** If we are now to compete in the changing scenario with WTO, quality and value addition and all that, in frontier areas like genetic engineering, we will need more funds. The current project given to us is half gene of rice plant and it costs us Rs. 50 crores. We can set that aside but much less would be left for other things. I have been with ICAR for 30 years and I am speaking on the basis of my experience in different capacities. Today, 27 per cent of the total GDP comes from this sector. The allocation that we are getting is only 0.29 per cent compared to 4.02 per cent in Australia, 2.8 per cent in the US and 2 to 2.5 per cent in

many countries. The developing countries average allocation is about 0.50 per cent. The maximum we have ever got is just 0.3 per cent. So, my very humble request has been time and again, to make it at least one percent. Then, we can move on to 1.5 per cent, 1.6 per cent or 2 per cent in the five-year time. I do not know what time it will take for us to reach three per cent or so. Even this much will be sufficient to meet our present requirements.”

1.12 On a point whether DARE submits feasible or non-feasible projects before Planning Commission, the Secretary (DARE) during evidence stated:

“As far as we are concerned, our priority is based on the demand of the day. For instance, now, today, the entire shift is for rainfed agriculture, resource constraint areas and in genetic engineering, post harvest technology and Human Resource Development, which can produce larger output. So, we prepare projects on priority. The Planning Commission, depending on the resources that they have, may have their priority and they may fund those projects accordingly. Sir, as far as we are concerned, those are all priority projects because all over national research centers, project directorates are handling some of those areas, which are very important because the resources constraint is known to us. Therefore, we have at our level cut the demand. If you have to make ‘A’ class lab, even one bio-technology lab will cost you something about Rs. 200 crores or Rs. 300 crores. I was just mentioning half of rice genome project, which has been given to us, is costing Rs. 50 crores. But if it is identified, then it will make a miracle change in the total production system in rice, which is feeding the Asian countries. That is the kind of research. It has not been done for today; it is a continuous process.”

1.13 In this connection, Secretary, Planning Commission stated as under:-

“I have here a detailed list of the projects in the 12 major heads. Each one of the projects is identified and allocations made. The proposals and the projects are evaluated and examined. The DARE prepares all these. As I mentioned earlier, the allocations are made. It is true that perhaps because of the overall constraint of resources, there may have been some reduction. But what is striking is that even the funds, which have been allocated, even those have not been spent. ***** For example, last year in the Annual Plan of 2000-2001, the total allocation budgeted was Rs. 629.55 crores. The actual expenditure was only Rs. 516.00 crores. There is a shortfall of more than Rs. 100.00 crores.”

1.14 The Secretary MOF (Deptt. of Economic Affairs) clarified:

“The Department of Agricultural Research and Education, through ICAR has a number of autonomous institutions to whom the budgetary allocations are transferred for implementing various schemes. We found that at the end of the year, 31st March, 2001 they had almost Rs. 300 crores lying in bank balances. Now, here is a situation where we are borrowing 100% at market interest rates and then they are allocated to the Department and whose expenditure is in terms of transfers of moneys to the autonomous institutions and where those moneys lie in bank balances and the Government is paying interest on that and our non-Plan expenditure via higher interest payments builds up. ***** Even if one crores is lying idle it means that we are paying interest on that amount without actually utilizing it. Had that one crores lying idle, on 31st of March of any year been known earlier, then may be, it could have been put to use by some other sectors, like the Department of Rural Development or rural roads.”

1.15 Clarifying DARE’s position in this regard, Secretary, DARE stated:

“Our fund utilization percentage over the years has been between 98 per cent to 99.2 per cent. According to the estimates of the current year, it is 95.74%. If you add to that the figure, it comes to 99%.”

1.16 The Secretary MOF (DOEA) during evidence further clarified:

“The Department of Agricultural Research and Education has a number of autonomous institutions which means they operate their own bank accounts and they do not bank with the treasury and all that. On 31st March, 2001 in the bank accounts of various autonomous institutes funded by the body, the balance was Rs. 330.36 crores. As on 31st March, 2000 it was Rs. 270.40 crores. Before that it was Rs. 223 crores, and prior to that it was Rs. 167 crores. It means, the unspent amounts lying in the bank accounts have been growing year after year. It is just to indicate that it is not so much the shortage of money that may be constraining their work, but it is monies available but lying in the bank. I am sure if they show better capacity to spend, the Planning Commission would certainly consider their request.”

1.17 On a point whether this Rs. 300 crores remained unspent and idle in the banks was owing to 10% mandatory cut imposed by MOF onto DARE’s BEs, the Secretary MOF (DOEA) clarified:

“There is no 10 per cent cut in the plan expenditure. It was for only non-plan expenditure. In any case, this money has been spent from the budget. As far as the Government is concerned, this money has been spent. After it has been spent by the Government, which means, transferred from the Consolidated Fund into the accounts of autonomous institutions and lying in the banks. So, that is purely within the banks, institutions to use that money.”

1.18 In this connection, Principal Advisor (Agriculture) to the Planning Commission pointed out:

“Regarding claim of 99 per cent expenditure by the ICAR, I would say that the figures, which are written here, are not 99 per cent. In fact, if you take the last four years, or even if you take last year’s figure, the figure of BE is Rs. 629.55 crores, RE is Rs. 550 crores and the expenditure is Rs. 516.34 crores. Thus, it is not 99 per cent.”

Comments of the Committee

1.19 The DARE has been given 0.19% in 1994-95, 0.20% in 1995-96, 0.16% in 1996-97, 0.17% in 1997-98, 0.23% in 1998-99 as percentages of the Agricultural Domestic Product, in comparison to 0.50% of AGDP in developing countries and 2.39% of AGDP in developed countries and 0.81% of AGDP global spending on Agricultural Research. The share of DARE has been 0.36% of the Plan Budget of the Government of India in 1997-98, 0.42% in 1998-99, 0.49% in 1999-2000 and 0.47% in 2000-2001. In the opinion of the Committee, these figures show the low priority accorded to the Agricultural Research in India inspite of the fact that India is producing surplus food grains and is contributing nearly 27% to its GDP.

The Committee are equally more concerned over the unspent balances. They went into the Appropriation Accounts (Civil) 1999-2000 and found to their dismay that many Departments had volumes of unspent amounts. In all 103 departments had an unspent amount of Rs. 2560,63,75 (thousands) Revenue Charged, Rs. 56318,25,11 (thousands) capital charged, Rs. 5076,20,86 (thousands) Revenue Voted and Rs. 4062,55,23 (thousands) Capital Voted. The DARE had an unspent amount of Rs. 27,29 (thousands) due to a general cut by the Ministry of Finance which apparently is a meagre amount.

The Committee are convinced that DARE has the capacity to absorb more funds but at the same time it is not convinced of the 97% utilization of funds especially in light of the fact that the DARE had marked Rs. 300 crores all of which was unutilized as on 31st March, 2001 and is lying in various bank accounts maintained by its institutes.

The Committee are of the opinion that the Planning Commission and the Ministry of Finance have not been fair to the demands of Agricultural Research and they need to have a fresh look in evaluating the progress made in Agricultural Research by DARE/ICAR and reiterate their recommendation that the DARE should be given a higher allocation of the level of 1% of AGDP with a tendency to increase upto 2% in the years to come.

The Committee desire that the Financial Wing of the Department should play a more vigilant role and adhere to sound financial practices in checking inflated figures of utilization so that huge sums do not keep lying unspent in accounts with autonomous bodies of the DARE and there is an actual higher demand for funds.

B. Inadequate Plan Budgetary Allocations to DARE/ICAR for the year 2001-2002

Recommendation No. 2

1.20 The Committee had observed that the DARE/ICAR proposed the plan outlay of Rs. 1497.90 crores for the Annual Plan 2001-02. But, the Planning Commission / Ministry of Finance has provided only Rs. 684.00 crores as Budget Estimates (BE). It was also observed that this proposed amount of Rs. 1497.90 crores was the remaining balance amount out of Rs. 3376.95 crores meant for the entire IXth plan period to carry out the planned activities of DARE/ICAR since in the first four years of the IXth Plan only Rs. 1830.17 crores could actually be provided to the Department.

The Committee had strongly deplored this tendency of Planning Commission and the Ministry of Finance for a very rigid and mechanical type of providing plan budgetary allocations to DARE/ICAR year after year as was evident from the Budget Estimates provided during 1998-99 (Rs. 531.17 crores); 1999-2000 (Rs. 573.50 crores); 2000-01 (Rs. 629.55 crores); 2001-02 (Rs. 684.00 crores). All through these years not even minimum 10% to 12 % inflationary trend has been considered while providing budgetary allocations to the Department. In the year 2001-2002 the budgetary support of Central, State and UTs has recorded an increase of 16% over RE 2000-2001 but the DARE has again been left out, that showed the Government's low priority to Agricultural Research over other sectors of the economy. The Committee had strongly opined that to meet the challenges of the present and the future times, the Government has to reprioritize the role of Agricultural Research in its books of budgetary support and allocate much more public funding to the Department rather than mere annual increase of 7 to 9 % in BE for their plan activities.

The Committee, therefore, had strongly recommended that the Department should be provided with Rs. 1497.90 crores by the Planning Commission and the Ministry of Finance during the year 2001-02 as required by them since many of their new initiatives and other programmes are badly suffering owing to lack of optimum funding. The Committee had further recommended that no financial cuts should be imposed on the Department at RE stage, as any financial cuts imposed then might lead to further addition of miseries to Indian farmers and people engaged in agricultural and allied sectors, in the absence of timely help in terms of research and extension activities of the Department.

1.21 The Department in their reply have stated that the positive recommendation of the Committee for providing the Department with Rs. 1497.90 crores during 2001-02 and that there should be no financial cuts at RE stage had been sent to Planning Commission and Ministry of Finance, but the Department has neither received the enhanced funds to the tune of Rs. 1497.90 crores nor any specific response received from Planning Commission/Ministry of Finance. During the current financial year 2001-2002 the Department has been allocated Rs. 684 crores against the projection of Rs. 1497.90 crores. The Department is pursuing the matter vigorously with the Planning Commission / Ministry of Finance.

1.22 During November, 2001 the Department in their reply further stated that the Department brought this recommendation to the kind notice of Ministry of Finance, the Ministry of Finance have noted that any enhancement for a particular sector has to be considered within the overall plan size for which Gross Budgetary Support is allocated to Planning Commission. Inter-sectoral allocations and Ministry-wise allocations are decided by the Planning Commission.

The Ministry of Finance have stated that the budgetary allocations of individuals ministries/departments are based on the proposals received from them and also have to take into account the need to balance the competing demands on central resources. The revised estimates are based on the trend of actual expenditure in the first 7-8 months of the year as also on the actual expenditure incurred in the previous financial year(s).

1.23 The Department requested Rs. 1497.90 crores as Plan allocation during 2001-02 but the Planning Commission made an allocation of Rs. 684 crores, which is quite meager. The Department may be provided at least Rs. 800 crores during the current financial year and it has the capacity to spend this money.

1.24 On a query about adequacy of allocations made in favour of the DARE, during 2001-02 and the funds required to continue/complete the Projects in hand during the same period, Secretary, DARE clarified during evidence on 22.11.2001 as under: -

“The allocation is very meagre. As per our requirements, we are not able to spend it. I can say that if I want a certain budget to start a project, I am given a sum lesser than that. So, we have not been able to take up that project. *****
The point is that we have not been able to get the amount at the speed at which we wanted. For example, we want to buy equipment and build the facilities. We have projected a particular sum. If we get Rs. 10 crores out of the projected amount of Rs. 100 crores, we will go spending accordingly. We are not going at the speed at which we have projected it. That applies to many projects.***** This allocation is for this year only. In this document, we have projected an amount of Rs. 800 crores which we can spend. But the allocation is Rs. 684 crores. If we get Rs. 800 crores, we can spend. Beyond that,

we cannot spend. There is no point in asking money without spending. The allocation is Rs. 684 crores during the current year. Regarding the Tenth Plan, preparation is on”.

1.25 In this regard, Secretary, Planning Commission stated,

“I just want to mention one point. Out of the sum of Rs. 684 crores allocated this year, up to end of September, only Rs. 231.30 crores has been spent. They have yet to spend Rs. 450 crores in the six months. So, if more expenditure can take place, we will be most happy. So would be the Finance Ministry extremely delighted to have it”.

1.26 Further during evidence, Secretary, DARE clarified,

“One thing is that if we have to meet that expenditure of Rs. 800 crores we should be assured of funds now, not in February. One of the reasons is that the RE is generally received in February-end. Hence, we are not really able to get that kind of financial allocation to use. The balance left is Rs. 300 crores. In that, somebody has Rs. 50 lakh and somebody has Rs. 30 lakh and then it comes to that level.”

Comments of the Committee

1.27 The Committee are informed during evidence that the revised estimates are based on the trend of actual expenditure in the first 7 to 8 months. The Committee feel, that, whereas, research work cannot be measured in terms of financial and physical terms in a particular fixed duration of time/months yet unlimited funds cannot be provided which are devoid of any physical achievement.

During evidence the Ministry of Finance also did not come up with any reason for releasing funds at the Revised Estimate Stage to the Department in February end. This gave an excuse to the Department to have unspent amounts.

In such a piquant situation the Committee feel it is the duty of the Department to attract the Planning Commission as well as the Ministry of Finance to get more money by way of concrete proposals, and completion of result oriented projects on time. At the same time the Planning Commission and the Ministry of Finance should give higher allocation during Budgetary Demands for Grants so that research is not affected by shortage of funds. The Committee, therefore, reiterate their original recommendation that more funds should be provided to the Department.

C. Parliament is Supreme in Financial Matters of the Centre

Recommendation No. 3

1.28 The Committee had noted that year after year Planning Commission and the Ministry of Finance were grossly engaged in imposing drastic financial cuts onto the plan schemes of the DARE/ICAR at Revised Estimates stage in the name of financial constraints.

The Committee were well aware, that the only reason why the Central Government every year present the detailed Expenditure Budget etc. of the entire spectrum of Government's Ministries/Departments to the Parliament for consideration and passing of the General Budget, is because of the Supremacy of Parliament in all financial matters of the Executive as has been guaranteed by the Constitution of India in the present system of Parliamentary Democracy.

The Committee, were of the opinion that the General Budget is nothing but detailed account of public money the Central Government has been able to gather and promises to spend during the financial year through various Ministries/Departments of the Centre and State Governments through the various schemes/projects these Ministries/Departments are engaged in for the multi-dimensional welfare and ultimate and overall safety, security and socio-economic growth of every citizen of India. Therefore, once it has been passed by the Parliament in favour of all the Ministries/Departments mentioned therein, the Planning Commission and the Ministry of Finance has no constitutional powers over and above the powers of the Parliament to make major modifications or imposing severe cuts on the passed Budgetary Estimates of

various Ministries/Departments later in the year without taking Parliament into confidence.

The Committee had regretted on the state of affairs and desired that the Planning Commission and the Ministry of Finance should not take the recommendations of the Committee lightly. Expressing grief the Committee had pointed out that every year they assemble, deliberate and disperse without having any impact on the Planning Commission or the Ministry of Finance.

The Committee had strongly condemned this attitude of the Planning Commission and the Ministry of Finance which in practice has made them more powerful than the whole Parliament and has eroded the actual Supremacy of the Parliament which is the essence of the Parliamentary Democratic system of the Government, as in this system, will of the representatives, democratically chosen by the people, is Supreme for all the purposes of governing the people.

The Committee, therefore, had strongly recommended that the Ministry of Finance and Planning Commission should provide Budgetary allocations of DARE/ICAR more rationally and put an end to choking the pace of activities of the Department by reducing their Budgetary allocations at the Revised Estimates stage every year under various new and ongoing schemes/projects already approved by the Planning Commission and the Ministry of Finance. This will not only help the Department perform better for the nation and save the Ministry of Finance and Planning Commission from backing out from their own financial commitments made in favour of the Department but also, above all, restore the Supremacy of the Parliament.

1.29 The Department in their reply stated that the above recommendation of the Committee was sent to Planning Commission/ Ministry of Finance but their specific replies/remedial actions have not received so far. The Department is further pursuing the matter with Planning Commission and Ministry of Finance for adhering to the above recommendations of the Committee.

1.30 During November, 2001, the Department stated that when the Department brought this recommendation to the kind notice of Ministry of Finance, the Ministry of Finance have noted that any enhancement for a particular sector has to be considered within the overall plan size for which Gross Budgetary Support is allocated to Planning Commission. Inter-Sectoral allocations and Ministry-wise allocations are decided by the Planning Commission.

When the Department brought this recommendation to the kind notice of Planning Commission for necessary compliance, the Planning Commission have noted that the budget approvals by the Parliament always prescribed the maximum level of expenditures. Its curtailment or modification at the stage of detailed scrutiny is a public service and can hardly amount to the control of Parliament by the Executive, in the considered opinion of the Planning Commission.

1.31 The Department maintains its stand regarding the allocation of a much higher amount by way of plan funds.

Comments of the Committee

1.32 The Committee being a representative body of the Parliament has been year after year recommending for additional funds to the DARE. The DARE on its side has been utilizing approx. 97% of the budgetary allocations and has been striving for additional funds. There are Departments who are surrendering unspent balances of budgetary plan allocations ranging between 2% to 70%. In spite of all these factors the Planning Commission did not pay much attention to the recommendations of the Committee.

The Committee, therefore, once again urge upon the Planning Commission and Ministry of Finance not to curtail funds at RE stage as a mechanical process and give more funds to the DARE for all its activities beneficial to the progress of the country in the Agricultural and allied sectors.

D. Overall Review of Plan Allocations vis-à-vis Non Plan Allocations during VIIIth and IXth Plan

Recommendation No. 4

1.33 The Committee had made a critical study of the allocations of Plan and Non Plan funds to the DARE/ICAR from the year 1992-93 till date.

They had observed that from 1992-93 to 1998-99 the Budgetary allocation (BE) on Plan allocation have been above 50% and the Non-Plan allocations below 50% of the total allocations. However, from the financial years 1999-2000 onwards the BE Plan Funds have declined below 50% and the Non-Plan allocations have risen above 50%.

On a further scrutiny the Committee had noted that at the RE stage the Plan Funds have been below 50% and Non Plan funds above 50% and at one stage the Plan Funds went down to 39% and Non Plan went upto 61%.

The Committee were aware that ICAR has approx. 5500 scientists, in 47 Central Institutes, 4 National Bureaux, 10 Project Directorates, 28 National Research Centres, 82 AICRPs and one Central Agricultural University etc. In other words, it is a very big family. Agriculture is contributing 27% of the Agricultural GDP and DARE/ICAR is getting 0.23% of the GDP as allocations. Out of the meager 0.23% allocation over 60% is eaten up by Non-Plan activities.

The Committee were very concerned with the decreasing trend of Plan allocation. Although the effects of Research are seen in many fields of production through genetic improvement, but it is hovering around little gains and losses in the various activities. The Committee had, therefore, recommended that an independent body of agricultural and scientific experts should be constituted by DARE/ICAR to evaluate in some means

by setting certain parameters to evaluate the worth of the research conducted compared with the non-plan expenditure incurred on each scientist conducting that research. This body should also take up the state of the infrastructure available for research and the level of satisfaction of the scientists etc. i.e., human resources, while giving its findings.

The Committee hoped that such an evaluation would be available to the Committee by the next financial budget.

1.34 The Department in their reply stated that the Non Plan Budget may mostly be attributed to the committee expenditure which includes mainly the salary component, petty expenditure like maintenance etc., contingencies like telephone bills, electricity charges, corporate taxes, etc., this sort of Non-Plan Expenditure is treated as committed expenditure. The Department has taken note on the need for evaluation indicated by the Committee and action has been initiated.

1.35 Further, during November, 2001 the Department stated that the action has already been initiated to entrust this assignment to an independent and competent body to get the work done within the stipulated time frame.

1.36 The Department has an in-built system of evaluation and monitoring through expert bodies like Quinquennial Review Teams, Research Audit Committees, Institution Management Committees/Institute Management Board, and Staff Research Councils etc. The Department is prepared to have need based independent evaluation of its research output.

Comments of the Committee

1.37 The Committee having thoroughly gone into the working of the ICAR had made the recommendation for having an independent body for evaluation of research output. The Department while stressing on the in-built evaluation mechanism has overlooked the suggestion of the Committee. The Committee are perturbed over the way the Department has tried to sidetrack the recommendation of the Committee. The Committee reiterate that the evaluation of research output, the level of satisfaction among scientists etc. should be carried out by an independent body and not through expert bodies available within the ICAR and the report of the body be presented to the Committee within 3 months of presentation of this Report to the Parliament.

E. One Time Catch Up Grant

Recommendation No. 5

1.38 The Committee had noted that the Department had been proposing an allocation of Rs. 100.00 crores, Rs. 200.00 crores and Rs. 250.00 crores in their Budget Estimates for the years 1998-99, 1999-2000 and 2000-2001 respectively towards the total one time catch up grant of Rs. 500.00 crores considered essential for modernization of the decades old National Agricultural Research System as per the recommendation of the 9th Plan Working Group as well as the recommendation of the Parliamentary Standing Committee on Agriculture made year after year in favour of this grant.

The Committee had also noted that actually the Planning Commission and the Ministry of Finance has earlier agreed for Rs. 400.00 crores towards this grant for the entire IX Plan period against the originally envisaged grant of Rs. 500.00 crores. In the year (2001-02) there was no separate proposal made by the Department for this grant in their Budget Estimates due to the fact that the Planning Commission desired that requirement of different projects/programmes should include one time catch up grant and that no separate allocation would be made for catch up grant. In view of the negative attitude of the Planning Commission for providing one time catch up grant separately, the Department allowed different projects/ divisions to utilize 20% of catch up grant during 1999-2000 and 30% during 2000-01 and remaining 50% will be allowed to be spent on catch up requirement depending on the fund availability with different institutions.

The Committee were astonished to note that although, under the advice of the Planning Commission the Department has allowed different divisions to use 20% of their total annual allocations during 1999-2000 and 30% during 2000-01 as one time catch up

grant yet the total BEs of the Department pertaining to the year 1999-2000 and 2000-01 at Rs. 573.50 and Rs. 629.55 crores respectively did not reflect any addition/merger of 20% over and above the BE of Rs. 573.50 crores for 1998-99 nor any 30% addition/merger in 2000-01 over the BE of 1999-2000 as only marginal increase of 7 to 8% in the BEs of these years was visible which hardly covered the annual inflationary increase of the projects/schemes running cost.

The Committee had, therefore, once again strongly recommended that the Planning Commission and the Ministry of Finance should release the one time catch up grant of Rs. 500.00 crores as per their commitment by providing Rs. 200.00 crores during 2001-02 and remaining amount of Rs. 300.00 crores during the year 2002-03.

1.39 The Department in their reply stated that the recommendation of the Committee for One Time Catch Up Grant of Rs. 200 crores during 2001-02 and the remaining amount of Rs. 300 crores during 2002-03 had been sent to the Planning Commission /Ministry of Finance but no such amount has been received by the Department so far. The Department is further pursuing the matter with Planning Commission/Ministry of Finance.

1.40 Further, in the month of November, 2001 the Department stated that when the Department brought this recommendation to the kind notice of Ministry of Finance, the Ministry of Finance have noted that any enhancement for a particular sector has to be considered within the overall plan size for which Gross Budgetary Support is allocated to Planning Commission. Inter-sectoral allocations and Ministry-wise allocations are decided by the Planning Commission.

When the Department brought this recommendation to the kind notice of Planning Commission, the Planning Commission have noted that one time catch up grant of Rs. 400 croress will be examined by the Planning Commission on their merits if the specific proposals are submitted by the ICAR for consideration of the competent bodies. ICAR may like to take appropriate action in the light of this observation. Now the Planning Commission/Ministry of Finance, the Planning Commission in their recent communication have conveyed that the IX Plan and Annual Plan allocations were inclusive of one time catch up grant of Rs. 400 crores.

1.41 The Department reiterated its demand for a separate catch-up-grant of Rs. 400 croress in addition to the Annual Plan outlay given by the Planning Commission. This is essential in order to partially rehabilitate the old infrastructure of the research facilities.

Comments of the Committee

1.42 The Committee learn from the evidence of Planning Commission and Ministry of Finance that the two factors governing the release of funds are firstly the capacity to spend and secondly solid good proposals. In the case of one time catch up grant of Rs. 500 crores the Planning Commission had asked the Department for specific proposals for examination by competent bodies. The Department probably kept requesting for additional funds but did not submit specific proposals. The result is that no funds were released.

The Committee are pained that it has left no stone unturned year after year to help the Deptt. in getting funds for rehabilitation of its old infrastructure but the Deptt., it appears, has foiled all the efforts by not submitting concrete proposals. The Committee stress upon the Department to go back to the Planning Commission fully prepared with all concrete and solid proposals and request for the one time catch up grant. At the same time, the Committee request the Planning Commission to re-consider the request of the Department and release the much desired funds for rehabilitation of agricultural research as a separate entity independent of budgetary allocations.

F. 100% Funding for Schemes in North East

Recommendation No. 6

1.43 The Committee had recommended and reiterated in their 19th Report (1998-99) and 7th Report (1999-2000) respectively that all the schemes planned for the North East Region by the Department should be 100% funded by the Union Government.

The Committee had noted that the Department have been giving various different and self –contradictory statements ever since the Committee had initially recommended in this regard in their 19th Report. In the Action Taken reply to the 19th Report on DFG (1999-2000), the Department in July, 1999 had stated that the recommendation of the Parliamentary Standing Committee on Agriculture in this regard “is being forwarded to the Planning Commission and the Ministry of Finance for policy decision and for providing consequential budgetary increase in the current budget.” Further, in their Action Taken reply to the 7th Report on DFG (2000-01) in July 2000, the Department had stated that “All schemes of the Department were being implemented in the North Eastern States and Sikkim, are funded on 100% basis except the AICRPs and their centers located in Assam Agricultural University.” And, when examining the DFG 2001-02 pertaining to the Department, the Committee enquired about the outcome of the policy decision taken by the Planning Commission and the Ministry of Finance regarding 100% funding issue, the Department gave another version by stating that “the Department from the very beginning provides 100% funds to all its schemes except AICRP Centres irrespective of the location of the scheme... For 100% funding of the Central Agricultural University, Imphal the Department has already submitted proposal to the Planning Commission for Rs. 40.00 crores from Non-lapsable Central Pool of Resources and apart from this the

funding of 25 new KVKs worth Rs. 4.93 crores during IX Plan in North East Region will also be pursued in the light of EFC decision on KVKs from Central Pool after clearance of EFC from Ministry of Finance.”

The Committee could not understand the reasons for ambiguous and misleading replies by the Department in this regard as in their opinion there was no point in saying that the matter was being forwarded for policy decision to the Planning Commission and the Ministry of Finance while the Department from the very beginning is following the policy of providing 100% funds to all its schemes “except the AICRPs and their centres located in Assam Agricultural University” and later on after a year, changing to another version “except AICRP centres irrespective of the location of the scheme.”

The Committee had, therefore, strongly deplored this attitude of the Department in giving ambiguous and contradictory statements year after year which grossly amounts to misleading the Parliamentary Standing Committee on Agriculture and advised the Department to give correct and clear statements based on truth to the Committee henceforth.

The Committee had further recommended that the Department should put in vigorous efforts to get the EFC clearance from the Ministry of Finance with regard to funding of Rs. 4.93 crores to 25 new KVKs in North Eastern Region and Rs. 40.00 crores funding to Central Agricultural University, Imphal from Non-lapsable Central Pool of Resources on priority basis so that the Department could get respective allocations at the RE stage this year and work should actually start under both the schemes within that financial year.

1.44 The Department in their reply stated that the Parliamentary Standing Committee on Agriculture in their 19th Report (1998-99) and 7th Report (1999-2000) respectively recommended that all the schemes planned for the North East Region by the Department should be funded 100% by the Union Government. This Department forwarded these recommendations of the Parliamentary Committee to Planning Commission, since it involved a policy decision, as some of the schemes (AICRPs) funded by this Department were in the ratio of 75:25. To clarify the matter further it is submitted that DARE/ICAR has two funding patterns i.e. the schemes funded on 100% and 75:25 basis. The AICRP centers operating at State Agricultural Universities are being funded at 75 DARE/ICAR: 25 State shares. The same pattern is being followed for whole of the country including North East Region.

The matter for funding 25 KVKs for infrastructure development in North Eastern Region out of Non-Lapsable Central Pool of Resources is under submission to Cabinet Committee on Economic Affairs for getting approval of EFC clearance. The Department is vigorously pursuing to get the allocation of Rs. 40 crores for funding the Central Agricultural University, Imphal out of the Non-Lapsable Central Pool of Resources.

1.45 During November, 2001 the Department in their reply stated that the Cabinet Committee on Economic Affairs have approved the establishment of 25 KVKs in the North Eastern Region during IX Plan and action is being taken by the Department accordingly for their expeditious establishment. The EFC of CAU had approved a sum of Rs. 30 crores (instead of earlier projection of Rs. 40 crores) for the infrastructure development of CAU-out of which Rs. 12 crores is being provided by the DARE/ICAR

from its plan budget and the remaining 18 crores is being sought from Non-Lapsable Central Pool of Resources through Planning Commission.

1.46 The Department is willing to reconsider the funding in North East on a 100% basis provided additional funds are made available by the Planning Commission.

Comments of the Committee

1.47 **The Committee should be apprised of the progress made in regard to the matter of funding 25 KVKs and CAU, Imphal in North Eastern Region out of the Non-lapsable Central Pool of Resources.**

G. Disposal of Pending / Fresh Vigilance and Disciplinary Cases

Recommendation No. 7

1.48 The Committee had been recommending from July 1998 onwards in their Reports for quicker disposal of pending as well as fresh vigilance/ Disciplinary cases arising in the DARE/ICAR within a stipulated time frame of 2 years and since handling of such cases is a continuous process there should be a separate and full-fledged Vigilance Cell headed by the Director (Vigilance).

The Committee had noted that in pursuance of the Committees' recommendation in this regard, the Department has been taking some steps such as circulating the instructions/guidelines issued by CVC on 3.3.99 and 6.9.99 in the ICAR vide Circular dated 10.3.2000 regarding laying down an elaborate model time for completing departmental enquiries and for reducing delays in the Departmental inquiries. Thus, the Department took about a full year in simply circulating the instructions/guidelines issued by CVC for information, guidance and compliance in DARE/ICAR institutes.

The Committee had also noted that (a) the "Handbook on Disciplinary Matters" 1983 edition, has been got updated and its draft is under examination for finalisation and circulation to all concerned in the Department; (b) two retired officers from the panel have been selected and entrusted with the work of enquiry since most of the personnel or scientists are not well conversant with the procedures of vigilance nor they are oriented towards this work; (c) during last one year 5 vigilance cases and 7 disciplinary cases have been disposed of leaving the balance of 20 pending Vigilance cases and 21 Disciplinary cases; (d) 8 fresh Vigilance cases are likely to be charge sheeted and 9 fresh Disciplinary cases have been initiated during 2000-01; (e) the ICAR has 5500 scientists in place and

the percentage of Vigilance cases is hardly 20 (twenty) per cent; (f) a separate proposal has been mooted for creation of the post of Joint Secretary (Vigilance) and is under active consideration.

The Committee were hardly satisfied with the outcome of the efforts made by the Department to quicken the disposal of pending/fresh Vigilance/ Disciplinary cases emanating in the Department, and had further observed that it clearly showed the lack of seriousness on the part of the Department since it took the Department full one year for circulating the instructions/guidelines issued by the CVC for compliance within the Department. Similarly, the revision and circulation of “Handbook on Disciplinary Matters” could not be completed during last one year and is still pending. Such delays clearly indicate that the Department is having a lackadaisical approach towards this entire issue. The Committee had, therefore, strongly recommended that henceforth immediate and prompt action (preferably within a fortnight) should be taken in the matters of circulating instructions/guidelines issued by CVC for information and compliance by all concerned.

The Committee had also taken a serious view of this extra-ordinary high percentage of personnel viz. 20% (twenty per cent) found to be engaged in some form of malpractices /corrupt practices and are booked under Vigilance cases. The Committee were of the opinion that sheer lack of seriousness on the part of the Department in handling the pending Vigilance/Disciplinary cases expeditiously and strictly is the main reason why less number of cases are disposed of and more number of cases are added to the list during every year. The Committee had, therefore, recommended that the Department should bring in a qualitative and positive change in their attitude in handling

Vigilance/Disciplinary cases strictly and expeditiously and the full-fledged Vigilance Cell headed by Director/Joint Secretary (Vigilance) should start functioning within the year 2001-02 in the Department.

1.49 The Department in their reply stated that Recommendations of PSCA regarding circulation of instruction/guidelines issued by CVC, preferably within a fortnight and bringing in a qualitative and positive change in handling vigilance/disciplinary cases strictly and expeditiously, have been noted for compliance.

As regards functioning of full-fledged vigilance cell headed by Director/Joint Secretary (Vigilance) within the year 2001-02 in the Department, it is reiterated that a separate proposal has been mooted for creation of the post of Joint Secretary (Vigilance). This proposal is being processed for getting Government's approval.

As regards updation of " Handbook on Disciplinary matters" 1983 edition, it is submitted that the draft for the same has been finalized and efforts are being made vigorously to finalise the updated edition within a period of six months.

In order to expedite the pending inquiries, two more retired officers from the CVC panel have been entrusted with the work of inquiry.

Regarding the percentage of vigilance cases, it is clarified that Vigilance Division of ICAR Headquarter is concerned only with the Vigilance/Disciplinary cases of all the employees of ICAR Headquarter as well as all the Class I officers of all the ICAR Institutes. At present, a total of 8154 Grade A employees are working in ICAR. As such, percentage proportion of pending vigilance and disciplinary cases work out to be 0.24 % and 0.37% instead of 20% as indicated in the Committee's recommendation.

Comments of the Committee

1.50 The Committee wish to point out that the figure of 20% vigilance cases pending in the Department has been provided by the representatives of the Department, viz. Additional Secretary (DARE) and Secretary (ICAR) in the presence of Secretary (DARE) & DG (ICAR) during the oral evidence held on 28.3.2001. The verbatim proceedings were factually verified by the Secretary, DARE.

The perusal of the corrected verbatim proceedings reveals that the figure of 20 per cent pending vigilance cases was quoted by the representatives of the Department themselves. The Committee are, therefore, astonished to note that the Department is going back from their own statement, which was duly verified/authenticated by the Secretary (DARE) before the same was included in the Recommendation No. 7 of 19th Report of the Committee regarding the disposal of pending/fresh Vigilance/Disciplinary cases. In the opinion of the Committee, the DARE owe an explanation as to why such a slip up has taken place at the end of the Department.

H. Need to exclude Externally Aided Projects (EAPs) funding from BE of DARE/ICAR

Recommendation No. 9

1.51 The Committee had noted that Rs. 638.97 crores has been allocated for Externally Aided Projects (EAPs)/World Bank Projects for the entire IX Plan against the total IX Plan outlay of Rs. 3376.95 crores, thus leaving only Rs. 2737.98 crores as Domestic Budgetary Support (DBS) However, due to arbitrary financial cuts imposed onto the Department every year at the RE stage, the Department could not do justice to the EAPs/WBPs since it could only actually spent Rs. 300.27 crores during the first four years of the IX Plan against the approved outlay of Rs. 367.46 crores for the same period.

The Committee were of the opinion that since External Aid is for certain purposes and objectives that are different from the regular schemes of the ICAR and are strictly time bound programmes involving the Collaborating and Donor agency for the very specific cause/purpose, it should have no link with the Domestic Budgetary Support of the Department and the domestic programmes of ICAR. The Committee had, therefore, recommended that the Planning Commission and Ministry of Finance should immediately decide in favour of excluding the EAPs/WBPs component from the Plan Budgetary Estimates (BEs) of the Department and should provide EAPs allocations separately over and above the BEs meant for the Department from the then financial year onwards, i.e., in the year 2001-02 itself and the Department should be provided with Rs. 155.00 crores meant for EAPs/WBPs over and above the BEs of Rs. 684.00 crores.

1.52 The Department in their reply stated that it has taken up the issue with the Planning Commission to exclude the Externally Aided Projects (EAPs)/World Bank Projects (WBPs) from the plan budgetary estimates of the Department and provide

EAPs/WBPs allocation separately over and above Budget Estimates meant for the Department from the current financial year onwards. Accordingly, Planning Commission has allocated Rs. 155 crores towards EAPs/WBPs component and Rs. 529 crores towards Domestic Budgetary Support (DBS). However, the Department is again pursuing the matter with Planning Commission to provide Rs. 155 crores meant for EAPs/WBPs over and above the Budget Estimates of Rs. 684 crores, instead of Rs. 529 crores allocated towards DBS.

1.53 In the month of November, 2001 the Department stated that the Planning Commission have taken the stand that Rs. 155 crores meant for Externally Aided Projects (EAPs) will remain inclusive in the total outlay of Rs. 684 crores during the financial year 2001-02.

1.54 The Department reiterates its stand that the Externally Aided Projects should be shown separately for the purpose of the allocation of funds and be in addition to the budgetary allocations for the Annual Plans.

Comments of the Committee

1.55 The Committee are of the firm view that the Annual Domestic Budgetary Support to the DARE should not include the Externally Aided Projects component. They, therefore, reiterate their recommendation that the Plan Domestic Budgetary Estimates of the Department should not include the provisions for EAPs/WBPs component and should be a separate entity over and above the Budgetary Estimate (BE).

I. 10% allocations to NE States on DBS Basis

Recommendation No. 10

1.56 The Committee had noted that since 1998 all the Ministries/Departments of the Government have to allocate minimum 10% funding of their Gross total Plan Budgetary Allocation to the schemes exclusively meant for the benefit of the NE states and Sikkim as per the policy decision of the Central Government.

The Committee had also noted that Externally Aided Projects/ World Bank Projects were usually area-cum-need based specific programmes and funds needed to be spent under the mutually agreed programmes under which there seems to be very little scope for diverting the EAP/WBP funds to the programmes to the regions other than those agreed upon between the donor agency and DARE/ICAR. The Department has made several requests to the Planning Commission and Ministry of Finance to allow them to allocate 10% on the basis of Domestic Budgetary Support (DBS) only rather than on the basis of Gross Budgetary Support (GBS) so that the approved programmes could be implemented with full thrust and the funds requirement of EAPs could also be met. The Parliamentary Standing Committee on Agriculture has also requested the Government through their recommendations in their Reports to exclude EAPs funding from the 10% NE States allocations.

The Committee had learnt that the Budgetary Support constitutes DBS + EAP and therefore 10% to North Eastern States of Budgetary Support will include a 10% cut from the EAP also. In their opinion that was simply deplorable. The Committee advised the Planning Commission to resort to sound financial practices rather than resort to arm-twisting.

The Committee had, therefore, once again reiterated their earlier recommendation with regard to 10% allocations to NE States and Sikkim on DBS basis excluding EAP.

1.57 The Department in their reply stated that the recommendation of the Committee for exempting Externally Aided Projects for the 10% allocation criteria to the North East States and Sikkim has already been sent to the Planning Commission but such exemption has not yet been granted to this Department despite repeated requests. The Department is further pursuing the matter with the Planning Commission.

1.58 During the month of November, 2001 the Department in their reply stated that the recommendation of the Committee for exempting Externally Aided Projects (EAP) from the 10% allocation criteria to the North East States and Sikkim (i.e. on DBS basis and not on DBS+EAP basis) had been sent to the Planning Commission and the Ministry of Finance. Now, through the latest communication received from the Planning Commission, they have again taken the stand that 10% criteria should be based upon the GBS (i.e. including EAPs component) and not on DBS basis.

1.59 The Department reiterates its demand that while calculating 10% of the budgetary allocation for the North East, the externally aided portion of the budget should not be taken into account.

Comments of the Committee

1.60 The Committee reiterate that while calculating 10% of the Annual Plan Budgetary Allocations for the North Eastern States for the DARE, the EAPs portion of the Budget should not be taken into account viz. 10% allocations to NEH region should be on DBS basis only so that EAPs do not suffer due to diversion of funds to NEH region.

J. Ambiguity in Budget Heads/ Sectors' Nomenclature depicted in Expenditure Budget Vs Other Budgetary Documents of the Department

Recommendation No. 11

1.61 The Committee had observed that there have been certain ambiguities/variations both in Budget Heads as well as in nomenclature of various sectors and allocations made thereto relating to Demands for Grants as depicted in Expenditure Budget (EB), Government of India Document in comparison with various relevant budgetary documents containing financial statements such as (i) Annual Plan, (AP), (ii) Scrutiny of Demands for Grants (SDFG), (iii) Performance Budget (PB). For example, the Budget Heads, (i) "Crop Husbandry and other programmes" (ii) "Soil and Water Conservation." (iii) "Animal Husbandry"; (iv) "Dairy Development"; (v) "Fisheries"; and (vi) "Forestry", and their respective allocations as BEs and REs as reflected in EB, GOI neither can be matched from the angle of nomenclature of the Budget Heads / Sectors Heads nor can be matched straightaway from the angle of their respective allocations if compared with Budget Heads/Sector Heads and their respective allocations depicted in SDFG, AP, and PB. This makes the whole scrutiny work of Demands for Grants of the Department difficult and complex.

The Committee had also noted that on their repeated recommendations, the Department have been trying to get these Budget Heads amended from MOF/CGA since 1997, but has not succeeded so far.

The Committee had, therefore, once again strongly recommended that the Department should get all these ambiguities of Budget Heads/ Sector Heads and their respective allocations under Plan and Non-Plan, Bees and Rees, removed and bring the

desirable clarity and uniformity in these matters in all the Budgetary Documents of the Department.

The Committee also request MOF/CGA in giving their full support to the Department to resolve this issue of ambiguity in Budget Heads within that year so that the desirable clarity is reflected in the next Demands for Grants.

1.62 The Department in their reply stated that it has once again taken up the issue persistently with the CGA on 22.3.2001 and 27.4.2001 and CGA office has since approved our proposal. The proposal has now been sent to Ministry of Finance for their approval on 12.6.2001, which is expected within a week's time. After receipt of their approval, the demand for grants for 2001-02 will recasted.

Comments of the Committee

1.63 The Committee note that the proposal has been sent to Ministry of Finance on 12.6.2001 and the approval was expected within a week's time. The Department submitted replies for consideration of the Committee on 27.7.2001, i.e. about seven weeks from the date of sending the proposal to the Ministry of Finance.

The Committee are constrained to note that the Department has not provided updated information to the Committee in this regard and desire that the latest progress report in the matter be provided to the Committee.

K. *“Anticipated Expenditure” by the Department for 2000-2001*

Recommendation No. 12

1.64 The Committee had noted that Budget Estimates (Plan) 2000-01 were Rs. 629.55 crores while the Revised Estimates (Plan) were brought down to Rs. 550.00 crores. Nevertheless, the Annual Plan (2001-02) Document of the Department depicted Anticipated Expenditure of Rs. 790.33 crores which happened to be Rs. 160.78 crores more than the BE (Plan) and Rs. 240.33 crores more than the RE (Plan).

The Committee had also noted that during evidence two different statements with regard to excess in Anticipated Expenditure during 2000-01 were made. The first statement was about the reasons for increase in the Anticipated Expenditure to the tune of Rs. 160.78 crores in the Plan schemes which stated, “Since most of the IXth Plan schemes have been approved and their sanction issued, increase in anticipated expenditure is to purchase approved equipments and also for providing funds for other non recurring contingencies to strengthen the research and educational programmes”. The Second statement was regarding the source of additional funding of Rs. 160.78 crores, which stated, “Since there is no source of additional funding of Rs. 160.78 crores, activities of many project/programmes may suffer in terms of infrastructural development for want of adequate funds both in current and next financial years.”

The Committee had, disapproved of giving inflated figures of Anticipatory Expenditure. The Committee had failed to understand as to how an expenditure could be anticipated well knowing that there is no additional source of income beyond Rs. 550.00 crores and had recommended that the Department should desist from such practice in

future. Anticipatory Expenditure figures should be as close as possible to the actual expenditure likely to be incurred during the year.

1.65 The Department in their reply stated that the Annual Plan 2000-01 of this Department was prepared in the month of October/November, 2000 (as is the normal practice). This document indicates that anticipated expenditure (2000-01) to the tune of Rs. 790.33 crores was based on the projections of this Department for the implementation of different programmes. The department was hopeful of getting an increased allocation, commensurate with the projected requirement of Rs. 790.33 crores. At this point of time, the Department could not anticipate that instead of getting an increased allocation, even the available allocation of Rs. 629.55 crores would be further curtailed to Rs. 550 crores. The RE figure of Rs. 550 crores was communicated in February, 2001. The Department was pursuing with the Planning Commission for higher allocation of funds for the year 2000-01 needed for approved ongoing programmes. The Department has to confine its requirements as per the availability of funds which was subsequently curtailed to Rs. 550 crores at RE stage.

The following table indicates the anticipated expenditure, BE and RE for the financial year 2000-01:

(Rs. in crores)			
Year	Anticipated Expenditure	BE	RE
2000-01	790.33	629.55	550.00

Comments of the Committee

1.66 The Committee feel that through years of experience the Department may have reconciled to the fact that the proposed anticipatory expenditure is always more than the Budgetary Provision and that the Budgetary Provision always seems to be more than the actual provision at the RE stage.

The Committee, therefore, desire that the Department should rename the column “Anticipated Expenditure” by “Proposed/Projected Anticipatory Expenditure” in order to avoid any ambiguity in the examination of Demand for Grants.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation No. 7

Disposal of Pending/Fresh Vigilance and Disciplinary Cases

2.1 The Committee have been recommending from July 1998 onwards in their Reports for quicker disposal of pending as well as fresh Vigilance/Disciplinary cases arising in the DARE/ICAR within a stipulated time frame of 2 years and since handling of such cases is a continuous process there should be a separate and full fledged Vigilance Cell headed by the Director (Vigilance)

The Committee note that in pursuance of the Committees' recommendation in this regard, the Department has been taking some steps such as circulating the instructions/guidelines issued by CVC on 3.3.99 and 6.9.99 in the ICAR vide Circular dated 10.3.2000 regarding laying down an elaborate model time for completing Departmental enquiries and for reducing delays in the Department inquiries. Thus, the Department took about a full year in simply circulating the instructions/guidelines issued by CVC for information, guidance and compliance in DARE/ICAR institutes.

The Committee also noted that (a) the Handbook on Disciplinary Matters "1983 edition has been got updated and its draft is under examination for finalisation and circulation to all concerned in the Department; (b) two retired officers from the panel have been selected and entrusted with the work of enquiry since most of the personnel or scientists are not well conversant with the procedures of vigilance nor they are oriented towards this work; (c) during last one year 5 vigilance cases and 7 disciplinary cases have been disposed off leaving the balance of 20 pending Vigilance cases and 21 Disciplinary cases; (d) 8 fresh Vigilance cases are likely to be charge sheeted and 9 fresh Disciplinary cases have been initiated during 2000-01; (e) the ICAR has 5500 scientists in place and the percentage of Vigilance cases is hardly 20 (twenty) percent; (f) a separate proposal has been mooted for creation of the post of Joint Secretary (Vigilance) and is under active consideration.

The Committee are hardly satisfied with the outcome of the efforts made by the Department to quicken the disposal of pending/fresh Vigilance/Disciplinary cases emanating in the Department, and further observe that it clearly shows the lack of seriousness on the part of the Department since it took the Department full one year for circulating the instructions/guidelines issued by the CVC for compliance within the Department. Similarly, the revision and circulation of "Handbook on Disciplinary Matters" could not be completed during last one year and is still pending. Such delays clearly indicate that the Department is having a lackadaisical approach towards this entire issue. The Committee, therefore, strongly recommend that henceforth immediate and prompt action (preferably within a fortnight) should be taken in the matters of circulating instructions/guidelines issued by CVC for information and compliance by all concerned.

The Committee also take a serious view of this extra-ordinary high percentage of personnel viz. 20% (twenty per cent) found to be engaged in some form of malpractices/corrupt practices and are booked under Vigilance cases. The Committee are of the opinion that sheer lack of seriousness on the part of the Department in handling the pending Vigilance/Disciplinary cases expeditiously and strictly is the main reason why less number of cases are disposed of and more number of cases are added to the list during every year. The Committee, therefore, recommend that the Department should bring in a qualitative and positive change in their attitude Vigilance/Disciplinary cases strictly and expeditiously and the full fledged Vigilance cell headed by Director/Joint Secretary (Vigilance) should start functioning within the year 2001-02 in the Department.

Reply of the Government

2.2 Recommendations of PSCA regarding circulation of instruction/guidelines issued by CVC, preferably within a fortnight and bringing in a qualitative and positive change in handling vigilance/disciplinary cases strictly and expeditiously, have been noted for compliance.

As regards functioning of full fledged vigilance cell headed by Director/Joint Secretary (vigilance) within year 2001-02 in the Department, it is reiterated that a separate proposal has been mooted for creation of the post of Joint Secretary (Vigilance). This proposal is being processed for getting Government's approval.

As regards updation of "Handbook on Disciplinary matters" 1983 edition, it is submitted that the draft for the same has been finalized and efforts are being made vigorously to finalize the updated edition within a period of six months.

In order to expedite the pending inquiries, two more retired officers from the CVC panel have been entrusted with the work of inquiry.

Regarding the percentage of vigilance cases, it is clarified that Vigilance Division of ICAR Headquarter is concerned only with the Vigilance/Disciplinary cases of all the employees of ICAR Headquarter as well as the Class I officers of all the ICAR Institutes. At present, a total of 8154 Grade A Employees are working in ICAR. As such, percentage proportion of pending vigilance and disciplinary cases work out to be 0.24% and 0.37% instead of 20% as indicated in the Committee's recommendations.

Comments of the Committee

2.3 For Comments of the Committee please See Para No. 1.50 of Chapter I of this Report.

Recommendation No. 8

Functioning of Agricultural Scientist Recruitment Board

2.4 The Committee noted that normally 8 to 9 months are required by the ASRB for filling up of the vacancies/recruitment of Senior Scientists and technical posts of the ICAR headquarters and Institutes. But some times ASRB has taken more time for filling up of these posts due to the involvement of ASRB on other direct recruitment examination of Administrative and Accounts posts such as ARS/NET/SRF, Administrative Officers/Section Officers/Assistants/LDCs/Finance and Accounts Officers etc.

The Committee are of the opinion that optimum utilization of Internet/Computer in recruitment procedures of the scientist and other technical personnel for the ICAR can be of great help and can considerably reduce the usual 8 to 9 months time.

The Committee, therefore, emphatically recommend that the ASRB should start giving their advertisement for recruitment on Internet apart from their usual practice of advertising through DAVP. Likewise, ASRB should also evolve a procedure to receive responses to their advertisement through/on Internet at a designated site address as this will not only eliminate the time-lag in receiving applications due to postal delays and lost in-transit of genuine responses but also enhance the quality and quantity of responses to the ultimate advantage of the ICAR and the nation. Furthermore, the advantages of computers can also be put to use for screening etc. of applicants. The Committee felt that if the Department adheres to these suggestions of the Committee the recruitment of Scientists/technical personnel should not take more than 4 to 6 months instead of 8 to 9 months taken uptill now.

The Committee are also inclined to recommend that ASRB should have a separate cell to deal with non-scientific posts.

Reply of the Government

2.5 On the above observations, it is stated that we have already taken measures and we are well within the time frame suggested by the Hon'ble Committee i.e. 4 to 6 months. Regarding the utilisation of the internet and computer facilities in the recruitment process, maximum computerization of the process has been done and advertisement are being released through the internet and application format also has been placed in the website to enable the prospective candidates to down load at their own place. Further this Board has already planned to make available the prescribed applications at the agricultural universities and the ICAR institutions from September 2001 to enable the prospective candidates to have an easy access to the prescribed applications. The suggestion of receiving the applications at the Board office from the candidates through the internet is feasible subject to the receipt of the signed copy subsequently to avoid legal and administrative problems. Accordingly necessary notification is under issue. Screening of the applications through the computers is also a valuable suggestion, the Board has noted for its implementation. However wherever complex qualifications are prescribed for any posts, they are to be screened by the technical experts in the field. Hence, wherever there is need we are requesting technical experts for screening. With regard to the formation of a separate cell for dealing with the non scientific posts, it is stated that we have already created a separate cell.

Recommendation No. 11

Ambiguity in Budget heads/Sectors' Nomenclature depicted in Expenditure Budget Vs Other Budgetary Documents of the Department

2.6 The Committee have observed that there have been certain ambiguities/variation both in Budget Heads as well as in nomenclature of various sectors and allocations made thereto relating to Demands for Grants as depicted in Expenditure Budget (EB), Government of India Document in comparison with various relevant budgetary documents containing financial statements such as (i) Annual Plan (AP), (ii) Scrutiny of Demands for grants (SDFG), (iii) Performance Budget (PB). For example the Budget heads, (i) "Crop Husbandry and other programmes" (ii) "Soil and Water Conservation," (iii) "Animal Husbandry"; (iv) "Dairy Development"; (v) "Fisheries"; and (vi) "Forestry", and their respective allocations as BEs and REs as reflected in EB, GOI neither can matched from the angle of nomenclature of the Budget Heads/Sector Heads nor can be matched straightway from the angle of their respective allocations if compared with Budget heads/ Sector Heads and their respective allocations depicted in SDFG, AP and PB. This makes the whole scrutiny work of Demands for Grants of the Department difficult and complex.

The Committee also note that on their repeated recommendations, the Department have been trying to get these Budget heads amended from MOF/CGA since 1997, but has not succeeded so far.

The Committee, therefore, once again strongly recommend that the Department should get all these ambiguities of Budget Heads/Sector heads and their respective allocations under Plan and Non-Plan BEs and REs removed and bring the desirable clarity and uniformity in these matters in all the Budgetary Documents of the Department.

The Committee also request MOF/CGA in giving their full support to the Department to resolve this issue of ambiguity in Budget Heads within this year so that the desirable clarity is reflected in the next Demands for Grants.

Reply of the Government

2.7 The Department has once again taken up the issue persistently with the CGA on 22.3.2001 and 27.4.2001 and CGA office has since approved our proposal. The proposal has now been sent to Ministry of Finance for their approval on 12.6.2001 which is expected within a week's time. After receipt of their approval, the demand for grants for 2001-02 will be recasted.

Comments of the Committee

2.8 For Comments of the Committee please *See* Para No. 1.63 of Chapter I of this Report.

CHAPTER III

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

—NIL—

CHAPTER IV

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

Recommendation No. 1

Agricultural Research and Education to get 1% of AGDP

4.1 The Committee had noted that the Department of Agricultural Research and Education was initially given an approved IXth Plan Outlay of Rs. 2653.22 crores which included Rs. 400.00 crores as a one time catch up grant. Later on, although this initial allocation of Rs. 2635.22 crores was revised to Rs. 3376.95 crores by the Planning Commission for the entire IXth Plan, yet the DARE/ICAR has been allocated only Rs. 2749.39 crores as Budget Estimates (BE) in five years which have been further reduced to Rs. 2514.17 crores at Revised Estimate (RE) stage. Rs. 684.00 crores has been added for 2001-2002 in the total five years actual REs of Rs. 2514.17 crores. Rs. 2514.17 crores is Rs. 121.05 crores less than Rs. 2635.22 crores initially envisaged for DARE and Rs. 862.05 crores less than the revised enhanced allocation of Rs. 3376.95 crores for the entire IXth Plan.

The Committee had also noted that the Central Government as a whole, actually have raised their total IXth Five years' Plan allocations to Rs. 548061.90 crores from the earlier IXth Plan (Five years') approved allocations of Rs. 489361.00 crores. In spite of, this steep increase in the Central plan allocations, there is a steep decrease in the DARE/ICAR plan allocations even from the actually committed plan allocations by the Planning Commission and the Ministry of Finance in their favour.

The Green Revolution, the White Revolution and the Blue Revolutions India have been bestowed upon after her independence could be possible mainly because of the research work and adoption of technologies developed by the dedicated efforts of the Scientists engaged in agriculture and its allied sectors.

The Government has set a target of achieving 4% annual growth in agriculture and allied sector during the Xth Plan from the financial year 2002-03, contrary to the annual growth of 0.9% in 2000-01 and 0.7% in 1999-2000 in agriculture and allied sector. The Committee felt that this 4% annual growth target during the Xth Plan could be achieved by giving special provisions to the pressing needs of the Research and Educational activities of the apex Department/Institutes viz. DARE/ICAR. Imposing drastic financial cuts at RE stage or even later in the financial year leads to dislocation of programmes and annual plan targets as is evident from the Financial Statements of the Department in each year of the IXth Plan period.

The Committee, therefore, once again, had strongly recommended that present level of about 0.20% budgetary allocations made to DARE/ICAR of the Agricultural Gross Domestic Product (AGDP) is hardly sufficient and should be increased to the level of at least 1% of AGDP with a tendency of gradual increase upto 2% of the AGDP in Xth Plan onwards as has been happening in the economically and agriculturally developed nations of the world. This enhanced priority financial support to DARE/ICAR will not only help the nation to achieve the targeted 4% growth rate envisaged for agricultural and allied sector but also help the Indian farmers to compete.

Reply of the Government

4.2 The Department in their reply have stated that the positive recommendation of the Committee was sent to Planning Commission and Ministry of Finance for taking appropriate steps while allocating the funds to this Department. The Ministry of Finance had informed earlier that total Plan Fund of the country is placed at the disposal of the Planning Commission, which is further distributed by the Commission among various Ministries/Departments. The specific assurance of Planning Commission for providing Plan Funds at the level of at least 1% of AGDP is still awaited. The Department is further pursuing the matter with the Planning Commission.

4.3 Later in the month of November, 2001 the Department in their reply stated that the Department brought this recommendation to the kind notice of Ministry of Finance. The Ministry of Finance have noted that any enhancement for a particular sector has to be considered within the overall plan size for which Gross Budgetary Support is allocated to Planning Commission. Inter-sectoral allocations and Ministry-wise allocations are decided by the Planning Commission.

However, the Planning Commission responded that the pre-determined earmarking of plan allocations, such as being suggested in this case, is not in the interest of the optimal use of available resources (which are always scarce). The plan has to be sensitive to the changing context needs, exigencies and the priorities laid down by the Government from time to time. The Planning Commission would always support DARE's/ICAR's good projects irrespective of ceilings, even if they were beyond any stipulated limit. Good Projects and schemes will never be allowed to suffer for want of funds. Pre-determined earmarking of plan allocation on a said formula has the potential on mis-allocation of scarce resources, which is avoidable.

4.4 The Department is strongly of the view that the budgetary allocations made the Annual Plans are insufficient and should be increased to the level of at least 1% of AGDP in the Tenth Plan, which may be enhanced to a level of 2% gradually.

Evidence of the Representatives of the MOA (DARE), MOF and Planning Commission held on 22.11.2002

4.5 In this connection, during evidence held on 22nd November, 2001, the Secretary, Planning Commission stated as under:

"We would also like to mention that the share of the budgetary support out of the budgetary support allocated to the Department of Agricultural Research and Education has been consistently increasing over the Ninth Plan period level of 0.92 per cent in 1997-98 to 1.3 per cent in 2001-2002."

4.6 The Secretary, Ministry of Finance (Department of Economic Affairs) on comparative increase in the DARE's Budget stated:

"We have got the figures for the first four years of the Ninth Plan. The average annual increase for the Plan as a whole is 11.49 per cent whereas the average annual increase in the case of DARE is 16.5 per cent. So, the increase in the allocation for DARE is much more than the annual increase in the overall Plan expenditure. That is in response to this recommendation.

So, in fact, they are getting better than the average for all other Ministries."

4.7 The Secretary (DARE) and DG (ICAR) on non-adequacy of funds actually received by DARE stated:

"As far as the submission of the proposal is concerned, we have submitted a proposal for much higher allocation to the Planning Commission. It was to the tune of Rs. 3376.95 crores for the entire Plan Budget, which finally came down to Rs. 2514 crores. The total plan allocation that we wanted in the beginning was Rs. 3367 crores for the entire Ninth Plan and we were initially allocated Rs. 2635.22 crores as Budget Estimate and in five years it has been further reduced to Rs. 2514 crores. I would say that even the amount that we originally proposed is not enough but looking at the Plan allocation that we have been getting in the past, it was not very wise to propose to a very high budget. This year, for instance, it is about Rs. 862 crores but what we are now getting is much less. To answer your question, it was not sufficient."

4.8 On a query about the effect of getting lesser allocations than proposed by DARE on R&D of Agriculture in the country, the Secretary (DARE) further stated:

"In general, the total production in respect of productivity that we have in the country, we may claim to have one of the highest per unit investment in the country. But when we have to meet all demands in frontier areas of research it has to be commensurate with upgrading the infrastructure, human resources and conducting research in some of the frontier areas like genetic engineering, biotechnology, climate change etc. All of our institutions have got to have proper infrastructure. Our institute (Pusa Institute) in Delhi, which is 65 years old, even for basic infrastructure and facility, if you want to do research that is competitive, you have to build the infrastructure and human resources. We have been pulling on at very minimum resources. We are not trying to say that we have not been able to contribute but we could contribute much more that we are able to if you really renovate the infrastructure, provide modern laboratories and train people. Therefore, the Budget provided to us is not at all sufficient. ××× If we are now to compete in the changing scenario with WTO, quality and value addition and all that, in frontier areas like genetic engineering, we will need more funds. The current project given to us is half gene of rice plant and it costs us Rs. 50 crores. We can set that aside but much less would be left for other things. I have been with ICAR

for 30 years and I am speaking on the basis of my experience in different capacities. Today, 27 per cent of the total GDP comes from this sector. The allocation that we are getting is only 0.29 per cent compared to 4.02 per cent in Australia, 2.8 per cent in the US and 2 to 2.5 per cent many countries. The developing countries average allocation is about 0.50 per cent. The maximum we have ever got is just 0.3 per cent. So, my very humble request has been time and again, to make it at least one percent. Then, we can move on to 1.5 per cent, 1.6 per cent or 2 per cent in the five-year time. I do not know what time it will take for us to reach three per cent or so. Even this much will be sufficient to meet our present requirements."

4.9 On a point whether DARE submits feasible or non-feasible projects before Planning Commission, the Secretary (DARE) during evidence stated:—

"As far as we are concerned, our priority is based on the demand of the day. For instance, now, today, the entire shift is for rainfed agriculture, resource constraint areas and in genetic engineering, post harvest technology and Human Resource Development, which can produce larger output. So, we prepare projects on priority. The Planning Commission, depending on the resources that they have, may have their priority and they may fund those projects accordingly. Sir, as far as we are concerned, those are all priority projects because all over national research centers, project directorates are handling some of those areas, which are very important because the resources constraint is known to us. Therefore, we have at our level cut the demand. If you have to make 'A' class lab, even one bio-technology lab will cost you something about Rs. 200 crores or Rs. 300 crores. I was just mentioning half of rice genome project, which has been given to us, is costing Rs. 50 crores. But if it is identified, then it will make a miracle change in the total production system in rice, which is feeding the Asian countries. That is the kind of research. It has not been done for today; it is a continuous process."

4.10 In this connection, Secretary, Planning Commission stated as under:—

“I have here a detailed list of the projects in the 12 major heads. Each one of the projects is identified and allocations made. The proposals and the projects are evaluated and examined. The DARE prepares all these. As I mentioned earlier, the allocations are made. It is true that perhaps because of the overall constraint of resources, there may have been some reduction. But what is striking is that even the funds, which have been allocated, even those have not been spent. ××× For example, last year in the Annual Plan of 2000-2001, the total allocation budgeted was Rs. 629.55 crores. The actual expenditure was only Rs. 516.00 crores. There is a shortfall of more than Rs. 100.00 crores.”

4.11 The Secretary MOF (Deptt. of Economic Affairs) clarified:

“The Department of Agricultural Research and Education, through ICAR has a number of autonomous institutions to whom the budgetary allocations are transferred for implementing various schemes. We found that at the end of the year, 31st March, 2001 they had almost Rs. 300 crores lying in bank balances. Now, here is a situation where we are borrowing 100% at market interest rates and then they are allocated to the Department and whose expenditure is in terms of transfers of moneys to the autonomous institutions and where those moneys lie in bank balances and the Government is paying interest on that and our non-Plan expenditure via higher interest payments builds up. ××× Even if one crores is lying idle it means that we are paying interest on that amount without actually utilizing it. Had that one crores lying idle, on 31st of March of any year been known earlier, then may be, it could have been put to use by some other sectors, like the Department of Rural Development or rural roads.”

4.12 Clarifying DARE's position in this regard, Secretary, DARE stated:—

“Our fund utilization percentage over the years has been between 98 per cent to 99.2 per cent. According to the estimates of the current year, it is 95.74%. If you add to that the figure, it comes to 99%.”

4.13 The Secretary MOF (DOEA) during evidence further clarified:

"The Department of Agricultural Research and Education has a number of autonomous institutions which means they operate their own bank accounts and they do not bank with the treasury and all that. On 31st March, 2001 in the bank accounts of various autonomous institutes funded by the body, the balance was Rs. 330.36 crores. As on 31st March, 2000 it was Rs. 270.40 crores. Before that it was Rs. 223 crores, and prior to that it was Rs. 167 crores. It means, the unspent amounts lying in the bank accounts have been growing year after year. It is just to indicate that it is not so much the shortage of money that may be constraining their work, but it is monies available but lying in the bank. I am sure if they show better capacity to spend, the Planning Commission would certainly consider their request."

4.14 On a point whether this Rs. 300 crores remained unspent and idle in the banks was owing to 10% mandatory cut imposed by MOF onto DARE's BEs, the Secretary MOF (DOEA) clarified:—

"There is no 10 per cent cut in the plan expenditure. It was for only non-plan expenditure. In any case, this money has been spent from the budget. As far as the Government is concerned, this money has been spent. After it has been spent by the Government, which means, transferred from the Consolidated Fund into the accounts of the autonomous institutions and lying in the banks. So, that is purely within the banks, institutions to use that money."

4.15 In this connection, Principal Advisor (Agriculture) to the Planning Commission pointed out:

"Regarding claim of 99 per cent expenditure by the ICAR, I would say that the figures, which are written here, are not 99 per cent. In fact, if you take the last four years, or even if you take last year's figure, the figure of BE is Rs. 629.55 crores, RE is Rs. 550 crores and the expenditure is Rs. 516.34 crores. Thus, it is not 99 per cent."

Comments of the Committee

4.16 For Comments of the Committee please See Para No. 1.19 of Chapter I of this Report.

Recommendation No. 2

Inadequate Plan Budgetary Allocations to DARE/ICAR for the year 2001-2002

4.17 The Committee had observed that the DARE/ICAR proposed the plan outlay of Rs. 1497.90 crores for the Annual Plan 2001-02. But, the Planning Commission/Ministry of Finance has provided only Rs. 684.00 crores as Budget Estimates (BE). It was also observed that this proposed amount of Rs. 1497.90 crores was the remaining balance amount out of Rs. 3376.95 crores meant for the entire IXth Plan period to carry out the planned activities of DARE/ICAR since in the first four years of the IXth Plan only Rs. 1830.17 crores could actually be provided to the department.

The Committee had strongly deplored this tendency of Planning Commission and the Ministry of Finance for a very rigid and mechanical type of providing plan budgetary allocations to DARE/ICAR year after year as was evident from the Budget Estimates provided during 1998-99 (Rs. 531.17 crores); 1999-2000 (Rs. 573.50 crores); 2000-01 (Rs. 629.55 crores); 2001-02 (Rs. 684.00 crores). All through these years not even minimum 10% to 12% inflationary trend has been considered while providing budgetary allocations to the Department. In the year 2001-2002 the budgetary support of Central, State and UTs has recorded an increase of 16% over RE 2000-2001 but the DARE has again been left out, that showed the Government's low priority to Agricultural Research over other sectors of the economy. The Committee had strongly opined that to meet the challenges of the present and the future times, the Government has to reprioritize the role of Agricultural Research in its books of budgetary support and allocate much more public funding to the Department rather than mere annual increase of 7 to 9% in BE for their plan activities.

The Committee, therefore, had strongly recommended that the Department should be provided with Rs. 1497.90 crores by the Planning Commission and the Ministry of Finance during the year 2001-02 as required by them since many of their new initiatives and other programmes are badly suffering owing to lack of optimum funding. The Committee had further recommended that no financial cuts should be imposed on the Department at RE stage, as any financial cuts imposed then might lead to further addition of miseries to Indian farmers and people engaged in agricultural and allied sectors, in the absence of timely help in terms of research and extension activities of the Department.

Reply of the Government

4.18 The Department in their reply have stated that the positive recommendations of the Committee for providing the Department with Rs. 1497.90 crores during 2001-02 and that there should be no financial cuts at RE stage had been sent to Planning Commission and Ministry of Finance, but the Department has neither received the enhanced funds to the tune of Rs. 1497.90 crores nor any specific response received from Planning Commission/Ministry of Finance. During the current financial year 2001-2002 the Department has been allocated Rs. 684 crores against the projection of Rs. 1497.90 crores. The Department is pursuing the matter vigorously with the Planning Commission/Ministry of Finance.

4.19 During November, 2001 the Department in their reply further stated that the Department brought this recommendation to the kind notice of the Ministry of Finance, the Ministry of Finance have noted that any enhancement for a particular sector has to be considered within the overall plan size for which Gross Budgetary Support is allocated to Planning Commission. Inter-sectoral allocations and Ministry-wise allocations are decided by the Planning Commission.

The Ministry of Finance have stated that the budgetary allocations of individuals ministries/departments are based on the proposals received from them and also have to take into account the need to balance the competing demands on central resources. The revised estimates are based on the trend of actual expenditure in the first 7-8 months of the year as also on the actual expenditure incurred in the previous financial year (s).

4.20 The Department requested Rs. 1497.90 crores as Plan allocation during 2001-02 but the Planning Commission made an allocation of Rs. 684 crores, which is quite meager. The Department may be provided at least Rs. 800 crores during the current financial year and it has the capacity to spend this money.

Evidence of the Representatives of MOA (DARE), MOF and Planning Commission held on 22.11.2001

4.21 On a query about adequacy of allocation made in favour of the DARE, during 2001-02 and the funds required to continue/complete the Projects in hand during the same period, Secretary, DARE clarified during evidence on 22.11.2001 as under:—

“The allocation is very meagre. As per our requirements, we are not able to spend it. I can say that if I want a certain budget to start a project, I am given a sum lesser than that. So, we have not been able to take up that project. xxx The point is that we have not been able to get to amount at the speed at which we wanted. For

example, we want to buy equipment and build the facilities. We have projected a particular sum. If we get Rs. 10 crores out of the projected amount of Rs. 100 crores, we will go spending accordingly. We are not going at the speed at which we have projected it. That applies to many projects. ××× This allocation is for this year only. In this document, we have projected an amount of Rs. 800 crores which we can spend. But the allocation is Rs. 684 crores. If we get Rs. 800 crores, we can spend. Beyond that, we cannot spend. There is no point in asking money without spending. The allocation is Rs. 684 crores during the current year. Regarding the Tenth Plan, preparation is on”.

4.22 In this regard, Secretary, Planning Commission stated,

“I just want to mention one point. Out of the sum of Rs. 684 crores allocated this year, up to end of September, only Rs. 231.30 crores has been spent. They have yet to spend Rs. 450 crores in the six months. So, if more expenditure can take place, we will be most happy. So would be the Finance Ministry extremely delighted to have it.”

4.23 Further during evidence, Secretary, DARE clarified,

“One thing is that if we have to meet that expenditure of Rs. 800 crores we should be assured of funds now, not in February. One of the reasons is that the RE is generally received in February-end. Hence, we are not really able to get that kind of financial allocation to use. The balance left is Rs. 300 crores. In that, somebody has Rs. 50 lakh and somebody has Rs. 30 lakh and then it comes to that level.”

Comments of the Committee

4.24 For Comments of the Committee please See Para No. 1.27 of Chapter I of this Report.

Recommendation No. 3

Parliament is Supreme in Financial Matters of the Centre

4.25 The Committee had noted that year after year Planning Commission and the Ministry of Finance were grossly engaged in imposing drastic financial cuts onto the plan schemes of the DARE/ICAR at Revised Estimates stage in the name of financial constraints.

The Committee were well aware, that the only reason why the Central Government every year present the detailed Expenditure Budget etc. of the entire spectrum of Government's Ministries/Departments to the Parliament for consideration and passing of the General Budget, is because of the Supremacy of Parliament in all financial matters of the Executive as has been guaranteed by the Constitution of India in the present system of Parliament Democracy.

The Committee, were of the opinion that the General Budget is nothing but detailed account of public money the Central Government has been able to gather and promises to spend during the financial year through various Ministries/Departments of the Centre and State Governments through the various schemes/projects these Ministries/Departments are engaged in for the multi-dimensional welfare and ultimate and overall safety, security and socio-economic growth of every citizen of India. Therefore, once it has been passed by the Parliament in favour of all the Ministries/Departments mentioned therein, the Planning Commission and the Ministry of Finance has no constitutional powers over and above the powers of the Parliament to make major modifications or imposing severe cuts on the passed Budgetary Estimates of various Ministries/Departments later in the year without taking Parliament into confidence.

The Committee had regretted on the state of affairs and desired that the Planning Commission and the Ministry of Finance should not take the recommendations of the Committee lightly. Expressing grief the Committee had pointed out that every year they assemble, deliberate and disperse without having any impact on the Planning Commission or the Ministry of Finance.

The Committee had strongly condemned this attitude of the Planning Commission and the Ministry of Finance which in practice has made them more powerful than the whole Parliament and has eroded the actual Supremacy of the Parliament which is the essence of the Parliamentary Democracy system of the Government, as in this system, will of the representatives, democratically chosen by the people, is Supreme for all the purposes of governing the people.

The Committee, therefore, has strongly recommended that the Ministry of Finance and Planning Commission should provide Budgetary allocations of DARE/ICAR more rationally and put an end to choking the pace of activities of the Department by reducing their Budgetary allocations at the Revised Estimates stage every year under various new and ongoing schemes/projects already approved by the Planning Commission and the Ministry of Finance. This will not only help the Department perform better for the nation and save the Ministry of Finance and Planning Commission from backing out from their own financial commitments made in favour of the Department but also above all, restore the Supremacy of the Parliament.

Reply of the Government

4.26 The Department in their reply stated that the above recommendation of the Committee was sent to Planning Commission/ Ministry of Finance but their specific replies/remedial actions have not received so far. The Department is further pursuing the matter with Planning Commission and Ministry of Finance for adhering to the above recommendations of the Committee.

4.27 During November, 2001, the Department stated that when the Department brought this recommendation to the kind notice of Ministry of Finance, the Ministry of Finance have noted that any enhancement for a particular sector has to be considered within the overall plan size for which Gross Budgetary Support is allocated to Planning Commission. Inter-Sectoral allocations and Ministry-wise allocations are decided by the Planning Commission.

When the Department brought this recommendation to the kind notice of Planning Commission for necessary compliance, the Planning Commission have noted that the budget approvals by the Parliament always prescribed the maximum level of expenditures. Its curtailment or modification at the stage of detailed security is a public service and can hardly amount to the control of Parliament by the Executive, in the considered opinion of the Planning Commission.

4.28 The Department maintains its stand regarding the allocation of a much higher amount by way of plan funds.

Comments of the Committee

4.29 For Comments of the Committee please See Para No. 1.32 of Chapter I of this Report.

Recommendation No. 5

One Time Catch Up Grant

4.30 The Committee had noted that the Department had been proposing an allocation of Rs. 100.00 crores, Rs. 200.00 crores and Rs. 250.00 crores in their Budget Estimates for the years 1998-99, 1999-2000 and 2000-2001 respectively towards the total one time catch up grant of Rs. 500.00 crores considered essential for modernization of the decades old National Agricultural Research System as per the recommendation of the 9th Plan Working Group as well as the recommendation of the Parliamentary Standing Committee on Agriculture made year after year in favour of this grant.

The Committee had also noted that actually the Planning Commission and the Ministry of Finance has earlier agreed for Rs. 400.00 crores towards this grant for the entire IX Plan period against the originally envisaged grant of Rs. 500.00 crores. In the year (2001-02) there was no separate proposal made by the Department for this grant in their Budget Estimates due to the fact that the Planning Commission desired that requirement of different projects/programmes should include one time catch up grant and that no separate allocation would be made for catch up grant. In view of the negative attitude of the Planning Commission for providing one time catch up grant separately, the Department allowed different projects/divisions to utilize 20% of catch up grant during 1999-2000 and 30% during 2000-01 and remaining 50% will be allowed to be spent on catch up requirement depending on the fund availability with different institutions.

The Committee were astonished to note that although, under the advice of the Planning Commission the Department has allowed different divisions to use 20% of their total annual allocations during 1999-2000 and 30% during 2000-01 as one time catch up grant yet the total BEs of the Department pertaining to the year 1999-2000 and 2000-01 at Rs. 573.50 and Rs. 629.55 crores respectively did not reflect any addition/merger of 20% over and above the BE of Rs. 573.50 crores for 1998-99 nor any 30% addition/merger in 2000-01 over the BE of 1999-2000 as only marginal increase of 7 to 8% in the BEs of the these years was visible which hardly covered the annual inflationary increase of the projects/schemes running cost.

The Committee had, therefore, once again strongly recommended that the Planning Commission and the Ministry of Finance should release the one time catch up grant of Rs. 500.00 crores as per their commitment by providing Rs. 200.00 crores during 2001-02 and remaining amount of Rs. 300.00 crores during the year 2002-03.

Reply of the Government

4.31 The Department in their reply stated that the recommendation of the Committee for One Time Catch Up Grant of Rs. 200 crores during 2001-02 and the remaining amount of Rs. 300 crores during 2002-03 had been sent to the Planning Commission Ministry of Finance but no such amount has been received by the Department so far. The Department is further pursuing the matter with Planning Commission/ Ministry of Finance.

4.32 Further, in the month of November, 2001 the Department stated that when the Department brought this recommendation to the kind notice of Ministry of Finance, the Ministry of Finance have noted that any enhancement for a particular sector has to be considered within the overall plan size for which Gross Budgetary Support is allocated to Planning Commission. Inter-sectoral allocations and Ministry-wise allocations are decided by the Planning Commission.

When the Department brought this recommendation to the kind notice of Planning Commission, the Planning Commission have noted that one time catch up grant of Rs. 400 crores will be examined by the Planning Commission on their merits if the specific proposals are submitted by the ICAR for consideration of the competent bodies. ICAR may like to take appropriate action in the light of this observation. Now the Planning Commission/Ministry of Finance, the Planning Commission in their recent communication have conveyed that the IX Plan and Annual Plan allocations were inclusive of one time catch up grant of Rs. 400 crores.

4.33 The Department reiterated its demand for a separate catch-up-grant of Rs. 400 crores in addition to the Annual Plan outlay given by the Planning Commission. This is essential in order to partially rehabilitate the old infrastructure of the research facilities.

Comments of the Committee

4.34 For Comments of the Committee please See Para No. 1.42 of Chapter I of this Report.

Recommendation No. 6

100% Funding for Schemes in North East

4.35 The Committee had recommended and reiterated in their 19th Report (1998-99) and 7th Report (1999-2000) respectively that all the schemes planned for the North East Region by the Department should be 100% funded by the Union Government.

The Committee had noted that the Department have been giving various different and self-contradictory statements ever since the Committee had initially recommended in this regard in their 19th Report. In the Action Taken reply to the 19th Report on DFG (1999-2000), the Department in July, 1999 had stated that the recommendation of the Parliamentary Standing Committee on Agriculture in this regard "is being forward to the Planning Commission and the Ministry of Finance for policy decision and for providing consequential budgetary increase in the current budget." Further, in their Action Taken reply to the 7th Report on DFG (2000-01) in July 2000, the Department had stated that "All schemes of the Department were being implemented in the North Eastern States and Sikkim, are funded on 100% basis except the AICRPs and their centers located in Assam Agricultural University." And, when examining the DFG 2001-02 pertaining to the Department, the Committee enquired about the outcome of the policy decision taken by the Planning Commission and the Ministry of Finance regarding 100% funding issue, the Department gave another version by stating that "the Department from the very beginning provides 100% funds to all its schemes except AICRP Centres irrespective of the location of the scheme. For 100% funding of the Central Agricultural University, Imphal the Department has already submitted proposal to the Planning Commission for Rs. 40.00 crores from Non-lapsable Central Pool of Resources and apart from this the funding of 25 new KVKs worth Rs. 4.93 crores during IX Plan in North East Region will also be pursued in the light of EFC decision on KVKs from Central Pool after clearance of EFC from Ministry of Finance."

The Committee could not understand the reasons for ambiguous and misleading replies by the Department in this regard as in their opinion there was no point in saying that the matter was being forward for policy decision to the Planning Commission and the Ministry of Finance while the Department from the very beginning is following the policy of providing 100% funds to all its schemes "except the AICRPs and their centres located in Assam Agricultural University" and later on after a year, changing to another version "except AICRP centres irrespective of the location of the scheme."

The Committee had therefore, strongly deplored this attitude of the Department in giving ambiguous and contradictory statements year after year which grossly amounts to misleading the Parliamentary Standing Committee on Agriculture and advised the Department to give correct and clear statements based on truth to the Committee henceforth.

The Committee had further recommended that the Department should put in vigorous efforts to get the EFC clearance from the Ministry of Finance with regard to funding of Rs. 4.93 crores to 25 new KVKs in North Eastern Region and Rs. 40.00 crores funding to Central Agricultural University, Imphal from Non-lapsable Central Pool of Resources on priority basis so that the Department could get respective allocations at the RE stage this year and work should actually start under both the schemes within that financial year.

Reply of the Government

4.36 The Department in their reply stated that the Parliamentary Standing Committee on Agriculture in their 19th Report (1998-99) and 7th Report (1999-2000) respectively recommended that all the schemes planned for the North East Region by the Department should be funded 100% by the Union Government. This Department forwarded these recommendations of the Parliamentary Committee to Planning Commission, since it involved a policy decision, as some of the schemes (AICRPs) funded by this Department were in the ratio of 75:25. To clarify the matter further it is submitted that DARE/ICAR has two funding patterns *i.e.* the schemes funded on 100% and 75:25 basis. The AICRP centers operating at State Agricultural Universities are being funded at 75 DARE/ICAR: 25 States shares. The same pattern is being followed for whole of the country including North East Region.

The matter for funding 25 KVKs for infrastructure development in North Eastern Region out of Non-Lapsable Central Pool of Resources is under submission to Cabinet Committee on Economic Affairs for getting approval of EFC clearance. The Department is vigorously pursuing to get the allocation of Rs. 40 crores for funding the Central Agricultural University, Imphal out of the Non-lapsable Central Pool of Resources.

4.37 During November, 2001 the Department in their reply stated that the Cabinet Committee on Economic Affairs have approved the establishment of 25 KVKs in the North Eastern Region during IX Plan and action is being taken by the Department accordingly for their expeditious establishment. The EFC of CAU had approved a sum of Rs. 30 crores (instead of earlier projection of Rs. 40 crores) for the infrastructure development of CAU, out of the which Rs. 12 crores is being provided by the DARE/ICAR from its plan budget and the remaining 18 crores is being sought from Non-Lapsable Central Pool of Resources through Planning Commission.

4.38 The Department is willing to reconsider the funding in North East on a 100% basis provided additional funds are made available by the Planning Commission.

Comments of the Committee

4.39 For Comments of the Committee please See Para No. 1.47 of Chapter I of this Report.

Recommendation No. 9

Need to exclude Externally Aided Projects (EAPs) funding from BE of DARE/ICAR

4.40 The Committee had noted that Rs. 638.97 crores has been allocated for Externally Aided Projects (EAPs)/World Bank Projects for the entire IX Plan against the total IX Plan outlay of Rs. 3376.95 crores, thus leaving only Rs. 2737.98 crores as Domestic Budgetary Support (DBS). However, due to arbitrary financial cuts imposed into the Department every year at the RE stage, the Department could not do justice to the EAPs/WBPs since it could only actually spent Rs. 300.27 crores during the first four years of the IX Plan against the approved outlay of Rs. 367.46 crores for the same period.

The Committee were of the opinion that since External Aid is for certain purposes and objectives that are different from the regular schemes of the ICAR and are strictly time bound programmes involving the Collaborating and Donor agency for the very specific cause/purpose, it should have no link with the Domestic Budgetary Support of the Department and the domestic programmes of ICAR. The Committee had, therefore, recommended that the Planning Commission and Ministry of Finance should immediately decide in favour of excluding the EAPs/WBPs component from the Plan Budgetary Estimates (BEs) of the Department and should provide EAPs allocations separately over and above the BEs meant for the Department from the then financial year onwards, i.e., in the year 2001-02 itself and the Department should be provided with Rs. 155.00 crores meant for EAPs/WBPs over and above the BEs of Rs. 684.00 crores.

Reply of the Government

4.41 The Department in their reply stated that it has taken up the issue with the Planning Commission to exclude the Externally Aided Projects (EAPs)/World Bank Projects (WBPs) from the plan budgetary estimates of the Department and provide EAPs/WBPs, allocation separately over and above Budget Estimates meant for the Department from the current financial year onwards. Accordingly, Planning Commission has allocated Rs. 155 crores towards EAPs/WBPs component and Rs. 529 crores towards Domestic Budgetary Support (DBS). However, the Department is again pursuing the matter with Planning Commission to provide Rs. 155 crores meant for EAPs/WBPs over and above the Budget Estimates of Rs. 684 crores, instead of Rs. 529 crores allocated towards DBS.

4.42 In the month of November, 2001 the Department stated that the Planning Commission have taken the stand that Rs. 155 crores meant for Externally Aided Projects (EAPs) will remain inclusive in the total outlay of Rs. 684 crores during the financial year 2001-02.

4.43 The Department reiterates its stand that the Externally Aided Projects should be shown separately for the purpose of the allocation of funds and be in addition to the budgetary allocation for the Annual Plans.

Comments of the Committee

4.44 For Comments of the Committee the please See Para No. 1.55 of Chapter I of this Report.

Recommendation No. 10

10% allocations to NE States on DBS Basis

4.45 The Committee had noted that since 1998 all the Ministries/ Departments of the Government have to allocate minimum 10% funding of their Gross total Plan Budgetary Allocation to the schemes exclusively meant for the benefit of the NE States and Sikkim as per the policy decision of the Central Government. †

The Committee had also noted that Externally Aided Projects/ World Bank Projects were usually area-cum-need based specific programmes and funds need to be spent under the mutually agreed programmes under which there seems to be very little scope for diverting the EAP/WBP funds to the programmes to the regions other than those agreed upon between the donor agency and DARE/ICAR. The Department has made several requests to the Planning Commission and Ministry of Finance to allow them to allocate 10% on the basis of Domestic Budgetary Support (DBS) only rather than on the basis of Gross Budgetary Support (GBS) so that the approved programmes could be implemented with full thrust and the funds requirement of EAPs could also be met. The Parliamentary Standing Committee on Agriculture has also requested the Government through their recommendations in their Reports to exclude EAPs funding from the 10% NE States allocations.

The Committee had learnt that the Budgetary Support constitutes DBS+EAP and therefore 10% to North Eastern States of Budgetary Support will include a 10% cut from the EAP also. In their opinion that was simply deplorable. The Committee advised the Planning Commission to resort to sound financial practices rather than resort to arm-twisting.

The Committee had, therefore, once again reiterated their earlier recommendation with regard to 10% allocations to NE States and Sikkim on DBS basis excluding EAP.

Reply of the Government

4.46 The Department in their reply stated that the recommendation of the Committee for exempting Externally Aided Projects for the 10% allocation criteria to the North East States and Sikkim has already been sent to the Planning Commission but such exemption has not yet been granted to this Department despite repeated requests. The Department is further pursuing the matter with the Planning Commission.

4.47 During the month of November, 2001 the Department in their reply stated that the recommendation of the Committee for exempting Externally Aided Projects (EAPs) from the 10% allocation criteria to the North East States and Sikkim (*i.e.* on DBS basis and not on DBS+EAP basis) had been sent to the Planning Commission and the Ministry of Finance. Now, through the latest communication received from the Planning Commission, they have again taken the stand that 10% criteria should be based upon the GBS (*i.e.* including EAPs component) and not on DBS basis.

4.48 The Department reiterates its demand that while calculating 10% of the budgetary allocation for the North East, the externally aided portion of the budget should not be taken into account.

Comments of the Committee

4.49 For Comments of the Committee please *See* Para No. 1.60 of Chapter I of this Report.

Recommendation No. 12

"Anticipated Expenditure" by the Department for 2000-2001

4.50 The Committee had noted that Budget Estimates (Plan) 2000-2001 were Rs. 629.55 crores while the Revised Estimates (Plan) were brought down to Rs. 550.00 crores. Nevertheless, the Annual Plan (2001-2002) Document of the Department depicted Anticipated Expenditure of Rs. 790.33 crores which happened to be Rs. 160.78 crores more than the BE (Plan) and Rs. 240.33 crores more than the RE (Plan).

The Committee had also noted that during evidence two different statements with regard to excess in Anticipated Expenditure during 2000-01 were made. The first statement was about the reasons for increase in the Anticipated Expenditure to the tune of Rs. 160.78 crores in the Plan schemes which stated, "Since most of the IX Plan schemes have been approved and their sanction issued, increase in anticipated expenditure is to purchase approved equipments and also for providing funds for other non recurring contingencies to strengthen the research and educational programmes". The Second statement was regarding the source of additional funding of Rs. 160.78 crores, which stated, "Since there is no source of additional funding of Rs. 160.78 crores, activities of many project/programmes may suffer in terms of infrastructural development for want of adequate funds both in current and next financial years."

The Committee had, disapproved of giving inflated figures of anticipatory Expenditure. The Committee had failed to understand as to how an expenditure could be anticipated well knowing that there is no additional source of income beyond Rs. 550.00 crores and had recommended that the Department should desist from such practice in future. Anticipatory Expenditure figures should be as close as possible to the actual expenditure likely to be incurred during the year.

Reply of the Government

4.51 The Department in their reply stated that the Annual Plan 2000-01 of this Department was prepared in the month of October/November, 2000 (as is the normal practice). This document indicates that anticipated expenditure (2000-01) to the tune of Rs. 790.33 crores was based on the projections of this Department for the implementation of different programmes. The Department was hopeful of getting an increased allocation, commensurate with the rejected requirement of Rs. 790.33 crores. At this point of time, the Department could not anticipate that instead of getting an increased allocation, even the available allocation of Rs. 629.55 crores would be further curtailed to Rs. 550 crores. The RE figure of Rs. 550 crores was communicated in February, 2001. The Department was pursuing with the Planning Commission for higher allocation of funds for the year 2000-01 needed for approved ongoing programmes. The Department has to confine its requirements as per the availability of funds which was subsequently curtailed to Rs. 550 crores at RE stage.

The following table indicates the anticipated expenditure, BE and RE for the financial year 2000-01:

Year	Anticipated Expenditure	(Rs. in crores)	
		BE	RE
2000-01	790.33	629.55	550.00

Comments of the Committee

4.52 For Comments of the Committee please see Para No. 1.66 of Chapter I of this Report.

CHAPTER V

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

Recommendation No. 4

Overall Review of Plan Allocations vis-a-vis Non Plan Allocations during VIII and IX Plan

5.1 The Committee have made a critical study of the allocations of Plan and Non-Plan funds to the DARE/ICAR from the year 1992-93 till date.

They observe that from 1992-93 to 1998-99 the Budgetary allocation (BE) on Plan allocation have been above 50% and the Non-Plan allocations below 50% of the total allocations. However, from the financial year 1999-2000 onwards the BE Plan Funds have declined below 50% and the Non-Plan allocations have risen above 50%.

On a further scrutiny the Committee note that at the RE stage the Plan Funds have been below 50% and Non Plan funds above 50% and at one stage the Plan funds went down to 39% and Non-Plan to went upto 61%.

The Committee are aware that ICAR has approx. 5500 scientists, in 47 Central Institutes, 4 National Bureaux, 10 Project Directorates, 28 National Research Centres, 82 AICRPs and one Central Agricultural University etc. In other words it is a very big family. Agriculture is contributing 27% of the Agricultural GDP and DARE/ICAR is getting 0.23% of the GDP as allocations. Out of the meagre 0.23% allocation over 60% is eaten up by Non-Plan activities.

The Committee are very concerned with the decreasing trend of Plan allocation. Although the efforts of Research are seen in many fields of production through genetic improvement, but it is covering around little gains and losses in the various activities. The Committee, therefore, recommend that an independent body of agricultural and scientific experts should be constituted by DARE/ICAR to evaluate in some means by setting certain parameters to evaluate the worth of the research conducted compared with the non-plan expenditure incurred on each scientist conducting that research. This body should also take up the state of the infrastructure available for research and the level of satisfaction of the scientists etc. *i.e.* human resources, while giving its findings.

The Committee hope that such an evaluation would be available to the Committee by the next financial budget.

Reply of the Government

5.2 The Non-Plan Budget may mostly be attributed to the committed expenditure which includes mainly the salary component, petty expenditures like maintenance etc., contingencies like telephone bills, electricity charges, corporate taxes, etc.—this sort of Non-Plan Expenditure is treated as committed expenditure. The Department has taken note on the need for evaluation indicated by the Committee and action has been initiated.

Comments of the Committee

5.3 For Comments of the Committee please *see* Para No. 1.37 of the Chapter I of the this Report.

NEW DELHI;
14 March, 2002

23 Phalguna, 1923 (Saka)

S.S. PALANIMANICKAM,
Chairman,
Standing Committee on Agriculture.

APPENDIX I

MINUTES OF THE TWENTY SECOND SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON 22ND NOVEMBER, 2001 IN COMMITTEE ROOM 'D', GROUND FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1500 hrs. to 1620 hrs.

Shri S.S. Palanimanickam — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ram Tahal Chaudhari
3. Shri Ramdas Rupala Gavit
4. Shri Thawar Chand Gehlot
5. Shri Abul Hasnat Khan
6. Shri Y.G. Mahajan
7. Shri Savshibhai Makwana
8. Shri Jagannath Mallick
9. Shri M. Master Mathan
10. Shri Dalpat Singh Paraste
11. Shri Tarachand Shivaji Patel
12. Smt. Rama Pilot
13. Shri G. Sukender Reddy
14. Shri Mahboob Zahedi

Rajya Sabha

15. Shri H.K. Javare Gowda
16. Shri Kailash Joshi
17. Shri Sharief-Ud-Din Shariq
18. Shri Devi Prasad Singh
19. Shri R. Kamaraj

SECRETARIAT

1. Shri P.D.T. Achary — *Additional Secretary*
2. Smt. Paramjeet Kaur Sandhu — *Joint Secretary*
3. Shri K.L. Arora — *Under Secretary*

Witnesses

Ministry of Agriculture (Deptt. of Agricultural Research & Education)

1. Dr. Panjab Singh — Secretary (DARE) & Director General (ICAR)

Ministry of Finance

1. Shri C.S. Rao — Secretary (Expenditure)
2. Shri C.M. Vasudev — Secretary (Economic Affairs)
3. Shri D. Swarup — Additional Secretary (Budget)

Planning Commission

1. Shri Ajit Kumar — Secretary
2. Shri M.D. Asthana — Principal Advisor (Agriculture)

At the outset, Hon'ble Chairman (AC) welcomed the Representatives of the Planning Commission, Ministry of Finance and Department of Agricultural Research and Education. The Committee then discussed matters relating to grant of 1% of AGDP as budgetary support to the Department of Agricultural Research and Education, one time catch up grant of Rs. 400 crores and allocation to North Eastern States. Whereas the Representatives of the Planning Commission stated that DARE was not able to utilize the allocated amounts the Representatives of DARE stated that they consumed 97 to 99% of their budgetary support annually. The meeting concluded without any headway in the points that were taken up for discussion.

The witnesses then withdrew.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

APPENDIX II

MINUTES OF THE FOURTH SITTING OF THE STANDING
COMMITTEE ON AGRICULTURE HELD ON THURSDAY,
THE 14TH MARCH, 2002 IN COMMITTEE ROOM 'B',
GROUND FLOOR, PARLIAMENT HOUSE ANNEXE,
NEW DELHI

The Committee sat from 1500 hrs. to 1540 hrs.

Shri S.S. Palanimarickam — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ram Tahal Chaudhari
3. Shri Chintaman Wanaga
4. Shri Ramdas Rupala Gavit
5. Shri Y.G. Mahajan
6. Shri M. Master Mathan
7. Shri Rampal Singh
8. Smt. Prabha Rao
9. Shri Tarachand Shivaji Patel
10. Shri Adhir Chowdhary
11. Shri Abul Hasnat Khan
12. Shri Mahboob Zahedi
13. Shri A. Brahmaniah
14. Prof. S.P. Singh Baghel
15. Shri Chandra Bhushan Singh
16. Shri Anant Gudhe
17. Shri Raghunath Jha
18. Shri Bhan Singh Bhaura

Rajya Sabha

19. Shri Oscar Fernandes
20. Smt. Jamana Devi Barupal
21. Shri Kailash Joshi
22. Shri M. Rajashekara Murthy
23. Shri R. Kamraj
24. Shri Sharief-Ud-Din Shariq

SECRETARIAT

1. Dr. (Smt.) Paramjeet Kaur Sandhu — *Joint Secretary*
2. Shri Raj Shekhar Sharma — *Deputy Secretary*
3. Smt. Anita Jain — *Under Secretary*
4. Shri K.L. Arora — *Under Secretary*

At the outset, the Chairman read out a condolence resolution on the untimely and sad demise of Hon'ble Speaker Lok Sabha, Shri G.M.C. Balayogi in a helicopter crash. The Members stood in silence for a short while as a mark of respect to the departed leader.

Thereafter, the Committee took up the following Memoranda for consideration and adoption:

Memorandum No.	Reports
5	Draft Action Taken Report on 18th Report on Demands for Grants (2001-2002) of Department of Agriculture and Co-operation.
6	Draft Action Taken Report on 19th Report on Demands for Grants (2001-2002) of Department of Agricultural Research and Education.

The Committee considered the Draft Action Taken Reports and adopted them with minor additions/modifications.

The Members of the Committee, thereafter, authorized the Chairman to finalise all the above mentioned Reports and present them to the House on a date and time convenient to him. The Committee decided to hold their next meeting on 26th March, 2002.

The Committee then adjourned.

APPENDIX III

(Vide Para 5 of Introduction of the Report)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE 19TH REPORT OF THE STANDING COMMITTEE ON AGRICULTURE (2001) (13TH LOK SABHA)

(i) Total number of Recommendations	12
(ii) Recommendations/Observations which have been Accepted by the Government Serial Nos. 7, 8 and 11	
Total	3
Percentage	25%
(iii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies Serial No. Nil	
Total	Nil
Percentage	0.0%
(iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee Serial Nos. 1, 2, 3, 5, 6, 9, 10 and 12	
Total	8
Percentage	66.67%
(v) Recommendations/Observations in respect of which final replies of the Government are still awaited Serial No. 4	
Total	1
Percentage	8.33%