

**12**

**STANDING COMMITTEE ON FINANCE  
(2014-15)**

**SIXTEENTH LOK SABHA**

**MINISTRY OF PLANNING**

**DEMANDS FOR GRANTS  
(2015-16)**

**TWELFTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**April, 2015 / Vaisakha, 1937 (Saka)**

# TWELFTH REPORT

STANDING COMMITTEE ON FINANCE  
(2014-2015)

(SIXTEENTH LOK SABHA)

MINISTRY OF PLANNING

DEMANDS FOR GRANTS  
(2015-16)

Presented to Lok Sabha on 24 April, 2015

Laid in Rajya Sabha on 24 April, 2015



LOK SABHA SECRETARIAT  
NEW DELHI

April, 2015 / Vaisakha, 1937 (Saka)

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and 16 April, 2015

## COMPOSITION OF COMMITTEE ON FINANCE – 2014-15

Dr. M. Veerappa Moily, Chairperson

### **MEMBERS**

#### **LOK SABHA**

2. Shri S.S. Ahluwalia
3. Shri Venkatesh Babu T.G.
4. Shri Sudip Bandyopadhyay
5. Shri Nishikant Dubey
6. Shri P.C. Gaddigoudar
7. Dr. Gopalakrishnan C.
8. Shri Shyama Charan Gupta
9. Shri Prataprao Jadhav
10. Shri Rattan Lal Kataria
11. Shri Bhartruhari Mahtab
12. Shri Prem Das Rai
13. Shri Rayapati Sambasiva Rao
14. Prof. Saugata Roy
15. Shri Jyotiraditya M. Scindia
16. Shri Gajendra Singh Sekhawat
17. Shri Gopal Shetty
18. Shri Anil Shirole
19. Shri Shivkumar Udasi\*
20. Dr. Kiritbhai Solanki
21. Dr. Kirit Somaiya

#### **RAJYA SABHA**

22. Shri Naresh Agrawal
23. Shri Naresh Gujral
24. Shri A. Navaneethakrishnan
25. Shri Satish Chandra Misra\*\*
26. Dr. Mahendra Prasad
27. Shri P. Rajeeve
28. Shri C.M. Ramesh
29. Shri Ajay Sancheti
30. Shri Digvijaya Singh
31. Dr. Manmohan Singh

#### **SECRETARIAT**

- |    |                      |   |                      |
|----|----------------------|---|----------------------|
| 1. | Shri P.K. Misra      | - | Additional Secretary |
| 2. | Shri P.C. Tripathy   | - | Director             |
| 3. | Shri Tenzin Gyaltzen | - | Committee Officer    |

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\* Nominated w.e.f. 24.02.2015 vide Bulletin Part - II dated 24.02.2015 against the vacancy caused due to induction of Shri Jayant Sinha, MP to the Union Council of Ministers w.e.f 09.11.2014.

\*\* Nominated w.e.f. 08.01.2015 vide Bulletin Part - II dated 12.01.2015 against the vacancy caused by retirement of Shri Brajesh Pathak, MP from Rajya Sabha.

## INTRODUCTION

I, the Chairperson of the Committee on Finance, having been authorised by the Committee, present this Twelfth Report (Sixteenth Lok Sabha) on 'Demands for Grants (2015-16)' of the Ministry of Planning.

2. The Demands for Grants (2015-16) of the Ministry of Planning were laid on the Table of the House on 20 March, 2015 under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took oral evidence of the representatives of the Ministry of Planning on 31 March, 2015. The Committee wish to express their thanks to the representatives of the Ministry of Planning for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2015-16).

4. The Committee considered and adopted this Report at their Sitting held on 16 April, 2015.

5. For facility of reference, the Observations / Recommendations of the Committee have been printed in bold at the end of the Report.

New Delhi;  
**16 April, 2015**  
26 Chaitra, 1937 (Saka)

**DR. M. VEERAPPA MOILY,**  
**Chairperson,**  
**Committee on Finance.**

# REPORT

## PART-I

### I. Analysis of Demands for Grants (2014-15)

#### Introduction

1.1 The Government has replaced Planning Commission with a new institution named NITI Aayog (National Institution for Transforming India). The institution will serve as 'Think Tank' of the Government—a directional and policy dynamo. NITI Aayog will provide Governments at the central and state levels with relevant strategic and technical advice across the spectrum of key elements of policy, this includes matters of national and international import on the economic front, dissemination of best practices from within the country as well as from other nations, the infusion of new policy ideas and specific issue-based support.

#### RESOLUTION

*Mahatma Gandhi had said: "Constant development is the law of life, and a man who always tries to maintain his dogmas in order to appear consistent drives himself into a false position". Reflecting this spirit and the changed dynamics of the new India, the institutions of governance and policy have to adapt to new challenges and must be built on the founding principles of the Constitution of India, the wealth of knowledge from our civilizational history and the present day socio-cultural context.*

- (i) The Planning Commission was set up on the 15<sup>th</sup> of March, 1950 through a Cabinet Resolution. Nearly 65 years later, the country has metamorphosed from an under-developed economy to an emergent global nation with one of the world's largest economies.
- (ii) From being preoccupied with survival, our aspirations have soared and today we seek elimination, rather than alleviation, of poverty. The people of India have great expectations for progress and improvement in governance, through their participation. They require institutional reforms in governance and dynamic policy shifts that can seed and nurture large-scale change. Indeed, the 'destiny' of our country, from the time we achieved Independence, is now on a higher trajectory.
- (iii) The past few decades have also witnessed a strengthening of Indian nationhood. India is a diverse country with distinct languages, faiths and cultural ecosystems. This diversity has enriched the totality of the Indian experience. Politically too, India has embraced a greater measure of pluralism which has reshaped the federal consensus. The States of the Union do not want to be mere appendages of the Centre. They seek a decisive say in determining the architecture of economic growth and development. The one-size-fits-all approach, often inherent in central planning, has the potential of creating needless tensions and undermining the harmony needed for national effort. Dr. Ambedkar had said with foresight that it is "unreasonable to centralise powers where central control and uniformity is not clearly essential or is impracticable".
- (iv) At the heart of the dynamics of transforming India lies a technology revolution and increased access to and sharing of information. In the course of this transformation, while some changes are anticipated and planned, many are a consequence of market forces and

larger global shifts. The evolution and maturing of our institutions and polity also entail a diminished role for centralised planning, which itself needs to be redefined.

- (v) The forces transforming India are many and include:
- a. The industry and service sectors have developed and are operating on a global scale now. To build on this foundation, new India needs an administration paradigm in which the government is an “enabler” rather than a “provider of first and last resort”. The role of the government as a “player” in the industrial and service sectors has to be reduced. Instead, government has to focus on enabling legislation, policy making and regulation.
  - b. India’s traditional strength in agriculture has increased manifold on account of the efforts of our farmers and improvements in technology. We need to continue to improve, and move from pure food security to a focus on a mix of agricultural production as well as the actual returns that farmers get from their produce.
  - c. Today, we reside in a ‘global village’, *connected* by modern transport, communications and media, and networked international markets and institutions. As India ‘contributes’ to global endeavours, it is also influenced by happenings far removed from our borders. Global economics and geo-politics are getting increasingly integrated, and the private sector is growing in importance as a constituent within that. India needs to be an active player in the debates and deliberations on the global commons, especially in relatively uncharted areas.
  - d. India’s middle class is unique in terms of its size and purchasing power. This formidable group is increasing with the entry of the neo-middle class. It has been an important driver of growth and has enormous potential on account of its high education levels, mobility and willingness to push for change in the country. Our continuing challenge is to ensure that this economically vibrant group remains engaged and its potential is fully realised.
  - e. India’s pool of entrepreneurial, scientific and intellectual human capital is a source of strength waiting to be unleashed to help us attain unprecedented heights of success. In fact, the ‘social capital’ that is present in our people has been a major contributor to the development of the country thus far and, therefore, it needs to be leveraged through appropriate policy initiatives.
  - f. The Non-Resident Indian community, which is spread across more than 200 countries, is larger in number than the population of many countries of the world. This is a significant geo-economic and geo-political strength. Future national policies must incorporate this strength in order to broaden their participation in the new India beyond just their financial support. Technology and management expertise are self-evident areas where this community can contribute significantly.
  - g. Urbanisation is an irreversible trend. Rather than viewing it as an evil, we have to make it an integral part of our policy for development. Urbanisation has to be viewed as an opportunity to use modern technology to create a wholesome and secure habitat while reaping the economic benefits that it offers.
  - h. Transparency is now a *sine qua non* for good governance. We are in a digital age where the tools and modes of communication, like social media, are powerful instruments to share and explain the thoughts and actions of the government. This trend will only increase with time. Government and governance have to be conducted

in an environment of total transparency – using technology to reduce opacity and thereby, the potential for misadventures in governing.

- (vi) Technology and information access have accentuated the unity in diversity that defines us. They have helped integrate different capabilities of our regions, states and eco-systems towards an interlinked national economy. Indeed, Indian nationhood has been greatly strengthened on their account. To reap the benefits of the creative energy that emerges from the Indian kaleidoscope, our development model has to become more consensual and co-operative. It must embrace the specific demands of states, regions and localities. A shared vision of national development has to be worked out based on human dignity, national self-respect and an inclusive and sustainable development path.
- (vii) The challenges we face as a country have also become more complex:
- a. India's demographic dividend has to be leveraged fruitfully over the next few decades. The potential of our youth, men and women, has to be realized through education, skill development, elimination of gender bias, and employment. We have to strive to provide our youth productive opportunities to work on the frontiers of science, technology and knowledge economy.
  - b. Poverty elimination remains one of the most important metrics by which alone we should measure our success as a nation. Every Indian must be given an opportunity to live a life of dignity and self respect. The words of Tiruvalluvar, the sage-poet, when he wrote that "nothing is more dreadfully painful than poverty", and "gripping poverty robs a man of the lofty nobility of his descent", are as true today as they were when written more than two thousand years ago.
  - c. Economic development is incomplete if it does not provide every individual the right to enjoy the fruits of development. Pt. Deen Dayal Upadhyaya had enunciated this in his concept of Antyodaya, or uplift of the downtrodden, where the goal is to ensure that the poorest of the poor get the benefits of development. Inequalities based on gender biases as well as economic disparities have to be redressed. We need to create an environment and support system that encourages women to play their rightful role in nation-building. Equality of opportunity goes hand in hand with an inclusiveness agenda. Rather than pushing everyone on to a pre-determined path, we have to give every element of society – especially weaker segments like the Scheduled Castes and Scheduled Tribes - the ability to influence the choices the country and government make in setting the national agenda. In fact, inclusion has to be predicated on a belief in the ability of each member of society to contribute. As Sankar Dev wrote centuries ago in the Kirtan Ghosh: "To see every being as equivalent to one's own soul is the supreme means (of attaining deliverance)".
  - d. Villages (*Gram*) continue to be the bedrock of our ethos, culture and sustenance. They need to be fully integrated institutionally into the development process so that we draw on their vitality and energy.
  - e. India has more than 50 million small businesses, which are a major source of employment creation. These businesses are particularly important in creating opportunities for the backward and disadvantaged sections of the society. Policy making must focus on providing necessary support to this sector in terms of skill and knowledge upgrades and access to financial capital and relevant technology.
  - f. Responsible development implies environmentally sound development. India is one of the mega-diverse countries. Our environmental and ecological assets are eternal, and must be preserved and safeguarded. The country's legacy of respect for

environment is reflected in our reverence for trees and animals. Our legacy to future generations must be sustainable progress. Each element of our environment (*paryavaran*) and resources, namely water, land and forest (*Jal, Jameen evam Jungle*) must be protected; and this must be done in a manner that takes into account their inter-linkages with climate (*jal vayu*) and people (*jan*). Our development agenda has to ensure that development does not sully the quality of life of the present and future generations.

- (viii) The role of the government in achieving 'national objectives' may change with time, but will always remain significant. Government will continue to set policies that anticipate and reflect the country's requirements and execute them in a just manner for the benefit of the citizens. The continuing integration with the world – politically and economically - has to be incorporated into policy making as well as functioning of the government.

**In essence, effective governance** in India will rest on the following pillars:

- a. **Pro-people agenda** that fulfils the aspirations of the society as well as individual,
  - b. **Pro-active** in anticipating and responding to their needs,
  - c. **Participative**, by involvement of citizens,
  - d. **Empowering** women in all aspects
  - e. **Inclusion** of all groups, with special attention to the economically weak (*garib*), the SC, ST and OBC communities, the rural sector and farmers (*gaon and kisan*), youth and all categories of minorities.
  - f. **Equality of opportunity** to our country's youth,
  - g. **Transparency** through the use of technology to make government visible and responsive.
- (ix) Governance, across the public and private domains, is the concern of society as a whole. Everyone has a stake in ensuring good governance and effective delivery of services. Creating Jan Chetna, therefore, becomes crucial for people's initiative. In the past, governance may have been rather narrowly construed as public governance. In today's changed dynamics – with 'public' services often being delivered by 'private' entities, and the greater scope for 'participative citizenry', governance encompasses and involves everyone.
- (x) The institutional framework of government has developed and matured over the years. This has allowed the development of domain expertise which allows us the chance to increase the specificity of functions given to institutions. Specific to the planning process, there is a need to separate as well as energize the distinct 'process' of governance from the 'strategy' of governance.

In the context of governance structures, the changed requirements of our country, point to the need for setting up an institution that serves as a Think Tank of the government – a directional and policy dynamo. The proposed institution has to provide governments at the central and state levels with relevant strategic and technical advice across the spectrum of key elements of policy. This includes matters of national and international import on the economic front, dissemination of best practices from within the country as well as from other nations, the infusion of new policy ideas and specific issue-based support. The institution has to be able to respond to the changing and more integrated world that India is part of.

An important evolutionary change from the past will be replacing a centre-to-state one-way flow of policy by a genuine and continuing partnership with the states. The institution must have the necessary resources, knowledge, skills and, ability to act with speed to provide the strategic policy vision for the government as well as deal with contingent issues.

Perhaps most importantly, the institution must adhere to the tenet that while incorporating positive influences from the world, no single model can be transplanted from outside into the Indian scenario. We need to find our own strategy for growth. The new institution has to zero in on what will work in and for India. It will be a Bharatiya approach to development.

(xi) The institution to give life to these aspirations is the **NITI Aayog (National Institution for Transforming India)**. This is being proposed after extensive consultation across the spectrum of stakeholders including *inter alia* state governments, domain experts and relevant institutions. The NITI Aayog will work towards the following objectives:

- a. To evolve a shared vision of national development priorities, sectors and strategies with the active involvement of States in the light of national objectives. The vision of the NITI Aayog will then provide a framework 'national agenda' for the Prime Minister and the Chief Ministers to provide impetus to.
- b. To foster cooperative federalism through structured support initiatives and mechanisms with the States on a continuous basis, recognizing that strong States make a strong nation.
- c. To develop mechanisms to formulate credible plans at the village level and aggregate these progressively at higher levels of government.
- d. To ensure, on areas that are specifically referred to it, that the interests of national security are incorporated in economic strategy and policy.
- e. To pay special attention to the sections of our society that may be at risk of not benefitting adequately from economic progress.
- f. To design strategic and long term policy and programme frameworks and initiatives, and monitor their progress and their efficacy. The lessons learnt through monitoring and feedback will be used for making innovative improvements, including necessary mid-course corrections.
- g. To provide advice and encourage partnerships between key stakeholders and national and international like-minded Think Tanks, as well as educational and policy research institutions.
- h. To create a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and other partners.
- i. To offer a platform for resolution of inter-sectoral and inter-departmental issues in order to accelerate the implementation of the development agenda.

- j. To maintain a state-of-the-art Resource Centre, be a repository of research on good governance and best practices in sustainable and equitable development as well as help their dissemination to stake-holders.
- k. To actively monitor and evaluate the implementation of programmes and initiatives, including the identification of the needed resources so as to strengthen the probability of success and scope of delivery.
- l. To focus on technology upgradation and capacity building for implementation of programmes and initiatives.
- m. To undertake other activities as may be necessary in order to further the execution of the national development agenda, and the objectives mentioned above.

(xii) The NITI Aayog will comprise the following:

- a. Prime Minister of India as the Chairperson
- b. Governing Council comprising the Chief Ministers of all the States and Lt. Governors of Union Territories
- c. Regional Councils will be formed to address specific issues and contingencies impacting more than one state or a region. These will be formed for a specified tenure. The Regional Councils will be convened by the Prime Minister and will comprise of the Chief Ministers of States and Lt. Governors of Union Territories in the region. These will be chaired by the Chairperson of the NITI Aayog or his nominee.
- d. Experts, specialists and practitioners with relevant domain knowledge as special invitees nominated by the Prime Minister
- e. The full-time organizational framework will comprise of, in addition to the Prime Minister as the Chairperson:
  - i. Vice-Chairperson: To be appointed by the Prime Minister
  - ii. Members: Full-time
  - iii. Part-time members: Maximum of 2 from leading universities research organizations and other relevant institutions in an ex-officio capacity. Part time members will be on a rotational basis.
  - iv. Ex Officio members: Maximum of 4 members of the Union Council of Ministers to be nominated by the Prime Minister.
  - v. Chief Executive Officer : To be appointed by the Prime Minister for a fixed tenure, in the rank of Secretary to the Government of India.
  - vi. Secretariat as deemed necessary.

(xiii) Swami Vivekananda said “Take up one idea. Make that one idea your life – think it, dream of it, live on that idea. Let the brain, muscles, nerves, every part of your body, be full of that idea and just leave every other idea alone. This is the way to success.” Through its commitment to a cooperative federalism, promotion of citizen engagement, egalitarian access to opportunity, participative and adaptive governance and increasing use of technology, the NITI Aayog will seek to provide a critical directional and strategic input into the development process. This, along with being the incubator of ideas for development, will be the core mission of NITI Aayog.

1.2 The Ministry of Planning have presented their detailed Demands for Grants (2015-16 Demand No. 76) in Lok Sabha on 20<sup>th</sup> March, 2015. The total budget allocation of the Ministry for the year 2015-16 for Plan and Non-Plan expenditure is Rs. 2,114 crore and Rs. 97.11 crore respectively. Different schemes under various heads have been discontinued. The National Rainfed Area Authority which was provided a Budget Estimate (2014-15) of Rs. 31.50 crore was further revised to Rs. 18.66 crore in RE (2014-15) has been not provide any grant in BE (2015-16). Further, various schemes like Office of Advisor to Prime Minister was provided a Budget Estimate (2014-15) and Revised Estimate (2014-15) of Rs. 2.50 crore and Revised Estimate of Rs. 60 lakh, Strengthening Office Process and Systems (earlier named Modernisation of Office Systems) and Economic Advisory Council to Prime Minister with a Budget Estimate (2014-15) of Rs. 60 lakh and Rs. 38.70 lakh and Revised Estimate (2014-15) of Rs. 65.30 lakh and Rs. 28.70 lakh respectively, have also been discontinued. UIDAI grants have been enhanced significantly to Rs. 1,638 crore in BE (2015-16) from Budget Estimate (2014-15) and Revised Estimate (2014-15) of Rs.1,437 crore and Rs. 1,107 crore respectively. Other schemes which have not been provided with funding in Budget Estimate (2015-16) are Expertise for Planning Process, Studies and Investigations in Planning Methodology etc., Grants-in-aid to National Labour Economics and Skill Development (formerly IAMR), Plan Formulation and Appraisal and Review, UNDP Assistance for Human Development towards bridging inequalities and UNDP assisted project "Strengthening Capacities for Decentralised Planning". Some of the programmes which have been provided reasonable and new funding in this year's Budget Estimate (2015-16) as compared to RE and BE stage of 2014-15 are, New Programmes - Central Plan, Ongoing Programme and Schemes including liabilities from BE 2014-15 {SOPS, EPP(IC), R&S, PFAR, UNDP-HDBI, UNDP-SCDP}, and Other Attached Offices / Autonomous Bodies. All three of them have been provided with a grant of Rs. 24.29 crore, Rs. 33 crore and Rs. 5 crore respectively.

1.3 (a) The actual expenditure incurred in 2013-14, Budget Estimate (BE) / Revised Estimate (RE) 2014-15, Budget Estimates 2015-16 are given below :

(Rs. in crore)

Actual 2012-13			BE 2013-14			RE 2013-14			BE 2014-15		
Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1654.03	79.23	1733.32	2515.50	91.86	2607.36	1780.73	90.31	1871.04	2114.52	97.11	2211.63

(b) ANALYSIS OF DEMANDS FOR GRANTS i.e. PERCENTAGE INCREASE/DECREASE IN VARIOUS HEADS DURING THE XII PLAN, YEAR-WISE

(Rs. In thousands)

Sl. No.	Major Head	PLAN SCHEME	BE 2012-13	Actuals 2012-13	BE 2013-14	Actuals 2013-14	%Increase/Decrease of BE 2013-14 over BE 2012-13	BE 2014-15	Actuals 2014-15 (*)	%Increase/Decrease of BE 2014-15 over BE 2013-14	BE 2015-16	%Increase/Decrease of BE 2015-16 over BE 2014-15
<b>REVENUE SECTION</b>												
1	2203	New Initiative in Skill Development through PPP	80000	4000	--	--	--	--	--	--	--	--
2	2401	National Rainfed Area Authority	350000	106565	315000	56262	(-)10.00%	315000	33938	--	--	--
3	3451	Office of Adviser to PM on Public Information, Infrastructure & Innovations	240000	31302	240000	31575	--	25000	5901	(-)89.58%	--	--
4	3451	Office of Adviser to PM on Prime Ministers National Council on Skill Development	60000	49592	80000	41570	(+)33.33%	--	--	--	--	--
5	3451	Strengthening Office Processes and Systems (earlier name MOOS)	96000	19683	45200	19906	(-)52.92%	60000	35804	(+)32.74%	--	(#)
6	3451	Economic Advisory Council to the P.M	26900	25600	32900	28070	(+)22.30%	38700	12122	(+)17.63%	--	--
7	3454	Unique Identification Authority of India	1300000	10900504	18190000	11946241	(+)39.92%	14371400	8797118	(-)20.99%	16382200	(+)13.99%
8	3475	International Transport Forum	3000	2854	3000	3350	--	5000	--	(+)66.67%	--	(#)
9	3475	Research & Study (earlier name GIA to Univ. & Research Instt. for trg., Research Institutional Dev. etc.)	21000	20749	82600	6488	(+)293.33%	80000	4672	(-)3.15%	--	(#)
10	3475	Expertise for Planning Process	60000	36598	--	--	--	--	--	--	--	--
11	3475	Strengthening Evaluation Capacity in Government.	100000	20137	--	--	--	--	--	--	--	--

12	3475	Public Financial Management System (earlier name PA&PFMS)	1300000	144507	1609900	599500	(+)23.84%	1995700	597116	(+)23.96%	492300	(-)75.33%
13	3475	Grants-in-aid to National Institute of Labour Economics Research and Development (formerly IAMR)	1500	--	1500	10000	--	50000	--	(+)3233.33%	--	(\$)
14	3475	Expert Group on Low Carbon Economy	20000	3000	--	--	--	--	--	--	--	--
15	3475	Expert Group on Transport Policy	30000	9900	--	--	--	--	--	--	--	--
16	3475	High Level Committee on Financing Infrastructure	10000	--	--	--	--	--	--	--	--	--
17	3475	Western Ghats Secretariat	7000	4461	--	--	--	--	--	--	--	--
18	3475	Plan Formulation, Appraisal and Review	110000	40132	258900	108480	(+)135.36%	220000	82703	(-)15.03%	--	(#)
19	3475	Independent Evaluation Office	150000	13257	100000	105965	(-)33.33%	155000	78211	(+)55.00%	--	(\$)
20	3475	UNDP Assistance for Human Development towards bridging inequalities	45000	--	40000	30000	(-)11.11%	32500	32101	(-)18.75%	--	(#)
21	3475	UNDP assisted project "Strengthening Capacities Decentralized Planning"	--	--	1000	13962	--	16700	6291	(+)1570.00%	--	(#)
22	3475	New Programmes - Central Plan	--	--	5000000	--	--	--	--	--	242900	--
23	3475	Ongoing Programme and Schemes including liabilities from BE 2014-15 [SOPS, EPP(IC), R&S, PFAR, UNDP-HDBI, UNDP-SCDP]	--	--	--	--	--	--	--	--	330000	--
24	3475	Other Attached Offices/Autonomous Bodies	--	--	--	--	--	--	--	--	50000	--
25	3601	UNDP Assistance for capacity Development for District Planning	131600	27289	--	31241	(-)100.00%	--	--	--	--	--

### CAPITAL SECTION

1	4059	Unique Identification Authority of India	10000	--	10000	--	--	5000	--	(-)50.00%	100	--
2	4059	National Rainfed Area Authority	--	--	--	--	--	--	--	--	--	--
2	5475	Unique Identification Authority of India	457000	2486582	800000	3497793	(+)75.05%	602000	3839367	(-)24.75%	3617700	(-)39.91%
3	5475	Strengthening Office Processes and Systems (earlier name MOOS)	78000	7042	60000	6388	(-)23.08%	60000	1988	--	--	(#)
4	5475	Plan Accounting & Public Finance Management System	500000	97487	930000	3554	(+)86.00%	170000	0	(+)82.80%	5000	(-)99.71%

5	5475	Ongoing Programme and Schemes including liabilities from BE 2014-15 [SOPS, & New Programme - Central Plan]	--	--	--	--	--	--	--	--	20000	--
6	5475	New Programmes Central Plan	--	--	--	--	--	--	--	--	5000	--
<b>Total</b>			<b>21000 000</b>	<b>140512 41</b>	<b>80000 000</b>	<b>16540 345</b>	<b>(+)280. 95%</b>	<b>25150 000</b>	<b>1352733 2</b>	<b>(-) 68.56 %</b>	<b>21145 200</b>	<b>(-) 15.92%</b>

(\*) Provisional figures upto February, 2015

(#) The schemes were merged into a single scheme namely "Ongoing Programme and Schemes including liabilities of BE 2014015" to meet the expenditure under relevant scheme

(\$) The schemes were merged into a single scheme namely "Other Attached Offices/Autonomous Bodies" to meet the expenditure under the relevant scheme.

**(c) Statement showing Year-wise Allocation, and Utilization figures for the last 3 years**

(Rs. in thousands)

SI. No.	NAME OF THE PLAN SCHEME	2011-12			2012-13			2013-14			2014-15			BE 2015-16
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals	
1	New Initiative in Skill Development through PPP	84100	68100	6129	80000	16000	4000	(*)	--	--	--	--	--	--
2	National Rainfed Area Authority	250000	220000	152111	35000	266000	106565	315000	94000	56262	315000	266500	33938	--
3	Office of Adviser to PM on Public Information, Infrastructure & Innovations	70000	100000	36995	24000	155000	31302	240000	60000	31575	25000	6000	5901	--
4	Office of Adviser to PM on Prime Ministers National Council on Skill Development	--	60000	26556	60000	61500	49592	80000	63000	41570	--	--	--	--
5	Strengthening Office Processes and Systems (earlier name MOOS)	207100	126000	30552	174000	76000	26725	105200	105200	26294	120000	87800	37792	(#)
6	Economic Advisory Council to the P.M	23900	30900	21217	26900	32600	25600	32900	37500	28070	38700	28700	12122	--
7	Unique Identification Authority of India	14700000	1200000	11875286	17580000	13500000	13387086	26200000	15500000	15444034	20396400	16177300	12636486	2000000

8	International Transport Forum	5000	5000	2600	3000	3000	2854	3000	3500	3350	5000	3300	0	(#)
9	Research & Study (earlier name GIA to Univ. & Research Instt. for trg., Research Institutional Dev. etc.)	21000	21000	20627	21000	20900	20749	82600	34200	6488	80000	20000	4672	(#)
10	Expertise for Planning Process	49961	39961	24171	60000	60000	36598	(*)	--	--	--	--	--	--
11	Strengthening Evaluation Capacity in Government.	100000	72474	12433	100000	61500	20137	(*)	--	--	--	--	--	--
12	Public Financial Management System (earlier name PA&PFMS)	105100	246200	189051	1800000	791100	241994	2539900	740000	603054	3695700	800000	597116	497300
13	Grants-in-aid to National Labour Economics and Skill Development Institute (formerly IAMR)	77139	27565	27565	1500	1500	--	1500	10000	10000	50000	50000	--	(\$)
14	Expert Group on Low Carbon Economy	20000	20000	49	20000	20000	3000	(*)	--	--	--	--	--	--
15	Expert Group on Transport Policy	30000	16100	12565	30000	30000	9900	(*)	--	--	--	--	--	--
16	High Level Committee on Financing Infrastructure	20000	20000	--	10000	--	--	(*)	--	--	--	--	--	--
17	Western Ghats Secretariat	5000	5000	3823	7000	6500	4461	(*)	--	--	--	--	--	--
18	Plan Formulation, Appraisal and Review	140000	130000	61251	110000	107500	40132	258900	161500	108480	220000	165000	82703	(#)
19	Independent Evaluation Office	--	--	--	150000	110000	13257	100000	115658	105965	155000	125000	78211	(\$)
20	UNDP Assistance for Human Development towards bridging inequalities	--	--	--	45000	35000	--	40000	30000	30000	32500	56700	32101	(#)
21	UNDP assisted project "Strengthening Capacities Decentralized Planning"	--	--	--	--	--	--	1000	14200	13962	16700	21000	6291	(#)

22	UNDP Assistance for capacity Development for District Planning	91700	91700	75167	131600	65900	27289	--	31242	31241	--	--	--	--
23	New Programmes - Central Plan	--	--	--	--	--	--	5000000	--	--	--	--	--	247900
24	Ongoing Programme and Schemes including liabilities from BE 2014-15 [SOPS, EPP(IC), R&S, PFAR, UNDP-HDBI, UNDP-SCDP & New Programme - Central Plan]	--	--	--	--	--	--	--	--	--	--	--	--	350000
25	Other Attached Offices/ Autonomous Bodies	--	--	--	--	--	--	--	--	--	--	--	--	50000
	<b>Total</b>	<b>1600000</b>	<b>1330000</b>	<b>12578148</b>	<b>2100000</b>	<b>1542000</b>	<b>14051241</b>	<b>8000000</b>	<b>1700000</b>	<b>16540345</b>	<b>2515000</b>	<b>17807300</b>	<b>13527333</b>	<b>21145200</b>

(\*) The schemes were closed from the financial year 2013-14

(#) The scheme was merged to Ongoing Programme and Schemes including liabilities from BE 2014-15

(\$) The scheme was merged to Other Attached Offices/Autonomous Bodies

1.4 In response to a query as to why some of the important programmes such as "expert group on low carbon economy" have not been provided for and on whether these have been discontinued or merged with some other schemes, the Ministry of Planning replied that the study on low carbon economy was completed and the Expert Group on Low Carbon Economy submitted their final report in April, 2014, hence no budgetary allocation has been made for this study in 2015-16.

1.5 On a specific query related to classification of distinction between the heads "Expertise in Planning Process" and "Studies and Investigation in Planning Methodology" and whether the various such heads can be rationalized or merged with other heads like "Grants-in-aid" to NGOs, the Ministry of Planning replied that the break-up of Rs. 8.85 crore meant for Manpower Research Services to Government; etc. is to be met from non-plan as under:

- i. Rs. 7.35 crore - Grant in aid Salary
- ii. Rs. 1.50 crore – Grant in aid General

It was also submitted that, since, National Institute of Labour Economics Research & Development (NILERD) is an attached office of Ministry of Planning; merger of the above non-plan head with the plan head i.e. Grant-in-aid to NGOs is not considered desirable.

1.6 On a two part query as to why the Major Head 3475 under the heading of General Economic Services and other such schemes like "UNDP Assistance for Human Development towards bridging inequalities" and "UNDP Assisted Project for strengthening Capacities for Decentralised Planning", have been reduced and scrapped. And as to whether the scheme "UNDP Assistance for Capacity Development for District Planning" particularly keeping in view the overwhelming need for capacity building for Decentralised Planning in the backdrop of dismantling of centralised planning mechanism and any alternate provisioning being made in this regard the Ministry of Planning stated that The UNDP assisted project "Capacity Development for District Planning" was approved on 26.08.2009 and its implementation period was up to 31<sup>st</sup> December 2012. Accordingly, the "Capacity Development for District Planning" project came to an end by end of December 2012 and there was no financial provision

for 2014-15 and 2015-16. The UNDP assisted project “Strengthening Capacities for Decentralized Planning” was launched in 2013 as a next phase. A provision of Rs. 1.67 crore was made in the BE 2014-15. When the Annual Work Plan 2014 was finalized later and also by taking into account the committed liabilities, the required budget allocation worked out to Rs. 2.10 crore and the BE 2014-15 needed to be revised to 2.10 crore from Rs. 1.67 crore. Therefore, an additional requirement of Rs. 0.43 crore was sought through Supplementary Demands for Grants in 2014-15 at the RE stage. For the year 2015-16, BE of Rs. 1.67 crore has been proposed in accordance with the funds availability with UNDP. UNDP has informed that additional financial provision for the project may not be possible for 2015-16 because of their resource constraints. Based on the lessons from the UNDP assisted project “Capacity Development for District Planning”, the project “Strengthening Capacities for Decentralized Planning (SCDP)” was launched in 2013 as a next phase. Therefore, this project, in fact, is the sequel to the “Capacity Development for District Planning” project which ended on 31<sup>st</sup> December 2012. The approved project period for the SCDP project is from 2013 to 2017.

1.7 While scrutinising the details of the provisions in BE 2015-16, for the payment of Grants-in-Aid to Non-Government Bodies showing an amount of Rs. 4.08 crore being provided and as to whether any funds were granted to such bodies in the earlier budgets, if so, then what are the particulars of these non-government bodies, the work assigned to them and the assistance provided by these bodies in the planning process, the Ministry of Planning in their written reply inter-alia stated that All the grants provided are non-recurring. The grants-in-aid for conducting Research Studies and organizing National Seminars were provided to the institutes/organization including the NGOs. The names of the organisations getting grants-in-aid (above Rs. 5.00 lakh) are indicated in the Demand for Grants booklet of the Ministry of Planning for respective years. The institutes/organisations undertake research studies and organize National seminars/conferences on the relevant programmes and policies of the NITI Aayog (erstwhile Planning Commission) as per the objectives of plan document. These organisations also help in the planning process, thereby, (i) enhancing the understanding of plan formulation (ii) providing future requirements for Planning-both

short- term and long term, (iii) observing the plans and policies of the country in the context of international economic environment and such other processes as may be deemed fit. There is no specific earmarking of funds among NGOs, Research Bodies and other institutions. The details of provisions in BE 2015-16 for payment of Grants-in-Aid to Non Government Bodies including Research Organisations/Universities/Institutes for an amount of Rs.4.08 crore is as follows:

(Rs. in thousands)

Spill over from last year:	8882
Expected Amount to be sanctioned for Research Studies:	23000
Expected Amount to be sanctioned for Seminar/ Publication Grants:	9000
Total	40882

1.8 On a pointed query on the status of National Informatics Utilities (NIU) and the profile of work done, so far, by this institution with regard to its mandate since its inception last year, the Ministry of Planning stated that The Technology Advisory Group for Unique Projects (TAGUP), appointed by the Ministry of Finance in 2010-11, in its report submitted to Hon'ble Finance Minister on 31 January 2011 recommended, inter alia, that for complex projects that depend on mission-critical systems, National Information Utilities (NIU) working in the spirit of partnership with Government may be put in place to handle all aspects of IT systems. They would participate in high-level design, specification of requirements, proof-of-concept studies, while strategic control would remain with Government. The current status of NIUs, and the profile of work done by such institutions with regard to their mandate, falls within the purview of the Ministry of Finance.

**(a) Public Finance Management System (PFMS)**

1.9 When asked to explain the details / technicalities of the system (MIS/DSS) and benefits / improvements accrued thereof, since the installation of respective schemes and how does the Ministry of Planning utilise the reports generated / data collected from various States / Districts on the un-utilised and planned expenditure amount under each plan scheme, the Ministry of Planning stated that under the Head 'Public Financial Management System (earlier known as Plan Accounting and Public Finance Management System), provisioning of Rs.49.73 crore has been made in BE 2015-16 under plan programme. The objective of this scheme is to put in place a suitable

MIS/DSS for tracking and reporting on the expenditure along with generation of State-wise/District-wise reports on the expenditure, outputs and the unutilized amount under each Plan Scheme. It is a Central Sector Scheme of Planning Commission started in April 2008. In December, 2013, the Cabinet has approved a total plan outlay of Rs.1080 crore for national roll out of PFMS over a period of 4 years (2013-14 to 2016-17) during the 12<sup>th</sup> Five Year Plan. Its objective is to establish an on-line Financial Management Information (FMS) and Decision Support System (DSS) for tracking of funds released under all plan schemes of Government of India and real time reporting of expenditure at all levels of programme implementation through treasury and bank interface. The application is integrated with the core accounting applications and e-payment gateway of CGA thereby linking the financial and accounting data for comprehensive MIS and DSS in respect of Plan Schemes. The PFMS-Bank interface extends to 88 banks (26 Public Sector Banks, 7 Private Sector Banks and 55 RRBs), RBI and India Post. Due to merger of RRBs the initial figure of 106 is reduced to 88. The scope of integration is Account validation relating to implementing agencies including PAOs/CDDOs & beneficiaries, getting transactions and balances related to implementing agencies for reconciliation and tracking, making e-payments to vendors/beneficiaries/Agencies with getting detailed status of all credit transactions. The system is envisaged to track the fund disbursement from Government of India under various Plan Schemes and ultimately report utilization under these Schemes being implemented in States/UTs on a real time basis. This includes the entire Central assistance to States/UTs.

1.10 On a specific query as to whether under the Public Finance Management System (PFMS), there has been any increase or decrease in allocation as compared to BE / RE 2014-15 and the effectiveness of this system in particularly monitoring the plan expenditure and its distinction with the earlier system, the Ministry of Planning *inter-alia* stated that BE, RE and Actual Expenditure in respect of PFMS for last three years are given below along-with BE of 2015-16 :-

(Rs. in crores)

Year	BE	RE	Actual Expenditure
2012-13	180.00	79.11	24.20
2013-14	253.99	74.00	60.31
2014-15	369.57	80.00	62.25** upto 23.03.2015
2015-16	49.73	--	--

In view of trend of last three years expenditure, realistic budget of Rs. 49.73 crore has been proposed and approved by NITI Aayog for F.Y. 2015-16. The system is evolving. Treasury interface and registration of the agencies is underway. It helps to track the releases on a real time basis. Also, PFMS, earlier CPSMS is a wider connotation in the sense that CPSMS was confined to tracking of the flow of funds from the Centre to the States. The name of the scheme was changed to better align the name to the proposed extension across States with the potential to use the platform for monitoring non-plan or other State Plans Schemes by concerned stake holders.

1.11 In response to a query related to Status of any major method/procedure which have been implemented to improve Public Financial Management System and whether the steps taken to replicate these steps initiated on the financial management system of States, and consequently to the State treasuries, the Ministry of Planning stated that The DBT scheme has been announced by the Government of India on 1.1.2013 in 121 districts and it has been decided that payments to ultimate beneficiaries will be done through PFMS. As of now DBT payment is being processed under 18 different schemes in 27 States covering 27,65,630 beneficiaries through PFMS. As per instruction of Ministry of Finance dtd. 23.12.2014, use of PFMS has been made mandatory for payment, accounting and reporting under DBT w.e.f. 1.04.2015. No payments under the DBT are to be processed, unless the electronic payment files for such payments are received through PFMS system developed by the CGA from 01.04.2015. There is need to have State Project Management Units in place in States for the national roll-out of the scheme. The posts approved under the Scheme are yet to be filled up. Government of India is implementing PFMS at the national level as a Central Plan Scheme to establish a comprehensive and real time financial management information and decision support system covering all plan schemes. Further, it is proposed to expand the scope of PFMS to cover, inter-alia, all the receipts of Payment of Gol (Plan and Non-Plan), integration of various stand-alone system on receipt and disbursement side, tracking of receipt and disbursement of public funds in real time to ensure transparency in government process, development of common format for data exchange with the non-civil ministries (like Railways, Defence, P&T etc.) integration with state treasuries, AG offices & RBI, launch of a citizen friendly non tax revenue portal,

ensuring 100% e-payments, development of modern evidence based cash flow system etc. enabling MIS on fund release and utilization for decision making. To reap benefits of PFMS, it is imperative to get all the recipient agencies along with their bank accounts registered on PFMS. Once agencies are approved by the funding agency the user gets a login ID and PW on his/her email. Using that ID and PW, the users can start using the system for funds transfer to lower level agencies, releasing advances to vendors/suppliers, etc. and filing day-to-day expenditure on the system. Some of the States have shown interest to bring the State Plans under PFMS but the main objective is to primarily consider the national roll-out of the scheme by the end of the 12<sup>th</sup> Five Year Plan period (2016-17).

**(b) National Rainfed Area Authority**

1.12 On a specific query related to the reasons for drastic reduction under the programme National Rainfed Area Authority from Revised Estimate (2014-15) of Rs. 18.66 crore to Budget Estimate (2014-15) at Rs. 31.50 crore, the Ministry of Planning in a written reply stated that National Rainfed Area Authority has been mandated to develop common guidelines for all the watershed programs operated by different Ministries /Departments of the Central Government. Besides, the Authority is also entrusted with responsibility of imparting training and capacity building of the stake holders for the management of watershed and rainfed area of the country. To accomplish these activities, NRAA was provided with five posts of technical experts (agriculture & horticulture, water management, watershed management, animal husbandry & fisheries and forestry). However, during 2014-15 only one technical expert (animal husbandry & fisheries) was in position and remaining four posts were vacant. Hence, the allocation was rationalized at RE Stage keeping in view the opportunities and manpower in place.

1.13 When specifically asked as to why such an important programme has been scrapped altogether and whether any alternate provisioning has been made in this regard, the Ministry of Planning stated that National Rainfed Area Authority is continuing during 2015-16. However, it has been relocated to Department of Agriculture &

Cooperation, Ministry of Agriculture. An allocation of Rs.20.0 crore has been made for NRAA in the Union Budget 2015-16.

**(c) New Programme - Central Plan**

1.14 On a pointed query related to 'New Programme -Central Plan' having an outlay of Rs. 24.79 crore which provides for the expenditure in respect of any new programme in the newly formed NITI AAYOG and whether the system of schemes will sync in with the new role and process of NITI AAYOG, also the steps taken to avoid respective concerns / difficulties arising out of the same, the Ministry of Planning stated that Since, NITI Aayog is the successor in interest of the Planning Commission, all commitments arising out of such on-going programmes of erstwhile Planning Commission, would be considered as liabilities of NITI Aayog. In accordance with the mandate given to NITI Aayog, as reflected in the Resolution vide which the NITI Aayog has been set up and its Allocation of Business; a decision regarding existing schemes and new schemes would be taken.

**(d) Unified National Agriculture Market**

1.15 On a specific query related to the 'Unified National Agriculture Market' scheme as mentioned in the Budget Speech of Hon'ble Finance Minister and as to how will the aforementioned set-up increase the income of farmers and initiate steps which would lead to their produce commanding best national price in the light of prevalent ill practices like hoarding etc., which are still rampant, the Ministry of Planning in a written reply stated that the subject of marketing of agriculture produce primarily lies in the domain of the State Governments. Central Government has been supporting the initiatives of the State Governments through a multi-pronged strategy. State Governments have been advised to align the provisions in their regulations that govern marketing of agriculture produce with the changed market scenario. Central Government has also been promoting creation and improvement of marketing infrastructure, capacity building and generating access to market information. Presently, markets in agricultural products are regulated under the Agricultural Produce Market Committee (APMC) Act enacted by State Governments. There are about 2477 principal regulated markets based on geography (the APMCs) and 4843 sub-market

yards regulated by the respective APMCs in India. This Act notifies agricultural commodities produced in the region such as cereals, pulses, edible oilseed, fruits and vegetables and even chicken, goat, sheep, sugar, fish etc., and provides that first sale in these commodities can be conducted only under the aegis of the APMC through the commission agents licensed by the APMCs set up under the Act. The typical amenities available in or around the APMCs are: auction halls, weigh bridges, godowns, shops for retailers, canteens, roads, lights, drinking water, police station, post-office, bore-wells, warehouse, farmers amenity center, tanks, Water Treatment plant, soil-testing Laboratory, toilet blocks, etc. Various taxes, fees/charges and cess levied on the trades conducted in the Mandis are also notified under the Act. APMC levy multiple fees, of substantial magnitude, that are nontransparent. The levies and other market charges imposed by states vary widely. For rice, these charges can be as high as 14.5 percent in Andhra Pradesh (excluding the state VAT) and close to 10 percent in Odisha and Punjab. For wheat, too, these charges can be quite high. Reforms in agricultural marketing were initiated to agricultural marketing, reduce the intermediaries in supply chain and enhance the private sector investment in post-harvest marketing infrastructure development to benefit the cultivators through the access to global market. However, many of the States are yet to adopt the model Agricultural Produce Marketing Committee (APMC) Act suggested by the Central government in 2003. The Committee of State Agriculture Ministers constituted by the Ministry of Agriculture for suggesting the improvements in Agriculture Marketing has recommended reforms and strengthening of agricultural marketing system including creation of a barrier free national market for agricultural commodities, encouraging contract farming, and attract investments for infrastructure development both within and outside APMCs. Besides, another Committee on Encouraging Investments in Supply Chains including provision for cold storages for more efficient distribution of farm produce set up by erstwhile Planning Commission had recommended exemption of perishables from the purview of APMC, direct sales to aggregators and processors, introduction electronic auction platforms etc. The implementation of these recommendations varies from State to State and need to be expedited. Recognising the need to benefit of farmers, the creation of a Unified National Agriculture Market has been proposed in the Budget, 2015-16. The

state governments to reorient their respective APMC Acts to provide for the establishment of private market yards/private markets. The budget also announced that the state governments will also be encouraged to develop farmers' markets in towns to enable farmers to sell their produce directly. The promotion of National Agricultural Market through Agri-Tech Infrastructure Fund with an outlay of Rs.200 crores for 2014-15 to 2016-17 has already been initiated in Department of Agriculture & Cooperation, Ministry of Agriculture. It aims at implementation of agricultural marketing reforms by initiating appropriate e-market platforms in States with a view to move towards a National Market. Reform of the agricultural marketing sector through implementation of e-marketing platform has better prospects for marketing of the produce, improved access to market related information and better price discovery under more efficient, transparent and competitive marketing platform with access to a greater number of buyers within the State and from outside, through transparent auction processes. It would increase the farmers' access to markets through warehouse based sales and thus obviate the need to transport the produce to the mandi. With better price discovery, access to a greater number of buyers within the State and from outside, through transparent auction processes farmers will have better opportunity to get good price of their produce. Creation of Unified National Agriculture Market would help in smoother movement of agri-commodities both within the State and across States. This would help in bringing down price arbitrage between different markets, thus helping in overall containment of prices of agricultural commodities. There are also other measures which Government takes to contain prices of essential commodities especially food items. These include facilitating import of various items of mass consumption at zero or at concessional import duties together with some restriction on exports, allocation of foodgrains at affordable prices under Targeted Public Distribution System (TPDS), etc. Besides, Government of India is also implementing "The Essential Commodities Act 1955" and "The Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980" with the objective of preventing hoarding and black marketing of essential commodities. It issues advisory to State Governments to take effective action against hoarding & black marketing under the Essential Commodities Act 1955 & the PBMMSEC Act 1980. A brief overview of these Acts is as under:

- (i) The Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980 (PBMMSEC Act) is being implemented through the State Governments/UT Administrations for prevention of illegal and unethical trade practices of black-marketing of essential commodities. It covers all the essential commodities. The Act empowers the Central and State Government authorities as prescribed in the Act to detain persons whose activities are found to be prejudicial to the maintenance of supplies of the commodities essential to the community in general including targeted groups under PDS.
- (ii) The Essential Commodities Act, 1955 (EC Act) was enacted to ensure the easy availability of essential commodities to consumers and to protect them from exploitation by unscrupulous traders. The Act provides for the regulation and control of production, distribution and pricing of commodities which are declared as essential for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices. Exercising powers under the Act, various Ministries/Departments of the Central Government and under the delegated powers, the State Governments/ UT Administrations have issued Control Orders for regulating production, distribution, pricing and other aspects of trading in respect of the commodities declared as essential. The enforcement/ implementation of the provisions of the Essential Commodities Act, 1955 lies predominantly with the State Governments and UT Administrations.

**(e) Atal Innovation Mission (AIM)**

1.16 When asked to explain the brief contours of the scheme and how the NITI Aayog is going to proceed in the respective direction with a sum of Rs. 150 crore, being adequate enough to finance the scheme, it being a fresh step-up, the Ministry of Planning replied that Finance Minister in his budget speech on 28<sup>th</sup> February, 2015 announced the government's intension to establish Atal Innovation Mission (AIM) under NITI Aayog. The contours are being worked out. Finance Ministry would be consulted in this regard to take forward the initiative. A budget provision of Rs. 150 crore has been announced by the Finance Minister in his budget speech on 28<sup>th</sup> February, 2015 for the year 2015-16 for the proposed initiative of AIM. On finalization of the contours of the mission, the financial requirements would be known. Accordingly, Finance Ministry would be approached, if need be.

**(f) Self Employment and Talent Utilisation (SETU)**

1.17 On a query related to a mention by the Hon'ble Finance Minister in the budget speech, setting in motion a mechanism to be known as SETU (Self-Employment and Talent Utilisation) programme with a purpose to concentrate on the Information

Technology (IT), Information Technology Enabled Services (ITES) and technical sector and, whether, there is any special provision made to provide for the startup exclusively initiated by the SC, ST, OBC and other economically weaker sections of society, the Ministry of Planning replied that the Budget announcement by Hon'ble Finance Minister clearly stipulate that the proposed programme shall support all aspects of startup businesses and other self-employment activities particularly in technology-driven areas. The proposed scheme will therefore support all aspects of startup businesses including IT, ITES and Technology Sectors. The Budget Announcement solicited a broad vision for this new scheme. The detailed scope and coverage of the scheme will be evolved in consultation with relevant stakeholders. The possibilities of making a special provision to provide for the startups initiated exclusively by entrepreneurs belonging to the SC, ST and other economically weaker section could be considered as the scheme details are finalized in line with the guidelines (laid down) for formulation and appraisal of scheme.

**(g) UNDP Assisted Project ' Capacity Development for District Planning'**

1.18 On a significant query pointing out the project 'Capacity Development for District Planning' (CDDP) and its major achievements, experiences, findings and new developments of Phase 1 which consequently led to the initiation of Phase II of the programme, the Ministry of Planning in a brief reply stated that The project "Capacity Development for District Planning (CDDP) (2008-12)" was approved on 26.8.2009 with an allocation of Rs. 35.26 crore. The project focused on 7 districts i.e. one district from each of the following states viz., Bihar, Jharkhand, Uttar Pradesh, Madhya Pradesh, Rajasthan, Odisha and Chhattisgarh.

The main achievements and findings for the project were as follows:

- (i) District Planning Guidelines were developed in Bihar and Jharkhand. State Planning Commission, Madhya Pradesh was assisted to revise existing guidelines with focus on social inclusion.
- (ii) A set of modules for training of trainers on Integrated District Planning (IDP) was developed and shared with State Planning Commissions/Departments for customized training programmes on district planning.

- (iii) State Planning Commission, Chhattisgarh was encouraged to take up inclusive planning in PESA areas for which inputs were provided through a study conducted by professionals.
- (iv) District and sub-district level officials from different line departments were trained to prepare Gender Sub-Plans as a part of the integrated district plan in the districts of Korba (Chhattisgarh), Nalanda (Bihar), Rajgarh (Madhya Pradesh), Sundargarh (Odisha) and Udaipur (Rajasthan). Gender Sub-Plans were prepared in the above districts during 2011-13 to demonstrate the process and provide hands-on support to the relevant officials.
- (v) People's Audit of Health, Education and Livelihoods (PAHELI) tools and process were successfully piloted in seven districts (one in each focus State) to monitor development situation and local progress made towards achieving the Millennium Development Goals (MDGs).
- (vi) District Human Development Reports (DHDRs) were prepared in Sundargarh (Odisha) and Pakur (Jharkhand).

Based on the experiences and lessons from the UNDP assisted project "Capacity Development for District Planning", the project "Strengthening Capacities for Decentralized Planning (SCDP)" was launched in 2013 as the next phase.

## **2. Unique Identification Authority of India (UIDAI)**

2.1 With a view to ensure that the benefits of centrally sponsored schemes reaches to right person and not misused, the Central Government had decided to issue unique identification numbers to all residents in India and to certain other persons. The scheme of unique identification involves collection of demographic and biometric information from individuals for the purpose of issuing of unique identification numbers to such individuals. The Central Government, for the purpose of issuing unique identification numbers, constituted the Unique Identification Authority of India (UIDAI) on 28th January, 2009, being executive in nature, which is at present functioning under the Planning Commission. It has been observed and assessed by the Government that the issue of unique identification numbers may involve certain issues, such as (a) security and confidentiality of information, imposition of obligation of disclosure of information so collected in certain cases, (b) impersonation by certain individuals at the time of enrolment for issue of unique identification numbers, (c) unauthorised access to the Central Identities Data Repository (CIDR), (d) manipulation of biometric information, (e) investigation of certain acts constituting offence, and (f) unauthorised disclosure of the

information collected for the purpose of issue of unique identification numbers, which should be addressed by law and attract penalties.

2.2 In view of the foregoing paragraph, the Government has felt it necessary to make the said Authority as a statutory authority for carrying out the functions of issuing unique identification numbers to the residents in India and to certain other persons in an effective manner. It is, therefore, proposed to enact the National Identification Authority of India Bill, 2010 to provide for the establishment of the National Identification Authority of India (NIDAI) for the purpose of issuing identification numbers (which has been referred to as aadhaar number) to individuals residing in India and to certain other classes of individuals and manner of authentication of such individuals to facilitate access to benefits and 2 services to which they are entitled and for matters connected therewith or incidental thereto.

### 2.3 **Objectives and Salient Features of the Bill**

The National Identification Authority of India Bill, 2010, inter-alia, seeks to provide:—

- (a) for issue of aadhaar numbers to every resident by the Authority on providing his demographic and biometric information to it in such manner as may be specified by regulations;
- (b) for authentication of the aadhaar number of an aadhaar number holder in relation to his demographic and biometric information subject to such conditions and on payment of such fees as may be specified by regulations;
- (c) for establishment of the National Identification Authority of India consisting of a Chairperson and two part-time Members;
- (d) that the Authority to exercise powers and discharge functions which, inter-alia, include—
  - (i) specifying the demographic and biometric information for enrolment for an aadhaar number and the processes for collection and verification thereof;
  - (ii) collecting demographic and biometric information from any individual seeking an aadhaar number in such manner as may be specified by regulations;
  - (iii) maintaining and updating the information of individuals in the CIDR in such manner as may be specified by regulations;
  - (iv) specify the usage and applicability of the aadhaar number for delivery of various benefits and services as may be provided by regulations;

- (e) that the Authority shall not require any individual to give information pertaining to his race, religion, caste, tribe, ethnicity, language, income or health;
- (f) that the Authority may engage one or more entities to establish and maintain the CIDR and to perform any other functions as may be specified by regulations;
- (g) for constitution of the Identity Review Committee consisting of three members (one of whom shall be the chairperson) to ascertain the extent and pattern of usage of the aadhaar numbers across the country and prepare a report annually in relation to the extent and pattern of usage of the aadhaar numbers along with its recommendations thereon and submit the same to the Central Government;
- (h) that the Authority shall take measures (including security safeguards) to ensure that the information in the possession or control of the Authority (including information stored in the CIDR) is secured and protected against any loss or unauthorized access or use or unauthorized disclosure thereof; and
- (i) for offences and penalties for contravention of the provisions of the proposed legislation. C. Evolution of the UIDAI.

2.4 The concept of a Unique Identification (UID) scheme was first discussed and worked upon since 2006 when administrative approval for the scheme “Unique ID for BPL families” was given on 3<sup>rd</sup> March, 2006 by the Department of Information Technology, Ministry of Communications and Information Technology. Subsequently, a Processes Committee was set up on 3<sup>rd</sup> July, 2006 to suggest processes for updation, modification, addition and deletion of data fields from the core database to be created under the said project. The Committee appreciated the need of a UID Authority to be created by an executive order under the aegis of the Planning Commission to ensure a pan-departmental and neutral identity for the Authority. Thereafter, since the Registrar General of India was engaged in the creation of the National Population Register (NPR) and issuance of Multipurpose National Identity Cards to citizens of India, it was decided with the approval of the Prime Minister, to constitute an Empowered Group of Ministers (EGoM) to collate the two schemes – the NPR under the Citizenship Act, 1955 and the UID scheme. The EGoM was also empowered to look into the methodology and specific milestones for early and effective completion of the scheme and take a final view on these.

The EGoM was constituted on 4<sup>th</sup> December, 2006 and a series of meetings took place as follows:—

- (a) First meeting of EGoM: 22<sup>nd</sup> November, 2007

- Recognized the need for creating an identity related resident database regardless of whether the database is 4 created based on a de-novo collection of individual data or is based on already existing data such as the voter list.
  - Need to identify and establish institutional mechanism that will own the database and be responsible for its maintenance.
- (b) Second meeting of EGoM: 28<sup>th</sup> January, 2008
- The proposal to establish UID Authority under the Planning Commission was approved.
- (c) Third meeting of EGoM: 7th August, 2008
- Referred certain matters raised with relation to the UIDAI to a Committee of Secretaries for examination.
- d) Fourth meeting of EGoM: 4th November, 2008
- It was decided to notify UIDAI as an executive authority. Decision on investing it with statutory authority would be taken up later.
  - UIDAI would be anchored in the Planning Commission for five years after which a view would be taken as to where the UIDAI would be located within Government.

2.5 The UIDAI was constituted on 28<sup>th</sup> January, 2009 under the Chairmanship of Shri Nandan M. Nilekani as an attached office under the aegis of the Planning Commission. The UIDAI was inter-aila given the responsibility to lay down plan and policies to implement the UID scheme, own and operate the UID database and be responsible for its updation and maintenance on an ongoing basis. The Prime Minister's Council of UIDAI and a Cabinet Committee on UIDAI (called CC-UIDAI) were set up on 30<sup>th</sup> July, 2009 and 22<sup>nd</sup> October, 2009 respectively for achieving the objectives of the Authority.

2.6 The Report of the Standing Committee on Finance on the National Identification Authority of India Bill, 2010 was presented by the Committee to the Lok Sabha on 13th December 2011 and laid in the Rajya Sabha on 13<sup>th</sup> December 2011. The Committee had, inter-alia given their observations on giving number to every resident and not restricting the Unique Identification Scheme to citizens, reliability of technology, legislative safeguards for data protection and duplication of work with National Population Register exercise. The Committee had conveyed its unacceptability of the National Identification Authority of India Bill, 2010 in its present form and had urged the

Government to reconsider and review the UID scheme as also the proposals contained in the Bill with all its ramifications and bring forth a fresh legislation before Parliament.

2.7 On a specific query related to the progress of Aadhaar Card enrolment under UIDAI and the implications of the recent judicial pronouncement regarding the non-essentiality of Aadhaar Card, the Ministry of Planning stated that as on 30 March 2015, a total of 80.35 crore Aadhaar have been generated across India. With 9.62 crore Aadhaars generated in the State (as on 22 March 2015), Uttar Pradesh is placed at number one position among all States/UTs in terms of total number of Aadhaars generated. State/ UT-wise details of Aadhaar generation, as on 22 March 2015, are at Annexure I. Aadhaar saturation among adults across India currently stands at 83.1% of adult population (Census: 2011). 22 States/UTs have Aadhaar saturation exceeding 80% of their adult population; another 2 are slightly under 80%. UIDAI has a capacity to process up to 15 lakh enrolment packets a day, and currently about 10-11 lakh packets are processed per working day. The de-duplication exercise to generate these Aadhaars involves about 800 lakh crore matches of biometric data every day. This scale of biometric matching is unparalleled in the world. The Aadhaar platform for authentication and eKYC service is fully operational, and more than 42 crore authentication and 2.1 crore KYC transactions have been successfully carried out over the platform, since inception. Five Public Interest Litigation (PIL) Writ Petitions filed before the Supreme Court of India, and two transferred petitions, have been tagged together for hearing before the Hon'ble Supreme Court. Issues raised in these petitions include matters related to the manner and collection of data, privacy, data security, convergence of data and constitutional validity of the scheme. In the matter of W.P no. 494 of 2012 (Justice (Retd.) K S Puttaswamy & Anr. Vs Union of India & Anr. and other tagged cases), vide order dated 23 September 2013, the Supreme Court directed that *"...In the meanwhile, no person should suffer for not getting the Aadhaar in spite of the fact that some authority had issued a circular making it mandatory and when any person applies to get the Aadhaar card voluntarily, it may be checked whether that person is entitled for it under the law and it should not be given to any illegal immigrant."* The Respondents in these PIL cases include the Ministry of Finance; Planning Commission/ NITI Aayog; Ministry of Home Affairs; Ministry of Petroleum and Natural Gas; UIDAI;

Department of Electronics and IT; and all 36 State Governments and Union Territory Administrations. In so far as UIDAI is concerned, the activity of Aadhaar enrolment is voluntary in nature, and is an on-going activity. As regards the issue of illegal immigrants, the Supreme Court, in a subsequent order dated 30-04-2014, directed, that *"... So far as the issuance of Addhar card to the illegal migrants is concerned, it requires serious consideration in view of the provisions of the Indian Passport Act and cannot be adjudicated upon in such summary proceedings particularly in view of the provisions contained in Section 6(A) of the said Act which deals with the situation prevailing in the State of Assam. Thus, it is kept open to the learned counsel for the parties to agitate the said issue at the time of final hearing of the matters."* The matter was last heard on 16-03-2015, when the Supreme Court re-iterated the earlier interim order dated 23-09-2013. The final arguments in the case are to commence in second week of July, 2015. Para-wise comments from UIDAI, to the last filed case (W.P No. 37/2015), have since been forwarded to DBT Mission, who have been tasked with preparation of a consolidated reply on behalf of the Government of India."

2.8 In a written reply to a query on the various types of grievances/issues being faced/received by the Government regarding Aadhaar Scheme and its implementation and steps initiated to address these specific grievances as also to steps taken to spruce up the redressal mechanism, the Ministry of Planning inter-alia stated that Different types of grievances/ complaints predominantly relate to status of generation of Aadhaars; delays in delivery of Aadhaar letters; procedure for obtaining Aadhaar when enrollment receipt has been lost; issues related to alleged malpractices by enrollment agencies; up-dation of Aadhaar data; e-Aadhaar etc. A robust grievance redressal system comprising of multiple channels have been put in place to address the grievance / complaints under which complaints/ grievances are received through various modes of communication viz. phone, emails, letters, in the form of RTI applications, on website etc. A number of measures have been put in place to ensure quick redressal of grievances, such as:

- Aadhaar Sampark Kendra have been set up to address grievances of residents received through a Toll free Number 1800-300-1947 (short code 1947).

- Calls received on the toll-free-number are handled through Interactive Voice Response System (IVRS), and subsequently by voice support by Agents.
- IVRS is provided in 12 languages (Hindi, English, Telugu, Bengali, Punjabi, Marathi, Kannada, Malayalam, Tamil, Gujarati, Oriya and Assamese) and in-bound agent phone support is provided in eight languages, namely, Bengali, English, Gujarati, Hindi, Kannada, Marathi, Punjabi and Telugu.
- The grievances are also received through Emails on helpdesk on '**help@uidai.gov.in**'.
- In addition to above, grievances of residents are also handled through :-
  - i) Escalated email helpdesk for mails received by UIDAI officials.
  - ii) Grievances redressal cells established at UIDAI HQ and each of the eight Regional Offices of UIDAI.
  - iii) Web based grievance handling through Resident Portal of UIDAI and CPGRAM (DARPG).
  - iv) A separate helpdesk established for handling complaints related to Aadhaar received from Oil Marketing Companies (OMCs).

2.9 The Committee had in its Fourth Report on Demands for Grant 2014-15 of the Sixteenth Lok Sabha had urged the Government to urgently address the issue of legislative approval and various other concerns pointed out by the Committee. Further, the Committee also advised the Government to initiate necessary steps to conclusively avoid any conflict of interest arising out of lack of uniqueness in the features of both the schemes of UIDAI & NPR.

2.10 On further being asked on the status of the revised UIDAI Bill incorporating the suggestions of the Standing Committee on Finance and whether the Aadhaar enrolment been fully integrated with the National Population Register (NPR), the Ministry of Planning stated that The National Identification Authority of India Bill (NIDAI Bill), 2010 was introduced in the Rajya Sabha on 3 December 2010. Pursuant to the 42<sup>nd</sup> Report of the Standing Committee on Finance, the stand of the Government on the recommendations made in 42<sup>nd</sup> Report, and the official amendments to the NIDAI Bill, was considered and approved by the Government on 8 October 2013. Accordingly, a notice for introduction of Official Amendments was moved in the Rajya Sabha on 28 November 2013. The Bill is pending consideration of the Rajya Sabha, at present. An

inter-Ministerial Committee (IMCC) was constituted by the Ministry of Home Affairs on 13<sup>th</sup> May 2010 to coordinate the matters arising from the interface between the NPR and UID. Subsequently, in its meeting held on 27 January 2012 the Cabinet Committee on UIDAI (CC-UIDAI) approved a bifurcation for the coverage of Aadhaar enrolments areas between UIDAI and RGI. The Government decided that in States where UIDAI had made good progress or where States/ UT Governments had given commitment for Aadhaar enrolments and were planning to integrate with various services delivery applications, Aadhaar enrolments through non-RGI Registrars move at full speed and that in these states/UTs, RGI would minimize the duplication of capture of biometrics to the extent possible and start its camps after a major portion of the UIDAI work has been completed. In February, 2014, UIDAI was mandated to undertake Aadhaar enrollment in four additional States, (Uttar Pradesh, Bihar, Chhattisgarh and Uttarakhand) having a total population of 33.9 crore. The above decision was confirmed by CCEA in September 2014. As on date, UIDAI has been allocated 24 States/UTs for Aadhaar enrolment whereas, the remaining 12 States/UTs are covered by RGI under NPR process. In both the mechanisms of enrolment for Aadhaar, UIDAI generates the Aadhaar number. It has also been decided that the NPR enrollment will continue as envisaged, but, if in the course of enrolment, a person indicates that she is already enrolled for Aadhaar, the biometric data will not be captured again by NPR. Instead, the Aadhaar number/ enrolment number will be recorded in NPR. Further, in the event of any discrepancy between the National Population Register (NPR) and the UIDAI database, NPR data will prevail. Where data and biometrics have been captured first by the RGI, the UIDAI will accept the same. Thus, although the purposes of UIDAI and NPR are different, the above steps have taken care of eliminating avoidable overlaps.

2.11 Lastly, on a pointed query with respect to the Steps taken to avoid duplication, simplification of enrolment process, different issues/difficulties faced by the agency towards the updation process and steps taken to resolve the problem thereof, the Ministry of Planning in a written reply inter-alia stated that Issuance of unique identity number (Aadhaar) involves collection of minimal/ basic demographic information along with biometric data (ten finger prints, two iris images) and a photograph to uniquely identify a resident through a process of biometric de-duplication. An individual is

required to enroll once. For enrolment of residents UIDAI have adopted a model of multiple registrars such as State Governments, Public Sector Banks, Insurance agencies etc. Registrar General of India also functions as one such. Registrars engage enrolment agencies for conducting actual enrolment in the field as per policy, guidelines and protocols defined by UIDAI. In order to make the enrolment process simple, only minimalistic data comprising 4 mandatory fields (Name, Age, Gender and Address); two optional fields (e-mail and mobile) and biometric data is collected. No profiling data (such as caste, creed, religion, income or health status) is ever collected. Further, some of the steps taken to simplify the enrolment process for the convenience of residents are:

- Special emphasis is given to holding camp-based enrollment in areas where the left out population is high.
- As on 28 March 2015, a total of 8228 Permanent AadhaarKendras are operational in 24 States/ UTs allocated to UIDAI.
- To cover children, special enrolments camps are held in child care institutions, primary/ higher education centres and Anganwadis. Similarly special camps for PF beneficiaries, old age residents, jail inmates, etc. are organized from time to time.
- Training and Certification camps are held for operators and supervisors to augment enrolment capacity in the field.
- Electronic and print media are used for propagating the benefits of Aadhaar and mobilizing people for enrolment.

In order to maintain the data of the residents current and up-to-date, UIDAI has established an institutional process of updation through over 8 thousand Permanent Enrolment Centres (PECs); besides electronic update processes through its portal. Update process involves recording changes in the demographic details of residents due to change of address, mobile number or change of name after marriage etc., and biometric attributes that need to be updated by the children upon attaining the age of 5 years and 15 years, or residents facing repeated failures in authentication or due to specific events in life such as accidents (such as a major injury or loss of a finger). UIDAI facilitates residents to update Aadhaar data online 'Self Service Update Portal' (SSUP) or through Post. A number of BPOs have been deployed to carry out the

update tasks through IVRS and Contact Centres. Permanent Enrolment Centers (PECs) across the country also facilitate update services in above modes.

### State/UT wise Aadhaar saturation for 18+ people as on 22 March 2015

S. No	State	Total Population (Census 2011)	Numbers of Aadhaar assigned	%age Aadhaar	population 18+ (Census 2011)	Aadhaar of Persons who are presently 18+	% of 18+ having Aadhaar
1	Uttar Pradesh	19,95,81,477	9,62,24,055	48.2%	11,26,55,896	7,36,81,910	65.4%
2	Maharashtra	11,23,72,972	9,10,74,435	81.0%	7,57,97,230	7,47,17,052	98.6%
3	Madhya Pradesh	7,25,97,565	4,98,60,681	68.7%	4,37,51,857	3,85,83,217	88.2%
4	Andhra Pradesh	4,93,78,776	4,81,02,320	97.4%	5,72,95,958	6,51,54,343	113.7%
5	Telangana	3,52,20,187	3,63,04,211	103.1%			
6	Karnataka	6,11,30,704	4,77,89,658	78.2%	4,16,78,490	3,88,89,123	93.3%
7	Rajasthan	6,86,21,012	4,64,12,598	67.6%	4,01,21,438	3,78,18,167	94.3%
8	Bihar	10,38,04,637	3,91,07,956	37.7%	5,61,54,242	2,77,42,580	49.4%
9	Gujarat	6,03,83,628	3,90,67,483	64.7%	3,92,57,179	3,21,36,805	81.9%
10	Kerala	3,33,87,677	3,16,40,330	94.8%	2,39,60,986	2,60,60,126	108.8%
11	Jharkhand	3,29,66,238	2,73,60,565	83.0%	1,90,26,375	2,03,94,909	107.2%
12	Punjab	2,77,04,236	2,54,84,799	92.0%	1,89,43,014	2,07,08,741	109.3%
13	Haryana	2,53,53,081	2,15,51,915	85.0%	1,61,89,689	1,68,47,959	104.1%
14	Delhi	1,67,53,235	1,77,99,906	106.2%	1,12,30,123	1,43,59,959	127.9%
15	Chhattisgarh	2,55,40,196	1,50,27,525	58.8%	1,57,66,641	1,10,03,988	69.8%
16	Himachal	68,56,509	65,85,810	96.1%	46,97,162	52,87,044	112.6%
17	Uttarakhand	1,01,16,752	51,84,297	51.2%	62,63,404	41,00,235	65.5%
18	Tripura	36,71,032	33,27,603	90.6%	24,42,426	25,43,219	104.1%
19	Goa	14,57,723	13,49,935	92.6%	10,73,960	11,48,197	106.9%
20	Puducherry	12,44,464	11,68,303	93.9%	8,88,379	9,48,798	106.8%
21	Chandigarh	10,54,686	9,82,103	93.1%	7,30,731	7,81,691	107.0%
22	Sikkim	6,07,688	5,63,355	92.7%	4,03,474	4,41,234	109.4%
23	Daman Diu	2,42,911	1,81,147	74.6%	1,75,912	1,40,533	79.9%
24	A & N Islands	3,79,944	1,67,983	44.2%	2,67,802	1,42,051	53.0%
	<b>Total UIDAI</b>	<b>95,04,27,330</b>	<b>65,23,18,970</b>	<b>68.6%</b>	<b>58,87,72,368</b>	<b>51,36,31,883</b>	<b>87.2%</b>
25	West_Bengal	9,13,47,736	6,06,78,988	66.4%	6,11,05,075	4,87,69,071	79.8%
26	Tamil_Nadu	7,21,38,958	4,90,86,356	68.0%	5,14,05,820	4,19,69,251	81.6%
27	Odisha	4,19,47,358	2,74,73,415	65.5%	2,74,25,652	2,19,90,561	80.2%
28	Jammu Kashmir	1,25,48,926	48,90,619	39.0%	75,20,339	37,52,416	49.9%
29	Manipur	27,21,756	11,47,648	42.2%	18,13,472	9,43,846	52.0%
30	Nagaland	19,80,602	8,64,823	43.7%	11,56,375	6,62,155	57.3%
31	Mizoram	10,91,014	2,91,098	26.7%	6,74,161	2,29,619	34.1%
32	Dadra NagarHav	3,42,853	2,53,446	73.9%	2,18,060	1,99,372	91.4%
33	Assam	3,11,69,272	2,47,494	0.8%	1,90,97,809	2,07,717	1.1%
34	Arunachal	13,82,611	1,74,379	12.6%	7,92,169	1,02,154	12.9%
35	Lakshadweep	64,429	60,045	93.2%	44,443	48,765	109.7%
36	Meghalaya	29,64,007	21,667	0.7%	15,80,324	18,199	1.2%
	<b>Total RGI</b>	<b>25,96,99,522</b>	<b>14,51,89,976</b>	<b>55.9%</b>	<b>17,28,33,699</b>	<b>11,88,93,127</b>	<b>68.8%</b>
	<b>GRAND TOTAL</b>	<b>1,21,01,26,852</b>	<b>79,75,08,946</b>	<b>65.9%</b>	<b>76,16,06,067</b>	<b>63,25,25,010</b>	<b>83.1%</b>

### **3. NITI Aayog - A New Role**

3.1 The Government has replaced Planning Commission with a new institution named NITI Aayog (National Institution for Transforming India). A cabinet Resolution issued gave details of the new institutions. The institutional framework of government has developed and matured over the years. This has allowed the development of domain expertise which allows us the chance to increase the specificity of functions given to institutions. Specific to the planning process, there is a need to separate as well as energize the distinct 'process' of governance from the 'strategy' of governance. In the context of governance structures, the changed requirements of our country, point to the need for setting up an institution that serves as a Think Tank of the government – a directional and policy dynamo. The proposed institution has to provide governments at the central and state levels with relevant strategic and technical advice across the spectrum of key elements of policy. This includes matters of national and international import on the economic front, dissemination of best practices from within the country as well as from other nations, the infusion of new policy ideas and specific issue-based support. The institution has to be able to respond to the changing and more integrated world that India is part of. An important evolutionary change from the past will be replacing a centre-to-state one-way flow of policy by a genuine and continuing partnership with the states. The institution must have the necessary resources, knowledge, skills and, ability to act with speed to provide the strategic policy vision for the government as well as deal with contingent issues.

3.2 Questioned on the extent of the NITI Aayog coming into being within the realm of planning and the feedback of the States on the inception of NITI Aayog, the Ministry of Planning stated that NITI Aayog has been entrusted with the responsibility of setting the pace and steering the transformation process. The most important responsibility of NITI Aayog relates to promoting “Cooperative Federalism through structured support initiatives and mechanisms with the States on a continuous basis”. The Centre, through this framework will be an enabler in the rapid progress of the States through Cooperative Federalism. The first meeting of the Governing Council of the NITI Aayog was held on 8<sup>th</sup> February, 2015; which was attended by all the members except West Bengal. Based on the deliberations and feedback of the States, it was inter alia decided

in the meeting to form 3 Sub Groups of CMs namely (i) rationalisation of Centrally Sponsored Schemes, (ii) Skill Development and (iii) Swachh Bharat Abhiyan. In addition, it was also decided that the States may set up 2 Task Forces on Agriculture and Poverty Elimination in their respective States. The Governing Council directed NITI Aayog also to set up two such task forces within NITI Aayog to work with the States to support their efforts. Accordingly, these subgroups and taskforces have been constituted.

3.3 The NITI Aayog, must adhere to the tenet that while incorporating positive influences from the world, no single model can be transplanted from outside into the Indian scenario. We need to find our own strategy for growth. The new institution has to zero in on what will work in and for India. It will be a 'Bharatiya approach' to development. This was proposed after extensive consultation across the spectrum of stakeholders including *inter alia* state governments, domain experts and relevant institutions. The NITI Aayog will work towards the following objectives:

- a. To evolve a shared vision of national development priorities, sectors and strategies with the active involvement of States in the light of national objectives. The vision of the NITI Aayog will then provide a framework 'national agenda' for the Prime Minister and the Chief Ministers to provide impetus to.
- b. To foster cooperative federalism through structured support initiatives and mechanisms with the States on a continuous basis, recognizing that strong States make a strong nation.
- c. To develop mechanisms to formulate credible plans at the village level and aggregate these progressively at higher levels of government.
- d. To ensure, on areas that are specifically referred to it, that the interests of national security are incorporated in economic strategy and policy.
- e. To pay special attention to the sections of our society that may be at risk of not benefitting adequately from economic progress.
- f. To design strategic and long term policy and programme frameworks and initiatives, and monitor their progress and their efficacy. The lessons learnt through monitoring and feedback will be used for making innovative improvements, including necessary mid-course corrections.

- g. To provide advice and encourage partnerships between key stakeholders and national and international like-minded Think Tanks, as well as educational and policy research institutions.
- h. To create a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and other partners.
- i. To offer a platform for resolution of inter-sectoral and inter-departmental issues in order to accelerate the implementation of the development agenda.
- j. To maintain a state-of-the-art Resource Centre, be a repository of research on good governance and best practices in sustainable and equitable development as well as help their dissemination to stakeholders.
- k. To actively monitor and evaluate the implementation of programmes and initiatives, including the identification of the needed resources so as to strengthen the probability of success and scope of delivery.
- l. To focus on technology upgradation and capacity building for implementation of programmes and initiatives.
- m. To undertake other activities as may be necessary in order to further the execution of the national development agenda, and the objectives mentioned above.

3.4 In a response to a specific query as to whether the new NITI Aayog in its toned down version compared to the erstwhile Planning Commission would transfer its various important functions to the Finance Ministry, the Ministry of Planning in a written reply stated that NITI Aayog has come into existence w.e.f. 01.01.2015 vide a Union Cabinet Resolution dated 01.01.2015. NITI Aayog is not a toned down version as compared to the erstwhile Planning Commission. The Allocation of Business Rule of NITI Aayog has been Notified Vide Doc CD-170/2015 dated 21.03.2015. Various functions of NITI Aayog as enumerated in the AOB Rules includes (as indicated in preceding paragraph). In the first meeting of the Governing Council of National Institution for Transforming India (NITI) Aayog, it was decided that the 12<sup>th</sup> Five Year Plan (2012-2017) would continue. It has also been decided that as the Plan is in its third year of implementation, NITI Aayog would suitably undertake its Mid Term Appraisal so that a shared vision of National

development agenda and important national initiatives are incorporated for their effective implementation in the remaining two years of Plan.

3. The NITI Aayog will comprise the following:
  - a. Prime Minister of India as the Chairperson
  - b. Governing Council comprising the Chief Ministers of all the States and Lt. Governors of Union Territories
  - c. Regional Councils will be formed to address specific issues and contingencies impacting more than one state or a region. These will be formed for a specified tenure. The Regional Councils will be convened by the Prime Minister and will comprise of the Chief Ministers of States and Lt. Governors of Union Territories in the region. These will be chaired by the Chairperson of the NITI Aayog or his nominee.
  - d. Experts, specialists and practitioners with relevant domain knowledge as special invitees nominated by the Prime Minister
  - e. The full-time organizational framework will comprise of, in addition to the Prime Minister as the Chairperson:
    - i. Vice-Chairperson: To be appointed by the Prime Minister
    - ii. Members: Full-time
    - iii. Part-time members: Maximum of 2 from leading universities research organizations and other relevant institutions in an ex-officio capacity. Part time members will be on a rotational basis.
    - iv. Ex Officio members: Maximum of 4 members of the Union Council of Ministers to be nominated by the Prime Minister.
    - v. Chief Executive Officer : To be appointed by the Prime Minister for a fixed tenure, in the rank of Secretary to the Government of India.
    - vi. Secretariat as deemed necessary.

3.5 On being asked on the status of Mid Term Appraisal as of now and whether there has been any modification in the process of Mid Term Appraisal with regard to the change from Planning Commission to NITI Aayog, the Ministry of Planning stated that the process for preparation of the Mid Term Appraisal (MTA) of the 12th Plan was initiated in the erstwhile Planning Commission. In the meeting of Internal Planning

Commission, it was decided to write MTA along selected themes instead of mirroring the chapters of the 12<sup>th</sup> Plan document. The suggested themes for MTA are; Macroeconomic Factors, Employment, Governance, Human Development, Physical Infrastructure, Earth Resources, Rural Transformation and Urbanization. In the first Governing Council Meeting of NITI Aayog, it was decided that as the Mid Term appraisal of the 12<sup>th</sup> Plan is due, it will be undertaken by the NITI Aayog. NITI Aayog is in the process of finalization of the chapters of the Mid Term Appraisal of the 12<sup>th</sup> Plan.

3.6 Asked further about the changes being made in the methodology for identifying the poor and how did the Ministry arrive at the current methodology for identification of poor, the Ministry of Planning replied that the erstwhile Planning Commission was the nodal agency for estimation of poverty in the country, the identification of poor is undertaken by the State Governments based on the guidelines issued by Ministry of Rural Development /Ministry of Housing & Urban Poverty Alleviation.

3.7 On a pointed question regarding the status of Hill Area Development Fund with respect to the Hilly areas and States (e.g. Darjeeling), North Eastern States and whether any proposal has been made to reduce the funding or change the funding format in the new scenario, the Ministry of Planning inter-alia stated that in 2015-16, Hill Area Development Programme (HADP) and Western Ghats Development Programme (WGDP) is included under Category "D" in Expenditure Budget, Volume I which includes schemes which have either become a part of devolution to the states or have been restructured and amalgamated among schemes in A,B or C. No allocation has been made for this scheme in 2015-16. HADP covers the following designated hill areas:

- i) Dima Hasao and Karbi Anglong, Assam
- ii) Darjeeling, West Bengal
- iii) Nilgiris, Tamil Nadu

#### **4. Programme Evaluation Office (PEO) and Independent Evaluation Office (IEO)**

##### Organisational History

4.1 The Programme Evaluation Organisation was established in October, 1952, as an independent organisation, under the general guidance and direction of the Planning

Commission with a specific task of evaluating the community development programmes and other Intensive Area Development Schemes. The evaluation set up was further strengthened by the development of methods and techniques of evaluation in the First Five Year Plan and setting up of evaluation machineries in the States during Third Plan (1961-66) and Fourth Plan (1969-74). Gradually with the extension of the Plan Programmes/Schemes in a variety of sectors, viz., agriculture cooperation, rural industries, fisheries, health, family welfare, rural development, rural electrification, public distribution, tribal development, social forestry, etc., the evaluation work undertaken by the PEO was extended to other important Centrally Sponsored Schemes.

### **Functions and Objectives of PEO**

- (i) The Programme Evaluation Organisation (PEO) undertakes evaluation of selected programmes/schemes under implementation, as per the requirement of the various Divisions of Planning Commission and Ministries/Departments of Government of India. The evaluation studies are designed to assess the performance, process of implementation, effectiveness of the delivery systems and impact of programmes. These studies are diagnostic and aim at identifying the factors contributing to success/ or failure of various programmes and deriving lessons for improving the performance of existing schemes through mid-course corrections and better design of future programmes.
- (ii) Broadly speaking, the objectives of evaluation work taken-up by PEO includes objective assessment of process and impact of the development programmes, identifying the areas of success and failures at different stages of administration and execution, analysis of reasons for success or failure, examining extension methods and people's reactions thereto and deriving lessons for future improvement in the formulation and implementation of the new programmes/schemes. Evaluation in this sense has been recognised as quite distinct and separate from analysis of progress and review on the one hand, and inspection, checking and scrutiny of the schemes and works on the other hand.
- (iii) The PEO is conducting external evaluation, independent of the administrative channels, through direct observations, sample surveys and using social science research methods. Thus, the evaluation studies carried out by the PEO are different from progress reporting or checking and scrutiny work as being done in the administrative Ministries/Deptts. However, PEO tries to involve planners and implementing agencies at all stages of evaluation to make its reports useful.

## **Organisational Structure of PEO**

4.2 The PEO is primarily a field level organisation under the overall charge of the Deputy Chairman, Planning Commission. It has a three-tier structure with its Headquarters at Planning Commission, New Delhi. The middle rung is represented by the Regional Evaluation Offices while the next link are the Field Units known as the Project Evaluation Offices.

4.3 The Headquarters at New Delhi, which is responsible for evolving suitable methodologies including statistical designs for various types of evaluation studies, organizing execution and monitoring of sample surveys, data processing, statistical analysis and interpretation of qualitative and quantitative data generated by the field units and also for bringing out the Evaluation Reports. The Organisation is headed by the Adviser (Evaluation). At the headquarters, Adviser is supported by a Joint Adviser, /Director (TC)/Senior Research Officer (TC) and 4 Directors / Deputy Advisers. The Directors / Deputy Advisers are responsible for designing and execution of evaluation studies and act as 'Project Directors'. The Project Directors are assisted by Senior Research Officers, Research Officers and technical staff. Technical Coordination (TC) Division keeps liaison with all the field units, Administration, General Administration, Accounts Sections, Plan Coordination, other divisions of Planning Commission, Ministries/ Departments, Research Institutes, etc. It also priorities the schemes for study, attends to parliament questions/matters, Rajbhasha work, organizes seminars/ meetings and training programmes and maintains library.

4.4 The middle link of the PEO represents 7 Regional Evaluation Offices, that are located at Kolkata, Chandigarh, Chennai, Hyderabad, Jaipur, Lucknow and Mumbai. Each Regional Evaluation Office is headed by a Regional Evaluation Officer of the rank of Director/ Deputy Adviser and is assisted by two Research Officers, two Economic Officers and one Economic Investigator. The Regional Evaluation Offices are responsible for the supervision of the fieldwork; scrutiny and compilation of field data collected for Evaluation Studies and provide guidance to Project Evaluation Offices under their jurisdiction. They are also responsible for maintaining a close liaison with the

State Governments and also providing technical guidance to State Evaluation Units in organising State level studies.

4.5 The Field Units, known as Project Evaluation Offices constitute the third tier of PEO. These are located in the capital cities of 8 major states of the country, viz.; at Guwahati, Bhubaneswar, Shimla, Bangalore, Bhopal, Patna, Thiruvananthapuram and Ahmedabad. Each Project Evaluation Office is headed by a Project Evaluation Officer of the rank of Senior Research Officer, who is assisted by one Research Officer, two Economic Officers and two Economic Investigators. Each PEO is under the administrative control of a Regional Evaluation Office. The Project Evaluation Offices in the Programme Evaluation Organisations are responsible for reporting the working and progress of the development programmes in their areas and for conducting evaluation studies under the guidance of their concerned REOs. They are also responsible for maintaining a close liaison with the State Governments under the overall supervision of Regional Evaluation Officer.

#### **Independent Evaluation Office (IEO)**

4.6 The IEO was mandated to conduct evaluations of plan programmes, especially the large flagship programmes to assess their effectiveness, relevance and impact. It also had the freedom to conduct independent evaluations on any programme which had access to public funding or implicit or explicit guarantees from the Government. The work programme of the IEO was prepared through an open process of consultations, including feedback from civil society and made public for all to see. The evaluation reports of the IEO were supposed to be submitted to Parliament and the Prime Minister's office. The IEO had the authority to make all its findings public without any interference from the Government. These were to be made available through its website. Functions of IEO included providing help to improve the effectiveness of government policies and programmes by assessing their impact and outcomes and to prepare the terms of reference for all independent evaluations. Set guidelines and methodology for all evaluations done by various departments and agencies and encourage a culture of openness and learning in government systems. Connect India to

the best international evaluated evidence in development practice and knowledge to learn from others success and mistakes.

4.7 On a specific query related to the provisioning made for the Programme Evaluation Organisation (Non-plan Rs. 8.16 crore) in BE 2015-16 and, simultaneous provisioning made for the Independent Evaluation Office and the reasons for such parallel provisioning, the Ministry of Planning stated that a Cabinet Note was moved by the NITI Aayog (erstwhile Planning Commission) in August, 2014 for merging of the Independent Evaluation Office (IEO) with the Programme Evaluation Organisation (PEO). Later, the Government of India constituted a Committee of Secretaries (COS) for reviewing the roles and responsibilities of IEO and PEO. The COS had its meeting on 3<sup>rd</sup> February, 2015 and recommended the followings:

- (i) ***"The IEO be discontinued"*** PEO be renamed and restructured to handle the monitoring and evaluation mandate of NITI Aayog and could be headed by an officer of the level of DG (Additional Secretary to Government). It may be an attached office of the NITI Aayog.
- (ii) NITI Aayog may work out the restructured organisation by rationalizing and redefining posts currently available with IEO and PEO to suit the requirements keeping in mind optimal utilisation of human resources and revenue neutrality.
- (iii) The Ministries / Departments will continue to carry out evaluation studies of their own schemes as per the terms of reference vetted by an inter-Ministerial Group of Secretaries.

Accordingly, the Chief Executive Officer, NITI Aayog has constituted a Task Force to suggest restructuring of PEO by rationalizing and redefining the posts currently available with IEO and PEO. The proceedings of the Task Force is in progress and it is expected to give its recommendations within next 2-3 days. Thus, though COS has recommended closure of IEO and merger of posts of IEO and PEO, both these offices would require funding during 2015-16 till all the formalities for their merger into a new office is completed.

## PART - II

### OBSERVATIONS / RECOMMENDATIONS

#### I Analysis of Demands for Grants

The Committee note that the Demands for Grants (2015-16) have some perceptible changes compared to the monies allocated during previous years. The scrutiny of demands suggest a sharpened focus and positive alignment under various heads. In the B.E. (2014-15) the total amount was Rs. 2,606.86 crore within which the Plan part was of Rs. 2,515.00 crore and Non-Plan consisted Rs. 91.86 crore. The Commitment was further revised at R.E. (2014-15) stage to a total of Rs. 1,871.04 crore. The Plan part was reduced by 29.19% to Rs. 1,780.73 crore and Non Plan by 1.68% to Rs. 90.31 crore. Similarly, for the BE (2015-16) a total amount of Rs. 2,211.63 crore has been allocated, of which the Plan part adds up to Rs. 2,114.52 crore and Non-Plan to Rs. 97.11 crore.

The Committee also note the rise in the Non-Plan side expenditure from RE (2014-15) of Rs. 90.31 crore to BE (2015-16) of Rs. 97.11 crore, a rise of 7.52%. On the side of Plan expenditure with a total outlay of Rs. 2,114.52 crore which consists of Rs. 2,000 crore allocated for the Unique Identification Authority of India which plans to issue 600 million UID's for a period spanning over 5 Years. A substantial within the same amount of Rs. 970.00 crore is earmarked for 'Enrolment Authentication and Updation' Programme. Public Finance Management System (earlier named Plan Accounting and Public Finance Management System) has also been provide an outlay of Rs. 49.73 crore. A sum of Rs. 24.79 crore has also been provided under 'New Programme' within the ambit of the Central Plan. A sum of Rs. 35.00 crore and Rs. 5 crore too has been provided for ongoing programme and Schemes including liabilities from BE 2014-15 [SOPS, EPP(IC), R&S, PFAR, UNDP-HDBI, UNDP-SCDP, New Programme – Central Plan] and Other Attached Offices/Autonomous Bodies respectively.

The Committee desire that the Ministry aptly streamline the changes and continue to ensure the canons of financial discipline and accountability of norms

suggested by the Finance Ministry. The Committee desire Ministry of Planning to regularly apprise them of the transformation of erstwhile Planning Commission to NITI Aayog and consequential changes within the Ministry.

## **II Public Finance Management System**

The erstwhile Planning Commission started the Public Finance Management System (PFMS) as a central sector scheme in April, 2008. The objective of the scheme as envisaged, was to track the fund disbursement from Government of India under various Plan Schemes and ultimately report the utilization under these Schemes to be suitably implemented in States/UTs on a real time basis. This includes within its scope, the entire Central assistance to States/UTs. The total outlay for the Plan expenditure is Rs. 2,114.52 crore. The Public Finance Management System (earlier known as Plan Accounting and Public Finance Management System) has been provided with Rs. 49.75 crore in the BE (2015-16) with an objective to place suitable MIS/DSS for tracking and reporting on expenditures, generating State-wise/District wise reports of these expenditures, outputs and the unutilised amount under the each plan scheme.

The Committee observe that such a paradigm of technical process needs to be inculcated within the working of government so as to track and report various expenditure, alongside establishing a sound financial record process. The Committee expect that this process shall consequently lead to effective tracking of flow of funds from Centre to States. The Committee hope that, since the system is further evolving, it would eventually lead to a better treasury interface and registration of agencies, leading to a proper tracking of release of funds on a real time basis. The Committee would also like the Government to endeavour to increase the scope of Public Finance Management System into all spheres of financing, which would usher a transparent and a common format and citizen friendly flow of funds. To further the benefits of these scheme it is also imperative that all the concerned recipients are registered and identified on the system. The Committee also desire that the Government should attract the interest of States thereto so that the main objective of an absolute national roll

out of the scheme by the end of 12<sup>th</sup> Plan period is achieved. The Committee would also recommend that in view of the dismantling of the Planning Commission and constitution of NITI Aayog, it would be more appropriate to place the PFMS under the jurisdiction of the Ministry of Statistics and Programme Implementation, which would now be expected to play a more significant role in implementation processes.

### **III National Rainfed Area Authority**

The Committee observe that National Rainfed Area Authority was mandated to develop common guidelines for all the watershed programmes operated by different Ministries/Departments of the Central Government. The National Rainfed Area Authority (NRAA) whose grant was revised in 2014-15 to Rs. 18.66 crore from a higher Budget Estimate of Rs. 31.50 crore ended up with no funds in this year's estimate. The Committee note that the programme, entrusted with the important task of imparting training and capacity building of stakeholders for the management of watershed and rainfed areas, had been functioning with only one technical expert (of animal husbandry & fisheries) as against sanctioned post of 5 technical experts belonging to remaining specialised areas such as agriculture & horticulture, water management, watershed management, animal husbandry & fisheries and forest.

The Committee desire that owing to the importance and reach of the scheme across the important sector of agriculture and related allied activities, an assessment be made with respect to requirement of the specialists and technical experts and whether the vacant posts need to be filled up at earliest for the effective realisation of the scheme. The Committee would recommend that the National Rainfed Area Authority should be transferred to the Ministry of Statistics and Programme Implementation instead of shelving the project altogether.

### **(IV) New Programme- Central Plan**

The provisioning of Rs. 24.79 crore under the 'New Programme - Central Plan' with an objective to provide for the expenditure in respect of new

programme in the newly formed NITI Aayog does not seem to be in sync with the changing dynamics at play. Although the commitments made by the erstwhile Planning Commission cannot be neglected and have to be seen as 'liabilities' (to be fulfilled) upon the NITI Aayog, it will be proper that the remaining liabilities for better oversight and implementation be transferred to the Ministry of Statistics and Programme Implementation. The Committee also expects the Ministry to be more dedicated in future while providing relevant documents for analysis to the Committee, since the 'Outcome Budget' has not been provided until the drafting of the report and expects that the process of discharging of liabilities and its consequent transfer to Ministry of Statistics and Programme Implementation be executed without further delay.

(V) Unified National Agriculture Market, Atal Innovation Mission (AIM) and Self Employment and Talent Utilisation (SETU)

The Committee takes cognizance of the fact that the Hon'ble Finance Minister has made announcements with regard to 3 specific schemes namely Unified National Agriculture Market, Atal Innovation Mission (AIM) and Self Employment and Talent Utilisation (SETU), having affiliation with Ministry of Planning and NITI Aayog. The Unified National Agriculture Market intends to smoothen the movement of agri-commodities both within and across States. It also aims to bring down the price unpredictability between different markets, thereby leading to control of various agricultural commodities. The Committee hopes that through this initiative the Government is able to implement agricultural marketing reforms and make use of appropriate e-marketing initiatives to streamline and bring under a single roof the whole marketing process of the country.

The Committee also desires that the other two programmes i.e. Atal Innovation Mission and Self Employment and Talent Utilisation are also able to achieve their objectives. Although both the schemes are still at the stage of conception, the Committee hopes that through AIM the Government is able to create a feasible Innovation Promotion Platform which would help the nation progress towards becoming a hub of established academicians, entrepreneurs

and researchers. The Committee would also like the Government to consider that while finalising the guidelines for formulation of SETU mechanism, an intrinsic provision may be provided to the exclusive start ups by the entrepreneurs belonging to the SC,ST, OBC and other financially weaker sections of society, thereby reinforcing their integration into the mainstream through these futuristic milieu of Information Technology (IT) and Information Technology Enabled Services (ITES).

**(VI) UNDP Assisted 'Capacity Development Programme'**

The Committee note with satisfaction that the first phase of the UNDP Assisted 'Capacity Development Programme' has come to end on 31<sup>st</sup> December, 2012, thereby paving way for the initiation of next phase. The importance of such a programme cannot be undermined in the face of changing approach of Government functioning which is moving towards greater devolution of powers to the States, with evolving concept of 'Co-operative federalism'. The Committee would like the Government to apprise the Committee of completion report of Phase I. The next phase with a new bearing of "Strengthening Capacities for Decentralised Planning (SCDP) has since been launched in 2013. The Committee note that the period of SCDP project is from 2013 to 2017 and, therefore, desire that the Government may include and incorporate the underlining ideals of 12<sup>th</sup> Five Year Plan and the resolution and mandate of NITI Aayog in the second phase. The Committee also desire that the progress, new developments, ideas and remedial steps taken in first phase and its modified application in SCDP may be shared with the Committee.

**(VII) UIDAI**

The Committee in their earlier reports including the NIDAI Bill report presented on 13<sup>th</sup> December, 2011 had expressed its vexation over the lack of legislative approval and consequent allocation of funds being carried out. This continuous disregard, which flew in the face of a democratic political framework, led to several contentious points related of integrity and instrumentality of UIDAI and specifically on the issue of National Identification Development Authority of

**India Bill, 2010. The Committee during the course of examination of its Demands for Grants (2015-16) find that out of total Plan expenditure of Rs. 2,114.52 crore, a major chunk of Rs. Rs. 2,000 crore has been made available to the Unique Identification Authority of India. Out of this allocation of Rs. 2000 crore, a considerable chunk of Rs. 970 crore has been earmarked for the process of 'Enrolment Authentication and Updation'. The Committee note that a total of 80.35 crore Aadhar have been generated across India as on 30 March 2015; the authority also plans to issue 600 million UIDs spanning over a period of 5 years.**

**The Committee notice that with respect to the issue of lack of uniqueness in the feature of Aadhar and National Population Register (NPR) the Ministry have stated that NPR enrollment will continue as envisaged, but, if in the course of enrolment, a person indicates that he/she is already enrolled for Aadhaar, the biometric data will not be captured again by NPR. Instead, the Aadhaar number/enrolment number will be recorded in NPR. In the event of any discrepancy between the National Population Register and the UIDAI database, NPR data will prevail. Where data and biometrics have been captured first by the RGI, the UIDAI will accept the same. The Committee have been apprised that, although the purposes of UIDAI and NPR are different, the above steps have taken care of eliminating avoidable overlaps.**

**The Committee also take cognizance of the fact that 5 Public Interest Litigations (PIL)/writ petitions have been filed before the Supreme Court of India on issues such as the manner and collection of data, privacy, data security, convergence of data and constitutional validity of the scheme. The Committee note that the issues facing the Hon'ble Supreme Court are the same which have been time and again pointed out by the Committee. They feel that if the Government had paid due diligence to the recommendations of the Standing Committee on Finance, the bearings could have been different. The Committee would like to reiterate its concern regarding the similarity in the UIDAI scheme and NPR (under the aegis of Ministry of Home Affairs) as mentioned in their 4<sup>th</sup> Report of Sixteenth Lok Sabha (on Demands for Grants 2014-15) which may be dispelled completely as there are various unresolved issues with both of them.**

The Committee would also like to express its concern regarding lack of proper response to a pointed query with respect to the status of the revised UIDAI Bill incorporating the various suggestions of the Standing Committee on Finance and hopes that in future the Ministry of Planning process its reply more professionally.

The Committee, therefore, suggest that the Aadhaar Scheme presently under the Ministry of Planning should be moved under the aegis of Ministry of Home Affairs which would lead to a better convergence of both the UID and NPR scheme.

The Committee desire the Government to clearly define and spell out the future course of action with respect to the above issues and address them point by point so that the public at large does not feel the disconnect with any process initiated by the executive. The Committee would also like to be apprised about the progress and initiative to bring forth a fresh legislation before parliament.

**(VIII) NITI Aayog - A new role**

The NITI Aayog came into existence on 1<sup>st</sup> January, 2015 by a Cabinet resolution echoing the words of Mahatma Gandhi articulating that "Constant development is the law of life, and a man who always tries to maintain his dogmas in order to appear consistent drives himself into a false position", thereupon replacing the Planning Commission which was set up in 1950.

The process of transformation had already been set in motion by the assertion made by former Prime Minister, Dr. Manmohan Singh on the meeting held on 30.4.2014 at erstwhile Planning Commission when he stated that "India's development story is a work in progress, the Planning Commission having played a historic role in this story so far, there is a lot of distance that is still to be covered. The external world is changing rapidly. The structure of the economy and the role of the state in the economy are also changing, with an increasingly open and liberalized economy with a greater reliance on market mechanisms, we need to be in this new world". Since the NITI Aayog has been recently constituted, the Committee would not delve into an assessment of its functioning

as of now, and would like the Aayog to have some more time before any progress is made in this direction.

The Committee feel that the country no longer seeks alleviation of poverty rather its complete elimination, since poverty presents itself as a major roadblock in the framework of the success of our nation. The Committee are also of the view that the time is opportune for NITI Aayog to comprehensively converge its respective mandate without losing focus on the objective for which it has been created. In this context, the Committee would recommend that NITI Aayog should be made an independent body while dismantling the Ministry of Planning as such, which is now left without any significant function or mandate.

(IX) Programme Evaluation Office (PEO) and Independent Evaluation Office (IEO)

The Committee in its previous report on Demands for Grants (2014-15) had brought out the level of disconnect between erstwhile Planning Commission and its attached offices, a case in point being the IEO. The IEO which was launched with much fanfare, had till the presentation of last report on Demands For Grants 2014-15 only evaluated 12 schemes of which no report have been received by the erstwhile Planning Commission. The Committee note that as per replies furnished by the Ministry a better prudence has prevailed and the Government has decided to discontinue the IEO.

The Committee desire that the Government may utilise and make use of the available infrastructure of IEO (since it has been discontinued) for the effective functioning of PEO. The Committee further desire that since the Ministry/Department shall continue to evaluate their own schemes, the new PEO should be a pared down organisation with specific focus on the improvement of development planning, implementation of programmes and enhancing cooperative federalism. It would be more appropriate to transfer this organisation

or suitably integrate the same under the aegis of the Ministry of Statistics and Programme Implementation for effective realisation of its purpose / mandate.

New Delhi;  
16 April, 2015  
26 Chaitra, 1937 (Saka)

DR. M. VEERAPPA MOILY,  
Chairperson,  
Committee on Finance

## **Minutes of the Twenty - Third Sitting of the Committee on Finance**

**The Committee sat on Tuesday, the 31<sup>st</sup> March, 2015 from 1100 hrs. to 1550 hrs.  
in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.**

### **PRESENT**

**Dr. M. Veerappa Moily – Chairperson**

### **MEMBERS**

#### **LOK SABHA**

2. Shri Nishikant Dubey
3. Shri P.C. Gaddigoudar
4. Shri Shyama Charan Gupta
5. Shri Rattan Lal Kataria
6. Shri Bhartruhari Mahtab
7. Shri Prem Das Rai
8. Shri Rayapati Sambasiva Rao
9. Prof. Saugata Roy
10. Shri Jyotiraditya M. Scindia
11. Shri Gajendra Singh Sekhawat
12. Shri Gopal Shetty
13. Shri Anil Shirole
14. Dr. Kirit Somaiya

#### **RAJYA SABHA**

15. Shri Naresh Gujral
16. Shri Ajay Sancheti
17. Shri Digvijaya Singh
18. Dr. Manmohan Singh

#### **SECRETARIAT**

- |                                |   |                     |
|--------------------------------|---|---------------------|
| 1. Shri P.C. Koul              | - | Director            |
| 2. Shri Ramkumar Suryanaryanan | - | Additional Director |

### **PART- I** **(1100 hrs. to 1215 hrs.)**

2. X X X X X

3. X X X X X

(The Witnesses then withdrew)

**PART- II**

**(1230 hrs. to 1350 hrs.)**

4. X X X X X

(The Witnesses then withdrew)

**PART-III**

**(1415 hrs. to 1550 hrs.)**

**WITNESSES**

**MINISTRY OF PLANNING**

1. Ms. Sindhushree Khullar, Secretary and CEO, NITI AAYOG
2. Shri P.K. Pujari, Special Secretary & FA
3. Shri Vijay S. Madan, DG, UIDAI
4. Shri Dheeraj Gupta, Adviser, NITI
5. Shri Madan Mohan, Adviser
6. Shri Alok Chaturvedi, DDG, UIDAI
7. Shri Shree Ranjan, DDG, UIDAI

5. The Committee then took oral evidence of the representatives of the Ministry of Planning in connection with examination of Demands for Grants (2015-16) of the Ministry and issues connected therewith. The major issues discussed during evidence included the establishment of NITI Aayog in a way to usher the concept of planning into the market economy; social transformation and upliftment of different States through the new framework of NITI Aayog; apprehension on welfare functions of NITI Aayog in light of its brief mandate; a proposition to transmit some of the distributive functions of

erstwhile Planning Commission to the Finance Ministry; any input given by NITI Aayog regarding the budgetary process; a suggestion to transfer some of the allocative functions to the respective Ministries and the function of NITI Aayog in its new avatar with respect to implementation and contribution to Twelfth Five Year Plan. The Committee also deliberated upon the issue related to the usage of Rs. 20,000 crore to be provided by the Finance Ministry to the NITI Aayog, the roadmap of various proposals in the Budget i.e. Atal Innovation Mission (AIM), Unified Agriculture Market and Self Employment and Talent Utilisation (SETU); conflicting issues related to UIDAI and NPR scheme; points related to the States losing out on funds despite Fourteenth Finance Commission award to them; points related to special category States and its status thereof; fate of Central Sponsored Schemes (CSS) in the new set up consequent to devolution of distributive functions of erstwhile Planning Commission; future of annual plans approved by the State Government and the issue of transfer of UIDAI and remaining schemes to Ministry of Statistics and Programme Implementation.

(The Witnesses then withdrew)

A verbatim record of proceedings has been kept.

The Committee then adjourned.

## Minutes of the Twenty-Fourth Sitting of the Committee on Finance

The Committee sat on Thursday, the 16<sup>th</sup> April, 2015 from 1100 hrs. to 1315 hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

### PRESENT

**Dr. M. Veerappa Moily – Chairperson**

### MEMBERS

#### LOK SABHA

2. Shri S.S. Ahluwalia,
3. Shri Nishikant Dubey
4. Shri P.C. Gaddigoudar
5. Shri Prataprao Jadhav
6. Shri Rattan Lal Kataria
7. Shri Bhartruhari Mahtab
8. Shri Gajendra Singh Sekhawat
9. Shri Gopal Shetty
10. Shri Shivkumar Udasi
11. Dr. Kiritbhai Solanki
12. Dr. Kirit Somaiya

#### RAJYA SABHA

13. Shri Naresh Gujral
14. Shri A. Navaneethakrishna
15. Dr. Mahendra Prasad
16. Shri P. Rajeeve
17. Dr. Manmohan Singh

#### SECRETARIAT

- |                                 |   |                      |
|---------------------------------|---|----------------------|
| 1. Shri P.K. Misra              | - | Additional Secretary |
| 2. Shri P.C. Tripathy           | - | Director             |
| 3. Shri Ramkumar Suryanarayanan | - | Additional Director  |
| 4. Shri Kulmohan Singh Arora    | - | Deputy Secretary     |

2. X X X X X X

3. Thereafter, the Committee took up the following draft Reports for consideration and adoption :

- (i) Draft Report on Demands for Grants (2015-16) of the Ministry of Finance (Departments of Economic Affairs, Expenditure, Financial Services and Disinvestment);
- (ii) Draft Report on Demands for Grants (2015-16) of the Ministry of Finance (Department of Revenue);
- (iii) Draft Report on Demands for Grants (2015-16) of the Ministry of Planning;
- (iv) Draft Report on Demands for Grants (2015-16) of the Ministry of Corporate Affairs; and
- (v) Draft Report on Demands for Grants (2015-16) of the Ministry of Statistics and Programme Implementation.

4. After some deliberation, the Committee adopted the draft Reports at Sl. Nos. (i) & (v) with minor modifications and Sl. Nos. (ii), (iii) & (iv) above without any modification and authorised the Chairperson to finalise them in the light of factual verification received from the concerned Ministries / Departments and present these Reports to Parliament.

The Committee then adjourned.

A verbatim record of the proceedings has been kept.