

**4**

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

**SIXTEENTH LOK SABHA**

**MINISTRY OF PLANNING**

**DEMANDS FOR GRANTS  
(2014-15)**

**FOURTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**December, 2014 /Agrahayana, 1936 (Saka)**

# **FOURTH REPORT**

**STANDING COMMITTEE ON FINANCE  
(2014-2015)**

**(SIXTEENTH LOK SABHA)**

**MINISTRY OF PLANNING**

**DEMANDS FOR GRANTS  
(2014-15)**

Presented to Lok Sabha on 22 December, 2014

Laid in Rajya Sabha on 22 December, 2014



**LOK SABHA SECRETARIAT  
NEW DELHI**

December, 2014/ Agrahayana, 1936 (Saka)

## CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE.....	(iii)
INTRODUCTION .....	(iv)
I. Analysis of Demands for Grants (2014-15)	1
II. Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)	5
III. Role of Planning Commission and Independent Evaluation Office (IEO)	7
IV. Unique Identification Authority of India (UIDAI)	10
V. Centrally Sponsored Scheme (CSS)	14

## PART II

Observations / Recommendations of the Committee.....

## ANNEXURE

Minutes of the Sitzings of the Committee held on 09 October, 2014 and 18 December, 2014

## **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. Vacant\*
20. Dr. Kiritbhai Solanki
21. Dr. Kirit Somaiya

#### **RAJYA SABHA**

22. Shri Naresh Agrawal
23. Shri Naresh Gujral
24. Shri A. Navaneethakrishnan
25. Vacant\*\*
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 R.K. Jain       | - | Joint Secretary     |
| 2. | Shri P.C. Koul       | - | Director            |
| 3. | Shri M.L.K.Raja      | - | Additional Director |
| 4. | Shri Tenzin Gyaltsen | - | Committee Officer   |

---

\* Shri Jayant Sinha, MP ceased to be Member of the Committee w.e.f. 09.11.2014 consequent upon his induction to the Union Council of Ministers

\*\* Shri Brajesh Pathak, MP ceased to be the Member of the Committee w.e.f. 25.11.2014 consequent upon his retirement from Rajya Sabha

## INTRODUCTION

I, the Chairperson of the Committee on Finance, having been authorised by the Committee, present this Fourth Report (Sixteenth Lok Sabha) on 'Demands for Grants (2014-15)' of the Ministry of Planning.

2. Due to impending elections to the Sixteenth Lok Sabha, Parliament had passed Vote on Accounts for the first four months of the Fiscal 2014-15 (April to July, 2014). The Demands for Grants (2014-15) of the Ministry of Planning were laid on the Table of the Lok Sabha on 23 July, 2014. The consolidated Demands for Grants were passed by the Lok Sabha on 21 July, 2014 after suspension of Rule 331 G of the Rules of Procedure and Conduct of Business in Lok Sabha. After the Demands were passed, Hon'ble Speaker observed that although the Demands have been passed by the House, they stand referred to the Standing Committees after they are constituted for examination and Report so that their Recommendations are utilized in the preparation of Demands for Grants for the next Fiscal. The Committee took oral evidence of the representatives of the Ministry of Planning on 09 October, 2014. 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 (2014-15).

3. The Committee considered and adopted this Report at their Sitting held on 18 December, 2014.

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

**New Delhi;  
18 December, 2014  
27 Agrahayana, 1936 (Saka)**

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

## Report

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

#### Introduction

1.1 The Planning Commission came into existence as per the Government of India Resolution of 15th March, 1950. It functions as an advisory planning body at the apex level. The main function of Planning Commission is to make an assessment of the material, capital and human resources of the country and explore the possibilities of augmenting such of these resources as are found to be deficient in relation to the nation's requirements and to formulate a plan for the most effective and balanced utilization of the country's resources. The Planning Commission also consults the Central ministries and the State Governments while formulating Five Year Plans and Annual Plans and also oversees their implementation.

1.2 The Ministry of Planning have presented their detailed Demands for Grants (2014-15 Demand No. 76) in Lok Sabha on 24 July, 2014. The total budget allocation of the Ministry for the year 2014-15 for Plan and Non-Plan expenditure is Rs. 2515 crore and Rs. 91.86 crore, respectively. Out of Rs. 2515 crore for Plan expenditure, no new estimate for any new programme under the Central Plan has been made. However, an amount of Rs. 602.50 crore for UIDAI and Rs. 170 crore for Public Finance Management System have been provided. Independent Evaluation Office (IEO) and Expertise in planning process also have been provided with budgetary allocations of Rs. 155 crore and Rs. 50 crore, respectively.

1.3 The Actual expenditure incurred in 2012-13, Budget Estimate (BE)/Revised Estimate (RE) 2013-14, Budget Estimate 2014-15 are given below:-

(Rs. in thousands)

Actual (2012-13)			BE 2013-14			RE 2013-14			Actual 2013-14 (actuals upto March, 2014)	BE 2014-15		
Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total		Total	Plan	Non-Plan
1405.12	73.40	1478.52	8000.00	81.51	8081.51	1700.00	82.52	1782.52	1733.27	2515.00	91.86	2606.86

1.4 The Committee also sought detailed scheme/Head-wise information from the Ministry for this period. In response the follow up information was furnished by the Ministry:

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

(Rs. in crores)

Sl. No	Major Head	PLAN SCHEME	2012-13 BE	2012-13 RE	2012-13 Actuals	2013-14 BE	2013-14 RE	2013-14 Actuals	Decrease of BE 2013-14 over BE 2012-13 %Increase/	2014-15 BE	2014-15 (* Actuals	% Increase/ Decrease of BE 2014-15 over BE 2013-14
<b>REVENUE SECTION</b>												
1	2203	New Initiative in Skill Development through PPP	80000	16000	4000	--	--	--	--	--	--	--
2	2401	National Rainfed Area Authority	350000	266000	106565	315000	94000	56263	(-)10.00%	315000	11880	--
3	3451	Office of Adviser to PM on Public Information, Infrastructure & Innovations	240000	155000	31302	240000	60000	31575	--	25000	5901	(-)89.58%
4	3451	Office of Adviser to PM on Prime Ministers National Council on Skill Development	60000	61500	49592	80000	63000	41570	(+)33.33%	--	--	(-)100.00%
5	3451	Strengthening Office Processes and Systems (earlier name MOOS)	96000	41000	19683	45200	45200	19256	(-)52.92%	60000	204	(+)32.74%
6	3451	Economic Advisory Council to the P.M	26900	32600	25600	32900	37500	28070	(+)22.30%	38700	8124	(+)17.63%
7	3454	Unique Identification Authority of India	13000000	11000000	10900504	18190000	12000000	11946239	(+)39.92%	14371400	1869647	(-)20.99%

Sl. No	Major Head	PLAN SCHEME	2012-13 BE	2012-13 RE	2012-13 Actuals	2013-14 BE	2013-14 RE	2013-14 Actuals	Decrease of BE 2013-14 over BE 2012-13 %Increase/	2014-15 BE	2014-15 (* Actuals	% Increase/ Decrease of BE 2014-15 over BE 2013-14
8	3475	International Transport Forum	3000	3000	2854	3000	3500	3350	--	5000	--	(+)66.67%
9	3475	Research & Study (earlier name GIA to Univ. & Research Instt. for trg., Research Institutional Dev. etc.)	21000	20900	20749	82600	34200	6488	(+)293.33%	80000	2259	(-)3.15%
10	3475	Expertise for Planning Process	60000	60000	36598	--	--	--	--	--	--	--

11	3475	Strengthening Evaluation Capacity in Government.	100000	61500	20137	--	--	--	--	--	--	--
----	------	--	--------	-------	-------	----	----	----	----	----	----	----

Sl. No	Major Head	PLAN SCHEME	2012-13 BE	2012-13 RE	2012-13 Actuals	2013-14 BE	2013-14 RE	2013-14 Actuals	Decrease of BE 2013-14 over BE 2012-13  %Increase/	2014-15 BE	2014-15 (*) Actuals	% Increase/ Decrease of BE 2014-15 over BE 2013-14
12	3475	Public Financial Management System (earlier name PA&PFMS)	1300000	691100	144507	1609900	735000	599498	(+ )23.84%	1995700	135927	(+ )23.96%
13	3475	Grants-in-aid to National Labour Economics and Skill Development Institute (formerly IAMR)	1500	1500	--	1500	10000	10000	--	50000	--	(+ )3233.33 %
14	3475	Expert Group on Low Carbon Economy	20000	20000	3000	--	--	--	--	--	--	--
15	3475	Expert Group on Transport Policy	30000	30000	9900	--	--	--	--	--	--	--

Sl. No	Major Head	PLAN SCHEME	2012-13 BE	2012-13 RE	2012-13 Actuals	2013-14 BE	2013-14 RE	2013-14 Actuals	Decrease of BE 2013-14 over BE 2012-13  %Increase/	2014-15 BE	2014-15 (*) Actuals	% Increase/ Decrease of BE 2014-15 over BE 2013-14
16	3475	High Level Committee on Financing Infrastructure	10000	--	--	--	--	--	--	--	--	--
17	3475	Western Ghats Secretariat	7000	6500	4461	--	--	--	--	--	--	--
18	3475	Plan Formulation, Appraisal and Review	110000	107500	40132	258900	161500	108482	(+ )135.36%	220000	45560	(- )15.03%
19	3475	Independent Evaluation Office	150000	110000	13257	100000	115658	105965	(- )33.33%	155000	31557	(+ )55.00%
		(*) Provisional figures										

Sl. No	Major Head	PLAN SCHEME	2012-13 BE	2012-13 RE	2012-13 Actuals	2013-14 BE	2013-14 RE	2013-14 Actuals	Decrease of BE 2013-14 over BE 2012-13  %Increase/	2014-15 BE	2014-15 (*) Actuals	% Increase/ Decrease of BE 2014-15 over BE 2013-14
21	3475	UNDP assisted project "Strengthening Capacities Decentralized Planning"	--	--	--	1000	14200	13962	--	16700	912	--



	3475	New Programmes	--	--	--	5000000	--	--	--	--	--	--
22	3601	UNDP Assistance for capacity Development for District Planning	131600	65900	27289	--	31242	31241	(-)100.00%	--	--	--
<b>CAPITAL SECTION</b>												
1	4059	Unique Identification Authority of India	10000	--	--	10000	--	--	--	5000	--	(-)50.00%
2	5475	Unique Identification Authority of India	4570000	2500000	2486582	8000000	3500000	3497794	(+)75.05%	6020000	1983878	(-)24.75%
<b>Sl No</b>	<b>Major Head</b>	<b>PLAN SCHEME</b>	<b>2012-13 BE</b>	<b>2012-13 RE</b>	<b>2012-13 Actuals</b>	<b>2013-14 BE</b>	<b>2013-14 RE</b>	<b>2013-14 Actuals</b>	<b>Decrease of BE 2013-14 over BE 2012-13 %Increase/</b>	<b>2014-15 BE</b>	<b>2014-15 (* Actuals</b>	<b>% Increase/ Decrease of BE 2014-15 over BE 2013-14</b>
3	5475	Plan Accounting & Public Finance Management System	78000	35000	7042	60000	60000	6388	(-)23.08%	60000	1988	--
4	5475	<b>Total</b>	500000	100000	97487	930000	5000	3554	(+)86.00%	1700000	--	(+)82.80%
			<b>21000000</b>	<b>15420000</b>	<b>14051241</b>	<b>80000000</b>	<b>17000000</b>	<b>16539695</b>	<b>(+)280.95%</b>	<b>25150000</b>	<b>4104365</b>	<b>(-)68.56%</b>

\* Upto 31 July, 2014

1.5 On a specific query related to the issue of Plan formulation and Appraisal, reasons for long gestation in the Planning Process and steps taken to avoid the cascading effect of delays on Planning Process, the Ministry of Planning in their written reply *inter-alia* stated that the concern of the Committee is noted for taking remedial measures. In this regard following is also submitted: The 12<sup>th</sup> Plan was endorsed by the National Development Council on Dec 27, 2012. Thereafter, it was placed before both houses of Parliament on August 30, 2013. The process of formulation of plan involved extensive consultations with different stakeholders including State Governments and their engagements through meetings, formations of working Groups and Steering Committees. After formulation of the draft 12<sup>th</sup> Plan, the same was placed before the full Planning Commission on September 15, 2012. Thereafter, the Plan was placed before the Cabinet on October 4, 2012 and finally before the NDC on Dec 27, 2012. It is submitted that obtaining approval of these bodies is a time consuming process. It may also be mentioned that process of printing the plan which again is a time consuming exercise can start only after it receives the approval of the NDC, hence the time gap between endorsement of plan by NDC and placing the same before the Parliament. It is

also submitted that since one of the main purposes of the 5 year plan is to guide the annual budgetary exercise, endorsement of the 12<sup>th</sup> plan by the NDC in December 2012 allowed formulation of annual budget in 2012-13 under the overall framework of the 12<sup>th</sup> plan.

1.6 When specifically asked with respect to the overall context of Union Budget, the distribution of Plan Budget to the States under various forms, the Secretary, Ministry of Planning during the oral evidence held on 9<sup>th</sup> October, 2014 stated “the Plan Budget is approximately 26 per cent in 2014-15 that amounts to Rs.5,75,000 crore, of which about 60 per cent flows back to the States, as either Central Assistance to State Plans which are block grants on the Gadgil-Mukherjee formula, other ACAs, SPA to the North East and the Hill States and one or two other block grants, and a major part of it is transferred through the Ministries of the Government of India as CSSs. Of these 60 per cent, Rs. 2,53,000 crore is CSS and approximately Rs. 46,000 crore is in the form of block grants to the States. So, putting it all together, the predominant amount under Plan expenditure of the Government of India flows back to the States in one form or the other”.

## **II. Rajiv Gandhi Grameen Vidyutikaran Yojana**

2.1 Government of India, in April, 2005 conceived “Rajiv Gandhi Grameen Vidyutikaran Yojana” (RGGVY) to electrify all un-electrified villages / habitations and to provide access to electricity to all rural households in un-electrified and electrified villages in the entire country. Since independence so far only about 44% rural households could be given access to electricity and more than one lakh villages are still to be electrified.

2.2 On the process of expanding the access to energy, the 12<sup>th</sup> Plan document mentioned that the higher levels of GDP will obviously require higher levels of energy as an input but in addition to this requirement India’s energy planning must allow for the need to expand access to clean energy at affordable prices for the bulk of the population. Village electrification and connection of rural households to electric supply under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) is a critical instrument.

2.3 The programme involves providing access for electricity to 7.8 crore rural households in five years. The scheme covers electrification of all the villages in the country except the villages under the programme of Ministry of Non-conventional Sources (MNES) for providing electricity from non-conventional energy sources under their remote village electrification programme. With the launch of this scheme the existing "Accelerated Electrification of One lakh Villages and One Crore Households" and the Minimum Needs Programme for rural electrification got merged with RGGVY. The scheme is being implemented through the Rural Electrification Corporation (REC) which has been designated as Nodal Agency by Ministry of Power. The earlier focus of electrification in rural areas had been primarily for irrigation and it has been done generally by extending the Low Tension lines in a piecemeal manner resulting in unreliable and limited hours of power supply.

2.4 In response to a query regarding the Status of implementation of improvements suggested by CCEA while approving for continuation of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) in the 12th and 13th Plan periods, the Ministry in a written reply stated that the status of implementation of improvements in the RGGVY 12th and 13th plan periods is as follows: CCEA has approved continuation of "Rajiv Gandhi Grameen Vidyutikaran Yojana" (RGGVY) in the 12th and 13th Plan and following important improvements have been made in the scheme:

- (i) State level Standing Committee to be setup under the Chairmanship of Chief Secretary with other related Secretaries in the State as members. This Committee will recommend the DPRs, review progress and resolve implementation related bottlenecks from time to time.
- (ii) The prescribed load for BPL and APL households has been enhanced from 40 Watt and 250 Watt to 250 Watt and 500 Watt respectively. This will ensure higher reliability of transformers. Further, higher capacity transformers of 63 and 100 KVA can be considered if the State proposes with adequate justification.
- (iii) OPRs to be formulated based on actual field survey as this will ensure formulation of realistic DPRs as per the field requirement and will also eliminate delay in execution of works.

- (iv) Execution will be done more systematically with cluster based approach to allow proper phasing and completion of works including energisation.
- (v) States to deploy dedicated teams at project level to exclusively look after RGGVY works for speedier execution.
- (vi) Quality control mechanism has been strengthened to ensure better quality of works in the field.
- (vii) The unit cost of BPL connection has been enhanced from Rs.2200 to Rs.3000 with provision of LED lamp instead of CFL.
- (viii) DDG (De-centralized Distributed Generation) will also be extended to grid connected areas to supplement the availability of power where power supply is less than 6 hours a day.

2.5 The programme aims at a qualitative transformation of the rural electricity infrastructure. It envisages that there will no discrimination between urban and rural areas in respect of hours of supply. 24 hours supply of good quality power would also enable dispersal of small industries, khadi and village industries in the rural areas. It will also facilitate delivery of modern health care, education and application of information technologies. This is aimed at accelerated rural development, employment generation and poverty alleviation. The scheme also lays special emphasis on sustainability of rural supply through collection of the cost of electricity from the beneficiaries. To achieve this objective, it is proposed that franchisees like NGOs, consumer associations etc. will be deployed with appropriate involvement of Panchayati Raj institutions. The State Governments will be free to provide appropriate targetted subsidy to poor households.

### **III. Role of Planning Commission and Independent Evaluation Office (IEO)**

3.1 The role of Planning Commission is to concern itself with the building of a long term strategic vision of the future and decide on priorities of nation. It works out sectoral targets and provides promotional stimulus to the economy to grow in the desired direction. From a highly centralised planning system, the Indian economy is gradually moving towards indicative planning where Planning Commission plays an integrative role in the development of a holistic approach to the policy formulation in critical areas

of human and economic development. The emphasis of the Commission is on maximising the output by using our limited resources optimally. Instead of looking for mere increase in the plan outlays, the effort is to look for increases in the efficiency of utilisation of the allocations being made. With the emergence of severe constraints on available budgetary resources, the resource allocation system between the States and Ministries of the Central Government is under strain. This requires the Planning Commission to play a mediatory and facilitating role, keeping in view the best interest of all concerned. It has to ensure smooth management of the change and help in creating a culture of high productivity and efficiency in the Government. The key to efficient utilisation of resources lies in the creation of appropriate self-managed organisations at all levels. In this area, Planning Commission attempts to play a systems change role and provide consultancy within the Government for developing better systems. In order to spread the gains of experience more widely, Planning Commission also plays an information dissemination role.

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

3.2 The IEO has been mandated to conduct evaluations of plan programmes, especially the large flagship programmes to assess their effectiveness, relevance and impact. It also has the freedom to conduct independent evaluations on any programme which has access to public funding or implicit or explicit guarantees from the Government. The work programme of the IEO will be 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 will be submitted to Parliament and the Prime Minister's office. The IEO has the authority to make all its findings public without any interference from the Government. These will be made available through its website.

### **3.3 Functions of IEO include:**

- Help improve the effectiveness of government policies and programmes by assessing their impact and outcomes. The IEO will 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.

3.4 Responding to a specific question on the work related to various flagship and non-flagship schemes and any contingency plan in case the Planning Commission or Independent Evaluation Office itself becomes non-existent or restructured, the Ministry of Planning in a written reply stated that the work related to various flagship and non-flagship schemes have not been put on hold. The schemes continue to be implemented by the concerned Ministries. As regard evaluation of these schemes, as per the mandate of the IEO, 12 schemes mentioned below were to be evaluated by IEO:

- a) Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).
- b) Sarva Shiksha Abhiyan (SSA including CMDM).
- c) National Rural Health Mission (NRHM).
- d) Jawaharlal Nehru National Urban Renewal Mission (JNNURM).
- e) Integrated Child Development Services (ICDS).
- f) Rashtriya Krishi Vikas Yojana (RKVY).
- g) Prime Minister's Gram Sadak Yojana (PMGSY).
- h) Indira Awas Yojana (IAY).
- i) Accelerated Irrigation Benefit Programme (AIBP)
- j) Water and Sanitation Missions namely Rajiv Gandhi National Drinking Water Mission and Total Sanitation Campaign.
- k) Rajiv Gandhi Grameen Vidyutikaran Yojana.
- l) Important Skill Development Programmes.

So far, while evaluation report of none of these above schemes has been received in Ministry of Planning from the IEO, the implementation of schemes are continuing. As regard impact of the decision regarding restructuring of Planning Commission on Centrally Sponsored Schemes is concerned, it may be mentioned that once a CSS is approved, it is implemented by the concerned Ministries. It is also stated that so far the Independent Evaluation Office has not been disbanded, though, the

contractual appointment of the Director General, Independent Evaluation Office was terminated w.e.f. 29-Aug-2014 by the Government of India

3.5 When asked about the number of Flagship Schemes being reviewed by Independent Evaluation Office (IEO) and various stages of utilization/implementation of recommendations on the issues identified towards improvement in efficiency with respect to implementation of various/respective programmes, the Ministry of Planning in a written reply stated that as far as the evaluation of schemes by IEO is concerned, the position is tabulated below. However, pending further decision on matters pertaining to IEO, they have been advised to temporarily halt the work.

Sl. No	Scheme name	Nature	Status
1.	Rajiv Gandhi Grameen Vidyutikaran Yojana	Flagship	Tendering process was in progress.
2.	Impact analysis of Maternal and Neonatal Mortality	Flagship	Tendering process was completed. Approval of IF Cell/competent authority for outsourcing the evaluation is awaited.
3.	Mahatma Gandhi National Rural Employment Guarantee Programme	Flagship	Evaluation framework and terms of references for this evaluation are being prepared. Tendering yet to be carried out.
4.	Rashtriya Swasthya Bima Yojana	Non-flagship	Tendering process was completed. Approval of IF Cell/competent authority for outsourcing the evaluation is awaited.
5.	PDS: Component 1 Component 2  Component 3 Component 4	Non-flagship	It was being carried out in-house. Tendering process was completed. Approval of IF Cell/competent authority for outsourcing the evaluation is awaited. Tendering process in progress. Yet to commence.

#### IV Unique Identification Authority of India (UIDAI)

4.1 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. This scheme is a Planning Commission initiative which envisages assigning a unique identification number to each resident in the country for better monitoring and targeting of Government's social welfare schemes and poverty

alleviation initiatives. It also aims at eliminating the need for multiple identification mechanisms prevalent across various Government departments.

### **National Identification Authority of India – Creation of:**

4.2 The National Identification Authority of India Bill, 2010, introduced in Rajya Sabha on 3rd December, 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 Central Identities Data Repository (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

4.3 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 13th 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 has conveyed its unacceptability of the National Identification Authority of India Bill, 2010 in its present form and has 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.

4.4 On the current status of NIDAI Bill, the Ministry of Planning in a written reply stated that the NIDAI bill, 2010 was introduced in the Rajya Sabha in December 2010 and was thereafter referred to the Standing Committee on Finance. The report presented by the Standing Committee on Finance was considered and a revised Bill was approved by the Government on 08-10-2013. A notice for introduction of the Bill along with official amendment was moved in the Parliament during the Winter Session, 2013. However, the same could not be taken up for consideration.

4.5 On a specific query regarding the steps introduced to detect and resolve the issues related to various/multiple identification mechanism case in point being National Population Register and UIDAI and the contradiction arising out of other such process, Ministry of Planning in a written reply stated that Unique Identification Authority of India (UIDAI) was constituted under the aegis of the Planning Commission primarily to provide (i) unique identification to every resident of the country that is robust enough to eliminate fake and duplicate identities and (ii) an online authentication service that is ubiquitous and cost effective. The UID number (Aadhaar number) establishes uniqueness by the process of biometric de-duplication and the online Aadhaar

authentication service enables verification of the identity digitally online anytime and from anywhere. This is a transformational e-Governance initiative aimed at establishment of a digital identity infrastructure towards providing unique identity to residents, enhancing the quality of service delivery of various social sector schemes of the Government of India, facilitating financial inclusion and development of Aadhaar enabled applications. The NPR, which is a register of usual residents in the country, is being created under the provisions of the Citizenship Act, 1955 and Citizenship (Registration of Citizens and Issue of National Identity Cards) Rules, 2003. The definition of “resident”, both for the purpose of issue of Aadhaar and creation of NPR is the same. The issues of conflict and the need for convergence were related to front end collection of enrolment data. Necessary steps have been taken by the Government to ensure that UIDAI and NPR work together closely and there is no duplication in collecting the biometric data. The front-end activities of collection of enrolment data are geographically demarcated between UIDAI and NPR, with UIDAI being responsible for undertaking enrolment activity in 24 States/UTs and NPR in 12 States/UTs. Government of India has approved funding of the UIDAI project as part of the annual budgets. Adequate funds are allocated on an annual basis based on the pace of progress of the project. Further, as stated above, necessary steps have been taken by the Government to ensure that UIDAI and NPR work together closely and conflicting issues have been resolved. Efforts are being made to complete enrolment at the earliest. In this connection, in response to the List of Points for Oral evidence circulated earlier, it was mentioned that as per the revised mandate, universal Aadhaar enrolment across all the States/Union Territories in collaboration with NPR exercise of Ministry of Home Affairs is targeted to be achieved by June 2015. UIDAI is presently functioning under the aegis of the Planning Commission on an executive authority. The Government has approved an allocation of Rs 13,663.22 crore for the project in five phases. As on date ( i.e. 9 October 2014), about 69 crore Aadhaar have already been generated. Universal enrolment is targeted to be completed by June, 2015. As regard enactment of a legislation for UIDAI, as submitted earlier, the observations and recommendations of the Standing Committee on Finance have been considered by the Government on 08-10-2013, pursuant to which the notice for introduction of the NIDAI Bill, 2010 along with Official amendments were moved in the Rajya Sabha, 2013. The

Bill was listed as part of Business during the Winter Session, but could not be taken up for discussion and passing. Additionally, some amendments proposed by other members were also received and these would be discussed as and when the Bill is taken up for consideration and passing.

4.6 On further being asked as to the total number of residents to be enrolled by UIDAI, target set for the year 2013-14, number and percentage of persons enrolled, Aadhar Cards generated and issued upto 31<sup>st</sup> March, 2014 and details of backlog, if any, and the target for the year 2014-15, the Ministry of Planning stated that the entire backlog of dispatch of Aadhaar letters as mentioned in the Action Taken Report on the 77<sup>th</sup> Report of the Committee on Demands for Grants (2012-13) has been cleared as envisaged. The mandate of enrolling and issuing Aadhaar numbers to 60 crore residents by March 2014 was more than achieved as Aadhaar numbers were issued to 61 crore residents by 31 March 2014. As per the revised mandate, an universal Aadhaar enrolment across all the States/Union Territories in collaboration with NPR exercise of Ministry of Home Affairs has to be achieved by June 2015. As of 31 August 2014, Aadhaar numbers have been issued to 66.71 crore residents and Aadhaar letters have been dispatched to 65.55 crore residents.

## **V. Centrally Sponsored Schemes**

5.1 Centrally Sponsored Schemes (CSSs) refer to specific purpose schemes which are funded by the Central Government and implemented by States or other local agencies. India's developmental plan exercise has two types of schemes viz; central sector and centrally sponsored scheme. The nomenclature is derived from the pattern of funding and the modality for implementation. Under Central sector schemes, it is 100% funded by the Union government and implemented by the Central Government machinery. Central sector schemes are mainly formulated on subjects from the Union List. In addition, the Central Ministries also implement some schemes directly in States/UTs which are called Central Sector Schemes but resources under these Schemes are not generally transferred to States. Under Centrally Sponsored Scheme (CSS) a certain percentage of the funding is borne by the States in the ratios of 50:50, 70:30, 75:25 or 90:10 and the implementation is by the State Governments. These schemes were originally instituted to redress development concerns of national

importance. For this purpose through the conduit of CSS, schematic support is provided by the Central Government for subjects that constitutionally fall within the domain of States or in concurrent list.

5.2 The Committee on Finance in their Sixty-ninth Report (Fifteenth Lok Sabha) had expressed satisfaction over the fact that 173 CSSs at the end of 11<sup>th</sup> Plan will be restructured into 70 Schemes and each Scheme will be reviewed once in two years. The Committee felt that further streamlining, restructuring and rationalizing the number of CSSs will only enhance their productiveness. In this context, the Committee emphasised upon the issue, that while reviewing the Schemes, an element of accountability be built in the mechanism. The Committee further noted that due to limitation of resources, a number of States, particularly the North-East States, Bihar and Jharkhand were unable to provide State's share to enable them to access the required funds under CSS. The Committee recommended that the Government may devise means to ensure equitable distribution of benefits of Centrally Sponsored Schemes to the deficient States so that they do not suffer in accessing the funds under CSS. The Committee also desired to be apprised of the quantum of funds to be saved by restructuring of CSSs and the manner in which these funds are proposed to be utilized.

5.3 On the issue of Centrally Sponsored Schemes, flow of fund from the Centre to States, its rigidity and 'one size fits all approach', the Secretary, Ministry of Planning during the oral evidence on 9<sup>th</sup> October, 2014 stated "the issue relating to the Centrally sponsored schemes has been a matter of concern for this hon. Committee for many sittings. In its 35<sup>th</sup> Report and before that recommendations were made that these need to be restructured. The Government took a view, based on the recommendations made by Chaturvedi Committee, almost 143 Centrally sponsored schemes were collapsed into 66 umbrella schemes across about 30 odd Departments of the Government of India. All this money flows back to the States as scheme-based assistance; 80 per cent of this amount is under 17 schemes or programmes, five of which are with Ministry of Rural Development. Then there are SSA, the Rural Health Mission, the Integrated Watershed Management Programme, Rashtriya Krishi Vikas Yojna etc.. All are top priority on the national development agenda where it is expected that all States will follow some form of development which will ensure, let us say, Roads for all, Education

for all, Water for all. That is the broad purpose. The Government took a decision to make it into 66; first reduce the number and then provide priority to the State Governments the facility to tailor it to their own State specific guidelines. This was done in 2013. We, in the Planning Commission, invited the suggestions from the States and I am happy to report that we have received from almost 24 or 25 State Governments specific requests for allowing these guidelines which have been approved by the Central Cabinet with some flexibility to suit their State requirements. These are now being processed. We will be talking again with the State Governments to see which of these can be accepted and implemented. Broadly they are in three categories; one which falls into the category of merely asking for larger allocations or change of cost norms. Those we will be referring to the Ministry of Finance because these have very large implication on the Union finances. The second is, what we consider in the Planning Commission possible with some amount of mutual adjustment and understanding with the implementing ministries, which are, as I said approximately ten to twenty. We hope that we will be able to persuade them to view them from the States perspective. On our own we have recommended that almost 500 to 600 suggestions which were received, those could be allowed to the States. These flexibilities will in no way change the character of the programme but they will only allow the States to implement them in the manner in which they would like it to be implemented while following the outcomes which the schemes require. The second element was that in every one of the 66 schemes, 10 per cent flexibility has been allowed to every State Government to tailor the scheme to their own needs and to their own requirement. This is being watched because this came into practice through the Union Budget of 2014-15, the Interim Budget. So, we will actually be able to see the results in implementation by the States and how different States arrive at the same outcome through different means by the end of this year and we hope that we will see some different results and better innovations from the States themselves while following the same schematic guidelines. The other major change which has also been raised here came about through the decision taken by the Government in 2013 and it was that the Central assistance to State plans will be reflected in the Budgets of the State Governments, which means that if Rs.100 are to be spent on SSA, Rs.35 will be kept by the State from within their own resources and Rs.65 which will flow from the Central Government to

that State will also be reflected in the budget of the State. This was a huge issue with all the Chief Ministers, including in NDC which cleared the 12<sup>th</sup> Plan. All the Chief Ministers were of the view that a large proportion of Central funds were by-passing the State Legislatures because they were going to sub-State level societies or agencies like the NRHM society or the DRDAs. From the current year, the State Budgets have reflected direct flow of funds from the Central Union Budget plan through the State Government under various schemes. This has also been widely, welcomed but results will be evident only as this financial year unfolds”.

5.4 Asked on the status of certain changes in the Budget (2014-15), especially related to the Centrally Sponsored Schemes, the Ministry of Planning in a written reply stated that the changes made by the Government in the Budget (2014-15) primarily relates to implementation of various decisions pertaining to restructuring of the Centrally Sponsored Schemes: the major decision regarding a change in the budget in this regard are as follows:

- a) Number of CSS and ACA based schemes were brought down from 142 to 66 in 2013-14.
- b) As stated above, at least 10% of the outlay of each CSS/ACA/Flagship Scheme has been mandated to be kept as Flexi funds. As per the guidelines of operationalization of flexi-funds, issued by Department of Expenditure, the release of this fund would be on pro-rata basis and hence no separate budget heads have been created for this purpose.
- c) To classify and budget all Plan schemes under which Central Assistance is provided to the States together as Central Assistance to State Plans.
- d) For each new CSS/ACA/Flagship scheme, at least 25% of funds may be contributed by the General Category States and 10% fund by the Special Category States including States of J&K, Himachal Pradesh and Uttarakhand.

- e) To place the funds for all CSS/ACA schemes with the Administrative Ministries and transfer CSS/ACA funds to the States through the Consolidated Fund of the States concerned.

These changes have been made applicable recently, i.e. in the current Financial Year and hence it is not possible to comment on impact of these measures.

5.5 On the specific query regarding a three fold increase in central assistance for States and UTs in Budget Estimates 2014-15 as compared to Revised Estimate 2013-14 and the capacity to spend the respective increased allocation in 2014-15, the Ministry of Planning in a written note stated that in June, 2013, the Government has restructured Centrally Sponsored Schemes. One of the measures taken during the aforesaid restructuring is to reclassify the budgetary provision of the Centrally Sponsored Schemes as Central Assistance to State Plan. Secondly, distinction between ACA based schemes and Centrally Sponsored schemes were also abolished and as a result, ACA based schemes like Rashtriya Krishi Vikas Yojana (RKVY), Backward Regions Grant Fund(BRGF), National Social Assistance Programme (NSAP), Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Accelerated Irrigation Benefit Programme (AIBP) were also classified as CSS. The rationale behind showing allocation to CSS as Central Assistance to State Plans lies in the fact that CSS are schemes in the sectors which pertains to subjects listed under the State list and concurrent list and their implementation rests with the concerned State Governments. Due to change in this classification, the budgetary provision for Central Assistance to State Plan has undergone a major increase. It may also be mentioned that as part of the restructuring of CSS, the Government has also decided that central fund under these schemes would flow from the Consolidated Fund of India to the Consolidated Fund of the concerned States. Since the above reclassification of CSS as Central Assistance to State Plan is for providing the requisite clarity in the budget, the new arrangement does not amount to any additional flow of fund to the States and hence the question of capacity constraints due to this new arrangement does not arise. However, it is true that in many of the CSSs, expenditure have been less than the budgetary provision. Since more than 80% of allocation of the CSS is under 17 flagship schemes,

a comparison between BE and RE figure, indicates the existing capacity constraints. Improving the capacity of the implementing agency in CSS has been a area of focus of the Government. Since many States demanded requisite flexibility in implementation of these schemes and to avoid one-size-fits-all approach, during the last restructuring of CSSs, following two provisions have been made:

a) It has been mandated that at least 10% of the budgetary provision in a scheme in a year for a State would be kept as a flexi-fund. Guidelines for operationalization of flexi-funds prepared by Planning Commission in consultation with Department of Expenditure have since been issued on January 6, 2014. A defining feature of these guidelines is that the decision to spend the flexi-funds component rests with the State Government provided that the activities/project undertaken should be for the realization of the broad objectives of the concerned Scheme. These guidelines have been made operational from the current financial year (2014-15). Based on the feedback received from the State Governments during various interactions as well as in the National Development Council, the Government has taken measures to improve the flexibility of the schemes

b) Introduction of State Specific Guidelines in a CSS have been allowed. To operationalise the above, an Inter-Ministerial Committee (IMC) has been formed to consider proposals of the State Government for introduction of State specific guidelines. Subsequently, the Commission has invited proposals from State Governments. Proposals from some of the States and UTs have been received which are under consideration of the Government.

**Details of BE and RE during 2012-13 and 2013-14 under Flagship Schemes ((Rs. in crore)**

S.No.	Flagship Schemes	2012-13		2013-14	
		Budget Estimate	Revised Estimate	Budget Estimate	Revised Estimate
1	2	3	4	5	6
1	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	33000	29387	33000	33000
2	Indira Awas Yojana (IAY)	11075	9024	15184	13184
3	Sarva Shiksha Abhiyan (SSA)	25555	23645	27258	26608
4	Mid Day Meal (MDM)	11937	11500	13215	12189



5	Pradhan Mantri Gram Sadak Yojana (PMGSY)	24000	10000	21700	9700
6	National Rural Drinking Water Programme	10500	10500	11000	9700
7	Nirmal Bharat Abhiyan	3500	2500	4260	2300
8	National Social Assistance Programme (NSAP)	8382	7882	9541	9541
9	National Health Mission (NHM) incl. National Rural health Mision	20542	17000	20999	18100
10	Backward Regions Grant Fund (BRGF)*-District Component	12040	10524	11500	2800
11	Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	12522	6822	14000	7191.18
12	Rashtriya Krishi Vikas Yojana (RKVY)	9217	8400	9954	7089
13	Integrated Child Development Services (ICDS)	14250	14250	15912.2	14648
14	Accelerated Irrigation Benefit Programme (AIBP)	14242	7342	12962	6162
15	National Rural Livelihood Mission (NRLM)	3195	2600	4000	2600
16	Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)@	4900	2,492	4500	3137.65
17	Restructured-Accelerated Power Development and Reform Programme (R-APDRP)@	3114	1,500	575	700
	<b>Total</b>	<b>221971</b>	<b>175368</b>	<b>229560</b>	<b>178650</b>

Source: Expenditure Budget Volume 1 & 2

@ Under the Flagship Programme two schemes namely Rajiv Gandhi Grameen Vidyutikaran Yojana(RGGVY) and Restructured-Accelerated Power Development and Reform Programme (R-APDRP) have been replaced by Integrated Watershed Management Programme and Rajiv Gandhi Panchayat Sashaktikaran Yojana respectively w.e.f. Annual Plan 2014-15".

## PART II

### OBSERVATIONS/RECOMMENDATIONS

#### Analysis of DFG (2014-15)

1. The Committee are concerned to note that the budgetary planning as well as the utilisation of funds are not a strong point of the Ministry which is mandated with planning at the National level. Out of total actuals of Rs. 1,478.52 crore (2012-13), the Plan part was of Rs. 1,405.12 crore, which in Budget Estimate of 2013-2014 was raised manifold to Rs. 8,000.00 crore. However, in the Revised Estimate of 2013-14 it was further brought down to Rs. 1,700 crores, while the actual spending was a mere Rs. 1654 crore. The Budget Estimate (2014-15) has been raised to Rs. 2,515 crore. The Committee in their earlier Reports had pointed out time and again and expressed their displeasure on the Ministry's failure to properly streamline and plan the resources and to avoid such abrupt rise and fall in the allocation of monies. The revision of Budget Estimate (2013-14) to Rs. 1,700 crore from Rs. 8,000 crore is a massive reduction by Rs. 6,300 crore, which is an estimation of unrealistic proportion and shows lack of proper perspective. The repetitive and considerable back forthing in budgetary planning of public money shows that the efforts made by Ministry seems to be ineffective to a great extent.

2. From the information furnished by the Ministry about their financial performance Scheme/Head-wise from 2012-13 onwards upto 31 July, 2014 i.e. upto first four months of the ongoing Fiscal, the Committee find several shortcomings and significant under-performance. Under Major Head 2401 - National Rainfed Area Authority the BE 2012-13 of Rs. 35 crore was slashed down to Rs. 26.60 crore while the Actual during the Fiscal was a mere Rs. 10.66 crore. In 2013-14 too, out of a BE of Rs. 31.50 crore which was brought down to Rs. 9.4 crore at RE stage, the Actual was Rs. 5.63 crore only. In spite of this continued under spending on this very important Scheme, the BE in the ongoing Fiscal has been retained at Rs. 31.50 crore. The Actual upto 31 July, 2014 i.e. in the first four months of this year has been a paltry Rs. 1.19 crore. The Committee can draw

their own conclusion as to how the Ministry will be able to spend almost 95% of the balance funds in the remaining part of this Fiscal.

3. In yet another Scheme viz Head No. 3451 - Office of Advisor to PM on Public Information, Infrastructure and Innovation, Rs. 24 crore was allocated as BE in 2012-13. This was curtailed to Rs. 15.5 crore at RE stage. The Actual was Rs. 3.13 crore only i.e. around 12% of the BE. Even in the next Fiscal i.e. 2013-14 again a sum of Rs. 24 crore was allocated as BE. This was again drastically slashed to Rs. 6 crore at RE stage and the Actual was Rs. 3.15 crore only. As a belated realization, the BE this year has been pegged at Rs. 2.5 crore. The Committee hope that this amount would be utilized fully this year.

4. In case of Head No. 3451 – Strengthening Process and Systems a sum of Rs. 9.6 crore was allocated as BE in 2012-13. This was more than halved to Rs. 4.1 crore at RE stage, while the actual expenditure was a meager Rs. 1.97 crore. In the next Fiscal, namely 2013-14 the BE was pegged at Rs. 4.52 crore and retained at the same level at RE stage, however, the Actual was Rs. 1.93 crore only. In spite of this continued under spending, the BE for ongoing Fiscal has been increased to Rs. 6 crore and the actual during the first four months of this Fiscal is a negligible Rs. 2 lakh only. How, the remaining bulk of monies would be spent by the Ministry in the remaining part of this Fiscal is a moot point.

5. The Committee find the same malaise affecting Head No. 3451 – Economic Advisory Council to the PM, wherein Rs. 2.69 crore was allocated as BE during 2012-13. This was enhanced at the RE stage to Rs. 3.26 crore, however, the Actual is even less than the BE at Rs. 2.56 crore. The same exercise has been repeated in the next year when the BE of Rs. 3.29 crore was enhanced to Rs. 3.75

crore, while the actual spending was Rs. 2.81 crore only. This year too BE of Rs. 3.87 crore has been allocated for this Head. The actual expenditure upto 31<sup>st</sup> July, 2014 being almost one fifth of it, at Rs. 81 lakh.

6. Under Head No. 3475 – Research and Study, a provision of Rs. 2.1 crore was made as BE in 2012-13. This was slightly reduced to Rs. 2.09 crore at RE stage and the actual expenditure was almost in the same vicinity at Rs. 2.07 crore. In 2013-14 the allocation under BE was revised almost 4 times to Rs. 8.3 crore. This was reduced to Rs. 3.42 crore at RE stage, while the actual was a paltry Rs. 65 lakh or so. In the ongoing Fiscal also, a sum of Rs. 8 crore has been allocated as BE, out of which Rs. 23 lakh or so have been spent in the first 4 months of the Fiscal, leaving a big question mark on the spending of the remaining amount.

7. Although Head No. 3475 – Expertise for Planning Process has been discontinued from 2013-14 onward, the Committee would like to comment on its performance. During the year 2012-13 a sum of Rs. 6 crore was allocated as BE for the purpose. This was retained at the same level at the RE stage, however the actual expenditure was Rs. 3.66 crore only. In like manner Head No. 3475 – Strengthening Evaluation Capacity in Government was also discontinued from 2013-14 onwards. During 2012-13, a sum of Rs. 10 crore was allocated as BE under this Head. This was scaled down to Rs. 1.65 crore at RE stage and the actual expenditure was around 20% of the BE at Rs. 2 crore.

8. Head No. 3475 – Public Financial Management System, one of the very promising scheme of the Ministry was allocated a sum of Rs. 130 crore as BE

during 2012-13. This was drastically slashed down to Rs. 69 crore at RE stage while the actual expenditure was almost one tenth of BE at Rs. 14 crore or so. In the next Fiscal the BE was again pegged at Rs. 161 crore which was more than halved to Rs. 73.5 crore at RE stage while the actual expenditure was Rs. 60 crore only. In the ongoing Fiscal, a provision of almost Rs. 200 crore has been made as BE, out of which not even 7% has been spent in the first 4 months, with the actual expenditure being Rs. 13.60 crore only.

9. Under the Head 3475 – Grants in Aid to National Labour Economic and Skill Institute a sum of Rs. 15 lakh was allocated as BE 2012-13. The same amount was retained at RE stage as well, however, the actual expenditure was NIL. In the next Fiscal i.e. 2013-14, the BE was repeated at Rs. 15 lakh which was enhanced almost 7 times to Rs. 1 crore at RE stage and the entire amount was actually spent also. Again in the ongoing Fiscal an amount of Rs. 5 crore has been allocated as BE which is a 3233% increase over the BE of 2013-14 but not even a rupee has been spent in the first 4 months of this Fiscal.

10. Under head 3475 - High Level Committee on Financial Infrastructure, a sum of Rs. 1 crore was allocated as BE 2012-13; nothing however has been reflected in the context of this Scheme beyond that in the information furnished to the Committee.

11. Under 3475 – Plan Formulation Appraisal and Review, Rs. 11 crore allocated as BE in 2012-13 this was revised to Rs. 10.75 crore at RE stage; however, the actual spending was Rs. 4 crore only. In the next year a sum of Rs.

26 crore was allocated as BE which was drastically reduced to Rs. 16.1 crore at RE stage and the actual expenditure was Rs. 11 crore or so.

12. Under Head 3601 – UNDP Assistance for Capacity Management for District Planning a sum of Rs. 13.16 crore was allocated at BE stage in 2012-13 this was almost halved to Rs. 6.59 crore at RE stage while the actual expenditure was a meager Rs. 2.73 crore. Strangely enough, no allocation for this Head was made at BE stage in 2013-14 while an allocation of Rs. 3.12 crore has been made at RE stage and the same amount has been actually spent.

13. Under Head 4059 – Unique Identification Development Authority of India (UIDAI) a sum of Rs. 1 crore has been allocated as BE 2012-13 with nothing indicated as RE and Actual. The same amount has been reflected as BE in 2013-14 also without any information about this RE and Actual. In the ongoing Fiscal a sum of Rs. 50 lakh has been shown as BE with no expenditure during first 4 months of the year.

14. The Independent Evaluation Office (IEO), which is now an organization in limbo, has seen a jump of almost 30% from Revised Estimate (2013-14) of Rs. 11.57 crore to Budget Estimate (2014-15) to Rs. 15.50 crore. This enhancement defies logic in view of the assertions of the Ministry before the Committee that the IEO carried out no major evaluation and is dormant now. The Committee also note the abrupt ending of the schemes viz., ‘Expertise in Planning Process’ and ‘Strengthening Evaluation Capacity in Government’ and substantial increase under heads ‘Aadhar Enabled Applications’ and ‘Professional Services’.

15. The above instances, though not exhaustive, point a very bleak picture of the Budgetary Planning and Financial Performances of the Ministry of Planning, which is entrusted with the sacrosanct task of planning for the nation. The Committee feel that unless the Ministry themselves lead by example, they cannot lay down a road map for the other ministries / departments in the context of their mandate. They therefore, desire that the Ministry should ponder about the shortcomings in their Budgetary Planning and Financial Management so that from this Fiscal onwards the shortcomings and under performance pointed in the above narrative become a thing of the past. The Committee had in their earlier Report commented time and again upon the Ministry's failure with regard to appropriate projection of fund requirements in formulating Budget Estimates for programme and schemes. The Committee, therefore, reiterate that a more objective and exacting system of budget planning and supervision be brought into the planning of resources and monies, while Ministry of Planning should lead other Ministries in this initiative.

#### Rajiv Gandhi Grameen Vidyutikaran Yojana

16. The Committee note that the Government plan to achieve universal access to electricity and electrify every household in the country within 5 years by extending Rajiv Gandhi Grameen Vidyutikaran Yojana programme to every rural corner of the country irrespective of its size or population. The Committee acknowledge the fact that village electrification and connection of rural households to electric supply under RGGVY is a critical instrument for the energisation process. However, scope of electricity supply continues to remain an area of concern, notably in rural areas, where consumers get supplies for hardly a few hours in several States.

17. The Committee in their Sixty-ninth report (Fifteenth Lok Sabha) had recommended a comprehensive review of the scheme and rectification of deficiencies as per evolving power situation in the country. The Committee had further noted that despite the CCEA approving the continuation of RGGVY in Twelfth Plan and Thirteenth Plan, the Ministry of Planning have failed to provide an exhaustive reply to the queries raised by the Committee. The reply states that prescribed load for Below Poverty Line and Above Poverty Line households have been enhanced from 40 watt and 250 watt to 250 watt and 500 watt respectively, without resolving the issue of consistent underperformance and burning of transformers. Further, laying the obligation on a State to justify its requirement for higher capacity transformers seems unrealistic and shortsighted in view of the fact that decision in this respect could be taken singularly based on the electricity requirement and economic condition of the State. The Committee are disappointed to note that the energy intensity of our country has not kept pace with requirements and remedial steps need to be instituted immediately on the aspect of rural electrification. The Committee would like to emphasise on focussed efforts to augment the per capita consumption of electricity which is only around 8 units per/watt, i.e. one third of reported consumption of 24 units in urban areas.

18. The Committee would also like to point out, as specifically mentioned in the Plan document, that steps need to be taken to revitalise the poor financial health of utilities and lowering cost of power, both of which act as a disincentive for the States to give new connections. The Committee reiterate that existing scheme may be area specifically reviewed along with required long pending upgradation of transformer capacity to provide minimum required hours of electricity in rural areas. The Committee further recommend that Detailed Project Report should not be prepared in a superficial manner, as it has been reported that number of actual BPL families in the villages in many cases has been higher than the number indicated in the DPRs, thus compromising the whole exercise.

#### **Role of Planning Commission and Independent Evaluation Office (IEO)**



19. The Committee, note with satisfaction that the process of Mid-Term Appraisal is underway. They, therefore, reiterate that the process of Mid-Term Appraisal be completed at the earliest and the report may be shared with the Committee, since its results and outcomes are also imperative input for course- correction and the succeeding Five Year Plans. The Committee would like to emphasize that in the ever-changing overall operative environment, the role of Planning Commission has to gradually move away from direct engagement in economic activity in general towards facilitating an environment, depending on the choices made in terms of policies and allocations with specific outcomes, which would consequently lead to speeding up of the decision making and efficient utilization of scarce and valuable resources. The Committee, however, refrain from dwelling further on this matter of immense importance as they are examining the subject separately in detail.

#### Independent Evaluation Office (IEO)

20. The Committee are perplexed by the recent developments concerning the Planning Commission and IEO. The report prepared by Director General, IEO is an example which goes on to validate the level of disconnect Planning Commission has with its different offices and agencies. On one hand, the IEO which was mandated to conduct evaluation of Plan programmes, especially the large flagship schemes to assess their effectiveness, relevance and impact, has so far not carried out evaluation of any respective scheme and on the other, the office (IEO) has recommended abolition of its own creator, that is the Planning Commission. The reply of Ministry of Planning has stated that as per mandate of the IEO, 12 schemes were to be evaluated, but so far report of none of those schemes has been received by the Planning Commission, even as the implementation of these schemes continue. The Committee, without delving further into the issue, are of the view that the time is appropriate for Planning Commission and its attached offices and agencies to put their act together by - properly converging on their respective mandates without losing focus on the objective for which they were created. The Committee would like to be apprised

of any further development on this issue, whenever any decision is taken in any direction.

### **Unique Identification Authority of India**

21. The Committee at the outset would like to express their discontentment over the handling of various contentious points related to UIDAI and specifically upon the issue of National Identification Authority of India Bill, 2010. The Committee in their several forerunning Reports have indicated serious objections on the operation and implementation of Aadhar without proper legislative approval. The Committee during the course of examination of Demands for Grants (2014-15) note that a sum of Rs. 1,437.14 crore has been provided in the Budget Estimate for UIDAI under two of the heads, going by the classification of 'Aadhar Enabled Applications' and 'Professional Services'. Thus, a significant amount of funds is being earmarked, notwithstanding the legality of the whole process. The Committee had very specifically in their Forty-second Report on the 'National Identification Authority of India Bill, 2010' given their observations on number of issues and conveyed their unacceptability of the respective Bill in its present form and had urged the Government to reconsider and review the scheme and also the proposals contained in the Bill with all its ramifications and bring forth a fresh legislation before Parliament.

22. The Committee further note that an amount of Rs. 13,663.22 crore for the project has been approved by the Government in 5 phases, and as on 9 October, 2014, about 69 crore Aadhar Cards have already been generated. The Committee also note that the target of universal enrollment is proposed to be completed by June, 2015. The Committee's concerns that similar scheme of National Population Register (NPR) under the aegis of Ministry of Home Affairs may come in contention with the UIDAI Scheme which could lead to overlapping and wastage of resources and the security implications are also yet to be dispelled completely.

23. The Committee therefore urge the Government to urgently address the issue of legislative approval and various other concerns pointed out by the Committee. Further, the Committee would like 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.

#### **Centrally Sponsored Schemes (CSSs)**

24. The Committee appreciate that the Government have initiated various measures with regard to streamlining, restructuring and rationalizing the number of CSSs to enhance their productiveness, keeping in view the recommendations given by the Committee in their previous Reports and the B.K. Chaturvedi Committee Report on restructuring of CSSs. The Committee note that during the interim budget speech the previous Finance Minister had announced that 66 programmes under CSS have been restructured for greater synergy. The Committee further note that funds under these programme will be released as central assistance to State Plans, thus giving States and Union Territories a substantial raise from Rs. 1,36, 251 crore in Budget Estimate 2013-14 to Rs. 3,38,562 crore in 2014-15. The Committee also acknowledge that in the present Budget, certain long overdue changes have been made, such as creation of flexi-fund, which includes 10% of the outlay under each of the Centrally Sponsored Schemes /Additional Central Assistance /Flagship Scheme. Although, these changes have been made during present year's financial scheme, the Committee would like to be apprised about the outcome and impact of these initiatives.

25. The Committee further note that although the Government have taken steps for equitable distribution of the benefits to all the States and especially Special Category States, the Committee would reiterate that the special guidelines be issued configurating improvement in the application capacity of different agencies committed during the implementing stage. The Government should also avoid the one size fits all approach during the implementation as different States have their own typical requirement, which is clearly visible in the varying growth rate of different States. However, while appreciating the need for differential treatment of States which are at varied stages of development, the Committee feel that same should not be discouraging and act as a disincentive to the States that perform better by fiscal discipline and follow canons of financial norms. They, therefore, recommend that such differential financial

disbursements should come with definite sunset clause, that is the period for which such States would continue to the given such preferential financial distribution. The Committee also recommend that annual review of each State's performance should be done in this regard. The Committee also take note of the fact that the Ministry have not replied to the Recommendation of the Committee in their Seventy-seventh Action Taken Report (Fifteenth Lok Sabha) with respect to quantum of funds to be saved by restructuring Centrally Sponsored Schemes (CSS). The Committee take serious view of such negligence and expect that the reply in this regard is furnished to them without any further delay.

New Delhi;  
18 December, 2014  
27 Agrahayana, 1936 (Saka)

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

**Minutes of the Sixth Sitting of the Committee on Finance**  
**The Committee sat on Thursday, the 9<sup>th</sup> October, 2014 from 1430 hrs. to 1600 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.**

**PRESENT**

**Dr. M. Veerappa Moily - Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri Sudip Bandyopadhyay
3. Shri Nishikant Dubey
4. Shri P.C. Gaddigoudar
5. Shri Shyama Charan Gupta
6. Shri Rattan Lal Kataria
7. Shri Bhartruhari Mahtab
8. Shri Rayapati Sambasiva Rao
9. Prof. Saugata Roy
10. Shri Jyotiraditya M. Scindia
11. Shri Gajendra Singh Sekhawat
12. Shri Jayant Sinha

**RAJYA SABHA**

13. Shri Naresh Gujral
14. Shri A. Navaneethakrishnan
15. Shri Brajesh Pathak
16. Dr. Mahendra Prasad
17. Shri P. Rajeeve
18. Shri C.M. Ramesh
19. Shri Digvijaya Singh
20. Dr. Manmohan Singh

**SECRETARIAT**

- |                             |   |                     |
|-----------------------------|---|---------------------|
| 1. Shri P.C. Koul           | - | Director            |
| 2. Shri R.K. Suryanarayanan | - | Additional Director |
| 3. Shri M.L.K. Raja         | - | Deputy Secretary    |

**WITNESSES**

**Ministry of Planning**

1. Ms. Sindhushree Khullar, Secretary
2. Shri P.K. Pujari, AS & FA

3. Smt. Vinita Kumar, Pr. Adviser
4. Shri C. Murali Krishna Kumar, Sr. Adviser
5. Shri B.N. Satpathy, Sr. Adviser

Unique Identification Authority of India (UIDAI)

Shri Vijay S. Madan, Director General

2. At the outset, the Chairperson welcomed the representatives of Ministry of Planning and other agencies to the Sitting of the Committee.

3. The Committee then took oral evidence of the Witnesses for and in connection with examination of Demands for Grants (2014-15). The thrust of the discussion was on the considerable short comings in the planning process; long gestation period of various plans; time and cost over runs; cascading effect of delays on the planning process and implementation of schemes, tendency to utilize unspent balance during the final years of the plan period; non-budgetary resources; zero based budgeting and distinction between plan and non plan expenditure; rationalisation of Centrally Sponsored Schemes; Additional Central Assistance to States for various schemes and status of creation of the proposed alternate Institution in place of Planning Commission and various views received for its restructuring. The Members also deliberated upon issues related to the specific recommendation given by Independent Evaluation Office (IEO) on the re-structuring of the Planning Commission and Central Plan Monitoring system. Issues of multiple identification mechanism between Aadhar Card Scheme (UIDAI) and National Population Register (NPR), poor service delivery mechanism of Aadhar Scheme, actual allocation and reasons for the Government for not coming up with the proper legislation UIDAI Act; Interated Action Plan; criteria for deciding the grant of money from the consolidated fund of India to NGO's and private organisation; cost per card and mechanism in place for the redressal of grievances arising out of Aadhar Scheme, review of the various subsumed and discontinued schemes; fund allocation made to respective State Government's and status of report on evolving a Composite Development Index for States and its dovetailing with the planning process was also taken up.

4. The Witnesses responded to the queries of the Members. Before the Sitting concluded, the Chairperson directed the Witnesses to furnish detailed written replies on the points which could not be responded to, to the Committee Secretariat latest by 24 October, 2014.

(The Witnesses then withdrew)

A verbatim record of proceedings has been kept.

The Sitting then adjourned.

## Minutes of the Fourteenth Sitting of the Committee on Finance

The Committee sat on Thursday, the 18<sup>th</sup> December, 2014 from 1500 hrs. to 1715 hrs.  
in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

### PRESENT

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

### MEMBERS

#### LOK SABHA

2. Shri Venkatesh Babu T.G.
3. Shri Nishikant Dubey
4. Dr. Gopalakrishnan C.
5. Shri Shyama Charan Gupta
6. Shri Rattan Lal Kataria
7. Shri Bhartruhari Mahtab
8. Shri Gajendra Singh Sekhawat
9. Shri Gopal Shetty
10. Shri Anil Shirole
11. Dr. Kirit Somaiya

#### RAJYA SABHA

12. Shri Naresh Gujral
13. Dr. Mahendra Prasad
14. Shri C.M. Ramesh
15. Shri Ajay Sancheti
16. Dr. Manmohan Singh

### SECRETARIAT

- |                              |   |                     |
|------------------------------|---|---------------------|
| 1. Shri R.K. Jain            | - | Joint Secretary     |
| 2. Shri P.C. Koul            | - | Director            |
| 3. Shri R.K. Suryanarayanan  | - | Additional Director |
| 4. Shri Kulmohan Singh Arora | - | Deputy Secretary    |

### WITNESSES

- |    |   |   |   |   |   |
|----|---|---|---|---|---|
| 2. | x | x | x | x | x |
| 3. | x | x | x | x | x |



4.	x	x	x	x	x
5.	x	x	x	x	x

(The witnesses then withdrew)

6. Thereafter the Committee took up following draft Reports for consideration: -

- (i) Draft Report on Demands for Grants (2014-15) of the Ministry of Planning:
- (ii) Memorandum No. 4 regarding draft Report on action taken by the Government on the Observations / Recommendations contained in the Fifty-ninth Report (Fifteenth Lok Sabha) on the subject 'Current Economic Situation and Policy Options'; and
- (iii) Memorandum No. 5 regarding draft Report on action taken by the Government on the Observations/Recommendations contained in the Seventy-fourth Report (Fifteenth Lok Sabha) on the Subject 'Economic Impact of Revision of Natural Gas Price'.

7. After some deliberations, the Committee adopted the above draft Reports with minor modifications in the Reports mentioned at Sl. Nos. (i) to (iii) above and authorised the Chairperson to finalise them in the light of factual verification from concerned Ministries/Departments.

**The Committee then adjourned.**

**A verbatim Record of the proceedings has been kept.**