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**STANDING COMMITTEE ON FINANCE
(2017-18)**

SIXTEENTH LOK SABHA

MINISTRY OF PLANNING

**DEMANDS FOR GRANTS
(2018-19)**

SIXTIETH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2018 / Phalguna, 1939 (Saka)

SIXTIETH REPORT

**STANDING COMMITTEE ON FINANCE
(2017-2018)**

(SIXTEENTH LOK SABHA)

MINISTRY OF PLANNING

**DEMANDS FOR GRANTS
(2018-19)**

Presented to Lok Sabha on 09 March 2018

Laid in Rajya Sabha on 09 March 2018

**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2018 / Phalguna, 1939 (Saka)

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Minutes of the Sittings of the Committee held on 16 February, 2018 and 08 March, 2018

COMPOSITION OF STANDING COMMITTEE ON FINANCE – 2017-18

Dr. M. Veerappa Moily - Chairperson

MEMBERS

LOK SABHA

2. Kunwar Pushpendra Singh Chandel
3. Shri Bandaru Dattatreya
4. Shri Nishikant Dubey
5. Shri Venkatesh Babu T.G.
6. Shri P.C. Gaddigoudar
7. Shri C. Gopalakrishnan
8. Shri Shyama Charan Gupta
9. Shri Rattan Lal Kataria
10. Shri Chandrakant B. Khaire
11. Shri Bhartruhari Mahtab
12. Shri Prem Das Rai
13. Shri Rayapati Sambasiva Rao
14. Prof. Saugata Roy
15. Shri Rajiv Pratap Rudy
16. Shri Jyotiraditya M. Scindia
17. Shri Gopal Shetty
18. Dr. Kiritbhai P. Solanki
19. Dr. Kirit Somaiya
20. Shri Dinesh Trivedi
21. Shri Shivkumar Udasi

RAJYA SABHA

22. Shri Naresh Agrawal
23. Shri Rajeev Chandrasekhar
24. Shri A. Navaneethakrishnan
25. Shri Mahesh Poddar
26. Dr. Mahendra Prasad
27. Shri C.M. Ramesh
28. Shri T.K. Rangarajan
29. Shri Ajay Sancheti
30. Shri Digvijaya Singh
31. Dr. Manmohan Singh

SECRETARIAT

1. Smt. Abha Singh Yaduvanshi - Joint Secretary
2. Shri Rajesh Ranjan Kumar - Director
3. Shri Ramkumar Suryanarayanan - Additional Director
4. Shri Tenzin Gyaltzen - Committee Officer

(ii)

INTRODUCTION

I, the Chairperson of the Standing Committee on Finance, having been authorised by the Committee, present this Sixtieth Report (Sixteenth Lok Sabha) on 'Demands for Grants (2018-19)' of the Ministry of Planning.

2. The Demands for Grants (2018-19) of the Ministry of Planning were laid on the Table of the House on 07 February, 2018 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 16th February, 2018. 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 (2018-19).

4. The Committee considered and adopted this Report at their Sitting held on 8 March, 2018.

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

**New Delhi;
09 March, 2018
18 Phalguna, 1939 (Saka)**

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

Report
PART - I
CHAPTER I
Introductory

1.1 The National Institution for Transforming India or NITI Aayog was established on 1st January, 2015 to serve as the think tank of the Government of India. The Prime Minister of India serves as the chair of the institution.

1.2 The institution plays a leadership role in policymaking in the central government, works closely with state governments, serves as a knowledge hub and monitors progress in the implementation of policies and programmes of the Government of India. The institution provides the Central and State Governments with relevant strategic and technical advice across the spectrum on key policy elements. These include matters of national and international importance on the economic front, dissemination of best practices from within the country and from other nations, the infusion of new policy ideas and specific issue-based support.

1.3 As the premier policy 'Think Tank' of the Government of India, NITI Aayog aims to evolve a shared vision of national development with the active involvement of States. Through consultative and other mechanisms, it endeavours to inform of the best practices developed in one or more States or in other parts of the world to all States for possible adoption. It fosters cooperative federalism through structured support and policy guidance to the States on a continuous basis.

1.4 The institution designs strategic and long-term policy and programme frameworks and initiatives and monitors their progress and their efficacy regularly. It uses the lessons learnt from monitoring and feedback to make innovative improvements, including necessary mid-course corrections. Also, NITI Aayog actively monitors and evaluates the implementation of programmes and initiatives, including the identification of the needed resources so as to strengthen the prospects of success of the latter

1.5 NITI Aayog's entire gamut of activities is divided into two main hubs-Team India Hub and Knowledge and Innovation Hub. The two hubs are at the core of NITI's efficient functioning. Team India Hub carries out the mandate of fostering 'Cooperative Federalism' and 'Designing Policy and Programme Frameworks'. It provides requisite coordination and support framework to NITI Aayog in its engagement with the States.

Knowledge & Innovation Hub ensures fulfilling the mandate of maintaining a State-of-the-Art Resource Centre; to be a repository of research of good governance and best practices and their dissemination to stakeholders; and to provide advice and encourage partnerships across key stakeholders including colleges, universities, thinktanks and non-governmental organizations at home and abroad.

CHAPTER II

Analysis of Demands for Grants (2018-19)

2.1 The Ministry of Planning presented their detailed Demands for Grants (2018-19 Demand No. 73) in the Lok Sabha on 07 February, 2018. The total allocation of Ministry of Planning for the year 2018-19 is Rs. 339.65 crore. The Budget Estimates (BE) for 2018-19 has been increased by Rs. 87.13 crore over the Budget Estimates (BE) of 2017-18 of Rs. 252.52 crore. The Revised Estimates (RE) of 2017-18 was placed at Rs 279.79 crore rising by a sum of Rs. 27.27 crore. The Actuals of 2016-17 were Rs. 225.38 crore. The allocation for schemes other than Centrally Sponsored and Central Sector Scheme has been provided with a budget outlay of Rs. 99.85 crore. The items under this allocation includes *viz.* Secretariat : Economic Services, NITI Aayog, Development Monitoring and Evaluation Office (DMEO) and Grants-in-Aid for Autonomous bodies. DMEO has been provided with a sum of Rs. 18 crore (BE 2018-19) over the BE and Actuals (2017-18) of Rs. 15 crore and 9.9 crore, respectively. The BE of (2018-19) over (2017-18) of DMEO has seen a rise of 20% while the increase during the period of BE (2017-18) over BE (2016-17) stood at 11.94% only. Under the Autonomous Bodies the Grants-in-aid has been provided in respect of National Institute of Labour Economics Research and Development for creation of capital assets which stood at Rs. 1.5 crore. No increase has been recorded in the grant which stood at Rs. 1.5 crore during the year 2017-18.

2.2 The outlay for the Central Sector Scheme expenditure has been provided at Rs. 239.80 crore. Under the outlay for New Programmes - Central Plan which stood at Rs. 200 crore. The Atal Innovation Mission (AIM) including Self Employment and Talent Utilisation (SETU) has been provided with an outlay of Rs. 200 crore. The Ongoing Programme and Schemes including liabilities from BE 2014-15 [SOPS, EPP(IC), R&S, PFAR, UNDP-HDBI, UNDP-SCDP] has been given a sum of Rs. 39.80 crore which provides for the expenditure in respect of erstwhile Planning Commission ongoing programme and schemes such as Strengthening Office Processes and Systems (SOPS), International Contributions EPP(IC), Research and Study (R&S), Plan Formulation Appraisal and Review (PFAR), UNDP Assistance for Human Development towards bridging inequalities (UNDP-HDBI) and UNDP assisted project – Strengthening Capacities for Decentralized Planning (UNDP-SCDP).

2.3 (a) The actual expenditure incurred in 2016-17, Budget Estimate (BE)/Revised Estimate (RE) 2017-18, Budget Estimates 2018-19 are given below:-

Actual 2016-17			BE 2017-18	RE 2017-18	BE 2018-19
Plan	Non-Plan	Total	Total	Total	Total
155.80	70.60	225.68	252.52	279.79	339.65

(Rs. in crore)

2.4 A Brief Summary of Demands For Grants For The Year 2018-2019

Notes On Expenditure Other (Other Than Centrally Sponsored And Central Sector Schemes (Outlay Rs. 99.85 Crore)

a) Secretariat: Economic Services

This has a provision for the Secretariat expenditure of the Ministry of Planning.

b) Niti Aayog

This has a provision for the expenditure of NITI Aayog including Economic advisory Council to the Prime Minister and Departmental Canteen.

c) Development Monitoring And Evaluation Office

The objective of this new scheme is to provide for the expenditure in respect of Development Monitoring and Evaluation Office under Ministry of Planning.

d) Autonomous Bodies

Provide for the Grants-in-aid in respect of National Institute of Labour Economics Research and Development.

2.5 Notes On Central Sector Scheme Expenditure (Outlay Rs. 239.80 Crore)

a) New Programmes – Central Plan (Outlay Rs. 200.00 crore):

(i) Atal Innovation Mission (AIM) including Self Employment and Talent Utilisation (SETU) (Outlay Rs. 200.00 crore):

The Atal Innovation Mission (AIM) will be an Innovation promotion platform involving academics, entrepreneurs and researchers and draw upon national and international experiences to foster a culture of innovation, R&D and Scientific research in India. AIM will create mechanisms to incentivize innovators through grants, awards and challenge programs. Self Employment and Talent Utilisation (SETU) will be a Techno-Financial, Incubation and Facilitation Programme to support all aspects of start-up businesses, and other self-employment activities, particularly in technology-driven areas.

(ii) Ongoing Programme and Schemes including liabilities from BE 2014-15 [SOPS, EPP(IC), R&S, PFAR, UNDP-HDBI, UNDP-SCDP] (Outlay Rs. 39.80 crore):

Provides for the expenditure in respect of erstwhile Planning Commission ongoing programme and schemes such as Strengthening Office Processes and Systems (SOPS), Research and Study (R&S), Plan Formulation Appraisal and Review (PFAR), and United Nations - NITI Aayog Strategic Partnership Project.

2.6 Annual Action Agenda for Schemes 2018-19

Demand No.73: Ministry of Planning

(Rupees in Crores)

S. No.	Name of the Scheme/Sub-Scheme	Financial Outlay 2018-19	Annual Deliverables against the outlay 2018-19
1	Atal Innovation Mission (AIM) including Self Employment and Talent Utilization (SETU)	200.00	<ul style="list-style-type: none"> • Grants-in-Aid to new grantee institutions that are selected in 2017-18: <ul style="list-style-type: none"> a) Setting up 600 New Atal Tinkering Labs (ATLs) from the selection of 1500 schools done in 2017-18 under compliance as per ATL guidelines. b) Support to 21 Established Incubation Centres selected in 2017-18 which are under compliance as per EIC guidelines Atal Incubation Centre (AIC). c) Support to 11 Established Incubation Centres (AICs) selected in 2017-18 which are under compliance as per EIC guidelines. • Subsequent Tranche of Grants-in-Aid to grantee institutions that are selected in 2016-17 and 2017-18: <ul style="list-style-type: none"> a) 700 ATLs b) 12 AICs c) 2 EICs (2nd Tranche) d) 6 EICs (3rd Tranche) • Launching 18 New AtalNew India Challenge/Atal Grand Challenge. •
2	Plan Formulation and Appraisal and Review	30.00	<ul style="list-style-type: none"> • To conduct various meetings like Governing Council, Consultation Meeting with States on state-specific subjects. • To undertaking various activities like Studies on Assistance to States for preparation of Vision Document of NITI Aayog. • Development Support Services of States (DSSS), Hiring Professional Services, consultations with stakeholders on SDGs, Biogas, Bio-Fuel etc, • To hire the services of Consultants/Experts for a limited duration to provide high quality services for specific and time-

			<p>bound tasks, for which general experts is not available with the NITI Aayog.</p> <ul style="list-style-type: none"> • Legal/Technical Consultants fee for review and vetting of the concession agreement/feasibility report of Public Private Partnership (PPP) Projects received from various Ministries, States and statutory entities in accordance with the guidelines for financial support to PPPs in infrastructure • Development and release of Index in public domain. • Development of the web portal with all its intended features. • Risk assessment and overcoming the barrier to application of destructive technologies. • To conduct research and study to formulate policy/status report in Transport Sector • Concept development plans and detailed master plans (balance 9 reports) • (a) Implementation of MIS database (b) Implementation of various IT Programme (c) Arbitration and enforcement in India Conference (d) Expenditure on various Task Force on Methanol Economy and (e) Digital Hub for Govt. Best Practices for NITI Aayog.
3	Research and Study	3.23	<ul style="list-style-type: none"> • 2—25 Research Studies, 15-20 Seminars/Workshops proposals are expected to be approved during this financial
4	United Nations – NITI Aayog Strategic Partnership Project	0.10	<ul style="list-style-type: none"> • A workshop to familiarize the activities planned under the United Nations Sustainable Development Framework 2018-2022
5	Information Technology	3.68	<ul style="list-style-type: none"> • Procurement of Computers, Printers, Photocopiers, Soft Wares, Scanners etc. required for modernization and digitisation of Office and Office equipments i.e. Heavy duty Printers UPS etc.
6	Renovation and Alteration	2.79	<ul style="list-style-type: none"> • Renovation and Alteration in building including revamping of 5th floor to accommodate DMEO and AIM Sectt. involving creation of open hall system etc. Renovation offices of Vice Chairman, Members and Sr. Officers. Renovation of Toilets and Reception area. Improvement of VIP corridor.

Ministry of Planning, Demand No. 73

ANALYSIS OF DEMANDS FOR GRANTS i.e. PERCENTAGE INCREASE/DECREASE IN VARIOUS HEADS DURING THE LAST THREE YEARS

(Rs. In thousands)

Sl. No.	Major Head	PLAN SCHEME	BE 2015-16	Actuals 2015-16	BE 2016-17	Actuals 2016-17	%Increase/Decrease of BE 2016-17 over BE 2015-16	BE 2017-18	Actuals 2017-18 (@)	%Increase/Decrease of BE 2017-18 over BE 2016-17	BE 2018-19	% Increase/Decrease of BE 2018-19 over BE 2017-18
REVENUE SECTION												
1	3451	Economic Advisory Council to the P.M	--	--	--	--	--	--	--	--	30000	(\$)
2	3454	Unique Identification Authority of India	16382200	12854324	--	--	(*)	--	--	--	--	--
3	3475	Public Financial Management System (earlier name PA&PFMS)	492300	124840	--	--	(*)	--	--	--	--	--
4	3475	New Programmes - Central Plan										
		(1) New Programmes - Central Plan	242900	286	40000	7510	(-) 83.53%	35000	--	(-)12.50%	--	--
		(2) Atal Innovation Mission (AIM) including Self Employment and Talent Utilisation (SETU).	--	--	1500000	755747	--	1120000	594219	(-) 25.33%	2000000	(+) 78.57%
5	3475	Ongoing Programme and Schemes including liabilities from BE 2014-15 [SOPS, EPP(IC), R&S, PFAR, UNDP-HDBI, UNDP-SCDP]	330000	110289	311000	179024	(-)5.76%	390700	235992	(+) 25.62%	391200	(+) 0.13%
6	3475	Other Attached Offices/Autonomous Bodies										
		Independent Evaluation Office	25000	5447	--	--	--	--	--	--	--	--
		National Institute of Labour Economics Research and Development	25000	--	10000	500000	(-) 40%	15000	--	(+) 50%	15000	Nil
		Development Monitoring and Evaluation Office	--	--	134000	105852	--	150000	99007	(+)11.94%	180000	(+) 20%

CAPITAL SECTION

1	4059	Unique Identification Authority of India	100	--	--	--	(*)	--	--	--	--	--
2	5475	Unique Identification Authority of India	3617700	3950084	--	--	(*)	--	--	--	--	--
3	5475	Plan Accounting & Public Finance Management System	5000	--	--	--	(*)	--	--	--	--	--
4	5475	Ongoing Programme and Schemes including liabilities from BE 2014-15 [SOPS, & New Programme - Central Plan]	20000	15373	5000	2673	(-) 75%	4300	--	(-) 14%	6800	(+) 58.13%
5	5475	New Programmes - Central Plan	5000	--	--	--	--	--	--	--	--	--
		Total	21145200	17060643	2000000	1550806	(-)9.54%	1715000	929218	(-)14.25%	2623000	(+)52.94%

(@) Provisional figures upto January, 2018

(*) The schemes were transferred from Ministry of Planning/NITI Aayog to Other Departments/Ministries.

(\$) Constituted on 26th September, 2017

CHAPTER III

DEVELOPMENT MONITORING AND EVALUATION OFFICE (DMEO)

3.1 The Development Monitoring and Evaluation Office (DMEO) has been constituted on 18th September, 2015 by merging the erstwhile Programme Evaluation Organization (PEO) and the Independent Evaluation Office (IEO) and notified as an attached office under the aegis of NITI Aayog for fulfilling the mandate of evaluation and monitoring assigned to NITI Aayog.

3.2 The Development Monitoring and Evaluation Office has an ongoing and effective mechanism to monitor and control its performance. The Director General (DMEO) who is the administrative head of DMEO, periodically has review meetings with DMEO teams on various ongoing monitoring and evaluation activities. The progress of each important tasks are also reviewed in the weekly review meetings held under the chairmanship of VC, NITI Aayog. Keeping the functional requirements and changed priorities in view, the 15 regional offices located across the country were closed w.e.f. 30-Sep-2017 and all the staff posted in these regional offices were brought to the DMEO Headquarters in New Delhi. Further, in tandem with the priorities of the Government of India, more focus is being given to the monitoring of programmes and initiatives. To enhance the effectiveness and efficiency of monitoring activities, DMEO has been making good use of the available technologies. All the major monitoring activities are being carried out through web-based interactive dashboards which have also been made accessible to the concerned Departments/Ministries so that they are able to upload programme information on online and real-time basis. Finally, DMEO also has an Annual Action Plan (AAP) and the implementation of the same is regularly reviewed by the DG (DMEO). The progress made by DMEO in the implementation of AAP: 2017-18 was also reviewed last month in the meeting chaired by the VC, NITI Aayog.

(Rs. in Crore)

1	2	3	4	5	6	7	8	9	10
Sl. No.	Major Head	Plan Scheme	BE (2015-16)	Actuals (2015-16)	BE (2016-17)	Actuals (2016-17)	BE (2017-18)	Actuals @ (2017-18) (upto January, 2018)	BE (2018-19)

1	3475	Development Monitoring and Evaluation Office (DMEO)	-----	-----	13.40	10.58	15.00	9.90	18.00
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3.3 To a pointed query with regard to the status of DMEO as of today and whether the DMEO has been able to appropriate its under utilised fund and fill its vacant positions, which stood at 45.36% as on 21.03.2017, the Ministry of Planning in a written reply stated that:

"The underutilization of the funds was a result of manpower shortage which was further due to the restructuring process the organization went through as the Development Monitoring and Evaluation Office was established by merging the erstwhile Independent Evaluation Office and Programme Evaluation Organization. Out of the combined total of 207 posts, only 157 posts were retained and the remaining 50 posts were surrendered. However, DMEO has made successful attempts to improve the manpower position. DMEO, at present, has one Joint Secretary and 3 Deputy Director Generals to supervise and guide DMEO in monitoring and evaluation activities. To meet its urgent functional mandate, DMEO with the concurrence of Internal Finance Division has also engaged 20 young Consultants including 13 Young Professionals against the vacancies in DMEO. The skill sets possessed by these young consultants are very useful and they come with new ideas and techniques to qualitatively improve the effectiveness of monitoring. Resultantly, the expenditure of DMEO till 31-Jan-2018 is Rs.10.26 crores against an allocation (RE) of Rs.13.73 crores, which is equivalent to approximately 75%".

3.4 When asked to specify as to whether the DMEO or NITI has finalised any 'Output Outcome Framework' to measure the outcome(s) for each scheme and also the 'physical output' in consistence with the allocated financial resources, the Ministry of Planning in a written reply stated that:

"The NITI Aayog in consultation with the Ministry of Finance and Ministries/Department of Government of India had prepared Output Outcome Budget for 2017-18 and DMEO in NITI Aayog is monitoring its implementation. However, DMEO has recently completed an exercise to improve the quality of Outcome Budget document by identifying quantifiable and measurable outputs and outcomes and relevant indicators to monitor 750 schemes across 72 Ministries/Departments of the Government of India. This document is to be incorporated by the Ministry of Finance as part of their budgetary document for 2018-19".

CHAPTER IV

ATAL INNOVATION MISSION (AIM) & SELF-EMPLOYMENT AND TALENT UTILISATION (SETU)

4.1 The Atal Innovation Mission (AIM) is a flagship initiative of the Prime Minister of India, set up by NITI Aayog to promote innovation and entrepreneurship across the length and breadth of the country. AIM is also envisaged as an umbrella innovation organization that would play an instrumental role in alignment of innovation policies between central, state and sectoral innovation schemes incentivizing establishment of an ecosystem of innovation and entrepreneurship at various levels higher secondary schools, science, engineering and higher academic institutions, and SME industry / corporate levels. AIM has adopted a holistic framework in the achievement of its objectives

4.2 A “Mission High Level Committee (MHLC) under the Chairmanship of Vice Chairman, NITI Aayog and comprising Secretaries of the various Departments and experts on innovation and entrepreneurs from academia and industry is guiding the implementation of Atal Innovation Mission. The MHLC advises, monitors and reviews the progress against plan of AIM in a periodic manner. The scheme is a new initiative and no external or third party review/evaluation has been done so far by any other agency.

(Rs. in Crore)

1	2	3	4	5	6	7	8	9	10
Sl. No.	Major Head	Plan Scheme	BE (2015-16)	Actuals (2015-16)	BE (2016-17)	Actuals (2016-17)	BE (2017-18)	Actuals (2017-18) (upto January, 2018)	BE (2018-19)
1	3475 (II)	Atal Innovation Mission (AIM) including Self Employment and Talent Utilisation (SETU)	-----	-----	150.00	75.57	112.00	59.42	200.00

4.3 When asked to specify the status of various new initiatives under Atal Innovation Mission (AIM) and Self-Employment And Talent Utilisation (SETU) like setting up 'Tinkering Labs' in schools, incubation centres and promotion of digital payments etc. being funded by NITI Aayog through Central Sector Schemes, the Ministry of Planning in a written reply stated that the status of various ongoing initiatives under Atal Innovation Mission is as under:

"(i) Atal Tinkering Labs(ATLs): Under this initiative, out of 941 Selected Schools, funds have already been disbursed for 331 and 340 Schools during 2016-17 and 2017-18 respectively. Besides this, 1500 new schools have also been shortlisted in 2017-18 and approved for further processing.

(ii) Atal Incubation Centres (AICs): Under this initiative, 7 institutions during 2016-17 were identified and disbursements have been made to them during 2017-18.

(iii) Established Incubation Centres(EICs): Under this initiative, disbursements were made to 06 institutions during 2016-17 and 11 institutions have been identified during 2017-18.

A second round of applications for additional AICs and EICs was initiated in 2017-18 and more than 2400 applications were received. The evaluation and selection of new AICs/EICS is in progress and will be completed within the next 8-12 weeks."

CHAPTER V

Economically Backward Districts - Appraisal of needs and provision of Special Grants

5.1 To a query with regard to the steps envisaged by NITI for rapid transformation of the 115 identified backward districts and the outcome of the first meeting of 'Prabhari Officers' entrusted with the mandate to coordinate the efforts between Centre and States, the Ministry of Planning (NITI) in a written reply stated as under :

i) "A program to rapidly transform 115 identified districts in India which have hitherto shown relatively less progress across different development parameters was conceptualised and launched by Niti Aayog. It has been launched with the objective of improving the standard of living of citizens residing in these districts. Progress under this programme will result in dramatic rise in ranking of the country in terms of HDI and would also help the country in achieving SDGs. It is an important step towards creation of a New India by 2022.

ii) To keep the approach focused, the programme seeks to stress upon following sectors:

- a) Health and Nutrition
- b) Education
- c) Agriculture and Water Resources
- d) Financial inclusion and skill development
- e) Basic Infrastructure including access to road, potable water, rural electrification and individual household toilets.

iii) For this programme, 115 districts in 28 States have been identified on the basis of a transparent process by using a composite index (No district has been selected from Goa as both the districts are relatively more developed). This index comprises of published data in health and nutrition, education, deprivation enumerated under Socio-Economic Caste Census and basic infrastructure including road access, individual household toilet, access to drinking water and household electricity.

iv) States are the main drivers of this programme. To assist district administration, Centre and State Governments have nominated senior level officials as Prabhari officers for these districts. These Prabhari officers are in a position to guide the districts due to their experience and are to act as a bridge between Centre and State.

v) The core strategy in the program may be summarised as:

- States as main drivers
- Work on the strength of each district.
- Make development as a mass movement in these districts.
- Identify low hanging fruits by identifying the strength of the districts so that this can work as a catalyst for development.
- Convergence of existing Schemes of Central and State Government.

vi) In order to aid District Magistrates, Niti Aayog is developing a real time

monitoring mechanism of key performance indicator and rank the district on continuous basis. This is expected to bring in lot of competition.

vii) The programme was formally launched on Jan 5, 2018 in a conference held in Ambedkar International centre, New Delhi. In this meeting, which was attended by Central Ministers, Secretaries and Central and State Prabhari officers, the participants presented their strategies to transform these districts across identified themes of health, education, agriculture, financial inclusion, skill development and basic infrastructure.

viii) In the first visit of Prabhari officers, district administration were sensitized of the objective of making development a mass movement and identification of low hanging fruits in the districts. Most of the Prabhari officers reported that currently, the districts have no robust mechanism of creating district action plan or collecting real time data for fine tuning their strategies. To address these lacunae, Niti Aayog has evolved a broad framework of creation of district level programme for identifying opportunities and challenges in the district, compare the performance of the district with best in the concerned State as a first step and with the best district in the country subsequently so that these aspirational districts work in focussed manner to reach these targets. The framework also envisaged mapping of the resources available under various Schemes, using the principle of convergence. Currently, districts have been requested to prepare such district action plan. Secondly, Niti Aayog is also helping the district administration to set up a real time monitoring mechanism so that administration is more evidence based".

5.2 When asked to elaborate upon the steps envisaged by NITI to set right the various aspects related to the disparities of income, demography, literacy, nutrition etc. between the most backward and the richest and the poorest states in India and how does NITI plan to resolve 3-3-3 paradox, from a strategic point and outcome point of view, the Ministry of Planning in their written reply stated that:

"keeping the country on a high trajectory of inclusive growth is key development objective. While high rate of GDP alone does not necessarily ensure an equitable development, maintaining rapid growth is an important policy objective nonetheless as a rising GDP not only leads to creation of more livelihood opportunities but also result in higher revenue with the Government which is essential to launch targeted programme for relatively poorer section of the India societies. Though there are many challenges, in recent year, the strategy of the government is to maintain high level of investment in infrastructure sector, work towards improving flow of institutional credit to key sectors like agriculture and key target groups like micro-entrepreneurs and launch targeted schemes for removal of poverty. Not withstanding these efforts, as long as the asset distributions remain skewed, it is axiomatic that fruit of development will be unequally divided. Such assets include soft assets like knowledge and health. The Indian economy has experienced faster growth in recent decade in which knowledge including technical education has played an important role. The

policy thrust therefore is to ensure that special efforts are made to improve the health and nutrition as well as learning outcomes in India, especially among the section of population which is relatively poor so that they can take advantage of the economic development in the country. It is envisaged that these long term measures are important elements of strategy to reduce inequality in addition to specifically targeted programmes and to keep the GDP growth rate high which has its attendant benefits as discussed above. In addition, launching of programme for transforming identified backward district is also expected to address the issue of economic inequality."

5.3 To a query with regard to the various steps proposed by NITI to collect data regarding the backwardness of various backward districts and the support and assistance NITI provide to such districts and States for their development, the Ministry of Planning in a written reply stated as under :

"(i) One of the strategies envisaged in transforming the identified district is to institute a real time monitoring mechanism. For this, key performance indicators have been identified across various sectors which are under focus in this programme: Health and Nutrition; Education; Agriculture and Water Resources; Financial inclusion and Skill development; Basic Infrastructure including access to road, potable water, rural electrification and individual household toilets.

(ii) These indicators are of two types: process indicators like percent of children immunized and outcome indicators like percent of children who are stunted. List of these indicators have been shared with the district magistrates. Collection of data is envisaged from two sources: firstly, District/State administrations are being requested to collect these data on regular basis. Secondly, some of the data are being validated by survey agencies which have been contracted by NitiAayog to undertake this task. Some of the inputs pertain to Schemes being run by central ministries. Arrangements are being put in place where such data points are populated by Central Ministries so that there is no duplication of effort.

(iii) Finally, these data points are envisaged to be displayed on a dashboard. For creation of dashboard, NitiAayog has entered into a MoU with Government of Andhra Pradesh which has experience of setting up a district level real time monitoring mechanism. District administrations of these 115 districts would be sensitized to feed data on the selected Key Performance indicators for their getting reflected on the dashboard. This would also allow ranking of these districts on the basis of percent change made into these data points. Such ranking is expected to spur a sense of competition among the District Magistrates."

PART - II

OBSERVATIONS/RECOMMENDATIONS

Analysis of Demands for Grants (2018-19) :

1. The Committee note that the total budgetary allocation of the Ministry of Planning for the year 2018-19 is Rs. 339.65 crore. This includes Revenue and Capital portions of Rs. 338.97 crore and Rs. 68 lakh respectively. The Budget Estimates of 2018-19 have increased by Rs. 34.5 percent with respect to the Budget Estimates of 2017-18. The scrutiny of the Plan Budget of the Ministry of Planning reveals that against the BE of Rs. 200 crore in the year 2016-17, the actual utilisation was Rs. 155.08 crore. In 2017-18, BE and actual utilisation (upto January 2018) were Rs. 171.50 crore and Rs. 92.92 crore respectively. The Ministry has been allocated Rs. 262.30 crore for the budget year of 2018-19. The Committee further note that under the scheme 'Atal Innovation Mission (AIM) including Self Employment and Talent Utilisation (SETU)' there has been a substantial gap of Rs. 74.43 crore and Rs. 52.58 crore between the BE and Actuals during the fiscals of 2016-17 and 2017-18 respectively. The same trend is visible under the heads of 'Ongoing programme and schemes including liabilities from BE 2014-15' and 'DMEO'. The gap under 'Ongoing programme and schemes including liabilities from BE 2014-15' stood at Rs. 13.20 and Rs. 15.47 crore between the BE and Actuals for the fiscals 2016-17 and 2017-18 respectively. The difference under 'DMEO' stood at Rs. 2.81 crore and Rs. 5.09 crore for the year 2016-17 and 2017-18 respectively between the Budget Estimates and Actuals. The Committee are of the view that such persistent underutilisation of budgetary

allocation reflects poorly upon the financial management of the Ministry of Planning. The Committee desire the Ministry to effectively utilise the allocation in a time bound manner and avoid such divergence in allocation *vis-a-vis* utilisation in future. This reflects on planning especially on part of NITI and its role as the premier think tank of the Government.

2. The Committee note with dismay that the 'UN-NITI Aayog Strategic Partnership project' has been allocated a meagre sum of Rs 10 lakh only. The Committee are of the view that the allocation of Rs. 10 lakh for a seemingly important initiative aimed at familiarizing the activities planned under the United Nations Sustainable Development framework (2018-22) seems to be inadequate and needs a revisit for likely enhancement keeping in view its bearing on Sustainable Development Goals and National Development Agenda for a new India by 2022. Budgetary allocation under Research and study has been made to an extent of Rs. 3.23 crore only. The Committee feel that in light of NITI's greater role as a think tank, the allocation seems to be minuscule. The long term outcome of such a grant be taken into cognizance seriously and deserving budgetary support may be provided wherever necessary.

3. The Committee desire that Ministry of Planning methodically go through the details of its Mid-Term Appraisal report and initiate remedial action on inputs gathered and implement the same into the National Development Agenda-2022. They feel that such dovetailing of inputs may lead to a convenient effectiveness on the programme implementation potential of NITI. The Committee would like the NITI to complete the

formalities of the detailed performance - based on outcome budget document and share the details regarding its benefits and outcome. Further, NITI should ensure that the initiative would be able to ensure effective accountability and reliable audit of various schemes and monies, which are to be utilised in a qualitative and measurable way. The Committee feel that an effective and proper implementation of such scheme would assist the Government to ensure appropriate use of scarce resources in times of monetary constraint and fiscal challenges. The Committee desire that although the budgetary allocation has increased to an extent, the Ministry of Planning may impress upon the Government from time to time for higher grants keeping in view NITI's urgent and emerging role. The Committee recommend that the Ministry in the meantime make optimum use of budgetary allocation during the fiscal year.

Development Monitoring and Evaluation Office (DMEO)

4. The Committee note that the Development Monitoring and Evaluation Office (DMEO) was established in September 2015 as an attached office of NITI, in sync with the priorities of the Government focusing on various aspects related to the monitoring of programmes and initiatives. DMEO has been further mandated with monitoring the implementation of the Output Outcome Budget of the Government for 2017-18. Moreover, the Committee have been informed that DMEO has recently completed an exercise to improve the quality of Outcome Budget document by identifying quantifiable and measurable outputs and outcomes and relevant indicators to monitor 750 schemes across 72

Ministries / Departments. It also monitors the implementation of action points agreed during the discussions held quarterly by PMO to review the various sectors, with no role in allocation of funds. The Committee note that allocation for DMEO has increased by 20% during the fiscal and the same appears to be in line with the expansive work profile proposed to be undertaken by it. The Committee in their previous reports had flagged the issue of underutilisation of the budgetary allocation at its inception stage and had recommended the need for an appraisal of the same. The trend still persists as only Rs. 9.90 crore has been utilised upto January 2018 against the BE of Rs. 15 crore for 2017-18. The Committee are of the view that delegation of such an important task as monitoring the implementation of Outcome Budget of the Government requires an effective and competent manpower at its disposal with requisite expertise. The Committee are of the view that DMEO should institute comparative outcomes at Budget Estimate, Revised Estimate and Actuals stage over the foregoing years. Furthermore, a proper evaluation and analysis be effected for monitoring and follow up action especially regarding 12 infrastructure sectors and 3 social sectors viz. Road (Highway), Civil Aviation, Digital, Health, Education, Petroleum and Rural livelihoods, Rural housing, Rural roads, Railways, Power (including Coal) and Urban Housing besides other major activities contributing to the economy. They desire that DMEO evaluate and finalise its core requirements in quantitative and qualitative terms for fulfilling its mandate and accordingly strengthen and reinforce it without any further delay. The Committee acknowledge the important role being played by

DMEO within the overarching work profile of NITI and urge upon them for a proper budgetary utilization and consequent steps for dynamic implementation and outcome. The details of its progress and outcomes may be shared with the Committee at the earliest.

Atal Innovation Mission (AIM) and Self Employment and Talent Utilisation (SETU)

5. The Committee note that the Finance Minister had announced two schemes viz. Atal Innovation Mission (AIM) and Self Employment and Talent Utilisation (SETU) during the Budget Speech of 2015-16. Further, the two schemes were combined into a single scheme namely "AIM including SETU", as per the recommendation of the Expenditure Finance Committee and subsequently approved by the cabinet. The scheme proposes to rapidly transform the innovation and entrepreneurship ecosystem in the country viz. setting up of 600 new Atal Tinkering Labs (ATLs) and support to 21 Established Incubation Centres selected in 2017-18. The Committee further note that it is one of the main scheme operated by NITI with a relatively substantial financial outlay of Rs 200 crore for the fiscal 2018-19.

The Committee while appreciating the intent of the government to foster ideas related to start-up culture in schools and colleges, they opine that a lot of ground needs to be covered for a persuasive fruition of such an enabling initiative. They are of the view that although a substantial amount of taxpayers' money has been spent on the scheme, the challenge remains as of today with most of the incubators unable to produce any concrete and quantifiable result in form of an authentic

startup. The Committee, therefore, recommend that government should do 'due diligence' while providing funds and the same should be systematically distributed so that the educationally backward areas should get top most priority and also get an opportunity to innovate and progress side-by-side with the relatively better-off areas. The Committee further desire that the government continuously evaluate the progress on real time basis against concrete deliverables, in the field of innovation at local level. Further, the schools should be pursued vigorously to complete the documentation process.

Economically Backward Districts - Appraisal of needs and provision of Special Grants

6. The Committee note that NITI has launched a program to rapidly transform 115 identified districts in India with an objective of improving the standard of living of the citizens residing in these districts. Further, it is proposed that the steps initiated under this program would result in dramatic rise in ranking of the country in terms of Human Development Index (HDI) and help the country achieve Sustainable Development Goals, a step towards creation of a New India by 2022. The Committee note that NITI through such mechanism would ensure inclusive growth to effectively improve its HDI indices, ushering the transformation of identified backward districts. The Committee are however somewhat apprehensive with respect to the roadmap and parameters of this initiative. The Committee are of the view that since the States are

supposed to be main drivers in the transformation of backward districts, they find it difficult to comprehend as to how NITI plans to take onboard the concurrence of States and alleviate their reservations towards the unilateral decision of NITI and Central Government. The Committee therefore desire NITI to systematically address various lingering issues with respect to the coordination between centre and states. The scheme must be designed in way to redress regional inequities and imbalances by converging development inflows smoothly into the growth ecosystem of the backward districts.

The Committee are of the view that there are persistent regional, inter / intra state-district imbalances in development. NITI should strive towards building of a qualitative capacity for effective transformation at both state and district level, which is a key pre-requisite towards successful and time-bound transformation. The Committee recommend that under this programme, NITI should endeavour towards addressing those critical gaps within the developmental agenda that are not being adequately met through the existing schemes. Professional inputs by NITI to improve the delivery of critical ideas and their vision to State governments and district administration and to counter possible efficiency loss on account of inadequate local mechanism also needs to be dealt with on priority basis. Furthermore, concerted efforts must be in place to streamline inter / intra-state and district variations through a sustained effort to propel the country on a higher growth trajectory. However it is not clear to the Committee as to what are the schemes and corresponding allocation and they feel that in absence of any allocation,

the meagre involvement of Prabhari Officers without engaging the State Government may not serve the intended purpose. Keeping in view the proposed model of development of 115 backward districts, the Committee desire that they should be apprised of the details of this development model / parameters and mode of funding of the identified 115 backward districts in the country as also the Sansad Adarsh Gram Yojana (SAGY).

7. With regard to the issue of strategic disinvestment of Public Sector Undertakings (PSUs), the Committee are of the view that no profit making PSUs should be sold. They feel that the PSUs with steady and proven track record should not be subject to any strategic disinvestment, but should be systematically strengthened and nurtured to leverage their role to achieve the desired socio-economic objectives and National Development Agenda 2022. The NITI being a think tank should consider this and suggest alternative avenues of non-tax avenues to the Government than adopting this easy way out. For instance, in the case of Air India, the Committee would like to be informed as to why its turnaround is not being considered instead of write-offs of debts.

8. The Committee desire that with regard to the roadmap for revitalisation of Agricultural sector and doubling of farmers' income, the NITI should without any delay come out with a workable blue print and a coherent strategy to achieve these goals. The Committee may be apprised at the earliest about the various schemes and projects undertaken and envisaged for this purpose including the funding pattern thereof.

9. The Committee would also like to be apprised about the initiatives

taken by NITI in collaboration and coordination with State Governments and the results achieved with regard to digitalisation of land records, public health records and other such social documentation, which will go a long way towards operationalising the concept of cooperative federalism.

New Delhi;
08 March, 2018
17 Phalguna, 1939 (Saka)

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

**Minutes of the Eleventh sitting of the Standing Committee on Finance
(2017-18)**

**The Committee sat on Friday, the 16 February, 2018 from 1400 hrs. to
1530 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.**

PRESENT

Dr. M. Veerappa Moily - Chairperson

LOK SABHA

2. Shri Bandaru Dattatreya
3. Shri Nishikant Dubey
4. Shri Venkatesh Babu T.G.
5. Shri P.C. Gaddigoudar
6. Shri Rattan Lal Kataria
7. Shri Chandrakant Khaire
8. Shri Bhartruhari Mahtab
9. Prof. Saugata Roy
10. Shri Gopal Shetty
11. Shri Kiritbhai Solanki
12. Dr. Kirit Somaiya
13. Shri Dinesh Trivedi
14. Shri Shivkumar Udasi

RAJYA SABHA

15. Shri Naresh Agrawal
16. Shri A. Navaneethakrishnan
17. Shri Mahesh Poddar
18. Dr. Mahendra Prasad
19. Dr. Manmohan Singh

SECRETARIAT

- | | | | |
|----|------------------------------|---|---------------------|
| 1. | Smt. Abha Singh Yaduvanshi | - | Joint Secretary |
| 2. | Shri Rajesh Ranjan Kumar | - | Director |
| 3. | Shri Ramkumar Suryanarayanan | - | Additional Director |
| 4. | Shri Kulmohan Singh Arora | - | Deputy Secretary |

WITNESSES

Ministry of Planning (NITI)

1. Shri Amitabh Kant, CEO
2. Shri Yaduvendra Mathur, Additional Secretary
3. Shri Rameshwar Prasad Gupta, Additional Secretary
4. Shri Kumar Sanjay Krishna, AS & FA
5. Shri Ramanathan Ramanan, Additional Secretary & Mission
Director, AIM

6. Dr. Sunita Sanghi, Sr. Adviser
7. Shri Alok Kumar, Adviser
8. Shri Vikram Singh Gaur, Joint Secretary
9. Shri Anil Srivastava, Adviser
10. Dr. Anna Roy, Adviser
11. Dr. Yogesh Suri, Adviser
12. Ms. Sanyukta Samaddar, OSD

3. At the outset, the Chairperson welcomed the witnesses to the sitting of the Committee. After the customary introduction of the witnesses and powerpoint presentation, the Committee took the evidence of the representatives of the Ministry of Planning (NITI) on the Demands for Grants (2018-19). The major issues discussed during the sitting related to the Mid-Term Appraisal report; aspects related to the detailed performance based outcome budget document; progress and achievement of Atal Innovation Mission (AIM) including Self Employment and Talent Utilisation (SETU); discussion with regard to the United Nations - NITI Aayog strategic partnership and United Nations Sustainable Development framework ; issues related to Universal Health Scheme and allocation of paltry sum of Rs. 2000 crore thereof; steps initiated by Development Monitoring and Evaluation Office (DMEO) towards improving the quality of outcome budget; various aspects related to the 115 identified backward districts and criteria choosen to shortlist the districts thereof; steps needed towards comprehensive revitalization of the agriculture sector and doubling the farmers income; present scenario with regard to Sustainable Development Goals and issues related to participation of States; Status of scheme formulated by NITI regarding Minimum Support Price (MSP); need for a foolproof mechanism for farmers to get adequate price for their produce and steps initiated by NITI for job creation and skill development. The Chairperson then directed the representatives of Ministry of Planning to furnish written replies to the points raised by the Members during the discussion within a week to the Secretariat.

The witnesses then withdrew.

A verbatim record of the proceedings has been kept

The Committee then adjourned.

**Minutes of the Thirteenth sitting of the Standing Committee on Finance
The Committee sat on Thursday, the 8 March, 2018 from 1500 hrs to 1645
hrs in Committee Room 'D', Parliament House Annexe, New Delhi.
PRESENT**

Dr. M. Veerappa Moily - Chairperson

LOK SABHA

2. Shri Nishikant Dubey
3. Shri P.C. Gaddigoudar
4. Shri Rattan Lal Kataria
5. Shri Bhartruhari Mahtab
6. Shri Prem Das Rai
7. Prof. Saugata Roy
8. Shri Rajiv Pratap Rudy
9. Shri Gopal Shetty
10. Dr. Kiritbhai P. Solanki
11. Dr. Kirit Somaiya
12. Shri Shivkumar Udasi

RAJYA SABHA

13. Shri Mahesh Poddar
14. Dr. Manmohan Singh

SECRETARIAT

- | | | | |
|----|------------------------------|---|---------------------|
| 1. | Smt. Abha Singh Yaduvanshi | - | Joint Secretary |
| 2. | Shri Rajesh Ranjan Kumar | - | Director |
| 3. | Shri Ramkumar Suryanarayanan | - | Additional Director |
| 4. | Shri Kulmohan Singh Arora | - | Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. Thereafter, the Committee took up the following draft reports for consideration and adoption:

- (i) Draft Report on Demands for Grants (2018-19) of the Ministry of Finance (Departments of Economic Affairs, Expenditure, Financial Services and Investment & Public Asset Management).
- (ii) Draft Report on Demands for Grants (2018-19) of the Ministry of Finance (Department of Revenue).
- (iii) Draft Report on Demands for Grants (2018-19) of the Ministry of Corporate Affairs.
- (iv) Draft Report on Demands for Grants (2018-19) of the Ministry of Planning (NITI).

- (v) Draft Report on Demands for Grants (2018-19) of the Ministry of Statistics and Programme Implementation.

After some deliberations, the Committee adopted the above draft Reports with minor modifications and authorised the Chairperson to finalise them and present these Reports to Parliament.

The Committee then adjourned.