

STATEMENT TO BE MADE BY SHRI SRIKANT KUMAR JENA, MINISTER OF STATE (INDEPENDENT CHARGE), MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION IN THE LOK SABHA REGARDING THE STATUS OF IMPLEMENTATION OF RECOMMENDATIONS CONTAINED IN THE **SEVENTIETH REPORT** OF THE PARLIMENTRY STANDING COMMITTEE ON FINANCE IN PURSUANCE OF DIRECTION 73A OF THE HON'BLE SPEAKER, LOK SABHA.

I am making this statement on the implementation status of the recommendations contained in the Seventieth Report of Standing Committee on Finance in pursuance of Direction 73A of the Hon'ble Speaker of Lok Sabha.

The Standing Committee on Finance examined the Demands for Grants of the Ministry of Statistics and Programme Implementation for the year 2013-14 and presented / laid their Seventieth Report to the Lok Sabha and Rajya Sabha on 22.04.2013. There were 9 recommendations made by the Committee in the said report where action was called for on the part of the Government. The major recommendations mainly related to:

1) The Ministry has to devise an effective mechanism for identifying and overcoming the deficiencies in the existing system of budgetary planning for assessment of funds required and proper utilization of allocated funds through prudent management of funds, close monitoring and timely implementation of plan schemes.

2) Since the Indian Statistical Strengthening Project (ISSP) is the first project of its kind being implemented in the country for the primary purpose of strengthening the National Statistical System, the Ministry should step up its endeavor to implement the scheme earnestly and expeditiously and utilize the budget allocation in the 12th Plan period effectively to revamp the statistical system in the country so as to ensure a significant improvement in the credibility, timeliness and reliability of State, Sub-State and National level data.

3) Basic Statistics for Local Level Development (BSLLD) scheme was launched way back in 2008-09, is in operation in 30 States/UTs. The committee is not happy with persistent underutilization of budgetary allocation under this Scheme, desires realistic projection of funds for the scheme so as to achieve intended objectives.

4) The committee recommended that the primary work of data collection has been entrusted to Panchayat Secretary in coordination with the village level functionaries such as Anganwadi workers, chowkidar, village pradhan revenue officials, etc. The data collected from grass root level is very basis of planning and policy in the Government, at the district level appropriate system be put in

place to provide requisite technical assistance and to ensure professionalism in the critical grass root level machinery.

5) For the purpose of District Planning, local level both for rural and urban areas of the entire district is required, the Ministry should explore the feasibility of collecting data for urban areas also during the 12th Plan period for the purpose of holistic local level planning in all States.

6) As per Planning Commission and Ministry of Finance, the deficiencies with respect to credibility, timeliness and adequacy of statistics available at present. Major thrust of the Ministry during the 12th Five Year Plan should be towards reforming the administrative and technical structure of Indian Statistical System and upgrading its capacity and Ministry should put in place data validation mechanism checks at various levels in order to improve data quality and obviate the release/ occurrence of faulty data/ statistics.

7) To overcome the shortage of manpower in Statistics Wing of the ministry, the committee recommends that the qualitative and optimum utilization of available manpower and by outsourcing the work of conducting survey, collection of data etc. which would be a practical solution as well. Simultaneously, the Ministry should also continue to recruit requisite manpower for its Statistics Wing.

8) With a view to minimize time and cost overruns in Central Sector Projects, the Central Sector Projects Coordinating Committees (CSPCCs) headed by the Chief Secretary of the respective States have been constituted in 18 States on the advice of the Ministry of Statistics and PI, the Committee desires that the Ministry should impress upon the remaining States to constitute CSPCCs so as to clear the bottlenecks at the earliest. The need to constitute a High Powered Committee to resolve the issue of minimizing time and cost overruns in the Central Sector Projects costing ` 1000 crore and above particularly the projects of Coal, Power, Railways and NHAI, where delays seems to be endemic ranging between 47 months to 235 months. The Committee may be apprised of the action taken in this regard.

9) The need to compile/prepare a comprehensive report on the status of various infrastructure projects across the country including those implemented by State and place the same through the Planning Commission before the National Development Council (NDC) for a complete overview.

The present status of implementation of the various recommendations made by the Hon'ble Committee is indicated in the Annexure to my statement which is laid on the Table of the House.

I would not like to take the valuable time of the house in reading the contents of the Annexure. Hence, I would request that this may be considered as read.

Action Taken by Government on the recommendations contained in the Seventieth Report of the Standing Committee on Finance on Demands for Grants (2013-14) of the Ministry of Statistics and Programme Implementation

Rec. Sl. No.	Recommendation/ Observation of the committee	Reply
I Para-1	<p>The Committee note with concern the persistent underutilization of allocated Plan funds in the Ministry of Statistics and Programme Implementation (MOSPI) during the last three years. During the preceding three years the actual plan expenditure of the MOSPI was less than 50 percent of the allocated Budget of each year. The actual expenditure of MOSPI (excluding MPLADS) in 2010-11 was Rs. 114.03 crore as compared to Budget Estimates of Rs. 268.08 crore. In 2011-12 actual expenditure was Rs. 262.47 crore whereas BE was Rs. 600.00 crore. The expected expenditure in 2012-13 was about Rs. 340.00 crore whereas BE was Rs. 631.00 crore. Now for the year 2013-14, again the BE is Rs. 631.00 crore. The Committee are not convinced with the routine reply of the Ministry that the shortfall in the plan expenditure was on account of lesser expenditure under the Economic Census, Indian Statistical Strengthening Project (ISSP), postponement of Organisation of Economic Corporation and Development Conference and underutilization of allocated funds in NSSO etc., as gross under-utilisation has become a persistent feature. Such a trend only indicates that the funds allocated for plan side were not consistent with the capacity of the Ministry to spend the funds. The Committee are dismayed to note that repeated recommendations made by the Committee in their earlier reports for prudent and effective</p>	<p>The Plan schemes of MoSPI are somewhat of different nature as in most of the cases, the Ministry has to depend on various state Governments and other Central Ministries /Departments to fully implement its Plan schemes. India Statistical Strengthening Project (ISSP), Economic Census, Basis Statistics of Local Level Development (BSLLD) are some of the Plan Schemes of the Ministry where there is heavy reliance upon the State Governments and other agencies which are predominantly responsible for the implementation. Under the aforesaid Plan Schemes of the MoSPI, the funds are given to the State Governments/ other agencies. It is the slow pace of utilization of funds by State Governments etc. that ultimately results in the under-utilization of Plan fund of MoSPI.</p> <p>2. The Ministry has been consistently following up with the State Governments at various levels to ensure the utilization of plan funds. Within the Ministry we have put in place a two tier</p>

	<p>budgetary formulation went unheeded. The Committee are thus constrained to reiterate that the Ministry should devise an effective mechanism for identifying and overcoming the deficiencies in the existing system of budgetary planning for assessment of funds required and proper utilisation of allocated funds through prudent management of funds, close monitoring and timely implementation of plan schemes.</p>	<p>mechanism where the utilization of plan funds of various schemes are monitored on monthly basis by all the Divisional Heads and then it is being closely monitored on quarterly basis by the Secretary (S&PI). The observations of the Standing Committee on Finance have been noted for realistic assessment of future budget requirement and also for proper utilization of plan funds.</p>
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Rec. Sl. No.	Recommendation/ Observation of the committee	Reply
II Para-2	<p>The Committee note that the India Statistical Strengthening Project (ISSP) is primarily designed to strengthen and improve the State Statistical System by way of providing adequate technical and financial support to improve their statistical capacity and infrastructure for collecting, computing and disseminating reliable official statistics for policy planning purposes, particularly at the State and Sub-State level. The Committee are constrained to note that on ISSP the total expenditure incurred during 2012-13 was Rs. 22.54 crore, whereas BE was as high as Rs. 200 crore. Even during the year 2011-12, the amount earmarked for the scheme could not be utilized, which only indicates that this Scheme has not yet taken off, despite the lapse of 6 years since its launch. The Committee are of the view that since ISSP is the first project of its kind being implemented in the country for the primary purpose of strengthening the National Statistical System, the Ministry should step up its endeavor to implement the scheme earnestly and expeditiously. The Committee hope that the Ministry would utilize the budget allocation in the 12th Plan period effectively to revamp the statistical system in the Country so as to ensure a significant improvement in the credibility, timeliness and reliability of State, Sub-State and National level data.</p>	<p>Under the India Statistical Strengthening Project (ISSP), funds are released by the Ministry for the implementation of the State/UT-specific State Strategic Statistical Plans (SSSPs), in accordance with a case-specific Memorandum of Understanding (MoU) signed by the Government of India with each of the project implementing States/UTs. While the first installment is released on signing of the MoU, the subsequent installment(s) are released only on furnishing of Utilization Certificate in prescribed format reflecting utilization of already released funds of the previous installment(s) and furnishing of achievements of project output to the prescribed level as committed in the MoU, after due review and necessary approval initially by the State High Level Steering Committee (SHLSC) on ISSP and the subsequent review and approval by the High Level Steering Committee on ISSP at the national level. Thus a comprehensive review and monitoring mechanism has been put in place to facilitate and</p>

		<p>ensure proper and effective utilization of funds under the Project.</p> <p>2. The ISSP Project, being the first of its kind being implemented in India by the State Statistical Systems, had encountered several serious initial teething problems so far at the State/UT levels, under this complex and multi-dimensional project such as securing, in a timely manner, the requisite financial and administrative approvals for implementation of the various prior approved components of the scheme, serious delays pertaining to allocation of land for execution of the physical infrastructure related segments of the project, delays in accomplishing the task of ensuring the required effective coordination between the State Statistical Bureaus/State Directorates of Economics & Statistics, on the one hand and a large number of other concerned line Departments/agencies of the State/UT Governments, on the other. However, the implementation of the project in the States has now viz. over the past few months started showing signs of improvement and gathering momentum as a result of a series of initiatives/measures taken by the Ministry such as, periodic and</p>
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		<p>intensive reviews on the project performance with the States/UTs undertaken by the Secretary (Statistics & Programme Implementation), visits undertaken from time to time by the concerned officers of the Ministry to both review and help expedite the implementation of the project, meetings by the Secretary (Statistics & Programme Implementation) with the Chief Secretaries of some of the project implementing states from time to time; intensive discussions by the ISSP Unit on the key aspects of the project with the delegations of concerned officials from time to time visiting the unit to discuss about some of the operational problems faced, with a view to solving them efficiently and effectively.</p> <p>3. The Ministry has also been constantly urging, appealing and advising the project implementing States/UTs through various form such as the annual Conference of the Central and State Statistical Organizations viz. COCSSO (the last of which was held in January, 2013) to expedite the implementation of the project, by providing/suggesting the relevant and feasible strategies to effectively deal with various types of</p>
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		<p>operational problems encountered under the project. Incidentally, for the annual COCSSOs organized by the Ministry, because of the crucial and vitally important nature of the project, ISSP is a permanent (in fact, the only one of its kind at present) item featuring in the agenda of every year's conference convened in this series. A very detailed review on a State/UT-wise basis of the performance of the various States/UTs under ISSP was undertaken sometime back viz. on April 9, 2013 by Secretary (Statistics & Programme Implementation), among other things, to impress upon the project implementing States to significantly step up the pace of implementation of the project and make the actual progress to align with and conform to the timelines and budgetlines committed under the respective MoUs. In addition, the progress of implementation under the project is also reviewed from time to time during the meetings of the High Level Steering Committee on ISSP in the Government of India, under the Chairmanship of the Secretary (Statistics & Programme Implementation), Government of India. Besides this, the Ministry also utilizes certain other available forum</p>
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		<p>such as Interstate Zonal Council Secretariat Meetings organized from time to time by the Ministry of Home Affairs for the purpose of highlighting the critical necessity now existing for expediting and earnestly implementing the ISSP project.</p> <p>4. So far, viz. up to 17th, September, 2013, ₹148.12 Crore has been released under the Project to 14 States/UTs. As advised by the Committee, the Ministry would be endeavoring to have more focused and intensive reviews at various levels, and more intensive and continuous engagement with the Project Implementing States to speed up the implementation of the project and thereby make for better and higher level of utilization of funds.</p>
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Action Taken by Government on the recommendations contained in the Seventieth Report of the Standing Committee on Finance on Demands for Grants (2013-14) of the Ministry of Statistics and Programme Implementation

Rec. Sl. No.	Recommendation/ Observation of the committee	Reply
<p align="center">III Para-3</p>	<p>The Committee note that for proper planning, monitoring and implementation of social sector programmes at local level and for making available basic statistics at village and panchayat level, 'Basic Statistics for Local Level Development (BSLLD) Scheme' was launched way back in 2008-09. This Centrally Sponsored Scheme is in operation in 30 States/UTs (51 district across the country) with the objective to ascertain the availability of data on about 250 indicators from various village records and to identify their sources. As pointed out in their earlier reports, the Committee are not happy with the persistent underutilization of budgetary allocation under this scheme. The Committee, therefore, desire that realistic projection of funds for the scheme should be made so as to achieve the intended objectives.</p>	<p>The recommendations of the Committee are noted for compliance. The release of funds for pilot study for BSLLD in rural areas depends on completion of work and utilisation of earlier sanctioned funds by States/UTs. Keeping in view the progress of work of States/UTs, the Budget Estimate for BSLLD, for 2013-14, has been reduced to ` 3.00 Crore (vis-a-vis the budget estimate of ` 10 Crore for 2012-13).</p>

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Rec. Sl. No.	Recommendation/ Observation of the committee	Reply
<p>III Para-4</p>	<p>The Committee note that primary work of data collection has been entrusted to Panchayat Secretary in coordination with the village level functionaries such as Anganwadi workers, Chowkidar, village Pradhan, Revenue officials, Patwari, etc. Since the data coming from grass root level is the very basis of planning and policy in the Government, the Committee recommends that at the district level appropriate system be put in place to provide requisite technical assistance and to ensure professionalism in the critical grass root level machinery.</p>	<p>MOSPI is committed to provide all technical guidance to the States/UTs in respect of collecting local level data for district planning process. At present, Directorate of Economics and Statistics (DES) are entrusted to monitor the quality of the data compiled through BSLLD. DES has District Statistical Officer (DSO) at district headquarters. DSO is responsible for inspections through field visits and for sample scrutiny of the compiled data from village records. However, in order to ensure professionalism in the critical grass root level machinery, MOSPI had kept provision for training to State DES officials to check the quality of data collected. In addition, MOSPI officials also do sample supervision of field work and sample scrutiny of filled in schedules.</p>

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Rec. Sl. No.	Recommendation/ Observation of the committee	Reply
<p>III Para-5</p>	<p>As for the purpose of district planning, local level data both for rural and urban areas of the entire district is required, the Committee desire that Ministry should explore the feasibility of collecting data for urban areas also during the 12th Plan Period for the purpose of holistic local level planning in all States.</p>	<p>It is agreed that, for the purpose of district planning, local level data both for rural and urban areas of entire district is essential.</p> <p>To explore the feasibility of collecting data for urban, a meeting was organised among the Secretaries of Urban Development (UD), Housing and Urban Poverty Alleviation (HUPA) and MOSPI on 5th October, 2011. In the meeting it was decided to include the urban area in the pilot project.</p> <p>Schedule and instruction manual for urban area had also been developed accordingly in consultation with Central Ministries and States/UTs. Proposals have been invited from States/UTs for Pilot study for collecting data in urban areas. It is intended that this pilot study will be commissioned during 2013-14.</p>

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Rec. Sl. No.	Recommendation/ Observation of the committee	Reply
IV Para-6	<p>The Committee are dismayed to note the growing concern, in particular, the views coming from the Planning Commission and Ministry of Finance about the deficiencies with respect to credibility, timeliness and adequacy of statistics available at present. The Committee feels that the major thrust of the Ministry of Statistics and Programme Implementation during the 12th Five Plan should be towards reforming the administrative and technical structure of Indian Statistical System and upgrading its capacity. The Committee desire that the Ministry should put in place Data Validation Mechanism checks at various levels in order to improve data quality and obviate the release/occurrence of faulty data/statistics.</p>	<p>It is informed that data validation checks are already a part of the procedures followed in this Division for the compilation of National Accounts and the Consumer Price Indices. However, often the estimates of National Accounts undergo revision due to revision in the data received from source agencies. Therefore, it needs to be ensured that the data received from the source agencies, is duly validated, which is only possible if there is a well-augmented Statistical Division in each of these source agencies. Some of the agencies which supply data for this Division, but do not have an established Statistical Division are -</p> <ol style="list-style-type: none"> 1. Department of Shipping 2. Department of Financial Services 3. Railway Board, M/o Railways 4. Department of Public Enterprises 5. Department of Heavy Industries 6. Department of Power

		<p>7. Department of Revenue</p> <p>Further, there is a need to set up a Division in the Department of Economic Affairs so that the National Accounts data which is used for various economic policy purposes may be optimally and effectively utilized.</p> <p>To take care of concerned raised, Ministry is taking several steps. However, the most important step for reforming administrative and technical structure of Indian Statistical System is to carry out the cadre review of the service by suitably equipping all relevant Ministries/Departments with statistical personnel at appropriate level. Ministry has already initiated the proposal of next comprehensive Cadre Review of Indian Statistical Service.</p> <p>The cadre review will ensure establishing of statistical division in above Ministries/Departments and it is expected that the quality of data furnished by these Ministries/Departments will improve.</p>
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Rec. Sl. No.	Recommendation/ Observation of the committee	Reply
V Para-7	<p>In their Outcome Budget 2013-14 the Ministry of Statistics and Programme Implementation has stated that shortage of manpower in Statistics Wing of the Ministry may affect the quality of data collected. The implementation of the prestigious scheme of 'India Statistical Strengthening Project' will also depend upon the availability of qualified manpower. The Committee are of the view that shortage of manpower cannot always be an alibi for non-performance in this era of IT and its applications. Since the shortage of manpower in Statistics Wing of the Ministry is a perennial problem, it could be overcome by qualitative and optimum utilisation of available manpower and by outsourcing the work of conducting survey, collection of data etc. which would be a practical solution as well. The Committee, therefore, recommend that the Ministry should explore the feasibility of outsourcing the work of conducting of survey, collection of data etc. so as to overcome the persistent shortage of manpower. Simultaneously, the Ministry should continue to recruit requisite manpower for their Statistics Wing.</p>	<p>With respect to shortage of manpower in Subordinate Statistical Service, it is informed that M/o Statistics & Programme Implementation have taken necessary action to minimise the number of vacancies. As on 1st September, 2013 there are 137 Vacancies in Statistical Investigators Gr. I and 878 vacancies in Statistical Investigator Grade II. After approval of revised Recruitment Rules all vacant posts in Statistical Investigator Grade-I will also be filled up by granting promotions to S.I Gr.II. Besides, 496 posts in Statistical Investigator Grade-II were filled up by direct recruitment through Staff Selection Commission during 2012-13 and for the year 2013-14 it is proposed to recruit 453 candidates recommended by SSC through Combined Graduate Level Examination 2012 as against intimated vacancies of 700. Further about 352 vacancies against CGLE 2013 have been conveyed to SSC against CGLE 2013 and hopefully this will arrest</p>

		<p>the issue of shortage of manpower. The Ministry of Statistics and Programme Implementation is also taking up all the steps to reduce the rate of attrition in S.I Gr.II.</p> <p>One of the reasons for higher rate of attrition has been lower grade pay in SSS and the matter was taken up with Cabinet Secretariat through a COS note which is under consideration of DOPT. By adhering to Strategic Action Plan 2012-15, M/o Statistics & Programme Implementation shall overcome the problem of manpower shortage in the next few years.</p>
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Rec. Sl. No.	Recommendation/ Observation of the committee	Reply
VI Para-8	<p>The Committee note that the Infrastructure and Project Monitoring Division of the Ministry of Statistics and Programme Implementation monitors the implementation of Central Sector Project costing more than Rs. 150 crore in 16 sectors. It is supposed to act as an independent monitor for time and cost overruns in the implementation of projects and flag the slow/wayward projects for corrective action. The Committee note that as on 1st January, 2013, there were 566 projects on the monitor of the Ministry. Of these, it is a matter of great concern that as many as 103 projects have reported delay of more than 47 months. Total original cost of these 103 projects was Rs. 82,877.93 crore which is now anticipated to be a whopping Rs. 1,52,928.14 crore, leading to massive cost overruns of 84.53%. The Committee also note that with a view to minimize time and cost overruns in Central Sector Projects, the Central Sector Projects Coordinating Committees (CSPCCs) headed by the Chief Secretary of the respective State have been constituted in 18 States on the advice of the Ministry of Statistics and Programme Implementation. The Committee desire that the Ministry should impress upon the remaining States to constitute CSPCCs so as to clear the bottlenecks at the earliest. Since a special report is brought out by the Ministry on monthly basis on projects costing Rs. 1000 crore</p>	<p>The States where Central Sector Projects Coordination Committees (CSPCCs) have not yet been constituted have been apprised of the observations made by the Standing Committee on Finance and requested to take appropriate action for constituting CSPCCs.</p> <p>A Cabinet Committee on Investment (CCI) has been recently constituted in December 2012 to review and monitor the implementation of major projects which are delayed beyond stipulated time-frames, including issues affecting grant of clearances/approvals. To assist the CCI in its functions, a Committee of Secretaries (COS) has also been formed, comprising of Secretaries of concerned Ministries and having Secretary MoS&PI as one of its members. It is therefore felt that a separate High Powered Committee to monitor time & cost overruns, as recommended by the Standing Committee on Finance, might not be required.</p>

	<p>and above for the information of the Prime Minister's Office, the Committee also desire that the Government should constitute a High Powered Committee to resolve the issue of minimizing time and cost overruns in the Central Sector Projects costing Rs. 1000 crore and above particularly the projects of Coal, Power, Railways, and NHAI, where delays seem to be endemic ranging between 47 months to 235 months. The Committee may be apprised of the action taken in this regard.</p>	
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Action Taken by Government on the recommendations contained in the Seventieth Report of the Standing Committee on Finance on Demands for Grants (2013-14) of the Ministry of Statistics and Programme Implementation

Rec. Sl. No.	Recommendation/ Observation of the committee	Reply
VI Para-9	<p>The Committee believe that there would be several projects less than Rs. 150 crore entailing time and cost overruns and thus in order to effectively monitor and ensure timely implementation of all such projects, the Committee recommend that the monitoring ambit of the Ministry needs to be widened so as to cover even those projects country-wide costing Rs. 20 crore and above, which they are stated to have been monitoring earlier. In this context, the Committee further recommend that the Ministry of Statistics and Programme Implementation should also be mandated to compile/prepare a comprehensive report on the status of various infrastructure projects across the country including those implemented by State Governments and place the same through the Planning Commission before the National Development Council (NDC) for a complete overview.</p>	<p>After due consideration, in the year 2010 it was decided to raise the limit to monitor the Central Sector Infrastructure Projects from ` 20 crore to ` 150 crore. On the one hand, this brought the number of projects on the monitor of the Ministry to manageable levels and, on the other hand, this ensured more attention towards the comparatively larger projects, within the available resources. The limit of ` 150 crore is felt to be appropriate for the present.</p> <p>State sector projects are implemented by the State Governments, and fall in the domain of the State Governments and not of the Central Government. This Ministry monitors Central Sector Infrastructure Projects costing `150 crore or more on time and cost overruns on the basis of information provided/fed by the concerned project implementing agencies on the Online</p>

		<p>Computerized Monitoring System (OCMS) of the Ministry. It might not be readily feasible, within the available resources, to obtain information in a like manner in respect of state sector projects from all the various project implementing agencies spread across all the states in the country.</p>
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