

MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

REPORT ON ACTION TAKEN

OR

PROPOSED TO BE TAKEN

ON

THE RECOMMENDATIONS/OBSERVATIONS

CONTAINED IN

THE THIRTY-THIRD REPORT

OF

STANDING COMMITTEE ON FINANCE

ON

DEMANDS FOR GRANTS (2016-17)

OF

MINISTRY OF STATISTICS AND PROGRAMME

IMPLEMENTATION

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RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE
THIRTY-THIRD REPORT OF THE STANDING COMMITTEE ON
FINANCE**

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Statement showing Action Taken on the recommendations/observations contained in the Thirty-third Report of the Standing Committee on Finance

OBSERVATIONS / RECOMMENDATIONS

1. The Committee find that BE, RE and actual expenditure for Ministry of Statistics and Programme Implementation (MOSPI) Plan(without MPLADS) was Rs. 52,800 crore, Rs. 30,932 crore and Rs. 26,680.32 crore, respectively for the year 2014-15 while the corresponding figures for the year 2015-16 are Rs. 40,250 crore (decline of 23.8% from previous year), Rs. 20,004 crore (decline of 35.3% from previous year), Rs. 12,953.31 crore (decline of 51.4% from previous year) [figure upto December, 2015]. Furthermore, the allocation for the year 2016-17 is just Rs. 25,000 crore (BE) which has declined by 37.9% while the total Plan including MPLADS has also declined by 3.5%. This is the nodal Ministry for planned development of the Statistical System in the country, lays down and maintains norms and standards in the field of statistics, involving concepts and definitions, methodology of data collection, processing of data and dissemination of results. It not only co-ordinates the Statistical work in respect of the Ministries / Departments of Government of India and Directorates of Economics & Statistics but also advises them on Statistical methodology and Statistical analysis of data; conducts large scale all India Sample Survey, disseminates statistical information on various aspects through a number of publications to Government, Semi-Government, private users / agencies / UNSD, the ESCAP, ILO and other international agencies. Besides this, the Ministry monitors the progress of infrastructure projects of the Government. The Committee are aware that in times

Ref. O.M. of MoS&PI vide NO.G-20017/2/2016-B&F, dated 22nd, July, 2016

Ministry become more vital in terms of scientific sampling methods, coverage and surveys conducted with use of technology, quality of statistics released, methodological issues concerning the compilation of statistics and its extensive scrutiny. The Committee are however, surprised to find that the budget of the Ministry is being curtailed every year especially the Plan Budget (without MPLADS). They desire that in the present economic scenario warranting enhanced role of authentic data base; survey for dedicated purposes, analysis, interpretation and dissemination of data, the Ministry be allocated more funds. The Ministry of Statistics and Programme Implementation should accordingly take up the matter with the Ministry of Finance in this regard.

Reply:

Ministry currently has two plan schemes viz., Capacity Development and Grant-in-aid to ISI (other than MPLADS). Rs. 80 crore has been allocated in this financial year for ISI. The institute has to take up a lot of activities like setting up the R.C. Bose Centre for Cryptology and Security, construction of buildings for the Chennai and TezpurCentres etc. Depending upon the pace of expenditure, Ministry of Finance will be approached for additional funds in the RE stage. Ministry is planning to take up various surveys and statistical activities under the Capacity Development Scheme like Annual Survey of Service Sector, Time Use Survey, Development of National Data Bank, Modernization of National Accounts & Preparation of Satellite Accounts of non- profit institutions, Opening of New Regional Offices of NSSO in North Eastern States, etc. Also, MoSPI is required to work closely with all the concerned Ministries/Departments to identify appropriate national indicators for each nationally accepted target under the SDG along

with source(s) of data, periodicity, disaggregation level and method of data collection. Further, the State DESs are also to be involved in the collection of reliable and cross nationally comparable data and in determining the priorities to strengthen the capacities towards building data collection systems. After estimating requirement of funds, Ministry of Finance will be approached for provision of the same.

2. The Committee note that a provision of Rs. 290.17 crore was made in 2015-16 for the Indian Statistical Institute, which is a national institution of excellence. However, during the RE stage, surprisingly this allocation was revised downward to Rs. 214.67 crore. Now again, in the BE 2016-17, the allocation has been pegged at Rs. 252.8 crore, which is markedly lower than the previous year's BE. According to the Ministry, the allocation at RE stage had to be reduced, as capital works could not be taken up for the new centres and thus the expenditure incurred was low, thereby compelling the Ministry to surrender allocated funds. This year, the Ministry has sought to assure that the Institute will be able to initiate all their Capital Works and will thus be able to utilise their budgetary allocations. The Committee would now expect the Ministry and the Indian Statistical Institute to fulfil their assurance at least this year on utilisation of budgetary allocations for capital expenditure, which would enable them to develop new centres and strengthen their existing centres. In this context, the Committee would also expect the Indian Statistical Institute to become pro-active in both academic as well as research activities, while expanding their reach to more avenues and centres in the country without obviously diluting their standards of excellence. The Institute's infrastructure at Kolkata also needs to be sufficiently spruced up. The Committee recommend a high level intake of economists / academicians to rejuvenate the Institute in consonance with the dreams of its founders like Dr. P.C. Mahalanobis and develop it as the Institution of excellence and graduate it to international standards.

Reply:Budget Allocations

In 2015-16, the expenditure was low since the EFC meeting to appraise the scheme could be held only in the month of February, 2016. All efforts are being made to initiate all capital works. The Institute has earmarked funds for infrastructure works at its Headquarters and Centres in Kolkata, Bangalore, Chennai and Tezpur and Project Management Consultants have been nominated. M/s Bridge and Roof has been engaged as the Project Management Consultant for various infrastructure works at Kolkata. The initial estimate and scope of work is under finalization.

Academic & Research Activities

The Institute is laying all stress in furtherance of its Academic and Research Activities. Keeping up the tradition, the Institute has given special impetus to identify human resources and infrastructure for research projects in order to ensure its standing in the world academia. New teaching programs are being designed for development of highly skilled, motivated and knowledgeable manpower. The faculties of the institute have also designed important projects aligned to social, economic and technological needs of the country. Research in basic as well as Applied Sciences is flourishing at the institute.

3. The Committee note that again under Demand No. 85 of the Ministry, there has been persistently large amount of "savings" amounting to Rs. 46,888.48 lakh in 2012-13, Rs. 10,830.89 lakh in 2013-14 and a much larger Rs. 85,509.65 lakh in 2014-15. Such huge "savings" with consequential surrender of allocated funds has been attributed to (a) delay in implementation of the Support for Statistical Strengthening Project (SSP) by States / UTs; (b) delay in appraisal and approval of plan schemes in 12th Five Year Plan and; (c) non-receipt of requisite documents such as Utilization Certificate, Audit Certificate etc. on time in respect of MPLADS leading to delay in release of funds to District Authorities. The Committee are thus constrained to observe that such large 'surrender' of budgeted funds *per se* is nothing but a poor reflection on the planning, the implementation process as well as the level of efficiency of the Ministry. Obviously, due to lack of foresightedness, the Ministry is unable to properly utilise and absorb their budgetary allocations within the stipulated period. The Committee would, therefore, recommend a comprehensive review of the entire gamut of functioning of the Ministry addressing the areas of concern, pursuing the States for expeditious implementation and timely submission of relevant documents, so that its mandate can be better fulfilled with more fruitful outcomes for collection as well as credibility of national statistics.

Reply:

Regarding implementation of Support for statistical Strengthening, it is stated that considering the slow progress of the Scheme in terms of implementation and utilization of funds, in 2014-15, a major review/revisiting exercise of the Scheme was done. After

this, revised MoUs were to be prepared, approved, and only then funds were to be released. This fructified in March, 2015 and Rs. 15 crore had been released to 3 States. More funds could have been released but for the stipulation that no more than 15% of the RE can be released in the month of March. In the year 2015-16, the process was taken forward and the allocated amount of Rs. 40 crore (RE) was fully utilized because of proper estimation and planning pursuing with the States, expediting the proposals, etc. The unspent amount was nil. Similarly, in 2016-17, the allocation of Rs. 30 crore in BE is expected to be fully utilized.

And regarding implementation of MPLADS, Ministry regularly and proactively follows up with the District Authorities and the concerned State Nodal Departments to expedite the timely submission of requisite documents viz. Audit Certificate, Utilization Certificate and Monthly Progress Report to release the pending installments of MPLADS funds. Delay in submission of eligible documents is also taken up with the representatives of the State Governments in the Review meetings of MPLADS. Funds are released promptly on receipt of the requisite documents and certificates.

4. The Committee are unhappy to note the gross mismatch between the Plan allocation and actual expenditure on a persistent basis in respect of the Central Statistical Office. The Plan BE in 2013-14 for the organisation was Rs. 141.29 crore which was reduced to Rs. 121.23 crore at RE stage. The actual expenditure during the year was only Rs. 92.69 crore. Similarly, in 2014-15, the Plan BE of Rs. 149.14 crore was scaled down to Rs. 100.37 crore at RE stage while the actual expenditure was just Rs. 83.92 crore. The same story was repeated in 2015-16 also during which the Plan BE of Rs. 118.86 crore was reduced to Rs. 86.16 crore and the expenditure upto December, 2015 was only Rs. 58.43 crore. Similar trend of under-utilization has been noticed under the crucial information technology head as well. The Committee strongly disapprove of this continuous scaling down of allocations at RE stage and failure to utilise even the reduced allocations year after year. The Committee desire the Ministry / Organisation to exercise due diligence in their Budget formulation as also ensure that allocations are made in a rational manner. They emphasise that the allocations should be utilised to the fullest extent.

Reply :

Under Capacity Development Scheme, expenditure upto March, 2016 was Rs. 93.96 crore which was 97.18% of the RE 2015-16. As advised by the Committee, all efforts are being made for full utilization of funds in 2016-17.

5. The Committee find that the latest GDP data released by the Central Statistical Office (CSO) has raised more questions than providing answers and inputs on the momentum of economic activities across the country. It does not seem to corroborate real economic activities, such as corporate profitability or credit growth. The new methodology which includes the component of indirect taxes, only reflects inflated GDP figures rather than increased output. The robust growth estimates in the face of slump and downturn in certain sectors also raises a critical point on the credibility and reliability of statistical data collected for various economic measures such as GDP; a concern flagged by several economists including the RBI Governor. It has been pointed out by them that the statistical data can be considered reliable only if they are able to adequately and objectively capture the net economic impact of an activity. Devising methodologies, which would project a rosy picture by inflating overall growth figures, will not surely serve the purpose. It is, therefore, necessary that all doubts and methodological ambiguities are removed forthwith and more realistic computation methods be adopted with a view to enhancing the credibility of official statistics. It is suggested that a high level Committee of eminent economists be constituted to consider the entire matter and one acceptable methodology may be adopted, keeping in context practices followed in the world economy. This will put an end to the debate on the methodology.

Reply:

The Ministry of Statistics and Programme Implementation has a regular advisory mechanism in the form of an Advisory Committee on National Accounts comprising

eminent economists, statisticians and other experts to look into and advise on all methodological aspects for compilation and presentation of national accounts. The methodology approved by the Committee has been used in the base revision exercise of national accounts to compile and present national accounts with base year 2011-12. Changes in methodology and data sources for implementation in the new series of national accounts with base year 2011-12 were reviewed and finalized in a joint meeting of the Advisory Committee on National Accounts and National Statistical Commission held on 19-01-2015. The National Advisory Committee and the National Statistical Commission have been recently reconstituted which have eminent statisticians and economists as Chairperson and Members. In view of these advisory arrangements, it may not, perhaps, be necessary to constitute another Committee of eminent economists, as recommended by the Standing Committee on Finance.

6. The National Statistical Commission (NSC) under the Chairmanship of Dr. C. Rangarajan had recommended measures to correct the deficiencies and revamp the statistical system in the country to generate timely and reliable statistics for policy formulation and planning at different levels of administrative structure. The Committee have been informed that, while few of the recommendations have been implemented, most of them still remain on paper. The Composite Plan Scheme "Capacity Development" in the 12th Five Year Plan was prepared with a view to giving concrete shape to the NSC recommendations. However, the Committee find that from the year 2016-17, the Centrally Sponsored Schemes, viz. Support for Statistical Strengthening and Economic Census have been merged with the Central Sector Scheme "Capacity Development". Even under the present rationalized structure, the Committee would expect the Ministry to expedite the implementation of the NSC recommendations in a time-bound manner for improving the statistical capacity and strengthening the infrastructure of statistical systems at State level for collecting, compiling and disseminating reliable official statistics both at State and sub-State levels. The implementation issues that have emerged so far should be addressed forthwith including non-adherence to prescribed norms / parameters by some States. The Committee would like to emphasise in this regard that a proactive Management Information System should be put in place for continuous monitoring of authenticity of data.

Reply:

Support for Statistical Strengthening Scheme was reviewed and almost all states and UTs have been brought under the scheme. The scheme is approved upto 2016-17.

Ref. O.M. of MoS&PI vide NO.G-20017/2/2016-B&F, dated 22nd, July, 2016

Proposal to continue the scheme beyond this period will be taken for approval of the competent authority. Technical and financial assistance was provided to the State Governments and UT administrations for strengthening of the statistical systems. A conference of Central and State Statistical Organisations (COCSSO) is held every year. This is a continuing process and efforts will continue to be made to improve the statistical capacity and strengthen the infrastructure of statistical systems at State level for collecting, compiling and disseminating reliable official statistics.

7. The Committee note that there are as many as 713 vacancies in Subordinate Statistical Service, out of which 622 vacancies exist in Field Operation Division. Considering such unduly large number of vacancies, particularly at the cutting-edge level, the Committee are concerned that the Sample Surveys being conducted by NSSO through mostly contractual personnel, may have an adverse impact on the timeliness, coverage, accuracy, reliability and overall quality of data collected. It is to be recognised that the large rate of attrition in Subordinate Statistical Service and the resultant shortage of technically qualified manpower is a serious issue confronting the Ministry. The Committee would, therefore, recommend that urgent steps should be taken by the Government to help the Ministry overcome its acute manpower shortage at the field level, so that reliable collection and compilation of field statistics does not suffer. Accordingly, better working conditions may be provided to the field staff, as this has a direct co-relation to the quality and accuracy in collection, processing and dissemination of data. If necessary, in the interim, private agencies may be engaged for this purpose under the supervision of NSSO. The Committee would also recommend that the shortage of regular faculty members and support staff in the National Statistical Systems Training Academy should also be immediately addressed for better execution of all the training programmes.

Reply:

The manpower shortage in Subordinate Statistical Service (SSS) and position as on 01.05.2016 is as under:

Ref. O.M. of MoS&PI vide NO.G-20017/2/2016-B&F, dated 22nd, July, 2016

Sl.No.	Grade	Sanctioned	InPosition	Vacant
1	Sr. Statistical Officer	1756	1555	201
2	Jr. Statistical Officer	2196	1822	374
	Total	3952	3377	575

- (i) Through the Combined Graduate Level Examination (CGLE) 2014, SSC recommended 381 candidates for the post of Jr. Statistical Officer. All 381 dossiers have been received from SSC and after completion of pre-appointment formalities, 299 offers of appointment were issued on 17th March, 2016.
- (ii) Similarly, 82 Junior Statistical Officers [GP Rs.4200] have recently been promoted as Senior Statistical Officers [GP Rs.4600] vide this Ministry Order No.12016/1/2014-SSS dated 9th December 2016.
- (iii) With the concerted efforts of this Ministry, which *inter-alia* includes promotion of JSOs to SSOs and recruitment/posting of JSOs nominated by Staff Selection Commission (SSC), the vacancies of SSOs and JSOs have been brought down considerably to the extent of 14.5% of the sanctioned strength.
- (iv) It is stated that due to difficult nature of data collection work and lower grade pay in comparison to other Central Group 'B' Services, candidates are not much inclined to join SSS. Ministry of Finance was requested to upgrade the Grade Pay of J.S.O.'s from Rs.4200 to Rs.4600 at par with Assistants of CSS and Inspectors of central Excise, customs and Income Tax but the same was not agreed to. However, Ministry of Statistics and Programme Implementation had taken up the

Ref. O.M. of MoS&PI vide NO.G-20017/2/2016-B&F, dated 22nd, July, 2016

issue with committee of Secretaries (COS) vide this ministry I.D. Note No. 12035/02/2010-SSS, which was forwarded to Cabinet Secretariat vide this Ministry letter no.12035/02/2010-SSS dated 08.02.2013, however the decision of COS is awaited. Recently, the matter has also been taken up with the 7th CPC for their consideration.

8. The Committee note that there has been a steady decline in the allocation for Economic Census as Grant-in-aid to States for sixth Economic Census could not be released and fund allocation was reduced at RE stage due to non-receipt of Utilization Certificate and demands for next installments from them. The Committee, therefore, recommend that the Ministry should impress upon the States to furnish Utilization Certificates and demands for next installments well in time for timely release of funds for the scheme.

Reply:-

Economic Census is in completion stage. All India Report has been released on 31.03.2016 and the State/UT reports are in progress and likely to be released by respective State/UT Government by June, 2016. Further, required funds have been released to all the States/UTs except for Bihar after obtaining full utilization certificates of the earlier released funds. The delay in release (II installment) to Bihar is on account of non receipt of full utilization certificate of the earlier released installment. All the States/UTs have been requested to release the report at earliest and reconcile the budget allocated under sixth Economic Census and provide a copy of the expenditure Statement audited by Accountant General Office.

9. With regard to monitoring of Central Sector infrastructure projects of Rs. 150 crore and above, the Committee desire that aspects relating to cost-escalation and time overrun should be clearly brought out in the Annual Report of the Ministry. The Committee hope that the monthly / quarterly reports prepared by the Ministry on these pending projects will be detailed and comprehensive enough to make them useful for the administrative Ministries and other user-agencies. In this context, the Committee would recommend that details of implementation of contemporary flagship programmes like Urban Sanitation, Swachh Bharat Abhiyan, Affordable Housing for all etc., may also be included in these Monthly / Quarterly Reports for the use of concerned Ministries / Departments / agencies. In this regard, the Committee would also like to emphasise that issues of discrepancy with States generated data should also be appropriately addressed by the Ministry.

Reply:-

Ministry of Statistics & Programme Implementation (MoSPI) monitors the Central Sector Infrastructure Projects costing Rs. 150 crore and above on time and cost overruns on the basis of information supplied by project implementing agencies. As on 1st May 2016, there are 1061 ongoing Central Sector Projects on the monitor of MoSPI. Of these, 241 projects are showing cost overruns, 326 projects are showing time overruns and 70 projects are showing both time & cost overruns.

The monthly / quarterly reports prepared by the Ministry on these Central Sector Projects showing time and cost overrun are detailed and comprehensive enough to make them useful for the administrative Ministries and other user agencies for taking

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timely appropriate remedial measures. The broad aspects relating to cost-escalation and time overrun are also being regularly brought out in the Annual Report of the Ministry.

As far as the inclusion of implementation of contemporary flagship programmes like Urban Sanitation, Swacch Bharat Abhiyan, Affordable Housing for all etc. in these Monthly / Quarterly Reports are concerned, it may be mentioned that IPMD is not mandated to monitor the implementation status of social flagship programmes/schemes.

10. Although the subject of MPLADS is examined in detail by a separate Parliamentary Committee on the subject, in view of the fact that almost 94% of the plan outlay of the Ministry (i.e. Rs. 3,950 crore) is earmarked for this important scheme, it is necessary that certain nagging issues concerning MPLADS are briefly touched upon and suggestions made for corrective measures thereon. The Committee would, accordingly, suggest that frequent changes in the schematic guidelines should be avoided. States should be persuaded to furnish timely Utilisation Certificates to the Ministry for release of funds, so as to complete the ongoing projects under MPLADS at the earliest. The Committee also urge the Ministry to take up the matter at appropriate level, wherein the non-lapsable MPLADS fund be released to District Authority and the interest accruing from the fund utilized by Members of Parliament whenever required. Backlog of one year in releasing funds is unfortunately unattended under the scheme. Timely release of funds has therefore to be ensured. There is no appropriate check on the quality of work and also timely execution of work. It may be considered whether the one stage lower officer like Sub Divisional Officers are empowered to sanction the project and Collector / Deputy Commissioner may monitor the work. Through such delegation, prompt compliance can be more effectively ensured.

Reply:

(i) The Guidelines on MPLADS are revised from time to time, on the basis of feedback received from MPs, States, District Authorities, etc., recommendations and

advice from Parliamentary Committees, recommendations and advice from C&AG / PAC, internal examinations and discussions in the Ministry etc.

(ii) Ministry regularly and proactively follows up with the District Authorities and the concerned State Nodal Departments to expedite the timely submission of requisite documents viz. Audit Certificate, Utilization Certificate and eligible Monthly Progress Report to release the pending installments of MPLADS funds.

(iii) The Ministry has developed an integrated MPLADS website for monitoring release of funds and the expenditure incurred at macro and micro level. This e-portal will establish workflow system at Districts which is integrated with Ministry's release system. On being updated regularly on real time basis the sanction order and MPR can be generated automatically. This will facilitate online availability of MPR and timely release of funds.

(iv) The matter was discussed by Rajya Sabha Committee on MPLADS in its meeting held on 10.02.2016. The Hon'ble Committee was informed that release of funds to the Nodal Districts is governed by the framework of General Financial Rules (GFR) framed by the Ministry of Finance. The Committee unanimously resolved that Ministry of Finance may be requested to relax the GFR to the extent possible so that release of MPLADS funds is not delayed because of non-submission of utilization certificate by the District Authorities. Ministry of Finance had been requested to furnish their comments on the waiver of the conditions of submission of utilization certificate for release of funds. They have not agreed to waive off the conditions.

Ref. O.M. of MoS&PI vide NO.G-20017/2/2016-B&F, dated 22nd, July, 2016

(v) The conditions have been prescribed to obviate accumulation of unspent balance with the District Authorities. Audit has time and again been pointing out that unspent balance with the District Authorities should be reduced.

(vi) Para 3.12 of the Guidelines on MPLADS provides that the work should be sanctioned within 75 days of receipt of recommendation, rejection if any, should be conveyed to MPs within 45 days. As per para 3.13 of the Guidelines, sanction letter / order shall stipulate a time limit for completion of the work which should generally not exceed one year. Proper timelines have been prescribed to expedite implementation of the Scheme.

(vii) The District Authority and Nodal Department of the State Government have to ensure the quality of the work. However, to independently check the quality of the work, the Ministry also undertakes Third Party Physical Monitoring of the MPLADS works in selected districts through independent agencies. Para 3.3 of the Guidelines on MPLADS provides that District Authority shall follow the established works scrutiny; technical, work estimation, tendering and administrative procedure of the State / UT Government concerned in the matter of work execution and shall be responsible for timely and effective implementation of such works. It depends on the State Government as to whether the MPLAD Scheme is to be implemented by the District Collector or his subordinate Officers.