PART I

RATIONALISATION

OF THE

FUNCTIONS, ACTIVITIES AND

STRUCTURE OF THE

MINISTRY OF

ROAD TRANSPORT AND HIGHWAYS

RATIONALISATION OF THE FUNCTIONS, ACTIVITIES AND STRUCTURE OF THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

Table of Contents

Executive Summary

1. The continuing division of responsibility for national highway development between the Ministry of Road Transport and Highways and the National Highway Authority of India (NHAI) has resulted in different approaches to the delivery of road projects, including on technical and quality issues. It also hampers an integrated approach to the planning and development of NH network. It would seem logical, especially, when an officer of the rank of secretary to the government heads NHAI, to transfer the entire national highway network to the NHAI for development and maintenance. Such integration would provide for single-point responsibility and avoid duplication of facilities and divided loyalties in the cadre of engineers. A single file system could be implemented whereby files could be directly submitted by Chairman, NHAI to the Minister on matters pertaining to NHAI and its projects. The ministry and the government should only be responsible for policy formulation, budgetary allocation and monitoring, and should not be responsible for direct implementation of projects.

2. Ideally, the ministry should have the Director General (Roads) to assist in policy formulation in regard to the national highways, and a chief engineer for planning and a superintending engineer for budget and monitoring to assist him. There could also be, if necessary a chief engineer to deal with the state governments for up gradation of state roads, including state roads of inter-state economic importance. As for the other chief engineers and superintending engineers in the ministry, NHAI should be allowed to choose incumbents according to its needs and their suitability; the remaining posts should be abolished. The NHAI could then bring to bear an integrated and comprehensive approach to national highway development using either the consultant route or the state PWDs as appropriate. The transfer of NH network to NHAI should, however, be

done in a phased manner over a period of time, say, five years. Corridors could be progressively transferred on the basis of traffic density. This would enable NHAI to gear itself up for the additional responsibilities and also enable government to prioritise the corridors for development. Care should also be taken to ensure that NHAI does not become a behemoth, by itself wanting to develop and maintain the entire network. It should as far as possible resort to special purpose vehicles (SPVs) and the BOT and annuity routes for implementing projects. It should also encourage State Road Development Corporations to participate in the development of National Highway projects and use the state PWD, where appropriate, so that their expertise is also availed of. In developing and implementing projects, NHAI should as far as possible adopt a corridor approach and develop an entire corridor instead of small stretches at different places. NHAI should also establish arrangements for the maintenance and management of the highways instead of focussing only on construction.

3. For the development of the golden quadrilateral, government has given NHAI an overall project approval and has left it to the Board of NHAI to accord approval for each sub-project within the overall project. The Board has been so constituted to function as a ‘mini PIB’. This approach of empowering the Board to accord project approvals within a framework of an overall project approval has very considerably facilitated the expeditious award of contracts for the NHDP and their implementation. It would be desirable to continue this arrangement, and accord project approval for the development of the other corridors of the NH network in future to facilitate the speedy improvement of the network. With the role of NHAI being enhanced, the NHAI Board should be expanded to include three or four outside experts with experience in fields such as road development, road transportation, transport economics and road safety.

4. Declaration of national highways should be strictly according to the criteria and procedure prescribed.

5. The Road Transport Wing, which is currently headed by a Joint Secretary, assisted by one Deputy Secretary and two Under Secretaries should be restructured and equipped with the necessary expertise to administer the Motor Vehicles Act 1988 (MVA) efficiently. The restructured Road Wing should be re-named as the National Transport Directorate and empowered to administer the MVA. To begin with this Directorate should, through the help of experts, lay down the norms, specifications and other requirements as are necessary for the effective implementation of the MVA. Thereafter, the Directorate should evolve arrangements with the assistance of state government authorities, to monitor adherence to the standards/norms prescribed.

6. The Motor Vehicles Act should be reviewed urgently to do away with provisions with which the ministry or for that matter the Government of India are not concerned. For instance, the Ministry of Road Transport is required to prescribe emission standards for motor vehicles whereas emission control and environmental protection are subjects of the Ministry of Environment and Forests. Not having any expertise in the matter, M/o RT&H merely notifies emission norms on the basis of the advice received from the Ministry of Industry (which is responsible for the automobile industry) and the Ministry of Environment and Forests. But it takes on the responsibility of defending public interest and other litigation on air pollution caused by motor vehicles. This clearly is not a satisfactory arrangement and MoEF, which administers the Air Protection Act, should also have the responsibility for dealing with vehicular emissions. Similarly, the Motor Vehicles Act calls upon the ministry to prescribe the formulae for awarding compensation in respect of fatalities in road accidents. All that the Motor Vehicles Act should say is that no vehicle should be registered or operated without a valid third party insurance policy and leave it to the insurance companies to settle claims. There are several such provisions in the Motor Vehicles Act that should be removed or transferred to the

appropriate ministry of the Government of India or to the state governments.

7. Road safety is a matter of serious concern; norms and schemes for road safety should be developed by an expert body and left to state governments for implementation.

8. The Indian Road Congress collects a variety of data on roads and road transport. There is now a need to identify the data requirements, and the existing arrangements for their collection to avoid duplication. Institutions and bodies which are already collecting and publishing data pertaining to a sector should be encouraged to meet all the data requirements in respect of that sector. There appears to be no need for a Directorate of Transport Research for the purpose of data collection and publication. As for research, there are well established and recognised research centres, academic bodies and industry associations like the CRRI, CIRT, Department of Transport in the University of Mumbai, AITD, TERI, etc. and research as necessary should be commissioned from these bodies. Funding research projects at these centres/organisations would be more cost effective and the quality of research would be superior as compared to research by an inadequately equipped research unit in the Ministry. The Directorate of Transport Research could be abolished.

9. The National Institute for Training Highway Engineers (NITHE) is now well established and trains officers of state governments, public and private sector organisations and engineers from SAARC and other countries. It is now self-reliant and is not funded by the Government of India. It should, henceforth, operate as a society and a centre for excellence in training highway engineers and should not be a part of the ministry.

10. The restructuring suggested in this report will result in

(i) All vacant posts, i.e. 57 in the Road Transport and Highways and 58 in the Roads Wing, shall be abolished.

(ii) With the transfer of project work for road development to the NHAI, the residual work of this wing would be handled by DG, Roads, assisted by two CEs and the support level staff.

(iii) When the proposed National Transport Directorate becomes fully operational and converted into an independent and empowered regulatory agency to administer the MVA, and the Directorate of Transport Research is abolished, the officers and staff currently deployed for this work in the Road Transport Wing will be either absorbed in the National Transport Directorate or rendered surplus.

11. With the restructuring suggested above, project responsibility for road development would be transferred to the NHAI. The ministry would then be left free to focus on policy issues relating to road development and release of funds from the Central Road Development Fund to the state governments etc. This residual work can be handled by DG, Roads assisted by two chief engineers. As norms, standards and specifications are set under the MVA, and as the National Transport Directorate becomes fully functional, government should consider converting it into an independent and empowered regulatory agency to administer the MVA. The Authority could meet its fund requirements through the levy of fees.

12. The ministry would then be able to focus on policies relating to the development of roads and road transportation, on attracting public and private investment in road development and on enhancing the quality of road transportation. When the ministry shed its responsibilities for project implementation, and a National Transport Directorate is set up to

administer the Motor Vehicles Act, the possibility of merging the ministry with the Ministry of Shipping should be considered as that would help to bring about an integrated approach to the development of all modes of surface transport other than railways.

Rationalisation of the Functions, Activities and Structure of Ministry of Road Transport and Highways

1 Introduction

1.1 In July 1942, the Department of War Transport was established to look after major ports, railways, road and water transport, petrol rationing, etc. The functions of the department were broadly to coordinate the demand for all modes of transport during the Second World War. In 1957, the department was named as the Department of Transport, and placed in the Ministry of Transport and Communications. In 1966, the Department of Transport was once again renamed as the Department of Transport, Shipping and Tourism and placed in the Ministry of Transport and Aviation. A year later, the Ministry of Transport and Aviation was bifurcated into the Ministry of Transport and Shipping and the Ministry of Tourism and Civil Aviation. In 1985 when the combined Ministry of Transport was set up to look after railways, aviation and surface transport, the Ministry of Transport and Shipping became the Department of Surface Transport in the Ministry of Transport. A year later, the combined Ministry of Transport was abolished and the Department of Surface Transport became the Ministry of Surface Transport. In 1999 the Ministry of Surface Transport was bifurcated into two departments namely, the Department of Shipping and the Department of Road Transport and Highways. In 2000, the two departments were renamed as the Ministry of Road Transport and Highways and the Ministry of Shipping.

1.2 In short, the Department of Transport has in the last 50 years moved from being a department essentially intended to look after war time transport needs to two independent ministries, one in charge of road transport and highways and the other in charge of ports, shipping and inland water ways. As the brief history of the department traced above would show, there were periodic attempts to bring about an integrated approach to all modes of surface transport, including the railways. But for one reason or the other these attempts were abandoned, and what was until recently a ministry looking after all modes of surface transport, except the railways, has now been bifurcated into a ministry looking after roads and road transport and another ministry looking after ports, and water transport.

2 The Present set up

2.1 The Ministry of Road Transport and Highways is responsible for road transport and the development and maintenance of national highways. The subjects allocated to the Ministry of Road Transport and Highways are at *Annex 1*. The ministry is headed by a Minister of State, and the Secretary in the ministry is assisted by a Joint Secretary for Road Transport, a Director General for Road Development, and an Advisor on Transport Research. The Joint Secretary, Road Transport is assisted by one Deputy Secretary and two Under Secretaries while DG, Roads is assisted by 16 Chief Engineers and 40 Superintendent Engineers and other technical and administrative staff. A statement showing the sanctioned staff strength of the Ministry is at *Annex 2*.

2.2 The Finance Wing of the ministry, headed by an Additional Secretary and Financial Advisor, is common to the Ministries of Road Transport and Highways and Shipping.

2.3 The organisational chart of the ministry is at *Annex 3*.

2.4 The National Highway Authority of India (NHAI), which was established under the National Highways Act of 1988, is an autonomous body in the ministry. In addition, the ministry is also responsible for the National Institute for Training of Highway Engineers, which was set up in 1983, in a collaborative effort between the Centre and the state governments to train highway engineers. The Indian Road Construction Corporation Limited a public sector undertaking under the ministry has since been wound up.

2.5 The ministry is responsible for the administration of the following legislation:

a) Road Transport Corporations Act, 1950

b) The National Highways Act, 1956

c) Motor Vehicles Act, 1988

d) The National Highway Authority of India Act, 1988

2.6 The funds for border road development are also channelised through the Ministry of Surface Transport to the Border Roads Organisation (The BRO). The BRO is under the administrative control of the Ministry of Defence.

3 Road Development

3.1. In terms of list I of the Seventh Schedule of the Constitution, the Government of India is responsible for the national highways. As of 1st April 2001 India had a total national highway network of 57737 kms. The national highways suffer from serious deficiencies such as inadequate capacity, weak pavements, poor riding quality, and distressed bridges. Barely two per cent of the national highway network is four lane; 82 per cent is two lane and about 15 per cent, mainly in the North East, is still single lane. There is no stretch of expressway of international standards in the national highway network. India's first expressway is the Mumbai-Pune Expressway, which has been constructed by the Maharashtra government. The focus of road development now is to widen and strengthen the national highway network, to renovate and reconstruct bridges, and build bypasses on a selective basis around cities with a population of more than 1 million.

3.2. Given the requirement of funds to address the immediate needs for improving the condition of the national highway network, the government levied an additional excise duty and additional customs duty of Re. 1 per litre of petrol in the budget of 1998-99. Subsequently, the budget of 1999-2000 levied an additional duty of Re. 1 per litre on imported and domestic high-speed diesel (HSD). Revenues from these duties, which are estimated at around Rs.6000 crore a year, are credited in the Central Road Fund, which through an Act of Parliament in 2000 has become a statutory fund outside the purview of the Consolidated Fund of India. The Central Road Fund is used to fund the development of rural roads, state roads and the development and maintenance of national highways. In addition, the Government of India has resorted to large borrowing programmes from the World Bank, Asian Development Bank and OECF to fund national highway development. The NHAI has also been permitted to leverage its funds to raise market borrowings. The Government of India had also decided in 1997 to levy tolls in perpetuity on roads that have been 4-laned in order to create a stream of revenue for road development. Tolls have, however, so far been levied only on the Jaipur 1- Kotputhli section of NH8. In 1997, the Government of India announced major policy initiatives, which included fiscal and financial packages, to attract private investment in national highway development. So far some 20 projects of bypasses and bridges have been awarded on a BOT basis to the private sector, and these projects have brought in approximately Rs.1000 crore by way of private investment.

3.3. The budget for road development has shown a significant increase in the last five years as would be seen from the statement below:

(Rs. In crore)

Year	**M/o RTH budget**	**NHAI budget**	**Total**
1996-97	683.75	271.79	955.54
1997-98	969.23	580.00	1549.23
1998-1999	1084.84	1173.17	2258.01
1999-2000	1380.22	1063.60	2463.82
2000-2001	1816.48	2272.80	4089.28
2001-2002	1588	3222	4811

3.4. The National Highway Authority of India was set up in 1988 and made operational in 1995. Section 11 of the Act envisages that the Government of India would transfer national highway projects to the NHAI for development and maintenance as deemed appropriate. However, it was the intention of the Act that the NHAI would ultimately be responsible for the development and maintenance of the entire national highway network. A chairman in the rank and pay of a secretary to the Government of India heads the NHAI. The Authority has a board comprising the chairman and not more than 5 full time members and not more than 4 part time members. At present, there are 3 full time members and 4 part time members. The organisation chart of NHAI is at *Annex 4*. The NHAI has 45 Project Implementation Units (PIUs) at different locations to oversee its projects.

3.5. In 1999, the Prime Minister announced a National Highway Development Project as a priority project. The Project envisages 4 / 6 laning of 5952 kms. of the golden quadrilateral, namely, NH2 connecting Delhi with Kolkatta, NH5 connecting Kolkatta with Chennai, NH4 connecting Chennai with Mumbai and NH8 connecting Mumbai with Delhi. In addition, the project also envisages 4 / 6 laning 7300 kms. of the North-South corridor connecting Srinagar with Kanyakumari and the East-West corridor connecting Silchar to Porbandar. The total project, which involves 4 / 6 laning of 13252 kms. is estimated to cost about Rs.54,000 crore. The entire project has been entrusted to the NHAI for implementation. In addition, a length of 614 kms. consisting of stretches and bypasses on other national highways have also been entrusted to the NHAI for improvement. Thus, of the total length of 57737 kms. of national highways a length of 13866 kms. has been vested in the NHAI for development and maintenance and the remaining 43,871 kms. continue to be looked after by the Ministry of Road Transport and Highways through Director General (Roads).

3.6. The ministry is also currently implementing major works on various stretches of the national highways aimed at improving the network and strengthening and rebuilding bridges. Some 860 kms. 2 lane roads have been strengthened, 360 kms. of single lane stretches have been converted into 2 lanes, 42 kms. of 2 lanes to 4 lanes up to January 2001. Thirteen major bridges and 68 minor bridges have also been rebuilt. The ministry had launched in 1997 a Riding Quality Improvement Programme at an estimated cost of Rs.573 crore covering about 3700 kms. of national highways. This programme has been continued in the current year, and a provision of Rs.890 crore has been made for improving the riding quality of 5200 kms. of national highways. The ministry is implementing these various works through the state PWD establishments. Each state PWD has one or more chief engineers in charge of national highways running through the state concerned. Proposals for road development are developed by the chief engineer of the State PWD and forwarded to the regional office of the ministry. The ministry has 13 regional offices located at: Bangalore, Mumbai, Kolkotha, Chandigarh, Jaipur, Hyderabad, Patna, Bhubaneswar, Shillong, Gandhinagar (Gujarat), Guwahati, Bhopal and Tiruvananthapuram.

3.7. The regional offices then forward the proposals to the chief engineer in charge of the concerned state in the office of the DG, Roads in the ministry. Of the total number of 13 chief engineers, in the office of the DG, 11 are responsible for two or more states each. The concerned chief engineer then processes the proposals received from the regional office for investment approvals. Thereafter, the concerned chief engineer in the ministry oversees, both directly and through the R.O., the award of contracts and the implementation of the project.

3.8. The NHAI on the other hand uses consultants to prepare detailed project reports, invites and evaluate bids and awards contracts directly for the implementation of projects, and, again uses independent consultant engineers to oversee the implementation of the projects. The NHAI also sets up special purpose vehicles (SPVs) in equity partnership with State Government entities or private parties for implementing road projects. In addition, it attracts private investment in road development through the BoT route or the annuity scheme. In short, the ministry continues to rely on the state PWDs to develop and implement projects on national highway stretches which remain within its jurisdiction, whereas the NHAI has made a clear break from the state PWDs and has established a new paradigm for the delivery of road projects.

3.9. The continuing division of responsibility for national highway development between the ministry and the NHAI has resulted in different approaches to the delivery of road projects, including on technical and quality issues. It also hampers an integrated approach to the planning and development of NH network. It would seem logical, especially, when an officer of the rank of secretary to the government heads NHAI, to transfer the entire national highway network to the NHAI for development and maintenance. Such an integration would provide for single-point responsibility and avoid duplication of facilities and divided loyalties in the cadre of engineers. The focus of attention of the ministry should be policy formulation, mobilising resources and monitoring. This is the arrangement in UK where the implementation of highway projects is left entirely to the Highway Authority, and the permanent secretary, assisted by a small team, is responsible only for policy and interface with other ministries and Parliament.

3.10. Ideally, the ministry should have the DG to assist in policy formulation in regard to the national highways, and a chief engineer for planning and a superintending engineer for budget and monitoring to assist him. There could also be, if necessary a chief engineer to deal with the state governments for upgradation of state roads, including state roads of inter-state economic importance. As for the other chief engineers and superintending engineers in the ministry, NHAI should be allowed to choose incumbents according to its needs and their suitability; the remaining posts should be abolished. The NHAI could then bring to bear an integrated and comprehensive approach to national highway development using either the consultant route or the state PWDs as appropriate. The transfer of NH network to NHAI should, however, be done in a phased manner over a period of time, say, five years. Corridors could be progressively transferred on the basis of traffic density. This would enable NHAI to gear itself up for the additional responsibilities and also enable government to prioritise the corridors for development. Care should also be taken to ensure that NHAI does not become a behemoth, by itself wanting to develop and maintain the entire network. It should as far as possible resort to (SPVs) and the BOT and annuity routes for implementing projects. It should also encourage State Road Development Corporations to participate in the development of National Highway projects and use the State PWD, where appropriate, so that their expertise is also availed of. In developing and implementing projects, NHAI should as far as possible adopt a corridor approach and develop an entire corridor instead of small stretches at different places. NHAI should also establish arrangements for the maintenance and management of the highways instead of focussing only on construction.

3.11. For the development of the golden quadrilateral, government has given NHAI an overall project approval and has left it to the Board of NHAI to accord approval for each sub-project within the overall project. The NHAI has as its part time members, Secretary, Ministry of Road Transport and Highways; DG, Roads; Secretary, Expenditure; and Secretary, Planning Commission. The Board has been so constituted to function as a 'mini PIB'. This approach of empowering the Board to accord project approvals within a framework of an overall project approval has very considerably facilitated the expeditious award of contracts for the NHDP and their implementation. It would be desirable to continue this arrangement, and accord project approval for the development of the other corridors of the NH network in future to facilitate the speedy improvement of the network. With the role of NHAI being enhanced, the NHAI Board should be expanded to include three or four outside experts with experience in fields such as road development, road transportation, transport economics and road safety.

3.12. The total road network in India should improve and grow as good roads facilitate economic growth and promote national integration. But only those roads that fall strictly within the criteria laid down for declaring a road as a national highway should be so declared as bringing a State road to the national highway standards and maintaining it is expensive. Declaration of national highways should be strictly according to the criteria and procedure prescribed.

4 Road Transport

4.1 Ministry of RTH is also responsible for the administration of the Motor Vehicles Act 1988 (MVA) and the Road Transport Corporations Act, 1950. The Motor Vehicles Act deals with all aspects of road transport industry and inter alia covers licensing and registration of vehicles, licensing of drivers, issue of type approvals for vehicles, laying down specifications and standards for the various components of a motor vehicle and prescribing standards for exhaust emissions. Since road transport is in the Concurrent List the provisions of the Act relating to licensing and registration, issue of driving licenses etc. are left to the state governments to implement. However, functions such as laying down of specifications for motor vehicles, granting of type approval, prescription of emission norms, etc. remain with the M/o RT&H. Although, all these subjects are highly technical, the ministry does not have any technical officer familiar with automobile or fuel technology. As a result, the ministry has to depend for advice on technical matters on one of the test agencies like the Automobile Research Association of India (ARAI). As ARAI and other test agencies are funded by the automobile industry or the oil industry, the ministry does not always have the benefit of unbiased advice;

nor does it have the benefit of continuity or of a data base. With rapid advances in auto and fuel technologies, there is an urgent need to provide for technical capability in the ministry. The Motor Vehicles Act also regularly throws up legal issues in regard to freight transportation, inter-state movement of vehicles, national permits, insurance etc. The ministry has no law officer and has to depend on the Ministry of Law, which does not provide for continuity. The Road Transport Wing, which is currently headed by a Joint Secretary, assisted by one Deputy Secretary and two Under Secretaries should be restructured and equipped with the necessary expertise to administer the MVA efficiently. The restructured Road Wing should be re-named as the National Transport Directorate and empowered to administer the MVA. To begin with this Directorate should, through the help of experts, lay down the norms, specifications and other requirements as are necessary for the effective implementation of the MVA. Thereafter, the Directorate should evolve arrangements with the assistance of state government authorities, to monitor adherence to the standards/norms prescribed.

4.2 The Motor Vehicles Act should be reviewed urgently to do away with provisions with which the ministry or for that matter the Government of India are not concerned. For instance, the Ministry of Road Transport is required to prescribe emission standards for motor vehicles whereas emission control and environmental protection are subjects of the Ministry of Environment and Forests. Not having any expertise in the matter, M/o RT&H merely notifies emission norms on the basis of the advice received from the Ministry of Industry (which is responsible for the automobile industry) and the Ministry of Environment and Forests. But it takes on the responsibility of defending public interest and other litigation on air pollution caused by motor vehicles. This clearly is not a satisfactory arrangement and MoEF, which administers the Air Protection Act, should also have the responsibility for dealing with vehicular emissions. Similarly, the Motor Vehicles Act calls upon the ministry to prescribe the formulae for awarding compensation in respect of fatalities in road accidents. All that the Motor Vehicles Act should say is that no vehicle should be registered or operated without a valid third party insurance policy and leave it to the insurance companies to settle claims. There are several such provisions in the Motor Vehicles Act that should be removed or transferred to the appropriate ministry of the Government of India or to the state governments.

4.3 The ministry is also responsible for road safety. The Road Safety Cell in the ministry mainly formulates schemes for road safety and leaves them to be implemented by the state governments or select NGOs. There is an advisory board which helps the ministry to develop road safety schemes. Lacking, technical background or expertise in road safety, the Cell has been, over the years primarily engaged in printing literature and other publicity material and distributing them under the banner of Road Safety Awareness Programmes. Road safety is a matter of serious concern. It is necessary that norms and schemes for road safety are formulated without delay, so that these can be adopted and implemented by the State Governments. It is therefore necessary to constitute an expert group to undertake this work in a time bound manner – say to be completed in six months time.

4.4 The ministry also has a wing known as the Directorate of Transport Research. This wing compiles data on shipping and road transport and publishes annual statistics in the form of Basic Road Statistics of India, Statistics on Inland Water Transport, Port statistics, Indian Shipping Statistics etc. In fact, the last edition of the Basic Transport Statistics of India pertains to the year 1997-98. The Transport Research Wing does not appear to have conducted any significant research programmes. Port statistics are maintained and published by the Indian Ports Association. Data on vehicles and on road transport are compiled by the state governments and after much time lag collated, and published by the Directorate of Transport Research. The Indian Road Congress also collects a variety of data on roads and road transport. There is now a need to identify the data requirements, and the existing arrangements for their collection to avoid duplication. Institutions and bodies which are already collecting and publishing data pertaining to a sector should be encouraged to meet all the data requirements in respect of that sector. There appears to be no need for a Directorate of Transport Research for the purpose of data collection and publication. As for research, there are well established and recognised research centres, academic bodies and industry associations like the CRRI, CIRT, Department of Transport in the University of Mumbai, AITD, TERI, etc. and research as necessary should be commissioned from these bodies. Funding research projects at these centres/organisations would be more cost effective and the quality of research would be superior as compared to research by an inadequately equipped research unit in the Ministry. The Directorate of Transport Research could be abolished.

4.5 The National Institute for Training Highway Engineers (NITHE) is now well established and trains officers of state governments, public and private sector organisations and engineers from SAARC and other countries. It is now self-reliant and is not funded by the Government of India. It should, henceforth, operate as a society and a centre for excellence in training highway engineers and should not be a part of the ministry.

4.6 With the restructuring suggested above, project responsibility for road development would be transferred to the NHAI. The ministry would then be left free to focus on policy issues relating to road development and release of funds from the Central Road Development Fund to the state governments etc. This residual work can be handled by DG, Roads assisted by two chief engineers. As norms, standards and specifications are set under the MVA, and as the National Transport Directorate becomes fully functional, government should consider converting it into an independent and empowered regulatory agency to administer the MVA. The Authority could meet its fund requirements through the levy of fees.

4.7 To sum up, the restructuring suggested above, will result in the following:

(i) All vacant posts, i.e. 57 in the Road Transport and Highways and 58 in the Roads Wing, shall be abolished.

(ii) With the transfer of project work for road development to the NHAI, the residual work of this wing would be handled by DG, Roads, assisted by two CEs and the support level staff.

(iii) When the proposed National Transport Directorate becomes fully operational and converted into an independent and empowered regulatory agency to administer the MVA, and the Directorate of Transport Research is abolished, the officers and staff currently deployed for this work in the Road Transport Wing will be rendered surplus, except for those absorbed in the National Transport Directorate.

4.8 The ministry would then be able to focus on policies relating to the development of roads and road transportation, on attracting public and private investment in road development and on enhancing the quality of road transportation. When the ministry shed its responsibilities for project implementation, and a National Transport Directorate is set up to administer the Motor Vehicles Act, the possibility of merging the ministry with the Ministry of Shipping should be considered as that would help to bring about an integrated approach to the development of all modes of surface transport other than railways.

Annex 1

SUBJECTS ALLOCATED TO THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SADAK PARIVAHAN AUR RAJ MARG MANTRALAYA)

I The following subjects which fall within list 1 of the seventh schedule to the Constitution of India:

1. Compulsory insurance of motor vehicles
2. Administration of the Road Transport Corporations Act, 1950 (64 of 1950)
3. Highways declared by under law made by Parliament to be national highways.

II In Respect of the Union Territories:

4. Roads other than National Highways.
5. Tramways including elevated high speed trams within municipal or any other contiguous zone.
6. Administration of the Motor Vehicles Act, 1988 (59 of 1988) and taxation of motor vehicles.
7. Vehicles other than mechanically propelled vehicles.

III Other subjects which have not been included under the previous parts:

8. Central Road Fund.
9. Coordination and Research pertaining to Road Works.
10. Road works financed in whole or in part by the Central government other than rural roads and the road works in the tribal areas in the states of Assam and Meghalaya specified in parts I and II of the table appended to paragraph 20 of the sixth schedule to the Constitution.
11. Motor vehicles legislation
12. Promotion of Transport Cooperatives in the field of motor transport and inland water transport.

13. Development of townships of Gandhidham.

14. Formulation of the privatisation policy in the infrastructure areas of roads.

IV Autonomous Bodies:

15. National Highways Authority of India.

V. Societies/Associations:

16. National Institute of Training for Highway engineers.

VI Public Sector Undertakings:

17. Indian Road Construction Corporation.

VII Acts:

18. The Road Transport Corporations Act, 1950 (64 of 1950).

19. The National Highways Act, 1956 (48 of 1956).

20. The Motor Vehicles Act, 1988 (59 of 1988).

21. The National Highways Authority of India Act, 1988 (28 of 1993)

Annex 2

Staff Strength of Ministry of Road Transport & Highways

Road Transport & Highways

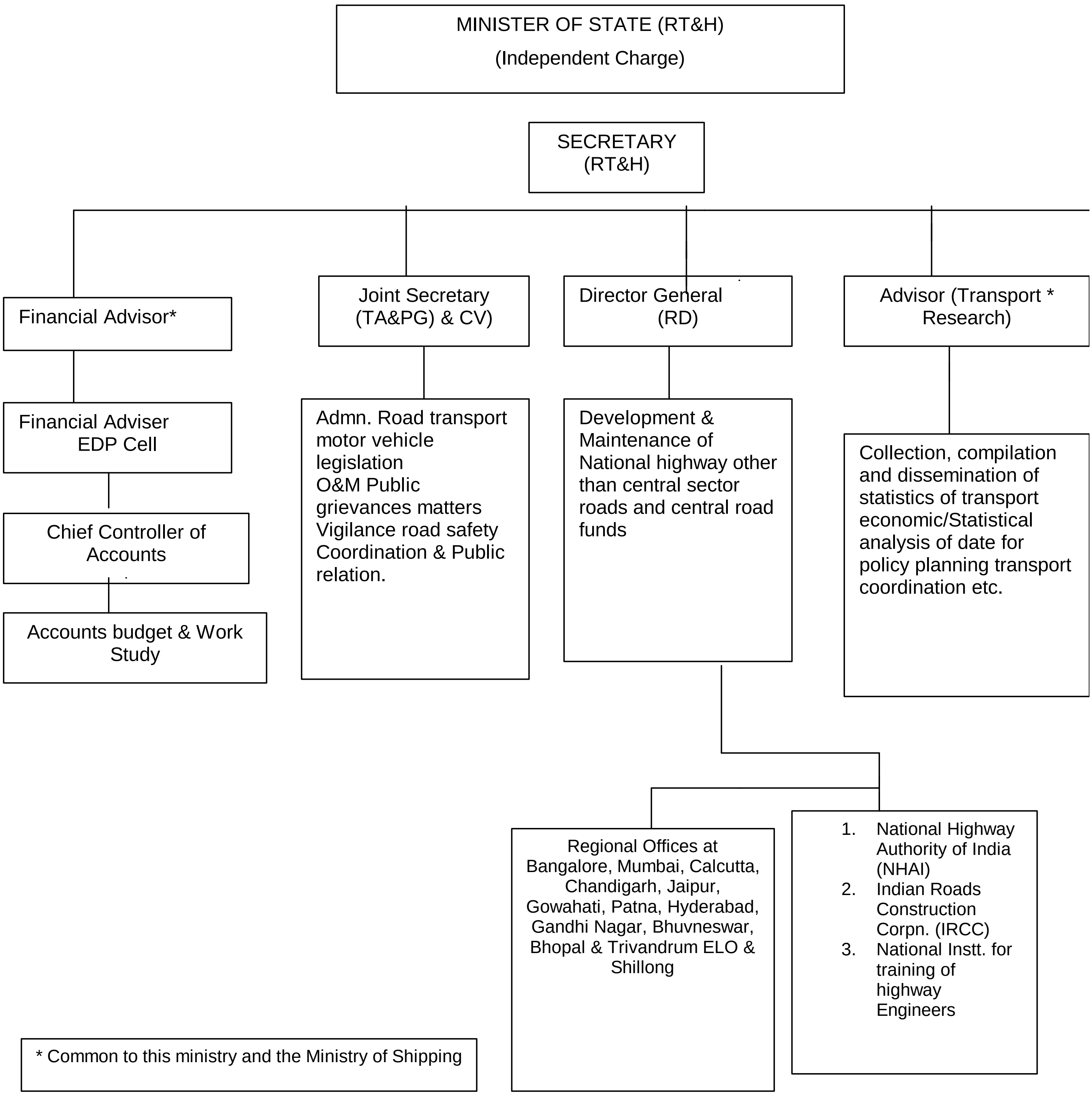
Group A	**Sanctioned posts – 32**				**Vacant posts – 4**	
	Secretary	1	Adviser (TR)	1	Sr. Analyst	1
	Additional Secy.	1	Director (T)	2	AD(TR)	2
	Joint Secretary	1	JD(T)	1	PPS	1
	Director/DS/DFA	4	DD(T)	4		
	Under Secretary	11	AD(T)	2		
	Sr. Analyst	1	PPS	3		
Group B	**Sanctioned posts – 188**				**Vacant posts – 7**	
	SO/AO	29	Res. Asstt.	1	Assistant	6
	Accountant	2	Desk Attache	1	PS	1
	AD(OL)	1	MMO	1		
	Sr. Investigator	9	PS	22		
	Assistants	71	Steno Gr.C	51		
Group C	**Sanctioned posts – 187**				**Vacant posts – 35**	
Group D	**Sanctioned posts – 178**				**Vacant posts – 11**	
Total	**Sanctioned posts – 585**				**Vacant posts – 57**	

Roads Wing

Group A	**Sanctioned posts – 141**				**Vacant posts – 42**	
	Director General	1	Sup. Engineer	40	Addl. DG	2
	Addl. DG	2	Exe. Engineer	57	Sup.Engineer	8
	Chief Engineer	16	Asst.Exe.Engr.	25	Exe. Engineer	32
Group B	**Sanctioned posts – 22**				**Vacant posts – 4**	
	Asst. Engineer	11	Chief D/Man	8	Asst. Engineer	4
	Technical Assistant	3				
Group C	**Sanctioned posts – 73**				**Vacant posts – 12**	
Total	**Sanctioned posts – 236**				**Vacant posts – 58**	

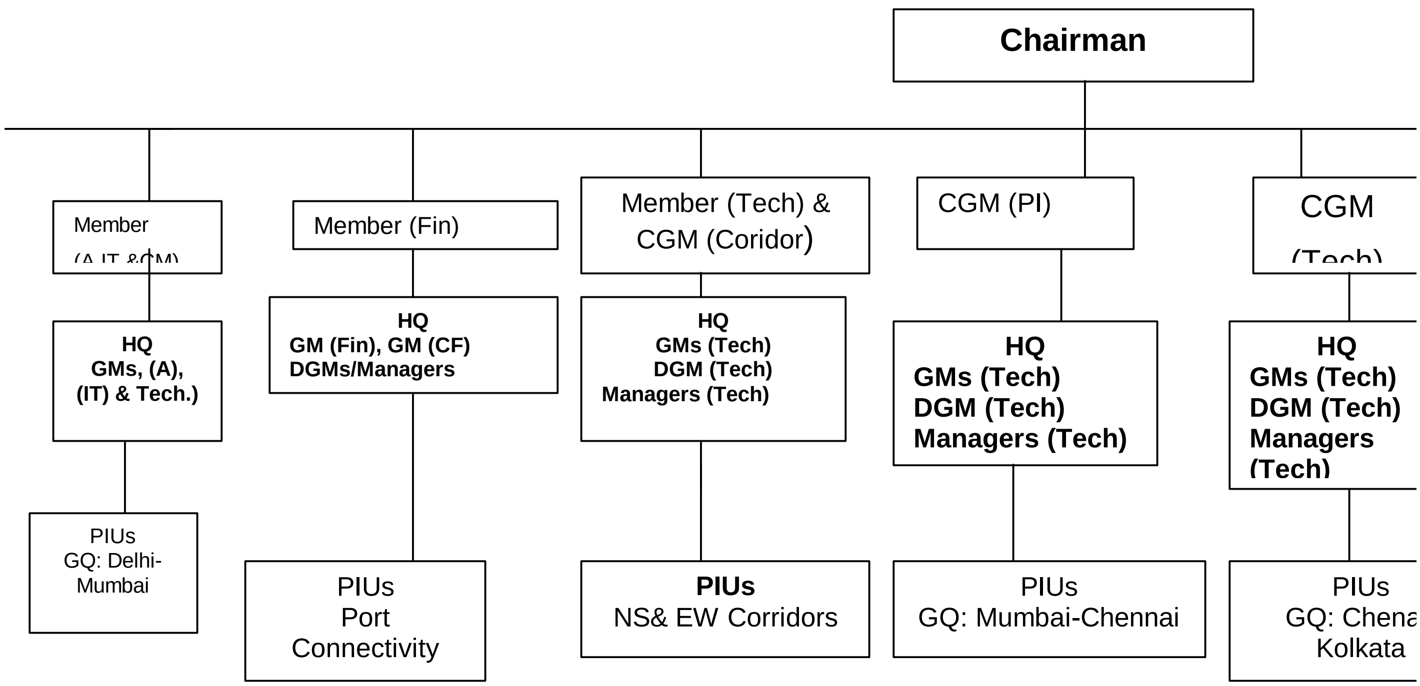
Annex 3

ORGANISATIONAL CHART OF MINISTRY OF ROAD TRANSPORT & HIGHWAYS



NATIONAL HIGHWAYS AUTHORITY OF INDIA

Organisational Structure



A	-	Administration
CM	-	Corridor Management
CGM	-	Chief General Manager
Tech.	-	Technical
PI	-	Private investment
WB-	-	World Bank
CVO	-	Chief Vigilance Officer
HQ	-	Headquarters
PIUs	-	Project Implementation Units

GM	-	General Manager
IT	-	Information Technology
MR	-	Media Relations
OSD	-	Officer on Special Duty
CF	-	Corporate Finance
DGM	-	Deputy General Manager
GQ	-	Golden Quadrilateral
NS&EW-		North South & East West

PART II

RATIONALISATION

OF THE

FUNCTIONS, ACTIVITIES AND

STRUCTURE OF THE

MINISTRY OF SHIPPING

RATIONALISATION OF THE FUNCTIONS, ACTIVITIES AND STRUCTURE OF THE MINISTRY OF SHIPPING

TABLE OF CONTENTS

RATIONALISATION OF THE FUNCTIONS, ACTIVITIES AND STRUCTURE OF THE MINISTRY OF SHIPPING

I Introduction

1. Ministry of Shipping

1 As indicated in the report on the Ministry of Road Transport & Highways the Ministry of Surface Transport was bifurcated into two ministries viz. the Ministry of Shipping and the Ministry of Road Transport and Highways in November, 2000. The Ministry of Shipping is responsible for major ports, shipping, ship building and ship repair, national waterways and inland water transport and light houses. The subjects allocated to the ministry are listed at Annex 1 and the organisation chart is at Annex 2. A statement showing the sanctioned staff strength of the Ministry is at Annex 3. The Ministry of Shipping has the following subordinate offices, autonomous bodies, societies and associations and public sector undertakings:

Subordinate Offices

1 Directorate General of Shipping
2 Andaman Lakshadweep Harbour Works
3 Directorate General of Lighthouses and Lightships
4 Minor Ports Survey Organisation

Autonomous Bodies

1 Port Trusts at Calcutta, Paradip, Visakhapatnam, Chennai, Ennore, Tuticorin, Kochi, New Mangalore, Mormugao, Mumbai, Jawahar Lal Nehru (Nhava Sheva) and Kandla

2 Dock Labour Boards at Calcutta, Kandla, Chennai, Mormugao and Visakhapatnam

3 Inland Waterways Authority of India

4 Seamen's Provident Fund Organisation

5 Tariff Authority for Major Ports

Societies/Associations

1 National Institute of Port Management (NIPM)
2 National Ship Design and Research Centre
3 Seafarers Welfare Fund Society

Public Sector Undertakings

1 Shipping Corporation of India
2 Hindustan Shipyard Limited
3 Cochin Shipyard Limited
4 Central Inland Water Transport Corporation Limited
5 Dredging Corporation of India
6 Hooghly Dock and Ports Engineers Limited
7 Ennore Port Company

The Ministry is also responsible for administering the following Acts:

1 The Indian Ports Act, 1908 (15 of 1908)
2 The Inland Vessels Act, 1917 (1 of 1917)
3 The Dock Workers (Regulation of Employment) Act, 1948 (9 of 1948)
4 The Merchant Shipping Act, 1969 (44 of 1958)
5 The Major Ports Trust Act, 1963 (38 of 1963)
6 The Seamen's Provident Fund Act, 1966 (4 of 1966)
7 The Inland Waterways Authority of India Act, 1985 (82 of 1985)

2. It would have been more appropriate to have named it as the Ministry of Maritime Affairs instead of the Ministry of Shipping as the latter does not indicate the range of subjects assigned to the ministry. The name 'Ministry of Maritime

Affairs' will also help to heighten the status of the ministry in its dealings with international agencies and other governments.

2. Ports

3. In terms of list I of the Seventh Schedule of the Constitution, the Ministry of Shipping is responsible for the administration of ports declared as major ports under the Major Ports Trust Act. There are at present 12 major ports in the country viz. Calcutta including Haldia, Paradip, Visakhapatnam, Chennai, Ennore, Tuticorin, Cochin, New Mangalore, Mormugao, Jawahar Lal Nehru, Mumbai and Kandla. All the major ports, except Ennore, are Trusts set up under the Major Ports Trust Act and administered by a Board of Trustees. The Ennore Port has been set up as a company under the Companies Act, and is called Ennore Port Limited.

4. Ninety five per cent of the India's imports and exports are sea borne and of this about 90 per cent is handled by the major ports and the rest by minor ports. The major ports handled a total traffic of 281.03 million tonnes during the financial year 2000-01. The assessed capacity of the major ports, as on 31.3.2001 was 291.45 million tonnes. The expected capacity addition during 2001-02 is 52.40 million tonnes, which will take the total to 344 million tonnes. As against, this, the capacity requirement projected for 2005-06 is 424 million tonnes.

5. The financial results of the major ports for the last two years are at Annex 4.

6. The trustees of the Port Trust are appointed by the Government of India under the Major Ports Trust Act. The composition of the Trust provides for representation to the Ministry of Shipping, the concerned State Government, Department of Customs, Railways and various interests like stevedores, shipping agents etc. and to port labour; the trustees tend to be parochial in their approach. The composition of the Trusts and the very fact that a port is structured as a trust and not as a corporate entity militates against the port operating on commercial lines. Even today there are no profit centres in the ports, and their accounting

practises are not commercial accounting practices; no profit and loss statements are worked out. The average pre-berthing time and average turn around time in the Indian ports is still very high as compared to the ports in the neighbouring countries such as Sri Lanka (Colombo), Singapore and Dubai. The productivity of labour and equipment is also low. Although, measures have been taken to bring about a reduction in port staff, Indian ports are still over staffed as compared to modern ports like Singapore. A study has indicated that on an average, the cargo handled per employee in the Indian ports in 1998-99 was about 2030 tonnes as compared to 47,000 tonnes per employee in the U.K. ports and 50,500 tonnes in Rotterdam. The manning scales at the different ports for specific activities also vary widely. For example, for the transfer of containers from ship to quay, Kolkata employs a total of 32 persons as against 12 at Haldia, 15 at Mumbai, 21 at Chennai and 4 at JNPT. The introduction of VRS in all the major ports has helped to reduce port staff by about 11300 persons by 30th June, 2001, and the decision to roll back the retirement age from 60 to 58 has helped to reduce the number further by about 4700 persons. But the staff strength in Indian ports is still unduly high and these schemes should be actively pursued to bring down the staff strength to normative levels. Similarly, manning scales should be rationalised and fixed on the basis of the lowest prevailing level, which appears to have been provided for in the recent wage settlement. Due to inadequate draft and inefficiencies in the Indian ports, mother vessels do not call at Indian ports; as a result, containers from India are being transhipped in Singapore, Colombo or Dubai, involving an additional cost of about $20 per container. With manufacturing and trading companies elsewhere in the world beginning to buy goods on a ‘just in time basis’, Indian exporters are unable to avail of ‘fixed day of call’ service by the major shipping lines and are, therefore, forced to maintain warehouses. The cost of transhipment, warehousing and delays were estimated to be around US$ 1.5 billion per annum in a World Bank study. These are additional costs that the Indian economy has to bear at a time when India’s exports have to become globally competitive.

7. As major service providers to India's foreign trade, it is imperative that the ports are run on commercial lines. The Chairmen of the Port Trusts should also be selected from the best available talent in the country instead of making opportunities only from the services or the cadre of port officers. All this can happen only if ports are corporatised and subjected to the disciplines of the market.

8. With the view to introducing competition and commercial working practices in the major ports, the Government of India announced some major policy initiatives in October 1996. The policy package identified areas in ports that would be thrown open for private participation and operation. It was the intention that the Port Trusts would soon move towards becoming landlord ports, with all the commercial services being provided by the private sector. The policy package also envisaged that Port Trusts would be corporatised eventually and made to operate on commercial principles as companies under the Indian Companies Act. It is in pursuance of this that a new major port namely, Ennore Port, has been set up as a company. Action has also been initiated to corporatise JNPT; the Haldia Dock Complex of the Calcutta Port and the Ports of Mangalore, Mormugao and Tuticorn are to follow. It should be the endeavour of the government to corporatise all the major Port Trusts within the next three years. In case there are difficulties in evaluating the assets and liabilities and structuring the equity of old ports like Chennai, Mumbai and Calcutta, government should consider setting up port companies to which all the commercial facilities like berths and cargo handling equipment could be leased out, with the Port Trust retaining only the ownership of the land and water front. Such an arrangement would enable the port companies to provide services on commercial lines. But corporatisation should not be an end in itself, as a port company in the public sector may perform no better than a Port Trust. Port companies should be privatised at the earliest, preferably through public offering.

9. In 1996, the financial powers of the Port Trusts, which were limited to Rs.2 crore, for new investments, and Rs.5 crore in respect of replacements/renovation were increased to Rs.50 crore and Rs.100 crore respectively. With the

substantial increase in the financial powers of the Port Trusts hardly any proposals now come to the Government of India for investment/expenditure approvals. With the eventual corporatisation and privatisation of the ports, the Government of India would also be considerably relieved of work relating to port establishment, wage negotiations, etc.

10. As would be seen from the organisational chart at Annex 2, the Secretary, Ministry of Shipping is assisted by a Development Advisor with supporting staff. The Development Advisor provides technical advice on port development. With the Port Trusts themselves having competent personnel in all relevant disciplines to prepare/evaluate proposals for port development and with ports now having enhanced powers to take necessary investment decisions, there appears to be no need for continuing the post of Development Advisor. The ministry, whenever technical advice is required, can always draw the necessary expertise, be it civil, mechanical or ocean engineering, from any of the ports, IITs or consulting companies. The office of the Development Advisor as it now exists has only resulted in creating an additional channel of scrutiny and there is a danger of even non technical matters being referred to the Development Advisor, which could cause avoidable delays. The post of Development Advisor and Development Wing in the Ministry could be abolished.

11. The Ministry is also responsible for the Dock Labour Boards which were set up in the ports of Mumbai, Calcutta, Visakhapatnam, Cochin, Chennai, Mumbai and Kandla under the Dock Workers (Regulation of Employment) Act, 1948. In order to ensure optimum utilisation of labour by making dock workers and port workers inter-changeable, government has already decided to merge dock labour with port labour, which has been achieved in Mumbai, Cochin and Mormugao. Merger of the DLB with the ports in the remaining four major ports is expected to be completed by the end of the current year. It should then be possible to repeal the legislation pertaining to dock workers.

12. <u>The Dredging Corporation of India:</u> The DCI was set up at a time when adequate dredging facilities did not exist in the country and reliance on external sources for dredging in the ports was not considered appropriate. The situation

has now changed. All the major ports are now permitted to invite international bids for dredging and award contracts on a competitive basis. Major international dredging companies are now operating in India. The DCI has limited capacity, which is being put to optimum use. The company is making profits. The operating and financial results of the company for the last 5 years upto 1999-2000 are at Annex 5. There is no rationale for retaining DCI as a public sector undertaking and it should be privatised.

13. The NIPM is already an autonomous body run by the Indian Ports Association, which is the association of the major ports intended to provide common services to the major ports.

14. The Minor Ports Survey Organisation functioning under the ministry conducts hydrographic surveys of minor ports, major ports, inland water ways, irrigation systems etc. The organisation is even now working on a 'no profit no loss' basis realising charges for surveys at the rates fixed by the government. This organisation could be corporatised and made to operate on commercial lines.

15. The Andaman and Lakshadweep Harbour Works was set up as a unit in 1965 for planning and executing the maintenance of ports and harbour facilities at Andaman and Nicobar and Lakshadweep. This unit should either be handed over to the concerned UT governments or merged with the Calcutta/Chennai Port Trusts and Cochin Port Trust. Given the volume of work in Andaman/Nicobar and Lakshadweep, these two harbours can easily be handled by Calcutta/Chennai and Cochin Port Trusts.

16. Conservancy functions in the ports are now being exercised by the Port Trusts themselves. As Port Trusts are corporatised, it would not be prudent to leave it to companies operating on commercial principles to exercise conservancy functions, especially when IMO regulations relating to Port State control are being tightened. In the minor ports, conservancy requirements are not sufficiently understood and adhered to. As oil spillages and accidents in minor ports can also have serious implications for safety and the environment, conservancy should not be left to the minor ports. It would be desirable to vest

all conservancy responsibilities in all the ports, both major and minor, in a Maritime Authority, which is discussed at some length at the end of this report. This is the practice that has been adopted in UK and Singapore where the ports have been corporatilised and are run by companies.

3. Shipping

17. In shipping, the role of the ministry apart from administering the Indian Merchant Shipping Act and processing the conventions and protocols of IMO for purposes of ratification or accession, is to create a conducive environment for the growth of India's shipping tonnage. India has been ranked 17th in the world in terms of tonnage and as of 31.12.2000 has a total tonnage of 6.93 million tonnes. The chart at Annex 6, which shows the growth of Indian tonnage, would indicate that there has been very little growth in the last five years. Merchant shipping world over is run on commercial lines with decisions to invest in ships taken on commercial considerations. India still continues with licensing of ship acquisition through the Ship Acquisition Licensing Committee chaired by the Secretary, Shipping. Although the licensing procedure has been simplified and streamlined in recent years with the introduction of automatic approval for certain kinds of acquisitions, the rationale for licensing ship acquisition in an economy that is being increasingly liberalised is not clear. When a company desires to acquire a ship, it should be allowed to sink or sail with the ship and there is no reason why government should be concerned with the viability of the acquisition proposal. What a Government or a regulator should be concerned with is the sea worthiness of a vessel, and the sea worthiness of a ship is certified by Director General, Shipping before it is registered under the Indian flag. Licensing of ship acquisition should be altogether abolished and it should be left to DG, Shipping to ensure the safety and sea worthiness of a ship.

18. The enforcement of the Indian Merchant Shipping Act, 1988 is the responsibility of the Directorate of Shipping, an attached office of the ministry. DG, Shipping is responsible for all matters relating to shipping policy, implementation of international conventions relating to safety, prevention of

pollution, promotion of maritime education and training, examination and certification, etc. The DG enjoys a statutory status under the Merchant Shipping Act and is assisted by three Deputy Directors General, five Assistant Directors General, a Nautical Advisor, the Chief Surveyor and other supporting administrative and technical staff. The office of the DG includes the mercantile marine departments at Calcutta and Chennai with subordinate offices at Jamnagar, Goa, Port Blair, Tuticorin, Vizag and Cochin. There is also a Seamen's Welfare office at Chennai and Seamen's Employment offices at Calcutta and Mumbai to regulate employment of seamen and look after their welfare. The DG's office inspects cargo and passenger vessels for safety and sea worthiness and also examines and certifies seamen and officers working in the merchant navy.

19. The following four government run training institutes impart training for cadets and officers in marine engineering and nautical disciplines; (1) Training Ship Chanakaya, Navi Mumbai, (2) Marine Engineering and Research Institute, Calcutta, (3) Marine Engineering and Research Institute, Mumbai, (4) LBS College of Advance Maritime Study and Research, Mumbai. In addition, the DG has recognised some 86 institutes in the private sector to supplement the training efforts of the government institutes. Training opportunities in these various institutes are highly coveted and paid for either by the candidates themselves or by the shipping companies sponsoring them. The training institutes are also self sufficient and do not avail of any government support. A decision has already been taken to set up an Indian Institute of Maritime Studies under the Societies Registration Act, and place all the four government run institutes under it. The Society should be given status of a deemed university or of an IIT and should become totally autonomous.

20. On the shipping side, the ministry is also responsible for the Shipping Corporation of India which is the largest shipping company owning about 40 per cent of India's total tonnage. SCI, which has been conferred 'Miniratna' status, has a good track record of making profits. The net profit after tax in 1999-2000 was Rs.161.6 crore. There have been considerable delays in the acquisition of

tonnage by the SCI due to delays in securing investment clearances from the GOI and in the process SCI has not been in a position to gear itself up for changing cargo requirements and growth. SCI is now a candidate for disinvestment, and the disinvestment should be completed.

21. The Ministry of Shipping also has a Chartering Wing (Transchart), which is responsible for making shipping arrangements for the transportation of cargo owned/controlled by the government or by government owned entities like PSUs as per the policy of buying FOB/FAS and selling CAF/CIF. Transchart has an enviable record of making shipping arrangements at internationally competitive freight rates, thus saving valuable foreign exchange for the country and in the process also providing cargo support to Indian vessels. The policy of buying FOB and selling CAF/CIF is in the national interest and Transchart should continue. There is, however, considerable scope for the computerisation of the operations of Transchart and this could result in a reduction in the staff strength. This exercise should be carried out in six months.

4. Ship Building and Ship Repair

22. The Ministry of Shipping is the nodal ministry for ship building and repair industries, fishing vessel industry and floating craft industry. There are 28 established shipyards in the country including 19 private sector shipyards. Of the remaining 9 shipyards, 7 are in the central public sector and 2 under the State sector. Of the 7 central public sector undertakings the following four are under the administrative control of the Ministry of Shipping, and the remaining three are under the administrative control of the Ministry of Defence:

I. Hindustan Shipyard Limited, Visakhapatnam
II. Cochin Shipyard Limited, Cochin
III. Hoogly Dock and Port Engineers Limited, Calcutta
IV. Central Inland Water Transport Corporation, Calcutta

23. India has no comparative advantage in ship building. The bulk of the steel and other components, including paints, required for ship building are imported. In spite of efforts to modernise the technology used, ship building in India is not world class and productivity is low. The delivery time in the Indian shipyards is long as compared to shipyards elsewhere in the world. No foreign shipping company ever comes to an Indian shipyard for building vessels. The GOI provides a subsidy of 30 per cent on ocean going vessels ordered on Indian shipyards and also an interest differential support up to 5 per cent to Indian shipping companies which raise finances from an Indian financial institution for ordering a ship on an Indian shipyard. Availing of this subsidy and with some pressure from the government, SCI has placed orders for bulk carriers with HSL and CSL. At the instance of the ministry, major ports also place orders on public sector shipyards for the construction of tugs, vessels, etc. on a nomination basis. There is little economic or strategic justification for providing the subsidy for building ships of the sizes and classes where our yards do not have a comparative advantage. What is important is that ships should be owned by an Indian company, and fly the Indian flag. The ship building subsidy and the interest differential support should be provided only when a yard, quoting on the basis of the subsidy, wins the order against competitive bids.

24. India, however, is very well placed geographically from the point of view of ship repairs, and both HSL and CSL and other private sector shipyards have been making profits from ship repairs. Their turnover from ship repair has steadily gone up. Shipyards should become viable by courting orders for construction of vessels on a competitive basis and by strengthening their ship repair activities.

HSL: HSL, which was taken over by the GOI in 1952 has not been a profitable venture. Financial results for the last four years are as under:

(Rs. In crore)

YEAR	TURNOVER	PROFIT/LOSS (-)
1997-98	104.99	(-) 62.19
1998-99	169.99	(-) 29.67
1999-2000	207.00	(-) 31.60
2000-2001	205.00	(-) 38.89

Accumulated losses of the company up to 31.3.2000 are Rs.1071.5 crore against a paid up capital of Rs.101.81 crore. Had it been a manufacturing company, it would have by now been referred to the BIFR. Given the location of the yard and the facilities for ship building and ship repairs that it has acquired with substantial government support (investment of Rs.251.16 crore up to 31.3.2000) efforts should be made to secure a strategic partner for the company and disinvest GOI holdings.

CSL: CSL which was incorporated in 1972 on the other hand is a profit making company. It has made a net profit of Rs.39 crore in 1999-2000. The profits have come largely from ship repair. There is no strategic or commercial rationale for continuing CSL in the public sector. The company should be privatised as soon as possible.

HDPE: HDPE which is one of the oldest shipyards in India is consistently suffering losses due to old and dilapidated machinery, low productivity, non availability of building space and working capital and more importantly lack of orders. The net worth of the company has been negative since 1989-90 and this company also would have been referred to BIFR had it been a manufacturing concern. Attempts made so far for the revival of the company in the short term have failed and in the circumstances, government appears to have no proposals to put together a long term revival plan. The company has valuable land in Calcutta and should be sold as real estate and for whatever the assets can obtain.

CIWTC: The principal activities of CIWTC are transportation of cargo in the inland water ways in the country, and between India and Bangladesh. In addition, it provides services in the areas of construction and repairs of small and medium sized IWT/coastal vessels and repair of ocean going vessels. The company has an accumulated net loss of Rs.578.57 crore against a paid up capital of Rs.108.43 crore. The ship building activity and ship repair activities of this company have not been profitable due to a shortfall in orders and non availability of working capital. CIWTC has not been in a position to compete with private sector shipyards making similar sized vessels. The ship building and repair activity of this company should be closed, and the assets disposed of. The riverine operations of the company have been dealt with separately under Inland Water Transportation.

25. The Ministry has a Ship Building and Ship Repair (SBR Wing) to advise on matters relating to development facilities for ship building and ship repair, fishing trawlers and ancillary development. The focus of the SBR Wing has been on the development of ancillaries used in ship building and import substitution. With ship building and ship repairs carried out by professionally run shipyards, both in the public and private sector, and with ancillary development taking place in a liberalised economy there is no case for the continuance of the SBR wing. Development activities relating to ship building and ship repair should be best left to the yards themselves who have a much better awareness and understanding of the technology advances in the sector than the ministry.

5. National Ship Design and Research Centre

26. NSDRC was set up as a registered society under the administrative control of the ministry to provide support to the Indian ship building industry in the field of development, design and research, ocean/water transport economies, ship management and operation of vessels etc. NSRDC which has been receiving some marginal financial support from the government should be

encouraged to run on commercial lines and become totally self-sufficient. There is no need for the centre to remain under the administrative control of the ministry.

6. Light Houses

27. Department of Lighthouses and Lightships in the Ministry of Shipping is headed by a Director General. The department provides aids to navigation in the harbours/coastal/oceanic phases of navigation to mariners sailing in Indian waters. The Indian coastline is divided into 6 districts/regions and each district is headed by a Director supported by technical and ministerial staff. The Department of Lighthouse earns light dues from ships entering or leaving Indian ports and the light dues collected in the last three years are as under;

(Rs. In crore)

1997-98	79.39
1998-99	78.48
1999-2000	71.17
2000-01 (Projection)	80.00

The question whether the establishment and operation of lighthouses and other navigational aids can be privatised with government or an independent regulator ensuring standard and quality should be examined.

7. Maritime Authority

28. With ports eventually corporatised, conservancy functions in various ports, including minor ports, should be exercised by the government or an independent regulator; conservancy cannot be left to private port companines. A Maritime Authority should be set up to oversee and regulate conservancy functions in the major and minor ports and exercise all the functions of the DG,

Shipping and also of the DG Lighthouses. The merger of all the regulatory functions relating to maritime matters would help to bring about a focussed and coordinated approach to port and maritime safety. The Maritime Authority should have a member in charge of ports, a member in charge of shipping, a member in charge of lighthouses and a member, finance and be headed by one of them with the rank of an additional secretary. With the setting up of such a Maritime Authority, the Tariff Authority for Major Ports set up in 1997 to determine port tariff could be wound up and the Maritime Authority empowered to look into cartelisation/monopoly issues and arbitrary fixation of tariffs by ports/shipping lines whenever such practices or tariff orders are disputed by users or to fix tariff, where necessary. The creation of the Maritime Authority need not result in the creation of additional posts as it would be staffed by the merger of DG, Shipping, DG, Llighthouses and TAMP. The member in charge of ports and the supporting staff can be drawn from the ports. With the merger of all the regulatory functions pertaining to maritime matters it should be possible to avoid overlap and rationalise staff. The Maritime Authority can also be made to meet its costs through the levy of a conservancy cess on all ports and through fees for other services rendered by the Authority.

8. Inland Water Transport

29. The Ministry of Shipping is responsible for the development of inland water transport in the country and in particular for the development of waterways declared as national waterways. The ministry also makes available assistance to the State Governments for developing inland waterways. The following waterways have so far been declared as national waterways: -

- Allahabad-Haldia stretch (1620 kms.) of the Ganga-Bharigathi-Hooghly river system in October 1986 as National Waterway No. 1 (NW-1).
- Sadiya-Dhubri stretch (891 kms.) of the Brahamputra river in September, 1988 as National Waterway No.2 (NW-2).

- Kottapuram-Kollam Stretch (168 kms.) of the West Coast Canal along with Champakara Cancal (23 kms.) and Udyogmandal Canal (14 kms.) in February, 1993 as National Waterway No.3 (NW-3).

30. Inland Waterways Authority of India was set up in 1986 under the Inland Waterways Authority of India Act for developing and regulating inland waterways for the purpose of shipping and navigation. The IWAI is headed by an officer in the rank of a Secretary to the Government and has an officer of the rank of an Additional Secretary as its Vice Chairman.

31. Of all modes of transport, inland water transport is the most fuel efficient, economical and environmental friendly mode. In other countries like USA, China, Netherlands, Germany etc. where IWT has been given due importance and encouragement, IWT has a substantial share in the inland transport network. In India, however, this sector has been neglected and today carries less than 1 per cent of the total inland freight as compared to 14 per cent in the USA, 46 per cent in Netherlands and 9 per cent in China. This is largely due to inadequate width and depth in the waterways and lack of infrastructure facilities like, cargo handling terminals, navigational aids and IWT fleet. The IWAI has now accorded priority to making national waterways No.1 navigable through the year by ensuring a least available depth (LAD) of two metres and by providing navigational aids and terminal facilities. On the other two waterways, conservancy works are being carried out and some progress is being made in the provision of navigational aids and terminals. However, the kind of importance that has been given to highway development through the Prime Minister's National Highway Programme has not been given to the development of national waterways and IWT. Annual funds are provided under the Plan on the basis of specific schemes approved and not on the basis of a programme for development of a corridor of national waterways. The financial power of the IWAI has been increased to Rs. 15 crore but IWAI has not been empowered like the NHAI to take up works as necessary to make national waterways fully navigable, and to strengthen cargo handling facilities within an overall project approval. In

the national waterways as in the case of the national highways, a corridor approach is necessary. An integrated approach has also not been put in place to integrate inland water transportation with the national highway network and the rail network and this has become all the more difficult with responsibilities for roads and inland water transport/coastal shipping being assigned to different ministries.

32. Given the fact that India has an inland water network of 14,500 kms. and a coast line of 6500 kms, coastal shipping and IWT would very considerably reduce the stress on the road and rail network. The government must accord the highest priority to the IWTs and formulate a National Waterway Development Programme on the lines of the NHDP and empower the IWAI by broadening its Board by including Secretary, Expenditure, Secretary, Planning, etc. to take all investment decisions relating to an approved waterway in order to make it navigable. The government has in January, 2001 announced an 'Inland Water Transport Policy'. The policy provides for a package of fiscal and financial incentives to attract private investment in the development and operation of national waterways. However, private investment will not flow into IWT sector unless the IWAI makes one corridor in a waterway navigable through the year, creates cargo handling facilities and demonstrates that cargo can be moved in the corridor in a time bound manner.

9. Coastal Shipping

33. Coastal shipping in India is still not adequately exploited and has tremendous potential to grow. Coastal shipping has not developed in India largely due to the following reasons:

- Customs clearance requirements in the major ports.
- High berthing and cargo handling charges as for ocean going vessels.

- Lack of designated minor ports with adequate draft for handling coastal vessels.
- Lack of designated ports for coastal shipping with adequate connectivity to the hinterland and the road network.
- Lack of fiscal and financial incentives to make costal shipping viable.

Although, some of these issues have been addressed, the focus of port and shipping policies in the future should be to remove all constraints on the growth of coastal shipping as this would very considerably ease the pressure on road and rail and reduce the investment requirements for surface transport.

10. General

34. With the corporatisation of ports the setting up of a Maritime Authority to exercise the statutory powers of DG, Shipping and to ensure conservancy in ports and manage light houses, with the disinvestment of Shipping Corporation of India, the shipyards and other PSUs in the Ministry and with the abolition of the Development and the SBR Wings in the ministry, the Ministry's work would get reduced very considerably. The focus of the Ministry should be on policies to attract private investment in port development, to encourage coastal shipping and inland water transportation to encourage multi-modal transport, to facilitate the growth of inland shipping tonnage, and administer the laws assigned to the Ministry.

35. Thereafter, it should suffice for the ministry to have one Joint Secretary with two Deputy Secretaries to look after all port related matters and one Joint Secretary with one Deputy Secretary to look after residual shipping matters and inland water transport. Transchart should continue although its staff strength should be reviewed. With the reduction in the workload of the Ministry of Shipping and the Ministry of Road Transport and Highways the possibility of combining the two ministries once again into a Ministry of Surface Transport

should be considered so that an integrated approach can be brought to bear on all modes of surface transport, barring the railways.

36. Based on the discussion in the foregoing paragraphs, a statement showing the reduction in the number of posts at the level of Section Officer an above, is appended at Annex 7. The support level posts in the Ministry may also be reduced correspondingly after an intensive review of the revised workload.

Summary of Recommendations

1. Introduction of VRS in all major ports and the decision to roll back the retirement age form 60 to 58, has helped reduce the staff strength by 16000 persons. However, the staff strength Indian ports is still very high and the schemes should be perused actively to bring down the strength to normative levels.
2. Government should consider setting up port companies to which all the commercial facilities like berths and cargo handling equipment could be leased out, with the Port Trust retaining only the ownership of the land and water fronts. These port companies should be privatised at the earliest, preferably through public offering.
3. The post of Development Advisor and the Development Wing in the Ministry could be abolished.
4. There is no rationale for retaining the Dredging Corporation of India (DCI) s a public sector undertaking and it should be privatised.
5. The Minor Ports Survey Organisation which is functioning under the Ministry should be corporatised or made to operate on commercial lines or attached to the Office of the Chief Hydrographer to the GOI.
6. The Andaman and Lakshadweep Harbour works should either be handed over to the concerned UT government or merged with the Calcutta/Chennai Port Trust and Cochin Port Trust.
7. Licensing of ship acquisition should be abolished and the Government should leave it to DG, Shipping to ensure the safety and sea worthiness of a ship.
8. The Indian Institute of Maritime Studies which is proposed to be set up under the Societies Registration Act, to run the four institutes, namely, (I) Training Ship Chanakaya, (II) Marine Engineering and Research Institute, Mumbai, (III) Marine Engineering and Research Institute, Calcutta and (IV) LBS College of Advance Maritime Study and

Research, Mumbai; should be given status of a deemed university or of an IIT and should become totally autonomous.

9. SCI is a candidate for disinvestment and the disinvestment should be completed.

10. Corporatisation of the operations of Transchart would result in a reduction in the staff strength. This exercise should be carried out in six months.

11. Efforts should be made to secure a strategic partner for HSL, which is a loss making company and disinvest GOI holding.

12. There is no strategic or commercial rationale for continuing CSL in the public sector. The company should be privatised as soon as possible.

13. HDPE has valuable land in Calcutta and it should be sold as real estate.

14. The ship building and repair activity of CIWTC should be closed and the assets disposed of.

15. With the ship building and ship repairs carried out by professionally run shipyards, both in the public and private sector, and with ancillary development taking place in a liberalised economy, there is no case for the continuance of the SBR Wing. Development activities relating to ship building and ship repair should be best left to the yards themselves who have a much better awareness and understanding of the technology advances in the sector than the ministry.

16. NSDRC need not remain under the administrative control of the ministry.

17. The matter whether the establishment and operation of lighthouses and other navigational aids can be privatised with government or an independent, regulator ensuring standard and quality, should be examined.

18. A Maritime Authority should be set up to oversee and regulate conservancy functions in the major and minor ports and exercise all the functions of the DG, Shipping and also of the DG, Lighthouses.

The Maritime Authority should have a member in charge of the ports, a member in charge of shipping, a member in charge of lighthouses and a member, finance and be headed by one of them with the rank of an additional secretary. Consequently, the tariff authority of major ports could be wound up and the maritime authority empowered to look into cartelisation/monopoly issues and arbitrary fixation of tariffs by ports/shipping lines where necessary. With the setting up of Maritime Authority, it should be sufficient for one J.S. level officer in the Ministry assisted by one or two Deputy Secretaries to look after port policy, international protocols and coastal shipping.

19. Government must accord the highest priority to the Inland Water Transport and formulate a National Waterways Development Programme on the lines of the NHDP and empower the IWAI by broadening its Board by including Secretary, Expenditure, Secretary, Planning etc. to take all investment decisions relating to an approved waterway in order to make it navigable.

20. With the corporatisation of ports the setting up of a Maritime Authority to exercise the statutory powers of DG, Shipping and to ensure conservancy in ports and manage light houses, with the disinvestment of Shipping Corporation of India, the shipyards and other PSUs in the Ministry and with the abolition of the Development and the SBR Wings in the ministry, the Ministry's work would get reduced very considerably.

21. It should be sufficient for the ministry to have on JS with two Deputy Secretaries to look after all port related matters and one Joint Secretary with one Deputy Secretary to look after residual shipping matters and inland water transport. Transchart should continue although its staff strength should be reviewed. With the reduction in the workload of the Ministry of Shipping and the Ministry of Road Transport and Highways the possibility of combining the two ministries once again into a Ministry of Surface Transport should be considered

so that an integrated approach can be brought to bear on all modes of surface transport, barring the railways.

Annex 1

SUBJECTS ALLOCATED TO THE MINISTRY OF SHIPPING (POT PARIVAHAN MANTRALAYA)

I. The following subjects which fall within list 1 of the Seventh Schedule to the Constitution of India:

1. Maritime shipping and navigation; provision of education and training, training for the mercantile marine.

2. Lighthouses and lightships.

3. Administration of the Indian Ports Act, 1908, (15 of 1908) and the Major Port Trusts Act, 1963 (38 of 1963) and ports declared as major ports.

4. Shipping and navigation including carriage of passengers and goods on inland waterways declared by Parliament by law to be national waterways as regards mechanically propelled vessels, the rule of the road on such waterways.

5. Ship-building and ship-repair industry.

6. Fishing vessels industry.

7. Floating craft industry.

II. IN RESPECT OF THE UNION TERRITORIES:

8. Inland waterways and traffic thereon.

III. IN RESPECT OF THE UNION TERRITOIRES OF THE ANDAMAN AND NICOBAR ISLANDS AND THE LAKSHADWEEP:

9. Organisation and maintenance of mainland-islands and inter-island shipping services.

V. OTHER SUBJECTS WHICH HAVE NOT BEEN INCLUDED UNDER THE PREVIOUS PARTS

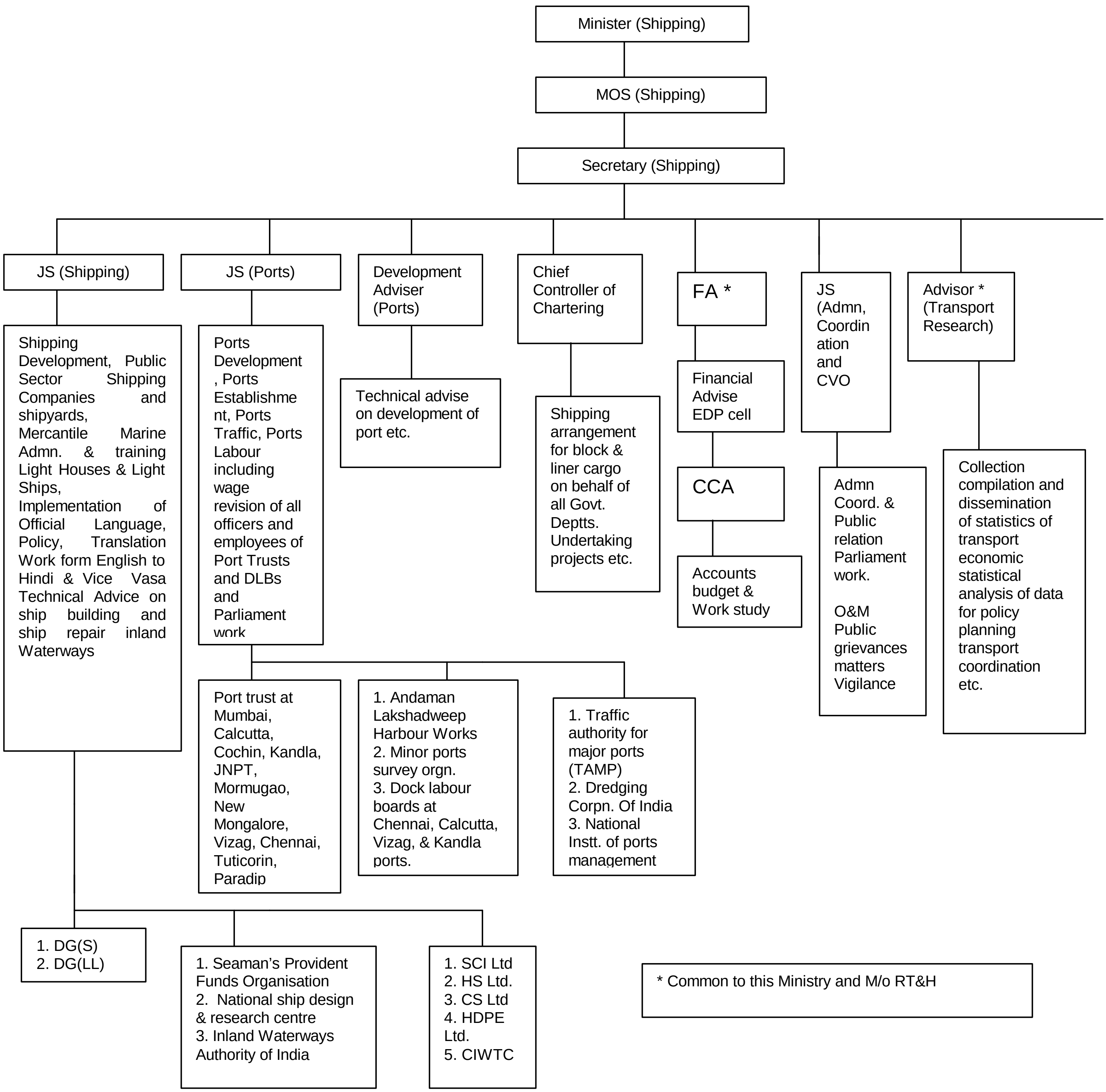
10. Legislation relating to shipping and navigation on inland waterways as regards mechanically propelled vessels and the carriage of passengers and goods on inland waterways.

11. Promotion of Transport Cooperatives in the field of inland water transport.

12. Legislation relating to and coordination of the development of minor and major ports.
13. Administration of the Dock Workers (Regulation of Employment) Act, 1948 (9 of 1948) and the Schemes framed thereunder other than the Dock Workers (Safety, Health and Welfare) Scheme, 1961.
14. To make shipping arrangements for and on behalf of the Government of India/Public Sector Undertakings/State Governments/State Government Public Sector Undertakings and autonomous bodies in respect of import of cargo on FOB/FAS and export on C&F/CIF basis.
15. Formulation of the privatisation policy in the infrastructure areas of ports, shipping and inland waterways.
16. Development of Township of Gandhidham.

Annex 2

MINISTRY OF SHIPPING (FUNCTIONAL)



Annex 3

Staff Strength of Ministry of Shipping

Group A	**Sanctioned posts – 51**				**Vacant posts – 6**	
	Secretary DA (Ports) Joint Secretary C.C.C. DS/Dir Dy.CC Sr. PPS Director(Civ./Mech) C.O.	1 1 2 1 6 1 1 4 4	A.C.O. US PPS EE(SBR) Dy. Dir(Civ./Mech) DD (OL) A.O. Asst.Dir(SBR)	8 10 1 1 6 1 2 1	DA (Ports) A.C.O. EE(SBR) DD(Civ./Mech)	1 1 1 3
Group B	**Sanctioned posts – 112**				**Vacant posts – 1**	
	DO/SO JA TO AD(Civ./Mech) AD(OL)	26 1 5 2 1	Chief D/Man PS PA Asstt.	3 9 24 41	Asstt.	1
Group C	**Sanctioned posts – 104**				**Vacant posts – 5**	
Group D	**Sanctioned posts – 62**				**Vacant posts – 1**	
Total	**Sanctioned posts – 329**				**Vacant posts – 13**	

Annex 4

Performance of major ports during 1999-00 and 2000-01

(million tonnes)

Port	POL		Coal		Iron Ore		Fertilisers & FRM		Containers		Other Cargo		Total		% Change
	99-00	00-01	99-00	00-01	99-00	00-01	99-00	00-01	99-00	00-01	99-00	00-01	99-00	00-01	
CDS	5.62	3.66	0.00	0.00	0.00	0.00	0.07	-	2.12	2.01	2.50	1.48	10.31	7.15	-30.6
HDC	10.86	10.55	6.51	7,66	0.00	0.26	0.47	0.66	0.43	0.79	2.45	2.89	20.71	22.81	10.1
Chennai	10.05	8.32	9.65	12.20	6.19	6.82	1.16	0.91	3.98	5.99	6.41	6.98	37.44	41.22	10
Cochin	9.95	9.67	0.16	0.18	0.00	0.00	0.41	0.48	1.25	1.79	1.03	1.00	12.80	13.12	2.5
JNP	1.41	1.80	0.00	0.00	0.13	0.02	0.79	0.39	10.68	14.28	1.96	2.08	14.97	18.57	24.0
Kandla	34.61	25.01	0.83	0.62	0.00	0.00	1.52	0.73	1.13	1.29	8.21	9.09	46.30	36.74	-20.6
MoPT	1.14	1.09	0.68	1.39	14.83	15.66	0.11	0.12	0.05	0.04	1.41	1.32	18.23	19.62	7.7
Mumbai	16.79	15.63	0.00	0.00	0.00	0.00	0.89	0.70	6.16	4.36	6.68	6.35	30.41	27.03	-11.1
NMPT	8.32	9.96	0.12	0.22	6.39	5.11	0.19	0.21	-	0.02	2.59	2.38	17.61	17.90	1.6
Paradip	2.22	2.22	7.45	9.90	1.03	2.99	0.64	2.65	-	-	2.30	2.16	13.64	19.90	45.9
Vizag	15.29	18.34	8.11	10.21	7.52	9.25	2.98	1.61	0.26	0,28	5.35	5.00	39.51	44.69	13.1
Tuticorin	0.46	0.40	3.58	5.60	0.00	0.00	0.87	0.75	1.63	1.57	3.45	3.97	9.99	12.29	13.0
Total	116.71	106.63	37.09	47.97	36.09	40.11	10.10	9.21	27.69	32.42	44.24	44.64	217.92	281.03	3.3

FINANCIAL RESULTS

Rs. In crore

Port	Operating Income		Operating Expenditure		Fin & Misc. Income		Fin & Misc. Expenditure		Net Surplus		% Change
	99-00	00-01	99-00	00-01	99-00	00-01	99-00	00-01	99-00	00-01	
CPT	520 *	533*	619	707	50	43	212	260	-261	-391	-49.8
Ch PT	339	397	267	304	121	105	47	152	146	46	-68.5
CoPT	180	186	147	153	23	20	54	83	2	-30	-1600
JNPT	368	324	227	217	108	115	115	129	134	93	-30.6
KPT	225	175	126	116	144	145	29	41	214	163	-23.8

MoPT	**134**	**161**	**104**	**137**	**26**	**50**	**33**	**53**	**23**	**21**	**-8.7**
MbPT	**533**	**500**	**423**	**567**	**101**	**74**	**128**	**496**	**83**	**-489**	**-689.2**
NMPT	**171**	**173**	**95**	**110**	**15**	**13**	**36**	**36**	**55**	**40**	**-27.3**
PPT	**184**	**243**	**123**	**139**	**21**	**11**	**35**	**40**	**47**	**75**	**59.6**
VPT	**308**	**340**	**201**	**250**	**71**	**50**	**146**	**110**	**32**	**30**	**-6.3**
TPT	**90**	**111**	**52**	**58**	**12**	**14**	**13**	**32**	**37**	**35**	**-5.4**
Total	**3052**	**3143**	**2384**	**2758**	**692**	**640**	**848**	**1432**	**512**	**-407**	**-179.5**

***** The amount of dredging subsidy not included.

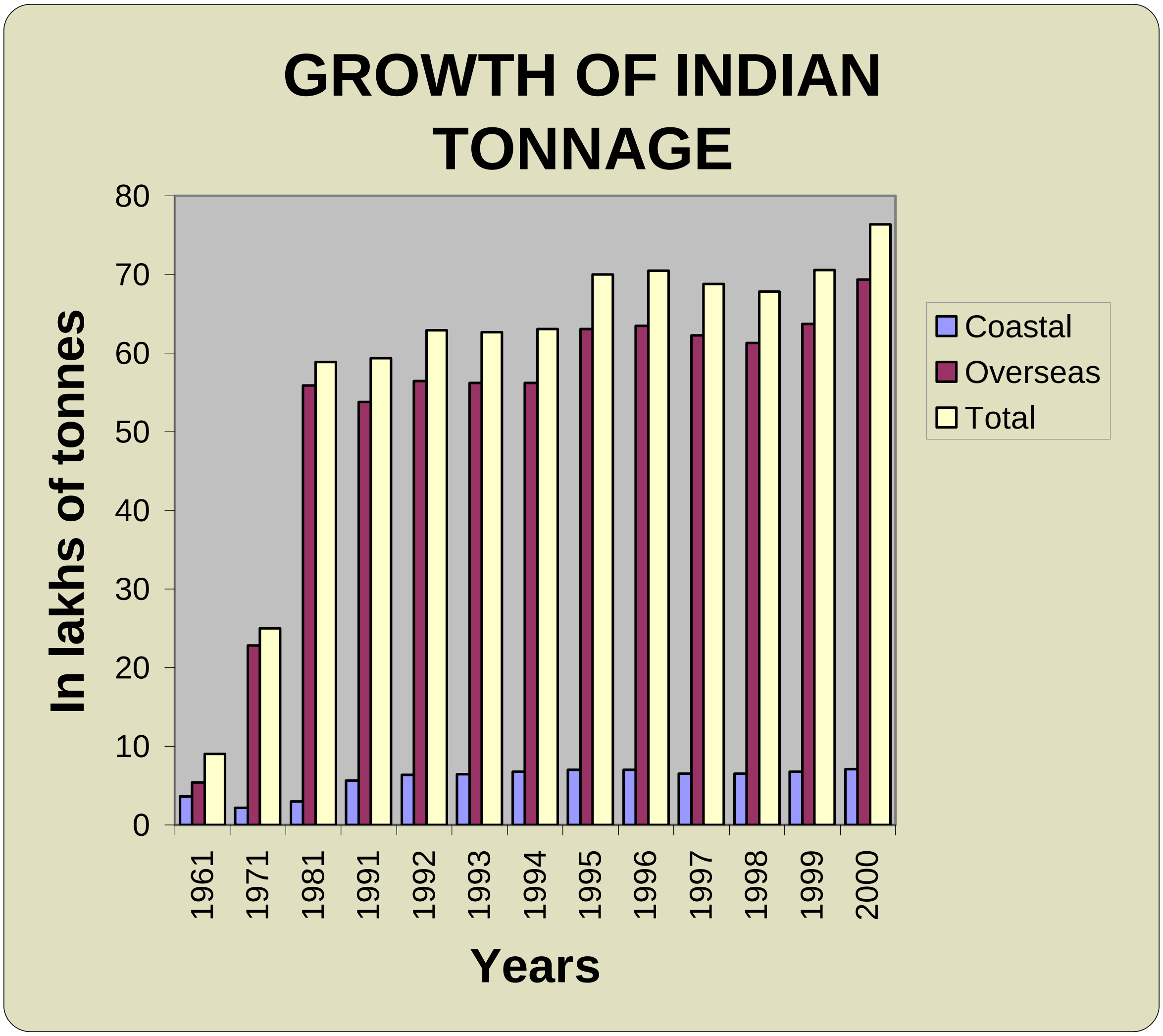
Annex 5

Performance of DCI for the last five years

(Unless otherwise indicated, figures are in Rupees Million)

		1996-97	1997-98	1998-99	1999-00	2000-01
1	Invested Capital					
	a. Paid up capital	280.00	280.00	280.00	280.00	280.00
	b. Long Term borrowing	1420.00	1233.40	1508.30	1155.40	2269.00
2.	Capital Employed					
	a. Net Block	1265.30	1083.30	966.60	1592.90	3178.80
	b. Working Capital	2370.20	2510.70	2528.70	2124.30	2068.70
	Total	3635.50	3594.00	3495.30	3717.20	5247.50
3.	Turnover	2426.70	2481.90	2562.30	3415.30	4352.30
4.	No. of Employees					
	a. Floating	785	757	710	678	640
	b. Shore	541	536	542	541	416
	c. Total	1329	1293	1252	1219	1056
5.	Value added per employee	1.52	1.64	1.77	2.40	2.51
6.	No. of Dredgers					
	a. Trailer Dredgers	7	7	7	8	9
	b. Cutter Dredgers	2	2	2	2	2
	c. Inland Dredgers	3	3	3	3*	-
7.	Classification				Mini Ratna	Mini Ratna
8.	Capacity Utilisation (%)	98	98	100	97	101
9.	MOU Rating	Excellent	Excellent	Excellent	Excellent	Excellent (anticipated)
10	Share Price					
	Highest (Rs)		102	126	270	126
	Lowest (Rs)		2	54	63	57
11.	EPS (Rs)	12.17	15.12	14.94	25.95	39.41
12.	Dividend (%)	25	33	33	50	

Annex 6



GROWTH OF INDIAN TONNAGE
In lakhs of tonnes
0
10
20
30
40
50
60
70
80
1961
1971
1981
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
Years
Coastal
Overseas
Total

Annex 7

Sl. No.	Name of the Post	Sanctioned Posts	Posts to be retained	Posts to be abolished
1	Secretary	1	-	1
2	D.A.(Ports)	1	-	1
3	Joint Secretary	2	2	-
4	C.C.C.	1	1	-
5	DS/Director	6	4	2
6	Dy. CC	1	1	-
7	Sr. PPS	1	-	1
8	Dir (Civil/Mech)	4	-	4
9	C.O.	4	4*	-
10	A.C.O.	8	8*	-
11	U.S.	10	6	4
12	PPS	1	1	-
13	E.E. (SBR)	1	-	1
14	Dy. Dir (Civil/Mech.)	6	-	6
15	Dy.Dir (OL)	1	1	-
16	Accounts Officer	2	1	1
17	Asstt. Dir. (SBR)	1	-	1
18	Jr. Analyst	1	-	1
19	T.O.	5	5	-
20	SO/DO	26	14	12
21	Asstt Dir. (Civil/Mech.)	2	-	2
22	Asstt.Dir. (OL)	1	-	1
23	Chief D/Man	3	-	3
	Total	**89**	**48**	**41**

* *Two posts of CO and 4 posts of ACO could be abolished when chartering is fully computerised.*

PART III

RATIONALISATION

OF THE

FUNCTIONS, ACTIVITIES AND

STRUCTURE OF THE

MINISTRY OF

HUMAN RESOURCE DEVELOPMENT

Rationalisation of the functions, Activities and Structure of the Ministry of Human Resource Development

Table of Contents

Rationalisation of the functions, activities and Structures of the Ministry of Human Resource Development

Executive Summary

a. Department of Elementary Education & Literacy

1. Enunciation of clear guidelines for sharing of responsibilities as between the Central and State Governments would help to secure greater harmonisation of the efforts in this crucial sector. Central intervention should be limited to certain important, crucial areas. In the school education programmes Central support should be limited to creation/strengthening of infrastructure facilities, with the States taking care of the recurring expenditure stream.
2. Considering that the problem is more in regard to retention rate in schools and levels of learning rather than enrolment, the coeducational non-formal education centres need to be phased out except in those areas where the problem of non-enrolment still persists. The resources so saved should be used for strengthening the schools system. In the NFE programme, greater emphasis could be given to implementation through voluntary agencies.
3. The national programme for nutritional support to primary education is an excellent programme, which needs to cover the whole country. The benefits of this programme in regard to improved health of the children and their mental development would be more if cooked or ready-to-eat food is given to the children. Central responsibility under this programme should be limited to the cost of foodgrains with the state governments taking the responsibility for the delivery, including processing/cooking of foodgrains. Those States, which do not now arrange to supply cooked or ready-to-eat food, should be encouraged to switch over to this system through a graded system of incentives.
4. Although there has been a very welcome improvement in the literacy rate during past decade, 37% of the population in the age group below 35 years is still illiterate. Therefore the literacy programme will have to be continued with vigour for many years to come. It is recommended that the content of literacy

programme would need continuous strengthening. The post literacy programme needs even more strengthening in the view of the less than sharp focus and less than total coverage nationally at present.

5. The integration of implementation at the village/habitation level of the various types of village level centres like Continuing Education Centres, Jan Shiksha Sansthans, Non Formal Education Centres and Mahila Samakhya Centres would help to optimise the use of funds allocated for such purposes. This applies also to the village level centres being presently run under some of the programmes of Department of Women & Child Development and of Department of Family Welfare. It is suggested that Continuing Education Centres could be accepted as the delivery point for all these programmes.

6. National Institute of Adult Education has very meagre faculty and academic resources. Functionally too the Directorate of Adult Education is well provided and is adequate to support the programme of literacy. The National Institute of Adult Education should therefore be wound up.

b. Department of Secondary Education & Higher Education

1. Although within the education sector overriding priority needs to be continued for elementary education higher education and technical education are also important. This is because educated and skilled manpower for national system becomes available from the products of higher education and technical education. Therefore for efficiency and productivity in the national system, the higher and technical education sectors need to be strengthened in the coming years. These sectors will also need to be continuously expanded because participation rate in India in higher education is only about 5% compared to about 25% in developed countries.

2. While considering continuation of existing schemes and programmes, it should be kept in mind that small schemes with outlay of a few crores of rupees per year do not serve much purpose, as under these schemes assistance cannot be made available to many States/Institutions. Under such schemes approvals also become highly subjective. Therefore only such schemes which can have an

outlay large enough to be able to assist institutions in most parts of the country should be continued.

3. Instead of central schemes seeking to extend assistance for too many activities, however meritorious these may be, an understanding and convention needs to be developed so that central assistance is limited to either one time assistance for setting up or upgrading existing facilities or for infrastructure improvement with state governments or private institutions, taking responsibility for the recurring expenditure after the initial phase is over.

4. The objective of education department having in-house academic expertise is highly desirable but the present arrangement of seeking to ensure this by having an advisory cadre does not serve the objective because even good officials lose touch with academic world after a few years in the Ministry. This objective will be much better served by creating about half a dozen positions at the level of professors and taking such persons on deputation on tenure basis so that they provide academic expertise to the Department while they are in the Department and they go back to their parent institution after the tenure before they become out of date. With such an arrangement in place, the advisory cadre could be phased out by stopping future recruitment and extending a voluntary retirement scheme option to existing incumbents.

5. The proportion of non-academic staff in academic institutions is too high by any standards. It is not only pre empts scare resources but also often becomes hindrance in smooth functioning of the organisation. It is recommended that education department should divide existing academic institutions in categories depending on the support services such institutions provide and fix ratio of non-academic staff to academic staff in the range of 1:1.5 to 1:2. Such ratio should be attained within next few years by asking concerned academic institutions to abolish 75% of non-academic positions falling vacant in a year till the desired ratio is achieved. The remaining 25% positions could be allowed to be filled up at the discretion of head of the institution so that vacancy in essential positions does not disrupt work. Maintenance grant to such institutions should be reduced to the extent of positions abolished as above, after

allowing these institutions to retain a part of the savings for being used for important programmes.

6. The issues relating to principles governing determination of grant-in-aid, raising fees in academic institution to meaningful level and instituting a meaningful scheme of freeships and scholarships have to be decided and implemented in an overall and holistic manner because one impacts on the other. The principles governing determination of grant-in-aid need urgent revision, the fees in academic institutions need to be revised to meaningful levels and at the same time a sizeable number of freeships and scholarships need to be instituted for encouraging meritorious students and for enabling students from poor families to continue to avail of higher education.

7. The scheme of science education should be modified to allow only one time assistance to a secondary or higher secondary education schools with recurring assistance being left to be provided by the concerned state government. The schemes of environment education and yoga education are too small to be meaningful and these should be terminated.

8. Given the developments and the good work done for development and propagation of Hindi during the preceding five decades the Central Hindi Directorate, Kendriya Hindi Sansthan and Commission for Scientific and Technical Terminology need to be merged as one body.

9. The scheme for financial assistance for appointment and training of Hindi teachers in non-Hindi speaking states and scheme for modern Indian language teachers do not *prima facie* seem to be needed now with good arrangements for teaching languages having been made in schools in most states. The Department should evaluate continued usefulness of these schemes and consider whether these need to be continued.

10. The Central Institute of English and Foreign Languages, Hyderabad need not any longer be maintained and funded fully by the government of India. It is recommended that the budget support for this institution be gradually reduced, with the state government or a suitable private organisation taken an increasing role in the management and financing of this institution.

11. The Veda Vidya Pratishthan, Ujjain has not been able to develop even after 14 years and its work remains substantially undeveloped. Keeping in view the large number of Sanskrit Departments in the Universities and very good standard of many institutions are promoting learning of Sanskrit in the country, this institution could be wound up.

12. The scheme for scholarships to students studying Sanskrit in High/Higher Secondary Schools and scheme for grant to state government for promotion of Sanskrit are too small to have any impact at the national level. The quantum of scholarships is also grossly insufficient. These schemes do not seem to be performing any meaningful function. The Department should evaluate the usefulness of these schemes and whether these need to be continued.

13. The National Scholarship Scheme, scholarship to students from non-Hindi speaking states for post matric states in Hindi and scholarship at secondary stage for talented children from rural areas do not appear meaningful in the present context. Under the first two schemes, the amount of scholarship is grossly inadequate and disbursements are grossly delayed and the third scheme has become redundant after the setting up of Navodaya Vidyalayas. These schemes could be terminated.

14. In NCERT, development and preparation of textbooks is a necessary activity but publication of textbooks does not need to be taken up by the NCERT. It puts a large burden of non-academic work on NCERT and distracts NCERT from academic functioning. NCERT should therefore get its books printed and published by outsourcing such work on the basis of royalty or fee for publication of a specified number of textbooks.

15. The proportion of non-academic staff in NCERT should be brought within the limits recommended in this report for other academic institutions.

16. The regional offices of NCERT are no longer required. These should be abolished.

17. The Indian Council of Social Science Research, Indian Council of Philosophical Research and Indian Council of Historical Research has very limited mandate and to that extent less than effective. In any case, it is best for

the government not to get involved in matters relating to history and philosophy. It is recommended that either government should totally distance itself from the Council for historical research and Council for Philosophical Research by making these Councils totally autonomous or the government could consider integrating all the three Councils so that a viable and powerful Council for supporting research and studies in the overall field of social science comes into being.

18. The UGC Secretariat, by its very nature of recruitment policy has inadequate academic expertise. It is recommended that UGC should fill up about a dozen senior level positions by inducting academics on deputation or tenure basis so that they could provide necessary academic expertise to UGC while they are with UGC and they go back to parent universities before they become out of date.

19. The responsibility for determining and disbursing maintenance grants to Delhi colleges was entrusted to UGC for historical reasons. It distracts UGC from acquiring a national perspective. It is recommended that this function should be transferred to a body to be designated by the state government of Delhi, as is the practice in all other states.

20. UGC has a huge number of programmes with very small outlays. Such programmes do not have impact nationally and sanctions tend to be subjective. It is suggested that UGC should reorganize its programme so that there are only 8 or 10 programmes each with an outlay of about Rs.50 crore or more. This will enable assistance to be extended to most of the universities, which are eligible for assistance and in an objective manner. It is also recommended that funding for research programmes should be shifted from fellowships and block assistance to university Departments to assistance for research projects, which will allow better outcomes. The proportion of plan funds of UGC made available for assistance to research projects would need to be increased. This will help universities to regain primacy in research.

21. When the work of UGC is reorganized as above, its staff strength could be reduced by about 30%.

22. The accreditation system in India has not developed. Both the UGC and the university system have remained unenthusiastic about it. Accreditation is a valuable guidance to parents, teachers, students and funding agencies about quality of education in the institution. It is recommended that this should be made applicable to all the universities and colleges with a sense of urgency. It is also recommended that UGC assistance should be linked to grading during accreditation so as to promote excellence in the system.

c. Department of Women & Child Development

1. The Scheme of Short Stay Homes and the Scheme of Working Women Hostels have overlapping objectives and could be integrated and implemented as one scheme.

2. The Kishori Shakti Yojana, Swa Shakti Project and the Indira Mahila Yojana could be merged into Integrated Women Empowerment Programme. The continuing education centres of literacy programme could be the point of delivery at village level for the village level programmes of Department of Elementary Education, Department of Secondary Education and higher education, Department of Women & Child Development and Department of Family Welfare.

3. The Central Social Welfare Board was set up in 1953 when the Ministry did not have an extensive range of programme as at present. It does not make for effectiveness and efficiency that both the Ministry and CSWD implement a range of overlapping programmes. It is recommended that the CSWD should focus more on opinion building and social mobilization for women's empowerment. Accordingly, there does not any seem justification for CSWD to maintain its regional offices. These could be wound up and the staff strength in the head office reduced to about 50 to 75.

4. In the Department, 1 post of Joint Secretary, 2 posts of Deputy Secretaries and 4 sections could be declared surplus.

Rationalisation of the functions, activities and Structures of the Ministry of Human Resou rce Development

1. Department of Elementary Education and Literacy

1.1 The Constitutional mandate in the field of elementary education flows from Article 45 containing the Directive Principle that the State shall arrange free and compulsory education to all children up to the age of 14 years. In the earlier years, this was interpreted to mean that the primary responsibility for providing elementary education vested with the State Governments. As a consequence, Central funding and programmes for elementary education remained minimal till the 70s. This situation changed in 70s as a result of Constitutional Amendment by which education was brought under the Concurrent List and it now figures at item 25 in the Concurrent List. The Constitutional Amendment was followed by the enunciation of the National Policy on Education in 1986, which triggered a series of sizeable interventions by Government of India in the school sector, specifically for elementary education sector like Operation Black Board, the Scheme of Teacher Education and Non Formal Education.

1.2 The Department of Elementary Education looks after two extremely important sectors, one, which would lead to universal elementary education, and the other, which would lead to universal literacy. In regard to universal elementary education, of late, at least at the functional level, the emphasis has been on achieving universal primary education first. Universal primary education would necessarily imply, firstly universal enrolment of all children who attain the school going age, secondly, retention of these children in schools for five years so that they complete the primary stage and thirdly attainment of acceptable standard of learning by these children at the end of five years of schooling. An analysis of the present situation shows that the gross enrolment ratio in the country as a whole is already more than 100 per cent though there are smaller habitations and villages and of course individual families whose children still do not get enrolled. However, the situation in regard to retention in schools for five years and in regard to standard of learning is much poorer. The drop out rate is still around 40 per cent and it is well known that standards of learning in Indian schools generally do not compare favourably with the standards prevailing in many other countries. In regard to literacy, notwithstanding the commendable efforts in the 80s and 90s in reducing illiteracy, the literacy rate is still only 63 per cent and this when the content of basic literacy is still quite modest. A literate and educated population even if it is only up to elementary stage is an asset and also an essential requirement not only for the national economy but for an orderly society as well. Therefore, there is a strong case for continuing and if possible, further strengthening Central intervention for supporting the efforts in elementary education and universal literacy.

1.3 While looking at individual programmes, however, one needs to adopt some rational guiding principle for sharing of responsibility between Central Government and State Governments. This issue is relevant because after rightly accepting the need of Central intervention in the school education and literacy sectors, there has been a tendency for the Centre to intervene in most areas in this sector. Such an approach sends a wrong message to the States, in that the States in turn, tend to 'abdicate' their responsibilities in this crucial task, and leave it to the Centre to formulate suitable programmes and fully fund them. There is evidence in terms of experience of the last two decades to support this apprehension. Therefore, a guiding principle for limiting Central intervention to some critically important areas would actually help in evolving a more viable and useful partnership between Central Government and the State Governments for the development of this sector. It is recommended that Central intervention in the school education sector should be limited to assistance for strengthening and creating infrastructure with the recurring needs becoming the responsibility of the concerned State Government. The argument that State Governments lack resources does not seem to be valid; it is more a question of priority attached to this sector by the concerned State Government. If a State Government is indifferent to the needs of elementary education or for that matter to any other sector, even 100 per cent Central funding will not achieve the desired objective because such indifference would influence effectiveness and efficiency in implementation of the Central interventions.

1.4 Within the above mentioned perspective the following recommendations are made in regard to the programmes in the Department of Elementary Education & Literacy: -

A. Programmes

1.5 The Plan outlay for the Department of Elementary Education and Literacy is Rs.3800 crore for the year 2001-02. When compared to Plan outlay of Rs. 1721 crore for the Department of Secondary and Higher Education, this reflects adequate priority for elementary education and literacy.

B. Sarva Shiksha Abhiyan

1.6 The Department has decided to integrate programmes of Operation Black Board. District Primary Education Project, Non Formal Education and Teacher Education into a holistic Sarva Shiksha Abhiyan. It is understood that the Sarva Shiksha Abhiyan is in the preparatory stage and it will be taken up in the different parts of the country progressively. It has a very welcome feature of involving the community in monitoring and in accepting habitation as the unit for planning of educational facilities. In keeping with the general principle stated in the preceding paragraphs, it is suggested that funding of the recurring needs of the programme should be the responsibility of the State Governments concerned.

C. *Non Formal Education*

1.7 The scheme of Non Formal Education (NFE) was started in 1979-80 for the then educationally backward States of Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, J&K, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal for providing elementary education to the children who missed attending elementary school. The scheme has two parts, one envisages coeducational NFE centres in which Central Government provides 60 per cent assistance and the other provides 90 per cent Central assistance for NFE centres for girls. In addition there is 100 per cent Central assistance on a much lesser scale for NFE centres run by the NGOs. At present there are 2.92 lakh NFE centres of which about 58000 are run by NGOs. A sum of Rs.300 crore was provided for this scheme in the last year.

1.8 The scheme has been in operation for 22 years now. The nature of the scheme is such that it makes verification or supervision extremely difficult as there are no fixed timings for NFE centres; nor is there any fixed place. Generally such NFE centres are run in the evening when any outside inspecting person is unlikely to visit the village and undertake verification. In any case enrolment as such is no longer a major problem in most parts of the country. The problem areas that remain and that warrant maximum attention are the issues of drop outs and standards. As such there is a case for gradually bringing down the scale of NFE programme with the resources so saved being diverted for strengthening the school system, which will effectively address the twin problems of drop outs and standards. This is being suggested, as one of the main reasons for the sizeable drop out rate and inadequate standards of attainment is poor school facilities. In principle, the most justifiable part of NFE programme is the portion being run through NGOs. This part of the programme could therefore receive greater emphasis. In the first instance co-educational NFE centres could be phased out except in those areas where the problem of non-enrolment still prevails. The NFE centres for girls could be continued till participation rate of girls equals the participation rate of boys in elementary schools. The continuing education centres in the villages for post literacy programme should become the location for NFE centre also. This would improve effectiveness of NFE centre and would facilitate community supervision of its functioning.

D. National Programme for Nutritional Support to Primary Education

1.9 It is generally accepted that nutritional status of about half the primary school going children is below the level required for healthy development of children of that age group. Poor nutritional status of a child depresses not only educational achievement but also tends to perpetuate poor health. Therefore the programme for nutritional support to children attending primary schools is a highly commendable one. However, due to operational constraints the programme started in 1995 was for distribution of food grains to the parents of children attending primary schools. At present, the programme involves Central assistance to the extent of 100 gms. per school day, per student in States where cooked meal is provided and 3 kgs. of food grain per month, per child where food grains are distributed subject to a minimum 80 per cent of attendance. Most State Governments implementing this programme have pointed out that the mid-day meals programme has led to improvement in attendance. This will, however, be only a limited gain unless better attendance is converted into more effective learning as should be reflected in reduction in drop out rate and better levels of learning. The arrangements for distribution of food grains to parents do not automatically ensure that the intended benefit flows to the school going children. In such a system it is not certain what portion of the distributed food grain augments the diet of the child. Therefore, such a programme is likely to have minimal educational benefit. However, only seven States viz. Gujarat, Kerala, Orissa, Tamil Nadu, Madhya Pradesh, Pondicherry and Delhi seem to be providing cooked or ready to eat food. The programme should therefore aim at provision of cooked or ready-to-eat food to the children in all States. The central assistance under this scheme could be in the form of food grains with the cost of cooking and distribution being met by the concerned State Government. In order to expedite the change over in those States, where at present, the foodgrains are handed over to the parents, a system of graded incentives to concerned State governments could be introduced.

E. Literacy

1.10 The Literacy Programme has substantially improved after the programme was converted into a mass campaign format under the aegis of National Literacy Mission in the wake of the formulation of National Policy on Education in 1986. A psychological breakthrough in the programme was achieved when Kottayam city followed by Ernakulam district in Kerala achieved total literacy around 1989. Literacy level now is estimated to be 63 per cent though literacy among women is still lower than among men. The encouraging feature is that the gap between rural literacy (56.7 per cent) and urban literacy (80.1 per cent) and similarly between literacy among males and females has narrowed down with female literacy now at 50.4 per cent. Out of 588 districts in the country, 559 have been covered by the National Literacy Mission. Total Literacy Campaigns are at present under implementation in 172 districts, continuing education programme in 95 districts and post literacy programmes in 290 districts.

1.11 The content of literacy programme is however quite weak and as the present programme approaches acceptable coverage, the issue of improving the content would merit greater attention. The pronounced weakness, however, is in regard to post literacy programme which has taken a long time in taking shape and whose coverage is still inadequate. The difficulty has been in clearly defining continuing education programme and the post literacy programme. It will improve things if this literacy programme is defined with greater clarity and conciseness. The organisation and functioning of Continuing Education Centres, Jan Shiksha Sansthans, Non Formal Education Centres and Mahila Samakhya Centres at the village level have a great deal of similarity. The integrations of implementation of these programmes at the village/habitation level would secure more efficient use of resources and this synergy would also help improve the outcome.

F. Institutions

a. National Institute of Adult Education and Directorate of Adult Education Staff strength

1.12 The Directorate of Adult Education has been supporting the literacy programme for many decades. The National Institute of Adult Education was set up in late 80s after the National Policy on Education in 1986 was enunciated. Both these institutions have considerable overlap in functioning. The National Institute of Adult Education is also a 'weak' institution, with only 4 faculty level posts and 8 support staff. It is obvious that it is hardly quipped to perform meaningfully academic or supervisory functions. Such programmes can be more effectively supported and planned through the Directorate of Adult Education. The National Institute of Adult Education can therefore be wound up.

b. Bal Bhawan

1.13 Bal Bhawan is an institution set up for development of all round personality of children through informal education and related activities. It is a laudable objective but normally managing such an institution should not be Central responsibility. Over a period of time this responsibility should be transferred either to the State Governments or to well established non-governmental organisations.

G. Implications for staff strength

1.14 The existing staff strength in the Department of Elementary Education is set out in a tabular form in Annex-I.

1.15 The Department of Elementary Education has only modest staff strength, with the Secretary being assisted by 2 Joint Secretaries, 2 Directors and 10 Deputy Secretaries. The changes suggested in regard to the various offices in this department are not such as to warrant any changes in the staff strength of the department itself.

2. Department of Secondary Education and Higher Education

2.1 In the Constitution the responsibility for coordination and determining of standards in institutions, for higher education and technical education is vested in the Union Government. These items figure under entries 63, 64 and 65 in the Union List. Thus in the earlier years, when it was assumed that elementary education was primarily the responsibility of the State Governments, bulk of the funds available to the Union Education Ministry was allotted for supporting higher and technical education. The position has changed somewhat, with the amendment of the Constitution in the Seventies, bringing elementary education to the Concurrent List. Even so the Central Government's involvement in promoting higher education and technical education continues to be quite significant. This is necessary, given the need for adequate availability of trained, skilled and highly professional manpower for the management of the economy on the one hand, and for laying the foundation for a strong research base in the country on the other.

2.2 While there has been a large expansion in the institutions of higher education and technical education in the country during the preceding decades, the coverage in terms of enrolment as well as in terms of graduates passing out is still on the low side. In India, only about 5% of persons in the age group of 18-24 avail of higher or technical education whereas this number is 25% or more in developed countries. Most developed countries of the world are now moving towards achieving universal secondary education, having achieved universal elementary education many years back. This is a rational approach as a person would be around the age of 18 years when he or she completes secondary education, which is also the age for entry to various professions. Thus a person continues to learn in educational institutions till he or she attains the working age. At present, the number of persons attending any stage of education in India progressively becomes half of the proceeding stage. Thus, there is progressively lesser participation in secondary education and higher education in India. In such a situation, the Central Government and the State Governments will need to continue to strengthen the secondary and higher education sectors for many years while of course according high priority to the elementary education sector.

2.3 After the national policy on education in 1986 was formulated, there was a large increase in Central intervention in the secondary education sector. Schemes for science education, environment education, yoga education and vocational education were started for strengthening these key areas. A scheme for setting up a Navodaya Vidyalaya in each district was initiated so that good quality education could be provided to the children from rural areas. In the field higher education the initiative has been left largely to the University Grants Commission. Simultaneously, there has also been a large increase in the number of Central universities, which has almost doubled after the national policy in 1986.

2.4 While considering the justifiability of current programmes in this sector, the rationale followed has been that in view of the size of the country and number of institutions in any particular category, it is not meaningful to have schemes with outlay of only a few crores of rupees annually. Such schemes obviously cannot reach out to most of the institutions in that category and assistance in such cases gets extended on 'pick and choose' basis, which is not a happy situation. The grant of assistance in such cases remains largely subjective. Therefore, such schemes have been recommended to be dropped or transferred to State sector. Moreover, while it is laudable for the Centre and the States alike to take initiatives in this crucial sector, there has to evolve an understanding and convention about the respective areas of intervention for Central and State Governments if the results are to be optimised, particularly when resources are scarce. It is in this context that it is being suggested in this report that while Central Government and its agencies should contribute to institution building, funding of recurring expenditure should be phased out or at least limited over a period of time, allowing the State Government and the private sector a greater role in the management of the institution and universities.

2.5 Plan outlay for the Department of secondary education and higher education is Rs. 1919 crore in BE 2001-2002. Out of this, the share of secondary education is Rs. 599 crore, higher education is Rs. 502 crore and of technical education Rs. 500 crore.

A. Advisory Cadre

2.6 The Group A & B level staff in the Department is mainly from the Indian Administrative Service (IAS) and other Central services, the Central Secretariat Service(CSS) and from Education Advisory Service. The Education Advisory Service was constituted with the intention that persons specializing in various branches of education would be better suited to deal with educational matters coming up before the government. Over the years, a parallel hierarchy of educational advisory cadre has been built up beginning from Education Officer and progressing onto Assistant Education Adviser, Deputy Education Adviser, Joint Education Adviser and Education Adviser. While there is some induction at middle levels by open selection through UPSC and selection to the post of Educational Adviser is by open selection, other posts are filled up by promotions. This arrangement needs a fresh look. This is because while those who initially join these posts are undoubtedly the best available they soon lose touch with academic work and academic institutions over the years and after some years in the Department they become indistinguishable from the officers in the Department drawn from other services. Thus, the intended advantage of access to educational expertise is not available in practice. At the same time considering their background, their skill in secretariat type of functions remains sub-optimal. The objective of having in-house expertise in educational matters would be better served by taking about half a dozen persons at the level of professors from the university system on a deputation basis or on short-term contract basis for dealing with matters relating to technical education, higher education and languages which require expertise in these areas. Such persons coming on a tenure basis and reverting to their parent institutions after completion of the tenure would provide the much needed expertise. It is, therefore, recommended that such an arrangement should be put in place and the existing advisory cadre be phased out by stopping fresh recruitment and induction and by offering voluntary retirement scheme option to those now in position.

B. Non-teaching staff in academic institutions

2.7 As in the ministries, office support staff strength has increased beyond all acceptable norms in academic institutions too. Such staff far outnumber the academic staff in academic institutions. Far from facilitating work, it has become a burden adversely affecting performance, as the management of such staff itself becomes a major responsibility. Such a large proportion of support staff also pre-empts a good portion of the scarce resources available to the institution. This point is illustrated by the case of Central Universities where the non-academic staff is at least 2.5 times the academic staff and in some Central universities it is six times the academic staff strength. In addition, there is also a large number of support staff in the form of daily wagers in some of the Central universities. All academic institutions and autonomous bodies performing academic functions like NCERT should reduce the non-academic staff strength so as to achieve a ratio of 1:1.5 to 1:2 between academic and non-academic staff within next few years. As all the institutions do not perform identical functions and therefore the requirements of non-academic staff would all vary somewhat from one institution to the other, the Department could, categorise these institutions into a few groups, fixing the ratio for each group on the basis of its special requirements. Pending such a determination, all institutions should be advised to abolish at least 75% of the posts among non-academic staff, which fall vacant every year. The remaining 25% positions could be allowed to be filled up at the discretion of head of the institution so that vacancy in essential positions does not disrupt work. Maintenance grant to such institutions should be red8ced to the extent of positions abolished as above, after allowing these institutions to retain a part of the savings for being used for important programmes.

C. Fees and Scholarships

2.8 The issues relating to change in the grant-in-aid system, revision of fees to bring fees at a meaningful level and revamping the scholarship system need to be looked at as a components of a unified system because one impinges on the other. Unless the present system of determining grants-in-aid is changed, the educational institutions will not show initiative and will remain indifferent to raising resources, as the grant-in-aid system does not allow them to benefit from the additional resources they raise. Because of this indifference to raising resources, the problem of revision of fees to more meaningful levels does not get addressed. For instance in higher education, the fees have remained unrevised for decades. The tuition fees in universities and colleges have no relation to the cost of education in such institutions. Although section 12A(2) of the University Grants Commission Act puts responsibility on the UGC to lay down limits for revising fees it has refrained from specifying any such levels. The individual universities also have powers under the relevant university Act to increase fees but the general trend has been against increasing fees obviously because it will meet with some opposition from student community. Thus, universities look to UGC to take responsibility and issue directive and UGC tends to pass this responsibility on to the government and the fees remain at the same unrealistic levels. One of the reasons for lack of initiative in this regard in increasing fees is that such a measure would be a thankless task for the universities because income from fees would get adjusted in the annual grant leaving no additionality to the university. Considering that a fair number of students attending private and public schools pay monthly fees of Rs.500 or more and also considering the general level of economic well-being among the families availing of higher education, it is suggested that fees in the range of Rs.300 – 500 per month should be considered for general higher education courses. This level cannot be said to be beyond the reach of an average family. An arrangement under which these institutions are allowed to retain a certain proportion, say at least 50%, of the additional resources they raise (over a base line figure) for being spent on some of their more important and urgent needs, should provide them the necessary stimulus for raising additional resources of their own, including though upward revision of fees.

2.9 Even though the level of fees suggested here is not unaffordable to an average family, there would be some students from poorer families for whom fees of this order would be a burden. Actually it has been one of the good features for the Indian system that after Independence opportunity for advancement has been consciously created for students from poor families. This good feature should not be allowed to be lost. The universities could therefore be allowed to retain a portion, say 25% of the additional realisations from increase of fees for being used for extending freeship to the students from poor families. The scholarships could cover both merit based and means based, so as to cater to both types of requirements. The government could also allocate a number of both types of scholarships to individual institutions on a continuing basis and such number can be reviewed once very three to five years. This will allow individual institutions to select students for such scholarships and to disburse scholarships to them from the beginning of the academic session itself.

2.10 The technical and management institutions in the Government of India sector have already taken steps in recent years for increasing fees and therefore fresh suggestions are not being made in regard to them here. It is expected that the above mentioned recommendations for increasing fees, for freeships and educational loans will improve the secondary school system and higher education system over the years both academically and financially while at the same time reasonably protecting the educational interests of the poor families.

2.11 Education in Central schools has been practically free though recently, the Kendriya Vidyalaya Sangathan has increased fees other than tuition fee to bring the level of fees to about Rs.100 per month per student. Not only the fees but even hostel and mess charges in Navodaya Vidyalayas have been free. This emphasis on freeship has been largely due to the Constitutional provision in Article 45, which envisages free and compulsory education upto the age of 14 years. The logic of this directive has been routinely extended into the secondary sector. There are sizeable sections of the community, which can afford payment of a reasonable fee at the secondary level. Non-payment of fees actually puts students and parents at a disadvantage in a sense as when they receive free education, their right to demand good education gets circumscribed. At the secondary stage a fee of around Rs.200-300 should therefore be charged in the Kendriya Vidyalayas. As suggested earlier, a proportion of the income so raised could be allowed to be retained by the school, to be used for strengthening academic programmes and for improving school facilities on the advice of the school advisory committee or parent-teacher association. Considering that the enrolment in Kendriya Vidyalayas is 7.5 lakh, this would generate substantial resources, which could become a tool of rejuvenation of the school system.

2.12 In Navodaya Vidyalayas, there is an enrolment of 1.27 lakh students and it is increasing as all the schools have not 'grown' up to class XII yet. It is understood that about half the children in Navodaya Vidyalayas are from families below the poverty line. This emphasis on poorer sections would need to be continued. However, there is no reason for not charging any fee from families, which are not below the poverty line. Fees at the level suggested for Kendriya Vidyalaya students at secondary stage should be charged from non-poor families in Navodaya Vidyalayas too. Here again the school could be allowed to keep a proportion of such income from the increased fees and use it for strengthening academic programme and school facilities.

D. Schemes for science education, environment educati on and yoga education

2.13 The allocation for the scheme of science education in 2001-02 is Rs.17.85 crore, for the scheme of environment, education Rs.2.6 crore and for yoga education, Rs.30 lakh. The specific areas which these schemes address are no doubt important but in the case of the scheme of science education, the Government of India's support should be in the form of one time assistance for creating or building up science laboratories and libraries. The recurring items of expenditure should be borne by the State Governments. In regard to the other two schemes relating to environment education and yoga education, the outlays are such that these schemes cannot be implemented effectively in more than a handful of centres. There is thus no reason to continue such schemes in the central sector. These schemes can therefore be terminated.

E. Central Hindi Directorate, Kendriya Hindi Sangathan and Commission for scientific and technical terminology

2.14 These institutions were set up for promoting the use of Hindi and for development of Hindi language. This has been a legitimate objective and a large degree of success has been achieved during the preceding five decades and much of the desired promotional work has been done already. The Commission for Science and Technical Terminology has completed the initial work of developing extensive terminology in Hindi. The Commission for Scientific and Technical Terminology could therefore be integrated with the Kendriya Hindi Sansthan where it could function as an expert committee serviced by the Sansthan Secretariat. There is also a sizeable overlap in the functions of Hindi Directorate and Kendriya Hindi Sansthan. These institutions no longer require to exist as separate institutions. The Central Hindi Directorate could be wound up and the Kendriya Hindi Sansthan could henceforth discharge the functions of the Central Hindi Directorate also.

F. A scheme for financial assistance for appointment and training of Hindi teachers in non -Hindi speaking States

2.15 This scheme was initiated some decade back when there was need for promoting learning of Hindi in non-Hindi speaking States as the responsiveness on the part of the States initially was not adequate. This is perhaps no longer the situation now. The outlay of Rs.9.75 crore is also too meagre to give any significant thrust to the programme. The Department could therefore evaluate the usefulness of the scheme and take a view on its further continuance.

G. The scheme for modern Indian language teachers

2.16 This scheme was started for propagating teaching of modern Indian languages preferably South Indian languages in Hindi speaking States as in the case of preceding scheme. The outlay for this scheme is just Rs.5 lakh, which cannot meet even a fraction of the requirement. Therefore for reasons recorded in the case of preceding scheme it is suggested that the Department should evaluate the usefulness of the scheme and take a view on its continuance.

H. Central Institute of English and Foreign Languages, Hyderabad

2.17 This institute was set up for giving support to teaching of English. It receives developmental support as plan grants from UGC and non-plan grant of Rs.20.12 crore from the Ministry. It needs to be noted that education in English and teaching of English is now on a very sound footing in the country. It does not need the kind of support it needed in the earlier decades. This activity need not therefore continue as a 100% carefully funded one. The financial support for this institute could therefore be reduced, allowing the State or some private sector or educational institute to take an increasing interest in its management and funding.

I. Veda Vidya Pratishthan, Ujjain

2.18 Veda Vidya Pratishthan was set up as a Central institution in 1987 for promoting vedic studies and research. It has annual outlay of Rs.2.00 crore. Unfortunately, this institution has not developed meaningfully even after 14 years. Its activities in 2000-2001 consisted mainly of organization of one All India and six regional vedic sammelans and eight seminars also promoting some modest assistance to vedic institutions. Vedic studies are adequately looked after by Sanskrit Departments in the universities and by a number of eminent Sanskrit and vedic institutions in the non-Government sector. Thus while this area of study is undoubtedly important in the Indian prospective it does not justify continuance of an institution which has failed to come up to expectations. It is suggested that this institution should be wound up, and the assets and facilitates transferred to the local university or the State Government. Government can always extend financial support to universities and educational institutions for undertaking studies in this field.

2.19 (i) Scheme for teaching Sanskrit in high/higher secondary schools

(ii) Scheme for scholarship to students studying Sanskrit in high/higher secondary schools.

(iii) Scheme for grants to State Governments for promotion of Sanskrit

Under the first scheme assistance is extended to State Government for appointing Sanskrit teachers in secondary schools and higher secondary schools. The outlay for scheme is minimal and it does not ensure meaningful coverage. In the second scheme scholarships are given to students in class IX to class XII at the rate of Rs.100 per month at secondary level and Rs.125 per month at higher secondary stage. The coverage of the scheme is only about 1300 students. In the third scheme, assistance is extended for a large number of miscellaneous items like upgrading the salary of teachers, honouring vedic skills, conducting Vidwat Sabhas, holding evening classes etc. Thus, none of the three schemes has coverage or impact at national level. It is therefore necessary for the Department to evaluate the usefulness of these schemes and take a view on their continuance.

2.20 (i) National scholarship scheme

(ii) Scholarship to students from non-Hindi speaking States for post matric studies in Hindi.

(iii) Scholarship at secondary stage for talented children from rural areas.

The first two schemes have been in existence for a long time and the third scheme was started in early 80s for making available education of good standard to students from rural areas by placing them after selection in good public schools. The first scheme of national scholarships extends scholarship on merit-cum-means basis. The rate of scholarship varies from Rs.60 to Rs.120 per month for day scholars and Rs.100 to Rs.300 per month for hostellers. It is obvious that the quantum of scholarship is grossly inadequate considering the present costs. Also, the system of disbursement means that scholarship does not reach students at times even by the end of academic session. The second scheme was started in 1955-56 for encouraging the study of Hindi in non-Hindi speaking States. The amount varies from Rs.50 to Rs.125 per month. It is suggested that not only is this amount meaningless now, the need for encouraging study of Hindi is no longer a large issue because teaching of Hindi and other languages has become generally well accepted all over the country now. The third scheme has been overtaken by the much more extensive and meaningful scheme of Navodaya Vidyalayas. Clearly all three schemes have outlived their utility and could be wound up.

J. National Council of Educational Research & Training (NCERT)

2.21 The National Council of Educational Research & Training with headquarters at Delhi and 4 regional colleges and 15 regional offices was set up in 1960s. It is the pre-eminent research organization for school sector in the country. It also conducts and administers the prestigious national talent search examination every year and All India Educational Survey from time to time. It has conducted and published results of sixth educational survey in 1998. The NCERT has total staff strength of 2946 out of which roughly half i.e. 1465 are in the headquarters. The staff includes 693 posts in Group A out of which about 500 are academic posts.

2.22 Keeping in view the pre-dominantly academic nature of the activities of NCERT, the academic positions need no curtailment. However, the large support staff needs a fresh look. It has been suggested in this report that all academic institutions should achieve ratio of 1:1.5 or 1.2 as between teaching and non-teaching posts within the next five years. This should be made applicable to NCERT also and as suggested for other such organizations, 75% of non-teaching posts falling vacant in any year should be abolished.

2.23 Over the years, writing and publication of textbooks for school levels has become the all important function in the NCERT. There is no denying the benefit which has accrued to the school system in the country due to good standard of NCERT textbooks but the responsibility of publication of such textbooks taken on itself by the NCERT is not only unnecessary but is also a distraction from academic work. It is understood that there are about 200 persons looking after this responsibility. The activity of directly printing of textbooks by NCERT should be stopped. The NCERT should continue to produce textbooks but it should evolve a system of giving the manuscript for publication to private publishers and

State textbook agencies on royalty or fee to be determined on the basis of size of publication.

2.24 The NCERT has 16 regional offices. These offices have been set up over the decades for effecting coordination with the state education departments and agencies. With the dramatic improvement in the means of communications, and with SCERTs in most states, there is no merit and no real need for maintaining such offices now. It is, therefore, recommended that these field offices should be abolished.

2.25 (i) Indian Council of Historical Research

(ii) Indian Council of Philosophical Research

(iii) Indian Council of Social Science Research

University Grants Commission was set up in 1956 to look after the higher education sector as a whole. Subsequently Indian Council of Social Science Research was established in 1969 with the objective of supporting and sponsoring research in social sciences. However, the process did not stop there and Indian Council of Historical Research was set up in 1972. Indian Council of Philosophical Research was also set up. The latter two councils have been set up to promote and support research in these respective areas. There is an inherent inappropriateness in government directly getting involved in history and philosophy. Objectivity of work in these areas would be enhanced if there is no direct government role in these areas. In any case, these areas are only a segment of social sciences generally. It is recommended that either government should totally distance itself from the Council for historical research and Council for Philosophical Research by making these councils totally autonomous or government could consider integrating all the Councils so that a viable and powerful council for supporting research and studies in the overall field of social science comes into being.

K. University Grants Commission(UGC)

2.26 The University Grants Commission was set up under the University Grants Commission Act 1956. The University Grants Commission has responsibility for coordination and determination of standards in universities. It has direct responsibility for assessing and dispensing maintenance grants to central universities, some deemed universities and Delhi colleges. It also has responsibility for assessing and providing plan assistance for development of universities and colleges in the country. There are 180 universities in the country, 42 deemed universities and about 11,400 colleges.

2.27 The University Grants Commission has a staff strength of 883 including 130 group A positions, 127 group B positions and 483 group C positions. Its plan budget is Rs.501 crore and non-plan budget is about 610 crore.

2.28 One of the major weaknesses in the structure of UGC secretariat is that there is very little in-house academic expertise. At Group A level, positions are filled up either by promotion from the clerical levels or by some induction at the level of education officer. Such persons subsequently go on to occupy positions of Deputy Secretary, Joint Secretary and Additional Secretary. The position of Secretary, UGC is filled up by open selection. Those who rise from clerical levels cannot be expected to have the necessary academic credentials though they could be very well versed in secretariat functioning. Even those who are inducted at the level of education officer have admittedly very good record when they are inducted but they lose touch with the academic functioning after some years. Therefore, pretty little academic expertise becomes available at middle and senior level. This is not appropriate for an institution like UGC. UGC should therefore create about a dozen positions for looking after various specialized branches of learning for which persons serving as professors in universities could be selected on tenure basis. Taking such persons on tenure basis will have the advantage that while they are with the UGC, they would provide academic expertise and before they lose touch with the academic world, they will go back to the university system. Such an arrangement will benefit decision-making on academic matters in the UGC considerably. These posts can be created by abolishing an equivalent number of existing posts, which by any norms are too many.

2.29 The UGC has the responsibility of determining maintenance grants and disbursing it to Delhi colleges. There are about 70 such colleges. This function has come to the UGC for historical reasons as Delhi was a union territory earlier and did not have the organizational set up of managing such work. This function causes UGC to lose focus on the issues of coordination and determination of standards in the national system. Now that Delhi has a full fledged State Government it is recommended that the responsibility for determination and disbursement of maintenance grant to Delhi colleges should be transferred along with the funds to an appropriate agency designated by the State Government of Delhi.

2.30 Over the decades, a large number of programmes have been initiated in the UGC. These now number over 50 and the annual outlay for many of these programmes is only a few crores of rupees per year. This situation is not desirable. With small outlays, the UGC assistance cannot be available to any except a few universities and in such a situation, subjectivity in extending assistance tends to dominate. It will be desirable for UGC to have a minimum outlay – say Rs.50 crore - for any scheme so that many universities could apply for assistance under any particular programme. UGC should therefore consider grouping its various programmes so as to achieve this objective.

2.31 The UGC has responsibility for extending assistance for both standards of teaching and for research. However, within the resources available to the UGC, the share of research is a small fraction. Apart from other equally valid reasons, this situation is also responsible for universities steadily losing primacy in the R&D effort in the country. It also needs to be noted that out of the assistance UGC extends for research, only a small fraction goes directly for specific research projects. A good proportion is disbursed in the form of fellowships at various levels for strengthening of infrastructure in science and technology (SIST) under which sizeable financial assistance is extended to well recognised university departments for a block of years for research in specified areas. Such sanction for fellowships to university departments tends to continue indefinitely once these are awarded and the research outcomes tend to remain sub optimal. With a view to strengthening research and development effort in the country and for restoring the primacy of universities in such endeavour, bulk of UGC resources for research should be in the form of assistance for research projects. Research projects should be preferred as the researcher has to specify right at the beginning while seeking assistance what outcome is expected and such outcome is easily monitorable at the end of the research project. This mechanism also automatically allows subsequent sanctions to be given only to those researchers who have shown good results earlier. Equally important, UGC should also seek to enhance the resources to be allocated for 'research' out of its total funds.

2.32 In India the system rating and grading of universities and colleges through an accreditation system has not really taken off. The UGC made a beginning in this direction by appointing an expert committee around 1989 and an accreditation mechanism as a society under Societies Registration Act was set up in 1993 but actual accreditation remains minimal. The university system as a whole remains suspicions of the venture and UGC indifferent. In the absence of accreditation, the good institutions continue to miss recognition and dysfunctional institutions happily remain unmentioned. The prevailing situation is not conducive to institutions striving for excellence. In western countries the accreditation system is a valuable tool for providing quality assurance about courses and institutions to students, parents and funding agencies. An accreditation system can only benefit the university and college system. It is therefore recommended that UGC should actively promote accreditation system by confining its assistance to only those universities and colleges which acquire a grade above a specified minimum level during accreditation and also by offering assistance at a higher level to those who acquire a high grading.

L. Implications for staff strength

2.33 Existing staff in the Department of Secondary Education and Higher Education is shown in a tabular form in Annex-II.

2.34 A recommendation has been made in this report for phasing out of the Adviser Cadre post over a period of time by stopping further recruitment and offering a Voluntary Retirement Scheme option to existing incumbents, while simultaneously creating half a dozen positions at the level of professor in universities on deputation basis for providing educational expertise to the Department in various fields. Substantial reorganization and reorientation of schemes and scholarships bureau and simultaneously starting an educational loans scheme have also been suggested. Such reorganization will lead to substantial reduction in work to be handled by this bureau. Therefore, it is suggested that while retaining the position of one Joint Secretary in charge of the bureau who could be assisted by 2 Directors/Deputy Secretaries and 2 sections under them, the remaining sections and ACS Cell could be phased out. Substantial reorganisation has also been suggested in this report in the languages bureau. The work in the languages bureau would also get reduced and accordingly 2 sections out of the existing 5 sections could be phased out.

3. Department of Women & Child Development

3.1 The Department of Women & Child Development was set up in 1985 to give impetus to the holistic development of the women and children. As a nodal agency looking after the advancement of women and children, the Department formulates plans, policies and programmes, enacts legislation affecting women and children and guides and coordinates the related efforts in both government and non-government sectors. The government has recently formulated the national policy for empowerment of women in the year 2001.

3.2 The Department has plan outlay of Rs.1650 crore for the year 2001-02 and non-plan outlay of Rs.55 crore. Of these, the Integrated Child Development Services Programme started 25 years back is by far the largest with an outlay of about Rs.1360 crore.

A. Integrated Child Development Servi ces (ICDS)

3.3 The ICDS Programme was started in 1975-76 in 33 blocks in the country. It now covers 4384 blocks. Considering the poor nutritional status of about half the children and women in child bearing age in the country, this intervention is not only inescapable but highly commendable. The nutritional status of children affects not only their physical well being in future life but also development of intellect. Simultaneously, nutritional status of women of child bearing age has crucial importance for the children they might bear in coming years. Therefore, this programme will need to be continued for the foreseeable future.

B. Early Childhood Education Scheme

3.4 This scheme was started in 1982 to reduce the drop out rates. The scheme is being run by voluntary organizations in 9 educationally backward states of Andhra Pradesh, Assam, Bihar, Jammu & Kashmir, Madhya Pradesh, Orissa, Rajasthan, Tripura and Bengal. At present, there are 2616 ECE centres in the country. With the universalisation of ICDS these centres are being integrated with the ICDS network.

3.5 (i) Short Stay Homes

(ii) Working Women's Hostels

The scheme of Short Stay Homes for women and girls was started in 1969 to protect and rehabilitate those women and girls who are facing social and moral danger due to family problems, mental strain, exploitation and other problems. The working women's hostel scheme operates with financial assistance to NGOs and local bodies for construction of hostels for working women. In view of the vulnerability of women in the society, the schemes are justified. However, as both schemes have similar objectives and the women and girls are the beneficiaries under both these schemes, these schemes could be merged into a single scheme. This will help to economise on administrative overheads and optimise performance.

3.6 (i) Integrated Women Empowerment Programme
(ii) Kishori Shakti Yojana
(iii) Swa-Shakti Project
(iv) Indira Mahila Yojana (IMY)

The government has recently approved restructuring of Indira Mahila Yojana(IMY) into the Integrated Women Empowerment Programme and extended it from existing 238 blocks to 650 blocks by the end of 1999. Under Kishori Shakti Yojana, the emphasis is on training component particularly vocational aspects for adolescent girls. Under the Swa-Shakti Project, started in 1998, the intention is establishment of about 10,000 women's self-help groups under the Indira Mahila Yojana. Indira Mahila Kendras are set up at the Anganwadi level though it simultaneously recognizes other groups under the adult literacy programmes and health programmes. As the four programmes listed above have similar and overlapping objectives, the other three programmes could be merged with the Women Empowerment Programme. Apart from leading to reduced overhead costs, this will also help to maximise the flow of benefits with the available resources.

3.7 Mahila Mandals have also been promoted under the Department of Family Welfare which extends assistance for them and similarly there are continuing education centres at village level under the post literacy programme. Such replication of institutional set up at village level does not serve any purpose. Due to fragmentation and working in isolation, the programme outcomes also remain low. It is, therefore, recommended that under all these programmes there should be only one village level association or group where programmes of different ministries and different programmes of the same ministry can converge. This will be more convenient to the local population and it will optimize programme outcomes. Perhaps continuing Education Centre would be the most suitable choice for being accepted as unified level institution.

3.8 The support to Training and Employment Programme for Women (STEP) is in operation since 1987. It seeks to provide skills and new knowledge to poor and asset-less women in agriculture, animal husbandry, dairying etc. sectors. The unified village level institution approach suggested earlier should be extended to cover this programme also.

3.9 The National Institute of Public Cooperation and Child Development (NIPCCD)

The NIPCCD is an autonomous organization. It has been set up with the objective of promoting voluntary action by taking a comprehensive view of child development. The Institute is located at Delhi and has regional centres at Guwahati, Bangalore and Lucknow. The emphasis in the programmes of the Institute is on training programmes, research and documentation. This is a valuable resource for guiding programme formulation and implementation in the government.

C. Central Social Welfare Board

3.10 The Central Social Welfare Board was set up many decades back in 1953 as an institution to look after neglected, weak, handicapped and backward sections of the society. The Central Social Welfare Board has a sizeable staff component of 240 in the headquarters and 157 in field units. It implements a number of programmes as listed below:

(i) Condensed Course of Education for Adult Women;
(ii) Vocational Training Programme;
(iii) Awareness Generation Projects;
(iv) Socio-Economic Programme;
(v) Crèche Programme;
(vi) Working Women's Hostels;
(vii) Family Counselling Centre;
(viii) Voluntary Action Bureau;
(ix) Short Stay Homes.

3.11 With the Department implementing an extensive range of programmes for both women and child development, much of need and justification for existence of Central Social Welfare Board is no longer there. It was set up in the year 1953 when the extensive range of programmes being implemented nation wide directly by the Department were not there. Therefore, government should consider whether Central Social Welfare Board is needed at all now. In any case, even if it is to be continued, it should confine its activities to opinion building and social awareness. Viewed this way, there would be no need for field units of CSWB and these could be abolished. Besides, most States have State level Social Welfare Boards. For the functions now proposed for CSWB, a staff strength of about 50 to 75 should prove sufficient.

D. Implications for staff strength

3.12 The existing staff in the Department is shown in a tabular form in Annex-III.

3.13 In line with the reorganization and reorientation of programmes suggested in this report, 1 post of Joint Secretary out of the existing 4, two positions of Deputy Secretaries out of existing 7, and 3 sections out of the existing 12 could be declared surplus. In regard to Central Social Welfare Board, implementation of the recommendations would imply abolition of 157 posts in field offices of CSWB and about 190 positions out of the existing 240 in the headquarters.

Annex-I

Staff Strength

DEPARTMENT OF ELEMENTARY EDUCATION & LITERACY

Post	Pay scale (Rs.)	Sanctioned Strength	Filled	Remarks
Secretary	26,000 (fixed)	-	1	Being formally created
Joint Secretary	18,400-22,400	2	2	
Director	14,300-18,300	2	5*	*3 on personal basis
DS	12,000-16,500	10	4	
DEA(G)	12,000-16,500	1	2	
US/AEA(G)	10,000-15,200	14	12	
DD(P)	10,000-15,200	1	1	
EO(G)	8,000-13,500	2	1+1*	*filled as SO
AD(P)	8,000-13,500	1	1	
Programmer	7,500-12,000	2	1	
DO/SO	6,500-10,500	20	19	
PS	6,500-10,500	6	6	
AEO(G)	6,500-10,500	1	1*	*Regular incumbent is away on deputation

I. Education Bureau

	Assistants			UDCs			LDCs		
	S	**P**	**V**	**S**	**P**	**V**	**S**	**P**	**V**
AE.I	2	1	1	1	1	0	1	0	1
AE.III	0	0	0	0	1	1	1	0	1
AE.IV	3	2	1	0	2	+2	1	0	1
AE.V	4	1	3	0	0	0	0	0	0
AE.VI	3	2	1	0	0	0	2	2	0
AE.VII	1	3	+2	2	1	1	1	1	0
AE.VIII	0	1	+1	1	0	1	0	1	+1
AE (D.I)	1	1	0	0	1	+1	3	2	1
AE(D.II)	2	5	+3	0	2	+2			
	16	**16**		**4**	**8**		**9**	**6**	

II. Elementary Education & Teacher Education									
ES OFFICE	0	0	0	0	0	0	0	0	0
EE	3	2	1	1	2	1	2	1	1
OB	2	2	0	1	2	+1	1	1	0
NFE-I	2	1	1	1	1	0	1	1	0
NFE-II	2	3	+1	2	0	2	1	0	1
NFE-III	2	5	+3	0	0	0	1	0	1
TE-I	1	1	0	0	2	+2	0	0	0
TE-II	3	2	1	0	1	+1	1	1	0
	15	**16**		**5**	**8**		**7**	**5**	
III. DPEP Bureau									
DPEP & CS	31	16	15	0	3	+3	6	5	1
GRAND TOTAL	**62**	**48**		**9**	**19**		**22**	**16**	

Abbreviation:

UDCs - **Upper Division Clerk**
S - **Sanctioned Strength**
P - **In Position**
V - **Vacant**

Annex-II

DEPARTMENT OF SECONDARY & HIGHER EDUCATION

Post	Pay scale (Rs.)	Sanctioned Strength	Filled	Remarks
Secretary	26,000 (fixed)	1	1	
Spl. Secy.	26,000 (fixed)	1	1	
Addl. Secy.	22,400-24,500	1	1	
Jt. Secy./JEA	18,400-22,400	6	6	
Director	14,300-18,300	5	8	Including those on personal basis
Dy. Secretary	12,000-16,500	8	7	
Director(T)	14,300-18,300	1	1	
AAA	14,300-18,300	1	1	
Director(OL)	14,300-18,300	1	1	
DEA(T)	12,000-16,500	4	3	
DEA(G)	12,000-16,500	4	2@+ 1*	@ filled as DS * on deputation & joining back on 30.6.2001
DEA(Skt.)	12,000-16,500	1	-	
JD(P)	12,000-16,500	1	-	Being filled shortly
Sr. PPS	12,000-16,500	1	1	
US/AEA(G)	10,000-15,200	25	25	
PPS	10,000-15,200	1	4*	*(3 on personal upgradation)
AEA(T)	10,000-15,200	5	3	
AEA(Skt.)	10,000-15,200	1	1	
Sr.S. Analyst	10,000-15,200	1	-	
Sr. Analyst	10,000-15,200	1	-	
DD(P)	10,000-15,200	2	-	
CIO	10,000-15,200	1	-	
LO	10,000-15,200	1	1	
SO(BP)	10,000-15,200	1	1	
EO(G)	8,000-13,500	1	-	
EO(T)	8,000-13,500	2	2*	* on deputation
EO(Skt.)	8,000-13,500	1	1	
AD(P)	8,000-13,500	6	5	
Programmer	7,500-12,000	2	1	
DO/SO	6,500-10,500	60	60	
AEO(T)	6,500-10,500	1	1	Filled as DO
AEO(Skt.)	6,500-10,500	1	1	Filled as SO
AEO(Stat.)	6,500-10,500	3	3	
JA	6,500-10,500	2	2	
AD(OL)	6,500-10,500	4	4	
ALIO	6,500-10,500	2	2	
Spl.Off. (CR)	6,500-10,500	1	1	Away on deputation
PS	6,500-10,500	22	22	

Name of Bureau/Division	Assistant			UDCs			LDCs		
	S	P	V	S	P	V	S	P	V
HRM Office	0	2	+2	0	1	+1	1	3	+2
ES Office	0	0	0	0	1	+1	1	0	1
AS Office	0	0	0	0	1	+1	0	1	+1
FA Office	0	1	+1	0	0	0	0	0	0
SS Office	0	0	0	0	1	+1	0	0	0
MOS Office	0	0	0	0	1	+1	1	0	1
Total	0	3		0	5		3	4	
I. Administration & Publication									
E-I and Training Cell	7	6	1	2	1	1	5	6	+1
E-II	6	5	1	2	3	+1	3	2	1
E-III	5	4	1	2	3	+1	4	4	0
Vigilance & P.G. Cell	1	3	+2	1	1	0	1	2	0
CRU	1	2	+1	2	1	1	1	1	0
Cash	3	6*	+3	4	6	+2	7	4	3
S&S	5	5	0	5	5	0	8	5	3
Parliament Unit	1	2	+1	1	0	0	1	1	0
CR	0	1	+1	5	7	+2	6	6	0
Publication Unit	1	1	0	1	1	0	2	1	1
CDN	3	2	1	2	2	0	2	1	1
IFC	0	1	+1	0	0	0	0	0	0
Total	33	38		26	30		40	33	

***One Assistant working as Cashier with Special pay. One Accounts Clerk.**

Name of Bureau/Division	S	P	V	S	P	V	S	P	V
II. Book Promotion & Copyright									
E.P.U.	1	0	1	0	0	0	0	0	0
B.P-1	2	2	0	1	2	+1	2	1	1
B.P-2	2	1	1	1	2	+1			
Copyright Office & ICU	7	7	0	2	5	+3	4	3	2
Total	**12**	**10**		**4**	**9**		**6**	**4**	

Name of Bureau/Division	Assistants			UDCs			LDCs		
	S	P	V	S	P	V	S	P	V
III. IF Division									
IFD	2	3	+1	1	1	0	1	1	0
IF-I	4	4	0	0	0	0	3	2	1
IF-II	3	3	0	1	0	1	2	1	1
IF-IV	0	1	+1	0	0	0	0	0	0
IF(Desk)	0	0	0	0	0	0	1	0	1
Grant-in-aid	0	1	+1	1	0	1	2	2	0
EC/UC Unit	0	1	+1	1	1	0	2	1	1
IWS	0	0	0	0	1	+1	1	1	0
Director (Finance)	0	0	0	0	1	+1	0	0	0
Total	**9**	**13**		**4**	**4**		**12**	**8**	
IV. Language & Sanskrit									
WR(L)	1	2	+1	2	2	0	4	2	2
LG Cell	1	1	0	1	0	1	1	1	0
Skt-I	2	2	0	2	1	1	2	2	0
Skt-II	2	3	+1	1	1	0	2	1	1
Minority Cell	0	0	0	0	2	+2	0	1	+1
Total	**6**	**8**		**6**		**9**	**7**		
V. Official Language									
OLU	1	1	0	1	2	+1	1	0	1
HTU	0	0	0	0	3#	+3	3	2	1
Total	**1**	**1**		**1**	**5**	**4**	**4**	**2**	

#including one UDC as Proof Reader.

Name of Bureau/Division	Assistants			UDCs			LDCs		
	S	P	V	S	P	V	S	P	V
VI. P&M and Stat									
PN Desk (V)	1	1	0	0	1	+1	2	1	1
PN Desk (II & III)	2	0	2	2	2$	0	0	0	0
PN.I	2	4	+2	1	0	1	0	0	0
Stat. Unit	1	1	0	3	5	+2	1	1	0
Paper Unit	0	0	0	1	0	1	1	0	1
P&M Section	0	0	0	0	0	0	3	1	2
Total	**6**	**6**		**7**	**8**		**7**	**3**	

$ Including one UDC as Accounts Clerk.

Name of Bureau/Division	S	P	V	S	P	V	S	P	V
VII. Scholarship									
NS-I	2	3	+1	2	1	1	2	2	0
NS-II	3	4	+1	2	1	1	3	1	2
Acs Cell (NS)	2	1	1	3	4	1	4	1	3
ES-I	3	1	2	1	1	0	4	1	3
ES-III	2	2	0	2	1	1	2	2	0
ES-IV	3	2	1	2	1	1	2	2	0
ES-V	3	3	0	2	1	1	2	1	1
Total	**18**	**16**		**14**	**10**		**19**	**10**	
VIII. Secondary Education, Education Tech. Vocational Education.									
Sch-I	4	4	0	1	1	0	2	2	0
Sch-III	3	2	1	0	0	0	2	2	0
Sch-IV	4	4	0	1	1	0	2	2	0
Sch-V	5	3	2	1	3	+2	3	2	1
NFTW	1	2	1	1	1*	0	1	1	0
VE-I&III	3	5	+2	2	2	0	1	1	0
Desk (IE)	1	0	1	1	1	0	1	1	0
Desk (SCE & ENE)	2	1	1	0	0	0	1	1	0

Name of Bureau/Division	Assistants			UDCs			LDCs		
	S	P	V	S	P	V	S	P	V
EHV Cell	0	1	+1	0	0	0	0	1	+1
Total	**23**	**22**		**7**	**9**		**13**	**13**	

@ One UDC as Accounts Clerk.

IX. Technical									
TS-I	3	3	0	1	2	+1	2	1	1
TS-II	3	5	+2	1	0	1	2	2	0
TS-III	3	3	0	1	3	+2	2	1	1
TS-IV	3	3	0	1	1	0	2	1	1
TS-V	3	3	0	0	0	0	0	0	0
TS-VI	3	3	0	0	1	+1	0	1	+1
TS-VII (World Bank)	3	3	0	1	1	0	2	1	1
Total	**21**	**23**		**5**	**8**		**10**	**7**	
X. UNESCO									
UNESCO Unit & Director(Unesco)	3	3	0	1	2	+1	2	2	0
INC	4	4	0	3	3	0	4	3	1
Unesco Library	0	0	0	0	1	+1	0	0	0
International Co-operation Cell	0	1	+1	0	0	0	2	2	0
Total	**7**	**8**		**4**	**6**		**8**	**7**	
XI. UT Division									
UT-I	5	4	1	1	2	+1	2	2	0
UT-II	5	6	+1	2	1	1	2	3	+1
Total	**10**	**10**		**3**	**3**		**4**	**5**	
XII. University									
U-I	4	5	+1	1	1	0	3	2	1
U-III	2	3	+1	2	2	0	2	2	0
U-IV	5	6	+1	3	2	1	2	2	0
U-V	2	2	0	1	0	1	2	1	1

Name of Bureau/Division	Assistants			UDCs			LDCs		
	S	P	V	S	P	V	S	P	V
WR (Desk-U)	1	1	0	0	3	+3	3	2	1
Desk U(A)	1	0	1	0	1	1	1	0	1
Total	**15**	**17**		**7**	**9**		**13**	**9**	
XIII. SC & ST Cell, NER Cell									
SC/ST Cell	0	0	0	0	0	0	0	1	+1
NER Cell	0	0	0	0	0	0	0	1	+1
XIV. Monitoring Cell for NPNSPE									
Monitoring Cell for NPNSPE	0	0	0	0	0	0	0	1	+1
	0	0	0	0	0	0	0	1	
Grand Total	**161**	**175**		**88**			**148**	**115**	

S.N.	NAME OF POST	SANCTIONED STRENGTH		Grand
		D/o Sec. & Higher Edu.	D/o E.E. & Lit.	Total
1	Assistant	161	62	223
2	Sr. Investigator Gr.I	9	-	9
3	Stat. Investigator Gr.II	8	-	8
4	Research Assistant	3	-	3
5	Sr. Hindi Translator	4	-	4
6	Jr. Hindi Translator	12	-	12
7	Accountant Gr.'B'	2	-	2
8	Accounts Clerk	6	-	6
9	Accountant Gr.'C'	5	-	5
10	Investigator (B.P.)	1	-	1
11	Artist	1	-	1
12	U.D.C.	124	9	133
13	Steno Gr.'C'	43	19	62
14	Steno Gr.'D'	42	20	62
15	Caretaker	1	-	1
16	Computer	3	-	3
17	Proof Reader	2	-	2
18	D.E.O.(Gr.A)	4	-	4
19	D.E.O.(Gr.B)	2	-	2
20	L.D.C.	112	22	134
21	S.C.D. (Ordinary)	7	-	7
22	S.C.D. (Gr.II)	3	-	3
23	S.C.D. (Gr.I)	2	-	2
24	Despatch Rider	1	-	1
25	Gest. Operator (Sr.)	2	-	2
26	Gest. Operator (Jr.)	2	-	2

S.N.	NAME OF POST	SANCTIONED STRENGTH		Grand
		D/o Sec. & Higher Edu.	D/o E.E. & Lit.	Total
27	Hosp. Attendant	1	-	2
28	Daftary	38	14	52
29	Sr. Peon	7	1	8
30	Peon	90	38	128
31	Farash/Sweeper-cum-Farash/ Sweeper	33	-	33
32	Packer	2	-	2
33	Chowkidar	2	-	2

Annex-III

Sanctioned Strength of Staff of D/o Women & Child Development

S. No.	Designation	Sanctioned strength	Incumbency	Vacant
1.	**2.**	**3.**	**4.**	**5.**
I	**Group 'A'**			
1.	Secretary	1	1	Nil
2.	Joint Secretary	4(3+1 MSY)	4	Nil
3.	Director(PREM)	1	1	Nil
4.	Director/Dy. Secretary	5	5	Nil
5.	Director(F)	1	1	Nil
6.	Joint Director	1	1	Nil
7.	Deputy Director	5(4+1 MSY)	4	1
8.	Under Secretary	7	7	Nil
9.	PPS	1	1	Nil
10.	Assistant Director	6	6	Nil
11.	Project Manager	4	4	Nil
12.	Research Officer	1	-	1
	Total(I)	**37**	**35**	**2**
II.	**Group 'B'**			
13.	Desk Officer	10	10	Nil
14.	Section Officer	12(11+1 MSY)	12	Nil
15.	Junior Analyst	1	1	Nil
16.	Assistant Director(H)	1	1	Nil
17.	Sr. Tech. Asstt.	2	2	Nil
18.	Private Secretary	9(8+1 MSY)	9	Nil
19.	Res. Assistant(WS)	1	1	Nil
20.	Personal Assistant	15	15	Nil
21.	Sr. Res. Investigator	5	1	4
22.	Accountant	4	4	Nil
23.	Assistant	34	34	Nil
24.	Sr. Hindi Translator	1	1	Nil
25.	PS to DS(WB)	1	1	Nil
26.	Accountant(WB)	1	1	Nil
	Total (II) :	**97**	**93**	**4**
III.	**Group C**			
27.	Research Investigator	2	2	Nil
28.	Artist	1	1	Nil
29.	Accountant(Gr.'C')	1	-	1
30.	Stat. Assistant	1	1	Nil
31.	UDC	32	30	2
32.	Steno. Gr.'D'	17(16+1 MSY)	17	Nil
33.	Jr. Hindi Translator	3	2	1
34.	LDC	33(32+1 MSY)	29	4

1.	2.	3.	4.	5.
35.	Computer	1	1	Nil
36.	Staff Car Driver	4	4	Nil
37.	Despatch Rider	3	3	Nil
38.	Steno (WB)	3	3	Nil
39.	Date Entry Operator(WB)	1	-	1
	Total (III) :	**102**	**93**	**9**
IV	**<u>Group 'D'</u>**			
40.	Jr. Gest. Operator	1	1	Nil
41.	Daftry	15(14+1 MSY)	15	Nil
42.	Sr. Peon	1	1	Nil
43.	Peon	35(33+2 MSY)	30	5
44.	Farash	2	2	Nil
45.	Sweeper	3	2	1
46.	Sweeper-cum-Farash	2	2	Nil
47.	Peon (WB)	1	-	1
	Total (IV) :	**60**	**53**	**7**

<u>Grand Total (I-V)</u>

Group 'A'	**37**	**35**	**2**
Group 'B'	**97**	**93**	**4**
Group 'C'	**102**	**93**	**9**
Group 'D'	**60**	**53**	**7**
Grand Total:	**296**	**274**	**22**

<u>Sanctioned posts for MOS Office</u>

S. No.	Designation	Sanctioned strength	In Position	Vacant
1.	**2.**	**3.**	**4.**	**5.**
1.	Private Secretary	1	1	0
2.	Addl. P.S.(O.S.D.)	1	-	1
3.	Asstt. Private Secretary	1	1	0
4.	First Private Secretary	1	1	0
5.	IInd Personal Assistant	2	2	0
6.	Hindi Steno. (LPA)	1	1	0

7.	Clerk (LDC)	1	1	0
8.	Jamadar (Redesignated as Attendant)	1	1	0
9.	Peons	3	3	0
10.	Driver	1	1	0
	Total :	**13**	**12**	**1**

PART IV

RATIONALISATION

OF THE

FUNCTIONS, ACTIVITIES AND

STRUCTURE OF THE

MINISTRY OF

YOUTH AFFAIRS AND SPORTS

Rationalisation of the functions, activities and Structure of Ministry of Youth Affairs & Sports

Table of Contents

Executive Summary

Ministry of Youth Affairs & Sports

1. The National Service Scheme, National Reconstruction Corps, National Service Volunteer Scheme, National Fitness Corps and National Discipline Scheme are similar schemes which seek to achieve almost the same objective. It is recommended that all these schemes should integrated into one so that a reasonably large programme in this sector can achieve better results.
2. The Nehru Yuva Kendra Sangathan (NYKS) has the very good objective of organizing youth for social work. However, a centralized system does not seem to be conducive for promoting youth activity in the country. It is recommended that NYKS should be divided up into state level bodies for coordinating out youth activities.
3. The scheme for assistance to voluntary organizations and scheme for training of youth are recommended for termination and the scheme for youth of backward tribes transferred as an activity to the NYK.
4. The scheme for promotion of national integration is recommended to be transferred as an activity to NYK.
5. The scheme for assistance to rural youth and sports clubs is too small to have much impact. It is recommended that it be shifted to the states sector.
6. The Sports Authority of India appears to have an unduly large staff compliment. The Department should commission a study to redetermine the staff strength required at different levels in the SAI with reference to the actual work requirements.
7. The primary responsibility for coaching should be shifted to sports federations. The Government of India can assist some of the sports federations which are well managed and which maybe in need of financial assistance. It should be sufficient if SAI has enough coaches for conducting coaching programmes in its own campus and at its required coaching centres.

8. The scheme for assistance to and specialized coaching for talented persons and scheme for mass participation are recommended to be shifted to concerned national federations. It is recommended that the scheme be given a much sharper focus by eliminating smaller items by focussing on modern and sizeable facilities on a much larger scale.

9. The scheme of rural sports programme is very small, in amount. It is recommended that it should be increased so that assistance is possible for most of the districts in the country for rural sports.

10. The two schemes relating to National Welfare Fund for Pension to meritorious sports persons and Sports Funds for Pension to meritorious sports persons merged and maintained as one scheme because both have the same objective.

Rationalisation of the functions, activities and Structure of Ministry of Youth Affairs & Sports

1. Introduction

1.1 The Department of Youth Affairs and Sports was created in 1982 at the time of organization of IX Asian Games in New Delhi. Although the item 'sport' figures as entry 33 in the State List under the Constitution of India, Government of India has considered it necessary to have a separate Department for Youth Affairs and Sports keeping in view the low level of participation among youth in sports and the generally poor performance by India in sports competitions internationally. It is generally accepted that sports promotion should primarily be the responsibility of various National Sports Federations and that the role of the government should be to facilitate creation of necessary infrastructure and promote broad-basing sports as well as for achieving excellence in various competitive events. Even so the Department is implementing a number of schemes, listed in Annex-I. The Department has plan outlay of Rs.215 crore and a non-plan provision of Rs.45 crore in B.E. 2001-02.

1.2 The Department has National Service Scheme organization as a subordinate office and has four autonomous organizations under it viz.

i) Nehru Yuva Kendra Sangathan;
ii) Sports Authority of India;
iii) Rajiv Gandhi National Institute of Youth Development;
iv) Lakshmibai National Institute of Physical Education.

2. Youth Affairs

2.1 The major schemes under Youth Affairs are:

i) National Service Scheme;
ii) National Reconstruction Corps;
iii) National Service Volunteer Scheme;
iv) National Fitness Corps;
v) National Discipline Scheme.

2.2 The National Service Scheme was launched in 1969, in 37 universities involving 40,000 students with the objective of development of personality of students through community service. It has grown to cover 17 lakh students coming from 176 universities. This scheme has two types of programmes viz. "Regular Activities" and "Special Camping Programmes". It has outlay of Rs.30 crore in 2001-02.

2.3 National Service Volunteers Scheme was started in 1977-78 for students who have completed their degree and are below 25 years of age to involve them on voluntary basis in nation-building for one or two years. There is budget provision of Rs.5.4 crore for this scheme in 2001-02.

2.4 National Reconstruction Corps was started in 1999 with the objective of providing opportunity to youth to participate in nation building. There is a budget provision of Rs.10.80 crore for the scheme for the year 2001-02.

2.5 There is great merit in involving youth in national reconstruction through voluntary work. However, the schemes mentioned above have similar broad objectives with only slight differences. These schemes could therefore be merged and a unified scheme for involving youth, both students and non-students, in nation building could be implemented. This will secure a better focus in the implementation of these schemes. The suggested integration of these schemes would render some of the staff sanctioned for the new schemes redundant. The redundant positions would need to be identified and these positions would need to be abolished.

2.6 Nehru Yuva Kendra Sangathan (NYKS) has a countrywide network covering 500 districts. It has developed a tiered structure with youth clubs and Mahila Mandals in the villages and 46 regional coordinators and 18 zonal directors at regional level. The main objective of the programme is to promote the youth club movement in the country. This objective is quite laudable but it is doubtful whether it should be implemented in a centralized manner by the Government of India. The youth movement would probably prosper better if it is allowed to function in a decentralized manner. With this objective, it is recommended that the countrywide organization of the Sangathan may be dispensed with and State level bodies allowed to oversee the set up in districts and villages for which purposes the funds provided for the scheme could be transferred to States. The regional levels of the Sangathan are clearly redundant and can be abolished.

2.7 (i) Assistance to Voluntary Organization

(ii) Training of Youth

(iii) Special scheme for youth of backward tribes

- The first scheme provides financial assistance to voluntary organizations working in the field of youth welfare to involve youth for development activities particularly in rural areas. Considering that the Nehru Yuva Kendra Sangathan implements a wide range of programmes in this direction, this scheme appear redundant and can be terminated.
- The scheme for training of youth aims at improving the productive potential of youth through training for promoting self-employment and better improvement. The schemes of the Ministry of Rural Development cater to this need at a much larger scale and through more specialized bodies. This scheme can also therefore be terminated.
- The third scheme for promoting youth activities for youth of backward tribes has a laudable objective but then this scheme could well be integrated with the Nehru Yuva Kendra Sangathan and the outlay set apart for this scheme made available to that organization.

3. Promotion of National Integration

3.1 This scheme seeks national integration through greater exchange and understanding among youth of various regions of the country. Assistance is also provided to voluntary organizations under this scheme. The main programmes under the scheme are: organization of national integration camps and inter State Youth Exchange Programme. This activity could also be implemented through the Nehru Yuva Kendra Sangathan.

4. Assistance to rural youths and sports clubs

4.1 This scheme is implemented by NYKS on an agency basis for the Ministry. Under this scheme, assistance is extended to youth clubs at grass root level and assistance upto Rs.30,000 can be given for sports clubs, one in each block in a phased manner. Ideally, support for activities of this type at the village level should be extended by State Governments. This scheme, along with the funds could therefore be transferred to the States.

5. Sports

5.1 General participation in sports is highly desirable because it promotes healthy values among the participants and it has beneficial effect on health and well being of the participants. Sports events also provide healthy entertainment to the viewing public. International sports have become highly competitive in which the Indian performance has been somewhat below par, particularly in athletics and swimming. It needs to be noted that improving participation rate among the youth in sports and improving performance at international level requires:

i) Assistance to and specialized coaching for talented persons;
ii) Infrastructure of acceptable standards;
iii) Mass participation to throw up sufficient number of talented sportsmen;

All the three mentioned above components are currently weak in the country. In addressing these issues, the government should rely basically on sports federations to organize and conduct sports facilities. This would imply willingness of the government to supplement the resources of the sports federations where they meet the norms in regard to their internal management and in regard to organization of national level, state level and district level events of these activities. While a few sports federations like that for cricket are financially very sound, most of them are weak. For effective promotion of sports in the country, government could consider taking a more pro-active role in assisting well-managed sports federations. In regard to coaching, it is noted that the institutional framework of National Institute of Sports, Patiala, Lakshmibai National Institute of Physical Education and Sports Authority of India including its regional centres is sufficient to provide competent coaching. This can be supplemented by the national sports federations. With such arrangement there should be no need for the Department to have independent coaching schemes.

6. Sports Authority of India

6.1 Sports Authority of India (SAI) has 178 group A positions, 58 group B positions, 661 group C positions and 1302 group D positions. It also has 1596 coaches positions all over the country. Compared to the functions performed by the Sports Authority of India, this staff appears excessive. The Department should commission a study and determine the staff strength required in SAI with reference to the actual work requirements. Further, while some coaches will need to be maintained by the SAI for conducting coaching programme in its own camps and its regional coaching centres a question arises whether SAI should maintain such a large number of coaches all over the country as it now does. Coaching should be one of the primary responsibilities of the concerned sports federations. Government could extend necessary financial support to the federations for such purposes. This aspect would also need to be gone into in the proposed study.

7. Rural Sports Programme

7.1 This programme was started in 1970-71 and on merits is a very appealing one. However, it needs to be noted that neither Government of India nor the Sports Authority of India is at present providing any substantial support for the programme. The assistance is more in the nature of a token provision which allows some support to be extended for rural sports in some cases. Rural sports programme is a very good programme and it is even more important because a majority of youth are outside educational institutions. It would be in the fitness of things if there is possibility of supporting at least some rural sports activity in every district of the country. This would probably require an allocation of something like Rs.50 crore per year for the programme. It is suggested that the Department should strive to take this programme to this level so that it can have meaningful effect. This scheme, along with the funds could then be transferred to the States, so that each State is able to fashion and implement the scheme with reference to the requirements of that State.

8. Grants for creation of sports infrastructure

8.1 This is a good scheme considering very weak sports infrastructure in the country. However, the scheme tends to lose focus by seeking to assist a large number of items including assistance for things like construction/improvement of facilities in schools belonging to Kendriya Vidyalaya Sangathan, Navodaya Vidyalaya Sangathan and State Governments. It is suggested that this scheme should be made more focussed by limiting financial assistance to a small number of items like synthetic tracks, synthetic surfaces, stadia etc. This would improve the outcome from these schemes.

8.2 (i) Grants to rural schools for sports equipments and play fields;

(ii) Rural Sports Programme;

(iii) Promotion of sports in universities and colleges;

(iv) Promotion of sports and camps in schools

All the four schemes have laudable objectives but the appropriateness of these schemes being administered by the department is questionable. The first, second and fourth schemes could be left to the care of the concerned State Governments; while the third scheme for universities and colleges should be left to be looked after by the University Grants Commission.

8.3 (i) Scholarships to Sports Persons

(ii) Assistance to promising sports persons and sporting personnel

The scheme of scholarships to sports persons who distinguish themselves and show potential of reaching Asia or World levels is a justifiable scheme for promoting excellence and for encouraging such persons who achieve international recognition. It is suggested that both these schemes should be merged by terminating the latter scheme and augmenting, if necessary, the scale of the scheme for scholarship.

8.4 (i) National Welfare Fund for Pension to Meritorious sports persons

(ii) Sports Fund for Pension to meritorious sports persons

Both schemes have similar objectives. These should be merged into a single scheme.

9. Implications for Staff Strength

9.1 Existing staff in the Department is shown in a tabular form in Annex-II.

9.2 In the Department of Sports there is only modest staff at Group A level with the Secretary being assisted by 2 Joint Secretaries, 1 Director, and 3 Deputy Secretaries. Therefore, no staff reduction at these levels is being recommended. However, the substantial reorganization and reorientation of programmes of the Department suggested in this report would call for some reduction in the number of sections. Thus three or four of the existing 14 sections could be wound up.

Financial Outlays for Department of Youth Affairs & Sports
Scheme-wise Budget Estimates and Revised Estimates 2000 -2001
and Budget Estimates, 2001-2002

Sl.	Name of Scheme	Budget Estimates		Revised Esti	
		2000-2001		2000-200	
		Plan	Non-Plan	Plan	N F
1	2	3	4	5	
A.	**Youth Welfare Schemes**				
1	National Service Scheme	2615	550	2515	
2	Assistance to Voluntary Organizations	160	-	190	
3	Promotion of Adventure Activities	200	-	150	
4	Scouting and Guiding	125	-	125	
5	National Service Volunteer Scheme	600	-	540	
6	National Integration Programme	400	-	375	
7	Youth Hostels	200	-	100	
8	National Discipline Scheme	-	500	-	
9	Youth & Sports Clubs (Revised scheme of youth clubs)	155	-	155	
10	Promotion of Youth activities and training (Revised scheme of Training for Youth)	140	-	180	
11	National Fitness Corps	-	1	-	
12	Special Scheme for Promotion of Youth Activities among the youth of backward tribes	140	-	205	
13	Youth Development Centre	50	-	50	
14	National Reconstruction Corps	1200	-	300	
15	Schemes for Youth with Special need	1	-	1	
	Total Youth Welfare Schemes	**5986**	**1051**	**4886**	

Sl.	Name of Scheme				
1	2	3	4	5	6
B	**Sports and Physical Education**				
1	Grants for Games & Sports in Universities/Colleges	500	-	500	-
2	Grants for National Sports Federations	1500	200	2200	183
3	Schemes for grants for creation of Sports Infrastructure	1000	-	1150	-
4	Incentives for Promotion of Sports Activities in schools	400	-	400	-
5	Support for Supply and Installation of Synthetic Surfaces	850	-	200	-
6	Exchange of Sports & Physical Education Teams Experts	50	-	-	-
7	National Sports Championship for Women	-	26	-	40
8	Grants to NCC Jt. Divn. Troops in Public/Residential Central Schools	-	19	-	17
9	Sports Scholarship Scheme	300	-	400	-
10	Rural Sports Programme	125	-	125	-
11	National Welfare Fund for Sports Persons	-	3	-	6
12	Assistance to Promising Sports Persons	230	-	60	-
13	Promotion of Sports among disabled	5	5	-	-
14	National Fitness Programme	25	-	25	-
	Total Sports & Physical Education	**4985**	**253**	**5060**	**246**

Annex-II

Staff Strength

Department of Youth Affairs & Sports

S.No.	Name of the Post	No. of Posts	In Position
1	Secretary	1	1
2	Joint Secretary	2	3 (One Director working as JS on personal upgradation basis)
3	Director	1	1
4	Deputy Secretary	3	3 (One US working on personal upgradation basis)
5	Prog. Adviser	1	- (vacant)
6	Under Secretary	7	7(one US working as DS on personal upgradation basis
7	Principal PS	1	1(the present incumbent is working as Sr. PPS on in-situ basis
8	Private Secretary	4	4 (one PS is working as PPS on personal upgradation basis
9	Desk Officer	2	- (Against 2 posts of Dos, 2 Sos are working in excess
10	Section Officer	11	13 (4 SOs are working as US on in-situ basis)
11	Jr. Analyst (WS)	1	1
12	AE(Civil)	1	1
13	AD(OL)	1	1

Total No. of Sections - 14

Total No. of Desks - 2

Total No. of Cells - 3

Total No. Units - 2

Department of Youth Affairs & Sports

No. of Posts	Sanctioned Strength	In Position	Vacant	Remark
Assistant	40	38	2	
UDC	25	26	Extra	Adjusted against the post of LDC
PA	9	8	1	
Stenos	9	10	Excess	Adjusted against the post of PA
RA(WS)	1	-	1	
Accountants	2	2	-	

Department of Sports

SN	Name of the Post	Sanctioned Strength	In Position	Vacant	Remark
1	Sr. Translator	1	1	-	
2	Jr. Translator	3	2	1	Being filled
3	LDC	26	23	3	-do-
4	Sr. Peon	3	3	-	-
5	Daftry	8	6	2	-do-
6	Staff Car Driver	5	5	-	-
7	Accounts Clerks	3	2	1	-do-
8	Photocopier operator	2	1	1	-do-

PART V

RATIONALISATION

OF THE

FUNCTIONS, ACTIVITIES AND

STRUCTURE OF THE

MINISTRY OF

ENVIRONMENT AND FORESTS

Rationalisation of the functions, activities and structure of the Ministry of Environment and Forests

Table of Contents

Executive Summary

1. The work relating to environment clearances could be centralised under the charge of the Special Secretary. The Divisions dealing with impact assessment, hazardous substances movement management, control of pollution and common Effluent Treatment Plants could function under the Special Secretary.

2. The decisions already taken in the National River Conservation Directorate for streamlining the procedures for sanctioning of projects and for release of funds should be put in place without delay. In order to enable the Project Director to devote full attention to the work of the directorate, the present practice of entrusting this Director with additional responsibilities in the Ministry should be discontinued. This organisation is ideally suited for the adoption of ‘level jumping’ and ‘Desk Officer’ system as recommended by the last Pay Commission. The SIU should be required to undertake a fresh assessment of the staff strength of this directorate on the basis of adoption of these suggestions. In the meantime, the 34 posts, found surplus on the basis of an internal work study in 1993 should be abolished forthwith.

3. The National Afforestation and Eco Development Project should be made the main instrument for the realisation of the objectives for the Nation Forest Action Plan. Towards this end the Ministry should take all efforts for accessing international donors for increasing the coverage under the greening programme. The Ministry should also establish procedures for working in tandem with the Ministry of Rural Development, so that the funds available in the 1,70,000 villages adjoining forest areas under the Sampoorna Gram Vikas Yojana could be accessed for meeting the wage component of the various works undertaken by NAEB in these villages and in the adjoining forest areas.

4. The Director General of Forests should be made the Chief Executive of NAEB. In order that the DG, Forests is able to devote adequate attention to NAEB’s work, which is likely to increase in the coming years, necessary arrangements would need to be put in whereby the DG, Forests, in his capacity

as Special Secretary, Forests, in the Ministry is required to handle only IFS cadre management matters and the more important of the issues on the forest side.

5. As in the case of the NRCD, this organisation should also be made fully officer oriented. The SIU should be required to undertake a quick study for downsizing the staff strength in this organisation on this basis.

6. ICFRE's activities need to be sharply focussed and its programmes implemented in a time bound manner. A number of activities (as listed in the report) which have become redundant over the years or which can well be undertaken better in the private sector need to be wound up. There is thus a case of a drastic downsizing of ICFRE's staff strength. Pending finalisation of these detailed proposals, action should be taken to abolish immediately all the 936 vacant posts.

7. The three survey organisations, BSI, ZSI and FSI should be brought under the supervision of the Additional Secretary so as to ensure a coordinated approach to ecological thematic mapping. In these three agencies there is need for more focused work and implementation of activities in a time bound manner. As in the case of the BSI, there is need for a drastic downsizing of the staff at the support levels in ZSI and FSI also. The SIU should be required to undertake this examination immediately.

8. In the absence of the need for providing induction training to direct recruits on a regular basis, the need for continuance of the three forest service colleges at Coimbatore, Burnihat and Kurseong has come into question. The concerned State Governments should be encouraged to take over these institutions for providing in-service training to other cadres, by providing grants on a sliding scale in the initial years for meeting the recurring expenditure of these institutions.

9. The autonomous organisations under the Ministry should be advised of a likely reduction in budget support in the coming years because of fiscal constraints and they should be required to draw up action plans both for maximising internal resources and for accessing other sources of funds as well as for reducing expenditure commitments. These action plans together with the

Ministry's proposals for diluting its control over these organisations should be incorporated in the Memorandums of Understanding entered into with these organisations.

10. A similar approach needs to be followed in the case of Centres of Excellence as well. The objective should be to ensure that the Budget support for the existing Centres of Excellence is reduced out over a period of time, giving the ministry the needed flexibility for promoting new Centres of Excellence in other sectors and in other areas.

11. The performance of the 26 Environmental Information Service Centres (ENVIS) needs to be quickly assessed so that Budget support for those that are not functioning well or serving a useful purpose could be withdrawn. Till the completion of this review there should be a freeze on funding of new ENVIS centres.

12. The remaining 51 posts found surplus in the Ministry on the basis of the earlier internal work measurement study, should be abolished straightaway.

13. The Environment Wing of the six regional offices of the Ministry should be closed down. The follow up of work relating to environmental clearance can be undertaken by the six zonal offices of the Central Pollution Control Board.

14. The Ministry's proposal to set up a Wild Life Crime Cell is a welcome one. Matching savings should be found by surrendering sufficient number of posts in the Ministry.

15. The suggestions made for the handling of work in the NRCD, NAEB and for environmental clearance cases, should, by reducing the flow of routine work in these three areas, enable the Secretary to focus more on policy formulation, promotional activities and project implementation.

16. There should be some flexibility in the positioning of Scientists, Forest Officers and generalists at the middle and senior levels. There is also need for induction of specialists from other disciplines as highlighted in section 2.

Rationalisation of the functions, activities and struc ture of the Ministry of Environment and Forests

I. Evolution of the Ministry of Environment and Forests

1.1 The Ministry of Environment and Forests (MoEF) has its origins in the National Committee on Environmental Planning and Coordination (NCEPC) set up in the year 1971 to prepare country documents for India to be sent to the UN Conference on the Human Environment in Stockholm held in June 1972. The Committee was headed by the then Member (Perspective Planning) of the Planning Commission. The selection of a member of the Planning Commission as Chairman was itself suggestive of the multidisciplinary nature of the subject of environment and of its importance in planning for socio-economic development. NCEPC was envisaged as a focal point in the government acting as a think tank and a catalyst – in addition to performing some functions of its own – to persuade other ministries to integrate environmental concerns into their plans and programmes. The Committee had members drawn from diverse subject areas and included naturalists, economists, medical researchers and eminent public men. The NCEPC was serviced by the Department of Science & Technology (DST) within which a small group of officers formed the secretariat of the Committee.

1.2 In the year 1985, a Department of Environment was created which became the Ministry of Environment and Forests. It is significant to note that Forests earlier formed part of the Ministry of Agriculture. Though this was quite logical, it was probably felt that issues relating to forests could be overshadowed by the more urgent issues surrounding agriculture in such an arrangement, and that a more appropriate placement for forests would be with environment. The formation of the new ministry signified the growing importance of the subject of environment in general and the role of forests in particular in environmental conservation. Animal welfare was also brought into the fold of the ministry but has now been taken out.

1.3 The addition of Forests and Wildlife has made the ministry a superbody. With 22.5% of the country's land area reported to be under forests, the subject of forests and wildlife being brought under the Concurrent List and with 87 national parks and over 400 sanctuaries, the work of the forest wing of the ministry is, today, very much more than what the forest wing in the ministry of Agriculture had to deal with in earlier years. The sustainable management of forests and wildlife is an important issue in Centre-State relations. The National Forest Policy of 1988 aims to bring one-third of the land area of the country under tree cover. The National Forestry Action Plan (NFAP) drawn up recently would involve a massive nationwide effort in its implementation. The ministry is also the controlling authority for the nearly 3000 strong Indian Forest Service cadre.

1.4 Since pollution of rivers is a highly visible form of environmental degradation, it is but natural that the task of cleaning up the country's major rivers should fall on the MoEF. What started as the Ganga Action Plan (GAP) spread to the Yamuna and the Gomti and at present almost all the major river basins in the country are covered under the National River Conservation Plan (NRCP). The Plan is administered by a Directorate within the Ministry.

1.5 Over the years, a number of laws related to environment have been enacted by the Parliament and considerable subordinate legislation has also come into force. These have made the MoEF play an increasing role in regulatory matters. For example, the Environment (Protection) Act, 1986, the Notification on Environmental Impact Assessment Procedures making environmental clearances mandatory for selected groups of industries and other activities (1994), the Coastal Regulation Zone Notification of 1991, the Management of Hazardous Wastes Rules and the rules governing introduction of and experimentation with living organisms have all made the regulatory role of the ministry more pronounced than before. Nearly 100 development projects, both in the public and private sectors, are cleared every year by the ministry. Under the Forest (Conservation) Act, 1980, over 350 proposals are cleared in a year.

1.6 Two other important developments since 1972 need to be noted. One is the introduction of Article-48A and Article-51A(g) in the Constitution of India in 1977 which have cast a binding obligation on the state to protect and improve the environment and a corresponding duty on the citizen. Article-48A has been interpreted by the Supreme Court of India in conjunction with Article-21 (Right to Life) as conferring on the citizen a fundamental right to enjoy a clean and healthy environment. This development, in particular, has increased the burden of responsibility on the ministry manifold.

1.7 Courts have held that the duty cast on the state under Article-48A of the Constitution of India has to be discharged in a proactive and not in a passive manner. That is, the state should, on its own volition, take steps to protect and improve the environment instead of springing into action only when disaster strikes. Several examples can be quoted in this context. The introduction of unleaded fuel in the metro cities in April 1995, drastic reduction in the sulphur content of diesel all over the country, introduction of European emission norms for automobiles, controlling pollution of rivers like the Ganga and Yamuna, directions given to leather tanneries to treat effluents and pay the costs of environmental remediation are some of the notable instances where the ministry had to take urgent action following the Supreme Court's directives.

1.8 A consequence of these developments is that litigation has come to occupy a good deal of time of the ministry's officials. Public Interest Litigation (PIL) has emerged as a distinctive feature in the Indial legal scene to compel the executive branch of the state fulfil environmental imperatives. The 'Green Judiciary', a development of the last decade, has donned the mantle of an environmental watchdog and through its various pronouncements has evolved a new area of jurisprudence defining the roles of the state and the citizen in environmental protection and improvement and bestowing a new interpretation on the Law of Torts as it applies to environmental damage.

1.9 The other notable development since 1972 is the coming into being of many international conventions concerning various aspects of the environment and the Earth Summit of 1992 which adopted Agenda-21, a blueprint for sustainable development. Conventions like the Montreal Protocol, the Framework Convention on Climate Change and the Convention on Biodiversity have given rise to several initiatives in the ministry. To implement the Montreal

Protocol, an Ozone Cell was set up and rules governing phase-out of ozone depleting substances in India have been notified. As part of the Climate Change Convention, a Centre for Clean Development Mechanisms has come into being. To give effect to the Biodiversity Convention, a Biodiversity Bill has been introduced in the Parliament. The Basle Convention on Transboundary movement of hazardous wastes is another important convention for India as the country being poor in non-ferrous metals imports substantial quantities of metal concentrates and recyclable material for meeting its primary metal requirements. Likewise, the Convention on International Trade in Endangered Species (CITES) has increased greatly the surveillance functions of the ministry.

1.10 The organizational chart of the ministry (Annex-I) indicates its wide spread of functions ranging from 'brown' issues like control of pollution to 'greening' the country, from management of hazardous wastes to management of wildlife and from promoting clean industrial technologies to research in sylvicultural genetics.

1.11 Some aspect or other of environmental concerns is dealt with in many other wings of the government, notably the Planning Commission, the ministries of Urban Affairs, Agriculture, Energy, Health, and the departments of Biotechnology, Rural Development and the Council of Scientific and Industrial Research (CSIR). Environment is too vast a subject to be dealt with by one ministry and hence any Ministry of Environment can and should be principally a catalyst and a coordinator though it can discharge some functions of its own not dealt with specifically by any other ministry.

II. The Present Set up

2.1 The functions presently allotted to the Ministry are set out in Annex II. This list fully reflects the additional responsibilities vested in this organisation over the last three decades. In line with the enlargement of the range of duties, the staff complement which was a miniscule half a dozen officers who acted as the Secretariat of NCEPC when it was set up in 1971, has increased to over 850 in the Ministry alone. Inclusive of the staff strength of the Attached and other offices, the total number is over 9000 (Annex III). More important that this number, is the number of different, distinct areas of work in the Ministry, as reflected by the separate 'boxes' in the organisational chart at Annex I.

2.2 The environmental concerns cut across numerous sectors. As such various other Ministries/Department also have a role to play in addressing environmental concerns. The placing of both Environment and Forest in a single Ministry should facilitate a holistic view being taken of these areas. In actual practice, however, these two often function as two water tight compartments. What is more with NAEB functioning under a Special Secretary/Additional Secretary, this area of work has got separated to a large extent from the National Forestry Action Plan.

2.3 The Ministry has a total budget of Rs.911 crore in BE 2001-2002, of which the provision for non-plan expenditure is Rs.111 crore. There a large number of plan schemes, with a total outlay of Rs.800 crore, of these the National River Conservation Plan, with an outlay of Rs.191 crore and the National Aforestation & Eco Development with an outlay of Rs. 137 crore are the two biggest programmes. There are 20 Centrally Sponsored Schemes with an outlay of Rs. 493 crore.

2.4 Broadly, work on both the environment side and the forest side can be divided into the following areas:-

❖ **Policy and Planning**

(eg:- Pollution abatement policy, National Forest Policy)

❖ **Regulatory Functions**

a) Clearances for projects under the Environment (Protection) Act, 1986, and the Forest (Conservation) Act, 1980; setting of pollution standards, implementation of Coastal Regulation Zone Notification, 1991, and other notifications like those governing storage, handling and transportation of hazardous wastes and hazardous chemicals; clearances for introducing genetically modified organisms in the country,

b) legal work consisting of framing new legislation; representing the government in public interest litigations,

❖ **Project implementation**

National River Conservation Plan (NRCP); National Lake Conservation Project, National Environmental Awareness Education Campaign; Multilaterally and bilaterally aided projects; National Afforestation and Ecodevelopment Board (NAEB) to promote greening of denuded forest lands and adjoining areas; National Forestry Action Plan; Project Tiger and Project Elephant.

❖ **Promotional and extension activities**

Promoting environmental education and research through the Ecosystem Research Group, the Environment Research Committee and other Committees and through financial assistance to centres of excellence.

❖ **International Relations**

Administration of international conventions, bilateral agreements and interaction with UN bodies.

2.5 As the following analysis will bear out, it will not be an exaggeration to state that in the pre-occupation with regulatory functions, international commitments and responses to judicial activities, areas like policy and planning, project implementation and promotional activities have not received the attention that they deserve.

2.6 Of the above items of work, the one which occupies much of the energies of the ministry today is regulatory work. Regulatory functions like according environmental clearances consume a significant part of the time and efforts of the ministry. With industrial liberalization having done away with customary licenses, the only license required today at the central level is environmental clearance. Industrial liberalization and inflow of foreign direct investment have led to an increase in projects of physical infrastructure and manufacturing all of which needing environmental clearance.

2.7 Environmental clearance is a fairly lengthy and arduous process both for the project proponent and the ministry. It calls for the preparation of a detailed environmental impact assessment report spread over seasons and an environmental management plan by the proponent. The level of detail remains more or less the same for all categories of projects and with certain projects like mining or hydroelectric power generation a two-stage clearance is necessary. About 180 project proposals are received in a year of which about 100 are accorded clearance and 80 are either rejected on merits or closed for want of necessary information from their proponents.

2.8 Environmental clearance is a time-bound process as the EIA Notification of 1994 requires the ministry to clear or reject a proposal within 90 days of receipt complete with impact assessment and management plan. Although the ministry is assisted in the process of examination of proposals by committees of outside experts, its senior officials are expected to weigh and consider the recommendations of these committees and profer their advice to the Minister to accept or reject any proposal. Similar is the case with proposals received under the Coastal Regulation Zone Notification of 1991. The country's 8000 km long coastline can spur economic growth and become a major tourism destination in the world. This factor has given rise to a number of project proposals on the coast calling for careful scrutiny. Forest clearances are an added regulatory burden on the ministry with close to 400 proposals received in a year. It can be stated safely that project clearance has emerged as a major function in the ministry in recent years.

2.9 Another preoccupation forced on the ministry is litigation brought about by 'Public Interest' petitions. Since any developmental project has a bearing on the environment and since environmental protection itself is a wide term covering protection of land, water and air from any form of adverse biotic interference, launching public interest litigation against developmental projects has become a way of life with some groups in the country. MoEF invariably turns out to be a respondent in these petitions even though the subject matter of the petition may or may not fall within the business allocated to the ministry. The ministry is thus forced to deal with subjects familiar to it at times and unfamiliar at other times. This also necessitates gathering information from many other ministries and their agencies and state governments and in ensuring finally that the concerned ministry or the state government acts in accordance with court directives. MoEF is held accountable by the courts for compliance of their directives irrespective of the fact that the burden of compliance should also fall on other ministries and the state governments.

2.10 On the forest side the regulatory role takes the form of granting or rejecting permission under the Forest (Conservation) Act, 1980, for converting any forest area for non-forest purposes. But this regulatory role is somewhat different from the regulatory function of environmental clearance on the Environment side of the ministry. Its scope is limited and the only condition imposed while granting clearance is that the project proponent should provide funds for afforesting an equal area of denuded forest lands or twice the area of non-forest land. Further monitoring is not necessary as it becomes the duty of the state governments to take up the compensatory afforestation work that has been paid for. An important point, however, is involved in this exercise. Often, delicate Centre-State issues arise like legalizing encroachments on forest lands with the state governments supporting such legalization and the Centre not being in a position to agree. Where a state government itself is a promoter of a project, as in the case of a hydro-electric or irrigation project involving forest area, MoEF's rejection of the proposal for forest land conversion is received with reservations by the state government. Often, intervention at the level of the Minister of Environment and Forests becomes necessary.

2.11 The preoccupation of the ministry with environmental clearances and litigation comes in the way of paying adequate attention to other and equally important items of work. One such area is policy making. Policy statements often tend to be too general and not specific. As an example of the absence of detailed policy requirements, one can cite the provision in the Pollution Abatement Policy to introduce market based instruments for pollution control. The policy is silent on which instruments would suit Indian conditions better than others. There has been no move to make an attempt to introduce such instruments so far although many models are available abroad. In such a situation, the policy statement has remained a mere pronouncement. Again, the insistence of 'Best Available Technology' solutions for pollution control in industry ignore costs and this has been responsible for the industry to looking upon pollution control as an imposition than a help. Industry specific cost-benefit studies on pollution abatement and waste minimization and reuse are noticeably absent. This is not to say that the ministry itself should be engaged in such studies. Necessary surveys and research work could be sponsored in Universities, Institutions of Technology and Management Institutes or even got done through consultants.

2.12 Besides the load of regulatory work, there could, perhaps, be another reason for the inadequate attention being bestowed on policy and related work. There has been a long held view that environment is purely a 'scientific' subject and that too confined to botany or zoology. Absence of realization that other scientific disciplines like occupational and community health, industrial toxicology, soil sciences, hydrology, chemical engineering, to quote a few examples, should also be harnessed to deal with environmental matters is palpable. Further environmental protection is not a matter of mere scientific or technological quick-fix. It straddles economics and sociology. Unless a protection strategy is economically viable, it is bound to meet with resistance from those called upon to ensure such protection. Lack of sociological inputs into policy making and programming arouses the ire of local populations and NGOs as is often witnessed when populations are displaced to make way for developmental projects. It would, therefore, be necessary to equip the ministry with adequate and appropriate human resources.

2.13 Subjects like 'green accounting' and 'assessment of environmental damage' call for qualified economists who are not available in the ministry. Infact, the subject of economics, so integral a part of sustainable development strategy, is conspicuous by its absence in the ministry.

2.14 Similarly, legal work, which is considerable, is poorly looked after often leading to criticism from the courts. Almost all legislations dealing with various aspects of environmental protection need to be given a fresh look in the light of changed circumstances and experience gained so far. Some like the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, need to be amalgamated. A legislation on solid waste management deserves to be brought on the statute book. A strong legal cell needs to be established in the ministry. Further, international conventions have legal and economic dimensions. For instance, the Framework Convention on Climate Change holds much significance for the country's economic growth. The convention has already led to the creation of international markets for trading in 'carbon credits.' The WTO Agreement has substantial environmental features in it and environmental considerations are often invoked to erect non-tariff trade barriers by some countries to block imports from India. In the forthcoming Doha ministerial meeting of the WTO, environment and social clauses are most likely to figure. The handling of these subjects in the ministry cannot be said to be adequate at present.

2.15 Another area which attracted greater attention in the earlier years was research. The Man and Biosphere Programme (MAB) initiated by the UNESCO in the sixties received enthusiastic support in the NCEPC and even today the Ecosystems Research Scheme and other special schemes support research projects in universities and other higher scientific institutions. Similarly, the

Environmental Research Programme has been funding research in pollution related activities and resources conservation and management. Besides these schemes run directly by the ministry, there is considerable research work going on in institutions under the Indian Council of Forestry Research and Education and in institutions like the Govind Ballabh Pant Institute of Himalayan Ecology.

2.16 Promotion of research should have a high visibility in the working of the ministry. However, one can sense research occupying only backroom space in the face of more pressing and sensational nature of other items of work of the ministry. With a strong support for research, the ministry would be in a position to speak with authority on subjects which are now before the judiciary and are those which are covered by international conventions.

2.17 Although a number of research projects are sponsored by the ministry, it is seen that the proposals are more academically and not policy oriented. While academic research has its importance, the ministry should identify major areas for research based on its needs and invite proposals from institutions instead of merely scrutinizing and sanctioning whatever that comes before it.

2.18 Again, research proposals are invariably on the side of natural sciences. There are hardly any projects on health related aspects or on 'brown' subjects or on the humanities side. Identifying suitable projects in these areas and funding them would go a long way in obtaining inputs for policy and law making.

2.19 Promoting environmental education and creation of nationwide awareness of the need to protect the environment are among the responsibilities of the MoEF. An important aspect of this effort is the availability of sufficient number of MoEF will have to identify such gaps and institute steps to fill these with the cooperation of the UGC, All India Council of Technical Education etc. Again, giving high visibility to grassroots work being done by many individuals and NGOs all over the country and propogating adoption of successful, traditional and appropriate technologies in soil and water conservation or forest management is another area which merits greater attention.

2.20 Likewise on the forest side also with the clearance work and day to day fire fighting taking up most of the time the National Forestry Action Plan remains largely on paper, while, in the Ministry there have been no attempts at sharpening the focus of research work in ICFRE. The NFAP envisages an investment of RS.1,20,000 crore over a twenty year period by the Centre to the States with a view to achieving the target of covering one-third of the country with forests. Compared to this the annual outlay of NAEB, the main investment with the Ministry for achieving this target has been less than Rs.100 crore per annum (increased to Rs.137 crore this year). ICFRE's activities are so numerous and diverse, and staff strength so large, as to make staff management itself the main focus of attention of the top management, that there have been no major efforts for time bound action plans for core research work. In the case of FSI, ZSI and BSI there is need for drawing clear cut and focused programme of work, to be implemented in a time bound manner. In the area of wild life, illegal trade has grown alarmingly and is threatening the survival of many an endangered species. Concrete steps for countering this threat need to be taken urgently.

2.21 The progress in various promotional activities as well as in project implementation has also been somewhat tardy. One of the major indicators for assessing the performance in these areas is the utilisation of funds allocated. As will be seen from the statement below there have been significant shortfalls almost every year in the last six year period, the shortfall being as high as 34% in 1998-99.

Annual Plan Outlay (B.E.)

Rs. crore

Sl. No.	Sector	YEAR						
		1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02
1	Environment	80 (63)	125 (124)	198 (115)	211 (115)	192 (118)	231 (155)	213
2	National River Conservation Plan	79 (42)	106 (122)	109 (99)	192 (108)	200 (157)	210 (128)	191
3	Forest & Wild Life	108 (98)	148 (95)	145 (124)	209 (173)	215 (178)	257 (173)	259
4	National Afforestation & Eco Dev.	104 (93)	90 (88)	92 (68)	92 (72)	94 (87)	152 (94)	137
	Total	**371 (296)**	**469 (429)**	**544 (406)**	**704 (468)**	**700 (540)**	**850 (610)**	**800**

The Figures in brackets indicate the actual expenditure in the year.

2.22 A number of reasons, including drastic reduction in the outlays at the revised estimate stage on grounds of fiscal stringency aRE advanced for explaining the shortfall. The consistent shortfall however clearly underlines the need for tightening up of the procedures for sanctioning of funds and in implementation of projects.

2.23 The shortfalls cut across virtually every major activity on the plan side. For instance, last year (2000-01) on the environment side as much as Rs. 8.90 crore out of the budget provision of Rs.10 crore for the National Lake Conservation Plan was surrendered; under the pollution control projects the surrender was nearly Rs.5 crore representing 20% of the outlay; under the Taj Protection Mission half of the budget provision of Rs.50 crore was surrendered, while in the India Environment Management Capacity Building Technical Project nearly Rs.19 crore of the original provision of Rs.32 crore was surrendered. In the case of the lump sum provision for the North-East also a sum of Rs.20 crore out of the total available provision of Rs.85 crore in the budget was surrendered. In the single largest programme, namely, National River Conservation Project as much as Rs.76 crore out of the original budget provision of Rs.193.50 crore was surrendered. There are similar shortfalls under the various programmes on the forest side as well, though the picture is somewhat better compared to the environment side. Thus in the Eco Development around Protective Areas nearly Rs.12.50 crore was surrendered out of the original budget provision of Rs. 54 crore. Under Integrated Afforestation and Eco Development Project Rs. 22.10 crore out of a budgetary allocation of Rs.72.50 crore was surrendered. In respect of the research programmes of the ICFRE, Rs.4.15 crore was surrendered.

2.24 All these clearly highlight the need for a fresh look at the various procedures for the release of funds and in project implementation if the promotion schemes and the various projects are to play their part effectively.

III. Suggestions for Restructuring

3.1 The several issues highlighted in the earlier section underline the need for the restructuring proposals to focus on the following:

i. Improving project implementation capacity in the various wings of the Ministry; in particular adopting less cumbersome procedures in the NRCD and strengthening the NAEB.

ii. Redefining the core activities of the ICFRE and drawing up a time bound action plan in key areas of research.

iii. Making Autonomous Bodies and Centres of Excellence more self reliant, working towards specific goals.

iv. Placing the environment clearance work under the Special Secretary so that only the more important cases have to go through the Secretary.

v. Re-grouping the activities within the Ministry so as to make these more compact and

vi. Above all, in almost all areas drastically downsizing of the staff strength and shedding unnecessary activities. This is necessary if each organisation in the Ministry and the main Ministry itself is to be made lean and efficient and achieve a greater focus in its functions.

3.2 The specific suggestions in respect of some of the organisations in the Ministry and for the Ministry itself are set out in the succeeding paragraphs.

a. Environmental Clearances

3.3 The work relating to processing of environmental clearance cases could be brought under the charge of the Special Secretary in the Ministry. The divisions dealing with Impact Assessment, Hazardous Substances Management, Control of Pollution and Construction of common effluent treatment plants could report to this officer. The Special Secretary could put up papers, directly to the Minster, except for the more important once, which alone would be required to be routed through the Secretary.

3.4 If this arrangement works well, in due course it could pave the way for entrusting this work to a separate Authority, outside the Ministry.

3.5 Considering that over 180 project proposals are received every year for obtaining environmental clearances and each project would involve an outlay of not less than Rs.50 crore, it is suggested that a fee proportionate to the investment is levied on the proposals received. To cite an example, Government of Tamil Nadu charges a front-end fee running to lakhs of rupees on applications for clearances under the Coastal Regulation Zone notification.

b. National River Conservation Directorate

3.6 The National River Conservation Directorate (NRCD) with its headquarters at New Delhi and two regional offices at Allahabad and Kolkata has a sanctioned staff strength of 117. This Directorate which was earlier implementing the Ganga Project has taken up number of other river projects as well in recent years. In view of the expanded mandate a proposal for winding up the two regional offices at Kolkata and Allahabad, which were set up for intensive monitoring of the Ganga Project implementation is already under consideration of the Ministry.

3.7 As brought out in the statement on page 15, there have been large shortfalls in utilisation of plan funds allocated for this project. In 1998-99 the surrender was Rs. 84 crore (40%), in 1999-2000, Rs. 43 crore (22%) and in 2000-01, Rs. 82 crore (40%). Such large shortfalls are attributed to two factors. First, was the practice of getting a proposal from the State Government in an outline form and then on the basis of a detailed examination of this outline in the NRCD, the State Governments being required to prepare a detailed project report, which was again scrutinized thoroughly in the NRCD before approval was given. A decision has reportedly been taken recently, though yet to be implemented, that in future even in the first instance the State Governments would be required to prepare a detailed project report with the help of outside consultants, which would be examined in overall terms only by NRCD before being approved. This change when put into effect is expected to reduce considerably the time taken in according approval. The second problem faced has been in getting the utilisation certificates from the State Governments. Under the present arrangements, wherein funds are released to the State Governments there is considerable time lag in the project authorities getting the funds released by the State Government. As a result, the project authorities are starved of funds for several months and are not able to absorb the full allocation for the year. Here again a decision appears to have been taken recently that the funds should be released directly to the project authorities. A better alternative to bypassing the State budget would be for the NRCD to discuss this matter with the State Governments and put in arrangements for ensuring timely release of funds to the project authorities. This could be achieved by informing the State Governments, well before their budget is finalised, of the order of funds to be allocated in the next year by NRCD for the projects in their State, so that adequate provisions are made in the State Budget. This way, as soon as NRCD releases funds to a state, that state should have no problems in releasing the necessary funds to the project authorities from out of the provision already made in their budget.

3.8 Clearly, there is need for greater attention to project approvals and timely release of moneys particularly with the large expansion in the sphere of work of this directorate. This then should be the top priority for this Directorate. In order to enable the Project Director to devote full attention to the work of the Directorate, it would be necessary to discontinue the present practice of entrusting to this officer additional responsibilities in the Ministry as well.

3.9 It is seen that in the Directorate there are 6 senior level functionaries including the Project Director, 12 Scientists and a compliment of nearly 100 support staff headed by two Under Secretaries. In organisations like this Directorate every attempt should be made to put in modern methods of office management and for making full use of the advances in the IT sector and for farming out of support services. Making the office lean is a basic requisite if the office is to function in an efficient manner as otherwise a good part of the time of the top management is lost in managing the Directorate office itself. In these circumstances it is recommended, that Staff Inspection Unit (SIU) should be required to take up a fresh assessment of the staff strength of this Directorate so that it could be drastically pruned. An internal work study undertaken in the Ministry in 1993 had come to conclusion that the non-scientific staff could be downsized from 86 to 52 (Statement at Annex IV). Perhaps this was not followed up because of the expansion in the responsibilities of this directorate. This reduction of 34 posts and as also the winding up of the regional offices at Allahahad and Kolkata should be given effect to immediately. If in line with the expansion in the role of the Directorate, some additions at the senior/scientific levels are considered necessary that could be examined separately.

c. National Afforestation and Eco Development Board

3.10 The National Afforestation and Eco Development Board (NAEB) is the main instrument that the Ministry has under its direct supervision for achieving of the National Forestry Action Plan (NFAP). However, while NFAP envisages an investment of the order of Rs.1,20,000 crore over a 20 year period by the Centre and the States, the annual plan outlay of NAEB is less than Rs.100 crore (increased to Rs.152 crore in BE 2001-2002)! Thus, if NFAP has to become a reality then the availability of the funds for the NAEB has to register a 30 to 40 fold increase! While this order of increase appears staggering, it is feasible, provided action is taken on two different fronts:

(a) With the ratification of the Kyoto Protocol there will be sharp increase in the number of international donors, looking for investments in 'carbon sinks' in developing countries. The flows could be substantial, estimated at several US $ 100 billion. India could and should seek access to these funds in a big way. This will be a major task to be undertaken by the Ministry and the NAEB.

(b) Government have recently announced a wage employment programme in rural areas titled 'Sampoorna Gram Vikas Yojana'. While an outlay of Rs.10,000 crore has been indicated now one can expect a substantial increase in its outlay once the implementation gains ground. While this programme is to be implemented in all the villages of the country, NAEB's activities are focused in the 1,70,000 villages, accounting for nearly 1/3rd of the total number of villages, which adjoin forest lands. Thus, a proper tie-up between NAEB and the department of rural development, could lead to NAEB's allocations being utilised for the material component and Sampoorna Gram Vikas Yojana funds being accessed for the wage component. This way NAEB's coverage could be increased six to eight fold. Greening, putting in soil conservation and moisture retention programme in these 1,70,000 villages and in the adjoining areas would go a long way in providing livelihood security for the people of these villages, increasing density of forest cover in the forests and adjoining areas, and more importantly help arrest the depletion of water resources by promoting increased water retention at the source points. The focus of NAEB should be on catchment area treatment and soil conservation in the 'interior' areas and on greening, fuelwood and fodder planations on the periphery and in the village commons. This has to be a cooperative effort, with full participation of the beneficiary population and the instrument for this will be the Joint Forestry Management Groups which will have to be set up in all the villages where such work is taken up.

3.11 For ensuring that NAEB becomes the main instrument for the implementation of NFAP, it is necessary to bring about a greater coordination between NAEB and the forest wing of the Ministry on the one hand, and with the State Forest Departments on the other. The Director General, Forest who is a special Secretary in the Ministry should therefore be the Chief Executive of the NAEB. The programmes of NAEB have to be implemented through the forest departments of the various states and the need for close working will increase exponentially when the outlays for the NAEB increase. The appointment of the Director General, Forests as the Chief Executive of NAEB will go a long way in securing this coordination also. As the work load of NAEB increases, the

Director General, Forest would have less time for his role as the Special Secretary in the Ministry. It will therefore be necessary to put in suitable arrangements whereby the Director General Forests, in his capacity as Special Secretary has to devote attention only to IFS cadre management matters as well as to the more important issues on the forest side.

3.12 The NAEB today has a complement of 91 staff of whom 19 are Group A officials including IFS officers and scientists. As the volume of work increases sharply there could be a need for increasing the number of senior level officials on the technical/scientific/managerial side in this organisation. At the same time it will be necessary for the organisation to shed a large complement of support staff. Even the adoption of the pattern as suggested for the NRCD could lead to a reduction of over 30 officials at the Group 'C'/Group 'D' level. This should be done straightaway and as this work is organized on more modern and efficient manner, making full use of the advances made in communication technology, the number of support staff could be reduced further.

3.13 The NAEB today now has a Council, which is rather unwieldy with over 30 members. This Council which is presided over by the Minister for Environment & Forests should be made a more compact one. Its membership could consist of the Secretaries of the concerned Ministries – Environment and Forest, Expenditure, Rural Development, Land Resources, Agriculture and Water Resources and also have half-a-dozen of leading lights of NGOs and eminent persons in this field. The Director General as the Chief Executive would function as the Member Secretary. While the Council could meet once in three or six months, there could be a Board presided over by the Secretary of the Environment Ministry and consisting of Secretary (Expenditure), Secretary (Rural Development) and the Directorate General, Forest to meet every month to take decisions on all operational matters. This way the NAEB could be put on a single file system with the Ministry instead of its proposals having to be examined afresh in the Ministry.

d. Indian Council of Forestry Research and Education

3.14 For placing forestry research on a sound footing, it was considered necessary to set up an apex body to serve as an umbrella organisation for both forest research and education. The result was the establishment of Indian Council of Forestry Research and Education (ICFRE) in December 1986. This body was made an autonomous organisation in June 1991. The major objectives of the council are:

(1) to undertake, promote and coordinate forestry education, research and its application.

(2) to develop and maintain a national information centre for forestry and allied services.

(3) to act as a clearing house for research and general information relating to forest and wild life.

(4) to develop forest expansion programmes and propogate the same.

(5) to provide consultancy services in these areas.

3.15 It has under its charge eight research institutes and three advanced centres in various parts of the country catering to the research need of different biographical regions of the nation. The eight research institutes are:

(1) Forest Research Institute (FRI), Dehradun

(2) Institute of Forest Genetics and Tree Breeding (IFGTB), Coimbatore

(3) Institute of Wood Science and Technology (IWST), Bangalore

(4) Tropical Forest Research Institute (TFRI), Jabalpur

(5) Institute of Rain and Moist Deciduous Forests Research (IRMDFR), Jorhat

(6) Arid Forest Research Institute (AFRI), Jodhpur

(7) Himalayan Forest Research Institute (HFRI), Shimla

(8) Institute of Forest Productivity, (IFP), Ranchi

3.16 It also has numerous divisions and centres each addressing a specialised area of requirement.

3.17 ICFRE has a total staff strength of over 2800, including 1526 scientific and technical officials. The Forest Research Institute, Dehradun is the oldest (set up in 1906), the largest (has a staff strength of more than 1600) and also the most well known, domestically and internationally, for its pioneering work in research as well as education in the forest sector.

3.18 A common perception, shared even at the senior levels of the Ministry is that the range of activities of the ICFRE is so wide and diverse that its work lacks focus. Some of the areas of work are no longer relevant while some others could be better done in the private sector. The staff strength is also excessive. For instance, the Institute of Applied Manpower Research (IAMR) which had undertaken the human resource development consultancy work in 1998 of ICFRE and its institutes has placed the surplus staff strength at 494 in FRI, 42 in AFRI, 40 at TFRI, 90 at IRMDFR, 37 at IWST, 33 at IFGTB, 18 at HFRI and 25 at IFP! The surplus staff identified is well over 25% of the total staff strength of these organisations. IAMR has also pointed out that even at the level of scientists and research and technical assistants there is no need for fresh recruitment for some years to come. The report has further pointed out that in most institutes LDCs do not have enough work; that vehicles holding and drivers strength would need to be rationalised; that the cellulose and paper plant has been non-functional; that the three presses put up with huge capital cost are functioning much below capacity; etc. etc.

3.19 In the circumstances it is necessary that the Ministry undertakes urgently, through a group of experts a review of the functions and activities of ICFRE, so as to identify the core areas on which it should focus and undertake all its activities in a time bound manner; shed all those activities which are either no longer relevant or could be better undertaken by the private sector; and downsize the staff strength to make these organisations lean and efficient ones. Pending such a comprehensive and detailed analysis, some of the areas, as identified in the course of discussions with concerned officials, which could be taken up for examination straightaway are:

(a) Shifting of the Centre for Social Forestry and Eco Rehabilitation (CSFER) from Allahabad to Dehradun.

(b) need for the ICFRE Centre at Hyderabad

(c) need for a Paper and Pulp Division at Dehradun – a national level institute is functioning at Sahranpur.

(d) need for maintaining the three printing presses.

(e) need for continuance of activities like wood working, wood treatment or paper, all of which are best left to the private sector

(f) feasibility of merging the Forest Product Division of FRI with IWST, Bangalore; and the Chemistry Division with the MFP Division at FRI, Dehradun

(g) shifting of the Extension Division to ICFRE headquarters;

(h) shifting of the Sociology Division at IFGDB, Coimbatore to the ICFRE headquarters; etc.

3.20 At the other end of the spectrum, the Jorhat Institute of ICFRE with the sub centre at Aizwal, Mizoram –would need to be strengthened. Likewise tropical forest related applied research activity has come to occupy international importance in view of the U.N. Convention on Biological Diversity, the Framework Convention on Climate Change and the Kyoto Protocol and developments to bring into being a Convention of Forestry. This area of work would also need to be strengthened.

3.21 Given the scope as well as need for large scale downsizing, pending the exercise suggested above except for some key posts, the 936 vacant posts, including the 455 at scientific, research and technical levels abolished straightaway.

e. Botanical Survey of India, Zoological Survey of India and Forest Survey of India

3.22 Currently Botanical Survey of India (BSI) and the Zoological Survey of India (ZSI) are looked after on the Environment side of the Ministry and the Forest Survey of India (FSI) is looked after on the Forest side. This bifurcation of supervision is quite artificial and goes against the need to integrate the information and data available with the three Surveys. As Ecological thematic mapping is the need of the hour, it is necessary that the responsibility for overseeing the functioning of these three organisations should vest in one senior officer – say the Additional Secretary – in the Ministry. Map preparation has to keep pace with survey work which today has been speeded up vastly, thanks to remote sensing techniques. It is ascertained that the limiting factor is non-availability of technical staff at certain key positions, while availability of (expensive) machinery for map preparation could be considered adequate. In both ZSI and BSI, there is need for increasingly adopting modern approaches to taxonomy like DNA finger printing and adopting of surveying techniques like Global Information and Positioning Systems (GIS, GPS). These organisations should also be involved in implementing the Convention on Biological Diversity and the proposed National Biodiversity Act. Adoption of GIS, GPS techniques would reduce significantly the time taken in conducting field surveys and in cutting down the requirements of non-scientific and non-technical manpower. Thus, in these organisations, particularly in FSI and BSI there may be a need for some strengthening in the scientific and technical cadres. At the same time there is need for a drastic pruning at the support staff levels. In these scientific/technical organisations the ratio between such officers and support staff - should not be allowed to exceed 1:1.5 or at the maximum 1:2. Increased use of IT based office equipments, and farming out of some of the support services, would help to achieve these ratios, leading to a substantial increase in productivity and fall in expenditure outgo. The SIU could be required to undertake and complete this redetermination of staff strength in these organisations within a three months period so that such changes as become necessary could be put in place before the commencement of next financial year. Based on a work study review, 180 posts have been abolished in BSI in August 1999.

f. Directorate of Forest Education, Dehradun

3.23 The Directorate has four State Forest Service Colleges under its administrative control. In addition to this, the Directorate has control over admissions, curricula and conduct of examinations in five state government run forest colleges. Of the four under its direct administrative control, efforts have been made from time to time to transfer the colleges at Coimbatore (Tamil Nadu), Burnihat (Assam) and Kurseong (West Bengal) to the respective State Government and keeping only the college at Dehradun under the Central Government. The reluctance of the State Governments to take over these colleges may be, in part, due to many State Governments not making yearly recruitments to state forest service cadres – some have not done so for many years. In the absence of regular recruits, these colleges end up by conducting occasional in-service courses for officers at present. The available infrastructure could be utilised for providing training on a regular basis to the other cadres of the Forest Departments as also to those of some of the allied departments. The efforts for handing over the three colleges to the concerned State Government should be renewed and as an incentive, grants could be offered on a sliding scale, for meeting the recurring expenditure in the initial years.

g. Autonomous Organisations

3.24 Inclusive of ICFRE, which has already been dealt with, there are seven autonomous organisations functioning under this Ministry. The other six are :

1. G.B.Pant Institute of Himalayan Environment and Development at Kosi-Kataman;
2. Central Pollution Control Board (CPCB), New Delhi
3. Indian Institute of Forest Management (IIFM), Bhopal
4. Wild Life Institute (WLL), Dehradun
5. Indian Plywood Industries Research & Training Institute (IPITRI), Bangalore
6. Central Zoo Authority (CZA), New Delhi

3.25 For all seven taken together the total budget support in year 2000-2001 was over Rs.110 crore. Of this ICFRE and CPCB accounted for Rs.80 crore. The total internal resources raised by these organisations last year was less than Rs.5 crore – in other words these organisations are more or less fully funded by government.

3.26 Most autonomous organisations, in practice, function more as subordinate offices, with little freedom or autonomy in managing their affairs, while at the same time not receiving adequate attention of the Ministry. All government procedures and financial rules are implicitly followed without any change. This position can change only if the dependence on budget support can be reduced to less than 50% of the recurring expenditure. As such, and also as due to fiscal constraints, government budget support for such organisation as a proportion of their recurring expenditure could be reduced in the coming years, it is therefore necessary to put in place arrangements under which these organisations are required to:

(a) spell out clearly the core activities, which could then be addressed in a focussed and time bound manner;
(b) shed unnecessary activities, staff and expenditure; and
(c) meet an increasing part of their expenditures through maximising internal resources, charging fees for services rendered and seeking resources from other sources (like project finances).

3.27 For instance IIFM could endeavour to raise more resources by levying appropriate levels of fees for the various courses run by it. The association of a suitable NGO or an outside professional body in the management as well as part financing of the National Zoo Park in Delhi could be considered. Likewise when funds are made available for Zoos run by State Governments, such association of NGOs or outside professional bodies could be stipulated. The management responsibility of IPITRI could be vested in private units which are quite large and well modernised. The G.B.Pant Institute could seek project assistance, particularly from external donors.

3.28 All these efforts would require that these organisations be given greater freedom and flexibility in organising their work and managing their affairs. As such the Ministry in turn should be willing to dilute its overall control over these organisations.

3.29 It is therefore recommended that these autonomous organisations be informed straightaway that budget support could be progressively reduced in the coming years and also that the Memoranda of Understanding should clearly set out the action to be taken by them in the three areas listed earlier, even as the Ministry on its part will should itself to the dilution of its control over the organisation giving it greater freedom and flexibility in managing its affairs. By way of encouraging these organisations to move in this direction, they could be informed that the budget support in the year 2002-03 would be reduced by 10%.

h. Centres of Excellence:

3.30 There are seven centres of excellence promoted by the Ministry so far. These are:

1. Centre for Environment Education (CEE), Ahmedabad
2. CPR Environment Education Centre (CPREEC), Chennai
3. Centre for Ecological Science, Bangalore
4. Centre for Mining Environment, Dhanbad
5. Salim Ali Centre for Ornithology & Natural History (SACON)
6. Centre for Environmental Management of Degraded Ecosystem (CEMDE), Delhi
7. Tropical Botanic Garden & Research Institute (TBGRI), Trivandrum

3.31 The provision, by way of Budget Support for these seven centres is Rs.6.50 crores in BE 2001-02. The internal resources generated and funds raised from other sources by many of these organisations are quite negligible. SACON is more or less fully funded by the Ministry while at the other end no budget support was extended to TBGRI last year. Where there is more or less full funding, all government procedures and financial rules are followed and government scales of pay are also adopted. The implication of full funding under such conditions is that the salary commitment is considered as a liability to be borne by government. Thus unless this arrangement is terminated early, such centres, with all their staff and other commitments will become a permanent liability for the government, a liability that was not contemplated when the Ministry agreed to extend support for these centres of excellence. At the same time because of fiscal constraints the budget support for these centres is likely to be reduced in the coming years.

3.32 While efforts for promoting environmental research and extension by such centres needs to be encouraged, it is equally necessary for government to inform these bodies that not only could government budget support be reduced in the coming years, because of fiscal considerations, but also that it could be in the form of lump sum grants not earmarked for specific purposes like salary etc. Those centres of excellence which are dependent, on substantial budget support should also be encouraged to reduce, within the next few years, the dependence on government budget support to less than 50% of the recurring expenditure by following the suggestions made in the case of autonomous organisations. In such cases the MOUs should also spell our clearly dilution of government control and the manner in which these Centres will have greater freedom and flexibility in managing their affairs. Those Centres, like TBGRI, which may not require budget support, except for small amounts, and that too only for specific projects/activities, could be exempt from this procedure.

i. Environmental Information Service Centres

3.33 Under this scheme, started in 1983, the Ministry has so far helped set up 26 Environmental Information Service Centres (ENVIS). In each case an existing institution was encouraged to set up the centre, by giving a grant initially for funding the hardware, and later, every year, a project finance support. A provision of Rs.1.25 crore has been made in BE 2001-02 for this scheme, compared to an actual expenditure of Rs.1.87 crore last year.

3.34 The outgo, in respect of each Centre is not large – the maximum is under Rs.8.50 lakhs for the Annamalai University , the Centre on Mangroves, estuaries, coral reefs and lagoons. Thus it is very a cost effective way of environmental data in a large number of areas. However considering that as many as 26 centres have been assisted so far, with many of these in position for 15 years or more, it is necessary to review the work output of these centres, so that those that are not functioning well or serving an useful purpose can be closed down, or at least government support withdrawn. Till such a review is completed, there should be a ban on funding of new ENVIS Centres.

j. Main Ministry

3.36 An internal work measurement study undertaken by the Ministry in 1993 identified 105 posts as surplus but at the same time endorsed the need for creation of 51 posts, leading to a net surplus of 54. The category wise distribution of these posts is at Annex IV. It is understood that the Ministry has abolished 51 of the posts identified as surplus and also surrendered 47 more posts, mostly in the civil construction wing in response to the requirement of enforcing a 10% cut in staff strength. As will be seen from the break up statement, the creation of 51 posts recommended in the internal work study included 34 posts by way of leave reserve in categories like Assistants, UDCs, LDCs, Stenos, peons etc. Considering the large number of posts even otherwise available in each of these categories and also the fact that most officials tend to accumulate leave in order to encash it at the time of retirement, clearly there is no need for creating afresh leave reserve posts. The Ministry should therefore take action to abolish the remaining 54 posts identified earlier as surplus, retaining the flexibility to fill up only a few positions that are crucial for the efficient discharge of work.

3.37 The Ministry has its regional offices at Bangalore, Bhopal, Bhuvaneshwar, Lucknow, Shillong and Chandigarh. These offices follow up the conditions stipulated while giving environmental and forest clearances. Each office at present has one Conservator of Forests, two Deputy Conservators of Forests, four Scientists and necessary support staff. The total sanctioned strength of all these offices is 196 of whom 144 are in position. In the case of environmental clearances in most cases the follow up work takes the shape of getting reports from the state Pollution Control Boards and forwarding these to Delhi, with such inspections wherever called for. Considering that the Central Pollution Control Board also has six zonal offices, each with a good complement of scientist staff and support) it should not be difficult for the follow up of the environmental cases to be undertaken by these zonal offices of the CPCB. In the circumstances the posts sanctioned for following up environmental clearances in the 6 regional offices in the ministry could be abolished. The posts sanctioned for following up Forest Clearance cases, together with minimum support staff could however be continued. As the total staff required in these six offices may not exceed 48 (3 forest service officers and five support staff in each office) the remaining 148 posts, including the 52 posts that are vacant as on date need to be abolished. The post of Additional Director General of Forests sanctioned in the Ministry for coordinating the forest clearance cases however needs to be continued, particularly, in view of the other responsibilities also assigned to this official in the Ministry.

3.38 Illegal trade in wild animals and produce thereof is assuming alarming proportions threatening the survival of many an endangered species. As part of the measures for countering this threat, the Ministry is presently planning to set up a wildlife crime cell for creating a data base to facilitate tackling of habitual and professional offenders. This cell is to consist of two officers of the rank of AIG, supported by two data processors. The setting up of this cell is a welcome move. Matching savings should, however, be found by surrendering some posts (not vacant posts) in the Ministry.

3.39 The position of a Special Secretary in any ministry is an anomalous one. This arrangement also tends to dilute the overall responsibility of the Secretary for the efficient discharge of all functions in the ministry. The arrangements suggested, whereby the DG, Forests will function more as the Chief Executive of the NAEB and the assigning of the Environmental clearance work to the Special Secretary should help to correct the situation considerably. The reduction in the flow of routine work from NAEB, NRCS and Environmental Clearance cases should enable the Secretary to focus more on policy formulation, promotional activities and project implementation.

3.40 At present the senior officers at the level of scientists, forest service officers and generalists function in water tight compartments. While this may be unavoidable to some extent, the adoption of a multi-disciplinary approach would call for some flexibility in interchange of these 3 groups of officers at senior level posts. The Ministry could examine this aspect. As pointed out in paragraph 2.13, 2.14 and 2.15. There is need for including specialists from other disciplines also at the Director/Joint Secretary level.

Ministry of Environment & Forests

Table of Contents –Annex

Annex II

Allocation of Business

1. Environment and Ecology, including environment in coastal waters, in mangroves and coral reefs but excluding marine environment on the high seas.
2. Botanical Survey of India and Botanical Gardens.
3. Zoological Survey of India.
4. National Museum on Natural History.
5. The Water (Prevention and Control of Pollution) Act, 1974 (6 of 1974).
6. The Water (Prevention and Control of Pollution) Cess Act, 1977 (36 of 1977).
7. The Air (Prevention and Control of Pollution) Act, 1981 (14 of 1981).
8. The Indian Forest Act, 1927 (16 of 1927).
9. ***
10. The Wild Life (Protection) Act, 1972 (53 of 1972).
11. The Forest (Conservation) Act, 1980 (69 of 1980).
12. The Environment (Protection) Act, 1986 (29 of 1986).
13. The Public Liability Insurance Act, 1991 (6 of 1991).
14. Biosphere Reserve Programme.
15. National Forest Policy and Forestry Development in the country, including Social Forestry.
16. Forest Policy and all matters relating to forests and forest administration in so far as the Andaman and Nicobar Islands are concerned.
17. Indian Forest Service.
18. Wild Life Preservation and protection of wild birds and animals.
19. ***
20. Fundamental research including coordination thereof and higher education in Forestry.
21. Padmaja Naidu Himalayan Zoological Park.
22. National Assistance to Forestry Development Schemes.
23. Indian Plywood Industries Research Institute, Bangalore.
24. National Afforestation and Eco-Development Board.
25. Desert and Desertification.

Annex III

MINISTRY OF ENVIRONMENT AND FORESTS

As on 31.8.2001

Sanctioned Staff Strength

1	Ministry proper	857
	of which NRCD : 117	
	NAEB : 94	
2	CPCB, New Delhi	517
3	NMNH, New Delhi	153
4	Wild Life Institute, Dehradun	166
5.	G.B. Pant Institute	84
6	National Delhi Zoo Park	269
7	IIFM, Bhopal	157
8	BSI, Calcutta	1374
9	ZSI, Calcutta	1194
10	ICFRE group	2802
	of which FRI : 1642	
	IGNFA : 92	
11	A&N Island Corporation, Port Blair	518
12	Others	969
	Total	9060

Annex IV

The tentative assessment of the SIU in respect of Non-Scientific Posts at the Headquarters of DPD at New Delhi (excluding the Regional Offices at Allahabad and Calcutta) is as follows:

S.No.	Category of Post	Sanctioned Strength in Delhi	In position at the time of study	Assessment	Remarks
1.	Director	2	1	1	
2.	Jt Director	1	1	1	
3.	Dy. Secretary	2	1	1	
4.	Under Secretary	2	2	-	
5.	PAO	1	1	1	
6	Desk Officer	_	_	3	
7.	Section Officer	2	2	1	
8.	Hindi Officer	1	1	-	
9.	Hindi Translator	2	1	1	(To be diverted to Ministry)
10.	Draftsman	2	1	1	
11.	Accountant	1	1	1	
12.	Assistant	7	6	6	
13.	UDC	5	2	2	
14.	LDC	7	7	6	
15.	Staff Car Driver	4	4	1	
16.	Despatch Rider	1	1	1	
17.	Pvt. Secretary	8	5	2	

18.	Steno Gr, 'C'	12	1	3	
19.	Steno Gr. 'D'	2	7(+ 3D/W) (+3 Adhoc)	4	
20.	Gestetnor Operator	1	1	1	
21.	Daftry	3	3	3	
22.	Jamadar	1	1	1	
23.	Peons	14	16 (+ 2D/W)	9	
24.	Safaiwala	3	3	1	
25.	Farash	2	1 (+1D/W)	1	
	Total	**86**	**70**	**52**	

Annex V

Sanctioned and Assessed Strength in Ministry Proper

S.No.	Category	Sanctioned Strength	Assessed Strength
	Group 'A'		
1.	Secretary	1	1
2.	I.G.F.	1	1
3.	Additional Secretary	1	1
4.	Additional IGF	2	2
5.	Joint Secretary	5	5
6.	Advisor	5	5
7.	Director (PT)	1	1
8.	Director/Deputy Secretary	7	5
9.	Director (AOW)	1	--
10.	DIGs/Director (AW)	6	5
11.	Additional Director (WL)	2	2
12.	AIGs	7	8
13.	Dy. Director (PT)	1	1
14.	Dy. Director (WL)	1	2
15.	Dy. Director (State)	1	1
16.	Scientist (SG)		1
17.	Scientist (SF)		17
18.	Scientist (SE)	63	14
19.	Scientist (SD)		11
20.	Scientist (SC)		7
21.	Dy. Director (OL)	1	1
22.	Senior Analyst	1	1
23.	Under Secretary	10	9

24.	Joint Director (Legal)	1	-
25.	Joint Director (O&M)	-	1
26.	Principal (PS)	2	2
27.	Helicopter (Pilot)	1	1
	Total	**121**	**105**
	Group ‘B’		
1.	Desk Officer	5	9
2.	Section Officer	27	28
3.	Junior Analyst	1	1
4.	Protocol Officer	1	1
5.	Accounts Officer	1	1
6.	PS (Sr.PA)	23	20
7.	TO(F)	3	3
8.	RO(Env.)	3	3
9.	RO(WL)	2	1
10.	Assistant Dir(OL)/Assistant Editor	2	2
11.	Sr. Hindi Translator	2	2
12.	Protocol Assistant	1	1
13.	Accountant	5	4
14.	Assistant	58	37 +4 (LR)
15.	Steno Grade ‘C’	30	37+4 (LR)
16.	Legal Assistant	1	-
17.	RA(WS)	1	2
18.	Accounts Assistant	1	1
19.	Desk Attache	2	1
20.	RAs	20	17+2 (LR)
21	RI	9	3

22.	Sr. Library Information Assistant	-	1
	Total	**198**	**175 +10 (LR)**
	Group 'C'		
1.	Jr. Hindi Translator	3	3
2.	Technical Assistant (WL)	3	3
3.	Jr. Tech. Assistant	3	1
4.	Caretaker	1	1
5.	UDC	41	29
6.	Steno Grade 'D'	57	33 + 3 (LR)
7.	Cateloguer (LIA)	1	1
8.	Data Entry Operator (Gr.A)	5	3
9.	Data Entry Operator (Gr.B)	-	1
10.	LDC	72	73+10 (LR) on UDC & LDC
11.	Reprographer	1	1
12.	Staff Car Driver	19	19
13.	Telex Operator	1	1
14.	Telephone Operator	2	2
15.	Despatch Rider	1	2
16.	Sr. Gestetner Operator	1	1
	Total	**211**	**174+13 (LR)**
	Group 'D"		
1.	Jr. Gestetner Operator	**1**	**1**
2.	Record Sorter	**1**	**1**
3.	Jr. Library Attendent	**1**	**2**
4.	Daftry	**23**	**28+(LR)**
5.	Jamadar	**7**	**15+1(LR)**

6.	Farash	**7**	**7**	**+8LR-19**
7.	Safaiwala	**24**	**24**	
8.	Peon	**95**	**75**	
9.	Chowkidar	**10**	**3**	
10.	Mali	**-**	**1**	**+1**
	Total	**169**	**157 +11 (LR)**	

Summary

Group	Sanctioned Strength	Assessed Strength	Surplus
A	121	105	16
B	198	185	13
C	211	187	24
D	169	169	1
Total	**699**	**645**	**54**

PART VI

RATIONALISATION

OF THE

FUNCTIONS, ACTIVITIES AND

STRUCTURE OF THE

DEPARTMENT OF CULTURE

Rationalisation of the functions, activities and Structure of the

Department of Culture

Table of Contents

Rationalisation of the functions, activities and Structure of the Department of Culture

Executive Summary

1. As a subordinate office of the Department of Culture, the Archaeological Survey of India has to deposit all its receipts into the government treasury. Because of the delays in obtaining adequate budget provision, the upkeep of most of the archaeological sites and monuments has remained less than satisfactory. The tourist facilities are also inadequate at most centres. This has adverse consequences for the upkeep of monuments and it has also kept cultural tourism undeveloped. It is understood that Finance Ministry has recently approved that ASI can retain 50% additional income for being spent on better upkeep of the monuments and betterment of tourist facilities. This is a welcome initiative.

2. The Centre for Cultural Resources and Training could be wound up, as the objectives for which this Centre was set up can be adequately addressed by the educational system.

3. The case for continuance of the National Council of Science Museum in the Department of Culture is rather weak. However, as the Council has helped create a large number of institutions and centres, some of a good standard, it can be continued. The Council should focus on state level and national level activities and not set up any more district level centres. It is also recommended that the Council should transfer to states such centres and institutions which are not of national significance. By way of encouragement, the States could be provided with funds, on a decreasing scale, for the first few years for the management of the centres that they take over.

4. As regards observance of centenaries and anniversaries of important national personalities and events, it is recommended that government should confine itself to directly organising only such events which have truly large national significance like commemoration of Republic Day, Independence Day,

Anniversaries of people like Mahatma Gandhi etc. Other centenaries and anniversaries, while undoubtedly desirable, should be left to be organised by the interested groups in the society, and government could extend financial support for such purposes.

1. Introduction

1.1 The Department of Culture came into existence as a separate department in 1985. Before that it was a part of the Ministry of Education. The objective of the department is to preserve, promote and disseminate all forms of art and culture. The Department of Culture has a fairly large number of autonomous institutions as at Annex I. It has two attached offices viz. Archaeological Survey of India and National Archives of India and six subordinate offices of which Anthropological Survey of India and National Museum are the most prominent. The responsibility for Archaeology flows from entries 62, 67 and 68 in the Union List which specifically mention Indian Museum, Anthropological Survey and historical monuments as Central responsibility. In addition to managing and supporting these institutions, the Department of Culture also implements a number of schemes involving salary and production grants, scholarships, grants for performing arts etc., Anniversary celebrations of important personalities is onì¥Á 7 ø ¿ YO bjbjU U

UØ 7| 7| ?K

ÿÿ ÿÿ ÿÿ l

2.1 Ú: Ú: Ú: P *; L ì¥Á 7

ø ¿ YO

bjbjU U
UØ 7| 7| ?K
ÿÿ ÿÿ ÿÿ l
> > > > > > >
$ b Ú: Ú: Ú: P *; L ry
and on the site in individual monuments. The ASI controls 3606 centrally protected monuments where it is responsible not only for refurbishing and maintaining these monuments but also for providing basic facilities for people visiting these monuments. There are 14 world heritage sites among these monuments. While most of the branches of ASI deal with various specialized matters and are fully justified, the same is not true of some of its activities. One such example is the Horticulture Branch. A specialized agency like ASI with specialization in a totally different area should not be distracted with day to day work in areas like horticulture. Horticultural development and maintenance within the parameters laid down by ASI should be, as a matter of policy entrusted to suitable private organisations on a contract basis having capability in this direction. Similarly, much of the Watch and Ward and Cleanliness staff with the ASI at monument sites is unwarranted and these items of work could be given out locally on a contract basis to agencies having capability in this regard. Separate staff now sanctioned and in position in ASI for executing these tasks could therefore be disbanded.

2.2 The Plan provision for ASI is Rs.51.25 crore while Non-Plan provision is Rs.95 crore. An important issue requiring consideration in regard to ASI is the entry fee charged from the visitors. The ASI has increased the entry fee in the year 2001 from Rs.5 to Rs.10 for the world heritage sites and from Rs.2 to Rs.5 in 109 other monuments. Foreign tourists are charged US$ 10 per person for world heritage sites and US $ 5 per person for other monuments. This yields an income of about Rs.75 crore during the year. While it is common knowledge that tourist facilities are inadequate at most places, the fact remains that, that no part of the income from entry fees, can be directly applied for upgrading tourist facilities and for better upkeep of the monuments. At the same time the process of obtaining funds for such purposes from the budget often entails delays. It is understood that recently a decision has been taken that ASI, could retain 50% of the collections in excess of a baseline figure, for being spent on upkeep of monuments and improving tourist facilities. This is a welcome decision and should go a long way towards attracting more tourists to these places. Based on the experience gained, an arrangement by which ASI could retain upto 75% of the excess collections, for being spent on such purposes, could be considered.

3. Centre for Cultural Resources and Training

3.1 The Centre for Cultural Resources and Training (CCRT) was set up in 1979 as an autonomous organisation. It has two regional centres at Udaipur and Hyderabad. Its main objective is to revitalize the education system by creating an understanding and awareness among the students about Indian culture and linking such knowledge with education. As this objective can be adequately addressed by the educational set up there is no justification for this organisation to be continued. This may therefore be wound up.

4. National Council of Science Museums

4.1 The National Council of Science Museums (NSCM) is an autonomous organisation under the Department of Culture. Over the years the NSCM has assumed responsibility for managing a large number of institutions as in Annex II. The activities of NSCM include, *inter alia*

a. popularising science and technology by organising exhibitions, seminars, popular lectures etc;

b. inculcating scientific temper;

c. supplementing science education imparted in schools and colleges;

d. organising training programme for science teachers and young entrepreneurs; and

e. rendering assistance to universities and other institutions in organising science museums to design, develop and fabricate science museum exhibitions.

4.2 The science museums have a rather tenuous linkage with culture. Even so, having set up a series of district, state and national level institutions over the years, some of which are undoubtedly of a very good standard, the whole set up cannot be easily dismantled. The National Council should focus mainly at the state level and national level and should not fritter away its attention and resources by setting up district level centres or institutions. The Department should also consider transferring such of the centres and institutions, which are not of national significance to the concerned State Governments. By way of incentive, grants could be given, on a sliding scale to the States for the management of the taken over centres in the first few years.

5. Lalit Kala Academy, Sangeet Natak Academy and Sahitya Academy

5.1 The above mentioned three academies are premier institutions in their respective areas. The functioning of these academies has, however, been a matter of some controversy from time to time. These are not now the vibrant institutions which these were supposed to be initially. However, much of the problems can be traced to their 'constitution' and the provisions of the legislation under which these have been set up. It is understood that the Department of Culture is seized of the issues involved. It is necessary that action for 'correcting' the defects noticed should be completed in a time bound manner.

6. Anthropological Survey of India

6.1 Anthropological Survey of India is a research and study organisation. It was set up in 1945 and it has grown into a large organisation. Normally, anthropological studies should be the responsibility of the departments of anthropology in the universities. There are quite a few in the country. Most other countries in the world do not have an organisation similar to Anthropological Survey of India, presumably for this very reason. They rightly depend on the university system to adequately look after research and studies. However, in India many of the university departments are not very active and effective in carrying out research and studies of good standard. The Anthropological Survey would therefore need to be maintained in view of the need for extensive research and studies considering large ethnic and anthropological diversity obtaining in the country.

7. *Observation of Centenaries and anniversaries of important national personalities and events*

7.1 This is a major area activity of the Department of Culture. Of the total staff strength of 349 in the department, as many as 32, headed by Additional Secretary are deployed on this work. This activity has acquired considerable momentum with the celebration of Jawahar Lal Nehru Centenary Golden Jubilee of India's Independence and Golden Jubilee of Indian Republic. However, such celebrations acquire momentum and generate demands for celebrations in regard to other events and personalities, which have a sensitivity of their own and are therefore difficult to deny. The situation has inevitably evolved into one in which some celebrations get scheduled almost every year. This tends to dilute the importance of such celebrations and progressively leads to less and less public attention and participation. Moreover, government's initiative in organising such celebrations may not serve the important objective of enthusing people to participate in such events. When Government of India funds the celebrations and also takes responsibility for their organisation, it becomes more a series of official functions in which there is not sufficient public participation. It is therefore recommended that except for very few select events like celebrations relating to independence day, Republic Day and anniversaries of personalities like Mahatma Gandhi, government should consider leaving the responsibility for organising and conducting other celebrations to organising committees to be constituted by the different sections of the society. It would be quite appropriate for the Government of India to assist such celebrations by extending necessary financial support. Such a policy would facilitate greater public participation in organising such celebrations.

8. Implication for staff strength

8.1 Existing staff in the Department is shown in a tabular form in Annex-III.

8.2 With the suggestions for the winding up of Centre for Cultural Resources and Training, a transfer of some of the museums set up by NCSM to the States, and restricting direct organising of centenary/anniversary celebrations to only to a few National events and National figures, there will be substantial reduction in the workload in the Department. As such the post of Additional Secretary as also two posts of Director/Deputy Secretary of the total of 9, and three posts of Under Secretaries out of a total of 10, could be abolished along with the related support staff.

Annex-I

List of attached offices and autonomous institutions under the Department of Culture

Attached Offices	
i	Archaeological Survey of India, New Delhi
ii	National Archives of India, New Delhi
Subordinate Offices	
i.	Anthropological Survey of India, Calcutta
ii	National Museum, New Delhi
iii	National Gallery of Modern Art, New Delhi
iv	National Library, Calcutta
v	Central Reference Library, Calcutta
vi	National Research Laboratory for Conservation of Cultural Property, Lucknow
Autonomous Organisations	
i	Indira Gandhi Rashtriya Manav Sangrahalaya, Bhopal
ii	National Council of Science Museums, Kolkatta
iii	Nehru Memorial Museum and Library, New Delhi
iv	Sangeet Natak Akademi, New Delhi
v	Sahitya Akademi, New Delhi
vi	Lalit Kala Akademi, New Delhi
vii	National School of Drama, New Delhi
viii	Centre for Cultural resources and Training, New Delhi
ix	Gandhi Smriti and Darshan Samiti, New Delhi
x	Allahabad Museum, Allahabad
xi	Delhi Public Library
xii	Raja Rammohan Roy Library Foundation, Kolkata
xiii	Central Institute of Buddhist Studies, Leh
xiv	Central Institute of Higher Tibetan Studies, Sarnath, Varanasi
xv	Victoria Memorial Hall, Calcutta
xvi	Indian Museum, Calcutta
xvii	Asiatic Society, Calcutta
xviii	Salar Jung Museum, Hyderabad
xix	Khuda Baksh Oriental Public Library, Patna
xx	Rampur Raza Library, Rampur
xxi	Thanjavur Maharaja Serfoji’s Sarasvati Mahal Library, Thanjavur
xxii	Kalashetra Foundation, Chennai
xxiii	National Museum Institute of History of Art Conservation & Museology, New Delhi
xxiv	Nava Nalanda Mahavihara, Nalanda, Bihar
xxv	Maulana Abul Kalam Azad Institute of Asian Studies, Calcutta
xxvi	Indira Gandhi National Centre for the Arts, New Delhi

Annex-II

List of institutions managed and supported by National Council of Science Museums

- Birla Industrial & technological Museum (BITM), Kolkata
- Visvesvaraya Industrial & Technological Museum (VITM), Bangalore
- Nehru Science Centre (NSC), Mumbai
- National Science Centre (NSC), Delhi
- Central Research & Training Laboratory (CRTL), Kolkata
- Science City, Kolkata
- Shrikrishna Science Centre, Patna
- Regional Science Centre, Lucknow
- Regional Science Centre, Bhubaneswar
- Raman Science Centre, Nagpur
- Raman Planetarium, Nagpur
- Regional Science Centre, Guwahati
- Regional Science Centre, Bhopal
- Regional Science Centre, Tirupati
- Regional Science Centre, Calicut
- Calicut Planetarium, Calicut
- District Science Centre, Dharampur
- District Science Centre, Gulbarga
- District Science Centre, Tirunelveli
- Bardhaman Science Centre, Dhenkanal
- Digha Science Centre & National Science Camp, Digha
- North Bengal Science Centre, Siliguri
- Kapilas Science Park, Kapilas
- Science Activity Centre, Gwalior
- Science Activity Centre, Sirsa
- Kurukshetra Panorama & Science Centre, Kurukshetra
- Goa Science Centre, Panaji

Annex-III

Staff Strength
Department of Culture

S.No	Scale of Pay in full	Group of Post ABCD unclassified	Total No. of Posts	No.of emp. In position
1.	Secretary Rs.26000/- (fixed)	A	1	1
2.	Joint Secretary Rs.18400-500-22400	A	2	2
3.	Director Rs.14300-400-18300	A	4	4
4.	Deputy Secretary Rs.12000-375-16500	A	3	3
5.	D.S.(in-situ) Rs.12000-375-16500	A	2	2
6.	Under Secretary Rs.10000-325-15200	A	8	8
7.	Deputy Director Rs.10000-325-15000	A	2	2
8.	L.I.O. Rs.10000-325-15200	A	2	2
9.	Director Rs.14300-400-18300	A	1	1
10.	Additional Secretary Rs.22400-525-24500	A	1	1
11.	Deputy Secretary Rs.12000-375-16500	A	-	-
12.	Under Secretary Rs.10000-325-15200	A	2	2
13.	Section Officer Rs.6500-200-10500	1B	13(11+2) (Situ us)	
14.	Desk Officers Rs.6500-00-10500	B	6(1+5)	
15.	In-situ US Rs.10000-325-15200	B	6(1+5)	
16.	Assistant Director Rs.6500-200-10500	B	1	1
17.	Research Officer Rs.8000-275-13500	B	2	1
18.	Assistant Rs.5500-175-9000	B	39	37
19.	Stenographer (Rs.6500-200-10500	B B	6	2 4

	10000-325-15200)ACP			
20.	Stenographer Rs.5500-175-9000 Rs.6500-200-10,500	B	11	9 2
21.	Stat.Investigator Gr.I Rs.6500-200-10500	B	2	2
22.	Research Assistant Rs.5500-175-9000	B	1	1
23.	Sr. Hindi Translator Rs.5500-175-9000	B	1	1
24.	ALIO(Lang.&Genl.) Rs.6500-200-10500	B	18	16
25.	Stenographer Rs.5500-175-9000	C	4	4
26.	Stenographer Rs.4000-100-6000	C	7	7
27.	Stat. Invest. Gr.Ii Rs.5000-150-8000	C	3	1
28.	Jr. Hindi Translator Rs.5000-150-8000	C	3	3
29.	UDC/Caretaker Rs.4000-100-6000	C	46	39
30.	LDC (Rs.3050-75- 3950-80-4590)	C	42	38
31.	Driver Gr.I Rs.4500-125-7000	C	1	1
32.	Driver Gr.II Rs.4000-100-6000	C	2	2
33.	Driver(ordinaryGr.)Rs. 3050-75-4050-80-4590	C	4	4
34.	Coupen Clerk Rs.3200-85-4900	C	8	8
35.	Daftry/Peon/Farash/ Chowkidar, Jamadar Sweeper, etc. Rs.3050-75-3950-80- 4590 Rs.2550-55-2660-60- 3200 Rs.2610-60-3150-65- 3540 Rs.2650-65-3300-70- 4000	D	75	69

Department of Culture

S N	Scale of Pay in full	Group of Post ABCD unclassified	Total No. of Posts	No.of emp. in position
36.	SLA Rs.2650-65-3300-70-4000	D	4	3
37.	MINISTER'S STAFF ON CO-TERMINUS BASIS 1. Private Secretary Rs.12000-375-16500	 A	 1	 1
	1. Addl. Private Secretary Rs.10000-325-15200 Rs.5500-175-9000	A B	2	2 1 1
	2. Asstt. Private Secretary Rs.6500-200-10500	B	2	1
	3. Second P.A. Rs.4000-100-6000 Rs.5500-175-9000	C B	1	2 1 1
	4. Language P.A. Rs.4000-100-6000	C	1	1
	5. L.D.C. Rs.3050-75-3950-80-4590	C	1	2
	6. Driver Rs.4000-100-600	C	1	1
	8. Peon	D	4	3

PART VII

RATIONALISATION

OF THE

FUNCTIONS, ACTIVITIES AND

STRUCTURE OF THE

DEPARTMENT OF COMMERCE

Rationalisation of the Functions, Activities and Structure of the Department of Commerce

Table of Contents

Executive Summary

1. With the withering away of the regulatory functions which was the main activity in the earlier years and with the present support functions, like advance licence scheme etc. being computer based, the staff strength of DGFT would admit of drastic downsizing. The SIU should be required to quickly redetermine the staff strengths of DGFT within the next two months based on a sample study. (4.2)

2. Entrustment of this scheme, which is now akin to the duty drawback scheme, to the customs department, would lead to considerable reduction in transaction time and costs for the exporters. It should therefore be examined, say two years down the line, whether this task should not be vested in the customs department (4.3)

3. The staff strength of the DGCIS would need to be re-fixed with reference to change in the mode of availability of input data as well as in the procedure for data entry and analysis. (4.6)

4. The various items of work of the Custodian of Enemy Property should be completed in a time bound manner, say within two years. The organisation should then be wound up and such items of work that remain entrusted to the Ministry of Home Affairs. (4.7)

5. As in the FEPZ at Calcutta, the support staff strength at the other export processing centres zones needs to be downsized by farming out such work. (4.8)

6. The suggestions contained in the report on Commodity Boards submitted by Shri P.P. Prabhu for broad basing of the boards, with reduced government representation, making export promotion and research, the main focus of activities, closure of the foreign offices of the Tea Board, privatisation of coffee houses and downsizing of the staff strength in the Tea Board, Coffee Board and Rubber Board, should be implemented speedily. In addition the government should delegate full administrative and financial powers to these boards, if

necessary by amending the relevant Acts so that the boards are made really autonomous in their functioning and the practice of a government official functioning as the chairman of these boards can be discontinued. (4.12)

7. IIFT should take steps for increasing internal cash generation to a point where it should not be dependent upon government for its day-to-day expenditure. Once this objective is achieved, the institute could be freed from government control altogether and the practice of a government official being appointed as the Chief Executive should be dispensed with. (4.13)

8. Export certification should be demand driven. Certification should be prescribed mandatory only in those items in which it is anticipated that in the absence of such certification there could be export of sub standard products by some exporters affecting the entire export effort in those areas. More Agencies with necessary infrastructure could be licensed to take up such export certification work and Export Inspection Council's work should be demand driven in a competitive environment. The IWSU recommendation for downsizing the staff strength in the Calcutta office should be implemented straightaway even as a review of the staff strength is undertaken at the other centres where there is a mismatch between the staff strength and workload. (4.14)

9. The nature and range of activities of the Council of Arbitration, Indian Institute of Packaging and FIEO are such that it is not necessary for government to participate in the management or control of these organisations. The Department could extend financial support to these organisation for specific projects. (4.15, 4.17)

10. The recommendations made earlier for the Commodity Boards will apply equally to MPEDA and APEDA also. (4.16)

11. The government's role as well as control over the Indian Diamond Institute should be phased out over the next two years. (4.18)

12. In the Department, the post of Special Secretary should be down graded to that of an Additional Secretary, thus enabling the Secretary to be directly responsible for the efficient functioning of all aspects of the work in the department. (4.20)

13. The department would need to be strengthened at the senior levels to effectively handle the intricate, emerging issues in the areas of WTO and multilateral matters, Trade Policy and Anti Dumping. (4.21, 4.23)

14. A Think Tank with a panel of experts in the field should be promoted, using the facilities at the IIFT, to provide pro-active advise in WTO matters not only to the Department of Commerce but to other users like Department of Industrial Policy and Promotion and Ministry of Agriculture, etc. (4.21)

15. The working of the Economic Division would need to be fully integrated with that of the Trade Policy Division. (4.22)

16. As far as work relating to Commodity Boards is concerned, it will be necessary to retain in the Department only the minimum complement staff for putting through the increased delegation of powers, amendments to/repealing of concerned Acts etc. All other posts sanctioned for this purpose in the Ministry should be abolished forthwith. (4.24)

17. The present arrangement of having commercial offices abroad would need to be reviewed so as to keep the number of such offices to the minimum. (4.25)

18. The staff requirements in the Ministry would need to be re-assessed and downsized in line with the suggestions for increased delegation of powers/streamlining recommended earlier for the various organisations under the control of this department. Pending this detailed review one post of Joint Secretary along with the support staff could be declared surplus straightaway. (4.27)

19. The Department of Commerce should implement fully the various economy instructions, particularly those relating to downsizing of staff strength issued by the Ministry of Finance from time to time, starting with the 10% cut in staff strength imposed in 1992. (4.27)

Rationalisation of the Functions, Activities and Structure of the Department of Commerce

1. The Background

1.1 Ever since, 'Commerce' as a subject was allotted to a separate Department (Department of Commerce) in 1921, there have been frequent changes in the nomenclature of the Ministry/Department. Annex-I traces the history from 1921 till date. The present set up (Ministry of Commerce and Industry) came into being on 13th October 1999.

1.2 In the earlier decades, India' external trade policy was dictated by three major considerations – (i) a totally inward looking industry and trade policy (ii) an acute foreign exchange scarcity and (iii) a foreign policy that leaned more towards NAM and the USSR block. The industrial policy aimed at import substitution and industrialisation was considered a major instrument for development of backward areas as well as promotion of employment opportunities. The industries were at one end highly regulated with the extensive controls on production, pricing and distribution while at the other, the licence raj, quantitative restrictions on a large number of imports and very high tariff regime provided the existing units considerable protection. The (resultant) poor quality and high prices of the output, as well as considerations of maintaining domestic price inhibited the export efforts. These factors 'combined' with the foreign policy dictates led to the development, in a big way of bilateral trade relations particularly rupee trade with the erstwhile USSR block.

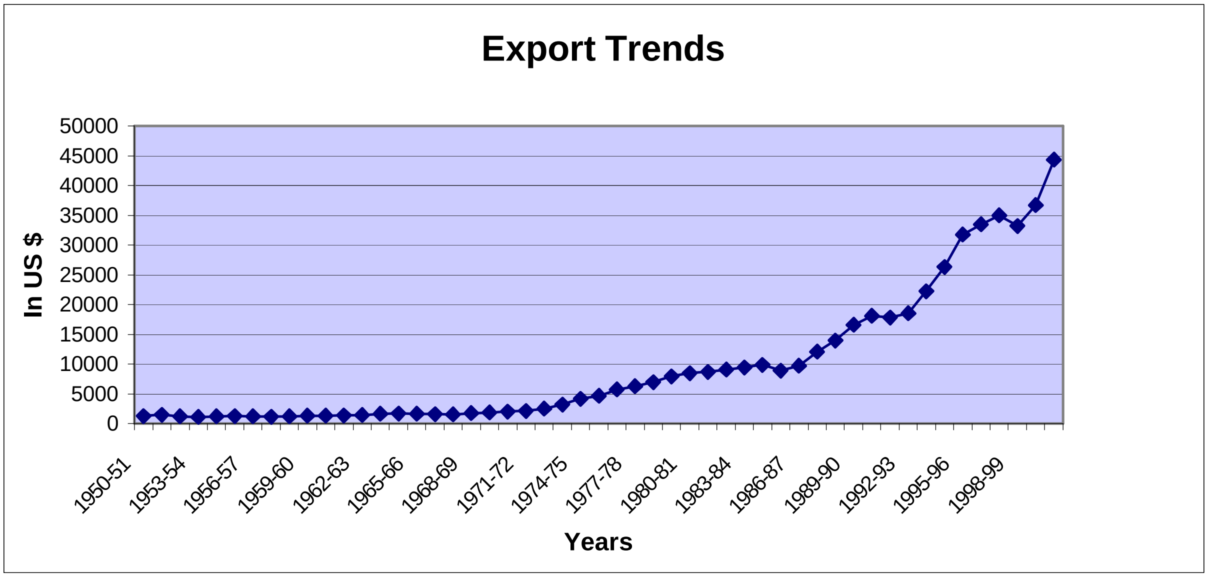
1.3 Thus the complex rationing system for imports not only of finished goods but of intermediate and as well capital goods and an equally complex system of regulations, centralised trading through Government and Government sponsored agencies as well as financial incentives for export promotion and strong bilateral trade promotion became the cornerstones of the country's trade policy.

1.4 Though there had been some efforts earlier at liberalising trade policy – for a brief period from June 1966 to March 1968 following the devaluation of rupee and again in April 1975 – a major and sustained thrust came in only with launching of the economic reforms in July 1991. The quantitative restrictions have been gradually reduced and almost done away now, with the number under QRs coming down from 4041 in pre July 1991 to only 538 now. This development has been in response not only to the WTO commitments but also reflects the opening up of the economy domestically as well as the evolvement of bilateral relations in the region with 1429 QRs being unilaterally removed on imports from SAARC countries with effect from 1.8.1998. In the case of SAARC countries, there are currently no QRs, barring the security exceptions.

1.5 The reforms on the tariff side have been no less impressive. Over this ten year period not only have the peak rates come down from 355% in 1991 to less than 50% now, but more importantly the average weighted tariff which was 87% in 1991 has come down to less than 30% now. As far as the financial incentives for export promotion is concerned, both the Cash Compensatory Scheme and the Money Replenishment licences, which were the major elements, were done away within July 1992 when the partially traded exim scrips scheme was introduced (July 1991 to February 1992). This in turn was replaced by a liberalised Exchange Rate Management Scheme (partial current account convertibility), which prevailed from March 1992 to February 1993 when that in turn was replaced by the modified LERMS (full convertibility on current account) from March 1993. In each stage there were also depreciation in the value of the rupee – by 23% in July 1991, by 28% in March 1992 and 11% in February 1993. Since then with the rupee value being allowed to be determined by market conditions, with the occasional Reserve Bank intervention to contain volatility, the rupee has depreciated to about 47 to one US $ compared to less than Rs.20 before July 1991. The outgo in the form of various duty drawbacks schemes taken together with the concessions/exemptions in corporate tax on profits earned on exports have grown steadily topping Rs.30,000 crore at present.

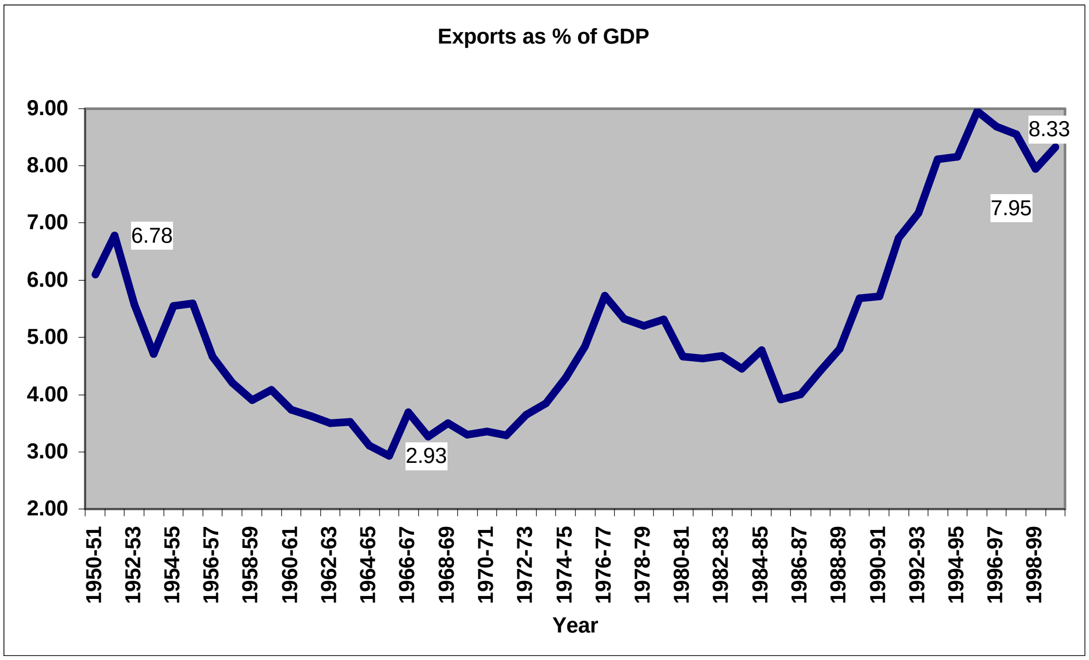
1.6 These changes are also reflected in the Export-Import data for this period. In the first two decades there was not much growth in total exports. There has however been a steady income from the early seventies, with growth rate being around 20% in several years including in the year 2000-2001, though with mini collapses for short periods on three occasions. The graph below (Figure 1) vividly brings out

Figure 1



the trends in export growth over the last five decades – a virtually flat line in the first twenty years, and a sharp increase in the last fifteen years. The composition of exports also underwent a major change during this period, with agriculture and allied products going down from 44% in 1960 to less than 9% in 2000-01, while manufacturing sector has registered an impressive increase from 45% in 1960 to 75% now. Areas like gem and jewellery, ready made garments, engineering, chemicals and allied products where there was very little exports in the pre-60s have all gone up sharply to 17%, 12%, 13% and 14% now respectively. These trends are vividly captured in the second graph below (Figure 2), which shows the trend in exports as a percentage of the GDP. After a steady fall from a high of 6.78% in 1953, it went down to 2.93% in 1967, and then registered a steady increase from 1985 to nearly 8.50% now with a small hiccup between 1995 and 1998. In imports, the share of capital goods as well as cereal and cereal products has gone down from 32% and 16% in 1960 about 10% and 1% respectively now while that of petroleum and lubricants has gone up sharply from 6% in 1960 to around 25% now. As regards the direction of exports, the percentage share of exports to Eastern Europe, which had registered a sharp increase from 7% in 1960-61 to 22% in 1980-81, has gone down to 3% now. While the percentage of exports to OECD have come down somewhat, that of USA and especially the developing countries, including OPEC, has gone up considerably.

Figure 2



1.7 In the last ten years there has been a major transformation in the role of the Department of Commerce. Earlier the emphasis was more on control of imports and exports, as well as on commodity and bilateral/regional trade. Today the emphasis is more on WTO and multi-lateral trade issues, a trade policy that seeks to maximise exports within the framework of domestic and bilateral trade requirements on the one hand and multi-lateral commitments on the other, protecting domestic interests through vibrant anti dumping measures and in general playing a supportive role to exporters.

2. Organisational Structure

2.1 The sea change in the trade scenario and the liberalisation measures introduced in the last ten years has not however resulted in significant changes in the organisational structure of the Department of Commerce, except for a change in the nomenclature as well as role of the erstwhile office of the Chief Controller of Imports and Exports, addition of a new office for dealing with Anti Dumping measures and some downsizing of staff strength particularly in the Directorate General of Foreign Trade through the twin measures of non filling up of vacant posts and transfer of some posts to the main ministry. The functions allotted to this Department are set out in Annex-II.

2.2 The Department of Commerce has one attached office (the Directorate General of Foreign trade), nine subordinate offices (Office of the Custodian of Enemy Property, Directorate General of Commercial Intelligence and Statistics and the seven Special Economic/Export Processing Zones), five Commodity Boards set up under Acts of Parliament, eight autonomous organisations, and ten Export Promotion Councils, which are also treated as autonomous organisations). There are also five public sector undertakings. These organisations have total staff strength of about 6600.

2.3 A review of the present functions and activities of these organisations is set out in the next section.

3. Organisation Wise Analysis

a. Department of Commerce

3.1 The work in the department, with a Secretary, a Special Secretary and three Additional Secretaries at the top and a staff strength of 617, is organised in eight divisions:-

1. Administration and General Division
2. Financial Division

3. Economic Division
4. Trade Policy Division
5. Foreign Trade Territorial Division
6. Export Products Division
7. Export Industries Division
8. Export Services Division

3.2 A copy of the organisation chart, which also indicates the work handled by each senior level functionary, is at Annex-III.

3.3 The Directorate General of Anti Dumping functions as an integral part of the Department with an Additional Secretary, who looks after 'Plantations' also doubling up as the Director General of this division. Anti dumping rules were framed in 1985 and an Additional Secretary in the Ministry was notified as the designated authority. The first investigation was filed in 1992. It was in 1995 that a separate anti dumping division was formed. This was converted into the Directorate General of Anti Dumping and Allied Duties in April 1998. This Directorate exercises quasi-judicial functions, which are appealable to the Customs, Excise and Gold Appellate Tribunal. Appeals lie to the Supreme Court against the decisions of CEGAT. The Directorate General is supported by 12 officers in the rank of Joint Director / Director / Deputy Secretary / Deputy Director and about 30 other supporting officers and staff.

b. Directorate General of Foreign Trade, New Delhi

3.4 The Directorate General of Foreign Trade (DGFT) is an attached office of the department and is responsible for execution of the Exim Policy announced by the Government of India from time to time to promote exports. It is headed by an Additional Secretary level officer and has sanctioned staff strength of 2469 (as on 1.4.2001) spread over the head office at New Delhi and 31 regional offices. Before the commencement of the liberalisation process the major function of this organisation was control of imports and exports and issue of licenses. In fact, it was then called the Chief Controller of Imports and Exports and was administering the Imports and Exports (Control) Act, 1947. With the onset of liberalisation this Act was replaced by the Foreign Trade Department and

Regulation (FTDR) Act, 1992 and the title of the organisation was also changed to the Directorate General of Foreign Trade.

3.5 With the withdrawal of restrictions on imports and liberalisation of import-export trade, the control functions of this organisation have drastically come down and the focus has shifted to implementing a large number of promotional schemes like Export Promotion, Capital Goods Scheme (EPCG), Advance Licensing (Duty Exemption) Scheme, Duty Exemption Pass Book Scheme (DEPB), Duty Free Replenishment Scheme (DFRC), Diamond Import Licenses (DII), Replenishment Licenses for Diamonds (RLD) etc. The coverage of the Advance Licensing Scheme has increased enormously during this period. In 2000-2001 over 1,50,000 advance licenses involving an amount of Rs.66,000 crore were issued.

3.6 The Computerisation of the licensing system has almost been completed in this Directorate. The field offices are increasingly functioning more as centres for facilitation and assistance to exporters.

c. Directorate General of Commercial Intelligence and Statistics Kolkata

3.7 Set up in 1862, the Directorate General of Commercial Intelligence and Statistics (DGCIS) is responsible for collection, compilation and dissemination of trade statistics and various commercial information. It brings out a number of important publications like Indian Trade Journal (weekly), Foreign Trade Statistics of India (monthly) etc. The Daily Trade Returns (DTRs) form the source document for the generation of these statistics. The major Custom Houses, which account for 85% of the total volume, prepare the DTRs on magnetic media and send these to DGCIS on a weekly basis through special courier/e-mail. The balance of 15% of the data (from land custom stations, inland container depots, medium and minor sea and airport customs units etc.) are received from these centres in the form of manual DTRs. Hitherto, the provisional data by major groups/centres and Ports was brought out within 7 to 8 weeks from the close of the reference month, while detailed statistics at 8 digit level of ITC took much longer - 10 to 12 months. With the steps already being taken to upgrade the hardware and improve the software, it is expected that before the end of this year the time lag for the 8 digit level results would be reduced to about 8 weeks only. DGCIS has sanctioned staff strength of 511, of whom nearly 450 are in position.

d. Custodian of Enemy Property

3.8 This office is located, with headquarters at Mumbai and a branch office at Kolkata. It has total staff strength of 28. It manages the enemy properties, arising out of the Indo-Pak conflicts of 1965 and 1971, in accordance with the provisions of the Enemy Property Act, 1968, as amended in 1977. These properties were valued at Rs.29.40 crore in 1971. The custodian is also entrusted with the work of settlement of ex-gratia payments to Indian Nationals/Companies whose properties were seized by Pakistan during the 1965 conflict.

3.9 The work relating to the promotion and maintenance of the enemy property is being done through the revenue departments in different states. The enemy property is of different kinds – fixed assets like land and buildings, shares, bank balances etc.

e. Export processing/Special Economic Zones

3.10 There are seven Export Processing Zones/Special Economic Zones set up under the auspices of the department of commerce as under:

(a) Kandla Special Economic Zone, Gandhidham
(b) Santacruz Special Economic Zone, Mumbai
(c) Falta Export Processing Zone, Kolkata
(d) Cochin Special Economic Zone, Cochin
(e) Madras Export Processing Zone, Chennai
(f) Noida Export Processing Zone, NOIDA
(g) Visakhapatnam Export Processing Zone, Visakhapatnam

The development commissioners appointed by the government are responsible for the development and management of the Zones. Since the units located in the zones and the export oriented units located outside the zones also, are entitled to duty free access to raw materials and capital goods against export commitments, the export performance of the units and the fulfilment of export obligations are required to be monitored. The EPZs have since developed, and are successfully implementing an on-line monitoring system.

3.11 The EPZ's are fully protected industrial estates and in some EPZ's some of the housekeeping functions are performed by in-house staff .The security in all cases is with C.I.S.F. The large variations in the number of officers and the supporting staff 134 in Kandla Special Economic Zone, Kachchh and 39 in Falta Export Processing Zone in Kolkata is not only because of the number of units inside the zones and the number of E.O.U. units, but also because of the extent of services contracted out. Some of the EPZ's were set up long back, while some are new, Vizag being the latest. EPZ's are also permitted to be set up in the private sector.

f. Commodity Boards

3.12 There are five Commodity Boards:

(1) Tea Board
(2) Coffee Board
(3) Rubber Board
(4) Spices Board
(5) Tobacco Board

3.13 Each of these organisations has been set up under an Act of Parliament and each of these sectors contributes significantly (except for the Rubber Board) to the country's foreign exchange earnings. The functions of the organisations cover a wide variety of areas – development, research, extension, extending the loans and subsidies, marketing etc. – though the importance given to these areas varies from board to board. Thus, while the Coffee Board is actively involved in research, development, extension, processing and marketing, the focus of Rubber Board functions is more on the first four items only. The Tea Board because of historical reasons is not involved in direct marketing. The Tobacco Board focuses on auctioning and has the added responsibility of controlling cultivation i.e. deciding who will cultivate and what extent under the Act. The Tea Board has five offices abroad. In Rubber exports are marginal, India being a net importer of Rubber. In the production of most commodities covered by these Boards, there has been a good increase in productivity over the years, and the responsiveness to the growers and greater accountability are perceived as the benefits from these Boards. In all cases a cess is levied the proceeds of which flow directly to the government exchequer. Except for the Tobacco Board, the other Boards are dependent, again to varying degrees, on plan and non-plan budgetary support from the Commerce Ministry. All have broad based Boards with representations for various interests like growers including small growers process in the manufacture, labour interests, trade, consumers (in the case of Tea and Coffee Boards), exports, representatives of technical bodies being etc.

3.14 The following table gives a broad picture for all these organisations:

Board	Set up in the Year	Exports of the sector in 2000-2001 Rs. In Cr.	Staff Strength As on 31st Dec 2000	Expenditure in 2001-2002 as allocated by the Board			Budget Support from Government in 2001-2002			Cess amount expected in BE 2001-2002 (Rs. in crore
				Plan Capital	**Non-Plan** Revenue	Total	**Plan** Capital	**Non-Plan** Revenue	Total	
Tea Board	1953	1976	739	46.56	24.62	71.18	35.00	14.70	49.70	37.00
Coffee Board	1942	1189	1064	33.00	17.00	50.00	27.80	11.50	39.30	13.00
Rubber Board	1947	37	2316	72.80	10.66	83.46	53.42	9.50	62.92	80.00
Spices Board	1986	1623	628	N.A.	N.A..	N.A.	15.34	2.80	18.14	10.00
Tobacco Board	1976	871	754	N.A.	N.A.	N.A.	---	---	---	4.00

N.A. – Not available

g. Autonomous Organisations

i. Indian Institute of Foreign Trade, New Delhi

3.15 Indian Institute of Foreign Trade (IIFT), New Delhi, set up in 1964, as a society under the Societies Registration Act is engaged in training of personnel in international business and the search in problems of foreign trade etc. for the MOC, besides organizing market research, area surveys, commodity surveys, dissemination of information arising from its activities. The courses offered by it include Masters Programme in International Business, Executive Masters in International Trade, certificate courses in Export Marketing, International Trade Logistics and International Business Language and several management development programmes as well as sponsored programmes. IIFT also undertakes a large number of research activities in different areas. The Institute has achieved considerable success in placement of its students who have completed the MPIB courses.

3.16 The Institute had introduced VRS during 1998. 45 employees (25% of the total strength) had opted for VRS. Recently it has been decided to reduce the total strength further from 147 to 85 employees by not filling up vacancies when the existing employees on the administration side in Group B, C and D retire. During the year ended 31st March 2000 it had a total expenditure of over nearly Rs.9 crore of which the Government grant was over Rs. 3 crore. The receipts generated in the various training, marketing and other programmes was nearly Rs.3 crore. One of the important areas of research work is WTO related issues. Government has provided a funding of Rs.50 lakhs to facilitate setting up of a think tank in this area.

ii. Export Inspection Council, New Delhi

3.17 The Export Inspection Council of India (EIC) was set up as a statutory body under the Export (Quality Control & Inspection) Act, 1963, to ensure sound development of export trade through quality control and inspection. Its main functions were to notify commodities for pre-shipment inspection, establish quality standards for such commodities and prescribe type of quality control / inspection. Nearly 1000 commodities were notified under the Act for compulsory pre-shipment inspection. EIC has five Export Inspection agencies at Delhi, Chennai, Kochi, Kolkota and Mumbai, and a network of 45 sub offices. With the procedure for compulsory pre-shipment inspection being simplified in 1991, waiving it altogether for specified categories of exporters like star trading houses, EOUs/units located in EPZs, and exporters producing letter from overseas buyers that official inspection was not required, export certification became largely voluntary. In view of reduced workload, the employees of EIC/EIAs were offered VRS in mid-1994. This was availed off by nearly 900 employees bringing down the manpower strength to nearly 1000.

3.18 With the establishment of WTO and signing of the non-tariff agreements, especially the SPS Agreement, export certification acquiring increased importance. The focus of EIC's activities today is on food certification and securing recognition for it from importing countries through equivalence agreements with a view to eliminate duplicate inspections at ports of arrivals. Export certification has been made mandatory by the government for products like marine products, milk products, meat products and egg products. EIC has already been recognized by the European Commission for marine products, egg products and basmati rice, and US Food and Drug Administration for black pepper. In the year 2000-2001(upto 30.9.2000) EIC earned about Rs.0.23 crore by way of certification charges. Thus the value of goods certified for exports works out to around Rs.2,170.37 crore. The recurring expenditure on the five agencies and field offices was more or less fully covered by the revenue earned. The Government's non-plan grant of Rs.2 crore in the current year is largely for meeting the expenditure on the headquarter established, while the plan grant of Rs.3.5 crore is for computerisation and upgradation of laboratories.

iii. Indian Institute of Packaging, Mumbai

3.19 The Indian Institute of Packaging (IIP), Mumbai is registered under the Societies Registration Act. It aims to undertake research of raw materials for the packaging industry, to organise training programmes on packaging technology, to stimulate consciousness of the need for good packaging etc. A sum of Rs.2 crore is provided in the current year's budget by way of plan support to IIP.

iv. Marine Products Export Development Authority, Cochin

3.20 The Marine Products Export Development Authority (MPEDA), Cochin was established in 1972 by an Act of Parliament. The staff strength of MPEDA in 1992 was 473. It was reduced to 440 in 1996 and reduced to 428 in 1999. Against 428 posts 28 posts are vacant as on 31.3.2000. In the year 2000-2001, MPEDA helped channelise Rs.6444 crore of export.

3.21 The non-plan expenditure for the year 1997-98 and 1999-2000 is Rs.4.01 crore and Rs.4.56 crore, respectively. The anticipated expenditure for the year 1999-2000 and 2000-01 is Rs.4.80 crore and Rs.5.86 crore respectively.

v. Agricultural and Processed Food Products Export Development Authority, New Delhi

3.22 The Agricultural and Processed Food Products Export Development Authority is constituted under the APEDA Act 1985.

3.23 There are 106 Officers including 22 Group A and 13 Group B. One post each of group B and Group C is vacant. The non-plan expenditure in the year 2000-2001 Rs. 3.62 crore. Exports worth Rs. 9000 crore were put through in this sector in the year 2000-2001.

vi. Federation of Indian Exporters Organisation, New Delhi

3.24 The Federation of Indian Export Organisations (FIEO), New Delhi is an apex body of various export promotion organizations and institutions. It also functions as a primary servicing agency to provide integrated assistance to Government recognized Export Houses/Trading houses and as a Central Coordinating Agency in respect of export promotional efforts in the field of consultancy services in the country. It was provided with a non-plan budget support of Rs.1 crore in the year 2000-2001.

vii. Indian Council of Arbitration, New Delhi

3.25 This Council, set up under the Societies Registration Act, promotes arbitration as a means of setting commercial disputes and popularises the concepts of arbitration among the traders, particularly those engaged in international trade. The Council a non-profit service organization is a grantee institution of the MOC. ICA received a non-plan budget support of Rs.0.20 crore in 2000-2001.

viii. Indian Diamond Institute, Surat

3.26 The Indian Diamond Institute (IDI), Surat is a society set up under the Societies Registration Act in 1978 with the objective of strengthening and improving the availability of trained manpower for the gems & jewellery industry by conducting various Diploma/Post Graduate Diploma level courses in this field. Besides conducting training, its Gem. Jesting Laboratory (IDI-GTL) also certifies Coloured Stones & Diamond authenticating their colour, purity, cut, shape & weight. It also enjoys international status under the Allied Teaching Centre of the Gemmological Association and Gem Testing Laboratory, London. IDI has been recently given clearance for the setting up a Jewellery Training Centre in its campus at a cost of Rs.4.8 crore, to be borne equally by the Government of India and the State Government of Gujarat.

ix. Export Promotion Councils

3.27 There are 10 Export Promotion Councils under the administrative control of Department of Commerce. These are:

(1) Engineering Export Promotion Council, Kolkata
(2) Overseas Construction Council of India, New Delhi
(3) Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council, Mumbai
(4) Gems & Jewellery Export Promotion Council, Mumbai
(5) Plastics Export Promotion Council, Mumbai

(6) Sport Goods Export Promotion Council, New Delhi

(7) Shellac Export Promotion Council, Kolkata

(8) Chemicals & Allied Products Export Promotion Council, Kolkata

(9) Cashew Export Promotion Council, Cochin

(10) Council for Leather Export Promotion Council, Chennai

3.28 These organisations have been set up as non-profit organisations under the Companies Act/Societies Registration Act. These are all managed by the industries in the respective groups and government does not exercise any direct control. While in the earlier years, a part of the recurring expenditure was met through government grants, at present the Department of Commerce makes available market development assistance only (except in one case) and that for specific projects.

h. Public Sector Undertakings

i. India Trade Promotion Organisation

3.29 The India Trade Promotion Organisation (ITPO) set up under section 25 of the Companies Act 1956 has a key role to play in the promotion of trade by *inter-alia* organizing fairs and exhibitions in India and abroad. Information dissemination, through buyer-sellers meets, exchange of business delegations, product development programmes etc. is one of the core functions of ITPO.

ii. State Trading Corporation of India Ltd.

3.30 The State Trading Corporation of India (STC) was incorporated on 18th May 1956 as Government Company under the Companies Act, 1956. STC is engaged in export, import and domestic sales of large number of commodities.

iii. Minerals and Metals Trading Corporation of India Ltd.

3.31 The Minerals and Metals Trading Corporation of India Limited (MMTC) was incorporated in 1963 after bifurcation of State Trading Corporation of India.

The main objective of the corporation is to emerge as a leading International Trading House operating in the competitive global trading environment. The Corporation exports minerals and other non-canalised items and also imports commodities like metals fertilizers industrial raw materials etc. that the Government has entrusted from time to time. Over the years with the expansion and diversification of its trade, MMTC has grown into India's premier company in the field of International Trade.

iv. Projects and Equipment Corporation of India Ltd.

3.32 The Projects and Equipment Corporation of India Ltd. (PEC) was incorporated on 21st April 1971 as a Government Company under the Companies Act, 1956. The Head Office of the Corporation is located at New Delhi. It has three Branch Offices in India at Mumbai, Calcutta and Bangalore and two site offices in Libya and Vietnam. The overseas offices of the State Trading Corporation also serve the PEC in its overseas operation.

v. Export Credit Guarantee Corporation of India Ltd.

3.33 The Export Credit Guarantee Corporation of India Ltd. (ECGC) was set up by the Government of India in 1957 to support and strengthen the export promotion efforts of the country. Due to risks and uncertainties in international trade, export credit insurance provided by the Corporation plays a pivotal role in promoting India's export trade. The Corporation protects exporters from the consequences of the payment risks arising out of insolvency and default of the foreign buyer. It also covers political risks arising out of war, imposition of new import control orders or exchange control orders by the foreign countries and delays in externalisation of funds to India. The protection enables Indian exporters to expand their overseas business without fear of loss. Besides this, the Corporation also gives various types of guarantees for finance given by banks to exporters, thereby providing protection to the banks against risks of loss inherent in granting various types of credit facilities to exporters. The resultant timely and adequate credit facilities at pre-shipment and post-shipment stages facilitate the exporter to maximize their exports.

4. Analysis & recommendations

a. Directorate General of Foreign Trade

4.1 With the onset of reforms and the shift away from intensive control of imports and exports, the workload of the DGFT has come down drastically. In the normal course this vast organisation with over 2500 staff strength should have been either drastically pruned or in the alternative wound up altogether and a new small organisation set up to take up the more supportive role now envisaged for it by the Department of Commerce. However, except for some reduction in staff strength nothing much has changed. The DGFT is a good example of the popular perception that in government while controls may wither away, the controllers would continue, though under a different garb.

4.2 Of the supportive functions now entrusted to the DGFT, the single largest item is the advance-licensing scheme. While the task of determining the input and output norm is handled by the head office, the issue of advance licenses is the main item of work in the 31 field offices. With computerisation, the workload in the processing of these applications has come down drastically. It is therefore necessary to refix the staff strength of each of these offices taking into account, on the one hand, the drastic reduction in the control functions and the computerised work procedures now in force for the advance licensing scheme on the other. The Administrative Staff College of India, Hyderabad has been entrusted with the task of reassessing the staff strength of these offices. Such studies may however usually take a long time to complete. Considering that possibly no more than one fourth or one third of the staff strength may actually be required, given the aspects mentioned earlier, it is recommended that even as the Administrative Staff College of India is requested to expedite the completion of the task assigned to it, the SIU should be concurrently required to reassess the staff strength within the next two months based on a sample study of the functioning of two or three of the field offices.

4.3 With the phasing out of quantitative restrictions, this scheme is now no different from duty draw back schemes, with the duty on export related imports being altogether exempted even at the first instance. Thus, while the office of the DGFT provides the first interface to the exporters in their quest for getting advance licenses, after they get the advance licenses and the import-export pass books, they are required to register with the concerned Custom Offices along with bonds and bank guarantees where necessary. Thereafter, at every stage of the import stream as well as the export stream, they deal only with the Customs Department. Once the export obligations are fulfilled by the exporters they go back to the DGTD for obtaining the export obligation discharge certificate. Later with this certificate they approach the customs authorities for the redemption of bonds/bank guarantees. Such follow up action as may become necessary in the event of any malpractices or shortcomings is taken only by the Customs Department. Thus in Advance Licensing cases, the exporter has to deal more with the Customs Department than with the DGTD. Vesting of the entire operational work, including the initial issue of licence with the Customs Department would thus lead to reduced transaction time and cost for the exporters. In particular when the process of introducing Electronic Data Interchange System and Electronic Declaration of Imports and Exports at all the 'ports' is completed by the Customs Department, the saving in transaction time for the exporter will be considerable. It will therefore be necessary for the government to examine, say two years down the line, whether the task of grant of advance licenses should not be vested in the Customs Department. The responsibility for fixing the input-output norms in consultation with the other Ministries as also the policy issues could however continue to remain with the Department of Commerce.

b. Directorate General of Commercial Intelligence

4.4 At present the Centre for Monitoring Indian Economy (CMIE) headquartered at Mumbai and with an office at New Delhi, is also bringing out comprehensive data on the trade statistics with a much shorter time lag than the

DGCIS. More importantly the CMIE data also captures items like income earned in foreign exchange by way of dividend, royalty, consultancy fees etc and thus project a more complete picture of the export statistics than the DGCIS reviews.

4.5 But then the CMIE analysis is based essentially on DGCIS data. Thus the DGCIS data would continue to be the basis on which the trade statistics will have to be compiled. The major problem however has been the inordinate time lag in DGCIS bringing out the 8 digit level results. With the efforts already taken to streamline the procedures it is expected that before the end of this year the time lag would be brought down to about 8 weeks only. This should remove a major drawback in the DGCIS data.

4.6 The DGCIS staff strength had earlier been determined with reference to the manner in which the data was received from Custom Houses and the work involved is 'cleaning', compilation and analysis of the data adopting the procedures in vogue and facilities available then in DGCIS. As indicated earlier already 85% of the data now received from the Custom Houses is on magnetic media thus reducing considerably the workload in cleaning up as well as compilation of these data. This itself would call for a considerable reduction in the support staff levels (423 at group B, C &D) in DGCIS. Further the Customs Department has launched a massive computerisation drive and it is expected that the present practice of export-import data being entered into tapes would undergo a major change when the export shipping bills are being generated electronically. This process when completed would virtually eliminate the need for verification and also reduce the compilation workload in DGCIS. The small Custom Houses, which now send the data on manual DTRs, would also be shifting to the magnetic media in the coming years. When these changes are put through by the Customs Department, the staff strength requirement of DGCIS would come down further. It is ascertained that IIM, Kolkata has been entrusted with the task of reassessing the staff strength requirement of the DGCIS. They should be specifically required to take into account the improvements in the quality and type of data availability that has already taken place as also the further improvements expected in the coming years and give the report expeditiously so that it can be put into effect from 1.4.2002. In case the IIM study is expected to take an year or more to be completed, the SIU could be requested to take up this assessment on a priority basis.

c. Custodian of Enemy Property, Mumbai and branch office at Kolkata

4.7 It would be necessary to determine as to which of the assets are still required to be maintained in their present form and identify those, which could be disposed off, and the proceeds kept in a special account. There is not much merit in continuing to 'preserve and manage' all these properties indefinitely. Likewise it would also be necessary to examine the claims for ex-gratia payments by Indian nationals/companies whose properties were seized by Pakistan in the 1965 conflict and settle these one way or other quickly. All these aspects of work should be completed in a time bound manner – say within two years – so that the organisation can be wound up and such items of work that remain entrusted to the Ministry of Home Affairs.

d. Export Processing / Special Economic Zones

4.8 As pointed out earlier, the support staff strength has been kept low in FEPZ, Kolkata through outsourcing of some services. The feasibility of introducing similar arrangements should be explored in the other EP/SE Zones so that the staff strength is kept down to the minimum. This will facilitate greater attention to the problems and issues relating to the zones limiting the time and effort to be allocated for staff managing issues to the minimum.

4.9 The Special Economic Zones, though approved, are yet to take off. As these will be set up and maintained in the private sector, only monitoring will be the responsibility of the government. Hence there may not be any need for additional staff.

e. Commodity Boards

4.10 The functioning of the Commodity Boards has been examined recently by Shri P.P.Prabhu, former Secretary (Commerce) at the instance of the

Department of Commerce. The report presented to the Department in May 2001 covers an extensive ground – the organisation structure and functions and activities of these boards and contains a large number of specific recommendations. These recommendations *inter-alia* stress the need for broad basing of these Boards, while at the same time reducing government representation, giving these Boards greater financial, administrative and management responsibility, making export promotion and research the main focus of activities etc.

4.11 Shri Prabhu has suggested closure of the five foreign offices of the Tea Board leading to an annual saving of about Rs.5 crore and also a drastic downsizing of the staff strength in the Tea Board, Coffee Board and Rubber Board. In the case of the Tea Board a 25% reduction of the staff strength is visualised. Closure of the offices at Chennai, and Cochin, withdrawal of all compulsory registration and licensing, and privatisation of the tea houses, except in the head office and in Parliament House have been recommended. In the case of the Coffee Board, the proposals envisage *inter-alia*, privatisation of the Coffee houses and downsizing in non-technical cadres and in extension work and administration. The measures are expected to lead to a reduction of nearly 330 out of the present staff strength of over 1100. In the case of the Rubber Board, the report places the surplus in the production department at over one third (about 450), while abolition of licensing work and phasing out of subsidies is expected to lead to a reduction of over 230. Reduction in administrative, finance and support staff on the research side has also been recommended. Possibly in the final analysis no more than 60% of the present strength of 2274 would be required. The report has pointed out that in spite of this surplus position, the Board has been recruiting staff every year, with the result in the last 10 years the staff strength has gone up by 60% in Group A, 35% in Group B and 50% in Group D! Clearly there is a case for issuing directions to all the Boards to stop recruitment at all levels forthwith, pending refixation of the staff strength based on the recommendations given by Shri P.P.Prabhu. For facility of easy reference the summary of recommendations contained in that report is given at Annex-IV.

4.12 The Expenditure Reforms Commission recommends that the suggestions for restructuring of the Boards, with reduced government representation, making export promotion and research the main focus of activities, closure of Tea Board's foreign offices, privatisation of the coffee houses, and downsizing of the staff strength in the Tea Board, Coffee Board and Rubber Board should be implemented straightaway. Having said this, the Expenditure Reforms Commission would also underline the need for carrying the thrust of these recommendations forward. To be specific, these boards should be enabled to become independent of government control and government procedures and function more on the lines of the export promotion councils, except for the addition of developmental role, which will be focussed on research rather than field level support activities. Action should be initiated straightaway in the Department of Commerce for reducing the financial, administrative and management control over these Boards. This process may also require either repeal of or effecting major amendments in the Acts under which these Boards have been set up. This aspect would therefore need to be taken up on an urgent basis. All this should be put through expeditiously, and the practice of an officer of the Department functioning as the Chairman of the Board should be dispensed with. Once foreign offices are closed and the organisations downsized on the lines suggested by Shri P.P.Prabhu there should be a fresh evaluation of the funds required for meeting the annual recurring expenditure of each of these Boards. These Boards should be required within a specific time frame – 2 years and no more – to meet all their recurring and non-recurring expenditure from the funds released out of the cess amounts collected by government and through internal cash generation and there should be no further demand on government budgetary support. The Boards should be given full functional autonomy, subject only to broad guidelines on the range of functions to be undertaken and restrictions on the disposal of assets and creation of new posts and making any commitments of a medium or long term nature.

f. Autonomous Organisations

i. Indian Institute of Foreign Trade

4.13 IIFT should be encouraged to become a premier institute in training as well as the research in trade and related matters. It has a potential for increasing its internal cash generation to a point where it should not be dependent upon Government for its day-to-day expenditure requirements. A time bound programme should be drawn up for achieving this objective, say in 2 to 3 years. When this is achieved, the Institution could be freed from Government controls altogether. It can then become a governing body managed organisation. The practice of a government official functioning as the Chief Executive could be dispensed with.

ii. Export Inspection Council, New Delhi

4.14 While in some cases export of substandard goods by some unscrupulous exporters has adversely affected the entire exports in these sectors, the fact remains that the export certification should be largely demand driven. It will therefore be necessary for the Ministry to review the list of items for which the export certification is prescribed mandatory and restrict it to only those areas, when non-insistence of certification could jeopardise the entire export efforts in that area. In all other cases export certification should be demand driven. Apart from the Export Inspection Council, other organisations, including agencies like MPEDA etc. could also be authorised to provide such certification if they have the necessary facilities. Such competition could lead to improvement in quality of, and reduction of charges for, the certification work. The workload of the Export Inspection Council will then be largely demand driven and in a competitive environment and this could well call for a redetermination of the staff strength in its various offices, in line with the actual work load. Pending such a review in all field offices of EIC, action should be taken straightaway to implement the IWSU report which had, after examining the staff strength of the Kolkata office, recommended that 183 of the employees deployed on the jute scheme out of the total strength of 277 be declared surplus.

iii. Indian Institute of Packaging, Mumbai and Indian Council of Arbitration, New Delhi

4.15 The nature and range of activities of both organisations are such that it is not essential for government to participate in, or control these organisations. The governing body of both organisations could be suitably recast to provide for management responsibility to vest totally in the various concerned interests and government could withdraw from both organisations. Government's budgetary support for the Indian Council of Arbitration should be phased out over the next two years. For both these organisations, government could extend assistance, on a case-by-case basis, for specific projects, as is now being done for the Indian Institute of Packaging.

iv. Marine Products and Agricultural and Processed Food Products Export Development Authorities

4.16 The recommendations earlier made in respect of the Commodity Boards would apply equally to these two organisations also.

v. Federation of Indian Export Organization

4.17 Though visualised as an apex body for various export promotion organisations, FIEO today functions primarily as a servicing agency and some of the funds of the Government meant for rendering assistance to exporters are routed through FIEO. As in the case of export promotion councils, there is no need for government to participate in or control this organisation. Government Budget support should be limited to providing market development assistance for specific projects.

vi. Indian Diamond Institute

4.18 This Institute has the potential for being developed, as a premier Institute for meeting the training and research needs of the gem and jewellery industry. Towards this end government's role in, and control over this institute should be phased out in the coming two years. The Institute should be allowed to adopt such procedures – financial administration and management – as are best suited to its requirements and the gem and jewellery industry should have a greater role in the Institute's management.

vii. Export Promotion Councils

4.19 The present arrangement whereby export promotion councils are run by the industries in the respective group and government giving market development assistance for specific activities as and when they consider it necessary can be continued. The government does not exercise any control over these organisations and this arrangement should continue.

g. Department of Commerce

4.20 Department of Commerce is manned at the top by a Secretary and a Special Secretary. Special Secretary deals with WTO matters, trade policy issues and also foreign trade matters relating to Europe. While it can be argued that WTO matters could be considered on a stand-alone footing, in the general scheme of things, for several years to come, WTO and trade policy issues and trade promotion and bilateral trade matters would have to be looked at in an integrated manner. For this, the Secretary of this Department should be directly responsible for the efficient functioning of both areas of work. The present arrangement whereby an equivalent level officer, though designated as Special Secretary, looks after WTO and Trade Policy divisions undermines this unified approach. The post of Special Secretary should therefore be downgraded to that of an Additional Secretary so that the Secretary is fully accountable for all functions of this Department.

4.21 As pointed out at the end of section I, WTO and multilateral issues, an integrated trade policy that seeks to optimise the export efforts, and protection of domestic industry from "dumping" have now emerged as the more important functions of the department. The department would need to be strengthened at the senior levels to handle these tasks efficiently. As far as WTO and multilateral issues are concerned, the Department of Commerce should also have the capability to give sound and timely advice to other departments like Agriculture, Industrial Policy & Promotion etc. Given the procedural bottlenecks in quickly assembling a highly qualified professional team of 'in house' experts for this purpose, one option would be to explore the feasibility of having a think tank of eminent experts. This think tank need have just one full time senior level professional, appointed on a contract basis, to function as the coordinator. There could be a large panel of experts, who could take part in the deliberations and consultations of the think tank, for short periods, depending upon their convenience. This think tank could be located in the IIFT campus so that it has access to the facilities there, including the library. At the same time it has to be a separate entity with a management council on which could be represented the Departments of Commerce, Industrial Policy and Promotion and Agriculture etc. The expenditure on the think tank could be shared by the different user departments.

4.22 The functioning of the Economic Division would need to be fully integrated with the Trade Policy Division so as to give the Trade Policy Division an added edge. Its links with the commodity and technical divisions would need to be put on a firm footing.

4.23 The Office of the Directorate General of Anti Dumping is of comparatively recent origin and the organisational set up and procedures are yet to be fully evolved. With the removal of most of the quantitative restrictions w.e.f. 1.4.2001 it is only now that the capabilities of the organisation and in fact the government itself, to respond quickly to the challenges will be fully tested. As the number of cases to be dealt with increases the technical capabilities of this organisation for timely examination of the cases coming before it would have to be strengthened. After a clear idea on the demands on this organisation and on the Directorate General of Safeguards under the Department of Revenue emerges, the question whether these functions could be combined along with the task of tariff revision and be entrusted to an independent statutory commission could be examined.

4.24 As far as work relating to Commodity Boards is concerned, it would be necessary to retain in the Department, only a minimum complement of staff necessary for putting through the intended delegation of powers, amendments/repealing of the concerned Acts etc. All other positions, now sanctioned exclusively for dealing with Commodity Boards should be abolished forthwith.

4.25 There are 66 trade missions abroad under the Department of Commerce to attend to trade enquiries and also assist in settling trade disputes and in organising exhibitions, fairs etc. An expenditure of nearly Rs.60 crore was incurred on these missions last year. Out of the 171 officials deployed in these missions only 12 were officials of the Ministry of Commerce. In the review of the functions, activities and structures of the Ministry of External Affairs, it has been suggested that the need for offices abroad of all Ministries/Departments other than MEA should be examined afresh and wherever considered feasible the activities of these other Ministries should be undertaken by MEA's offices abroad within the budget and staff allocated to them. In is only in those cases where full justification is advanced for other Ministries to have their own offices abroad should they be allowed to post their own officials in such offices. In such cases the expenditure on establishment of such offices would naturally be reflected in the budget of that Ministry/Department. The same procedure should be followed in respect of 60 odd trade missions abroad of the Department of Commerce. The trade missions abroad should be equipped to handle all enquiries from not only the organisations under the Department of Commerce, but from private sector parties as well, thus obviating the need for establishment of separate offices by these other organisations.

4.26 While the functions and activities of the five public sector undertakings are not examined in this report, three issues of a general nature merit mention. First, in line with the decision already in place to privatise the State Trading Corporation and the Mines & Minerals Trading Corporation, there is a case for privatising the Project and Equipment Corporation also, while the Spices Trading Corporation could be made autonomous on the lines suggested for the

Commodity Boards. The ECGC ownership and management would also need to be broad based bringing about government's role considerably. Following these changes, the staff specifically sanctioned in the Department for overseeing these undertakings would need to be correspondingly downsized. Second as highlighted earlier the Federation of Indian Export Organisation has not been able to function as the apex body for various export promotion organisations. The feasibility of ITPO playing this apex role in a complimentary and supportive manner, rather than in a control mode, should be explored. Thirdly while some overlap, between ITPO and IIFT in undertaking research studies is unavoidable, and in fact may even be desirable, there needs to be a mechanism for coordinating the research activities of both these organisations.

4.27 Except in the case of DGFT where the administration of a large number of personnel is involved, the other functions of the department of Commerce are such as could be handled by an officer oriented system supported by the Desk Officer system. The officers/support staff requirements should therefore be redetermined division by division and the new arrangements put in position in a phased manner within the next one year. Likewise the implementation of the suggestions for giving full autonomy to the Commodity Boards and Autonomous Organisations should also lead to reduced staff requirements in the Department over the next two to three years. In any case, even the suggestions, which could be implemented straightaway, would call for one post of Joint Secretary, along with the support staff being declared surplus immediately. Moreover in 1992 it was mandated that, of the sanctioned staff strength in 1992, 10% should be reduced. It is seen that in the department proper, as against a total staff strength of 671 only 32 posts have been reduced, while of the 1560 posts in the subordinate offices only 67 have been reduced so far. The department should take action for completing action on these economy instructions within the next three months.

Annex-I

A BRIEF HISTORY OF THE MINISTRY OF COMMERCE & INDUSTRY

1. A separate Department of Commerce was first created in the Government of India in 1921. Earlier, the subjects under the Department were dealt with by the Department of Commerce and Industry (set up in 1905). In 1937, when the Department of Commerce and Industries and Labour was bifurcated into the Department of Communications and the Department of Labour, the Department of Commerce also took over certain subjects pertaining to Industries. These subjects were, however, transferred in 1943 to the newly created Department of Industries and Civil Supplies.

2. After independence, the Department of Commerce was re-designated as the Ministry of Commerce and was placed along with the Ministry of Industries and Supplies under the charge of a Cabinet Minister. The two Ministries were amalgamated in February 1951 to form the Ministry of Commerce and Industry. This arrangement continued for about five years when in September, 1956, the Ministry of Commerce and Industry was split into two separate Ministries, viz. the Ministry of Commerce and Consumer Industries and the Ministry of Heavy Industries. The two Ministries were again merged in April 1957 to form the Ministry of Commerce and Industry. The new Ministry also took over the work connected with most of the public undertakings previously dealt with in the Ministry of Production, which was abolished in 1957. In 1958, the Department of Company Law Administration was transferred from the Ministry of Finance to the Ministry of Commerce and Industry, which was subsequently reorganised, into three Departments, viz. Industry, Commerce and Company Law Administration.

3. In April 1962 the subject 'Heavy Industries' was taken away from the Ministry of Commerce and Industry and the Ministry was reconstituted into the following three Departments:

I. Department of International Trade;
II. Department of Industry; and
III. Department of Company Law Administration

4. In July 1963, the Ministry of Commerce and Industry was bifurcated into the Ministry of International Trade and the Ministry of International Trade and the Ministry of Industry (Department of Industry and Department of Company Law Administration). The Ministry of International Trade took over all subjects under the Department of International Trade. In June 1964, the Ministry was redesignated as Ministry of Commerce.

5. In February, 1969, the Ministry's designation was changed as 'Ministry of Foreign Trade and Supply' with two Departments, namely;

(a) Department of Foreign Trade; and

(b) Department of Supply

6. In November 1969, the Department of Supply was separated and the Department of Foreign Trade was redesignated as Ministry of Foreign Trade.

7. In February 1973, the Ministry was again redesignated as Ministry of Commerce and the Department of Internal Trade added to it. The Ministry had two Departments under its control at that time, namely:

i. Department of Foreign Trade;
ii. Department of Internal Trade

8. In January, 1974, the Department of Foreign Trade under the Ministry of Commerce was bifurcated into two separate Department, namely-

(c) Department of Foreign Trade; and

(d) Department of Export Production

The third Department viz., the Department of Internal Trade remained unchanged.

9. In October, 1974, the Department of Internal Trade was transferred to the charge of reorganised Ministry of Industry and Civil Supplies, leading to restructuring of the Ministry with two Departments;

i. Department of Foreign Trade; and
ii. Department of Export Production.

10. In March 1976, this Ministry was further reorganised and one more Department, namely, the Department of Textiles was added to the charge of this

Ministry. In June 1977, this Ministry was restructured as a single organisational entity as Ministry of Commerce with a Department of Textiles within the Ministry.

11. In November 1977, all functions, being dealt with in the Department of Textiles were transferred to the charge of Ministry of Industry (Department of Industrial Development) and from out of textile items only the export activities in respect of textiles; jute, handicrafts, etc. remained under the charge of this Ministry.

12. In February, 1978 this Ministry was reorganised with the nomenclature "Ministry of Commerce, Civil Supplies and Cooperation" consisting of the following two Departments:

ii. Department of Commerce; and

iii. Department of Civil Supplies & Cooperation

13. The work relating to the Textile Industry, with the exception of exports, continued to remain under the charge of the Department of Industrial Development till a full fledged Department of Textiles was revived in April. 1980 in the Ministry of Commerce. In April, 1980, the work relating to the development of textile industry was retransferred from the Ministry of Industry to the newly created Department of Textiles in the Ministry of Commerce and the organisational structure of this Ministry at that time consisted of the following three departments:

i. Department of Commerce;

ii. Department of Civil Supplies; and

iv. Department of Textiles

14. In July, 1980, the erstwhile Ministry of Commerce and Civil Supplies was further restructured organisationally with the nomenclature of "Ministry of Commerce" consisting of the following two Departments:

i. Department of Commerce; and

ii. Department of Textiles.

15. In January 1985, the Department of Supply was also brought under this Ministry. The Ministry of Commerce then comprised of the following three Departments:

i Department of Commerce;
ii. Department of Textiles; and
iii. Department of Supply.

16. In November 1985, an independent Ministry of Commerce with the following two Departments was constituted.

i. Department of Commerce; and
ii. Department of Supply.

17. In October, 1999, the Ministry was merged with the Ministry of Industry and renamed as the Ministry of Commerce & Industry, consisting of four departments:

i. Department of Commerce
ii. Department of Industrial Development
iii. Department of Industrial Policy & Promotion and
iv. Department of Supply

18. In April 2000, the Department of Industrial Development was merged with the Department of Industrial Policy & Promotion, reducing the number of departments in the Ministry to three.

19. Further, in August 2000, the number of departments was pruned to two with the abolition of the Department of Supply.

Annex-II

LIST OF SUBJECTS UNDER THE CONTROL OF DEPARTMENT OF COMMERCE IN ACCORDANCE WITH THE ALLOCATION OF BUSINESS RULES, 1961

DEPARTMENT OF COMMERCE (VANIJYA VIBHAG)

1. GENERAL INTERNATIONAL TRADE POLICY

1. International Commercial Policy.

2. International Agencies connected with commercial policy (e.g. UNCTAD, ESCAP, ECA, ECLA, EEC, EFTA, GATT, WTO and related bodies, ITCB).

3. International Commodity Agreements other than agreements relating to Wheat.

4. All matters relating to international trade policy including tariff and non-tariff barriers; preferential trading arrangements; regional trade blocs and economic groupings.

5. All matters relating to anti-dumping investigations and duties faced by the Indian exporters abroad and all work relating to the Designated Authority under the Anti-Dumping provisions of the Customs Tariff Act.

II. FOREIGN TRADE

6. All matters relating to foreign trade including monitoring of trade performance, trade negotiations and agreements (including all matters and agreements under General Agreement on Tariffs and Trade/WTO, Commonwealth Tariff Preferences and other preferential trading arrangements viz. Bangkok Agreement, SAPTA, GSTP etc.), trade missions and delegations, trade cooperation and promotion and protection of interests of Indian traders abroad.

7. Import and Export Trade Policy and Control excluding the matters relating to:

    (i) Import of feature films;

    (ii) Export of Indian films – both feature length and shorts; and

    (iii) Import and distribution of cine-film (unexposed) and other goods required by the film industry.

8. Directorate General of Foreign Trade

III. STATE TRADING

9. Policies of State Trading and performance of organisations established for the purpose, including:

    (i) State Trading Corporation and its subsidiaries excluding Handicrafts and Handlooms Export Corporation and Central Cottage Industries Corporation.

    (ii) MMTC Limited and its subsidiaries.

IV. TRADING WITH THE ENEMY: ENEMY PROPERTY

10. Trading with the enemy; enemy firms and enemy property reparations (other than German industrial equipment); Controller of Enemy Trading; Controller of Enemy firms; Custodian of Enemy Property for India.

11. International Customs Tariff Bureau including residuary work relating to Tariff Commission.

12. Development and expansion of export production in relation to all commodities, products, manufacturers and semi-manufacturers, and projects including the following:

    (a) Agricultural produce within the meaning of the Agricultural produce (Grading and Marking) Act, 1937 (1 of 1937);

    (b) Marine products;

    (c) Industrial products (engineering goods, chemicals, plastics, leather products etc.);

    (d) Fuels, minerals and mineral products;

    (e) Specific export oriented products (including plantation crops etc. but excluding jute products and handicrafts which are directly under the charge of this Department);

    (f) Consultancy, civil construction and turnkey projects.

13. All organisations and institutions connected with the provision of services relating to the export effort including:

    (a) Export Credit and Guarantee Corporation.

(b) Export Inspection Council

(c) Directorate General of Commercial Intelligence and Statistics

(d) India Trade Promotion Organisation

(e) Free Trade Zones

(f) Indian Institute of Foreign Trade

14. Projects and programmes for stimulating and assisting the export efforts.

15. Production, distribution (for domestic consumption and exports) and development of Plantation crops such as tea, coffee, rubber and cardamom.

16. Processing and distribution for domestic consumption and exports of Instant tea and Instant coffee.

17. (i) Tea Board
    (ii) Coffee Board
    (iii) Rubber Board
    (iv) Spices Board
    (v) Tobacco Board

Annex-III

ORGANISATION CHART OF DEPARTMENT OF COMMERCE

MINISTER FOR COMMERCE & INDUSTRY
MINISTER OF STATE FOR COMMERCE & INDUSTRY
COMMERCE SECRETARY
SPECIAL SECRETARY (NM) – WTO, Trade Policy Issues, FT (Europe)

AS	AS & FA	AS
Plantations Anti-Dumping	Finance IWSU / O & M / CM & T EAC / MDA India Brand Equity Fund Trade Fund	Infrastructure Centre State Interface on exports including States Cell; Science & Technology Coordination; Foreign Trade (State Trading) & Foreign Trade (M&O); Appellate Committee on Enforcement cases; FIPB (EP) EP(OP); EOU/EPZ; ESCAP, FT(SEA)

JS	JS	JS	Presently handled by JS	JS	JS	JS	EA	Adviser
EP (Engg.) Trade Promotion RMTR FT(CIS&B) E & MDA IBEF Estt. & Genl. Admn. Cash & Protocol	TPD EP (G& J)	EP (Agri) Biotechnology Anti-Dumping FT (NEA)	FT(WANA) EP (MP) EI & EP Pub. Grievance (Staff) EP(CAP) Chairman (EIC) Vigilance (JS(EKBB) Relieved on 31.5.01	FT(AM/LAC) EP (LSG) EOU/FOI/EPZ Export Prom Board & Export Prom.Coordn. Hindi. States Cell North-East Cell Infrastructure TA/TC	FT(Coord) FT (SA/SAARC) & SAPTA FT (AF) EP (Electronics & Computer Software), Projects & Services Exports, Trade Finance Parliament Vigilance	TPD EP(Tex)	Export Plg. Export Policy	Economic Division

Dir	Dir	Dir	Dir	Dir	Dir	Dir	Dir	Dir	Dir	Dir	Dir	AEA	AEC
EP(OP) FT (Coord) TF EP(E&CS)	TPD	EP (Engg.) FT (CIS&B)	TP MDA EAC	Infra. States Cell. North East Cell	Hindi	EDI	Finance IWSU O&M CM&T	TPD	Anti-Dump. EP (Agri.)	PS to M (C & I)	Anti Dump.	Eco. Divn.	Relieved on 22/05/01 (FN)

DS	DS	DS	DS DS	DS	DS	DS	DS	DS	DS (ACK)	DS	DS	DS	DS	DS	DS	DS
TPD	Plantation	ESCAP FT(SEA)	TPD	EI & EP	FT (NAFTA) EP (G&J) TA/TC	Anti Dump	EPZ EOU FOI EP	TPD	Retired On 30.6.01	FT(ST) FT (M & O)	FT (SA)	EP (CAP)	FT (LAC)	General Cash-I & II Protocol R & I	FT (AF) Parl.	FT(WANA) EP (MP) Vigilance Public Griev. (Staff) E-I, II, III

SPL.OFF (GATT)	JDG JDG JD	JD	Dir	US	US US US	US	US	US	US US	US	US	US	US, US, US, DO, DO, SO	US
TPD	Anti Dumping	RMTR	Anti Dumping	E-I, E-II, E-III	Finance	Plant B & C	Plant- A	EOU FOI	FT(WE)	FT (WANA)	EPZ	Cash-I Cash-II, DDO, R & I Record Cell	EP (Agri.)	Vigilance TP

US	US DO	US	US	US	US US US	US	US	US	US US	US	US	US	DD, AD	US
EP EAC MDA	FT(EA)	FT(NEA)	EP(E&CSW)	FT (Europe)	FT (Coord) App. Com.	EP(MP)	RMTR	TPD	Eco.Divn.	TPD	IWSU O&M CM&T	FT (WANA)	Anti Dumping	TPD

Annex-IV

A Study of the Functioning of the Commodity Boards

BY SHRI P.P. PRABHU

Executive Summary

Plantation Commodities constitute an important segment of India's agricultural economy. Apart from meeting the domestic requirements, the plantation commodities, the marine products and the agricultural and processed food products contribute significantly to the country's foreign exchange earnings.

2. The statutory Commodity Boards formed to look after the development of the plantation commodities, and the Marine Products Export Development Authority and the Agricultural and Processed Food Products Export Development Authority have played a significant role in the growth and development of their respective sectors.

CHAPTER II

3. Over a million growers are engaged in the cultivation of plantation commodities. In addition, the plantation sector alone provides direct employment to nearly two million. The sector also earns substantial foreign exchange for the country (2.8-9).

4. The growth of production in the last three decades (100% increase in the case of tea to six times increase in the case of natural rubber) as well as the comparatively satisfactory achievement in productivity levels speak for the performance of the Boards (2.11-13)

5. The expenditure on the bureaucracy of the Boards has not been high. The resources requirements have also been mostly generated from the industry itself by way of cess. (2.14-15)

6. The Boards have been able to develop a sense of belonging and establish credibility with the growers. The Boards have thus demonstrated their accountability to the growers and so the grower community want the commodity Boards to continue (2.17-20)

7. Government of India have been allocating sufficient funds to the Boards, much more than the cess amounts collected from the respective sectors. (2.21-22)

8. The suggestion to form a combined plantation Board as a measure of economy is neither practical nor a sound proposal. (2.23-25).

9. The membership of the Boards can be rationalised and the strength reduced. (2.26-27).

10. Though Tea, Coffee and Natural Rubber Boards have to be basically grower oriented, it would be advantageous to have representation for all interests and stakeholders in the Boards. (2.29)

11. The present practice of election to represent large grower representatives in the Rubber Board can be modified. (2.30)

12. Effective representation has to be given to small growers in the Boards and hence 50% of the small grower nominees may be selected from among those growers owning less than 4 hectares. (2.31-32)

13. The Boards may form three Board Committees – research, executive and development committees; the Boards with prime mandate of export promotion, may also form an export promotion committee (2.33)

14. The financial powers of the Boards be enhanced to rupees one crore, subject to some restrictions. (2.35-36)

15. The organisation of the Boards, as have evolved over the years would need to undergo changes gradually but surely, if the plantation sector has to effectively meet the emerging challenges and demands. (2.37-39)

16. The responsibility for research in respect of all spices except for cardamom is with ICAR. Either the responsibility for major spices should be transferred to the Spices Board practical difficulties. A possible solution could be to place the operational control over the spices research stations with the Spices Board with the scientists/staff continuing to be part of ICAR and continuing to enjoy the privileges. (2.45-49)

17. Annual evaluation of the research programmes as well as periodical evaluation once in 7,8 years by a technical and scientific team to evaluate the performance of research work and programmes and recommend the future course and direction of research is desirable. (2.50-53)

18. The Boards may have to concentrate on research, as very little work is being carried out outside the Boards' research stations. The Boards may also explore the possibilities of entrusting some research work to universities. (2.54-57)

19. Development activity has to continue as an important function of the Boards. The loan and subsidy schemes may have played an important role in the development of the industry but may have to be phased out. Subsidy needs to be confined primarily to quality improvement programmes. (2.58-65)

20. The extension service has also been an important activity, but most of the services, from supply of planting materials to farm advisory services, soil testing to processing techniques are being increasingly provided by the private sector; hence the Boards may gradually withdraw from these activities. (2.66-68).

21. The Boards may take recourse to growers' participatory workshops for dissemination of advice and information. (2.69)

22. The logical further step and progress will be in the direction of harnessing the communication and computing technologies for providing better extension services. Establishment of internet kiosks in production centres and converting field offices into virtual extension offices will go a long way in making available the best of extension services to growers. (2.70)

23. There is no justification to continue the Board's foreign offices. The need for the offices arises because of the dissatisfaction with the performance of our commercial missions that they have not been rendering the needed services to exporters and to the industry, as expected of them. UPASI has brought to notice a recent instance of indifference by our commercial missions (2.72-75)

24. One possible solution could be to place the commercial missions in important countries under the joint control of the Ministry of External Affairs and the Ministry of Commerce. The officers for manning the commercial posts in the missions may be jointly selected out of qualified professionals and held accountable. (2.77)

25. There is little justification to continue domestic promotion outlets, which can be progressively privatised. (2.78)

26. The Boards are not equipped to undertake and may desist from, market intervention operations. The minimum and maximum prices are difficult to implement. (2.79)

27. Processing, post harvest management and quality assurance are the areas deserving more attention from the Boards. (2.80)

28. All the control provisions in the various statutes regarding planting, movement, marketing, etc. need to be given up. Experience with the regulations regarding registration of growers has shown that it cannot be enforced. Periodical census may be a better option. (2.82-88)

29. Registration of exporters and export permit system may also be discontinued once the DGCI&S and customs complete the computerisation of their operations. (2.89-94)

30. Quality certification will become necessary in the future. The Boards may accredit private labs on the basis of transparent criteria for this purpose.

31. Schemes for popularisation of cultivation and marketing of organic products may be evolved (2.96)

32. Most of the Boards have excess manpower. Rubber Board, which has the largest surplus, has been creating posts and recruiting additional staff during the last few years. VRS facility when announced by the Government can be extended to the surplus staff. (2.98-100)

33. Most of the Boards bring out useful publications but delay robs them of their utility. There is also scope for improvement in the contents (2.101 to 106)

34. The Boards have achieved little progress in computerisation and the objectives of achieving efficiency and reducing delay are yet to be achieved. (2.107-115)

35. The web sites of the Boards require to be vastly improved. The Boards have to pay attention to periodical updating also. (2.116-119)

36. There is great potential for the development of plantation commodities in the North Eastern States. The Boards have done commendable work in this regard and are implementing a number of schemes in North East. A well planned programme of development of plantations including the creation of processing and marketing facilities and an effective strategy of implementation will go a long way in making the programme a success. The development of plantations will ensure employment for thousands and steady incomes and help make some parts of North East as well developed as Coorg or Kottayam (2.120-153)

CHAPTER III

I. TEA BOARD

37. The strength of membership of the Tea Board may be reduced to 25. (3.1.10)

38. The present system of industry-managed research, with grants from the Board, may continue. The Darjeeling research station may be strengthened for specialised application research relevant to Darjeeling tea. (3.15-23)

39. The orientation of the development activity may be shifted towards the small grower. (3.1.24)

40. Teahouses may be progressively privatised. (3.1.25)

41. The overseas offices of the Board are an unnecessary luxury and the performance does not justify their continuation. (3.1.26-33)

42. Licencing of planting, registration requirements etc may be discontinued. (3.1.35-41)

43. The provision in the Marketing Control Order 1984, which gives authority to the Board to prescribe a minimum percentage of production to be compulsorily sold through auction, may be withdrawn. (3.1.43-53)

44. The auction rules and procedures require to be streamlined. (3.1.54-58)

45. The Tea Warehouse Licensing Order 1989 may not be enforced; the licenses issued to auctioneers may prescribe the specifications for warehouses attached to auction halls. (3.1.59-60)

46. There is no need for any control over distribution or exports of tea. (3.1.61-62)

47. The scope of the Tea Waste Control Order 99 may be restricted only to tea waste moving out of factories for sale. (3.1.63-66)

48. The powers of management or control of tea undertakings or tea units may not be acted upon. (3.1.67-69)

49. The Board is operating a number of schemes; some of them may be phased out; some of the schemes may be reformulated. (3.1.70-72)

50. Tea Board has excess staff; with the withdrawal of licensing work and some of the schemes being phased out, there will be surplus staff in licensing, marketing and development departments-a little over 150 in all. Three offices can be closed. (3.1.73-74)

51. To improve the quality of service, the Board must concentrate on research, productivity improvement, training of labour, improvement of co-op and Bought Leaf factories and training of small growers. The improvement of auction system, assistance for the setting up of quality labs for independent testing, implementation of a price and market information system, improving the content and quality of web pages are other areas for action. (3.1.75-80)

II. COFFEE BOARD

52. The strength of the Coffee Board can be reduced to 24. (3.2. 9)

53. The pool marketing system was the most important activity of the Board till it was disbanded. Now research will have to continue as the most important activity. The extension service will continue to be important. (3.2.12-14)

54. The development schemes have been taking much of the attention and time of the extension personnel. (3.2-20)

55. Some of the tasks such as supply of planting materials etc., can be given up gradually; participatory workshops with farmers groups may be increasingly resorted to. (3.2.22)

56. Market development will be hereafter a knowledge based activity and the Board may have to outsource some of these tasks. (3.2.24-25)

57. The export permit system may be discontinued once the Board is able to obtain the required information from the customs. (3.2.26-27)

58. The domestic promotion outlets may be gradually privatised to cut down the losses. (3.2.28-29)

59. Processing and quality upgradation require greater attention. The logo scheme may be used to encourage quality. Private laboratories may be encouraged. (3.2.30-33)

60. The Board may evolve a scheme to document cup quality to enable aggregation of same cup quality coffees, which will facilitate the aggregation of minimum quantities for export. (3.2.34)

61. The Board is operating only one scheme in the area of production. Ie., water augmentation which is essential and may continue. In the area of market promotion some of the schemes may be phased out. (3.2.36-40)

62. The Board has around 200 excess non-technical staff in administration and extension departments; with the discontinuation of some development schemes, a third of the extension staff also will be surplus. (3.2.41-43)

63. The research department has performed fairly well and has many achievements to its credit but far short of potential. The evaluation of research activity and programmes by an independent technical committee in 1996 has brought out the deficiencies and weak points. The Board has to devote much more attention to research; the strengthening of scientific staff, improvement of physical infrastructure, ensuring better motivation is some of the important areas requiring attention. Funds allocation may also be stepped up. (3.2.44-57)

64. The service most expected of the Board is in terms of high yielding varieties and improved pest control measures. Better extension service, improved and useful web page, more information cells are the other areas to which the Board needs to pay attention. (3.2.61-69)

III. RUBBER BOARD

65. Rubber production has grown spectacularly in the last two decades as also productivity. Government have extended full protection to the industry and ensured that domestic prices renamed at higher levels than international prices. (3.3.5-8)

66. The constitution of the Board may be recast. The election procedure for selection of large growers may be given up. (3.3.12)

67. Among the activities research and production need to be given the highest importance. (3.3.15-16)

68. The production department has established a vast and many tier field set up. Increasing recourse to participatory approach especially with the help of Rubber Producers Societies will help to render better service to growers. (3.3.17-19)

69. The department also undertakes many subsidiary activities. While perhaps the activity of bio gas plants may continue, the rest of the activities may be handed over to specialised organisations meant for them. Nurseries also need to be run on cost recovery basis. (3.3.20-24)

70. The registration of large estates and collecting production data only from them serves no purpose-can be discontinued. (3.3.27)

71. Licenses are prescribed for the dealers, processors and manufacturers and monthly and annual returns--over 2 lakhs in all--are processed every year only to enable the assessment of consumption of rubber and levy the cess. This is avoidable work involves cost to all. The whole system can be given up and the cess amount collected along with central excise. If this is not acceptable, then registration may continue only for the manufacturers and half yearly returns only may be prescribed. (3.3.28-33)

72. As part of the processing and product development activity, a number of commercial activities have been started; substantial capital expenditure has been incurred. Most of them could have been encouraged in the private sector. Most of the units may be gradually privatised. (3.3.35-40)

73. The work of the training and consultancy division is important but the consultancy division should progressively become self-supporting. (3.3.42-43)

74. The Board operates many schemes, some of them have been continuing for decades. Some of the schemes need to be phased out, excepting quality improvement schemes, tappers training etc. (3.3.44-51

75. The Rubber Board has huge surplus staff; there have been avoidable recruitment. The establishment expenditure has gone upto over Rs.25 crore annually; substantial reduction is called for. (3.3.54-56)

76. The performance of the research institute has been very satisfactory. The productivity improvement has been commendable. Most of the research schemes may continue. The major area of concern is the high dependence on a single variety. (3.3.57-62)

77. Some of the regional stations can be converted into demonstration farms. (3.3.65)

78. The Board has instituted an effective system of annual evaluation of its performance. The Board may subject its research programmes to an independent scrutiny once in 7, 8 years to assess the progress of research efforts and set the direction for future research. (3.3.66-69)

79. The Rubber Board may encourage private service providers and increasingly adopt participating approach in extension. The Board has to become a facilitator and become a knowledge centre. (3.3.70-75)

IV. SPICES BOARD

80. The export of spices has shown excellent progress but with pepper prices coming down, there will be a set back. Notwithstanding our 40% share in world exports, there is considerable need to step up production to meet the growing domestic needs and to maintain our share in the world market. (3.4.3-4)

81. The strength of the Board can be reduced to 20. (3.4.10)

82. The contentious issue of status of cardamom research and development activity has to be settled once for all. The cardamom growers are opposed to the transfer to ICAR, though it is a more logical option; hence the only option feasible appears to be to continue the status quo and strengthen the research activity. (3.4.15-21)

83. The number of offices for the development activities can be reduced. (3.4.23)

84. Post harvest development activity demands more attention and resources. Quality improvement including training and encouragement for the establishment of private laboratories needs to be followed up. (3.4.24-27)

85. Cardamom marketing is well organised; though there is no compulsion to sell through auctions, nearly 2/3rds of produce is bought to auction. (3.4.29)

86. Export promotion is the major function of the Board but the Board may withdraw from some market activities. The system of registration of exporters may also be withdrawn once the customs and DGFT streamline their procedures. (3.4.31-33)

87. Some of the schemes of the Board may continue, but individual exporter oriented export promotion schemes may be phased out; anyway the incidence of subsidy is too insignificant to make any impact. (3.4.34-38)

88. There is scope for some reduction in the strength of non-technical manpower. (3.4.39-40)

89. The performance of research station is not upto expectations though some promising clones are under trials. Lack of irrigation and inadequate attention to farm practices by small growers are the major reasons for low average productivity levels. (3.4.42-45)

90. The Board has to concentrate on research work closely with ICAR/state governments in the matter of widespread adoption of post harvest practices and control of pesticide usage, and ensure that exports meet international standards. Quality certification has to be popularised as also a virtual spices bazaar. (3.4.49-57)

V. MARINE PRODUCTS EXPORT DEVELOPMENT AUTHORITY

91. The strength of the Board can be rationalised to 20. (3.5.10)

92. Among the major activities, the promotion of capture fisheries has to continue as also the promotion of aquaculture, though the Ministry of Agriculture and the state governments should have taken over the responsibility for aquaculture development. The modernisation of processing is another key activity, which has to continue to receive attention. (3.5.13)

93. MPEDA maintains two foreign trade promotion offices and their continuation is being justified on the ground that they render high quality service to the industry and not only merely to individual exporters. The industry also feels that our commercial missions will not be able to render the required services. (3.5.14-16)

94. The registration and licensing activities can be streamlined and in course of time, accredited private agencies may be encouraged to perform inspection functions. (3.5.18-19)

95. Most of the schemes of MPEDA may continue though some may have to be transferred to the Ministry of Agriculture/state agriculture departments. (3.5.21-40)

96. There is only marginal surplus in the staff strength in one or two departments. (3.5.41-42)

97. To improve the quality of service, the trade information service has to be improved; assistance needs to be given to shrimp farmers in the control of viral attack; dissemination of developments including rules and regulations regarding aquaculture farming has to be organised. (3.5.43 – 46)

VI. AGRICULTURAL AND PROCESSED FOOD PRODUCTS EXPORT DEVELOPMENT AUTHORITY

98. The strength of the Board can be reduced to 23. (3.6-7)

99. The mandate of APEDA is wide and apparently overlaps that of MFPI and the Department of Agriculture but in practice APEDA has been confining its activities to only those aspects relevant for exports (3.6.10-11)

100. The major activities of APEDA – post harvest management infra-structural upgradation, quality improvement and market intelligence-- have to continue. (3.6-12)

101. Most of the schemes of APEDA are relevant for exports. Some of the schemes may though desirable may be phased out, as they are not related to exports. A programme to build capacity for risk analysis may be necessary. (3.6.13-34)

102. The airfreight scheme needs to be critically reviewed and discontinued in respect of those products with limited potential. (3.6.36-38)

103. APEDA may establish standards for all scheduled products and work towards harmonisation of standards with international standards. (3.6.39-40)

104. APEDA may encourage quality and testing labs in the private sector. (3.6.41)

105. Special schemes to encourage the cultivation of organic products and fresh fruits and vegetables may be worthwhile. (3.6.42-44)

106. APEDA has so surplus staff. It may be permitted to engage experts and consultants for specialised work and to carry out projects rather than recruiting personnel on a permanent basis. (3.6.45-46)

107. APEDA's major responsibility will have to be in the areas of dissemination of appropriate post harvest management techniques, quality standards etc. The virtual trade fair of APEDA has to be made a success. The web site needs to be made more comprehensive. (3.6.47-54)

CHAPTER IV

108. A change in the mandate and functions of the Boards may be necessary in the light of the liberalisation policy initiatives of the Government and the developments in the commodity sector and in the economy.

The Boards have to move away from controls to complete deregulation: the emphasis has to shift from mere development and production, to competitiveness. The incentive based approach should give way to capacity building, information and education. The Boards would need to withdraw from many activities and rather than being providers of services become facilitators. Most important, the Boards should cease to be mere bureaucratic organisations and become knowledge centres.

PART II

109. Plantation commodities are important for many developing countries either because of their contribution to GDP or trade or employment. But the commodity producing countries have suffered adverse terms of trade for two decades now.

110. Prices of commodities especially of coffee etc have been subject to violent fluctuations. In the past stabilisation of prices was achieved through International Commodity Agreements. The International Coffee Agreement restricted supplies through quotas and the International Natural Rubber Agreement regulated the availability through Buffer Stock Operations. However, the possibility of such arrangements hereafter is remote.

111. Commodity Boards if statutorily authorised, could regulate production and supplies and through a combination of deficiency payments and retention of a portion of the prices when the market prices are satisfactory can attempt to stabilise prices and incomes. But with the global integration of the economies the scope for such intervention is limited.

112. Price volatility is a serious problem afflicting the growers in the developing countries only as the farmers in the developed world are fully protected with subsidies and direct income payments.

113. There have been few worthwhile international attempts to help the developing countries to cope with the problems of price volatility. The World Bank had convened an International Task Force on Commodity Risk Management in the Developing Countries. The ITF's recommendation is for the creation of an International Intermediation, which will bridge the gap between the providers of the risk management instruments and the entities in the developing countries.

114. The proposal is for a price insurance scheme under which a guaranteed price based on the quotations of futures exchanges can be ensured against payment of premium. While such an arrangement will no doubt eliminate the uncertainty, the proposal would still fall short of growers' expectations.

115. Growers can be protected from the risks of price volatility either through regulation of production or supplies. Both are not practical. Export tax coupled with deficiency payment is one possible method of stabilisation of prices and indirectly of incomes of growers; but it is an imperfect system and may be possible only in the case of a predominantly export commodity like coffee. Straight subsidy payment to compensate the growers when prices fall to a low level may be one option but can be resorted to only in exceptional cases in view of the financial implications.

116. A price insurance scheme, which will guarantee deficiency payments to growers if there were to be a fall in prices below a threshold level, may be acceptable to the growers. The price threshold has to be attractive and the scheme has to be simple. Such a scheme may be feasible for commodities subject to large-scale fluctuations in prices like coffee, cardamom even cotton or chilli.

117. There will be some practical difficulties and some details may have to be worked out but for some commodities a self-sustaining insurance scheme can be envisaged.

118. A Price Stabilisation Fund for commodities may be created to help the growers. But it has to be commodity specific as otherwise there may be resistance from the growers. The Fund can be built up through transfer of a portion of cess amount and any export tax proceeds and such other amounts generated from the industry.

119. Direct payments to growers from the Fund when the prices fall below a minimum level or collection of a cess amount from the growers when the prices go above a threshold level to augment the Fund may not be a practical proposition. But the Fund may be useful when in exceptional cases direct payments may have to be paid. Such a Fund may be helpful in many ways for making part payment of premium for the proposed price insurance scheme.

120. The scheme may be workable only for some commodities. The suggestion can be tried out for one or two commodities and on the basis of experience refined and expanded to benefit the growers of many commodities.