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SECTION I)**

**F. 1(30) – E.Coord/2000
Government of India (Bharat Sarkar)
Ministry of Finance (Vitta Mantralaya)
Department of Expenditure (Vyaya Vibhag)**

New Delhi, the 28th February, 2000
Phalgun 09, 1921 (Saka)

RESOLUTION

No. 1(30)/E.Coord./2000. While presenting the Budget for 1999-2000, the Hon'ble Minister for Finance had observed that the high rate of growth of non-developmental expenditure by Government is a growing and critical source of concern. He had further observed that the most effective and lasting solution to this problem is to begin the process of downsizing the Government. While proposing certain initiatives in this regard, he had also indicated that in order to carry out the process of downsizing in a systematic way towards reducing the role and the administrative structure of the Government an Expenditure Reforms Commission headed by an eminent and experienced person would be constituted.

2. Accordingly, the Government of India hereby set up an Expenditure Reforms Commission with the following composition :-

Shri K.P. Geethakrishanan, Chairman
Former Finance Secretary

Shri V.S. Jafa, Member
Former Financial Adviser,
Ministry of Defence

Shri Kirit Parekh, Member
Economist

Shri C.M. Vasudev, Ex-officio Member
Secretary (Expenditure),
Ministry of Finance

Shri J.S. Mathur, Member-Secretary
Secretary,
Ministry of Finance

3. The Chairman and the Member-Secretary will be full-time Members. The others will be part-time Members.

4. The terms of reference of the Expenditure Reforms Commission will be as follows :-

- Keeping in view the evolving role of Government, the need to foster convergence and avoiding overlap in the functions of different Central Government Ministries, Departments and attached organisations and the role of the State Governments, suggest a road map for reducing the functions, activities and administrative structure of the Central Government;
- Review the framework of all subsidies, both explicit and implicit, examine the economic rationale for their continuance and make recommendations for making subsidies transparent and suggest measures for maximising their impact on the target population at minimum cost;
- Review the framework for determination of user charges of Departmental and commercial entities and suggest an effective strategy for cost recovery through user charges;
- Review the adequacy of staffing under Central Government Ministries, attached offices and institutions and suggest measures for rationalising the staff and cadres of different services. In this context also review the existing arrangements for re-deployment and re-training of surplus staff to ensure that any additional manpower for new areas of Government activities are met by re-deployment;
- Review the procedure for setting up of Government funded autonomous institutions and their pattern of funding and suggest measures for effecting improvement and reducing budgetary support for their activities; and
- Consider any other relevant issue concerning expenditure management in Government and make suitable recommendations.

5. The Commission will devise its own procedures and may appoint Study Groups as it may consider necessary for different areas of Governmental activities to facilitate early finalisation of its report. It may call for such information and take such evidence as it may consider necessary. The Government of India trust that the State Governments will extend to the Commission full cooperation and assistance. The Ministries/Departments of the Government of India will furnish such information and documents and render such assistance as may be required by the Commission.

6. The Commission will submit its final report within a period of one year. However, the Commission may send recommendations to the Government on a quarterly basis so that action can be taken as and when these recommendations are received.

(Usha Mathur)
Joint Secretary to the Government of India

ORDER

Ordered that the Resolution be published in the Guzette of India.

Ordered also that a copy of the Resolution be communicated to the Ministries / Departments of the Government of India, State Governments/ Administration of Union Territories and all other concerned.

**(Usha Mathur)
Joint Secretary to the Government of India**