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"No matter how carefully you plan your goals, they will never be more than pipe dreams unless you pursue them with gusto"

W. Clement stone

Polity

- **On PMO directive, UPA-tainted babus get shunned:** Following a PMO directive that the NDA Ministers cannot have babus who had served as personal staff to UPA Ministers, Ministries are obtaining undertaking from staff to rule out any violation of the order. This is because many of the staff have at some point or other been associated with some Minister of the Congress-led Government in the past. It is learnt that the Union Culture Ministry has already set in the process to take such undertakings. "The undertaking will be part of the service record of the staff being appointed with the Ministry's office," said sources in the Ministry. The move came following a directive from the Department of Personnel and Training (DoPT). A circular issued by DoPT Joint Secretary Mamta Kundra said, "It has been decided by the competent authority that any officer/official/private person who has worked earlier in the personal staff of a Minister in any capacity for any duration may not be appointed in the personal staff of Ministers in the present Government." An official said that there is a great deal of confusion as to whether the directive applies to the last ten years or only the tenure of the outgoing UPA-II. "We don't want to take any risk, so it is better to take such undertaking from the staff," he said. After the PMO directive, several Ministers, including Home Minister Rajnath Singh, had to shift out their personal staff. On Monday, the Home Minister finally got his OSD when IAS officer Nitesh Jha was appointed to that post. (The Pioneer).

Economy

- **Sweeteners for sugar industry with caveat:** The government on Monday announced several measures to bail out the ailing sugar industry: While the rate of import duty was more than doubled from 15 per cent to 40 per cent, the mandatory ethanol-blending cap was increased from five per cent to 10 per cent. The notifications in this regard will be issued shortly after the industry assures of clearing farmers' Rs 11,000-crore dues at the earliest. These decisions were taken on Monday at a high-level meeting in the national capital of representatives from the ministries of commerce, agriculture and food, also attended by Principal Secretary to the Prime Minister Nripendra Misra and Cabinet Secretary Ajit Seth. After the meeting, Union Food Minister Ram Vilas Paswan said: "We have taken four key decisions. Besides an increase in import duty and the mandatory ethanol-blending cap, we have extended the interest-free loans given against excise duty paid by sugar mills to five years (from three years). Apart from that, the government has also decided to extend the sugar export subsidy until September 2014." The minister has linked implementation with clearance of farmers' dues, but industry captains have welcomed the decisions. Mills are set to benefit if the complete package comes into force. Stocks of sugar companies rallied around 10 per cent on the BSE on Monday. Sugar prices in spot and futures markets also rose on Monday. (Business Standard).

Planning

- **Plan panel working as control commission:** Amid a debate over relevance of Planning Commission, the Independent Evaluation Office (IEO) has said it was acting as a "control commission" and should be replaced by a 'reforms and solution body'. The IEO, which was set up by the government in November 2010, from February this year began independently assessing the effectiveness of government programmes and institutional policies. It submitted the assessment report on Planning Commission to Prime Minister earlier this month. "An assessment of the Planning Commission by the Independent Evaluation Office has found that the plan body exceeds the scope of its authority by acting as a control commission, particularly its influence on the allocation of funds to the state governments. "Since the Planning Commission has defied attempts to reform it to bring it in line with the needs of a modern economy and the trend of empowering the States, it is proposed that the Planning Commission be replaced," IEO said in its assessment. IEO recommended that Planning Commission's role as an allocator of resources to the States should be taken up by the Finance Commission and the allocation of resources amongst the ministries should be carried out by the finance ministry. (The Financial Express).

Editorial

- **No little plans:** Prime Minister Narendra Modi's unusual delay in appointing a deputy chairman for the Planning Commission, and the unprecedented decision to leave it out of deciding budgetary support for the railways, has led to speculation that this government may downsize, neglect or even abandon the agency altogether. This does not sound farfetched given that Modi, as chief minister of Gujarat, and other BJP CMs have often disparaged the agency, set up in a distant socialist 1950 by a cabinet resolution. While the Commission has changed character over the years, becoming less of a central overseer and more of a direction-setter in an open economy, many states chafe at a situation in which the major part of social and economic planning falls to them, but they still have to go to Delhi to get their plans approved, justify their policy priorities. Moreover, Central funds are tied, with the Commission instructing them on the ways they are to be spent. The BJP manifesto had hinted at a restructuring of the Centre-state relationship, building direct links between the PM and CMs and potentially bypassing the Commission's forums. But it may be facile to write off the Planning Commission merely as a bunch of out-of-touch advisors or as a vestige of a socialist world. It provides necessary coordination between ministries, and reconciles their priorities. It also brings a very important long view for policymaking. In recent years, the Commission has put together an integrated energy policy, taking views from several ministries and bringing an independent vision to it, and it has drafted models for public-private partnerships that states have used. Centrally sponsored schemes are meant to nudge outcomes in ways that the elected state government may not consider critical, even though they often end up trammelling the state too much. (The Indian Express)

Govt hikes import duty on sugar

To clear cane arrears, sugar mills to get interest-free loans of ₹4,400 crore

OUR BUREAUS

Bangalore/New Delhi, June 23

The Government today decided to hike the import duty on sugar to 40 per cent from 15 per cent to curb inflow of cheaper sweetener, a move that could see a rise in sugar prices.

Also, it decided to provide additional interest-free loans of about ₹4,400 crore to the cash-starved sugar mills to clear cane payment arrears estimated at around ₹11,000 crore.

This is even as farmers continued to stage protests in Bangalore and the northern district of Bijapur in Karnataka demanding early settlement of their dues and seeking the State Government's intervention in this regard.

Tracking the Centre's decision, scrips of sugar companies such as Balrampur Chini Mills and Shree

Renuka Sugars soared on the bourses on Monday.

Scrips surge

Balrampur Chini Mills gained 7.04 per cent higher to end at ₹85.15, while Shree Renuka Sugars closed 10.32 per cent higher at ₹29.4. Scrips of Bajaj Hindusthan ended 9.87 per cent higher at ₹29.5, while DCM Shriram Ltd closed at ₹155.75, up 6.50 per cent. Simbhaoli Sugars ended 4.96 per cent higher at ₹22.20 on the BSE.

After a high-level meeting in Delhi on Monday, Food Minister Ram Vilas Paswan also announced that the subsidy on raw sugar exports would be extended till September 2014. Also 10 per cent mandatory blending of ethanol (a by-product of sugar) with petrol would be allowed against 5 per cent at present.

However, Paswan made it clear that all these decisions were subject to the sugar industry's guarantee that it would clear all arrears, official sources said.

The decision was taken after a high-level meeting on Monday attended by Road Transport & Highways Minister Nitin Gadkari, MSME Minister Kalraj Mishra, Petroleum Minister Dharmendra Pradhan, Commerce & Industries Minister Nirmala Sitharaman, MoS Consumer Affairs, Food and PDS Raosaheb Patil Danve, MoS Agriculture Sanjeev Balyan, Women & Child Welfare Minister Maneka Gandhi, and Cabinet Secretary Ajit Seth. Agriculture Minister Radha Mohan Singh was away in Hyderabad. Welcoming the Government's move, the Indian Sugar Mills Association said these decisions would benefit the industry and improve the liquidity of sugar mills, which would help the industry clear pending payments to cane farmers at the earliest.

PM at infra meet: make Railways the 'identity of India'; focus on common man

Inter-ministerial issues discussed at 'strategy' meet

MAMUNI DAS/ASHWINI PHADNIS

New Delhi, June 23

"Make the Indian Railways the *pehchan of Bharat* (identity of India)." That was what Prime Minister Narendra Modi said in his interaction with various infrastructure Ministries, said a source present at the meeting.

In the meeting, which took place a day after the hike in rail fare and freight, "we were basically told to make common man the focus," said the source.

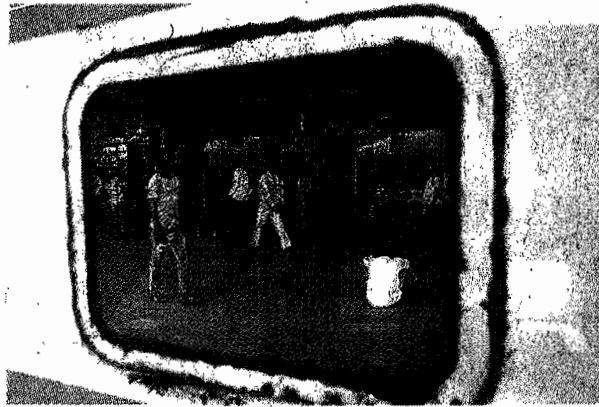
Renewable energy

Evaluation of new ideas, which could lower the energy bill of the Railways such as solar power were discussed at the meeting.

Other issues discussed in the meeting were the use of light weight wagons that can carry more revenue-generating cargo and the need for the Railways to align with a university to start teaching rail-based courses to develop a talent pool. The discussions also focussed on public-private partnerships (PPP) and using space in stations for more advertisements to garner more revenue. According to sources, more coordination with States and with other Ministries was stressed upon. The Prime Minister has also asked for steps to encourage tourism in the North East.

Multiple issues

Inter-ministerial and inter-departmental issues including the Railways, Roads and Shipping were also discussed. "It



For the people Need for Railways to align with a university to start teaching rail-based courses to develop a talent pool was also discussed. REUTERS

was more like a strategy meet. Delays in environmental clearances and land acquisition were also discussed," said the source.

Port and shipping sector

problems that were discussed involved migration of investors, who have terminals in older port tariff regimes to newer regimes, and redefining the role of the tariff authority of

major ports. Developing at least five major ports to international standards over the next four-five years was also on the agenda.

Civil aviation

Presentation by the Ministry of Civil Aviation was on creation of jobs in the sector, taking steps to remove bottlenecks and ensure growth of the sector.

Other issues raised include better utilisation of airport assets. India has over 400 air strips, a majority of which are lying unused.

Sources said the presentation also drew attention to the fact that the Government was keen to allow those serious about being in the aviation sector to continue doing business but was trying to come up with regulations that avoid a King-fisher-airline-kind of situation.

STILL AWAITING INFORMATION

Black Money List is Merely White Space: Jaitley

A day after media report, minister denies receiving any details from Swiss authorities on evaders

OUR BUREAU
NEW DELHI

The government will once again try and persuade Switzerland to pass on information regarding Indians who hold suspected black money accounts there, as it denied reports that the European country has provided information that will help bring tax evaders to justice.

"The ministry of finance has not received any official communication in that effect," Finance Minister Arun Jaitley said on Monday. "We are today writing ourselves to Swiss authorities with whom the ministry is in touch so that details with regard to whatsoever information the authorities have can be expedited and cooperation between the Swiss authority and the government can bear fruitful results."

FOREIGN A/Cs NO GOLDMINE SEE EDIT

Switzerland's federal department of finance said the country's official position had not changed since its last discussion with Indian authorities.

"Since a high-level Swiss delegation met with its India counterparts in New Delhi in February 2014, no further official meeting has taken place. There is no new development to be reported," the Swiss authorities said in a release. This was issued in response to a report that the Swiss government had prepared a list of Indian account-holders that it would share with New Delhi.

Cracking down on black money stashed abroad is a top priority for the



"The finance ministry has not received any official communication. We are writing to the Swiss authorities... so that details with regard to whatever information they have can be expedited."

ARUN JAITLEY, Finance Minister

No Clarity Yet

- Switzerland's finance dept said the country's official position had not changed since its last talks with Indian authorities
- Talks between the two countries earlier in the year had failed with Switzerland refusing to disclose data citing its domestic laws

Narendra Modi government. One of the first decisions of the new regime was to form a Special Investigation Team to trace such unaccounted wealth headed by ex-Supreme Court Justice MB Shah.

OIL MIN, FIN MIN CONSIDERING ISSUE

Govt to Finalise Hike in Gas Prices Soon

OUR BUREAU
NEW DELHI

A decision on increase in natural gas prices is expected in the next few days even as meetings between oil minister Dharmendra Pradhan, finance minister Arun Jaitley and top officials in the Prime Minister's Office (PMO) continued on Monday.

Pradhan and Jaitley had met Modi on Friday and later on Sunday to explore ways to revise gas prices to incentivise output without stoking inflation and increasing the subsidy burden on power and fertiliser sectors.

The new government is looking at tweaking the United Progressive Alliance-government approved price formula -- known as the Rangarajan formula-- that recommended raising prices to \$8.4 a unit from the existing \$4.2. The new price based on the formula could not be implemented by the previous government because of the electoral code of conduct.

The oil ministry has informed the PMO about the need to take a decision well before July 1 in view of arbitration proceedings initiated by Reliance Industries against the central government over what the company says is the state's failure to abide by the terms of the Production Sharing Contract (PSC) which provides for marked based pricing, a senior oil ministry official said.

The significance of July 1 is because in April the oil ministry had

informed RIL that new prices would be announced by that date.

Reliance Industries had been supplying gas from its eastern offshore KG-D6 field at the old price of \$ 4.2 per unit even though the five year period for which that price was valid ended on March 31.

The oil ministry is mulling various options for setting a new price. These includes a higher price only for incremental production post 2013-14, the official said.

The ministry might also propose raising prices only for the fields allocated under the New Licensing and Exploration Policy (NELP) and not blocks to which the Administered Price Mechanism, an older price -setting method, applies.

Another possible option being considered is making minor changes to the Rangarajan panel formula such as excluding the price of Japan crude and including Russian crude.

Every dollar increase in gas price will lead to ₹1,370 per tonne rise in cost of urea production and 45 paise per unit increase in electricity tariff. CNG prices will increase by about ₹2.81 per kg increase in CNG price as per government estimates.



Oil Ministry told PMO that decision needs to be taken well before July 1 in view of arbitration proceedings initiated by RIL against the centre

PM-Secys Meetings to Reflect in Budget

HANDS-ON APPROACH Modi has been meeting all departments separately to resolve specific issues on real-time basis

VIKAS DHOOT
NEW DELHI

Prime Minister Narendra Modi's independent parleys with secretaries of all departments separately are not just a ritual of taking stock of the big picture, but are also being used to resolve their issues on a real-time basis, some of which could be announced in the upcoming Budget and eventually reflect in NDA's policy stance in different sectors.

The PM has asked top finance ministry and Planning Commission officials to be part of every such meeting with individual departments and is learnt to be instructing them to take note of specific issues and come up with feasible alternatives to improve implementation and policy issues.

The finance ministry has a bird's eye view of all budgetary allocations as well as the capacity of ministries to utilise funds under different heads, while the Planning Commission is clued into the stated intent and structures of cen-

Commission represented by its secretary Sindhutree Khullar and finance ministry usually represented by Secretary (expenditure) Ratan Watal

PM's interventions setting the tone for NDA policy stance across sectors and its first Budget due on July 10

Modi's Power Point Mantra



Top officials from Finance ministry and Planning Commission attending every department's presentation to the Prime Minister



ideas proposed or sought by an individual department are feasible and practicable, given India's fiscal constraints.

"The PM is actively consulting the two and taking hands-on, real-time approach to resolving problems and suggesting tweaks to the programmes of each ministry during their PowerPoint presentations. Through the Budget making is a parallel exercise, some of his directions at these meetings should find their way into the Budget and the policy framework eventually," said an official.

PM has held meetings with ministries dealing with food and farm issues, energy, civil aviation, ministry and rural development so far

While the PM started his interactions with the bureaucracy in a town-hall meeting with all secretaries to the government on June 4, since then he has been meeting every depart-

ment's top officials independently, taking feedback on their plans, looking at their financial outlays and constraints and discussing best possible options to clean up their Augean stables. At his meeting with all secretaries, Modi had emphasised with officials' helplessness in pursuing the right decisions in national interest under the previous regime and said he understood 'their anguish in not being able to realise their true potential because of circumstances.'

So far, the prime minister has held such focused departmental meetings with the cluster of ministries dealing with food and farm issues, energy ministries, the civil aviation ministry and the rural development ministry. That the Prime Minister's Office has issued an official statement after only one such meeting, on June 13 when he met various farm-related ministers and secretaries, indicates that they are being used to kick-start serious policy and programme-wise debate and decisions that are not yet ripe for being made public.



Centre plans to clip wings of drug regulator

ABANTIKA GHOSH
NEW DELHI, JUNE 23

THE Union Health Ministry is working on a proposal to provide accreditation to clinical trial centres, investigators and ethics committees — all of which will be kept out of the purview of Central Drugs and Standards Control Organisation, the country's highest drug regulatory body. Thus, the role of CDSCO will be limited only to granting permission for testing new pharmaceutical products.

Clinical trial permissions

have been stalled for months after the Supreme Court last year rescinded the regulator's nod for 157 clinical trials. Based on the recommendations of the Professor Ranjit Roychowdhury Committee, the new regulatory model would take several aspects of clinical trials away from the CDSCO.

An expert working for streamlining clinical trials said, "The idea is to introduce a foolproof and transparent accreditation process at all levels right from the investigator

who conducts the trials, the centre where it is done and the ethics committee that clears it.

Accreditations cannot be misused because the individuals

CLINICAL TRIALS

or institutions would then stand to lose their accreditation. The

CDSCO that will continue to give permissions for clinical trials will not be involved directly in the accreditation process to avoid conflict of interest."

While recognition to ethics committees in some form has been debated, given the important role it plays in

ensuring a clean and ethical trial, in all those discussions the CDSCO or the drug controller's office has always been the principal player. Taking that out of its purview would bring in accountability and transparency at multiple levels, the ministry suggested.

Though, the accreditation agencies have not been finalised yet, one of the institutions that are being looked at as possible options is the Quality Council of India. The Roychowdhury panel had advocated constitution of a body for the accreditation of centres.

DoPT asks FinMin to stick to the rules for LIC MD appointment **'Seniority must be basis for top jobs in financial sector'**

GEORGE MATHEW
MUMBAI, JUNE 23

THE Department of Personnel and Training (DoPT) which reports to Prime Minister Narendra Modi has made it clear that top-level appointments in the financial sector will have to be on the basis of seniority.

The instruction of DoPT, which recently asked the finance ministry to follow the norms in a specific case involving the appointment of the managing director of Life Insurance Corporation (LIC), will also be applicable to public sector banks while filling up top posts like executive director and chairman and managing director.

As many as six PSU banks will go headless in the next few months. While chairman and managing director positions at Indian Overseas bank and Bank of Baroda will fall vacant in August, Canara Bank and Oriental Bank of Commerce will go headless in October. Two managing director posts have been lying vacant at State Bank of India, the largest lender in the country. United Bank of India has been without a chairman for

DoPT DIRECTIVE

THE DOPT instruction will also be applicable to public sector banks while filling up top posts like executive director and chairman and managing director **AS MANY** as six public sector banks will go headless in the next few months **THE DIRECTIVE** from the DoPT has come after some senior officials of LIC who have put in more

some months now.

The DoPT asked the ministry of finance to follow the principle of seniority while filling up the vacant post of managing director in LIC. The directive from the DoPT has come after some senior officials of the corporation who have put in more than 32 years of services and have residual services of three years or more had represented to it about how the finance ministry is excluding their names from selection process meant to appoint the fourth managing director of the corporation.

One post of managing director has been lying vacant after Sushoban Sarkar retired in May. DoPT norms are uniform for all financial institutions.

DoPT, after getting the

than 32 years of services had represented to it about how the finance ministry is excluding their names from selection process meant to appoint the fourth managing director of the corporation **ONE POST** of managing director has been lying vacant after Sushoban Sarkar retired in May. DoPT norms are uniform for all financial institutions

representation, had asked the Appointments Committee of Cabinet (ACC) to ask the finance ministry to stick to the rules of seniority for selecting a candidate for the post of managing director of LIC.

The finance ministry, during the UPA government's tenure, had justified its decision to exclude LIC officials from the selection process on the basis of a "policy" which warrants that all those officials who appear for the interview thrice consecutively but not been selected have to be excluded from the selection process for any new posts and fresh eligible candidates in order of seniority should be included in the zone of consideration.

The finance ministry argued that all these officials

were part of selection process when chairman and three other managing directors of the corporation were selected and cannot be considered any further.

However, these officials had protested the application of such a guideline in their cases, saying that this guideline has no application in the case of a candidate who has been selected or recommended for selection but has not been appointed for want of vacancies.

Further, a top source pointed out that such guidelines relating to omission of people are not applied while making appointments for other PSUs, including public sector banks.

This is the second time when the finance ministry method of filling up top posts in LIC has been asked to be corrected.

Earlier, the cabinet secretary had found fault with the finance ministry's attempt to fill up the fourth post of managing director which was created in 2013 in corporation without getting sanction from the cabinet. The ministry then corrected its move and appointed SB Mainak after formally getting sanction from ACC.

Govt may take call on new gas pricing regime in two days

By Staff

New Delhi, June 23: The Centre is likely to decide on implementation of new gas pricing regime in the next two days. A series of discussions have been held between the Prime Minister's office, petroleum minister Dharmendra Pradhan and finance minister Arun Jaitley since Friday.

The government is tight-lipped on the likely proposals it is contemplating to implement. A senior petroleum ministry official, when asked on when the decision is expected, said, "Wait for 48 hours."

The petroleum ministry is of the opinion that the issue of pricing of gas would need to be seen in the context of achieving the multiple objectives of incentivising domestic gas exploration and production on the supply side and meeting the higher subsidy outgo in successive budgets for the fertiliser and power sectors.

Therefore, the gas pricing need to strike a balance

between the requirements of the exploration and production sector and the burden on the government exchequer.

India's natural gas output went down to 35.4 billion cubic metres (bcm) in FY14 from 47.56 bcm in FY12.

The various options before the government include applying the Rangarajan formula unconditionally from July 1, tweak the formula, allow higher price only for incremental production over and above the current levels or completely scrap the decision of UPA government.

There are several other issues surrounding implementation of the Rangarajan formula such as whether Reliance Industries' foreign partners - BP and Niko Resources - should be allowed to charge the higher gas price for output from once prolific KG-D6 basin; whether the pricing should be on gross calorific value or net calorific value, among others.

Gas pipeline to China: India to talk to Russia for extension

Siddhartha P Saikia
& Huma Siddiqui

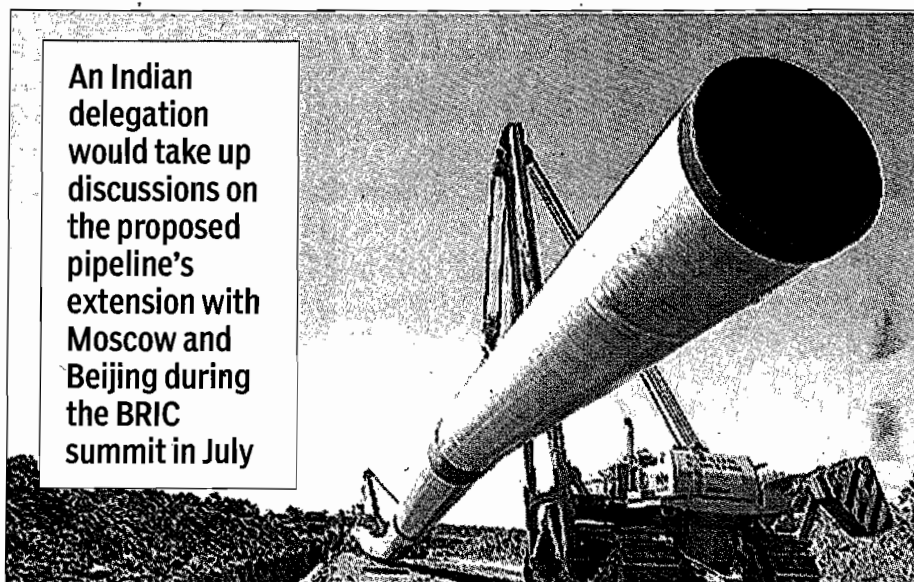
New Delhi, June 23: India is set to start negotiating with Russia the extension of a \$30-billion gas pipeline Moscow plans to build to China till the Indian border. If the proposed pipeline from Russia via China's Xinjiang province materialises, it will be among the world's most expensive gas pipelines.

Sources said given Narendra Modi government's intent to bolster sourcing of oil and gas to meet the country's rising energy demand, an Indian delegation would take up discussions on the proposed pipeline's extension with Moscow and Beijing during the BRIC summit in July.

The proposal would also be in focus when Russian President Vladimir Putin visits India later this year.

"India is a large importer of energy — in FY14, its net energy imports were 6.3% of the GDP. Without energy imports, we calculate it would have run a current account surplus of 4.6% of the GDP," the Goldman Sachs said in a recent report.

India is also working on



An Indian delegation would take up discussions on the proposed pipeline's extension with Moscow and Beijing during the BRIC summit in July

the \$9-billion Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline.

During the World Petroleum Congress held in Moscow last week, petroleum minister Dharmendra Pradhan is learnt to have discussed the possibility of the pipeline with his Russian counterpart, Alexander Novak. India is looking to set up a pipeline from Russia either through China or the same route as

TAPI.

Recently, Russia and China signed a 30-year gas contract worth \$400 billion. GAIL (India) has already tied up 2.5 million tonne of liquefied natural gas (LNG) from Russia; the supply will commence from 2020. OVL managing director SP Garg said India is surrounded by countries rich in oil and gas. "Russia is one such country, which has surplus oil and gas. It will be a very good idea to build a

pipeline from Russia to India," Garg said.

Goldman Sachs said energy imports can be reduced further by switching from oil to natural gas and improving conservation.

"Reforms in the energy sector could reduce India's annual energy import bill by \$40 billion by FY23. Energy imports in a reform scenario could come down to about 4% of the GDP, from 6.3% currently," it said.

PlanCom should be replaced by new think tank: Evaluation Office

Assessment note says panel acts as control commission, especially in fund allocations to states

BS REPORTER
New Delhi, 23 June

An assessment of the Planning Commission by the Independent Evaluation Office has found the panel exceeds the scope of its authority by acting as a "control commission", particularly with regard to the allocation of funds to state governments. This is despite the fact that the commission was set up as a recommending body, through a Cabinet Resolution in 1950.

This, the assessment note said, raised concern, as the makers of the Constitution had created the Finance Commission for the same purpose. The assessment of the Planning Commission, sent to the prime minister by the director-general of independent evaluation, recommended replacing the plan panel with a new think tank, staffed by experts with domain knowledge. This new entity should be tasked with giving recommendations and providing a road map of priorities to the cen-

- WHIFF OF REFORMATION**
- The new think tank has been suggested to be called the Reform and Solutions Commission
 - The recommended think tank should be staffed by experts with domain knowledge
 - The new entity should be tasked with giving recommendations and providing a road map of priorities to the central and state governments, to Parliament and to the private sector
 - Apart from reporting to the prime minister, the proposed body should also have a defined relationship with Parliament

tral and state governments, to Parliament and to the private sector, the assessment said, adding though it should report to the prime minister, it should also have a defined relationship with Parliament. "Since the Planning Commission has defied attempts to reform it and bring it in line with the needs of a modern economy and the trend of empowering states, it is proposed the commission be replaced," the note read. It added to apportion funds

should carry out three primary functions — serve as a solutions exchange and repository for ideas that have been successful in different aspects of development in various states, districts and other countries; provide ideas for integrated systems reform; and identify new and emerging challenges and provide solutions to pre-empt those.

Opaqueness in the functioning of the Planning Commission was a matter of concern, the note said, citing the appointment of the commission's deputy chairman by the prime minister, the lack of parliamentary oversight over the panel's chief and the lack of accountability of its members.

Ajay Chhibber, director-general, Independent Evaluation, said, while releasing the assessment, "It is clear the Planning Commission, in its current form and function, is a hindrance, not a help to India's development. In my experience, it is not easy to reform such a large and ossified body; it will be better to replace it with a new body that is needed to assist states with ideas, provide

long-term thinking and bring about reforms."

Arun Maira, former Planning Commission member, agreed. He said former prime minister Manmohan Singh had specifically asked then Commission deputy chairman Montek Singh Ahluwalia and him about reforming the commission.

Maira said that time he had said the commission was overdoing the functioning of allocation of resources. "It might be useful 60 years back, but not now," he said.

But, it does not mean the role of the Commission is finished. It should reform itself to system analysis and assessor of future changes. It should have experts from various fields to inform private players and states about the changes that may come up in the future and persuade them to change accordingly, he said.

However, then Prime Minister reiterated the need of change for the planning commission in his last meeting with the commission which he talked about in 2010.