

Draft Minutes

National Advisory Council

Minutes of the fourth Meeting of the National Advisory Council held on 30th August, 2010 at 2 Motilal Nehru Place, New Delhi

The fourth Meeting of the National Advisory Council (NAC) was held on 30th August, 2010, chaired by Smt. Sonia Gandhi. The following members participated:

Prof. M.S. Swaminathan, MP
Dr. Ram Dayal Munda, MP
Prof. Narendra Jadhav
Prof. Pramod Tandon
Dr. Jean Dreze
Ms. Aruna Roy
Shri Madhav Gadgil
Dr. N.C. Saxena
Dr. A.K. Shiva Kumar
Shri Deep Joshi
Ms. Farah Naqvi
Shri Harsh Mander
Ms. Mirai Chatterjee

2 Dr. Rita Sharma, Secretary, Shri K. Raju, Joint Secretary, Shri Dhiraj Kumar Srivastava, Private Secretary to Chairperson, Ms. Manisha Verma, Director and Shri S.Ravi, Under Secretary, were present.

3 Chairperson welcomed the Members and acknowledged the efforts made by the Working Groups in the period since the last Meeting, remarking that the meetings and consultations seem to have taken place almost every alternate day.

4 Secretary, NAC, updated the Council regarding the activities undertaken since the last NAC meeting. Attention was drawn to the Secretariat Report where details of Action Taken Report of the last three Meetings, the schedule of activities undertaken in the interim period, and other relevant information was provided.

5 Shri Harsh Mander, Convenor of the Working Group on National Food Security Bill (NFSB) made a presentation on the Framework of the NFSB detailing the proposal. The presentation broadly covered the following sections, namely, (i) inclusive and expanded PDS (ii) Other Welfare Schemes such as child and maternal nutrition, and special programmes for vulnerable, non-PDS entitlements (iii) PDS reforms and (iv) enabling provisions.

6 The presentation highlighted, *inter alia*, the following:

6.1 Inclusive and Expanded Public Distribution System

6.1.1 Entitlements: Several options for PDS entitlements were considered by the Working Group. After extensive deliberations, the following two options were retained for presentation to the NAC.

- a) Option 1 ("near-universalization"): About 20 percent of well-off households would be excluded from the PDS based on simple, transparent and verifiable criteria. The remaining 80 percent households would be entitled to subsidised grain from the PDS. The proposed entitlement would be 35 kgs per household per month, at Rs 3/kg.
- b) Option 2 ("universalization with differentiated entitlements"): All households would be entitled but with differential entitlements - Antyodaya and "Aam". About 42 percent of rural households (the "Tendulkar" head-count ratio) would be covered under Antyodaya with entitlements of 35 kgs per household per month at Rs 3/kg and the remaining 58 percent Aam households would have an entitlement of 25 kgs at Rs 5/kg or Rs 7.50/kg.
- c) For urban areas, in both Option 1 and 2, the PDS would cover about 33 percent of all households (mainly slum dwellers and the homeless, and persons in vulnerable occupations), with entitlements of 35 kgs per household at Rs 3/kg.

6.1.2 As the physical quantity of foodgrain presently available for distribution has been indicated between 55 to 60 mMT, a geographical phasing was proposed for both Option 1 and 2 beginning with a coverage of 150 most disadvantaged districts in the first phase, and then expanding to the rest of the country in subsequent phases district-wise.

6.1.3 In both Options 1 and 2, about 8 mMT of foodgrain have been ear-marked to protect the current off-take by APL households.

6.1.4 The foodgrain implication in Option 1 was about 49 mMT¹ in the first phase and 60 mMT in the final phase. The total estimated subsidy requirement in this option was about Rs. 90,600 crore. The additional requirement was Rs. 34,600 crore.

6.1.5 The foodgrain implication in Option 2 was about 50 mMT in the first phase and 60 mMT in the final phase. The total estimated subsidy requirement in this Option was about Rs 79,000 crore. The additional requirement was Rs. 23,000 crore.

6.2 Other Welfare Schemes

6.2.1 Child and maternal nutrition would comprise of (a) ICDS services as a right to all children below 6, pregnant and nursing women, and adolescent girls in 14 lakh

¹ All figures have been rounded off for convenience. For details refer to the Note of Working Group.

settlements (all rural settlements and urban slums), including support for effective breastfeeding, supplementary feeding and health services; (b) Institutional and community based support to all severely malnourished children; (c) Special feeding programme for children of destitute families; (d) Mid day meals to an estimated 11.1 crore children in primary and upper primary schools; (e) Maternity benefits (@ Rs 1000 per month for 6 months, to enable rest and exclusive breast feeding.

6.2.2 Special Feeding Programmes for Vulnerable Groups would comprise of (a) Right to one hot cooked meal daily for every destitute person (28 million people being fed daily); (b) Right to affordable nutritious meals for urban migrants and homeless people (14 million people being fed 2 meals daily); (c) Right to free grain (10kg a month) for persons living with stigmatised and debilitating ailments of TB, leprosy and HIV AIDS; (d) Pensions @ Rs 400 per month for all poor single women, disabled persons and aged persons; (e) Residential schools for all street children and children without adult protection

6.2.3 The total foodgrain implications of the Other Welfare Schemes was of the order of 9.5 mMT, of which 3.0 mMT was on account of the Child and Maternal Nutrition and 4.0 mMT was on account of Special Feeding Programmes for Vulnerable Groups and 1.5 mMT was on account of other requirements such as flood, drought and other contingencies.

6.2.4 The total subsidy implications for Other Welfare Schemes was about Rs. 93,800 crore of which Rs. 67,600 crore was on account of Child and Maternal Nutrition and Rs 23,500 crore was on account of Special Feeding Programmes for Vulnerable Groups. Since many programmes are on-going and the Government is already providing funding support for these programmes the net additional subsidy requirement was estimated at Rs. 67,400 crore.

6.2.5 An alternate scenario was also presented for Other Welfare Schemes wherein the schemes were further rationalized. The total subsidy implication and the additional subsidy implication of the alternate scenario was Rs. 58,900 crore and Rs. 36,300 crore, respectively.

6.3 For Option 1 the total foodgrain requirement for PDS entitlement and Other Welfare Schemes in the first phase is estimated at about 59 mMT and in the final phase as 70 mMT. The total subsidy requirement is about Rs. 1,84,500 crore. The additional subsidy requirement is Rs. 1,02,000 crore .

6.4 For Option 2 (Rs. 5/ kg for households with the 25 kg per month entitlement) the total foodgrain requirement for PDS entitlement and Other Welfare Schemes in the first phase is estimated at about 60 mMT and in the final phase as 70 mMT. The total subsidy requirement is Rs. 1,79,000 crore. The additional subsidy requirement is about Rs. 96,600 crore.

6.5 For Option 2 (Rs. 7.50 / kg for households with the 25 kg per month entitlement) the total foodgrain requirement for PDS entitlement and Other Welfare Schemes in the first phase is estimated at 60 mMT and in the final phase as 70 mMT. The total subsidy requirement is about Rs. 1,73,000 crore. The additional subsidy requirement is Rs. 90,600 crore.

7 Shri Harsh Mander concluded his presentation by requesting that the Members to take a holistic view by looking at the final phase scenario instead of only just the first phase.

8 After due deliberations, the NAC reached the following conclusions with respect to the Working Group's proposal on NFSB:

- a. *No consensus emerged on the proposal presented by the Working Group and both Option 1 and Option 2 needed to be discussed further;*
- b. *More work is required in firming up and cross-checking the facts and figures regarding foodgrain and subsidy estimations involved in the two Options;*
- c. *The exclusion criteria need to be more clearly spelt out;*
- d. *In the next NAC meeting representatives of the concerned Ministries be invited to make their presentations with respect to the proposals of the Working Group;*
- e. *No material need be placed on the website/ public domain until the NAC has reached an agreement;*
- f. *For the present, the proposed NFSB be considered as 'work in progress' only.*

9 Ms Farah Naqvi, Convenor of the Working Group on Communal Violence Bill gave a brief presentation to the Council on the progress of the Working Group towards drafting a fresh Communal and Sectarian Violence Bill. She informed about the constitution and Terms of Reference of the Advisory Group and the Drafting Committee constituted for this purpose. She also informed about the link that has been created on the NAC website giving details as well as a dedicated email id to receive submissions from the public. The Members appreciated the progress made by the Working Group and extended their support.

10 The NAC meeting concluded at this point as the Chairperson left to attend Parliament.