

F.No. A.11015/1/2003- IES
Government of India
Ministry of Finance
Department of Economic Affairs
IES Division

New Delhi, dated August 31, 2005

Office Memorandum

Subject: Duties and Responsibilities of Senior Economic Adviser/Economic Adviser in Ministries/Departments.

The matter regarding fuller utilization of the potential of the Indian Economic Service (IES) Officers to achieve the objectives and improve the performance of the various Ministries/Departments of the Government of India, in the context of increasing economic content of the work in the Ministries, was considered by the IES Board headed by the Cabinet Secretary. In its meeting held in January, 2005, the Board noted that the services of the IES officers were not being put to effective use for want of well-defined work allocation to Senior Economic Advisers/Economic Advisers (SEAs/EAs). In order to facilitate economic advice being rendered in a structured, defined and regular manner, and to further integrate the SEAs/EAs with the functioning of the Departments, the IES Board approved a proposal to codify the duties and responsibilities of SEAs/EAs, belonging to IES, posted in various Ministries/Departments.

2. The proposed duties and responsibilities of SEAs/EAs were circulated to various Departments for their comments. Based on the responses received from the Departments, the duties and responsibilities of SEAs/EAs have been revised. Accordingly, the major duties and responsibilities of IES officers posted as SEAs/EAs in various Ministries/Departments are indicated below:

I The SEAs/EAs will be closely associated with and involved in the economic reforms in the Ministry/Department/Organizations concerned. The SEAs/EAs will advise the Ministries/Departments/organizations concerned, on a continuous basis, on all policy matters having a bearing on internal and external economic management, and would spearhead reforms in the fields/sectors concerned. An indicative list of internal and external issues on which advice would be furnished by SEAs/EAs is as follows:

a) Internal issues:

- *Implications of individual schemes/programmes undertaken/proposed to be taken and policies pursued/proposed to be introduced by the Department, in terms of the impact on growth, employment, poverty eradication, etc., or any other objective set by the Ministry/Department concerned or by the Government of India;*

- Also, a periodical analysis of the activities of the Department, with a view to examining their implications for the economy and suggesting appropriate policy interventions to increase the effectiveness of the activities;
- Cost effectiveness, competitiveness and sustainability of economic activities, and ensuring a rate of return commensurate with investment;
- Compliance of policy parameters with WTO requirements – while Department of Commerce will continue to be the nodal Department for consultation on WTO matters, the SEAs/EAs will provide inputs to the extent that the respective Departments are concerned with WTO matters, and will be involved in policy issues on a day-to-day basis.; and
- Implicit scope, if any, for expansion in respect of individual activities during the process of implementation, and budgetary implications of the same in future. In such cases, SEAs/EAs will carry out the risk analysis of such activities from time to time and advise the Government appropriately.

b) External issues:

- Examine the existing processes and procedures relating to transactions and implementation to ensure compatibility with the best practices available elsewhere which could be adopted for effecting savings and increasing efficiency;
- Ensure global competition amongst market operators and adopt policies for ensuring adequate competition;.
- Examine the impact of economic developments taking place globally on India's economic agenda in specific areas, and suggest ways to maximize the benefits in the sectors concerned;and.
- Analyse implications of international treaties/agreements on the domestic economy, and ensure maximum advantage to the economy while keeping compliance costs, if any, to the minimum.

Thus, all policy-related matters, both internal and external, may be referred to the SEAs/EAs by the respective Departments, to enable them to comment on the economic implications, apart from their participation in the day-to-day deliberations on various subjects of interest/relevance to the Departments concerned.

II Compliance under the Fiscal Responsibility and Budget Management Act, 2003:

The SEAs/EAs will monitor and evaluate the policy parameters from the economic angle laid down in the Act or otherwise, and assist the Ministry of Finance in preparing the annual or any other periodical statements required for complying with the provisions of the Act.

III Preparation of Annual Plan Budgets:

The Departments may finalize the Annual Plan Budgets in consultation with SEAs/EAs.

IV. Interaction among CEA/SEAs/EAs:

SEAs/EAs will interact with the Chief Economic Adviser, Department of Economic Affairs, on a continuous basis so that economic implications of policy changes are comprehensively analyzed, and to facilitate individual Ministries/Departments to spearhead reforms in the direction envisaged by the Government of India. The overall policy of Government of India, in turn, could be suitably revised, if necessary, based on the feedback from individual Ministries/Departments. The aim should be to ensure that policy pursued by individual Departments is consistent with the overall direction of economic policy contained in the Central Budget, Five-Year Plans, etc.

V. Consultation on other issues from economic angle:

Without prejudice to the duties and responsibilities in respect of issues specified above, officers of the rank of Joint Secretary and above from within the Department or outside may actively seek the advice of SEAs/EAs even on other issues not specifically listed above.

3. Individual Ministries/Departments may make additions to the above list of duties and responsibilities in respect of their specific charge/field of work, under intimation to this Department.
4. The above-mentioned duties and responsibilities would also suitably apply to IES officers in other grades posted in various Departments.
5. This issues with the approval of the Finance Minister.

**Sd/-
(Mala Dutt)
Director (IES)**

To,

The Secretaries to the Government of India
(As per list attached).