

**GOVERNMENT OF INDIA
DEVELOPMENT OF NORTH EASTERN REGION
LOK SABHA**

STARRED QUESTION NO:209
ANSWERED ON:05.03.2003
ALLOCATION OF FUNDS
KAILASH MEGHWAL

Will the Minister of DEVELOPMENT OF NORTH EASTERN REGION be pleased to state:

- (a) the details of funds provided for the development of North Eastern Region during the last five years;
- (b) whether the Government are aware that most of the funds allocated for the region are misutilised or diverted to other heads;
- (c) if so, the number of such cases reported during the said period;
- (d) whether the Government have made any investigation into misutilisation/diversion of funds;
- (e) if so, the findings thereof and the action taken against the persons/officials found responsible for the same; and
- (f) the steps taken/being taken by the Government to check the recurrence of such practice?

Answer

MINISTER, DEPARTMENT OF DEVELOPMENT OF NORTH EASTERN REGION (DR. C.P.THAKUR)

(a) to (f) : A statement is laid on the Table of the House.

Annexure referred to in Parts (a) to (f) of the Statement laid in reply to Starred Question No.209, to be answered in Lok Sabha on 5th March, 2003 regarding Allocation of Funds.

a) According to the information available, expenditure incurred under State Plan approved by Planning Commission for the States in the North Eastern Region comprising of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura during Ninth Five year plan (1997-2002) was of the order of Rs 19784.82 crores (Provisional). Additionally, expenditure incurred from North Eastern Council during the period is Rs 1937.71 crore, from Non-lapsable Pool of Resources is Rs 1318.66 crore and from Central Ministries is Rs 17735.55 crore.

b) No sir. However, as most of North Eastern States have been facing large Revenue Deficits in the Budgets, Plan funds including funds under Centrally Sponsored Schemes have in some cases been diverted to meet emergent Non Plan needs.

c) While there have been allegations with regard to irregularities, it is not possible to quantify the magnitude of seepage of development funds.

d) & e) The Comptroller and Auditor General (CAG) of India conducts regular audit of certain selected programmes and activities of the Government. Besides, Department of Development of North Eastern Region has also requested to him to conduct audit of some of the ongoing projects. The necessary action for irregularities is taken by the State government against defaulting officials and it is a continuous process. As far as action for diversion of funds is concerned, releases to Centrally Sponsored Schemes are dependent on utilization certificates from State Governments. Any diversion of funds meant for these schemes result in subsequent releases to the concerned States being curtailed. The only effective cure to prevent such diversion is for the States to ensure that Revenue deficits are wiped out.

f) The State Governments are accountable to their legislature for proper utilization of funds through State Audit Report prepared by the C&AG of India under Article 151 (2) of the Constitution. Further, Planning Commission has initiated a system of Quarterly Performance Review (QPR) of Plan schemes during 2002-03. Adviser State Plan (North East) takes these meetings to monitor the progress of all schemes/projects taken up under the Annual Plan. On review, appropriate measures are suggested to improve Plan performance of the states. To ensure proper utilization of funds, the system of monitoring, sanctioning, release of funds and implementation has been tightened. Field inspections of works have been intensified and the Department of Development of North Eastern Region (DoNER) has also commenced monitoring of on-going projects. The State governments have also been advised to ensure that programme/ project specific funds are released to implementing agencies promptly and regular monitoring of projects is undertaken. The second and subsequent installments are released only after receipt of utilization certificates.