

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6203
ANSWERED ON:27.04.2001
COMMITTEE TO MONITOR FISCAL REFORMS
GANGASANDRA SIDDAPPA BASAVARAJ

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government have announced an incentive of Rs.4243 crores in funds for performing States and set up a Committee to monitor their fiscal programmes;

(a) if so, to what extent this will help the States which are in financial mess;

(b) whether this new incentive fund has been welcomed by all States;

(c) if not, the details thereof; and

(e) to what extent the Committee has been monitoring fiscal programmes of performing States?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (e): Pursuant to the recommendations of the Eleventh Finance Commission (EFC) on Additional Term of Reference, Ministry of Finance has set up an Incentive Fund for Fiscal Reforms in States and a Monitoring Committee for this purpose. Given the broad contours of the fiscal objectives as recommended by EFC, the States have been invited to draw their respective Medium Term Fiscal Restructuring Policy aimed at improvement in revenue deficit/surplus of the State. As a collaborative exercise between the Centre and the State, the Monitoring Committee will monitor the fiscal reforms programme of the State during the EFC award period for release from the Incentive Fund.