

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:619

ANSWERED ON:26.07.2000

DIVERSION OF PLAN FUND

NARESH KUMAR PUGLIA;SHYAMA SINGH;SUBODH MOHITE

Will the Minister of PLANNING be pleased to state:

- (a) whether the Government have initiated the project for formulating a long term 20 years perspective plan;
- (b) if so, the details thereof;
- (c) whether Planning Commission has directed to State Governments to prepare core plans for their respective States and adopted a new strategy to ensure that the funds allocated for States annual plan are not diverted;
- (d) if so, the details thereof along with their views in this regard;
- (e) whether the accountability of funds would be sought from each of the State Government;
- (f) if so, the details thereof; and g) the steps proposed to be taken by the Planning Commission to check illegal diversions of funds by State Governments?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS, PROGRAMME IMPLEMENTATION AND MINISTER OF STATE OF THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS

(SHRI ARUN SHOURIE)

(a) & (b) : Yes, Sir. Planning Commission has constituted a Committee for preparing a Vision 2020 for the country under the Chairmanship of Dr. S.P. Gupta, Member, Planning Commission. The Committee has begun its deliberations.

(c) & (d) : No directions have been issued to State Governments in this regard. However, in order to reduce gaps between Plan outlays fixed and actual expenditures, the cooperation of State Governments has been sought to fix the plan size more realistically taking into consideration

(i) the trend of aggregate actual resource mobilization for the Plan of the State over the first three years of the Ninth Plan, and

(ii) a realistic estimate of resources available for financing the Plan. Annual Plan discussions for 2000-01 have so far been held for the States of UP, Tamil Nadu, West Bengal, Gujarat, Maharashtra, Kerala and Punjab and UT of Pondicherry and their Plan outlays finalized. Since these States had already budgeted a relatively higher Plan size prior to the holding of Annual Plan discussions, the more realistic Plan size based on identifiable resources that was finally agreed upon in accordance with the criteria indicated above, has been popularly termed as a `core plan`. The States with which discussions have been held have generally appreciated the approach.

(e) & (f) : Comptroller & Auditor General of India regularly audits the expenditures of State Governments, and this is the constitutional mechanism for bringing about accountability for the utilization of funds.

(g) : While Normal Central Plan Assistance is given en bloc to the States in accordance with their entitlement, in the case of certain important sectors like basic minimum services the approved Plan outlays are earmarked. States cannot divert earmarked outlays without prior approval of the Commission. Further, the progress of implementation of State Plans is reviewed at the time of Annual Plan discussions in the Planning Commission. Various Central Ministries/ Depts. of GOI also monitor implementation of State Plan schemes concerning them to ensure that funds are utilized for the purposes for which they have been given.