

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:353

ANSWERED ON:24.02.2010

DEVELOPMENT OF HILL STATES

Kashyap Shri Virender;Thakur Shri Anurag Singh

**Will the Minister of PLANNING be pleased to state:**

- (a) whether development of hill areas in the country is very slow as compared to the urban/plain areas ;
- (b) if so, the details thereof and the reasons therefor ;
- (c) whether application of flexible norms in the hill States could register faster growth in comparison to plain/urban areas ;
- (d) if so, whether there is a proposal to fix special norms for hill States in this regard ;
- (e) if so, the details thereof ; and
- (f) if not, the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS(SHRI V. NARAYANASAMY)

(a) to (f) : States are classified as 'Special Category' or 'Non Special Category' for the purpose of Central Assistance to State Plans. 11 States out of the 28 States are classified as Special Category States. These are Arunachal Pradesh, Assam, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand. These States inter alia have hilly and difficult terrain.

The annual rate of growth of Gross State Domestic Product (at constant prices) for States during 2005-06 to 2008-09 is provided at Annex. The States have experienced variable rates of growth and there is no clear trend to establish that the rate of growth of Special Category States is slower as compared to the other States.

Out of the overall amount of Normal Central Assistance (NCA) inclusive of loan and grant, 30% is reserved for Special Category States and 70% is available for Non Special Category States. In case of the Special Category States, the grant /loan ratio applicable for NCA, Additional Central Assistance (ACA) for External Projects, One Time ACA and Special Plan Assistance(SPA) is 90% Central grant and 10% loan and for the Non Special Category States it is 30% Central Grant and 70% loan. Special Plan Assistance

(SPA) is provided only to Special Category States. Thus the norms for release of assistance from the Centre (NCA, ACA, SPA) to the State Governments are in favour of the Special Category States or the Hill States. Since 2005-06, only the grant portion is provided by the Central Government. Thus the grant under NCA in favour of Special Category States and Non Special Category States is distributed in the ratio of 9:7 respectively.