

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:1038  
ANSWERED ON:03.03.2010  
NON-UTILIZATION OF FUNDS  
Aaron Rashid Shri J.M.

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

- (a) whether the central grants for various projects lie unutilized when States do not bear their side of the fiscal burden resulting in hindrance in their developmental pace;
- (b) if so, the States that have failed to utilize central grants for various projects sanctioned for the upliftment of poor and down trodden categories of the society;
- (c) whether the Government has devised any mechanism to ensure that inability to share fiscal burden of the projects by States do not deprive the poor and downtrodden people of the benefits of economic growth of the country; and
- (d) if so, the details of mechanism in this regard?

**Answer**

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

(a) to (d): The Central Government gives assistance to states for various Centrally Sponsored Schemes (CSS) implemented in the states. Some of the schemes are fully funded and some are shared by the states in varying proportions depending on status of the state (e.g. special category) region (e.g. drought prone) and the components. The State Governments are generally consulted in the design of the programme. Periodic reviews of the programmes with the states also look into the financing issues.

The Planning Commission releases central assistance to states in the form of Normal Central Assistance (NCA), Special Plan Assistance (SPA) and Additional Central Assistance (ACA). The grants under NCA are released to the "Special Category States" and "Non-Special Category States" in 9:7 proportion. "Special Category States" get assistance under the Externally Aided Projects and One Time ACA projects as 90% grant. For other ACA schemes, there are different proportions of State Share.

Finance Commission duly constituted by Union of India under the Constitution makes recommendations on share of central taxes, revenue deficit and other grants to supplement resources of the states.