

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:111
ANSWERED ON:02.08.2010
ASIDE SCHEME
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the strategy formulated by the Government to develop basic infrastructure under the Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) scheme;
- (b) whether the pace of progress of the phases sanctioned under the ASIDE scheme is somewhat slow;
- (c) if so, the details thereof alongwith the reasons therefor;
- (d) whether the Government has taken any steps to overcome the said reasons and hastened up the pace of progress; and
- (e) if so, the details thereof?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

a) to e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 111 FOR ANSWER ON 2ND AUGUST 2010 REGARDING "ASIDE SCHEME"

(a) to (e): Under the "Assistance to States for Developing Export Infrastructure and Allied Activities" (ASIDE) scheme, a mechanism exists for involvement of State Governments and UT Administrations to augment their efforts in export promotion by providing financial assistance to create infrastructure critical for growth of exports. Linkage to exports is emphasized while deciding infrastructure projects.

ASIDE funds are provided in following two components:

(i) State Component (80% of the funds) - Earmarked for allocation to States and UTs.

Funds are allocated to States and UTs in two or more tranches. Inter-state allocation is decided on the basis of Export performance (calculated as share of the State in total exports) and growth rate of exports over the previous year.

A State Level Export Promotion Committee (SLEPC) headed by State Chief Secretary scrutinizes and approves specific projects and monitors implementation of the scheme. The committee consists of Secretaries of concerned Departments, a representative of Department of Commerce (DoC), Joint Director General of Foreign Trade posted in that State / region and Development Commissioner of the SEZ(s) in the State.

(ii) Central Component (Balance 20%)

At the Central Level, an Empowered Committee (EC) is constituted under chairmanship of Commerce Secretary with representatives of other Departments. The EC approves and monitors projects under Central Component. It also periodically reviews progress and takes steps to ensure achievement of objectives of scheme.

Under central component inter-state projects, projects for central SEZs and for North- Eastern Region (also for Export Development Fund for NER) etc. are sanctioned.

Performance of Scheme:

Overall pace of progress of scheme has been satisfactory. Under ASIDE Rs. 3,188.74 Cr. were released from 2002-03 to 2008-09. In addition, Rs. 570 Cr. was released during 2009-10. As on 31.3.2010 an expenditure of Rs. 3,374.83 Cr. has been reported. (A part of expenditure is from 2009-10 releases)

However, performance of following States / UTs has not been found to be satisfactory in terms of utilization of funds already released:

- (i) Arunachal Pradesh
- (ii) Bihar
- (iii) Chandigarh
- (iv) Dadra & Nagar Haveli
- (v) Delhi (vi) Lakshadweep
- (vii) Puducherry and
- (viii) Uttrakhand.

Steps taken by Government to improve performance further:

- (i) A Web-Enabled Monitoring System (WEMS) is hosted on DoC website which is updated by States Quarterly.
- (ii) Allocation, Sanction and Release orders are issued through e-mail.
- (iii) Each Joint Secretary in DoC is allocated a few States / UTs as a nodal officer to monitor implementation.
- (iv) Physical verification of projects is done by field formation of DoC (Development Commissioners – DCs - of Special Economic Zones – SEZs -and concerned Joint Director General of Foreign Trade – JDGFT-).
- (v) From time to time, State-wise performance review is carried out in DoC.
- (vi) A detailed report consisting of project-wise analysis has been sent to each State covering performance of ASIDE project sanctioned from 2002-03 to 2009-10.
- (vii) Attention of State Government has been drawn to need of improving performance under ASIDE through close monitoring at State Level.