

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:3523  
ANSWERED ON:24.08.2011  
ALLOCATION OF ADEQUATE FUNDS  
Thakur Shri Anurag Singh

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

- (a) whether the cost of construction anywhere in Himachal Pradesh is many times higher as compared to States located in plain areas;
- (b) if so, whether the Government proposes to set up a board, body or central agency separately to earmark/allocate the funds for the implementation of the schemes, construction of roads, buildings and for other development works in view of prevailing difficult geographical conditions in the State;
- (c) If so, the details thereof ; and
- (d) If not, the reasons therefor?

**Answer**

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a): The cost of construction in the hilly areas of Himachal Pradesh is higher as compared to the plain areas of the State and other states located in plain areas.

(b) to (d): Himachal Pradesh has already been given the status of Special Category State. Special category states have some distinct characteristics. They have international boundaries, hilly terrains and have distinctly different socio-economic developmental parameters. These states face geographical disadvantages while undertaking infrastructural development. In view of the above problems, Central Government sanctions 90 percent Special Plan Assistance as grant and just 10 per cent as loan to Special Category States. Being a Special category State, Himachal Pradesh is being allocated Special Plan Assistance (tied to projects) in the ratio of 90:10. For construction of roads under Pradhan Mantri Gram Sadak Yojana (PMGSY) which is a Centrally Sponsored Scheme 100% funding is provided by the Centre, in other Centrally Sponsored Schemes like AIBP and RGGVY, funding is in the ratio of 90:10.

Further, a Sub-Committee under the Chairmanship of Shri B.K. Chaturvedi, Member, Planning Commission has been constituted to look into the rationalization and restructuring of Centrally Sponsored Schemes (CSSs) to enhance its flexibility, scale and efficiency. The Terms of Reference of the Committee include "considering providing flexibility to States to undertake new initiative from flexi fund where States would also make a contribution". In this regard suggestions have already been invited from the State Governments including Himachal Pradesh.