

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:612

ANSWERED ON:08.05.2015

IMPACT OF THE FINANCE COMMISSION ON BACKWARD STATES

Kumar Shri Kaushalendra; Ranjan (Pappu Yadav) Shri Rajesh

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

(a) whether the Government plans to reduce/discontinue the Central Assistance to various Centrally Sponsored Schemes (CSS) being implemented in the backward States including Bihar as a result of increased revenue allocation to the States as per the recommendation of the 14th Finance Commission and if so, the details thereof;

(b) whether the Government proposes or has any proposal to compensate these States in this regard, if so, the details thereof and if not, the reasons therefor;

(c) whether the Government also proposes to formulate special schemes to address the developmental needs of backward States including Bihar; and

(d) if so, the details thereof and the amount of funds likely to be allocated for the purpose, State-wise including Bihar?

**Answer**

FINANCE MINISTER (SHRI A RUN JAITLEY)

(a) to (d): A statement is placed on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. 612 for answer on May 8, 2015 raised by Shri Kaushalendra Kumar and Shri Rajesh Ranjan regarding 'Impact of 14th Finance Commission on backward States':

(a) to (d) On account of the enhanced devolution to states from 32% to 42% as recommended by the Fourteenth Finance Commission and accepted by the Union Government, only 8 Centrally Sponsored Schemes have been delinked from Union support. Union Government has further decided to continue certain programmes unchanged which are for the benefit of socially disadvantaged group from its own resources. These are also programmes which are in nature of legal /constitutional obligation of the Union or are privileges available to elected representative for welfare of their constituents and other programmes are to be implemented as per revised sharing pattern with States, sharing a higher responsibility due to enhanced devolution. The enhanced devolution will enable the states, including backward states, to implement and fund such schemes as the states consider necessary. 11 states namely Andhra Pradesh, Assam, Himachal Pradesh, Jammu & Kashmir, Kerala, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and West Bengal have also been given revenue deficit grants to fully meet their revenue expenditure needs.