

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4094  
ANSWERED ON:09.08.2002  
MEMORANDUM OF UNDERTAKINGS FOR FISCAL REFORMS  
V. VETRISELVAN

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

- (a) the names of States with whom Government have signed Memorandum of Undertakings on fiscal reforms;
- (b) the achievements of these MOUs;
- (c) whether the Government are considering to sign MOUs with some more States during the current year; and
- (d) if so, the details thereof ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT G.GEETE)

(a) to (d): Governments of Karnataka, Kerala, Manipur, Nagaland and Orissa have signed the Memorandum of Understanding (MOU) / document of agreed fiscal goals and objectives on fiscal reforms, so far with Ministry of Finance under the States' Fiscal Reforms Facility (2000-01 to 2004-05) drafted in pursuance of the recommendations of the Eleventh Finance Commission. MOUs of other States, whose Medium Term Fiscal Reform Programme has been approved by the Monitoring Committee constituted in Ministry of Finance, are in various stages of finalisation by the respective State Governments.

States are increasingly becoming aware of their fiscal imbalance problems and have accordingly outlined in their MOUs various measures for revenue augmentation and expenditure compression to arrive at a sustainable and healthy fiscal balance over the five year period 2000-01 to 2004-05.