

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:1533  
ANSWERED ON:03.08.2005  
NORMS FOR ASSISTANCE TO STATES  
Kripalani Shri Srichand

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

- (a) the basic norms for giving assistance to the States by the Union Government;
- (b) the date of formulation of the same;
- (c) whether any State has requested to change the same or include other parameters; and
- (d) if so, the action taken by the Union Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

(a) & (b): Central Assistance allocated for Annual Plans of States consists of Normal Central Assistance (NCA), Additional Central Assistance (ACA) for Externally Aided Projects (EAPs) and ACA for Special & Other Programmes. While allocation under NCA is based on the Gadgil formula as approved by the National Development Council (NDC) in December 1991, allocation under ACA for EAPs and Special & Other Programmes are based on their own specific criteria and guidelines. The Gadgil formula takes into account, inter alia, population, per capita income, performance in tax effort, fiscal management and progress in respect of national objectives specifically in the area of population control, elimination of illiteracy, ontime completion of EAPs and land reforms. Allocation of ACA for EAPs is based on utilization of funds for projects. Allocation for Special and Other Programmes depends on the needs of states and sectoral priorities under each programme.

(c): There is no proposal pending on this subject.

(d): Does not apply.