

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2259
ANSWERED ON:07.12.2005
MONITORING OF CENTRAL ASSISTANCE
Appadurai Shri M.

Will the Minister of PLANNING be pleased to state:

- (a) whether the grant/assistance provided by the Union Government to the State Governments for any particular project is monitored/supervised by the Union Government;
- (b) if not, the reasons therefor;
- (c) whether the grant/assistance provided for specific projects could be utilized by State Government for some other projects and works;
- (d) if so, the guidelines thereon; and
- (e) if not, the action taken against the State diverting the grant/assistance received from the Union Government?

Answer

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

- (a) & (b): Yes Sir. The performance of the States in comparison with the Annual Plan is reviewed by the Members of the Planning Commission/Principal Advisers/Advisers concerned on annual and half-yearly basis.
- (c)& (d): The State Governments do not have the freedom to adjust the outlays inter-se among the individual schemes or projects without prior approval of the Planning Commission through adjustment proposal or otherwise in case of grant/assistance earmarked for specific schemes/projects.
- (e): Based on the Guidelines circulated by the Planning Commission, a proportionate cut in Central Assistance is imposed by the Ministry of Finance for States which record lower expenditure than the Revised Approved Plan outlay and also on account of shortfalls in the earmarked outlays, with a view to ensure that the Plan projects are implemented as per the time schedule envisaged.