

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:3110  
ANSWERED ON:14.12.2005  
ALLOCATION OF FUNDS FOR SCHEMES  
Mahajan Shri Y.G.;Maheshwari Smt. Kiran

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

- (a) whether the Union Government has allocated funds to the State Governments for various schemes;
- (b) if so, the details thereof;
- (c) whether the amount allocated by the Union Government to the State Governments for implementation of schemes is not being utilised fully;
- (d) if so, the reasons therefor; and
- (e) the guidelines issued by the Union Government to the State Governments in this regard?

**Answer**

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

(a) & (b): Planning Commission determine the Annual Plan Outlay of the States in consultation with the State Government. The Annual Plan consists of State's Own Resources and Central Assistance. Central Assistance for State Plans is allocated broadly under three sub-heads: (a) Normal Central Assistance (NCA), (b) Additional Central Assistance for Externally Aided Projects (ACA for EAPs) and (c) Additional Central Assistance for Special and other programmes. Normal Central Assistance for State Plans is allocated to State Government on the basis of the Gadgil-Mukherjee formula approved by the National Development Council in 1991.

(c) to (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.