

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:625  
ANSWERED ON:03.12.2004  
FUNDING TO STATES FOR EXTERNALLY AIDED PROJECTS  
Saradgi Shri Iqbal Ahmed

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

- (a) whether the Government proposes to change the pattern of funding to States for externally aided projects;
- (b) if so, whether as per this proposal all grants will go directly to States as 100% grants;
- (c) if so, whether States have welcomed these measures and how many States have agreed to this proposal and how many opposed it; and
- (d) the time by which this proposal is likely to be implemented?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (d): As already mentioned in Finance Minister's Budget Speech for 2004-05, there is a proposal to pass on external loans and grants to States on a back-to-back basis. State Governments are being consulted in this regard.