

**GOVERNMENT OF INDIA
WATER RESOURCES
LOK SABHA**

UNSTARRED QUESTION NO:2867

ANSWERED ON:12.12.2005

LOANS TO STATES UNDER A. I. B. P

Barman Shri Hiten;Bose Shri Subrata;Verma Shri Ravi Prakash

Will the Minister of WATER RESOURCES be pleased to state:

- (a) whether the Union Government has decided not to raise loans to State Governments for irrigation projects under Accelerated Irrigation Benefit Programme (AIBP);
- (b) if so, the reasons therefor;
- (c) whether the State Governments have requested for continuation of the existing pattern of funding for on- going projects; and
- (d) if so, the response of the Union Government thereto?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR HEAVY INDUSTRIES, PUBLIC ENTERPRISES AND WATER RESOURCES (SHRI SONTOSH MOHAN DEV)

(a) & (b) The Twelfth Finance Commission award stipulates that States will have to raise the loan component on their own from the market. Accordingly, the revised guidelines of the Accelerated Irrigation Benefits Programme (AIBP) provide that from financial year 2005-06 onwards, the Union Government will release only the grant component of central assistance under AIBP while, the loan component would be raised by the States directly from the market. However, the Union Government stands committed to help the fiscally weak States to raise loans for them, if they face difficulties in raising loans on their own from the market.

(c) & (d) Some States have requested for maintaining status-quo in funding projects under AIBP. As the recommendations of the Twelfth Finance Commission in this regard have been accepted by the Government of India it would not be feasible to alter the position at this stage.