

**GOVERNMENT OF INDIA
MINISTRY OF PLANNING**

**RAJYA SABHA
STARRED QUESTION NO. *161
TO BE ANSWERED ON 01.08.2016**

FINANCIAL ASSISTANCE TO ANDHRA PRADESH

*161. SHRI T. G. VENKATESH:

Will the Minister of PLANNING be pleased to state:

- (a) whether Government has received any representation from the Andhra Pradesh Government requesting for financial assistance as promised in the Andhra Pradesh Reorganisation Act, 2014 and if so, the details thereof;
- (b) the quantum of financial assistance released, so far, and whether there is any balance to be released and if so, the details thereof and the reasons for the delay; and
- (c) the steps being taken by Government to compensate the revenue deficit of the State?

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING
AND MINISTER OF STATE FOR MINISTRY OF URBAN DEVELOPMENT AND
MINISTRY OF HOUSING & URBAN POVERTY ALLEVIATION**

(RAO INDERJIT SINGH)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (C) OF RAJYA SABHA STARRED QUESTION NO.*161 RAISED BY SHRI T. G. VENKATESH, MP REGARDING “FINANCIAL ASSISTANCE TO ANDHRA PRADESH”.

(a): From time to time, requests for providing financial assistance and tax incentives in terms of provisions of Andhra Pradesh Reorganisation Act, 2014 have been received from the Government of Andhra Pradesh. Specifically, the request has been for providing special grant for new capital city, bridging resource gap, Polavaram Irrigation Project & development of backwards districts. Besides, requests for providing ‘One Time Assistance’ for Krishna Pushkaram 2016 has also been received from the State. The Government of Andhra Pradesh vide their letter dated 16.10.2014 has requested for Special Development Assistance for backward areas particularly Rayalaseema and North Coastal Regions for an amount of Rs.24350 crore over a period of five years (2014-15 to 2018-19) and it’s details are given at Annexure-I.

(b): The provisions made under Andhra Pradesh Reorganisation Act, 2014 does not specify the quantum of the financial assistance to be provided to the States after bifurcation. Accordingly, having considered resources available with the State and availability of funds with the Union Government within Gross Budgetary Support (GBS), since the enactment of AP Reorganisation Act, 2014 upto 31st March, 2016, Central assistance of Rs.6,403 crore (including releases made by Ministry of Finance) has been provided to Government of Andhra Pradesh under various provisions of the Reorganisation Act. The releases made to the State of Andhra Pradesh includes funds provided for resource gap (Rs.2,803 crore), development of 7 backward districts covering Rayalaseema & North Coastal Region (Rs.700 crore), new capital city (Rs.2,050 crore) and Polavaram Irrigation Project (Rs.850 crore).

(c): As per the assessment made by 14th Finance Commission (14th FC), the State of Andhra Pradesh is set to receive Post Devolution Revenue Deficit Grant of Rs.22,112 crore over its award period (2015-2020).

SPECIAL DEVELOPMENT PACKAGE – ANDHRA PRADESH

The AP Reorganization Act, 2014 provided for a Special Development Package for the backward regions of the successor state of Andhra Pradesh, in particular for the districts of Rayalaseema (4) and North Coastal(3) Andhra Pradesh.

Hon'ble Chief Minister requested the Hon'ble Prime Minister on 23.6.2014 and 24.8.2014 for providing the Special Development Package to the four Rayalaseema and three North Coastal districts of the state, severely hit by Revenue deficit. 14th Finance Commission also recognised that the AP state is revenue deficit state. Chief Secretary on 6.9.2014 and 16.10.2014 requested Secretary, Planning Commission to sanction the SDP proposal. Hon'ble CM requested the Vice Chairman, NITI Aayog during May, 2015 to release Rs. 5000 crore during 2015-16 for continuing the activities as per the Special Development Package.

Chief Secretary re-iterated the request of Hon'ble Chief Minister through letter addressed to the CEO, NITI Aayog on 6.5.2015. GoI advised the state to revise the proposal as per the discussions of the meeting. Revised SDP proposal submitted on 6.1.2016. A comprehensive proposal for an amount of Rs. 24,350 crore submitted to Planning Commission (NITI Aayog), Government of India.

Activities to be taken up under the Special Development Package are prioritized into four components - Primary Sector, Infrastructure, Social Infrastructure and Skill/Employment for women, farmers, youth/services. The SDP proposes financial assistance for an amount of Rs 24,350 crores over a period of five years (2014-15 to 2018-19), Sector wise funds proposed under SDP are given below.

SECTOR WISE PROPOSALS

Sl.No.	Sector/Department	Amount proposed(Rs. crore)
1	P R Roads	6929.96
2	R&B	2336
3	Minor Irrigation	2087.25
4	Rural Water Supply & Sanitation	2078.48
5	Women Development & Child Welfare	1199.8
6	Skill Development	500
7	Marketing support to Self Help Groups	500
8	Agriculture	2906.9
9	Horticulture	1592.19
10	Horticulture Micro Irrigation	1720.08
11	Animal husbandry	669
12	Fisheries	1064.8
13	Dairy Development	500
14	Cyclone Mitigation Measures	100
15	Project Management	165.55
	Total	24350