

**GOVERNMENT OF INDIA
MINISTRY OF PLANNING**

**RAJYA SABHA
UNSTARRED QUESTION NO. 2360
TO BE ANSWERED ON 15.03.2018**

SPECIAL CATEGORY STATUS TO ANDHRA PRADESH

2360. SHRI C.M. RAMESH:

Will the Minister of PLANNING be pleased to state:

- (a) the reasons why Andhra Pradesh is not being granted Special Category Status for three years;
- (b) the special emphasis given to the residuary State of Andhra Pradesh in view of the above;
- (c) the details of benefits that Special Category States are getting now and since how long, State-wise;
- (d) to what extent Andhra Pradesh, after getting special category status, would get industrial and other benefits for its growth; and
- (e) whether the 14th Finance Commission has never asked not to confer Special Category Status on any state?

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) FOR THE MINISTRY OF PLANNING
AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS**

(RAO INDERJIT SINGH)

(a) Special Category Status for plan assistance has been granted in the past by the National Development Council (NDC) to some States that are characterized by a number of features necessitating special consideration. These features include: (i) hilly and difficult terrain (ii) low population density and / or sizeable share of tribal population (iii) strategic location along borders with neighbouring countries (iv) economic and infrastructural backwardness and (v) non-viable nature of state finances. Special Category Status for plan assistance to any state has been granted based on an integrated consideration of these criteria.

(b) In the case of Andhra Pradesh, the provisions of the Andhra Pradesh Reorganisation Act, 2014 are being implemented by the concerned Ministry/ Department and the Government of Andhra Pradesh. As per the Press release of the Ministry of Finance dated 8th September, 2016, the Central Government has agreed to give a special assistance measure for Government of Andhra Pradesh for five years, which would make up for the additional Central share the State might have received during these years i.e., 2015-16 to 2019-20. This will be in the form of Central Government funding for externally aided projects for the state of Andhra Pradesh approved and disbursed during these years.

(c) The 11 States granted Special Category Status for plan assistance by the National Development Council are Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Himachal Pradesh, Jammu & Kashmir and Uttarakhand. The eight North-Eastern states and the three Himalayan states is provided higher Central share compared to other states in the sharing pattern for Centrally Sponsored Schemes. This is being implemented from the fiscal year 2016-17. Of the 28 umbrella schemes, 6 schemes have been categorized as Core of the Core schemes, 21 schemes as Core schemes, and remaining one as Optional schemes. The existing funding pattern will continue for Core of the Core schemes. The funding pattern for Core Schemes, for the eight North-Eastern states and the three Himalayan states is in the ratio of Centre: State of 90:10 whereas, for the rest of the States, this ratio shall be 60:40 between the Centre and states. The funding pattern for the one Optional Scheme for the eight North Eastern states and the three Himalayan states is in the ratio of Centre: State of 80:20 while it is 50:50 for the rest of the States.

(d) The Special Category Status for plan assistance granted by the National Development Council does not provide for any specific measure for growth of industries.

(e) The Fourteenth Finance Commission in its recommendations has not made any specific reference not to confer Special Category Status to any State. However, it has removed the distinction between special category states and general category states in the horizontal distribution of shareable taxes amongst the States. As per the recommendations of the Fourteenth Finance Commission, share of States in the proceeds of the Union tax revenues have been increased from 32% earlier to 42% for the period 2015-20. This would provide more untied resources to the States. The objective has been to fill the resource gap of each State to the extent possible through tax devolution. Also, post-devolution revenue deficit grants have been provided to states where devolution alone could not cover the assessed gap.
