

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

LOK SABHA
UNSTARRED QUESTION No. ‡2064

TO BE ANSWERED ON MONDAY, December 19, 2022/Agrahayana 28, 1944 (Saka)

SCHEMES FOR BACKWARD STATES

‡2064. SHRI KAUSHALENDRA KUMAR

Will the Minister of FINANCE be pleased to state:

- (a) the measures taken by the Government to overcome the backwardness of Bihar, Odisha, Assam and the other backward States;
- (b) the year-wise and State-wise details of additional funds allocated during the last three years to all the backward States;
- (c) whether Bihar, Assam and Odisha have been lagging behind continuously due to the natural disasters hitting these States every year and if so, the details thereof and the reaction of the Government thereto; and
- (d) whether the Government proposes to frame any special scheme in view of the said situation in aforementioned States and if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (b): The 15th Finance Commission (15th FC) has assessed the own revenue, expenditure requirements and financial needs of each State. The Commission has maintained vertical share of the divisible pool of taxes for the States for the award period of 2021-26 and has also recommended the horizontal devolution formula focussing on specific objectives such as (i) to help bridge the vertical fiscal gap of the States; (ii) to provide horizontal equity (by providing higher share to poorer regions); (iii) to equalise fiscal capacities of States (revenue equalisation); (iv) to provide for cost differentials among States for providing basic public service (expenditure equalisation).

Thus, after the devolution, some States including the State of Assam were recommended for 'Grant-in-Aid for Revenue Deficit' by the 15th FC in its main report for the years 2021-26. The State of Assam is eligible to receive an amount of Rs. 14,184 crore for the period from 2021-22 to 2023-24 as 'Grant-in-Aid for Revenue Deficit'. Similarly, the 15th FC in its interim report for the year 2020-21 has recommended 'Grant-in-Aid for Revenue Deficit' amounting to Rs. 7,579 crore for the State of Assam. Accordingly, an amount of Rs. 7,578 crore in the financial year 2020-21, an amount of Rs. 6,376 crore in the financial year 2021-22 and an amount of Rs. 3,667.50 crore in the current financial year (as on 12.12.2022)

towards 'Grant-in-Aid for Revenue Deficit' has been released to the State of Assam by the Union Government.

Further, 'Special Assistance' under Demand for Grants 'Transfers to States' is earmarked for 'spillover committed liabilities for which budget provision is not made' and 'other need based assistance to the States'. Under this head, an amount of Rs. 195.74 crore in financial year 2020-21 and an amount of Rs. 250.00 crore in financial year 2021-22 has been released to the State of Bihar.

In addition, the Union Government, under the 'Scheme for Special Assistance to States for Capital Expenditure' for 2020-21 to 2021-22 and 'Scheme for Special Assistance to States for Capital Investment for 2022-23' is providing special assistance (loan) to States in the form of 50-year interest free loan. The details of special assistance (loan) provided to the States of Bihar, Odisha, Assam are provided as under:

(Rs. in crore)

Sl. No.	State	2020-21		2021-22		2022-23 (as on 14.12.2022)	
		Allocation	Released	Allocation	Released	Allocation	Released
1	Bihar	843.00	843.00	1,246.50	1,246.50	10,725.4212	4,555.7873
2	Odisha	471.50	471.50	561.00	517.12	5,542.33	-
3	Assam	450.00	450.00	600.00	600.00	4,346.54	1,407.00

(c) to (d): The 15th Finance Commission in its report has recommended allocation of funds to the States for disaster management and mitigation based on risk exposure, capacity to spend, hazard and vulnerability (disaster risk index). These funds are released to the States based on the recommendation of the Nodal Ministry i.e. the Ministry of Home Affairs. As recommended by the Ministry of Home Affairs, the Ministry of Finance has released the Central share of State Disaster Response Fund (SDRF)/State Disaster Risk Management Fund (SDRMF) and Additional Central Assistance from National Disaster Response Fund (NDRF) to the State Governments of Bihar, Assam and Odisha to undertake immediate relief measures for the people affected by natural calamities. The details of releases of last three years are provided as under:

(Rs. in crore)

Sl. No.	State	SDRF/SDRMF				NDRF			
		2019-20	2020-21	2021-22	2022-23*	2019-20	2020-21	2021-22	2022-23*
1	Bihar	631.13	1,416.00	1,416.00	594.80	953.17	1,255.27	1,038.96	-
2	Odisha	552.00	1,604.00	1,604.00	674.00	3,294.10	500.00	500.00	-
3	Assam	503.10	772.00	772.00	648.80	-	44.37	-	250.00

*: As on 12.12.2022
