

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE**

DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA

UNSTARRED QUESTION NO. 529

TO BE ANSWERED ON FRIDAY 26TH FEBRUARY, 2016

[7 Phalguna, 1937 (SAKA)]

'New Institutional Arrangement'

No. 529, Shrimati Rita Tarai:

Will the MINISTER OF FINANCE be pleased to state:

- (a) whether any step has been taken for evolution of a new institutional arrangement, as recommended by the 14th Finance Commission, for identifying the sectors in the States that should be eligible for grants from the Union for providing area-specific grants etc. , if so, the details thereof; and
- (b) if not, the immediate steps on this score, to facilitate early release of specific-purpose grants (as visualised by the commission) in favour of the State?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(Shri Jayant Sinha)

(a) & (b)

The Fourteenth Finance Commission at Para 9.110 has urged the Union Government to consider a larger, sustained and more effective direct intervention for the upgradation of administration as well as development of the areas covered under the proviso of Article 275 (1) and excluded from the consideration of Finance Commission in the Terms of Reference, in order to bring such areas on par with other areas.

The Government has approved a One Time Assistance of ₹ 1000 crore under Special Assistance under Demand No. 37 of Ministry of Finance in 2015-16 (BE) based on the examination of various pending priorities by NITI Aayog towards 'One time assistance to areas covered under Sixth Schedule of the Constitution'. This assistance has been proposed for development of the areas covered under the proviso to Article 275(1), which are excluded from the consideration of 14th Finance Commission, in order to bring such areas on par with other areas.
