

Centre & State Financial Relations

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What, Why & How

- Federal structure
- Equitable distribution
- Ensure systematic levying, collection & distribution of taxes
- Important institutions –
 - Finance Commission
 - Erstwhile Planning Commission

Types of Grants

- Tied & Untied Grants
- **Statutory Grants**
 - Released out of the Consolidated Fund of India
 - Specific grants for promotion of Scheduled Tribes
- **Discretionary Grants**
 - Centrally Sponsored Schemes
 - Central Sector Schemes

Block Grants

- Under the Planning Commission regime, Block Grants provided by GoI to States
- Examples of Block Grants are -
 - Normal Central Assistance
 - Special Central Assistance
 - One Time Special Central Assistance
 - Additional Central Assistance
- With their discontinuation, 52 projects of State were left incomplete with requirement of over ₹ 1000 cr [*eg. Greater Ampati WSS, New Shillong WSS, 100 bedded hospital at Dalu & Phulbari, New District Jail at Ampati & Khliehriat*]

Gol Schemes – Centrally Sponsored & Central Sector Schemes

- Sub Committee on [CSS](#) reduced number of schemes from 66 to 28
- 39 schemes delinked due to higher devolution of funds recommended by 14FC
- Specific Guidelines
- Pattern of funding - 90 percent Central & 10 percent State
- Process for acquiring financial grant
 - Preparation of Action Plans
 - Approvals & Sanction of Action Plans
 - Release of funds
- Flexi fund

Ministry of DoNER

- Non Lapsable Central Pool of Resources (NLCPR) – 90:10
- North East Special Infrastructure Development Scheme (NESIDS) – 100%
- NEC Assistance—
 - Old schemes – 90:10
 - Recent schemes – 100 % on selected [focused areas](#)
 - 30% for Backward Blocks
 - Scholarships
 - Festivals
- North East Road Sector Development Scheme ([NERSDS](#)) – Inter-State roads

On-going NLCPR Project

(₹ in crore)

Sector	No. of Projects	Approved Cost	Amount Released	Amount Utilised	Unutilised Amount
Education	18	123.05	57.96	53.19	4.77
Roads & Bridges	10	249.31	125.25	121.52	3.73
Water Supply	4	82.03	72.27	72.26	0.01
Power	1	36.72	23.14	23.14	0
Markets	2	22.40	7.06	6.33	0.73
Performing Arts	1	151.33	123.96	108.96	15.00
Sports	1	38.21	27.50	19.30	8.20
Police Welfare	1	17.21	4.63	0	4.63
Total	38	720.26	441.77	404.7	37.07

On-going NESIDS projects

(₹ in crore)

Department	No. of Projects	Approved Cost	Amount Released	Amount Utilised	Unutilised Amount
Roads & Bridges	2	45.45	27.30	18.07	9.23
Water Supply	3	123.06	78.58	23.83	54.75
Power	1	49.80	0.10	0	0.10
Health	2	30.02	4.11	0	4.11
Social Welfare	1	1.61	0.10	0	0.10
Total	9	249.94	110.19	41.90	68.29

Ministry of Tribal Affairs

- 100 percent funding
- Grants under Art. 275 (1) - ₹ 31 crore
- Special Central Assistance for Tribal Sub-Scheme - *discontinued*
- Special Central Assistance for Tribal Development - ₹ 26 crore
- NGO scheme - Social Welfare Department
- Post Matric Scholarship under Education Department
- Eklavya Model Residential Schools –
 - ₹ 24cr per school in all Blocks
 - 15 schools sanctioned so far
 - Sites for 25 schools underway

Ministry of Minority Affairs

- 100 percent funding
- Importants sanctioned schemes under MoMA includes –
 - Upgradation of PA Sangma Outdoor Stadium in Tura – 22.67 cr
 - Indoor Sports Hall at Damalgre – 24 cr
 - Indoor Sports Hall at Dakopgre – 25 cr
 - Outdoor Stadium at Dakopre – 25 cr
- Grants given for specific areas with minority population -
 - Tura Municipality
 - Selsella, Zigzag, Tikrikilla & Betasing

Submission of Documentations

- Funds released through Public Financial Management System (PFMS)
- Documents required to be furnished to GoI –
 - Quarterly Progress Reports
 - Utilisation Certificates
 - Completion Certificates
- Submission of above documents critical for release of subsequent instalments of funds

Externally Aided Projects

- Loan taken by GoI from
- State Government receives assistance in following form –
 - 80 percents comes as 90% grant and 10% loan
 - 20 percent as State's Counterpart funding
 - Total liability of the State is about 27 percent of project cost
- EAPs are the most important sources of driving the State's developmental efforts.

THANK YOU

