

Government of India
Ministry of Development of North Eastern Region

RAJYA SABHA
UNSTARRED QUESTION NO. 2282

To be answered on
Thursday, March, 20, 2025/Falguna 29, 1946 (Saka)

QUESTION

Underutilization of Funds for the Development of North-Eastern States

2282. Shri Derek O' Brien:

Will the Minister of DEVELOPMENT OF NORTH EASTERN REGION be pleased to state:

- (a) the details of funds allocated to the schemes for the development of North Eastern States in the last five years;
- (b) the percentage of funds utilised out of the funds allocated in the last five years;
- (c) the details of heads where significant funds remained underutilised;
- (d) the reasons for such underutilization of funds; and
- (e) the steps being taken to improve the utilisation of funds allocated for developmental programmes for North Eastern States?

ANSWER

The Minister of State of the Ministry of Development of North Eastern Region
(Dr. Sukanta Majumdar)

- (a) & (b) The details regarding funds allocated in the last five years to the schemes implemented by the Ministry for Development of North Eastern Region, for the development of north eastern states, and the percentage of funds utilised out of the funds allocated are as under:

(Rs. in crore)

Year	Revised Estimates (RE)	Actual Expenditure	% utilisation
2019-20	2670	2669.72	100.00%
2020-21	1860	1859.99	100.00%
2021-22	2658	2657.47	100.00%
2022-23	2755.05	1113.71	40.42%
2023-24	5892	1976.76	33.55%

(c) There was underutilization of funds only in 2022-23 and 2023-24. Scheme/ Head-wise details of utilisation of funds for the two years are at Annexure-I.

(d) Funds in FY 2022-23 & 2023-24 could not be fully utilized for multiple factors including – Resolution of issues faced during transition to a new system of Accounting/ Funds transfer adopted from 01.04.2022; unspent balances with state Govt. due to which fresh funds could not be released and Finalization of operational guidelines for newly introduced scheme. Further, utilization of allocated funds was also hampered due to delay in project implementation by State Government/ Implementation Agencies because of short working season on account of inclement weather conditions; difficulties in transportation of men and material due to difficult terrain; land acquisition issues etc. and also because of delay in submission of demand/ claims by the State Governments.

(e) To improve utilisation of funds allocated, web-based systems have been introduced to streamline the processes of selection, appraisal and approval of projects as well as for submission of claims/ demands by states/ IAs. Option for single-stage approval (direct submission of DPR) has been provided to States. Fund release framework has been streamlined with funds to be released in four equal installments based on utilization of previously released funds and physical progress. Sectors covered and financial limits for individual projects have been clearly defined for each scheme thus eliminating the overlap. Monitoring of ongoing projects through Project Quality Monitors (PQM) and Third-Party Technical Inspections (TPTI) has been introduced to ensure timely implementation of projects. These steps have proven to be effective as expenditure of Rs. 3397.91 crore (84.82% of RE), highest ever for the Ministry for a financial year, has been booked till February 2025.

Annexure-I

Scheme/ Head-wise Details of Utilization of Allocated Funds for 2022-23 and 2023-24						
Rs. in crores						
Name of Scheme	2022-23			2023-24		
	Revised Estimates (RE)	Actual Exp.	% utilisation	Revised Estimates (RE)	Actual Exp.	% utilisation
Schemes of North East Council	666.87	370.22	55.52	825.00	787.66	95.47
North East Special Infrastructure Development Scheme (NESIDS) [Including merged legacy schemes]	1459.51	486.94	33.36	2489.94	1040.25	41.78
Special Development Package - Bodoland Territorial Council (BTC)	30.00	6.42	21.40	100.00	14.96	14.96
Special Development Package - Karbi Anglong Autonomous Territorial Council (KAATC)	40.00	1.55	3.88	100.00	6.41	6.41
Special Development Package - Dima Hasao Territorial Council (DHATC)	35.00	5.96	17.03	100.00	25.08	25.08
Prime Minister's Development Initiative for North East Region (PM-DevINE)	400.00	121.19	30.30	2174.46	10.56	0.49
North East Entrepreneurship Development Scheme (NEEDS)	50.00	50.00	100.00	60.00	60.00	100.00
Investment in Power Grid (Bonus Share)	33.76	33.76	100.00			
Total (Schemes)	2715.14	1076.04	39.63	5849.40	1944.92	33.25
Non-Scheme	39.91	37.67	94.39	42.60	31.84	74.74
Grand Total	2755.05	1113.71	40.42	5892.00	1976.76	33.55