

- (b) if so, the reasons therefor;
- (c) whether Government is taking any strict step to bring about improvement therein;
- (d) if so, the details and the status thereof; and
- (e) the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) As per the Index of Industrial Production (IIP), the industrial sector recorded a growth of (-) 0.1% during April-June, 2012 as compared to a growth of 6.9% during April-June, 2011. The industrial sector slowdown has been due to combination of factors such as decline in business sentiment leading to lower investment and credit flow to industry, increasing inputs cost, infrastructure bottlenecks and global slowdown resulting in decline in demand for exports.

(c) to (e) Government has already taken several confidence building measure for improving the industrial climate and to boost the business sentiment in the country. The action plan of the Government to revive the economy and industry in particular, *inter-alia*, includes better access to finance for manufacturing sector, fast tracking of large investment projects in the areas of power, petroleum and gas, roads, coal, etc., strengthening of financial and banking sector, reducing the volatility of exchange rate, etc. Certain specific measures taken by the Government, *inter-alia*, include promoting Micro Small & Medium Enterprises (MSME) sector by way of higher allocation of funds, enhancing investment in the infrastructure sector focusing on Public Private Partnerships and introduction of a new National Manufacturing Policy, etc.

Steps to augment PEAIS

1311. SHRI MANI SHANKAR AIYAR: Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Ministry has spent its sanctioned outlay of Rs. 21.0 crore and Rs. 10.0 crore, respectively, in incentivizing Panchayati Raj Institutions and States, under the Panchayat Empowerment and Accountability Incentive Scheme (PEAIS);

(b) the Ministry's assessment of the effectiveness of the PEAIS at this low level of funding; and

(c) the efforts being taken to augment PEAIS funding in the Twelfth Five Year Plan period in the light of the Ministry having projected a requirement of Rs. 1,000 crore per annum for PEAIS?

THE MINISTER OF PANCHAYATI RAJ (SHRI V. KISHORE CHANDRA DEO):
(a) In 2011-12, Rs. 10 crore was spent on incentivization of States and Rs. 20.65 crore on incentivization of Panchayats out of the total sanctioned amount of Rs. 31 crore under the Panchayat Empowerment and Accountability Incentive Scheme (PEAIS).

(b) The financial incentive, in the form of National Awards provides recognition to States and Panchayats for steps taken by them.

(c) The outlay for Twelfth Five year Plan for PEAIS has not been finalized.

Extension of benefits of BRGF

1312. SHRI C.M. RAMESH: Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) the criteria being taken into account for extending the benefits of the Backward Regions Grant Fund (BRGF) to districts;

(b) whether any proposal received from the State Government of Andhra Pradesh to include any district in the State in the list of BRGF; and

(c) whether any *suo moto* decision has been taken to include any district from the State of Andhra Pradesh in the list of BRGF?

THE MINISTER OF PANCHAYATI RAJ (SHRI V. KISHORE CHANDRA DEO):
(a) The criteria for identification of districts for coverage under the Backward Regions Grant Fund (BRGF) is given in the Statement (*See below*).

(b) and (c) No, Sir.

Statement

Criteria for identification of districts for coverage under the Backward Regions Grant Fund (BRGF)

The list of 250 districts initially included under BRGF includes all the 200 districts covered by the first phase of the National Rural Employment Guarantee