



GOVERNMENT OF ORISSA

**SPEECH OF
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MINISTER, FINANCE
IN THE
ORISSA LEGISLATIVE ASSEMBLY
ON PRESENTING THE BUDGET
FOR THE
FINANCIAL YEAR, 2004-05**



The 5th July, 2004

Hon'ble Speaker, Sir,

Orissa has a glorious tradition of its art, culture, sculpture and religion in the whole of India from very ancient times. Its vast empire, once spread from the Ganges to the Godavari, and indomitable courage shown by the Oriyas in the famous Kalinga War find mention in the golden letters of the history. While welcoming all the Hon'ble Members of this august House as descendant of this glorious tradition, I seek the blessings of Lord Sri Jagannath, the presiding Deity of Orissa and epitome of all religions, creeds and faiths. I benignly pray before the Lord Sri Jagannath to bless all the Hon'ble Members of this House for giving them strength and ability to discharge their duties as well as to serve the people. I express my gratitude from the core of my heart to you and all the Hon'ble Members of this house for having given the opportunity of presenting the budget for 2004-05 in this august House.

2. I want to inform here that election to the Orissa Legislative Assembly was normally due to be held in February, 2005. But previous Central Government took a decision to dissolve the Lok Sabha and seek the mandate of the people. If we would not have held the election to the State Legislative Assembly simultaneously alongwith the election to the Lok Sabha, the election process for conducting the election to the Assembly would have started soon after rainy season. In this process model code of conduct would have been enforced twice in a single year – once for the election to the Lok Sabha and other for the election to the State Legislative Assembly. Operation of model code of conduct twice in a year as well as the intervening monsoon would have seriously affected the development process in the State. Keeping this in view and in order to reduce the expenditure on election, the State Government had decided to hold election to the Orissa Legislative Assembly in advance. Hence, instead of presenting full fledged budget for 2004-05 the State Government had presented a Vote-on-Account in February, 2004 and it has got the approval of Legislature. The Central Government had also presented Vote-on-Account budget for 2004-05 and it will take nearly 2 months to have the approval of the Parliament for the full fledged budget for 2004-05. Approval of the Legislature has been obtained to meet the essential day-to-day expenditure upto July, 2004 and it will take some

more time for passing of the full fledged budget of the Central Government. Therefore, the State Government have decided to present a full fledged budget for 2004-05.

3. Before giving an outlay of the shape of the budget for 2004-05, I would like to briefly indicate the difficult and critical financial situation of the State for information and appreciation of the Hon'ble Members.

4. It is natural that in a large democracy like India there is bound to be a gap between the aspiration of the people and the actual availability of resources. Despite our State being rich in natural mineral resources, the resources available are extremely limited and therefore, this gap between the aspiration of the people and availability of resources in our State is wide. But instead of being discouraged or disheartened we will continue to strive to increase our resources for fulfilling the hope and aspiration of the people of the State, particularly the weaker sections of the society. This budget is symbolic of those venturous efforts. But our resources cannot be augmented in one year through a magic or by any miracle nor the expenditure can be reduced at a time. Our objective is to accelerate the pace of development of the State without imposing undue burden of taxation on the common people and by compressing the revenue expenditure as far as possible.

5. Ideally the revenue receipts should be more than the revenue expenditure or at least the revenue expenditure should be limited within the revenue receipt, so that borrowings meant for developmental work can be utilized for capital investment and the revenue return from capital investment will help in payment of principal and interest for the loan obtained. But there is a large gap between revenue receipt and total revenue expenditure in our state. If we take revenue expenditure and revenue receipt into account, the revenue deficit per annum on an average is more than Rs.2000 crore. Since more than 70% of revenue receipt is used towards expenditure on salary, pension and interest payment, the balance revenue left is quite insufficient to meet essential expenditure and for developmental work. It may be pointed out here that when salary, pension and interest payment was 38.2% of the total revenue expenditure in 1980-81 it has risen to 60.4% in 1990-91 and 77.2% in 2002-03.

6. Due to structural imbalances between revenue receipt and the revenue expenditure of the state, the State Govt. is compelled to borrow on a larger scale from year to year to meet expenditure for developmental work. Since the gap between revenue receipt and revenue expenditure is increasing, a part of the loan meant for developmental work is being used up to meet this gap at the first instance. It is worthwhile to mention that while 24% of the gross borrowing was used up to meet the revenue deficit in 1984-85, it has risen to 72% in 2001-02. In the mean time since the State Govt. have taken a number of measures for augmentation of revenue and rationalization of revenue expenditure, this has reduced to 36% in 2002-03.

7. On account of the gap between revenue receipt and revenue expenditure being increasing, the Government is required to borrow on a larger scale to meet this increasing gap as a result the revenue expenditure of the state is increasing beyond expectation. While, the State Government's own revenue receipt was Rs. 206.29 crore, the total revenue receipt of the state was Rs. 621.35 crore in 1980-81 and Rs. 50.68 crore was being paid towards interest payment in that year which constituted 25% and 8% of the state's own revenue and state's total revenue respectively. Due to increasing gap between revenue receipt and revenue expenditure, the debt burden of the state is increasing beyond expectation. While the State's own revenue and total revenue were Rs.3833.01 crore and Rs.8438.77 crore respectively in 2002-03, the State had to incur expenditure of Rs.2885.59 crore towards payment of interest which was 75% and 34% of State's own revenue and total revenue respectively in that year. The financial situation of the state has reached a critical stage due to the rate in which revenue expenditure is increasing and the way in which the State Government is compelled to borrow on a larger scale from year to year. While the State Government have to pay 40% to 34% of the state's total revenue towards interest payment alone, the repayment of principal together with interest payment constitutes 53% to 42% of the state's total revenue.

8. At the time of estimating the financial resources for the annual plan, at the first instance we have to take into account State's own tax and own non-tax revenue, State's share in Central Taxes, Non-Plan revenue deficit grant

recommended by Finance Commission for that year and expenditure on salary, pension, interest, old age pension, food subsidy, maintenance expenditure on roads & building etc. Recovery of loans and advances given to Government servants and other organisations, other Capital receipt and repayment of the instalment of the loan incurred earlier are also taken into account. Since the repayment of the instalment of the principal is increasing from year to year, the gap between the Capital receipt and Capital expenditure is also increasing. In 2003-04 while the gap between the non-plan revenue receipt and non-plan revenue expenditure was nearly Rs.2127.00 crore, the gap between non-plan capital receipt and non-plan capital expenditure was estimated nearly at Rs.1057.00 crore. In other words there was a gap between non-plan receipt and non-plan expenditure to the extent of Rs.3184.00 crores and while the size of the State Plan was kept at Rs.3200.00 crore in 2003-04, loan to be incurred during the year was estimated at Rs.4486.00 crore.

9. Due to structural deficiencies in the finances of the state, with the increase in plan size the quantum of loan is also increasing. I believe that the Hon'ble members of this August House can appreciate the situation as to how we are incurring more loan from year to year due to increase in plan size. I am laying the Budget for the financial year, 2004-05 in an inexplicable financial situation of the State. I do not know whether it is my good luck or my bad luck. But I have no doubt that the financial condition of the State would definitely improve if we put in our combined efforts to improve the financial situation of the State. For this, I seek the help and co-operation of all the Hon'ble Members in this respect.

Strategy

10. (i) Our resources are limited but our main objective is to accelerated the pace of development of the State thereby reducing the number of people living below poverty line. So we have to make proper use of the limited resources at our disposal. The unproductive revenue expenditure has to be reduced and the saving accrued therefrom should be utilised for financing developmental work. For this, State Government aims at brining about improvement in fiscal management. All of us have to try to improve the critical financial position of the State which has been caused mainly due to rising non-plan revenue deficit, fiscal deficit and unsustainable debt burden. We have to put in all efforts to achieve

the target of development of the State by utilising the savings so generated in maintenance of roads, irrigation work and providing fund for social security, health, education, rural development and poverty reduction programme. Budget is a tool to achieve the long term objective of development of the State. So State Government have given priority and importance to the development of Agriculture, Irrigation, Rural Development, Poverty Eradication and Infrastructure Development.

(ii) The scope for raising the additional resources from internal source of the State is limited. Under these circumstances we will have to try to avail external aid in order to implement Long Term Project and Plans.

(iii) The State Government is laying emphasis on submission of utilisation certificate in time so that more assistance can be availed of from centre and other organisations.

(iv) On the other hand allocation has been provided in the State Budget to complete the projects which have remained incomplete for long time. We would get the benefit very soon out of the investment made in these projects which were otherwise languishing due to improper allocation of fund.

(v) State Government are also taking the following steps in order to leverage more assistance from the Centre.

(a) While the Central Grant to the KBK Districts during 1995-96 to 2000-01 was to the tune of Rs.47.00 crores per year, it has increased to Rs.100.00 crores in 2001-02, Rs.200.00 crores in 2002-03 and Rs.250.00 crores in 2003-04. What is most important is that the Central Assistance received for KBK Districts consisted of 70% of loan and 30% grant up to the year 2001-02. But from 2002-03, this has been a 100% grant. Besides this, additional funding @Rs.15.00 crores per year per district for different Socio Economic Development Programme will be made available for Ganjam & Mayurbhanj District already included in the list of Backward District Initiative programme under Rashtriya Srama Vikash Yojana (RSVY) launched by the Planning Commission, Government of India. In this respect the State Government have already received assistance of Rs.10 crore for Ganjam & Mayurbhanj District and also Rs.10 crore separately for Kandhamal District during 2003-04. State Government is continuing

its efforts to include other Backward Districts of the State under the Backward Districts Initiative of RSVY.

(b) Despite the provision for revision of the rate of royalty on coal and other minerals at the expiry of three years, Central Government are not revising the rate of royalty in time. The royalty rate on coal was revised on 11.10.1994. It was due for revision in October' 1997 but was actually revised only from 16.08.2002 after a lapse of 8 years. For other major minerals the revision of rate of royalty was given effect to from 17.02.1992 and then from 11.04.1997 and 12.09.2000. The next revision was due w.e.f. 12.09.2003, but so far the revision has not been done in this respect. The State Government have put forth their demand before the Central Government to ensure the revision rate of royalty on coal and other minerals in time and also demanded that the enhance of royalty on F & G grade coal should be in proportion to the enhancement of rate of royalty on A & B grade coal. Besides this, the State Government have also demanded before the Central Government and the 12th Finance Commission to compensate the loss the State Government has suffered due to non revision of rate of royalty in time. Steps are being taken to reiterate this demand before the Central Government again.

(vi) This Budget has four main objectives:-

- 1-Poverty Eradication
- 2-Providing social security to the weaker section of the society.
- 3-Speedy development of the State.
- 4-Proper and Optimum utilisation of the resources

Our main objective is how to reduce unproductive non-plan revenue expenditure and mobilise more revenues through fiscal reforms. Serious mismatch has developed in our fiscal system mainly because due importance has not been given to fiscal management during the last several years. This can't be solved in one year. The State Government is trying to bring structural changes in the State finances. Help and co-operation of one and all is required for its successful implementation. On its successful implementation, the revenue receipt would take care of the revenue expenditure, as a result the loans and assistance

received from different sources, instead of being diverted otherwise, can be utilised only for developmental work.

Keeping the aforesaid objectives in view, our Government have tried to formulate the Budget proposals for the financial year 2004-05.

State
Plan

11. The Plan outlay of Orissa for 2003-04 was approved by Planning Commission at Rs.3200.00 crore. Keeping in view the availability of resources of the State, later it was revised to Rs.2714.50 crore. As per the preliminary information available expenditure of Rs. 2436.58 crore has been incurred under State Plan. Keeping in view the availability of limited resources, now the State plan outlay for the financial year, 2004-05 has been decided to be kept at Rs.3250.00 crore. Out of this Rs.3250.00 crore while a sum of Rs.2963.56 crore has been kept in the State Budget, a sum of Rs.286.44 crore have been estimated in the Budget of GRIDCO, OHPC, OPGC and OSRTC as plan outlay in their Budget. There may be some changes in the plan outlay after discussion by Hon'ble Chief Minister with Deputy Chairman Planning Commission.

Thrust
areas

12. Our resources are limited but responsibilities are many. Despite being rich in mineral, forest and marine resources, Orissa continues to be a backward State in the Country. It is nothing but an irony of the fate. Under this backdrop, we have to unitedly put in our efforts for overall development of the State and we have to pledge ourselves to fulfil the dream of building a new and prosperous Orissa. This Government is committed to develop Orissa to a prosperous and advanced State, the map for which was drawn by Shri Biju Patnaik, the legendary and worthy son of the State. I want to mention here at this stage that people have reposed their faith and confidence in this Government by giving their mandate in the last election and by voting back this Government again to power. While thanking the people for their massive mandate, I assure in this August House that State Government would give priority for fulfilling their hopes and aspiration.

- The mandate given by people in favour of an active, clean and corruption free government will be honoured and shall continue.
- The government is giving priority on augmentation of the revenue of the state through fiscal reforms and to enhance the per capita income along

with improving the financial status of the weaker section of the people living below the poverty line and to provide opportunity for self-employment of the educated un-employed.

- A number of measures are being taken to provide social security to the socially and economically weaker section of the society and to ensure upliftment their financial condition.
- Government has taken steps to grant pension to freedom fighters who have participated in freedom struggle but have not gone to jails and the freedom fighters who participated in the Goa liberation movement.
- In order to remove financial disparity and regional imbalances within the state the government have constituted a committee under the chairmanship of a retired Judge of the High Court and would act according to the recommendation of the committee.
- A numbers of programmes are being implemented in the state in the field of Agriculture, Animal Resources, Irrigation, Fishery and Horticulture. It would help the youth to attain self-dependence.
- Emphasis is being given for creation of self-employment opportunity for the educated youth by expanding the field of information technology through appropriate incentives.
- The Government is making all efforts to make Orissa an industrially advanced state and providing all facilities and infrastructure to the interested entrepreneurs who intend to establish their industries in Orissa. Steps are being taken to implement single window system in the State to encourage establishment of new industries. Our Agricultural produces and Minerals will be properly utilised by establishment of Agro based and Mineral based industries in the State. These value additions will strengthen the economy of the State.
- You will be happy to know that 44% of the Plan Outlay have been earmarked for Agriculture, Irrigation, Poverty Alleviation, Rural Development and Infrastructure Development.
- It is expected that standard of living of the people will be improved by providing health services, primary education, drinking water,

development of road and rural electrification. Therefore, the Government is committed to increase investment in these sectors.

- Emphasis is being given to complete the incomplete projects on priority basis instead of starting new projects. We would also take steps to implement long term project and plans by accessing to the funds from the external funding agencies.
- Steps are being taken for development of infrastructure for tourism industry and to improve the communication facilities to the places of tourist importance. Similarly, due attention would be given for protection of the old monuments.
- Emphasis is being given to complete the projects taken up under central plan scheme, centrally sponsored plan schemes and externally aided projects and importance is also being given on timely submission of utilisation certificates.
- Government is paying special attention to the development of KBK areas and it is expected that these areas will catch up with other areas of the state in the field of agriculture and industries.
- Steps will be taken to revive the loss making public sector undertakings, so that these are turned around into a profit making ones. Decisions have been taken to privatise the public sector undertakings which are incurring recurring losses.
- Along with improving transparency and delivery of services through administrative reforms and e-governance, state government is taking various steps to strengthen the vigilance department in order to root out corruption.

Highlights
of the
State
Plan

13. Now I want to place before you some broad highlights of the state plan outlay of Rs. 3250.00 cr.

(Rs. in Crore)

Provision for Externally Aided Project	716.81
For urban water supply to be financed by loans from LIC under H & UD Deptt.	24.52
For Housing schemes to be financed by loans by GIC under H & UD Deptt.	11.83
Loan under Long Term Action under Co-operation Deptt.	11.16

NABARD assisted different RIDF Projects	271.50
Prime Minister Gramodaya Yojana.	121.67
For different Project under KBK	373.50
Accelerated Irrigation Benefit Programme	200.00
Slum Development	7.21
Development of roads through assistance from Central Road Fund	31.61
Accelerated Power Development Reform Programme (APDRP)	169.98
Rural Electrification	67.20
Grants-in-aid under article 275- (i) of the Constitution of India for development of SC/ST .	28.78
ITDA (ITDA Project) (TSP)	65.48
For strengthening Urban Infrastructure (out of ISUI)	9.81
Computerisation of Registration Offices (Out of ISUI)	1.00
Arnapurna Yojana	5.22
National Old age pension and national family benefit schemes	45.36
Nutrition for Adolescent & Girls	7.82
Specific projects to be financed from special ACA by Planning Commission	95.00
State's Share under Centrally Sponsored Plan Schemes.	287.80
MLA - LAD	73.50
Grants to Western Orissa Development Council	30.00
Constituency-wise allocation for Rural Roads	14.50
Special Problem Fund	10.00
Subsidy	13.65
Scholarship for SC/ST Students (excluding from KBK & ITDA of Rs. 9.40 cr.)	27.58
Mid day Meal	9.50
Supplementary Nutrition	5.00
State Capital Projects	5.80
Infant Mortality Reduction Scheme	1.00
Mission Sakti	1.00
Micro Planning	5.00
11th Finance Commissions recommendation for up gradation of standard of administration and special programme.	5.19
Provision for Schools under Urban Local Bodies declared as Government	9.00

Schools.	
Others	199.58
Provision in the budget of public sectors	286.44
Total	3250.00

14. The Non-Plan revenue expenditure has been estimated at Rs.11,661.26 crore for the financial year 2004-05. Now I am indicating some highlights of Non Plan revenue expenditure.

Some Highlights of Non-Plan revenue Expenditure

(Rs. in Crores)	
Interest Payment on the loan obtained from Government of India and other organizations.	3461.91
Pension and other retirement benefits	1597.09
While there was a provision of Rs.126.72 crore towards Relief Expenditure in the budget estimate of 2003-04 this has been enhanced to Rs.333.06 crores in the budget of 2004-05.	333.06
Old Age Pension	79.95
Pension for Disabled Persons	13.50
Scholarship for SC/ST Students	21.78
Foods Subsidy	40.00
Grants for Panchayati Raj Institutions under the award of 11th Finance Commission	69.12
State's Share for the Grant of 11th Finance Commission towards Panchayati Raj Institutions.	17.28
The Grants for the Urban Local Bodies recommended by the 11th Finance Commission	7.99
For maintenance of Roads under the Urban Local Bodies	15.00
Provision for VRS for the Employees of different Public Sector Undertakings and Co-operatives to be financed by the DFID	100.00
Maintenance of Capital assets	586.16

Central & Centrally Sponsored Plan Scheme

15. As per the indication available from different Ministries of Govt. of India, Rs. 466.55 crs. and Rs. 192.79 crore have been provided in the budget for the financial year 2004-05 for Central Plan Scheme & Centrally Sponsored Plan Schemes respectively.

Some Highlights of the budget of 2004-05

16. Hon'ble Members of the House would be able to know in detail the different plans and programs undertaken by the Govt. at the time of discussion on

department wise budget provision. Now I am giving indication about some of the important provisions made in the State Budget.

Irrigation

17.(i) Orissa is an agrarian state and about 70% of its population depend on Agriculture. The development of State is not possible without the development of Agriculture. The Govt. is taking all possible steps for extending irrigation facilities to the farmers. Often natural calamities like cyclone and flood have devastated the economic conditions of the states. So Govt. is taking various steps for effective flood control and for strengthening the river embankments.

(ii) It has been assessed that out of 65.59 lakh hectare of cultivable land 59 lakh hectare in the State can be brought under irrigation. I want to point out here that after coming to power, our B.J.D.-B.J.P Government have been able to create additional irrigation potential of 1,95,850 hectares by the end of June, 2004 and altogether irrigation facilities have been created to provided irrigation to 26,51,525 hectare land. It has been targeted to create additional irrigation potential for 58,483 hectare from July, 2004 to June, 2005.

(iii) For accelerating the creation of Irrigation facilities and flood control, a total allocation of Rs. 487.04 crore has been kept under state plan for the financial year 2004-05. Out of this, the provision of Rs. 88.92 crore kept for medium irrigation includes Rs. 50 crore for Biju Krushak Yojana and Rs.10 crore under accelerated irrigation benefit programme.

(iv) Rs. 31.72 crore for flood control , Rs. 7 crore for water rate subsidy to lift irrigation corporation, Rs. 38.76 crore for maintenance for minor irrigation and Rs. 94.94 crore for maintenance of major and medium irrigation work have been provided under Non-Plan in the current year.

(v) What is worth mentioning is that previously the money provided in the budget for maintenance of irrigation project was not being utilized properly. State Government have taken reform measures for establishment of Pani Panchayats for proper and timely maintenance of the irrigation projects. In the mean time 10600 Pani Panchayats have been formed covering 8.79 hectare of the irrigated land. In the meantime the maintenance of canals have been handed over to 8013 Pani Panchayats covering 5.63 lakh hectare of irrigated land.

Agriculture

18. Agriculture contributes nearly 30% of our State Domestic Product and 70% of our households depends on agriculture for their livelihood. Rapid growth and transformation of the agriculture sector is, therefore, imperative for achieving any significant growth rate in incomes and employment. Government, therefore, accords the highest priority to the development of the Agriculture sector. Increasing diversion for production of cash crops and transfer of latest technical know-how are the twin objectives of development of agriculture in the State. Provision has been made in this budget under State Plan and Central Plan to provide needed incentive to the farmers to achieve these goals.

(ii) The programme for encouraging the farmers to take up Shallow and Medium Tube Wells and Bore Wells in their fields for providing captive irrigation has been quite successful. Realising this, Government have submitted two project proposals to NABARD for digging of 36,000 Shallow and Medium Tube Wells. A provision of Rs. 1500.00 lakh has been kept in the Budget Estimates of the current financial year for execution of the programme.

(iii) The Agro Service Centres established in the super cyclone affected areas with World Bank assistance have been hugely successful in making available the much needed agricultural machineries to the farmers through custom hiring. With a view to replicating this in other areas, the Government intend to establish 250 Agro Service Centres in the State during the current year. Rs. 423.88 lakhs have been provided for “Self-Employment Programme” under the State Plan and a total amount of Rs.2685.92 lakhs have been provided for Special Development of KBK Districts under the RLTA.

(iv) Watershed Development Programme is being given high priority since 2000-01. The Budget Estimate for 2004-05 provides Rs.300.00 lakhs under Work Plan, Rs.59.00 lakhs under IWDP, Rs.150.77 lakhs under DPAP and Rs.2037.50 lakhs under the Special Development Programme for KBK area under RLTA for Watershed development in the State. The Watershed Development Mission has been adequately strengthened recently by providing it with the requisite technical staff for which a grant-in-aid of Rs.43.00 lakhs has also been provided in the Agriculture Department’s Budget for 2004-05. On the whole Rs.57.00

crore under State Plan and Rs.181.76 crore under Non-Plan have been provided for Agriculture Department in the Budget Estimate of 2004-05.

Fisheries
& Animal
Resources
Dev..Deptt

19.i) Nature has gifted Orissa with one of the richest fishery resources with tremendous scope of fish production together with employment and income generation for socio-economic prosperity.

ii) State Government have taken a number of steps for development of fishery in the State. With launching RLTAAP and formulation of new reservoir fishery of the State, the target of production of 67 crore fingerlings has been kept for the year 2004-05.

iii) During the year 2004-05 emphasis has been given for development of women under FFDA scheme. Out of the programme component of Rs.180.28 lakhs under FFDA and BFDA scheme Rs.35.00 lakhs has been earmarked for development of women beneficiaries. Besides, a special programme "Support of training and Employment programme for women" has been launched during 2003-04 by Government of India. This project envisages formation of Fisher women cooperatives under Marine Sector in the coastal districts and integrated training of the fisher-women member in the field of hygienic dry fish preparation, health, education, sanitation, management of cooperatives including marketing.

iv) Animal Husbandry & Dairy Development sector plays an important role for raising the socio-economic standard in rural areas. The State Agricultural Policy has emphasized for increasing production of milk, egg and meat in the State and production of quality animals and birds by adopting modern technology on breeding, feeding and management practices. Special emphasis has been given for higher production of vaccine by strengthening the vaccine production infrastructure of the Biological Products Institute.

v) Rs.7.81 crores under State Plan and Rs. 97.02 crores under Non-Plan have been provided in the Budget for 2004-05 for development of Animal Resources and Pisciculture in the State.

Forest

20. The large population of the State belonging to Scheduled Tribes depend on the forest resources of the State for their livelihood. Continuous degradation

of Forest resources is a matter of serious concern. For this emphasis is being laid on constitution of V.S.S. involving the local people in the Protection and Management of Forest through Joint Forest Management. Upto September, 2003, a total number of 7002 nos. of V.S.S have been formed in the State and 6,68,894.09 ha. Of Forest areas have been covered under protection by these V.S.S. Rs.25 crore for JBIC Assisted Orissa Forest Sector Development Project, Rs.2.67 crore for SIDA Assisted Capacity Building for Management of Degraded Forest and Rs.24 crore for Plantation in 13085 hectare of land in KBK District have been provided in State Plan. Rs.60.83 crore under State Plan and Rs.80.82 under Non-Plan have been provided in the Budget for 2004-05 for the Forest Department as a whole.

Panchayati
Raj

21 i). Panchayati Raj Department implements various poverty alleviation scheme for economic development of rural people. These schemes aim at enhancement of income generation by way of self employment and providing wage employment for the rural people. While in the original Budget of 2003-04 Rs.157.18 crore were provided under State Plan, this has been enhanced to Rs.228.98 crore in the current year's budget. The funding pattern of the schemes continuing under CSP is in the ratio of 75:25 between the Central Government and State Government respectively. In order to leverage larger Central assistance from the Centre, while Rs.89.67 crore were provided in the original Budget of 2003-04 for State's Share under Centrally Sponsored Projects like SGRY, SGSY, IAY etc. this has been increased to Rs.220.31 crore in the Current year Budget, 2004-05.

ii) The main objective of SGRY is to provide wage employment and to make the rural people independent on food security. Besides, the secondary objectives is to create durable social and economic assets / infrastructure in rural areas. I want to inform here that 618.57 lakh man-days have been generated utilizing 314781.36 MT of rice with cash expenditure of Rs.38608.74 lakh during 2003-04. For the year 2004-05, 595.65 lakh man-days are likely to be generated with a financial allocation of Rs.35423.07 lakh and 2,95,504 MT of rice.

iii) A new programme known as "Market, Road & Water" is being implemented from the financial year 2003-04 by Panchayati Raj Department.

Gramin
Swarajagar
yojana

The main aim of the project is to construct shop houses in the populous area at the Panchayat level and their subsequent transfer to unemployed ST & SC youth, communication facilities to every village of Gram Panchayat and renovation of old tanks and their subsequent transfer to Women Self-Help Group.

iv) 22.57% of the fund available under SGRY is being invested in a scheme which is known as Biju Grameen Bazar Yojana. Keeping in view the achievement of last year, fund has been earmarked this year from the Welfare Fund of Zila Parishad and Panchayat Samiti for implementation of this project in current year.

Women
& Child
Dev.
Deptt.

22. By end of 1998-99, 5,30,000 helpless old men and women were getting pension under State Old Age Pension Scheme out of which 1,41,676 beneficiaries were from KBK Districts, 10,000 beneficiaries in 1999-2000, 50,000 in 2000-01 and another 50,000 in 2002-03, thus totalling to 1,10,000 beneficiaries have been provided pension out of which 22,850 are from KBK districts. Similarly it has been targeted to include 35,000 more beneficiaries in this scheme during the current financial year out of which 7050 are from KBK districts. Now including 171578 beneficiaries of KBK districts total 6,75,000 people will be benefited by State Old Age Scheme. Similarly it has been targeted to increase the beneficiaries under Orissa Disable Scheme by 15,000 and it is expected that by the end of 2004-05 it will reach 1,15,000. Besides this, 4,93,400 beneficiaries are being benefited through National Old Age Scheme out of which beneficiaries from KBK districts are 2,16,984. All old age and disabled pensioners are getting their pensions every month on one single day called "Jana Seva Divas" – 15th of each month – throughout the State.

(ii) A Pilot Project under the 'National Nutrition Mission' has been launched in Koraput and Kalahandi districts to provide @ 6 kg. Free rice to 1,19,121 under-nourished adolescent girls and pregnant and lactating women. The scheme shall continue during 2004-05 for which Rs. 537.51 lakhs has been provided.

(iii) Orissa has been brought under the World Bank assisted Central Plan ICDS Project for which Rs. 2108.61 lakh will be provided by the Government of

India. For the year 2004-05 a sum of Rs. 2108.61 lakh has been provided for the purpose. Under the project, construction of Anganwadi and Project buildings, installation of hand pumps etc. and other programme relating to children will be taken up. The rates of scholarship to disabled students studying in schools / colleges have been raised from Rs. 300.00 to Rs. 500.00 per annum from the financial year 2004-05.

(iv) 1,19,994 new Women's SHGs have been formed in the State under 'Mission Shakti' with around 15 lakh members generating savings amounting to Rs. 46 crore. Besides this, 45,000 Women's SHGs have been provided with Rs.75 crore as institutional credit. About 5780 weak WSHGs in the State have been provided financial assistance amounting to Rs.2.89 crores for initiating them into sustainable economic activities during 2003-04.

(v) For the financial year, 2004-05 Rs.156.53 crore under State Plan, Rs.169.46 crores under Central Plan, Rs.0.06 crore under Centrally Sponsored Plan and Rs.112.68 crore under Non-Plan have been provided for Women and Child Welfare Department.

Tribal &
Harijan
Welfare

23. i) Economic development and Social empowerment of the Scheduled Castes & Scheduled Tribes of the State has been a priority concern of our Government. 218 High schools including 55 Girls' High Schools, 149 Ashram Schools including 37 Kanyashrams, 10 Model Tribal Schools for Tribal students, 143 residential schools and 1548 Primary Schools Hostels are functioning in the State to provide educational opportunities to ST & SC children. Besides 400 ST Girls Hostel in KBK areas under RLTAAP have been made fully functional. Free distribution of Nationalised Text Books, and Writing Materials, garments and free coaching to the SC, ST students are being ensured. Scholarship are being awarded to ST and SC students each year. Rs. 21.87 crore & Rs.36.98 Crore have been provided in the Budget for the year 2004-05 under Non-Plan and State Plan Sector respectively to provide Scholarship and Stipend to ST & SC students.

ii) For integrated development of the Scheduled areas and Scheduled Tribe people, a programme named "Orissa Tribal Empowerment and Livelihood Programme "OTELP" has been launched w.e.f 15.7.2003 with a proposed outlay of Rs.430.73 crore in 30 tribal blocks of Koraput, Rayagada, Malkanagiri,

Nawarangpur, Kalahandi, Gajapati and Kandhamal districts with assistance from IFAD , DFID and WFP. Rs. 30.00 crores have been provided in the current years' Budget for this purpose.

iii) On the whole Rs.166.11 crore under State Plan & Rs.104.83 crore under Non-Plan have been provided in the Budget of the current year for development of Scheduled Tribe, Scheduled Caste and Economically Backward people of the State.

Health &
Family
Welfare

24. i) Hon'ble Prime Minister of India has laid the foundation stone of Netaji Subash Chandra Bose All India Institute of Medical Sciences on 15.7.2203 at Sijua, Bhubaneswar. The State Govt. have provided 100 acres of land to the Govt. of India free of cost for this special hospital. When made functional, it will create a new chapter in providing modern health care facilities to the people of the State.

ii) There are 3 medical colleges in the State. No objection certificates have been issued in favour of 11 (eleven) organisations for establishment of Medical Colleges and Hospitals in Private Sector. In the meantime steps have been taken for establishment of 3 medical colleges in Balangir, Bhawanipatna and Rourkela in collaboration with private sponsors and with active support of Western Orissa Development Council. For this purpose, State Govt. will provide 25 acres of land free of cost and Western Orissa Development Council will provide Rs.10 crore in 3 years to these 3 Medical Colleges. The long standing demand of the People of Western Orissa is going to be fulfilled. This has become possible due to personal initiative of our Hon'ble Chief Minister Mr. Naveen Pattnaik.

iii) The State Government have launched "Infant Mortality Reduction Mission" since August, 2001 with the objective of reducing the Infant Mortality Rate to 60 per one thousand live births by 2005. Govt. have encouraged institutional delivery by way of reimbursing the cost of transportation for safe delivery which will go a long way in reducing the Infant Mortality Rate. There is a provision Rs.100 lakh during the current financial year for reduction of Infant Mortality Rate.

iv) The Eleventh Finance Commission have awarded a sum of Rs.24 crore for establishment of 8 Regional Diagnostic Centres in the State for upgradation

of the standard of health care services. The construction of buildings of all the centers has been completed and would be operational shortly.

v) Rs.193.39 crore under State Plan and Rs.380.22 crore under Non-Plan have been provided in the current year's budget for Health & Family Welfare Department as a whole.

25. (i) For all round development of human society, education, especially primary and upper primary education plays a vital role. You will be happy to know that a special crash project of Accelerated Female Literacy Programme (AFLP) with full central assistance from National Literacy Mission has been launched in KBK and Gajapati districts under the direct supervision of the State Literacy Mission Authority. About 9-10 lakh non-literate women are expected to be made literate under AFLP.

(ii) In order to Universalise Elementary Education, District Primary Education Programme has been introduced. Originally, this Education Programme was being implemented in 8 districts with World Bank assistance. There-after this programme has been extended to 8 more districts. The assistance from World Bank-DFID is being received directly by the District Primary Education Programme Authority through Government of India outside the State budget. For this, Rs.109.38 crore was received by the District Primary Education Programme Authority in 2003-04.

(iii) A Centrally Sponsored Plan Scheme "Sarva Sikhya Abhiyan" is being implemented in all the 30 districts of the State since 2002-03. The District Primary Education Programme (DPEP) Authority has directly received Rs.130.95 crore from Government of India outside the State budget during 2003-04 and Rs.18.86 crore was provided through State budget towards State's matching share and Rs.158.12 crore has been spent by the DPEP Authority during 2003-04. In the current year budget, a provision of Rs.23 crore has been made towards State's matching share for Sarva Sikhya Abhiyan.

(iv) Similarly, steps are being taken to engage Swechha Sebi Sikhya Sahayak through Village Education Committee paying remuneration of Rs.1500/- per month against the regular vacancies of primary school teachers.

(v) Rs.9 crore for the schools under Urban Local Bodies declared as Government schools, and Rs.5 crore for the newly eligible High Schools notified for eligible to block grant have been provided under State Plan in the current year budget.

As a whole, for School & Mass Education Department Rs.89.72 crore under State Plan and Rs.1515.44 crore under Non-Plan has been provided in the current financial year.

Rural
Development

26. (i) Government is giving priority for construction of roads, important buildings, safe drinking water and sanitation in rural areas for improving the living condition of the people in rural areas.

(ii) After providing drinking water facilities in all 1,14,099 habitations identified through 1996-97 survey the State Government have also provided drinking water facilities in 10,487 habitations during 2003-04 out of 22,300 habitations identified by the District Collectors. In 2004-05 financial year out of 417 Water Supply Projects proposed to be taken up, nearly 300 projects have been targeted to be completed. Besides, there is a target for installation of 14,894 tube-wells and 400 sanitation wells. For this, in the current year budget, there is a provision of Rs.59.53 crore under Rural Water Supply Scheme.

(iii) Under Rural Sanitation Programme, one massive project, namely, total sanitation campaign was being implemented in 15 districts of the State. By end of March, 2004, 4,25,275 private latrines, 15,052 latrines in schools, 486 latrines for ladies, 45 Sulabha Sauchalaya and 311 centres for production of sanitation goods have been established through voluntary organisations, Zilla Parishads and District Sanitation Mission. In 2004-05, there is a target for construction of 740000 private latrines, 12,342 latrines in schools and 300 latrines for ladies. The National Project Steering Committee have approved in principle to include more 9 districts under sanitation campaign. During the current financial year, there is a provision of Rs.5.04 crore towards State's matching share.

(iv) There was a target to complete 188 roads and bridges in KBK districts during 2003-04 and by end of March, 2004, 114 projects have been completed. In 2004-05 financial year, the budget provision has been made to complete 70

projects in KBK districts. There is a target to complete 50 projects and 31 roads during 2004-05 under the financial assistance of NABARD. For all these NABARD assisted projects, there is a budget provision of Rs.67.85 crore during 2004-05 and for Rural Development as a whole, there is a budget provision of Rs.162.36 crore under State Plan.

Works

27. (i) 25 bridges and 94 roads covering 526 Kms. have been completed during 2003-04. In the current year, there is a provision of Rs.175.14 crore under State Plan. This includes Rs.96.04 crore for the NABARD assisted projects, Rs.20.00 crore for the projects anticipated to be funded by JBIC, Japan and World Bank and Rs.31.61 crore to be financed from Central Road Fund.

(ii) In addition to 7 roads of tourist importance, 8 bridges and one road costing above Rs.4.00 crore each have been targeted to be completed during 2004-05.

Housing &
Urban
Development

28. The Housing & Urban Development Department are implementing a number of Schemes under State Plan, Central Plan, Centrally Sponsored Plan and Non-Plan Schemes for improving the quality of living and comfort of 55 lakhs people living in 103 Urban Local Bodies. While the expenditure under State Plan during 2003-04 was Rs.43.46 crore for Housing & Urban Development Department, a provision of Rs.101.12 crore has been made during the current financial year 2004-05 for the Department. Rs.7.21 crore for Slum Development and Rs.8.00 crore has been provided for completion of the Urban Water Supply Schemes in Titilagarh, Rourkela and Angul.

Special
Connectivity
Programme

29. (i) You will be happy to know that with the active support of Government of India, a Special Connectivity Programme in KBK Districts has been conceptualised to be implemented in 3 phases. The first phase programme envisages to provide connectivity to all un-connected habitations having population of more than 1000 and 347 un-connected Gram Panchayats irrespective of their population status. Government of India have already approved, in principle, the first phase of the proposal with the estimated cost of Rs.828.10 crore and implementation of the Phase-1 of the Special Rural Connectivity has started from the year 2003-04.

(ii) In the 2nd and 3rd phase, it is proposed to provide all-weather connectivity to all habitations with population less than 1000 and upto 250 and to upgrade major arterial roads, viz State Highways, Major District Roads and Other District Roads. A revised proposal in this regard shall be shortly submitted to Planning Commission, Government of India.

(iii) The Revised Long Term Action Plan (RLTAP) forms an integral component of Rastriya Sam Vikash Yojana (RSVY), a new initiative launched by the Planning Commission, Government of India during the Tenth Plan Period with a view to accelerating development of identified backward areas as well as reducing regional imbalances through special grants from Government of India.

The Government of India, Planning Commission have included Ganjam and Mayurbhanj districts of Orissa in “ Backward District Initiative” of RSVY effective from the year 2003-04. As per the norm prescribed by the Planning Commission, each of the identified districts would receive additional funding @ Rs.15.00 crore per year for over a period of three years commencing from 2003-04. In March, 2004 Government of India, Ministry of Finance, Department of Expenditure have released Rs.10.00 crore of Special Central Assistance to State Government. The above amount of Special Central Assistance has been released to DRDA, Ganjam and Mayurbhanj districts.

Gajpati District has also been included under Backward District Initiative (BDI) of Rastriya Sam Vikash Yojana (RSVY) from 2004-05 by Planning Commission. The State Government has requested the Planning Commission also to include Kandhamal, Sundargarh and Keonjhar districts under the Backward District Initiative of RSVY.

30. The State Government have been sincerely making efforts to reduce the regional disparity. For different development work of the Western Orissa, the State Government has been providing Rs.50.00 crore every year to Western Orissa Development Council. For the time being, Rs.30.00 crore has been provided and Rs.20.00 crpre would be provided at the time of Supplementary Statement of Expenditure.

Western Orissa Development Council in the meantime have taken-up a number of infrastructure development projects. These include special emphasis on creation of irrigation facilities. The programmes executed by Western Orissa Development Council includes renovation and improvement of 154 Minor Irrigation Projects at a cost of Rs.27.46 crore, 223 Check Dam/Diversion Weir at a cost of Rs.16.54 crore and installation of 266 Lift Irrigation points at a cost of Rs.19.36 crore.

Information
Technology –
Self-employment
for educated
youths

31. In order to give a dent to the problem of unemployment problem among the educated youths, Department of Information Technology have proposed two innovative self-employment schemes viz (i) Information Kiosks and (ii) Business Process Outsourcing (BPO) Complex. For this, under State Plan there is a provision of Rs.4.68 crore and Rs.1.20 crore respectively. Steps have been taken to provide self-employment to nearly 1000 educated unemployed youths during 2004-05. The Orissa Computer Application Centre (OCAC), Bhubaneswar will provide free need based specialized computer training for two weeks to the entrepreneurs. In 2003-04 while Rs.3.74 crore was spent under State Plan for Information Technology, a provision of Rs.7.10 crore has been made during the current financial year for the sector.

Textiles and
Handloom
Industries

32. While for the Village and Small Scale Industries there is a budget provision of Rs.4.75 crore under State Plan, for revival and improvement of Handloom sector there is a budget provision of Rs.15.00 crore to be funded from NCDC outside the normal State Plan.

Revenue

33. In order to bring the Revenue Administration closer to the people and for the convenience of general public, State Government have decided to integrate the Settlement and Consolidation work with the Tahasil and rationalize the Revenue Administration at the Directorate, District, Sub-Division and Tahasil levels.

14 Registration Offices have been fully computerised so far at a cost of Rs.1.00 crore. There has been a target of computerisation of 13 more

Registration Offices during the year 2004-05 and for this, Rs.1.00 crore has been provided in the budget.

Home

34. In order to effectively meet the Naxalite Terrorism, State Government have deployed Central Reserve Police Force and at the same time a new Battalion has been established. On request of the State Government, the Central Government have decided to establish a Second India Protection Force and for this Rs.3.25 crore has been sanctioned. It is proposed to establish this Battalion in Sundargarh District. On this account, altogether Rs.13.00 crore of Central Assistance would be available. In accordance with the recommendation of the Hon'ble High Court, 64 Fast Track Courts in the first phase and in the second phase 8 more Fast Track Courts would be established. By now 30 Fast Track Courts have been established and these Courts have so far disposed off 13328 cases. With the utilisation of the grant recommended by the Eleventh Finance Commission, the balance Fast Track Courts will be established.

Similarly, in order to make the illiterate prisoners literate, Literacy Programme has been launched in the Jails. After proper counselling 107 prisoners have been released in 2003 before the stipulated time. For the children accompanying the mother prisoners, the functioning of a hostel has started in the Special Jail at Bhubaneswar.

Public
Enterprises

35. (i) Government, as a matter of policy, has pursued the policy of selective privatisation / disinvestment of loss making Public and Co-operative enterprises operating in 'non-core' sectors. The primary objective of Government's privatisation policy has been to revive potentially viable loss making enterprises. As a part of the strategic policy choice, we have consciously opted for a model of privatisation to secure the interest of the workers and to create opportunities for further job creation by catalysing the dynamism of the private enterprise. Government will continue to pursue this policy during the next five years.

(ii) Government has also identified a set of core enterprises which will continue to operate in the domain of the public sector. Efforts will be made by Government to provide these enterprises optimum managerial autonomy so that they can run on sound commercial principles.

(iii) A grant of 30 Million Pounds has been committed by DFID, UK to assist the State Government in carrying out this comprehensive Public Enterprise Reform Programme.

Culture

36. The Department of Culture aims at preserving and promoting the rich cultural heritage of the State. For effective implementation of the programme, there is a budget provision of Rs.223.40 lakh under the State Plan in the current year's budget.

You will be happy to know that "Kalamandal" a multi purpose Culture Complex is under construction at the State Capital, Bhubaneswar with the assistance from Government of India. On completion of this Complex, it would be of great help to promote and propagate the art and culture of the State,

In order to promote and propagate the State's past glory and rich cultural heritage, a "Culture Fund" for the first time has been created and launched by the Hon'ble Chief Minister .

It is a matter of pleasure that the Department of Culture, in the meantime, have identified additional 100 Artisans for pension.

I want to inform here that the State Government have proposed to formulate a culture policy during the current financial year.

Mobilisation of additional resources.

37. It is important to see how the provision made in the budget is utilised properly and in time. For this, money should be credited to the State exchequer. We have to make all out efforts to ensure enhancement of collection of State's own tax and non-tax from the existing sources. Along with this, State Government is also considering how to raise additional resources from different new sources. These include sale of surplus Government land, idle industrial shed, land under occupation of the defunct and closed Public Sector Undertakings. Besides this, Government is also considering leasing out or effecting out-right sale of unused and unviable agricultural farms, fishery farms, veterinary farms and cold storage. In the mean time, while 17,667.480 acres of surplus Government land have been identified in different districts, steps have been taken for sale of 6,929.412 acres of surplus Government land.

Introduction
of VAT

38 A consensus has been arrived at among all the States for introduction of VAT w.e.f. 1.4.2005 in place of existing sales tax. VAT in essence is a destination based tax on consumption with set off provided for tax paid in the intermediate stages. Introduction of VAT in all the States will help creation of unified market in the entire country. Taxation of business transaction will be made simple, transparent and less discretionary. Nobody can impose arbitrary tax rates. There are apprehensions in some quarters that switching over to VAT may entail revenue loss for the State. Such apprehensions are not well founded. The new tax rate under the VAT regime will be fixed so as to neutralise the anticipated revenue loss. Besides, in the spirit of cooperative federalism, Government of India has assured the States to compensate the consequential revenue loss. Irrespective of the party affiliation, we have to see that Orissa is properly compensated on this account in the event of loss with the introduction of VAT.

State's share in
the Service Tax

39 At present, the Service Tax listed in Schedule-II are being shared among the States. Central Government are envisaging levy of tax on a number of new services and these are being included in Schedule-III. The State Government had strongly suggested that the tax proceeds under Schedule-III should be made shareable just as the proceeds of service tax listed under Schedule-II.

Demand before
the Twelfth
Finance
Commission

40. The Twelfth Finance Commission constituted under the Chairmanship of noted Economist, Dr. C. Rangarajan visited the State from February 11-14, 2004 and had a detailed discussion with Hon'ble Chief Minister, Members of the Council of Ministers, Leaders of various Political Parties, senior officers of the State Government, Chairperson of selected Gram Panchayats and Urban Local Bodies, Chairman & Members of the State Finance Commission and representatives of Trade & Commerce. The Commission have informed the State Government that the discussion in Bhubaneswar were of high standard (I have no hesitation in saying that the discussions in Bhubaneswar were of high standard and the protocol arrangements were impeccable.).

During the course of discussion, attention of the Commission was drawn as to how Orissa has suffered a terrible loss on account under assessment of

expenditure and over assessment of income, the various reform initiatives taken by the State Government and improvement achieved in fiscal management. I want to inform the Hon'ble Members of this august house that Orissa could not get the desired share from the Central resources due to under assessment of expenditure on interest for Rs.3544.83 crore and pension for Rs.2900.58 crore and over assessment of Rs.1057.45 crore on miscellaneous non-plan grant. The attention of the Twelfth Finance Commission was specifically drawn to this aspect. Besides this, the State Government have also demanded writing off of the Central loan or exemption of the interest on Central loan. The Chairman in his speech had pointed out that while determining Grant-in-Aid special incentive would be given to those States who have improved in their fiscal management. At the same time, the Chairman had also assured to take into account Orissa's specific concern and problem.

Budget is not an account of the estimates, but it is an effective tool to ensure accountability of the Government employees. Keeping this in view, the State Government is seriously considering to enact the Fiscal Responsibility and Budget Management Act in accordance with the advice of the Twelfth Finance Commission to arrest the growth of debt.

While under the award of Ninth Finance Commission Orissa's share was 5.21% of the Central transfer, it was reduced to 4.28% under the award of Tenth Finance Commission. This ratio has increased to 4.78% under the award of Eleventh Finance Commission and it is hoped that this will increase further under the award of Twelfth Finance Commission. Since time has been extended upto end of December, 2004 for submission of report by the Twelfth Finance Commission to Government of India, I humbly request all the Members of this august House irrespective of the party affiliation, to try at different levels as to how to increase the share of Orissa in the total transfer of the resources under the award of Twelfth Finance Commission.

41. We have to restructure our own finances. Our Government have taken a number of steps in these directions. I want to inform here that Eleventh Finance Commission have recommended that if a State achieves improvement in the ratio of revenue deficit to revenue receipt by 5% per annum, the State will be entitled

to Fiscal Incentive Grant. I want to clarify the Hon'ble Members of this august House that Orissa has taken a number of positive reform measures for bringing about fiscal discipline and undertaking reform oriented programmes and for this, Orissa has acquired a respectable position in the country. The Government of India and Planning Commission have appreciated the reform initiatives taken by the State Government in these directions. For this, Orissa has received Fiscal Incentive Grant of Rs.77.95 crore, Rs.47.53 crore and 87.35 crore for 2000-01, 2001-02 and 2002-03 respectively for its fiscal performance.

Debt
burden

42. At the beginning of the financial year 2003-04, the debt burden of the State constituted as high as 329% of State's total revenue and more than 63% of the State Gross Domestic Product. On account of unsustainable debt burden, 34% of the State's total revenue is being used towards expenditure on payment of interest. Hence, under these circumstances, the fiscal restructuring is not possible despite best efforts made by the State Government. For this, assistance for Socio-Economic Development is necessary from Government of India and World Bank-DFID. With these objectives in view, the State Government is continuing dialogue with Government of India and World Bank-DFID for fiscal restructuring in the State. Since nearly 50% of this assistance would come in shape of grant, this will help in reduction of expenditure on payment of interest. Besides this, a larger part of this assistance will be utilised in providing State's matching share for Centrally Sponsored Plan Schemes. A part of the assistance will also be utilised for providing Self Employment to the educated unemployed youths through Innovative Self Employment Generation Scheme.

Steps for
effective
utilisation of
the Central
Assistance.

43. The quantum of fund provided for different developmental work of the State should not be judged merely from the size of the State Plan outlay. Nearly Rs.700.00 crore per annum is being received through DRDAs for different Poverty Alleviation Programme, Self Employment and creation of wage employment. Similarly, nearly Rs.200.00 crore per annum for Prime Minister Gramodaya Sadak Yojana, Rs.240.00 crore for District Primary Education Programme and Sarva Sikhya Abhiyan, Rs.100.00 crore for different health programmes, Rs.7.00 crore for agricultural programme and for such other programmes funds are being received outside the State budget. The total amount received outside the State budget for all these programmes is nearly

Rs.1150.00 crore per annum. These are being received mostly as 100% grant. Nearly Rs.500.00 crore per annum on the average is also being received through the State budget for different Central Plan and Centrally Sponsored Plan Schemes. We have to take strong and effective steps to ensure proper and timely utilisation of these fund. Lethargy or negligence on this account cannot be tolerated. The flow of Central assistance would depend on our efficiency and performance. For this, we have to change our mode of working and to work very hard. Single minded devotion to duty, hard work, accountability, fiscal discipline are unavoidable for development of the State – there is no alternative to this. Only criticism will not solve any problem, rather all of us have to work hard.

Conclusion

44. Speaker Sir, while presenting the budget for the financial year, 2004-05, I have got an opportunity to place in this august House the difficult financial position and as to how to get out from this critical situation. For this, I am personally grateful to you and expressing my gratitude to all the Hon'ble Members of this august House. I am also thankful to Hon'ble leader of the House, Leader of the Opposition and all the members for having listened patiently to my speech for such a long time. I hope to receive the help, cooperation and good-will of all the Members in the coming days for bringing about improvement in the fiscal situation and to accelerate the pace of development of the State. Before concluding my speech, I pray before the Lord Sri Jagannath that the coming days for the people of Orissa be auspicious and happy.

Bande Utkal Janani
Sri Prafulla Chandra Ghadai,
Minister, Finance.