

Directives by the Governor of Maharashtra under Rule 7 of the Development Boards for Vidarbha, Marathwada and rest of Maharashtra Order, 1994 regarding the region-wise distribution of outlay in the Irrigation Sector and region-wise and sector-wise allocation in other Backlog Sectors in the Annual Plan 2003-04.

1. Background

1.1 The State of Maharashtra (Special Responsibility of Governor for Vidarbha, Marathwada and the rest of Maharashtra) Order, 1994 made by the President of India under Article 371(2) of the Constitution of India has assigned the Governor of Maharashtra special responsibility for matters specified in sub Clauses (b) and (c) of Clause (2) of Article 371 of the Constitution in respect of the areas of Development Boards for Vidarbha, Marathwada and the rest of Maharashtra. On 30 April 1994, the Governor of Maharashtra issued the "Development Boards for Vidarbha, Marathwada and the rest of Maharashtra Order, 1994" (hereinafter referred to as the Order) constituting separate Development Boards for the said three regions.

1.2 According to Rule 7 of the said Order, the Governor of Maharashtra has the special responsibility of ensuring equitable allocation of funds for development expenditure over the areas of Development Boards, subject to the requirements of the State as a whole.

1.3 According to Rule 8 of the said Order, the allocation of funds or outlays made by the Governor shall be reflected in the Annual Financial Statement to be placed before the State Legislature and the development

activities with regard to the outlays as aforesaid, shall be carried out or caused to be carried out by the State Government and the funds so allocated shall be non-divertible from the area of one Board to that of another Board.

1.4 These Directives are in continuation of the earlier Directives issued on 15 December 2001.

2. Allocation in Irrigation Sector

2.1 In the Directives issued by the Governor on 15 December 2001, a workable calendar was specified for the allocation of funds in the Irrigation Sector over the period from 2002-03 to 2005-06 by assigning weightages to backlog, population and net sown area. While specifying this calendar for the allocation of funds, the Governor had considered his earlier Directives to the State Government that the backlog in the Irrigation Sector should be liquidated within the period of five years beginning from the financial year 2001-02. The backlog in the Irrigation Sector as on 1 April 2002 was calculated by taking into account the expenditure incurred during the year 2000-01 and the outlay for backlog removal in the Annual Plan 2001-02 since the actual expenditure figures for 2001-02 were not available at the time of framing the earlier Directives. Thus, the remaining backlog on 1 April 2002 in the Irrigation Sector was worked out at Rs.5168.71 crore. If this financial backlog was to be removed within the next four years beginning from 1 April 2002, then Rs.1292.18 crore was required to be allocated every year in the Irrigation Sector for removal of backlog. Accordingly, at least 50% of the overall allocation in the Irrigation Sector was required to be earmarked for removal of backlog in that sector assuming that the allocation of Rs.2476 crore, which was the allocation for the year 2000-01, would continue to be the same during the next four years. However, taking into

account the committed expenditure on the ongoing irrigation projects in the State and in particular under the Krishna Valley project, a phased increase in weightage to backlog in the formula of distribution of funds in the Irrigation Sector was considered necessary and on this basis a workable calendar for allocation of funds in the Irrigation Sector was prescribed in the Directives of 15 December 2001.

2.2 Since the actual expenditure figures for backlog removal for the year 2001-02 are now available, the remaining backlog as on 1 April 2002 in the Irrigation Sector after taking into account the expenditure incurred during 2000-01 and 2001-02 would be Rs.5501.67 crore (**Annexure-I**). If this financial backlog is to be liquidated within the next four years from 2002, then Rs.1375.42 crore will have to be allocated every year for the Irrigation Sector for removal of backlog. Assigning 50% weightage to backlog in overall allocation in the Irrigation Sector as stipulated in the Directives of 15 December 2001, an amount of Rs.2750.84 crore would be the minimum allocation in the Irrigation Sector for the next 3 years beginning from 2003-04. **The Governor has therefore directed that a minimum of Rs.2751 crore should be allocated to the Irrigation Sector in the Annual Plan 2003-04.** Further, the allocation to the three regions out of this total overall allocation in the Irrigation Sector should be done by assigning weightage to **backlog at 45%, population at 30%** and **net sown area at 25%** as prescribed in the Directives of 15 December 2001. The weighted average factors for the three regions for distributing the allocation in the Irrigation Sector have been shown in **Annexure-II**. The statements of remaining backlog in the Irrigation Sector as on 1 April 2002 and region-wise percentage of population and net sown area for working out the weighted average factors are given at **Annexure-II-A** and **II-B**.

2.3 The Directives of 15 December 2001 had stipulated that if the State Government raises the non-Budgetable resources in the Irrigation Sector from the market, these should be raised for the State as a whole and distributed amongst the areas of the three Development Boards equitably in accordance with the formula prescribed in the Directives. In view of the special circumstances in the rest of Maharashtra region with regard to the likelihood of law and order problems on account of non payment of salaries to staff and pending bills of the contractors, the Governor had approved the proposal of the State Government in December 2002 to allow the individual Irrigation Development Corporations to raise Rs.1610 crore to meet the carried over liability and Rs.500 crore by the Special Purpose Vehicle established to raise the resources from the market for the State as a whole.

2.4 The Governor had then directed that this permission was given by way of special exception upto 31 March 2003 and that from 1 April 2003, the money for irrigation projects would only be raised by the Special Purpose Vehicle and not by any individual Corporation. It was further directed that this amount of Rs.1610 crore should be allocated to the various regions in accordance with the formula prescribed in the Governor's Directives of 15 December 2001. The Governor had also directed that if the exercise to raise money by individual Irrigation Development Corporations results in creating further imbalance in any of the regions, the shortfalls will be made good in the next three years from the allocation of resources of those regions which have surplus, so that the final position at the end of 31 March 2006 will not change and will be the same as per the Directives issued on 15 December 2001.

2.5 The region-wise allocation of outlay in the Irrigation Sector as per the Governor's Directives of 15 December 2001 was made for the first time in 2002-03. Since information on region-wise expenditure for the

year 2002-03 is not available at this stage, the region-wise shortfall/excess in expenditure in the Irrigation Sector in 2002-03 will therefore be made good while making allocation of outlay in the Irrigation Sector in the Annual Plan 2004-05.

3. Allocation in other backlog sectors :

3.1 For backlog sectors other than the Irrigation Sector, the distinction between the backlog and non-backlog allocations will continue. The Governor had earlier directed that the financial backlog in the other backlog sectors other than the Irrigation Sector should be liquidated in the period of four years from 1 April 2002. The region-wise and sector-wise remaining backlog as on 1 April 2002 after taking into account the expenditure incurred on backlog removal in 2000-01 and 2001-02 is shown in **Annexure-III**. From the statement at **Annexure-III**, the backlog under the other sectors excluding Irrigation Sector as on 1 April 2002 would be **Rs.4629.51 crore**. In the Annual Plan 2002-03, an outlay of Rs.1060 crore was provided for backlog removal in backlog sectors other than the Irrigation Sector. Since the actual expenditure figures for the year 2002-03 are not available at this stage, the remaining backlog as on 1 April 2003 by taking into account outlay for the year 2002-03 will be **Rs.3569.51 crore (Annexure-IV)**. If this financial backlog is to be liquidated in the next three years from 2002-03, an allocation of **Rs.1189.84 crore** would be required to be earmarked every year for removal of backlog in those sectors. **The Governor has therefore directed that Rs.1190 crore should be earmarked for backlog removal in sectors other than the Irrigation Sector in the Annual Plan 2003-04.** The distribution of this allocation among the three regions should be done in proportion to the remaining backlog of the respective regions as on 1 April 2003 as given in the statement at **Annexure-IV**. Further, the sectoral allocation for backlog removal within

the region should be done in proportion to the remaining backlog in the respective sectors as on 1 April 2003 as given in the statement at **Annexure-IV.**

4. Scheme-wise Outlays for Removal of Backlog within Sectors.

Within the overall allocation for the removal of backlog in the areas under the respective Development Boards, as mentioned above, the scheme-wise outlays should be made by the Planning Department based on the recommendations made in consultation with the respective Development Boards and the concerned District Planning Committees in respect of district level schemes and the concerned Departments in respect of State Pool and State Level Schemes.

5. After deducting allocation for the Irrigation Sector and funds for removal of backlog in other backlog sectors, the Divisible portion of the remaining Plan outlays should be distributed amongst the three regions in the proportion to the overall population of the respective regions. The Planning Department should ensure that only those outlays, which truly benefit the State as a whole and the benefit of which cannot be shown as divisible in the three regions are shown as Non-divisible outlay.

6. The funds from backlog to Non-backlog and from the area of one Development Board to that of another Development Board **shall not be diverted.**

By order and in the name of the Governor of Maharashtra,

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Date : 12th March, 2003

(Vinesh Jairath)
Secretary to the Governor of
Maharashtra.