

Directives by the Governor of Maharashtra under Rule 7 of the Development Boards for Vidarbha, Marathwada and the Rest of Maharashtra Order, 2011, for the region-wise distribution of outlays in the Annual Plan of FY 2014-15

Introduction

1. The State of Maharashtra (Special Responsibility of Governor for Vidarbha, Marathwada and 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 5th September 2011, the Governor has issued the "Development Boards for Vidarbha, Marathwada and the Rest of Maharashtra Order, 2011" (hereinafter referred to as the "Order") constituting separate Development Boards for the said three regions.
2. According to Rule 7 of this Order, the Governor of Maharashtra has the special responsibility of ensuring equitable allocation of funds for developmental expenditure over the areas of Development Boards, subject to the requirements of the State as a whole.
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 cause 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.

Present status of backlog in Irrigation sector

4. The district wise backlog in the Irrigation sector (as on 01.04.1994) was assessed by the Indicators and Backlog Committee (**Annexure 1**). The financial backlog in the Irrigation sector as on 01.04.1994 was ₹ **7418 crore**. This was revised to ₹ **6618.37 crore** in the year 2000 on the basis of prevalent cost norms. The directives issued by the Governor since 2001 have focused on liquidation of this backlog. This financial backlog has been liquidated in all the districts by March 2011. The State average of irrigation potential created (in Standard Rabi Equivalent) as percentage of net sown area as on April 1994 was 35.11%. It was expected that the backlog in physical terms would also be liquidated as a result of enhanced allocation for the backlog districts. However, due to time and cost over-runs, the physical achievement has not been commensurate.
5. According to the report submitted by the Maharashtra Water Resources Regulatory Authority (MWRRA), the backlog in the physical terms now exists in four districts of the State- Amravati, Akola, Washim and Buldhana. The Water Resources Department had prepared a 5 year action plan commencing from 2010-11 till 2014-15 for the removal of the physical backlog in these 4 districts. As per this plan, the physical backlog sought to be removed in the year 2010-11 and 2011-12 was 37,314 Ha and 58,683 Ha respectively. However, the actual achievement during these years has been 9,570 Ha and 13,929 Ha only (**Annexure 2**). As a result, the WRD had to revise the yearly targets and reschedule the duration of this plan till 2015-16. **Annexure 3** shows the revised action plan for removal of physical backlog of Amravati division. The corresponding financial programme is as per the statement in **Annexure 4**. The actual physical achievement during 2012-13 has been reported to be 6,750 Ha in SRE as against the target of

27,564 Ha. The remaining physical backlog at the end of June, 2013 is, therefore, 2,27,269 Ha in SRE. The Governor has noted with concern that the issues of governance like mechanism for revised administrative approvals and re-appropriation of funds, land acquisition and rehabilitation, forest clearances and filling up of vacancies have still not been resolved in a satisfactory manner. The Governor is of the view that these are some of the primary reasons of slow pace of liquidation of backlog.

Principles for allocation of outlay in Irrigation sector (Tribal Sub Plan)

- 6.** The Governor has directed that the funds under Tribal Sub Plan (TSP) should be distributed region-wise on the basis of tribal population and area under TSP with 50% weightage for each. The Census 2011 tribal population data has been used for this purpose. The percentage share of TSP funds for the three regions has been given in **Annexure 6B**.

Allocation for Irrigation Sector in the Annual Plan 2014-15

- 7.** The Planning Department, by communication dated 8th February, 2014, has indicated that the overall allocation available for the WRD in the Annual Plan of 2014-15 is ₹ **9281.04 crore**. Out of this, an amount of ₹ **1396.08 crore** will have to be set aside for schemes like Flood control, Kharland, Hydro projects, Command Area Development, Maharashtra Water Sector Improvement Programme, common schemes (Quality control, Hydrology projects, Mechanical Organisation etc.), and block provision for creating a shelf of projects. The proposed allocation for Inter-state projects is ₹ **100 crore** and for the Gosikhurd project is ₹ **875 crore**. The Governor, on the

recommendations of the State Government, has kept 5 inter-state projects and the Gosikhurd National Project out of the purview of the Directives to enable the State Government to allocate adequate funds for the same on priority. The remaining divisible outlay for the WRD is ₹ **7004.96 crore**. Out of this, the TSP outlay is ₹ **139.23 crore** as per the GR of the Tribal Development Department dated 12th february 2014, therefore ₹ **6865.73 crore** is available under the general plan for Irrigation sector.

8. Considering the availability of funds indicated by the Government, requirement of funds for the removal of backlog as per the 5 year action plan, and keeping in view the need of the State as a whole, the Governor has directed that the outlays in the Annual Plan 2014-15 for Irrigation sector shall be made in the following manner:-

- I. From the divisible outlay of the Irrigation sector, sufficient funds shall first be earmarked to the 4 districts in Amravati division that have balance physical backlog. Keeping in view the progress of works identified for removal of backlog, the Governor is of the view that an additional allocation of ₹ **750 crore** should be allocated to these 4 districts.
- II. After earmarking adequate funds for backlog removal as explained above, the Governor has directed that the remaining allocation should be distributed among the three regions giving equal weightage to their respective population and net sown area. The percentage share of funds for the three regions is shown in **Annexure 6A**.

- III. In the earlier directives, the region-wise corrections on account of excess / shortfall in expenditure have been carried out upto the FY 2008-09. However, WRD had indicated that the figures of the opening balances of the Irrigation Development Corporations as on 01/04/09 were wrongly reported. As per para 39 of the directives dated 13th March 2013, the revised figures have now been intimated by the Department vide its letter dated 6th January 2014. Accordingly, the **Annexure V C** of the directives dated 27th May 2009 has been revised. Further, the region-wise corrections for the FY 2009-10 to FY 2012-13 have been calculated on the basis of the expenditure figures reported by the WRD in the above referred letter. These corrections have been made in **Annexure 7A to Annexure 7F**. These corrections shall be made in three equal instalments during the FY 2014-15, FY 2015-16 and FY 2016-17.
- IV. The Governor has observed that the allocation for creating a shelf of projects is insufficient to cater to the demands of projects in Vidarbha. He has noted that delay in payment of NPV charges is leading to delay in creation of the shelf as desired. The Governor has, therefore, directed that though the requirement of NPV and other charges have to be met from the non-divisible outlay, the same should first be met from the funds available with the VIDC, as per the requirement, and subsequently accounted for as non-divisible expenditure in the next annual plan.
- V. The funds under TSP shall be allocated as explained in **Annexure 8B**.
- VI. Therefore, the region wise final allocations of the divisible outlay in the irrigation sector will be as given in the following below.

Region	Allocation of the remaining divisible funds (Refer Annexure 8A)(in ₹ Crore)	Allocation of TSP funds (Refer Annexure 8B)(in ₹ Crore)	Total allocation (in ₹ Crore)
Vidarbha	2786.13	58.61	2844.74
Marathwada	1301.29	7.49	1308.79
Rest of Maharashtra	2778.31	73.13	2851.44
Total	6865.73	139.23	7004.96

9. The allocation earmarked for the removal of backlog of the districts of Amravati, Akola, Washim and Buldhana would be in addition to the allocation made to these districts by the WRD out of the remaining divisible outlay. The combined allocation made available in these districts on account of backlog and from the remaining divisible outlay, should ensure that the requirement of funds for the ongoing works in these districts, including those identified for the removal of backlog, is taken care of.

10. Further, should the State Government resort to market borrowings, outside the budget, for the irrigation sector, money so raised should be for the State as a whole and distributed amongst the Development Boards equitably as indicated in Para 8(II) above. Moreover, should the allocation for irrigation sector increase subsequently in supplementary budgets, the additional funds shall be distributed among the regions in the same proportion as specified in the **Annexure 6A**.

11. The disbursement of outlay in the irrigation sector in the Annual Plan

2014-15 should be strictly in proportion to region-wise overall allocation. The expenditure in the three regions should be reviewed quarterly by Secretary WRD and corrective measures be initiated as and when necessary to ensure conformance to the principles of allocations.

12. The Government had earlier indicated that a Committee of Additional Chief Secretary (Planning), Additional Chief Secretary (Finance) and Principal Secretary (Water Resources) shall finalize the project wise allocation. The Governor has directed that this Committee should follow the guidelines regarding funding of projects that have been laid down by the Planning Commission for the 12th Five Year Plan. While making allocations, the committee should ensure priority to the projects nearing completion so that their benefits reach the farmers in the immediate future.

13. The Governor, keeping in view the balance cost of ongoing projects and in order to ensure that the available funds are not spread thinly on a number of projects, had vide his directives for the FY 2009-10 to FY 2013-14, directed the State Government to prioritise the projects and not take up new projects so that the projects nearing completion are completed in a time bound manner and their benefits reach the farmers. The State Government, while assuring prioritization of projects, has requested the Governor to allow taking up new projects upto 600 Ha capacity to extend the irrigation benefits to larger areas in the State and also to meet the drinking water requirements of the surrounding areas. However, the number of projects and their estimated cost has not been indicated by the State Government. The Governor is of the view that it may not be desirable

to consider the proposal without these details lest it may impose unspecified liability on the already strained resources. The Governor has, therefore, directed that the State Government should indicate the liability that would be created if this proposal is considered. The Governor has directed that for this purpose, the WRD may prepare detailed project report of each project after carrying out detailed survey, ensuring availability of water, techno-economic feasibility analysis and other prevalent norms. The Governor has further directed that selection of new projects should strictly be as per the proposal of the State Cabinet. The Governor has further directed that the work of no new project should be started till the State Government is able to make adequate additional resources available to complete these new projects within a period of three years, without affecting the availability of funds for the ongoing works. The Governor has directed that after preparing detailed project reports as indicated above, a comprehensive plan including the availability of additional resources should be submitted for his consideration.

- 14.** The Governor had issued directives that in order to utilize the balance available water of Godavari river basin in Vidarbha region, the Government should take all the necessary steps for the purpose of creating an adequate shelf of projects for full utilization of the available water. The Governor has directed that the WRD shall submit the list of projects on shelf so created in compliance to these directives, latest by October 2014. Governor has directed that the work of the projects on this shelf should not be started without making additional resources available. The Governor has further directed that the comprehensive plan mentioned in para 13 shall also include a plan for taking up the projects on shelf to utilize the share of the

State of Maharashtra in the Godavari basin.

Status of backlog in sectors other than Irrigation

15. Indicators and Backlog Committee had calculated the overall backlog of all other sectors, excluding Irrigation, as ₹ **6588.77 crore** as on 1st April, 1994. After deducting the expenditure incurred on backlog removal from FY 1995-96 till 31st March 2013, the financial backlog for sectors other than irrigation is calculated as ₹ **492.29 crore (Annexure 9)**. The financial backlog exists only in the sector of Public Health.

Energy Sector: Energisation of Agricultural Pump-Sets

16. As mentioned in the Directives for 2013-14, Energy Department had reported that there was balance backlog of 46,104 Agriculture pump sets to be energised as on 31st March 2013. The Department had proposed a target of energising 12,789 agriculture pumps during 2013-14. The physical achievement during 2013-14 till 31st December 2013 is 3741 pumps only. The Governor has expressed his displeasure over the low pace of liquidation of backlog.

17. As per para 22 of directives dated 13th March 2013, the Governor had directed the Energy Department to carry out a feasibility study about energisation of pumps using solar energy. However, the Governor has noted with concern that the Department has not carried out this study so far. The Governor has also expressed his displeasure about delay in implementation of pilot scheme of energisation of agriculture Pumps using solar energy source in Gadchiroli district. The Governor has directed that the Energy Department shall complete the study urgently and implement a

scheme of energisation of agriculture Pumps using solar energy source in the remote areas, based on the recommendations of this study.

- 18.** The Department has proposed a target of energizing 14000 agriculture pumps in the districts of Thane, Raigad, Ratnagiri, Chandrapur and Gadchiroli during 2014-15 and proposed a requirement of ₹ **246.40 crore** for this purpose. The Governor has directed that an allocation of ₹ **150.00 crore** shall be made for this sector during FY 2014-15. The Governor has further directed that Department shall arrange for additional funds, if required, from its own resources to achieve the proposed targets. The allocation for FY 2014-15 is as shown in **Annexure 10**.

Higher & Technical Education

- 19.** In Polytechnic sub-sector, the physical backlog has been completely removed and the funds under backlog scheme are being provided for liquidating the institutional backlog. Construction of 22 Polytechnic buildings was taken under the scheme, out of which 15 have been completed. The Department has proposed ₹ **18.14 crore** for this purpose in FY 2014-15.
- 20.** In Technical High School sub-sector, the backlog of 549 students' seats remains in the districts of Mumbai City (309 seats) and Mumbai Suburban (240 Seats). The Department has proposed a requirement of ₹ **10.00 crore** for construction of Technical High School buildings for FY 2014-15.
- 21.** In the ITI sub-sector, the Department has proposed a requirement of ₹ **12.32 crore** in FY 2014-15 for the completion of ongoing works. The

region-wise & sub-sectoral allocation for FY 2014-15 is shown in **Annexure10**.

Public Health Services

22. The financial backlog as on 1 April, 2000 in the public health sector was ₹**1353.67 crore**. Considering the expenditure made till 1st February 2014, financial backlog of ₹ **492.29 Crore** still exists in this sector. The Governor has noted with concern that the Public Health Department has not been able to spend a sizeable part of the funds allocated to it for the purpose of liquidation of backlog during the last 4-5 years. Moreover, the Public Health Department has not been able to keep pace with its own action plan which was prepared for the purpose of removal of backlog. The Governor feels that it is a cause for serious concern as Public Health is the only sector where the financial backlog still exists. The Governor has, therefore, directed that the Public Health Department should address all the administrative issues and constantly monitor the on-going works so as to complete them in the next two years.

23. The Governor has directed an allocation of ₹ **254.53 crore** for FY 2014-15 for the construction of Rural Hospitals, Primary Health Centres and Sub-Centres, ambulances, instruments, equipment and furniture, as per the proposal submitted by the Department. The same is indicated at **Annexure10**.

Allocation for removal of backlog in sectors other than Irrigation

24. The Governor has directed that an allocation of ₹ **444.99 crore** should be earmarked for removal of backlog in sectors other than Irrigation in the

Annual Plan for FY 2014-15. The region-wise allocation of this outlay shall be as per the following table:

Sr. No.	Region	Outlay for backlog removal (in ₹ crore)	Percentage
1.	Vidarbha	146.33	32.88%
2.	Marathwada	68.76	15.45%
3.	Rest of Maharashtra	229.90	51.67%
4.	Total	444.99	100.00%

25. Further, the details of the sectoral allocation for backlog removal within the respective regions are illustrated in **Annexure 10**. The Governor has directed that the allocation for removal of backlog in non-irrigation sectors should be strictly as per the Directives and be over and above the regular plan outlay for the respective Departments.

26. A significant proportion of the allocation for removal of backlog in sectors of Public Health and Higher & Technical Education is towards on-going civil works. The Governor has laid stress on the need for close coordination between the Public Health, Higher and Technical Education, Planning, Finance and Public Works Department for utilisation of backlog funds and completion of works in mission mode.

Principles of Allocation of remaining plan outlay

27. After deducting allocation for the Irrigation sector and funds for removal

of backlog in the other backlog sectors, the divisible portion of the remaining Plan outlays should be distributed amongst the three regions in proportion to the overall population of the respective regions. While doing so, the data of the 2011 census should be taken into consideration. Within this region wise allocation of the remaining plan outlays, there would be flexibility to have sector wise distribution depending upon the needs and development opportunities of respective regions in those sectors. However, the sum total of all the sectoral outlays for a region should be within the overall ceiling of the share of that region in the remaining plan outlay.

- 28.** There shall be no diversion of funds from backlog districts to non-backlog districts and from the area of one Development Board to another without the prior approval of the Governor.

Development Boards

- 29.** The directives of the Governor, dated 17th March, 2012, regarding preparation of the district development reports of at least 2 districts with priority to districts with a low Human Development Index by the respective Development Boards shall continue. In addition, the Boards can continue to conduct other studies in furtherance of the objectives of the Development Boards. To enable the Boards to undertake these responsibilities, the Governor has directed that an allocation of ₹ **2 crore** be set aside for the Development Boards. The Planning Department shall make the funds available to the Boards as per their needs.

Experts' Committee

- 30.** The report of the High Level committee on the issues of balanced regional development has been submitted to the Governor. The Governor has sought the views of the State Government on this report. The Governor expects the State Government to consider the report and its recommendations, including the proposed principles of allocation, and submit its views expeditiously, for his consideration.

Governor's special responsibility under Article 371(2)(c)

- 31.** As per provisions of Article 371(2)(c) of the Constitution read with Clause 10 of the Development Board Order, 2011, the Governor has the special responsibility to ensure equitable arrangement for providing adequate facilities for technical education and vocational training and for adequate opportunities for employment in services under the control of the State Government in respect of the area of each Development Board. The Governor has desired to review the status of opportunities regarding technical education and vocational training as well as employment in services under the control of the State Government for each region. The Governor has directed that the Higher & Technical Education shall submit the data of institutions providing technical education and vocational training along with the intake capacities and region-wise representation in students' admissions for the last three academic years. The institutions of State and Central Government as well as private institutions, whether aided or unaided, shall be considered for this purpose. The Governor has also directed that the General Administration Department shall submit the data of region-wise representation of employment in services under the control of the State Government. The local Self-Government Institutions,

Autonomous Bodies and the Government owned corporations should also be considered while carrying out this exercise. The Governor has directed that this information may be submitted to him by July, 2014 along with suitable recommendations to correct anomalies, if any.

Compliance of Directives

32. As per the provisions of section 11(f) and section 21(1) & (2) of the Maharashtra Water Resources Regulatory Authority Act, 2005, the Maharashtra Water Resources Regulatory Authority (MWRRA) has been entrusted with the responsibility of monitoring the implementation of the Governor's Directives. Accordingly, MWRRA should take periodic reviews of the implementation of the Directives relating to the irrigation sector and submit quarterly reports for the information of the Governor.

33. The Governor vide his Directives dated 10th March 2011, directed to set up a mechanism to report the details of region-wise outlays and expenditure for all the sectors, including irrigation. The Governor, vide his Directives dated 17th March 2012, had also directed the Finance Department to publish region-wise figures for non-plan developmental expenditure, as it also falls within the ambit of the special responsibility assigned to Governor by the Presidential Order dated 9th March 1994 and the provisions of sub-clause 2(b) of Article 371 of the Constitution. The Governor has expressed his deep concern over the non-compliance with both of these directives.

34. In Para 38 of the Governor's Directives dated 13th March 2013, the Governor had directed the Divisional Commissioners to review all aspects

of removal of backlog in the sectors having backlog in their Divisions on a quarterly basis. The Governor has noted that while some of Divisional Commissioners have reviewed the progress regularly, the concerned departments have failed to resolve the issues raised by the Divisional Commissioners in their review reports. The Directives of the Governor to closely monitor the progress of the works related to liquidation of backlog on a quarterly basis through Divisional Commissioners shall continue.

- 35.** The Governor has noted with concern that some of his earlier directives have not been fully complied with. The Planning Department is yet to submit the impact assessment study as directed under Para 54 and a report on time and cost overruns as directed under Para 41 of the directives dated 27th May, 2009. The Planning Department has also not carried out the exercise of classification of non-divisible items and subsequent categorisation of the expenditure in the concerned regions, as per para 37 of Governor's directives dated 13th March 2013. The Governor expects that these compliances shall be made expeditiously. The Governor directs that the Chief Secretary shall review the compliance of the current as well as the earlier Directives regularly and address policy issues, if any, at the level of the State Government.

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

(Vikas Chandra Rastogi)
Secretary to the Governor