

Directives by the Governor of Maharashtra under Rule 7 of the Development Boards for Vidarbha, Marathwada and the rest of Maharashtra Order, 1994, for the region-wise distribution of outlays in the Annual Plan of FY 2010-11.

I. Introduction

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.

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.

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.

II. Present status of backlog in Irrigation sector

4. The backlog in the Irrigation sector was assessed by the Indicators & Backlog Committee in terms of irrigated area of each district by comparing it with the state average. The deficit in irrigation facilities was then converted into financial value by using the prevailing cost-norm of Rs.50000/- per hectare. The financial backlog so identified was Rs. 7418 crore (see **Annexure I**). This backlog was reconciled in the year 2000, by taking into consideration the cost of the projects identified for backlog removal and was recalculated as Rs 6618.37 crore (see **Annexure II**), as on 01/04/2000. The Governor has been issuing Directives to the state government since 2001 for liquidation of this financial backlog. The issue of liquidation of financial backlog has been dealt with in detail in the previous Directives. The Governor has used a set of well defined principles for equitable allocation of the funds in the Irrigation sector. As a result of the continuous monitoring by the Governor and the State Government, the financial backlog of all but 5 districts (Jalna, Osmanabad, Buldhana, Gadchiroli and Akola (including Washim)) had been removed as on 01/04/09. The Governor, in the previous

directives dated 27 May 2009, allocated adequate funds exclusively to these 5 districts for the liquidation of their entire financial backlog. Further, to ensure liquidation of this remaining financial backlog, conditions were put in Para 13, 36 & 43 of the Directives dated 27th May, 2009 that these funds would be earmarked exclusively for these five backlog districts and these funds would neither be diverted to other districts nor be allowed to lapse. The Planning Department has, vide its letter dated 14 March 2010, informed that the funds so allocated have partly been released and the remaining funds would be released before the end of the current financial year. The department has assured that the financial backlog of all the districts would be removed by the end of the FY 2009-10.

5. As explained above, the issue of financial backlog, as on 01/04/2000, has been taken care of. However, during this period the inflation, time and cost overruns have resulted into a situation where even though the financial backlog, as calculated in 1994 and subsequently revised in year 2000, has been liquidated, there is no commensurate achievement with respect to creation of irrigation facilities as envisaged in the report of Indicators and backlog Committee. This is clear from the statement submitted by the Planning Department dated 14 March 2010 at **Annexure III**, wherein, it is clear that as on June 2009, four districts i.e. Ratnagiri, Buldhana, Akola (including Washim) and Amravati still have some backlog as found out by the Indicators & Backlog Committee in 1994. The remaining backlog in these districts, as on June 2009, is 2,73,720 hectare in S.R.E. The updated figures of backlog as on 01 April 2010 would only be known after the expenditure figures and corresponding achievement in creation of irrigation facilities are available from the Department at the end of FY 2009-10.

III. Principle of allocation of funds and its relevance

6. Considering the fact that the financial backlog of 1994 is expected to be liquidated by the year 2010 i.e. almost after 16 years, it would be difficult to envisage a fixed time frame for liquidation of remaining backlog as on 1994. The cost and time overruns involved in the process might complicate the matter further. Therefore, even after liquidating the financial backlog, the creation of commensurate irrigation facilities, as envisaged in the Indicators and backlog Committee report of 1994 may be difficult to achieve without putting significant strain on financial planning of the state. Over the years, a large share of the state funds has been allocated to irrigation perhaps by ignoring the legitimate claims of other social sectors thereby distorting the state planning. Too much emphasis on one sector at the cost of other sectors is not desirable.

7. As pointed out in the directives of 27 May 2009, after liquidation of the backlog as estimated in 1994, there may be an option of assessing the backlog created after 1st April 1994 till date by using the same indicators suggested by the Indicators and Backlog Committee. The drawback of this arrangement is that the issue of backlog remains open-ended and dynamic. The reason is that after liquidation of existing financial backlog, the state average is bound to increase and some districts are bound to remain below the state average. Thus, the process of

removal of backlog based on the concept of state average becomes a never ending process, not necessarily need based.

8. The Indicators & Backlog committee had taken into account only the public investments ignoring the private sector from its analysis. But, under the emerging new economic scenario, the role of the private sector in infrastructure (roads, irrigation and power) as well as social sectors (health and education) cannot be ignored. Currently, the State Government has adopted a policy of taking up some of the infrastructure projects like construction of roads, bridges, irrigation and energy projects though Public Private Partnership (PPP) mode. In social sector also large numbers of schools, technical, engineering and medical colleges are being established by the private sector. Most of these activities in private sector are motivated by profit maximisation; such profits are possible only in already developed region. The development through this process has an inherent danger of widening the gap between the developed and backward districts in the state.

9. The present methodology focusing on backlog estimation which stipulates that all the regions are to be brought to the same level of development does not take into account the needs and development opportunities of the regions in order to achieve balanced regional development. In this system there is hardly any scope for harnessing the strengths of a particular region and minimizing the disadvantages of its weaknesses. The competitive advantage enjoyed by a region needs to be taken into account while ensuring equitable allocation of resources.

10. The approach of the Indicators and Backlog Committee was supply driven and focussed on providing infrastructure in backward areas. This approach does not focus on outcomes of the investments in terms of well defined indicators like increase in productivity, income, health and education status and overall well being of an individual. Internationally, many new approaches are being used for assessing the development of a region like human development index (HDI) and other gender related indices which are a combination of factors like income, health, education, gender empowerment and equity.

11. In light of these observations, the Governor is of the view that it is imperative to revisit the issue of backlog and the issue of equitable distribution of developmental expenditure with fresh insight and explore alternate ways of ensuring equitable allocation of resources. The Governor, therefore, has decided to constitute a committee of experts to look into these issues keeping in view the present status of various sectors in all the three regions and review the issue of balanced regional development taking into considerations the views of all the stakeholders. The equitable allocation of development expenditure would then be guided as per the new approach and new allocation principles. Since it would take a while for such committee to be setup and submit its report, the Governor desires that the issue of remaining backlog as on 1994 should be addressed by earmarking certain funds for this purpose as an interim measure. The new allocation principles,

suggested by the proposed committee would guide the allocation of funds in future.

IV. Equitable distribution of allocation in Irrigation sector

12. As stated above, The Governor desires that till new allocation principles are finalized on the basis of the report of the proposed committee, some funds should be earmarked for removal of remaining backlog as an interim measure which should be utilized only for the projects identified to remove the remaining backlog. The Planning Department has submitted (**Annexure III**) that there are sufficient numbers of ongoing works in these districts to take care of the remaining backlog. The Governor has, therefore, observed that keeping in view the limited resources in Irrigation sector, it is necessary to prioritize these works so that the works which are nearing completion can be completed early giving immediate benefit to the end users. The priority of the works may be determined by a committee consisting of Principal Secretary (Planning), Principal Secretary (Finance) and Secretary (Water Resources Department). No new works should, therefore, be taken to remove the remaining backlog of these 4 districts. However, as explained in para 22, the projects which require statutory clearance, may be given administrative approval.

13. The Directives of 15th December, 2001 envisaged the weightages to backlog, population and net sown area in the ratio of 50%, 25% and 25% respectively. Since the financial backlog has now been taken care of and separate funds are being earmarked for removal of remaining backlog as an interim measure, no separate weightage is necessary for backlog for the purpose of allocation of the remaining non divisible amount in the Irrigation sector. Therefore, the only factors left now are population and net sown area, in equal proportion. Therefore, the Governor has directed that the divisible plan outlay, after making necessary provision for removal of remaining backlog, would be divided amongst the three regions on the basis of population and net sown area with 50% weightage for each factor. The region wise share in this allocation is explained in **Annexure IV A** and **Annexure IV B**.

V. Allocation of outlay under Tribal Sub-Plan

14. The distribution of the funds in the Irrigation sector among the three regions is primarily based on the formula prescribed in the directives and explained above namely; population and net sown area. The Tribal Development Department has however submitted that the funds under Tribal Sub-Plan (TSP) are distributed on the basis of tribal population and area under the TSP and, therefore, the distribution of funds under Tribal Sub-Plan should be treated on different footing not linked to removal of backlog and, therefore, excluded from the Governor's directives. The Planning Department after examining this issue has suggested that the irrigation funds in the Tribal Sub-Plan may be distributed on the basis of tribal population and area under Tribal Sub-Plan in the respective region with 50% weightage each. The Governor had kept the TSP funds out of the purview of the directives as per para 18

of the directives issued on 27 May 2009. The Governor has, however, noted that the actual release and expenditure of TSP funds among the three regions is not in proportion to the share of Tribal population and area under TSP of the respective regions. The Governor has observed that this is not desirable and the decision to keep these funds out of the purview of the Directives needs to be reviewed to ensure that TSP funds are equitably distributed among the three regions. Accordingly, after taking into account the recommendations of the Planning Department as well as submission made by the Tribal Development Department, the Governor has directed that the funds under TSP should be distributed on the basis of tribal population and area under TSP with 50% weightage each. The percentage share of the TSP funds for the three regions has been given in **Annexure IV C**. It is reiterated that these funds are assigned to the respective regions and cannot be diverted to any other region.

VI. Requirements of inter-state projects

15. In the Directives dated 27th May, 2009, the requirement of inter-state projects has been dealt with in detail. The Governor has observed that the requirement of all the projects which are governed by inter-state awards or by bilateral agreements, require adequate consideration. The Government, therefore, should prioritize its requirement and utilize the allocations made to various regions properly so that the State's interests are safeguarded.

16. In case of Godavari river basin, the total water available for the state is yet to be fully planned, especially in Vidarbha region. Further, the river basins in Konkan, although not covered under inter-state Award, also require due consideration. It is also necessary to give due consideration to the requirement of the barrages in Marathwada region. The Governor has, therefore, observed that out of the funds available to the three regions, (other than the funds earmarked for removal of remaining backlog) the state government should be able to spend as per the priority to fulfil the requirements of implementing the inter-state Award for Godavari, bilateral agreement for Tapi river basins, irrigation projects in Konkan and barrages in Marathwada region.

VII. Remaining backlog in Irrigation sector

17. The remaining backlog in irrigation sector is mainly concentrated in three districts of Amravati revenue division i.e. Akola (including Washim), Buldhana and Amravati apart from Ratnagiri district in Rest of Maharashtra region. The three districts in Amravati division are also affected by farmers' suicides and rural distress. The Governor has been giving very high priority for removal of irrigation backlog in Amravati division. The Governor has observed that although funds are not a constraint in Amravati division, but the lack of capacity to absorb the funds, especially in districts of Akola and Washim on irrigation projects for various reasons has been a cause for concern. It was in this background that the Governor in his earlier Directives had asked the state government to address some of the issues of governance, which come in the way for removal of backlog.

18. The Governor had identified various bottlenecks which hamper removal of backlog in Amravati division that mainly include- lack of sufficient number of project at hand in the districts of Akola and Washim for removal of backlog; delays in implementation of projects on account of environmental and forests clearances as major portion of the area is under the forests; governance related issues such as giving timely approvals, expediting land acquisition and rehabilitation processes, strengthening of the investigation circle, creating dedicated wing for monitoring and implementation of projects, follow up with the central agencies for speedy approvals from the Government of India, filling up of large number of vacancies on the field, etc. The Governor had also prescribed the time bound programme prepared by the Water Resources Department for completing ongoing projects and taking up new projects so that the financial backlog in Amravati division is liquidated by 2010. The Governor has noted with satisfaction some of the measures taken by the state government to address the above-mentioned bottlenecks.

19. In order to put backlog removal in Amravati division on mission mode the Governor has also given MWRRA the responsibility to monitor implementation of projects in Amravati division. MWRRA has since been monitoring the project implementation and taking periodic reviews of Water Resources and Rural Development Departments. The Governor has directed that MWRRA would take up similar exercise for Ratnagiri district also. The Governor's office, which has been taking quarterly review of the MWRRA, WRD, Finance and Planning Departments on the progress of implementation of projects in Amravati division, would review the progress of removal of remaining backlog in Ratnagiri district also. The Governor has noted that as a result of the mechanism of review by MWRRA, Governor's office and the state government, quantum of expenditure in the irrigation sector in the Amravati division has increased from Rs. 212 crore in the FY 2002-3 to Rs. 1051 crore in FY 2007-8 and Rs. 1851 crore in FY 2008-09. However, continuous review and monitoring are necessary to achieve intended results.

20. The state government should follow up on top priority approvals for diversion of forests lands with the central agencies for projects in Vidarbha. It is also necessary for the state government to take up issue of minor irrigation projects having culturable command area up to 2000 ha. for exemption from environmental clearances and clearance for medium projects having culturable command area less than 10000 ha. at state level Environmental Impact Assessment Authority. This would help in many minor and medium projects to take off expeditiously in Amravati division.

21. The Governor has observed that most of the irrigation projects in Amravati are under Accelerated Irrigation Benefit Programme (AIBP). However, there are problems in timely release of central funds under the scheme. As most of the irrigation projects in Vidarbha in irrigation sector as well as under Prime Minister's special package for Amravati are under AIBP, these delays adversely affect implementation of these projects. Therefore the state government should make appropriate arrangements to bridge the gap between central and state share

pending release of central grants under AIBP and claim the share from the central government in due course of time. Non- disbursement of outlays to projects in Vidarbha on account of delay in release of central grants under AIBP would result in a situation where the allocation made by the Governor in the Directives would remain only on paper.

22. The Governor has also observed that although priority to committed expenditure in projects in Vidarbha is not diluted, it is necessary to take up new projects in Godavari river basin in Vidarbha at least to the extent that the projects are given administrative approvals for the purpose of obtaining statutory clearances so that adequate projects are there on shelf in order to ensure long term planning for full utilisation of available water in Vidarbha. Having a shelf of projects is essential as many projects in Vidarbha need environmental and forests clearances and this process takes a long time. The state government should take all necessary steps to create a shelf of projects, which can be taken up in future. Further, the state government shall make adequate provision for meeting out the expenditure towards seeking the statutory clearances while making work wise budget. Government may allot a block grant as non divisible allocation for this purpose. At the end of the financial year, the region wise expenditure from this grant would be known and, therefore, adjusted towards the expenditure of the respective region. This is essential for ensuring continuity in long term planning in development of irrigation in Vidarbha especially in Godavari river basin where there is balance water available and planning of storages creation is yet to be made so that these projects would be available for implementation in due course. These projects, of course, can be started after receipt of statutory clearance subject to availability of funds without diluting the priority to ongoing projects for removal of backlog. The Planning Department should devise a mechanism to ensure that these projects are not started without due approval of the Planning and Finance departments, as the administrative approval is given only for the purpose of obtaining statutory clearances. Further, the Planning Department should also devise appropriate policy in consultation with WRD and MWRRRA to ensure that optimal number of projects is there on shelf. Further the shelf of projects need not be too large to put strain on the existing limited resources.

23. For removal of backlog in Akola (including Washim) district, which comes under Tapi river basin, it is necessary for the state government to take appropriate steps to make sufficient water available in Tapi river basin of Amravati division and those projects implemented in mission mode. MWRRRA has advised the Water Resources Department to take up the issue of additional share of water in Tapi basin to Maharashtra State with Central Water Commission and co-basin states of Madhya Pradesh & Gujarat. The Governor is also of the view that the State Government should approach CWC & Madhya Pradesh Government and try to get increased share of water in Tapi for the State so that adequate water is made available in Tapi river basin for projects in Amravati division. The additional share in the water of Tapi river basin so obtained would go a long way in liquidating the remaining backlog in Amravati Division.

VIII. Allocation for Irrigation Sector in the Annual Plan 2010-11

24. The Planning Department by its communication dated 14 March 2010 has indicated that the overall allocation available for the Water resources Department in the Annual Plan of FY 2010-11 is **Rs.7408.97 crore**. Out of this, Rs 1058.45 crore have to be set aside as non divisible outlay for common schemes like flood control, Kharlands, Hydro Power projects, CADA, externally aided projects etc. The allocation for the inter-state projects is Rs. 300 crore and for the Ghosikhurd projects is Rs. 920 crore, respectively. The Governor had earlier agreed to keep 5 Inter State projects and the Ghosikhurd National project out of the purview of the directives. The divisible outlay allocated to Water Resources Department is, therefore, **Rs. 5130.52 crore**, which includes **Rs. 107.56 crore** under TSP.

25. In the background of what has been stated, the Governor has directed that the Annual Plan outlays in the Annual Plan 2010-11 for Irrigation Sector shall be made in the following manner: -

(1) From the divisible outlay in the overall allocation to the Irrigation sector as a whole, which includes both the budgetable and non-budgetable outlay, an allocation of **Rs. 650 crore** shall first be earmarked to the 3 regions for 4 districts having backlog, as an interim measure. While allocating these funds, the Governor has noted that the overall divisible allocation in the FY 2010-11 is lesser than that in the FY 2009-10. Therefore, keeping in view the requirements of the state as a whole, the Governor is of the view that an allocation of **Rs. 650 crore** would be reasonably adequate for addressing removal of backlog in the backlog districts at the same time ensuring that the projects in other districts in the three regions are not allowed to suffer for want of funds. The region-wise distribution of this allocation has been done in proportion to the remaining backlog of the respective regions as given in **Annexure III**. Accordingly, this amount of **Rs.650 crore** would be allocated to the three regions as under:

| | |
|---------------------|------------------|
| Vidarbha | 648 crore |
| Marathwada | Nil |
| Rest of Maharashtra | 2 crore |
| Total | 650 crore |

(2) The funds under TSP would be allocated as explained in para 14 and **Annexure IV C**. Thereafter the remaining allocation (after earmarking funds for backlog removal) should be distributed on the basis of weighted average as specified in **Annexure IV B**.

(3) As explained in Para 16 of the Directives dated 27th May, 2009, the distortions in expenditure on account of shortfalls and excess expenditure during the year 2007-08 and 2008-09 among the three regions have to be made good. These corrections have accordingly been carried out as explained in **Annexure V**.

(4) Therefore, the region wise final allocation is given in the table below.

(Rs. Crore)

| Region | Allocation for removal of backlog | Allocation of the TSP funds (refer Annexure VI B) | Allocation of the remaining non divisible funds, after correction (refer Annexure VI A) | Total allocation |
|---------------------|-----------------------------------|---|---|------------------|
| Vidarbha | 648 | 47.62 | 1532.94 | 2228.56 |
| Marathwada | 0 | 5.78 | 857.29 | 863.07 |
| Rest of Maharashtra | 2 | 54.16 | 1982.73 | 2038.89 |
| Total | 650 | 107.56 | 4372.96 | 5130.52 |

26. The allocation earmarked for the removal of backlog of the 4 backlog districts would be in addition to the allocation available to these districts on the basis of general principles of distribution of the remaining divisible outlay. The combined allocation made available in these 4 districts on account of backlog and on the basis of general principles 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.

27. 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 three Development Boards equitably as indicated above. Moreover, should the allocation for irrigation sector over and above the allocations covered in these Directives increase subsequently, the additional funds shall be distributed among the regions in accordance to the same proportion specified in **Annexure IV B**.

28. The Governor has further directed that the priority to committed expenditure in Irrigation sector should not be diluted by taking up new projects. However as explained in para 22, this condition is relaxed for irrigation projects in Godavari river basin in Vidarbha and new projects in Godavari river basin of Vidarbha are allowed only to the extent that the projects are given administrative approval along with necessary budget provision, for the purpose of obtaining statutory clearances so that adequate projects are there on shelf in order to ensure long term planning for full utilization of available water in the region. These projects, however, may not be implemented to avoid thinning of resources, as the requirement of funds for the on-going projects is quite huge. The emphasis should be on checking the "spreading thin" approach and ensuring completion of projects with optimum utilization of resources. Further, the Governor has observed that there is a need to set the priorities of the projects especially keeping in view the huge cost of ongoing projects in all the regions and limited available resources. This

thinning of resources over a large number of projects has implicit cost of time overruns as well as the opportunity cost to the end users due to delay in completion of many projects running into years.

29. In order to review the compliance of the directives, the Governor has directed that the State Government shall prepare a statement of region-wise and category-wise outlays and expenditure for all the sectors, including irrigation. This statement shall give details of actual disbursements and revised expenditure for the previous year and actual disbursements and actual expenditure for the year preceding the previous year. This will make the outlays and expenditure "visible". This will also help in finding out the extent of shortfalls and excess expenditure vis-à-vis the allocations for each category.

30. The disbursement of outlay in the Irrigation sector in the Annual Plan 2010-11 should be strictly in proportion to region-wise overall allocation, as given in para 25(4). Further, release of funds to the three regions shall be in proportion to their respective allocations.

31. It is also noticed that in absence of work-wise allocation at the time of budget sanctioning and the subsequent delays in doing so, the expenditure is not incurred in desired proportion and manner. Therefore in order to ensure effective utilization of funds and timely completion of projects, the Governor has directed that, the allocation for Irrigation sector should be budgeted work-wise at the beginning of the financial year itself and it should be made part of the budget documents. However, in case it is not possible to prepare such a plan before the budget, the same should be prepared, as early as possible, by a committee of Principal Secretary (Planning), Principal Secretary (Finance) and Secretary (Water Resources). While making work-wise allocations, the Governor has directed that priority shall be accorded to the projects nearing completion so that their benefits reach the farmers in immediate future. Further, the Governor has directed that due priority should also be accorded to the utilisation of the storages so that the benefits actually reach the end-user.

32. As per the provisions of Section 11 (f) and Section 21 (1) & (2) of Maharashtra Water Resources Regulatory Authority Act, 2005, the Maharashtra Water Resources Regulatory Authority has been entrusted with the responsibility of monitoring the implementation of the Governor's directives. In consonance with the aforesaid provisions of the Maharashtra Water Resources Regulatory Authority Act, 2005, MWRA should continue to take a periodic review of the implementation of these Directives and submit quarterly reports for information of the Governor.

33. In addition to this the guidelines laid down by earlier Directives in respect of allocation of non-budgetable outlay, decentralization of powers to give approvals and divisible and non-divisible plan outlays and the guidelines prescribed by the Directives dated 6 March 2006 in respect of committed expenditure, projects under NABARD and AIBP and DPAP areas stand as they are. It is also reiterated that the Development Boards should be involved in determining priority and

identification of the projects for liquidation of backlog by the Irrigation Development Corporations and the Government to ensure meaningful participation of the Boards in the functioning of these corporations.

IX. Status of backlog in sectors other than Irrigation sector

34. Indicators and Backlog Committee calculated the overall backlog of all other sectors, excluding Irrigation as **Rs. 6588.77 crore** as on 1st April, 1994. After deducting the expenditure incurred on backlog removal during FY 1995-96 to FY 2008-09, backlog as on 1st April, 2009 for sectors other than irrigation was worked out to be **Rs. 848.36 crore**, the region wise details of which are given at **Annexure VII**. The region-wise and sector-wise remaining backlog as on 1 April 2009 after taking into account the expenditure incurred on backlog removal in FY 2000-01 to FY 2008-09, is shown in **Annexure VIII**. As is clear from this statement, the backlog is now remaining only in the sectors of Public Health, Technical Education and Veterinary Services.

X. Energisation of Agricultural Pump-Sets

35. Though the financial backlog in the sector of Energisation of Agricultural Pump-Sets has been fully liquidated as on 01/04/2009, the Energy Department has identified a backlog of 99267 pump-sets in 9 districts. The Energy department has indicated that the demand for the energisation of agricultural pump sets in these districts is comparatively less. The department has been issuing the advertisements in the news papers to promote demand. Due to these steps, the demand in Akola, Washim and Yavatmal is increasing. The department has also mentioned that as irrigation facilities, credit availability and cropping pattern improve; the demand for pump-sets is likely to pick up. The Governor has, therefore, directed that the Department of Energy should make adequate provision for the pending demand and take necessary steps to setup the electricity infrastructure in uncovered areas so that the demand is generated. The Governor has further directed that the Energy Department should submit quarterly reports about the progress in removal of this backlog.

XI. Higher & Technical Education

36. The backlog in the sector of Higher and Technical Education consists of three components; i.e. ITIs, Technical High Schools and Polytechnics. The Department had earlier informed that the remaining backlog of students in ITIs was 1293 student seats as on 1 April 2008, mainly concentrated in Mumbai City and Mumbai Suburban district, would be liquidated by running the existing ITIs in Mumbai in two shifts. But the Department has now informed that the intake capacity of students could not be enhanced in second shift because of non-creation of posts of teaching staff and other related establishment issues. The Department has further informed that creation of posts is likely to be approved soon and new admissions may be given from Academic year 2010-11. Regarding the physical progress of the construction works of ITIs and hostels, the progress is quite

slow. Out of 100 buildings of ITIs to be constructed under backlog, only 54 buildings are completed and out of 100 hostel buildings only 24 buildings are completed.

37. The Department has proposed a plan of **Rs. 92.89 Crore** to complete the construction works of all ITIs up to 2011-12. The requirement for this purpose in FY 2010-11 is **Rs. 50.00 Crore**. Further, the Department has requested that allocation may also be provided from backlog funds for Salary & other establishment matters.

38. The backlog in sub sector of polytechnics was 777 student seats. The department has informed that out of this, the backlog of 428 student seats has been liquidated. The remaining backlog of 349 student seats belongs to Thane district where the construction is under progress. The Department has requested to allocate **Rs. 53.56 Crore** in FY 2010-11 for the construction of Polytechnic buildings.

39. The backlog in the sub sector of Technical schools was 5301 student seats. Out of this, the backlog of 4693 student seats has been liquidated by starting 34 new technical schools in 16 districts. The Department has now proposed a plan to liquidate backlog of remaining 608 student seats by enhancing the capacity of student's in-take in existing 6 technical schools, by increasing additional 4 sections in existing 2 technical schools in Mumbai and establishing a new technical school with in-take capacity of 310 students at Dharavi in Mumbai Suburban district. The Department has prepared a plan of **Rs. 87.86 Crore** to complete the construction works by 2011-12. The department has requested to provide **Rs. 50.00 Crore** outlay for FY 2010-11 from backlog funds.

40. The Governor is of the view that although the remaining financial backlog in this sector is not high, it is necessary to provide adequate funds for the completion of works taken under backlog head. In absence of adequate allocation, these works may remain incomplete and the necessary infrastructure would not be created. However, the requirement of salary and other administrative expenditure can be met from the general plan outlay of the department and need not be provided from the backlog funds. The Governor has directed that an allocation of **Rs. 50 crore, Rs. 50 crore and Rs. 53.36 crore** be made for the sub sectors of ITIs, Technical High Schools and Polytechnics respectively. The region-wise distribution of above is given in **Annexure IX**. The Governor has also observed that there is a greater need for the Department to coordinate with the Public Works and Revenue Departments in order to expedite the construction works and land acquisition for these buildings where land is yet not available.

XII. Public Health Sector

41. The financial backlog as on 1 April 2000 in the public health sector was **Rs. 1353.67 crore**. An expenditure of **Rs. 546.16 crore** has been incurred during April 2000 to March 2009 towards removal of backlog and the remaining financial backlog of public health sector as on 1 April 2009 is **Rs. 807.51 crore**. The expenditure figures for the FY 2009-10 are yet not available; however, the department has indicated that the expenditure is quite low. The Governor has

observed that the pace of utilisation of backlog funds in public health sector is very slow. The role of Public Health Department in the process of removal of backlog in the sectors other than irrigation is very crucial since it shares major chunk of total financial backlog (95.18 %) in other backlog sectors. The Governor has therefore stressed upon the need for the Public Health Department to identify the bottlenecks in utilisation of backlog funds and take remedial steps to overcome them in a mission mode.

42. One of the main issues in utilisation of backlog funds in public health sector is that the remaining financial backlog in public health sector is not commensurate with the requirement of funds for providing health services. The Public Health Department has submitted that the backlog of primary health centres, sub centres, and rural hospitals has been removed except establishment of 10 rural hospitals. The Governor has appreciated that the Public Health Department has covered the backlog districts in terms of making public health services available in those areas. While doing so, the Public Health Department has made those health institutions in backlog districts functional, not necessarily in their owned premises but in other government or rented premises as well depending upon the circumstances. The Governor has observed that while making the public health services available to the backlog districts is important, making them functional with full capacity or potential by supporting them with adequate essential infrastructure wherever necessary is equally important. The backlog funds should be utilised for creating such supporting infrastructure wherever physical services are made available to public since such support would make these services to its fullest potential and more meaningful.

43. As mentioned in para 21 of the Directives dated 27 May 2009, Public Health Department has now prepared a plan to complete the physical infrastructure of the Health Institutions up to 2011-12. As per the plan, the Department has requested **Rs. 285.33 Crore** for FY 2010-11. The region-wise distribution is given in **Annexure IX**. The region wise breakup of the requirement is as shown in **Annexure IX**. The Public Health Department has also communicated that the remaining bed backlog will be reconciled by coordinating with Medical Education and Drugs Department in case of Medical Educational Institutions and Urban Development Department in case of Health Institutions in Municipal areas. The Governor has directed the Public Health Department to submit the report accordingly.

XIII. Veterinary Services

44. In the Annual Plan 2009-10, an outlay of **Rs. 0.36 crore** was sanctioned under regional imbalance for establishment of 50 Veterinary Dispensaries. The Animal Husbandry Department has now communicated that these 50 Dispensaries are transferred to non-plan since 2008-09. Therefore, the expenditure could not be made during FY 2009-10. The same allocation is being kept for this sector in the FY 2010-11. The region-wise distribution is given in **Annexure IX**.

XIV. Allocation for removal of backlog in sectors other than irrigation

45. As in the case of Irrigation sector, the allocation for removal of backlog in other sectors would be earmarked separately. The Governor has directed that an allocation of **Rs. 439.25 crore** should be earmarked for backlog removal in sectors other than Irrigation in the Annual Plan for FY 2010-11. The region-wise allocation of **Rs. 439.25 crore** outlay for backlog removal in 2010-11 should be as follows:

| Sr. No. | Region | Outlay for backlog removal (Rs. in crore) | Percentage to total |
|---------|---------------------|---|---------------------|
| 1. | Vidarbha | 81.84 | 18.63% |
| 2. | Marathwada | 87.97 | 20.03% |
| 3. | Rest of Maharashtra | 269.44 | 61.34% |
| 4. | Total | 439.25 | 100.00% |

Further, the sectoral allocation for backlog removal within the region is given in the statement at **Annexure IX**.

XV. Distribution of remaining plan outlay

46. 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 proportion to the overall population of the respective regions. Within this region wise allocation of remaining plan outlays, there would however be flexibility to have sector wise distribution among the three regions depending upon the needs and development opportunities of respective regions in those sectors. It thus means that region wise allocation of a sector and schemes under the sector need not necessarily be strictly based on population proportion of respective regions and there would be flexibility in distributing the sectoral outlays among the three regions and schemes under the sectors among the three regions keeping in view the special needs of the regions and opportunities for developments for the regions in various sectors. However, the sum total of all the sectoral outlays for a region taken together should be within the overall ceiling of the share of respective regions in the remaining plan outlays which are distributed in proportion of overall population of respective regions.

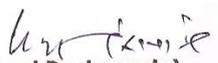
47. There shall be no diversion of funds from backlog districts to non-backlog districts and from the area of one Development Board to another without prior approval of the Governor.

I. Governance issues

48. In the earlier Directives of 1 March 2007, 6 March 2008 and 27 May 2009, the Governor had expressed anxiety over issues of governance in backward areas and desired that the issues such as delegation of powers, adequacy of staff, flow of funds and logistic support, land availability and coordination between various

departments and other issues of governance be addressed on top priority. The issues of governance wield more importance in view of the fact that the removal of backlog is concentrated in few sectors and in few districts. For the process of timely completion of on-going projects and starting up of new projects to be effective, the governance issues such as providing adequate staff, expediting land acquisition and rehabilitation process and setting up an effective monitoring mechanism must be addressed on an urgent basis. The Governor has, however noticed that compliance of many directions in the directive of 27 May 2009, especially submission of reports regarding fixation of responsibility for diversion of Irrigation funds as per para 11 (C), impact assessment study as per para 44 and time and cost overruns as per para 41 of the abovementioned directives, have not been submitted as yet. The Governor has, therefore, directed to expedite the submission of those reports. Further, the Governor has observed that the committees set up for the planning and monitoring of construction works in Public Health and Technical Education sectors have neither been effective nor any reports have been submitted to the Governor. Therefore, the Governor has directed strict compliance of the directives by all concerned. These committees should function effectively and submit periodic reports to the Governor. The Governor has further directed that the Secretary to Governor would take quarterly review of the compliance of these directives and submit the same to the Governor for information.

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


(Shrikant Deshpande)

Secretary to Governor

Raj Bhavan, Mumbai
Date: 19 March 2010.

Annexure-I

Statement showing region-wise financial backlog, as computed by the Indicators and Backlog Committee, as on 1 April 1994

(Rs. in crore)

| Sr. No. | Region | Irrigation | Other Backlog Sectors | Total Backlog |
|---------|---------------------|---------------------------------|---------------------------------|----------------------------------|
| 1 | Vidarbha | 4083.00 (55.04%) | 2541.02 (38.57%) | 6624.02 (47.60%) |
| 2 | Marathwada | 2401.00 (32.37%) | 1603.55 (24.34%) | 4004.55 (28.77%) |
| 3 | Rest of Maharashtra | 934.00 (12.59%) | 2444.20 (37.09%) | 3378.20 (23.63%) |
| 4 | Total | 7418.00 (100%) | 6588.77 (100%) | 14006.77 (100%) |

Source: Indicators and Backlog Committee Report

Annexure- II

Comparative position of financial backlog in the Irrigation sector as on 1 April 1994, 1 April 2000, 1 April 2009 and allocation made in FY 2009-10 for removal of financial backlog.

(Rs. in crore)

| Sr. No | Region | Backlog as on 1/4/1994 | Backlog as on 1/4/2000 | Backlog as on 1/4/2009 | Allocation earmarked for removal of backlog in FY 2009-10 |
|--------|---------------------|---------------------------------|---------------------------------|--------------------------------|---|
| 1 | Vidarbha | 4083.00 (55.04%) | 3956.50 (59.78%) | 788.76 (83.21%) | 906.44 (72.76%) |
| 2 | Marathwada | 2401.00 (32.37%) | 2173.96 (32.85%) | 159.20 (16.79%) | 339.42 (27.24%) |
| 3 | Rest of Maharashtra | 934.0 (12.59%) | 487.91 (7.37%) | 0.00 | 0 (0.00%) |
| | Total | 7418.00 (100%) | 6618.37 (100%) | 947.96 (100%) | 1245.86 (100%) |

Footnote:

1. Backlog as on 1994 was assessed by Indicators and Backlog Committee 1994 by cost norm of Rs. 50,000 per hectare.
2. Irrigation Department had finalised the financial backlog as on 1 April 2000 in the Irrigation sector, and communicated by Planning Department by letter dated 11 October 2001, by taking into consideration the remaining cost of projects identified for backlog removal instead of uniform cost of Rs.50,000 per hectare.
3. The backlog as on 1 April 2009 has been obtained by deducting the estimated expenditure for backlog removal in the backlog districts in FY 2008-9 from the backlog as on 1 April 2008. Further explanation is given in **Annexure** IB of directives dated 27 May 2009.
4. The figures for expenditure during 2009-10 are not available.
5. Allocation for removal of backlog in FY 2009-10 includes the opening balances with the respective regions.

Annexure- III

Statement showing district-wise backlog, number of on-going projects and its irrigation potential

| Sr. No. | District | Remaining backlog as on June, 2009 (in Ha. SRE) | Backlog expected to be removed by 31/03/2010 (in Ha. SRE) | Balance backlog as on 01/04/2010 (in Ha. SRE) | No. of ongoing projects | Balance Irrigation potential of ongoing projects (in Ha. SRE) |
|----------------|--------------------------|--|--|--|--------------------------------|--|
| 1. | Ratnagiri | 10320 | 9758 | 562 | 29 | 175814 |
| 2. | Amravati | 85440 | 5742 | 79698 | 36 | 98995 |
| 3. | Akola (including Washim) | 100270 | 9389.3 | 90880.7 | 115 | 130153 |
| 4. | Buldhana | 77690 | 4213 | 73477 | 25 | 206393 |

Source: Planning Department letter No. SDB-2010/CR-119?Desk-1416, Dated 14 March 2010
Irrigation Backlog = $(35.11 - \% \text{ of irrigation potential created w.r.t. Net sown area}) \times \text{net sown area} / 100$

State average on 01/04/1994 = 35.11%

Annexure- IV A
Statement showing region-wise percentage of population and net sown area in the state

| Region | Population* | % Of Population | Net Sown Area 1994 (000 Hector)# | % Of Net Sown area |
|----------------------------|--------------------|------------------------|---|---------------------------|
| 1 | 2 | 3 | 4 | 5 |
| Vidarbha | 20630987 | 24.30 | 5106.80 | 28.27 |
| Marathwada | 15629248 | 18.41 | 4755.90 | 26.33 |
| Rest of Maharashtra | 48639942 | 57.29 | 8199.30 | 45.40 |
| Total | 84900177 | 100.00 | 18062.00 | 100.00 |

* **Source** -- Census 2001

Source -- I & B Committee report, Volume-I

@ **Source** -- Information as communicated by letter dated 16th November 2005 of Planning Department.

Annexure- IV B
Statement showing region-wise allocation of outlay in the Irrigation sector in the annual plan 2010-11

| Region | Share of Population | Share of Net sown area | Weighted average of population 50% and Net sown area 50% |
|---------------------|---------------------|------------------------|--|
| Vidarbha | 24.30 | 28.27 | 26.285 |
| Marathwada | 18.41 | 26.33 | 22.370 |
| Rest of Maharashtra | 57.29 | 45.40 | 51.345 |
| Total | 100.00 | 100.00 | 100.00 |

Annexure IV C
Region-wise Tribal Population & Area under TSP

| Sr No | Region | Tribal Population | % of Tribal Population | Area under TSP (Sq. Km.) | % of area under TSP | Weightage of Tribal Population and area under TSP (50% each) |
|-------|---------------------|-------------------|------------------------|--------------------------|---------------------|--|
| 1 | Vidarbha | 2756115 | 32.48% | 31101 | 56.07% | 44.27% |
| 2 | Marathwada | 608109 | 7.17% | 1983 | 3.58% | 5.37% |
| 3 | Rest Of Maharashtra | 5121932 | 60.36% | 22382 | 40.35% | 50.35% |
| | Total | 8486156 | 100.00% | 55466 | 100.00% | 100.00% |

Source: Annual Tribal Sub Plan, 2009-10, Tribal Development department, Government of Maharashtra

Annexure- V

Statement showing the amount of excess / shortfall in expenditure during 2007-08 and 2008-09 to be made good in a phased manner

(Rs. In crore)

| Region | Allocation to make up for shortfall / excess Expenditure in 2007-08 | Allocation to make up for shortfall / excess Expenditure in 2008-09 | Deferred corrections | Deferred corrections /2 | Corrections to be made in FY 2010-11 | Corrections to be made in FY 2011-12 |
|----------------------------|--|--|-----------------------------|--------------------------------|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| | See Annexure VB of directives dated 27 May 2009 | See Annexure VC of directives dated 27 May 2009 | Col2+Col3 | Col4/2 | Col4/2 | Col4/2 |
| Vidarbha | 387.64 | 379.38 | 767.02 | 383.51 | 383.51 | 383.51 |
| Marathwada | -100.61 | -141.28 | -241.88 | -120.94 | -120.94 | -120.94 |
| Rest of Maharashtra | -287.04 | -238.10 | -525.13 | -262.57 | -262.57 | -262.57 |
| Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Footnote:

1. The unspent balances of all the three regions as on 31/03/09 have been treated as expenditure incurred for the respective regions during 2008-09
2. Negative (-) sign shows that the funds have to be taken out of the region
3. Positive (+) sign shows that the funds have to be given to the region

Annexure- VI A

Statement showing the allocation of funds available after earmarking the funds for removal of backlog from the current year's available allocation, thereafter, remaining funds are distributed on the basis of respective weightages of regions in terms of population and net sown area

(Rs. In crore)

The divisible outlay for the irrigation sector = 5022.96

Outlay earmarked for removal of backlog = 650.00

Outlay available for allocation as per allocation principle explained in Annexure IV B = 4372.96

| Region | Region-wise weightage of population and net sown area | Distribution of balance funds | Corrections for the excess and shortfall in expenditure during FY 2007-08 & 2008-09 | Total Allocation |
|----------------------------|--|--|--|-------------------------|
| 1 | 2 | 3 | 4 | 5 |
| | Refer Annexure IV B | Outlay available for allocation * Col 2/100 | Refer Annexure V | Col 3 + Col 4 |
| Vidarbha | 26.29 | 1149.43 | 383.51 | 1532.94 |
| Marathwada | 22.37 | 978.23 | -120.94 | 857.29 |
| Rest of Maharashtra | 51.35 | 2245.30 | -262.57 | 1982.73 |
| Total | 100.00 | 4372.96 | 0.00 | 4372.96 |

Annexure- VI B

Region-wise distribution of funds under TSP

(Rs. In crore)

| Region | Weightage of Tribal Population and area under TSP (50% each)* | Allocation of TSP funds |
|----------------------------|--|--------------------------------|
| Vidarbha | 44.27% | 47.62 |
| Marathwada | 5.37% | 5.78 |
| Rest Of Maharashtra | 50.35% | 54.16 |
| Total | 100.00% | 107.56 |

*** Refer Annexure IV C**

Annexure – VII
Comparative position of financial backlog in the other backlog
sectors as on 1 April 1994, 1 April 2002 & 1 April 2009

(Rs. in crore)

| Region | Backlog as 1 on April 1994 | Backlog as on 1 April 2002 | Backlog as on 1 April 2009 | Percentage reduction in financial backlog between FY 2002-03 and FY 2008-09 |
|---------------------------------------|---------------------------------|---------------------------------|--------------------------------|---|
| Vidarbha | 2541.02 (38.57%) | 1399.87 (33.25%) | 85.86 (10.12%) | 93.86 |
| Marathwada | 1603.55 (24.34%) | 1045.59 (24.84%) | 291.47 (34.24%) | 72.12 |
| Rest of Maharashtra | 2444.20 (37.09%) | 1763.52 (41.09%) | 472.03 (55.64%) | 72.23 |
| Other backlog sectors (Total backlog) | 6588.77 (100%) | 4208.98 (100%) | 848.36 (100%) | 79.84 |

Note: Backlog on respective dates shown in above table has been calculated by deducting the expenditure incurred since FY 1995-96 during respective years from the amount of backlog as on 1 April 1994.

Source: - Expenditure statements submitted by the Planning Department.

Annexure-VIII

Statement showing region-wise remaining financial backlog in the sectors other than Irrigation as on 1 April 2009

(Rs. In crore)

| S r N o | | Vidarbha | | Marathwada | | Rest of Maharashtra | | Total | | % of remaining backlog |
|------------------|---------------------|------------------------|--------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|------------------------|
| | | Backlog as on 1/4/2000 | Remaining backlog as on 1/4/09 | Backlog as on 1/4/00 | Remaining backlog as on 1/4/09 | Backlog as on 1/4/00 | Remaining backlog as on 1/4/09 | Backlog as on 1/4/00 | Remaining backlog as on 1/4/09 | |
| 1 | Technical Education | 105.23 | 13.3 | 73.23 | 0 | 241.09 | 27.19 | 419.55 | 40.49 | 4.77% |
| 2 | Public Health | 187.34 | 72.56 | 422.74 | 290.47 | 743.59 | 444.48 | 1353.67 | 807.51 | 95.18% |
| 3 | Veterinary Services | 0.13 | 0 | 0.87 | 0 | 3.17 | 0.36 | 4.17 | 0.36 | 0.04% |
| | Total : | 292.7 | 85.86 | 496.84 | 290.47 | 987.85 | 472.03 | 1777.39 | 848.36 | 100% |
| | | | 10.12% | | 34.24% | | 55.64% | | 100% | |

Source: - Expenditure statements submitted by the Planning Department vide letter dated 23/05/09

Annexure – IX

Statement showing sector-wise allocation of outlay for backlog removal in the Annual Plan 2010-11

(Rs. in crore)

| Sr. No. | Sector | Vidarbha | Marathwada | Rest of Maharashtra | Total |
|----------|---------------------------------|---------------|---------------|---------------------|----------------|
| 1 | Technical Education | | | | |
| | a ITIs | 4.94 | 6.52 | 38.54 | 50.00 |
| | b Polytechnics | 5.77 | 4.71 | 43.08 | 53.56 |
| | c Technical High Schools | 14.37 | 17.24 | 18.39 | 50.00 |
| 2 | Public Health | 56.76 | 59.50 | 169.07 | 285.33 |
| 3 | Veterinary Services | 0.00 | 0.00 | 0.36 | 0.36 |
| | Total | 81.84 | 87.97 | 269.44 | 439.25 |
| | | 18.63% | 20.03% | 61.34% | 100.00% |