

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 in the Annual Plan 2005-06.

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, 12 March 2003 and 23 February 2004.

1.5 The region-wise allocation of outlay in the Irrigation Sector as per the Governor's Directives of 15 December 2001, 12 March 2003 and 23 February 2004 was made in 2002-03, 2003-04 and 2004-05. Since information on region-wise expenditure for the year 2004-05 is not available at this stage, the Governor has directed that the region-wise shortfall/excess in expenditure in the Irrigation Sector in 2004-05 will therefore be made good in the course of the year 2005-06 by providing additional outlay to Vidarbha and Marathwada in the supplementary budget.

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.

Year	Weightages to		
	Backlog	Population	Net Sown Area
2002-03	35	40	25
2003-04	45	30	25
2004-05	55	20	25
2005-06	65	10	25

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.

2.2 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-II**) 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 had therefore directed that a minimum of Rs.2751 crore should be allocated to the Irrigation Sector in the Annual Plan 2003-04 and 2004-05.**

2.3 In the Annual Plan 2005-06 **the Governor has directed that a minimum of Rs.2751 crore should be allocated to the Irrigation Sector.** 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 65%, population at 10% 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 in the Annual Plan 2004-05 have been shown in **Annexure-I.**

Sr. No.	Region	Weighted average (65% backlog, population 10% and net sown area 25%)	Allocation on the basis of weighted average for 2005-06 (Rs. in crore)
1.	Vidarbha	49.93	1373.57
2.	Marathwada	29.94	823.65
3.	Rest of Maharashtra	20.13	553.78
4.	Total	100.00	2751.00

The statement of the region-wise percentage of population and net sown area for working out the weighted average factors are given at **Annexure-II-A** .

2.4 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.

3.0 Expenditure incurred in the Irrigation sector in the Annual Plan 2003-04

The region-wise allocation of outlay in the Irrigation Sector as per the Governor's Directives of 12 March 2003 was made in 2003-04. The information on region-wise expenditure for the year 2003-04 has been submitted by the Irrigation Department. The following table shows outlay and actual distribution in Irrigation sector in the Annual Plan 2003-04:

(Rs. in crore)

Sr. No.	Region	Outlay in Irrigation sector in 2003-04	Actual Expenditure
1.	Vidarbha	1151.82 (42.34%)	501.48 (23.36%)
2.	Marathwada	734.06 (27%)	350.18 (16.31%)
3.	Rest of Maharashtra	834.12 (30.66%)	1272.73 (59.29%)
4.	Common schemes	31.00	22.35 (1.04%)
5.	Total	2751.00 (100%)	2146.74 (100%)

The statement showing region-wise allocation of outlay and amount actually disbursed and the shortfall/ excess in expenditure is at **Annexure-III**. It has been observed that there has been shortfall in expenditure to the extent of Rs. 1042.87 crore. The region-wise break-up of this shortfall in expenditure is Vidarbha-Rs.

650.34 crore, Marathwada-Rs. 383.88 crore and Common schemes is Rs. 8.65 crore. **The Governor has directed that the shortfall in expenditure in the Annual Plan 2003-04 be made good in the Annual Plan 2005-06 by providing an outlay of Rs. 1042.87 crore over and above the usual allocation in the Irrigation sector and distributing this outlay region-wise in the Irrigation sector 2005-06 as follows : Vidarbha-Rs 650.34 crore, Marathwada-Rs. 383.88 crore and Common schemes –Rs. 8.65 crore.** There has been excess expenditure to the extent of Rs. 438.61 crore in the Rest of Maharashtra region. The Governor has directed that Rs. 438.61 crore be deducted from the allocation made to Rest of Maharashtra region in 2005-06.

3.1 Allocation in Irrigation sector in the Annual Plan 2005-06 after taking into consideration the allocation based on weighted average and the additional allocation on account of shortfall in expenditure in the Irrigation sector in the Annual Plan 2003-04 :

In the Annual Plan 2005-06 the Governor has directed that Rs. 3355.26 crore be provided in Irrigation sector out of which Rs. 1042.87 crore is to make up the shortfall in expenditure in the Annual Plan 2003-04. There has been excess expenditure in Rest of Maharashtra to the extent of Rs. 438.61 crore in the Irrigation sector in the Annual Plan 2003-04. The Governor has directed that Rs. 438.61 crore be deducted from the allocation to rest of Maharashtra region on the basis of weighted average i.e. Rs.553.78 crore and the net outlay of Rs. 115.17 crore be allocated to Rest of Maharashtra region in the Irrigation sector in the Annual Plan 2005-06.

The following statement shows the allocation in the Irrigation sector in the Annual Plan 2005-06.

(Rs. in crore)

Sr. No.	Region	Allocation 2005-06	Allocation to make up the shortfall/excess expenditure in 2003-04	Total allocation
1.	Vidarbha	1373.57 (49.93%)	650.34	2023.91
2.	Marathwada	823.65 (29.94%)	383.88	1207.53
3.	Rest of Maharashtra	553.78 (20.13%)	(-)438.61	115.17
4.	Common schemes	-----	8.65	8.65
5.	Total	2751.00	1042.87	3355.26

(*indicates excess expenditure in 2003-04 incurred in Rest of Maharashtra region, which has been deducted from allocation for 2004-05)

3.2 Scarcity relief programme :

In view of the acute drought situation in 69 talukas from 10 districts of Maharashtra in 2003-04 the Irrigation Department had prepared a programme for scarcity relief works to serve these ten districts in order to execute important components of the irrigation projects to serve these 69 scarcity talukas expeditiously. The action plan comprised of 16 major projects, 8 medium projects, 6 lift irrigation schemes and 135 minor irrigation projects benefiting 53 scarcity talukas from ten districts. The outlay required was to be made available through loan of Rs. 1000 crore through the Life Insurance Corporation. Out of Rs. 999.22 crore outlay required , Rs. 714.19 crore is in Rest of Maharashtra region and Rs. 285.02 crore is in Marathwada region. The Governor by letter dated 8 March 2004 had given permission to the State Government to fund the scarcity

relief programme in the 69 talukas of 10 districts of Rest of Maharashtra by way of loan from the Life Insurance Corporation of India subject to the condition that Vidarbha and Marathwada will be duly compensated for the expenditure incurred in the rest of Maharashtra region on account of drought relief. Out of Rs. 999.22 crore outlay allocated for drought relief Rs. 714.20 crore was allocated to rest of Maharashtra and Rs. 285.02 crore was allocated to Marathwada. The statement showing the region-wise outlay actually allocated, the outlay to be allocated as per the percentages stipulated in the Governor's directives dated 12 March 2003 and the shortfall in outlay is placed at **Annexure-IV**.

3.3 Compensating Vidarbha on account of drought relief expenditure incurred in rest of Maharashtra :

From the statement at Annexure-IV it is observed that there is a shortfall in outlay to the extent of Rs. 1330.20 crore out of which Rs. 986.28 crore is in Vidarbha and Rs. 343.92 crore in Marathwada on account of the drought related expenditure of Rs. 999.22 crore incurred in Marathwada and Rest of Maharashtra. **Therefore the Governor has directed that an additional outlay of Rs. 986.28 crore be provided to Vidarbha region and Rs. 343.92 crore be provided in Marathwada region in the Annual Plan 2005-06 in the Irrigation sector in order to compensate Vidarbha and Marathwada on account of the drought related expenditure in Marathwada and rest of Maharashtra region.**

3.4 Total allocation in the Irrigation sector in the Annual Plan 2005-06

Therefore the Governor has directed that Rs. 4685.46 crore outlay be allocated in the Irrigation sector in the Annual Plan 2005-06 the region-wise distribution of which should be as given below (at Annexure-V)

(Rs. in crore)

Sr. No.	Region	Allocation 2005-06	Allocation to make up the shortfall/excess expenditure in 2003-04	Total allocation	Outlay compensating Vidarbha & Marathwada on account of drought related expenditure in Rest of Maharashtra and Marathwada.	Total outlay
1.	Vidarbha	1373.57 (49.93%)	650.34 (62.36%)	2023.91 (60.32%)	986.28	3010.19 (64.25%)
2.	Marathwada	823.65 (29.94%)	383.88 (36.81%)	1207.53 (35.99%)	343.92	1551.45 (33.11%)
3.	Rest of Maharashtra	553.78 (20.13%)	(-)438.61*	115.17 (3.43%)	----	115.17 (2.46%)
4.	Common schemes	-----	8.65 (0.83%)	8.65 (0.26%)	---	8.65 (0.18%)
5.	Total	2751.00 (100%)	1042.87 (100%)	3355.26 (100%)	1330.20	4685.46 (100%)

(*indicates excess expenditure in 2003-04 incurred in Rest of Maharashtra region, which has been deducted from allocation of rest of Maharashtra region)

3.5 Disbursement of outlay in the Irrigation sector :

Since the past four years it is observed that although the outlay in the Irrigation sector is allocated as per the Governor's directives the disbursement of outlay is not in accordance with the region-wise percentages as stipulated in the Governor's directives. The year 2005-06 being the last year for liquidation of backlog in the Irrigation sector , the disbursement of outlay in the Irrigation sector in the Annual Plan 2005-06 should be strictly in accordance with the region-wise percentages stipulated in the directives.

3.6 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.

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

Date : 25 February 2005

Sd/-
(Sumit Mullick)
Secretary to the Governor of Maharashtra.