

Mr. Speaker Sir,

I am grateful to you and all the Hon'ble Members for giving me the privilege of presenting the Annual Budget for the year 2003-2004 in this august House. I would only be stating the obvious when I say that the State was undergoing a serious financial crisis when the current financial year started, because of the heavy burden of salary, pension and debt servicing liabilities. Most other States are also in dire financial straits. I will be failing in my duty if I do not record my heartfelt gratitude to all of you for extending your constructive support in handling our fiscal problem.

Revised
Estimates
for 2002-03

2. The financial year 2001-02 closed with a large deficit of Rupees One thousand thirty eight crore and fifty two lakh against the estimated closing deficit of Rupees six hundred three crore and fifty two lakh. This closing deficit of 2001-02 got carried forward as opening deficit for the financial year 2002-03. This deficit was the cumulative outcome of the damages suffered by the State economy because of the Super Cyclone of 1999 followed by a series of natural calamities like drought in 2000, severe floods in 2001 and again drought in 2002.

3. I am happy to inform the House that collection of State's own tax and non-tax revenue taken together has

registered a growth rate of more than 22% over the collection of corresponding period of the previous year. Thus, higher collection of State's own revenue has helped in managing the difficult ways and means position to some extent. With liberal advance releases of the State's share in Central taxes, State Plan assistance and other entitlements in difficult times and permission to the State Government to go for a higher open market borrowing, Government of India have come to the aid of the State Government in keeping up the pace of expenditure in development projects and anti-poverty programmes.

Anticipated
Closing
Deficit

4. In 2002-03 the total resource estimated for the annual plan was Rs.3100.00 crore out of which Rs.169.71 crore was in the account of the PSUs' and the balance Rs.2930.29 crore was in the State Government Budget. Since funds were required to be provided in the original Budget for essential requirements outside the Centrally Sponsored schemes and Externally Assisted Projects, against availability of Rs.305 crore of untied resource in the original Budget, outlay of nearly Rs.738 crore was provided for. Besides this, as per the 1st Supplementary statement of expenditure, there has been a net addition of around Rs.578 crore towards scholarship for ST & SC students, State share under Indira Awas Yojana, Old Age Pension, remuneration to Sikhya Sahayaks and

requirement for payment of Dearness Allowance to State Government employees. Hence, the total deficit, works out to nearly Rs.2050 crore which includes the opening deficit of nearly Rs.1040 crore.

5. To help us out of this position of recurring overdrafts, Government of India, in the meantime, have released Rs.692 crore as a Medium Term Loan to cover a part of the opening deficit for the financial year 2002-03. Further, in response to the request of the State Government, Government of India have also sanctioned additional market borrowing of Rs.700 crore, out of which Rs.400 crore will be utilized in the prepayment of the high cost Small Saving loan under a Debt Swapping Scheme, 2002. The balance Rs.300 crore of market borrowing would be available over and above the net market borrowing of Rs.514 crore 71 lakh as originally assumed. Thus, the closing deficit would be reduced by Rs.992. crore.

6. It is expected that the collection of State's own tax and non-tax revenue may exceed the original Budget estimate by Rs.140 crore. The loan on Small Savings may also exceed the Budget estimate by Rs.200 crore out of which Rs.100 crore would be utilized in repayment of earlier high cost borrowings from Government of India. It is expected that the closing deficit for the year 2002-03 may

be reduced to around Rs.600 crore compared to around Rs.1040 crore of deficit for the year 2001-02.

Now let me come to the estimates for 2003-04.

Estimates
for 2003-04

7. I want to inform this august House that the Budget proposal for 2003-04 has been formulated and guided by the fiscal targets and various stipulations incorporated in the Medium Term Fiscal Plan (MTFP) which has been worked out pursuant to the MoU signed on 11.10.2001 with the Ministry of Finance, Department of Expenditure, Government of India. Hon'ble Members may kindly recollect that this Medium Term Fiscal Plan (MTFP) was laid in this august House on 18.12.2001, along with the Memorandum of Understanding signed with Government of India. As per the said MoU, State Government is committed to take various expenditure compression and revenue generation measures in order to achieve the specified fiscal targets in the respective years starting from 2000-01 to 2004-05. In case State Government fails to implement such measures the State will not only not be entitled to receive fiscal incentive grants from the Government of India but also external financial assistance, so essential to accelerate the pace of socio-economic development of our State.

8. The average annual growth rate of own tax revenue from 1991-92 to 2000-01 was 12.85%. Taking into account the various reform initiatives and enforcement measures, 13% growth rate per year has been assumed over the actual collection of 2001-02 for arriving at the estimates for the year 2003-04. The collection of State's own tax revenue during 2001-02 was around Rs.2467 crore. While the Budget estimate for 2002-03 was kept at Rs.2880 crore for tax-revenues, the revised estimate for 2002-03 and Budget estimate for 2003-04 has been kept at Rs.2980 crore and Rs.3168 crore respectively.

9. The collection of State's own non-tax revenue during 2000-01 was around Rs. 676 crore and Rs. 620 crore in 2001-02. Against the Budget estimate of Rs. 834 crore and revised estimate of Rs. 874 crore for 2002-03, the Budget estimate for 2003-04 has been kept at Rs. 917.13 crore.

Introduction of VAT

10. In accordance with the consensus reached among all States, the existing retail Sales tax will be replaced by the Value Added Tax (VAT) with effect from 1.4.2003. VAT is, in essence, a destination-based tax on consumption with set off provided for tax paid in the intermediate stages. Introduction of VAT in all States will help creation of a

unified market in the entire country. Taxation of business transactions will be made simple, transparent and less discretionary. There are apprehensions in some quarters that switching over to VAT may entail enormous revenue loss for the State. Such apprehensions are not well founded. The new tax rates under the VAT regime will be fixed so as to neutralize the anticipated revenue losses. Besides, in the spirit of Co-operative Federalism, the Central Government has assured the States to compensate the consequential revenue loss to the extent of 100 percent in the first year, 75 percent in the second year and 50 percent in the third year. I take this opportunity to seek full cooperation of the Honourable Members, traders, retailers, manufacturers, Chambers of Trade and Commerce and most importantly, of the consumers for successful implementation of VAT with effect from 2003-04.

Estimate of Central Receipts

11. A growth rate of 12% has been assumed while estimating share in Central Taxes, Central Assistance and Loans. The estimate for 2003-04 has been kept around Rs.3431 crore.

12. The estimate of Non-Plan grant for 2003-04 has been arrived at Rs.169 crore in conformity with the

recommendation of the 11th Finance Commission and after taking into account other miscellaneous Non-Plan grant.

The total Non-Plan revenue expenditure

13. The total non-plan revenue expenditure in 1998-99 was Rs.5170.50 crore and this has increased to Rs.8061.16 crore in 2001-02, Rs.9,310.68 crore as per the revised estimate for 2002-03. This has been estimated to increase to Rs.9811.59 crore for the year 2003-04, the major rise being on pension and interest.

Important items of non-plan revenue expenditure for 2003-04

14. The important items of non-plan revenue expenditure include Salary, Pension, Interest Payment, Food Subsidy, Relief Expenditure, Maintenance of Capital Assets, etc. Members would be happy to know that Salary, Interest, Pension, Relief Expenditures etc. have been adequately provided for and maintenance of Capital Assets has been kept at a much higher level than last year.

15. The total resource estimated for the Annual Plan 2003-04 has been worked out at Rs.3400 crore. Out of this, resource in the State Government account is Rs.3209.92 crore and the balance Rs.190.08 crore is in the account of Public Sector Undertakings.

16. **Let me now dwell upon some important Highlights of the Budget proposal for 2003-04**

- In Orissa when most of us start a new work or propose to celebrate an auspicious occasion, we invoke the blessings of LORD JAGANNATH. I have no hesitation to say on the floor of this august House that it is the Lord who has stood behind us in all our trials and tribulations. I am sure that members of this House would be happy to know that my Government has made a provision of Rs.5 crore in the State Budget for supplementing a Special Corpus Fund already created for management of the Lord Jagannath Temple.
- The old, the destitute and the widows who are living in distress need care and help from all segments of society. During 2002-03 the target for coverage under the State Old Age Pension (SOAP) Scheme has been increased by fifty thousand for the State raising the total coverage to six lakh forty thousand. For this purpose, Rs.76.80 crore has been provided for the year, 2003-04.

- Coverage under the Orissa Disability Pension Scheme has been enhanced by 30,000 beneficiaries bringing the total coverage of physically challenged persons to one lakh. Rs.12 crore has been provided for this purpose for the year 2003-04.
- All old age and disabled pensioners are getting their pension every month on one single day called “Jana Seva Divas” – which is the 15th of each month – throughout the State. This would be continued.
- About 73,000 new Women’s Self Help Groups (SHGs) have been formed in the State under ‘Mission Shakti’. Around 10 lakh members have generated savings amounting to Rs.30 crore. 18,000 Women’s SHGs have been provided financial assistance amounting to Rs.2 crore 25 lakh for initiating them into sustainable income generating activities during 2002-03.
- Under the various nutrition and food security programmes, Rs.5 crore has been provided for the Supplementary Nutrition Programme under the ICDS implemented through the Anganwadi Centres; Rs.27 crore 50 lakh for the ‘Nutrition Component’ under the Prime Minister’s

Gramodaya Yojana (PMGY) for feeding the vulnerable population of women and children; Rs.9 crore 50 lakh for the Mid-Day Meal Programme in the KBK and ITDA Blocks throughout the State and Rs.15 crore 71 lakh for the Emergency Feeding Programme in the KBK areas. Besides, an amount of Rs.10 crore 84 lakh has been provided for the Special Nutrition Programme for children under age of three in the Revised Long Term Action Plan (RLTAP) for the KBK districts.

- A Pilot Project under the 'National Nutrition Mission' has been launched in Koraput and Kalahandi districts to provide free food-grains to about ninety six thousand under-nourished adolescent girls and pregnant women and lactating mothers. The scheme shall continue during 2003-04 for which Rs.537.51 lakh has been provided.

Scholarship for
ST & SC students ➤

- Pre-Matric and Post-Matric Scholarships of S.T. & S.C. students have been fully provided for.
- The Orissa Tribal Empowerment and Livelihood Programme with a proposed out-lay of Rs.430 crore is being launched in 30 Tribal Blocks of 7 Southern Districts with assistance from IFAD,

DFID & World Food Programme. Rs.21 crore 47 lakh has been kept in the budget of S.T. & S.C. Development Department for 2003-04 under the State Plan.

- Under the ongoing programme of tackling food insecurity in the tribal areas, 700 Grain Banks are proposed to be set up in 2003-04 for which provision has been made in this Budget.

Agriculture

17. Agriculture sector occupies an important place in the State's economy. It contributes 33% to the net State Domestic Product and provides employment directly or indirectly to about 64% of the total work force.

- Our Government has provided Rs.5 crore 19 lakh in the budget of Agriculture Department under State Plan to assist and encourage the young entrepreneurs to take to horticulture, floriculture, farm mechanization, cultivation of vegetables and pisciculture. The fund is to be routed through APICOL as incentive to individual entrepreneurs based on their actual performance. The areas in which such incentive can be provided includes private lift irrigation, establishment of food processing units, vegetable grading, food-grain grading units, chilling transit centres and transport of vegetables, milk and milk products, agriculture

service centre, floriculture, horticulture, establishment of hatchery, milk bi-product unit for preparation of paneer, ghee, curd etc.

- Horticulture for self-employment will be encouraged by our Government. Orissa is the first State to get varieties of organic ginger and turmeric notified in the country. Agreement for setting up of Agri-Export Zone (AEZ) has been recently signed by the State Government for “Turmeric and Ginger” with Agricultural Processing and Export Development Agency (APEDA). Our Government stands committed to developing this zone covering Kandhamal and Koraput districts. Processing industries will be encouraged by the Government in this zone by way of providing specified facilities and incentives.
- The major thrust of our Government is creation of additional irrigation potential and proper management and use of water resources. A special drive will be taken to install one lakh shallow tube wells and dug wells during the years 2003 and 2004 and Rs.15 crore has been provided towards negotiable loan to create irrigation potential by exploiting groundwater potential for increasing agricultural productivity in the State.

Irrigation

18. The total irrigation potential created till June, 2002 is 25 lakh 31 thousand and 100 hectares. It has been targeted to create additional potential of 43 thousand and 40 hectares till June, 2003. During the irrigation year 2003-04 starting from July, 2003, it has been proposed to create additional irrigation potential of 36 thousand 7 hundred and 61 hectares.

The outlay provided under irrigation sector is Rs. 548 crore and 31 lakh, which constitutes nearly 17.5 percent of the total State Plan Outlay. I will give you the breakup.

Rs.427.74 crore has been provided under Major & Medium Irrigation;

Rs.93.89 crore on Minor Irrigation;

Rs.16.78 crore on Lift Irrigation;

Rs.4 crore on Flood Control and Drainage and lastly,

Rs.5.90 crore on Groundwater Survey & other miscellaneous items.

19. Under Centrally funded Accelerated Irrigation Benefit Programme (AIBP), a sum of Rs.215 crore has been provided. Out of this, Rs.175 crore has been provided under Major & Medium Irrigation Projects and Rs.40 crore under Minor Irrigation Projects. Out of Rs.175 crore in AIBP under Major & Medium Irrigation Projects, Rs. 100

crore would be utilized in the Long Term Action Plan for the KBK Districts. The entire Rs.40 crore earmarked under AIBP for Minor Irrigation Projects would be utilized for completion of ongoing projects and execution of new projects under Long Term Action Plan in KBK Districts.

20. It gives me great pleasure to announce that Biju Krushak Vikas Yojana launched by my Government to commemorate the deep concern of my late father for the farmers of the State, has become tremendously popular throughout Orissa. The farmers of tribal areas and KBK Districts contribute 10 percent of cost of the project whereas the farmers of other areas bear 20 percent of the cost. The contribution may be made in the form of cash, labour or land. The projects are handed over to Pani Panchayats after completion. Against Rs.15 crore provided in the Budget of 2002-03 under Biju Krushak Vikas Yojana, Rs.30 crore has been provided in the Budget of 2003-04. Out of this, Rs.20 crore would be from ACA for KBK and Rs.10 crore from NABARD. I request the honourable members of this House to cooperate with the Government in the successful implementation of this programme which will one day bring tremendous benefits to all the farmers of the State.

21. Government have formed 5,757 Pani Panchayats all over the State in order to promote farmers' participation in water management. 2,847 Pani Panchayats have already taken over operation and maintenance of irrigation systems in the State. The participating members of these Pani Panchayats would not look to the Government for small works of maintenance of their branch canals and field channels, but would be proud participants with the Government in the development process. Swabhiman is thus being restored to the farmers of Orissa which was always a great dream of Biju Babu.

22. The Government is moving towards recovery of full cost of maintenance, in the irrigation sector for sustainable development of this sector. This would make the farmers move from dependence to self-sufficiency - from despondency to self-confidence.

Forest

23. The Forest sector has always played an important role in the economy of our State. Scheduled Tribe and Scheduled Caste sections of the people in rural areas largely depend on the forest. Forestry activities contribute a lot to their food security and day-to-day livelihood. The participation of local village communities for protection, regeneration and management of the forest is the main strategy of forest development in our State. The local poor

derive maximum benefit from forest produce and from other departmental programmes like Kenduleaf collection, World Food Programme, Food for Work Programme etc.

24. Emphasis is laid on constitution of Vana Samrakshan Samitis (V.S.S.) for involving the local people in the protection and management of Forest through Joint Forest Management. Upto September, 2002, 6806 V.S.S. have been formed in the State and six lakh and fifty four thousand hectares of forest areas have been covered under protection by these Samitis.

25. Two important Externally Aided Projects are proposed to be taken up in 2003-04. One is Orissa Forestry Sector Development Project assisted by Japan Bank for International Cooperation. The other one is Capacity Building for Participatory Management of Degraded Forest assisted by SIDA. The allocation of Rs.71 crore and 72 lakh for Orissa Forestry Sector Development Project and Rs.2 crore and 63 lakh for Capacity Building for Participatory Management of Degraded Forests has been proposed in the Budget of 2003-04.

26. Orissa lives in her villages. The development of rural infrastructure has been given top priority by our

Government. This is perfectly in tune with the highest priority given to rural development by the Union Government headed by our respected Prime Minister Atal Bihari Vajpayeeji and also in tune with the political philosophy of my late father Biju Patnaik who had built up the Rural Engineering Organisation in the early sixties and then rebuilt the Rural Development Department during his second tenure of Chief Minister in 1990. Our Government has accorded the highest priority to the programmes of Rural Connectivity and Rural Drinking Water Supply and Sanitation.

27. Under RIDF Rs.81 crore and 85 lakh has been provided in the Budget of 2003-2004 for construction of Rural Roads and Bridges. All the ongoing 135 projects cleared by Project Screening Committee and included in RIDF VIII have been proposed to be funded during 2003-2004. Budgetary provision has also been made for 40 other projects, which have not yet started. A special provision of Rs.20 crore and 50 lakh has been made for construction of roads and bridges in KBK districts in 2003-2004.

28. Providing a safe source of drinking water to our rural people is of critical importance for their health and well being. During the year 2002-03 ten thousand and eighty

eight tube wells, two hundred and forty seven sanitary wells have been installed and 97 rural water supply projects have been completed by 31.1.2003 under ARWSP, PMGY and KBK Programmes. During 2003-04, 13,636 tube wells have been targeted to be installed. Out of the total target, about 60 percent i.e. more than 8,180 units have been proposed to be completed by the first quarter of 2003-04 as advance action for drought mitigation. Provision of Rs.66.80 crore is proposed for the year 2003-04. Out of this Rs.20 crore is for KBK Districts.

29. In the first two phases of the Pradhan Mantri Gram Sadak Yojana (PMGSY) 371 roads have been completed by 10.02.2003 covering road length of 729.63 Kilometers.

Panchayati
Raj
Institutions

30. Out of the plan outlay of Rs.202.07 crore for the Panchayati Raj Department Rs.69.12 crore would go for improving rural civic services such as maintenance of common property resources, sanitation, street lighting funded out of 11th Finance Commission grants. Rs.90 crore has been provided towards State share under Indira Awas Yojana, SGSY, SGRY etc. and Rs.7.50 crore for improvement of traditional water bodies in KBK districts. Another Rs.7.50 crore has been kept for improvement of

Panchayat roads in KBK districts, out of Central assistance under RLTAAP.

Fishery and
Animal
Resources

31. Under the Fisheries and Animal Husbandry sector, Rs.8.31 core has been allotted, out of which Rs.2.50 crore is meant for development of inland fisheries and Rs.3 crore has been provided for poultry development in KBK districts. Rupees fifty lakh has been earmarked for improvement of infrastructure for upgradation of cattle stock.

Health

32. The infant mortality rate in Orissa is 97 per thousand compared to all India average of 70 per thousand. This is of major concern to my Government. Therefore, the State Government has launched "Infant Mortality Reduction Mission" since August, 2001 to reduce the I.M.R. to less than 60 per thousand live births by 2005. One of the strategies for reducing IMR is to encourage safe delivery of babies in health institutions. Accordingly we have decided to provide a safe delivery room in each ANM Centre in a phased manner. For the KBK districts, an allocation of Rs.3 crore has been made under the RLTAAP for construction of these Safe Delivery Rooms. In other districts having high incidence of IMR, it is proposed to utilise the grains available under Food for Works Programme.

A provision of Rs.100 crore and 55 lakh has been kept in the Budget of 2003-04 for Orissa Health System Development Project.

Besides this, Rupees one crore has been specifically provided for upgradation of Primary Health Centres.

**Primary
Education**

33. In order to universalise Elementary Education and to improve its quality in a holistic manner the State Government has introduced District Primary Education Programme from 1996-97. Originally, D.P.E.P. was being implemented in 8 districts of the State with World Bank Assistance. Now this Programme has been expanded to 8 more districts of the State with DFID support. Rs.14 crore and 85 lakh has been provided in 2003-04 for implementation of D.P.E.P.

34. Government of India has launched Sarva Sikhya Abhiyan in the country from the year 2000-01. This scheme is now operating in all 16-D.P.E.P. Districts and 14 Non-D.P.E.P. Districts. During the year 2002-03, Government of India has already released Rs.31 crore 76 lakh and the State Government has released Rs.5 crore 24 lakh towards State share for smooth implementation of

the Scheme. During the financial year 2003-04 there is a provision of Rs.23 crore as State share.

35. In order to achieve the goal of universalisation of Elementary Education and to improve the quality of Education, 7827 Para-Teachers have already been appointed under extended Operation Black Board Scheme during the financial year 2001-02. During the 10th Plan period starting from 2002-03, Government of India have stopped providing financial assistance for these Para-Teachers. Therefore, it has become a State responsibility and Rs.14.09 crore was provided in the State Plan Budget during the year 2002-03 towards payment of 'honorarium' to these Para-Teachers. A provision of Rs.18 crore and 8 lakh has also been kept for 2003-04 under this scheme. It gives me great pleasure to announce that steps have been taken to further engage about 9600 Para-Teachers or Swechha Sevi Sikhya Sahayaks at the rate of Rupees fifteen hundred per month on 'honorarium' basis against the regular vacancies of Primary School Teachers. For this purpose, I would like to announce that Rs.20 crore has been provided for the year 2003-04. With these vacancies being filled up, a long felt need of staffing all the Primary Schools with adequate number of teachers will be fulfilled.

36. Hon'ble Members will be glad to know that Government have taken a decision to open 325 new Primary Schools with redeployment of Teachers in School-less Villages / hamlets. There is provision of Rupees one crore for the year 2003-04 for the new Primary Schools.

37. For School and Mass Education, a total provision of Rs.133 crore 97 lakh has been provided for 2003-04.

Revenue 38. It has been decided to go for 100% computerization of land records and registration. Out of 171 Tahasils in the State, computerisation of land record has been started in 160 Tahasils and Data Entry has already been completed in 131 Tahasils. For the rest, the work is under progress. Rupees one crore has been specifically earmarked during 2003-04 for computerisation of Registration Offices.

39. The infrastructure facilities for the revenue administration need to be upgraded. For this purpose Rs.4 crore has been earmarked for construction of buildings including construction of new Collectorate buildings.

**Bio-
technology** 40. A State Biotechnology Board has been constituted in order to plan and implement measures for encouraging Biotechnological research and applications, for promoting industrial activities pertaining to Biotechnology including

setting up of Biotechnology Parks for developing human resources in the field of Biotechnology and for establishing Centres of Excellence in this subject. It has been decided to organize an investors' and entrepreneurs' meet on Biotechnology in the State to provide necessary boost to these initiatives.

41. Out of Rupees one crore thirteen lakh earmarked under State Plan for Science & Technology Department for the year 2003-04, Rs.12 lakh has specifically been earmarked for development of Biotechnology. This is a fitting tribute to Biju Babu, who had invited Prof. J.B.S. Haldane, the world renowned scientist after he had won the Kalinga Prize, to Orissa. Prof. Haldane was given a free hand and all facilities for conducting research of a very high calibre in the Orissa University of Agriculture and Technology.

Industries

42. In keeping with the priorities laid down in the Ninth Plan, Special Industrial Park and Export Promotion Parks are being set up in the State with assistance from Govt. of India. Besides, steps are being taken on a priority basis for completion of other mega projects like "Development of Kalinga Nagar Growth Centre at Duburi" and "Industrial Infrastructure Development Centre at Rayagada" by the end of 2003-04 with the assistance of Govt. of India.

Further, Govt. of India have approved in principle, establishment of two Special Economic Zones (SEZ), one at Paradeep and other at Gopalpur which will be specially delineated duty free enclaves and shall be deemed to be exclusive territory for the purpose of trade, duties and tariffs.

**Information
Technology**

43. Information Technology is a thrust area in the technology development programme of the State. An Information Technology Park namely Fortune Towers, has been inaugurated recently at Bhubaneswar, owned and constructed by IDCO at a cost Rs.35 crore with financial assistance of Rs.3 crore and 60 lakh from Govt. of India.

44. We have given due importance to e-governance for improving the quality of delivery of services to our citizens. We launched the Website of the Government of Orissa on the 15th August, 2002 with a view to bringing about qualitative improvement in dissemination of information to people. Treasury transactions and Commercial Tax Offices would be computerized. Integrated M.V. Tax and Commercial Tax Check Gates would be computerized. The recording, tracking and disposal of public grievances would be electronically monitored. A UNDP project on improvement of citizens' access to information has been taken up in Kalahandi district by Orissa Computer

Application Centre (OCAC). A Resources Centre for Technology Development of Indian Language (TDIL) at Bhubaneswar and Software Technology Park of India (STPI) and Data Communication Facility Centre at Rourkela have been established.

Tourism 45. The State Government proposes to play the role of an active catalyst and facilitator for augmenting tourism facilities and infrastructure through private sector participation. In keeping with the new National Tourism Policy of the Govt. of India, steps have been taken to prepare suitable Master Plans on development of (i) Buddhist Circuit of Dhauri, Ratnagiri-Lalitgiri-Udayagiri and Langudi (ii) Eco-tourism at Chilika lake and Bhitarkanika (iii) Beach tourism at Puri, Gopalpur and Chandipur. The project proposal for development of Raghurajpur under Rural Tourism has already been sanctioned. On request of the State Government, the Department of Tourism of Government of India has decided to execute peripheral development of Konark and a 'Light and Sound show' at Khandagiri-Udayagiri caves.

46. Against Rs.1.80 crore provided for Tourism in 2002-03, Rs.3 crore and 33 lakh is now being provided for in 2003-04. This substantial increase in allocation of fund would facilitate development of tourism infrastructure in

the State and will create additional self-employment potential. The objective would be exposing the great cultural heritage of our State to the tourists – both national and international – besides exploiting the rich potential of eco-tourism.

Culture

47. Department of Culture in collaboration with Govt. of India is developing the “Janakinath Bhawan” at Cuttack as “Netaji Birth Place Museum” by constituting Netaji Janmabhumi Sangrahalaya Trust. The legendary Netaji Subhash Chandra Bose was born and brought up in Orissa and yet his birthplace was neglected all these years. Members of this august House would be glad to know that my Government is committed to restore his home as a national memorial. The preservation of ancient monuments and their upgradation are being taken up on a large scale out of Eleventh Finance Commission Awards of Rs.10 crore.

48. During 2002-03, Rs. 3 crore 86 lakh 42 thousand was provided in Culture Department. There has been a substantial increase in allocation to the Culture Department during 2003-04 and Rs.6 crore 5 lakh 83 thousand has been provided. Rs. 50 lakh has been kept as contribution to State Culture Fund in the Budget of 2003-04. This Fund would have an humble beginning but

once it is set up, private and institutional contribution would flow. The interest out of this Fund would be utilised to meet the critical gaps in promoting the rich cultural heritage of the State.

Urban
Development

49. In the urban sector it is proposed to construct flyovers in highly congested twin cities of Bhubaneswar and Cuttack. The implementation of comprehensive Sewerage Systems in the major cities like Bhubaneswar, Cuttack, Sambalpur, Berhampur and renovation of the holy tank of Bindusagar here at the capital under the National Lake Conservation Scheme. The Orissa Water Supply & Sewerage Board is implementing two major Sewerage Projects in the ancient towns of Puri and Cuttack at project cost of Rs.48 crore and 28 lakh and Rs.6 crore and 84 lakh respectively on a fund sharing basis with Government of India.

50. For improvement of urban civic services around Rs.8 crore has been provided as per the award of 11th Finance Commission. Besides, Rs.10.81 crore has been kept under Initiative For Strengthening Urban Infrastructure which will go a long way in meeting the urgent developmental needs of the Urban Local Bodies. In addition, Rs.16 crore has been provided for urban roads and drainage. Besides these, Rs.7.20 crore has been

specifically provided for slum development with a view to covering 21,600 slum dwellers. For solving problem of urban water supply in the KBK districts Rs.6 crore has been provided under RLTA during the current year and Rs.8 crore has been provided in the year 2003-04.

51. The Centrally Sponsored Scheme of Integrated Development of Small and Medium Towns with 60% central grant and 40% as State Govt. grants, will be implemented in the towns of Nayagarh, Sonepur, Boudh, Hinjilicut, Udala and Khurda. The projects have been technically appraised and approved by the Government of India. The IDSMT scheme relating to Cuttack city is under active consideration of the Government of India.

Power

52. Orissa has been a pioneer State in Power Sector Reforms. But after handing over the distribution system to private companies, Rural Electrification programme was neglected because of the reluctance of these companies to invest money in non-remunerative schemes. It has now been decided to take up rural electrification as a Government programme which will be administered by the Engineer-in-Chief, Electrical and executed in the field by the Distribution Companies. We are grateful to Government of India who have realised the critical

importance of rural electrification and have funded this programme liberally.

53. Rs.68 crore has been provided in 2002-03 for electrification of 2158 villages in the State. For 2003-04 the provision for Rural Electrification has been increased to about Rs. 76 crore with a target of electrifying 2,412 villages.

RLTAP

54. State Government have formulated a Revised Long Term Action Plan for the KBK districts for a period 9 years commencing from 1998-99 in consultation with Government of India. This is being implemented in 8 socio economically backward districts of the State. The Revised Long Term Action Plan for the KBK districts have 3 objectives in view.

- (i) Drought proofing,
- (ii) Development saturation and poverty alleviation,
- (iii) Improvement in quality of life, particularly in the fields of education, health, nutrition and water supply.

55. Normal Central Assistance to the States usually comes in the ratio of 70% loan and 30% grant. In case of special category of States such assistance come in the shape of 90% grant and 10% loan. Earlier, Central

Government was giving assistance to the KBK districts as 70% loan and 30% grant like all the non-special category States of India. From the year 2002-03, my Government has succeeded in getting such assistance as 100% grant. We are grateful to Government of India in general and I am personally grateful to our respected Prime Minister Atal Bihari Vajpayeeji, Union Finance Minister Yaswant Singh and Deputy Chairman, Planning Commission K. C. Pant for this special dispensation to the millions of the poorest of the poor living in these parts of our State. While Rs.200 crore has been projected for the year 2002-03, Rs.250 crore has been proposed in the Annual Action Plan for the KBK districts for the year 2003-04. Besides, loan assistance to the extent of Rs.140 crore has been projected under Accelerated Irrigation Benefit Programme for undertaking different irrigation projects in KBK districts during 2003-04.

WODC 56. The Western Orissa Development Council has emerged during the period of my Government as a harbinger of progress in the Western Orissa Districts in all spheres of activities. 1568 projects worth Rs.90 crore have been administratively approved and Rs.54 crore has already been released by the WODC in all the 10 western districts. They have taken up projects on roads and communications, irrigation including Lift Irrigation, drinking water projects, renovation of Bandhs and Katas, massive

drought mitigation programmes, infrastructural support to Schools and Colleges and Rural Electrification. All the Assembly Constituencies under WODC have been provided with funds for renovation of Bandhs and Katas worth Rs.10 lakh each, Rural Electrification worth Rs.10 lakh each, Lift Irrigation worth Rs.30 lakh each besides infrastructural support of minimum Rs.10 lakh for the Schools and Colleges.

57. It gives me great satisfaction to announce that the WODC is authorized to act as facilitator for establishment of 3 Medical Colleges at Bhawanipatna, Bolangir and Rourkela. Already, there has been good response from the private participants, financial institutions and NGOs to an open advertisement. The applications are being processed. The WODC and the State Government shortly will enter into an agreement with the private sponsors. The Government will be providing necessary land free of cost and the WODC will be providing Rs. 10 crore over a period of 3 years for each of the 3 Medical Colleges.

58. The Hon'ble Members would be happy to note that steps have been taken to include Athamallik Sub-division of Angul district within the WODC area.

59. During the current financial year, 2002-03 Rs.50 crore has been provided. Initially Rs.30 crore has been proposed for the year 2003-04 and further allocation of Rs.20 crore would be made in due course during 2003-04.

MLA-LAD
and
Constituency
- wise
allocation

60. At present, the provision under MLALAD is being made at the rate of Rs.50 lakh per MLA and this is being maintained at the current year's level. Similarly, the constituency-wise allocation for Rural Roads has also been maintained at the present level of Rs.14 crore and 50 lakh.

Special
Problem
Fund

61. Schemes undertaken under different plans and programmes, very often do not cater to the particular needs of the local areas. The Special Problem Fund has been introduced by Government of Orissa since 1997 to take care of these critical needs which can not be undertaken under the existing plans and programmes of the State Government. Against the initial Budget provision of Rs.3 crore for the financial year 2002-03, Rs.10 crore has been provided for Special Problem Fund for the year 2003-04 in the budget of P & C Department.

Micro
Planning for
Sustainable
Development

62. Our experience with Pani Panchayats and Vana Samrakshan Samitis has proved that participatory mode of selection and implementation of projects leads to sustainability. It is, therefore, necessary to create durable community assets with community participation. Hence, a Micro Planning approach with community participation is proposed to be introduced from the financial year 2003-04. For this, initially an allocation of Rs.5 crore has been provided. The projects will be selected by the local people in consultation with the NGOs, local representatives including MLAs and MPs.

Self-
Employment

63. Unemployment scenario, particularly among our educated youth, is a matter of serious concern. Therefore, we propose to launch a special programme for creation of self-employment opportunities with a focus on the educated youth. For this purpose, we have identified sectors and activities where there is a major potential of new job-opportunities such as, agriculture, horticulture, animal husbandry, pisciculture, mini and micro enterprises in the industries and services sector, khadi and village industries, tourism, information technology, transport etc.

64. It shall be our endeavour to create 1 lakh additional jobs in these sectors during 2003-2004. The State Government, besides programme and policy based

support, will also provide appropriate subsidy for generating job-opportunities in activities for which currently no assistance is available under the existing State and Central sector schemes and programmes. The details of this programme are being worked out and would be finalized within the first quarter of the financial year 2003-04. Hon'ble members would be happy to know that Rs.5 crore in the State plan has been kept for the first time ever towards financial subsidy under this special self-employment programme.

Restructuring
the PSUS

65. The State Government has provided an amount of Rs.60 crore in the Budget for the financial year 2003-04 for administering Voluntary Retirement Scheme in the PSUs.

A Social Safety Net Programme (SSNP) has been in operation in Public Enterprises Department from December 1999 for the employees of the PSUs separated under VR / VS Scheme. Under this programme employees of the PSUs are being counselled and re-trained in different trades to enhance their skill, so as to enable them to avail of self-employment opportunities. During this year, 2704 retirees were counselled and 1893 retirees have been imparted training in different trades. Out of such employees, 1813 employees are now self-employed and 357 employees have been absorbed in private sector

establishments. This programme will continue during 2003-04.

66. Utmost importance is being given to zero based investment reviews by which the required fund for the projects which can be completed early is being provided on a priority basis. For conducting feasibility study, survey and investigation, specific provision has been made in the Budget so that a shelf of projects is always available for posing them for external assistance.

67. I have tried to balance the various competing demands within our limited resources. It needs to be underscored that budgetary provisions have to be matched by adequate raising of resources.

68. Our State has tremendous potential for development. It is for all of us to convert this potential into a reality. The State has taken many strides on the road to progress in the last 3 years, but we still have many miles to go. I have no doubt that with the concerted efforts of all of us and all sections of the society, it would be possible to launch the State on a rapid growth path, I am sure the honourable members will agree that the new millennium belongs to Orissa.

69. Speaker Sir, I am grateful to you and to the Hon'ble Members of this August House for having given me a patient hearing.

I thank you again Sir.

VANDE UTKAL JANANI