

Planning Commission
(State Plans Division)

Subject : Government of Orissa – Annual Plan 2005-06 : Half Yearly Performance Review held on 14.11.2005 under the Chairmanship of Member, Planning Commission, Prof. Abhijit Sen

Development Commissioner, Government of Orissa, Shri A.K. Tripathy welcomed Member, Planning Commission, Adviser, Planning Commission and members of the team. He informed that the expenditure figures and physical achievements in the first six months were a little lower owing to the fact that the monsoon started late and remained late. However, the achievements were higher than those achieved in the same period last year and the State Government was on track. The main objective was to reach target groups and shift to outcome based monitoring.

Member, Planning Commission thanked the State Government for its hospitality. He informed that Annual Plan 2005-06 was different in terms of Plan Financing owing to the recommendations of the Twelfth Finance Commission. Problems faced by the State Government owing to the shift wherein the loan portion of the Central Assistance had to be raised by the State Government may be flagged by the State Government. Further, the Externally Aided Projects would be funded on a back to back basis from the current year and the State Government may like to highlight difficulties if any, arising out of this change. The State Government informed that the small savings collections had increased from Rs. 594 crore to Rs. 1200 crore thus balancing the problem of the cut in the loan portion of the Central Assistance.

The State Government made a presentation on the Annual Plan Performance. The expenditure up to September, 2005 was Rs. 857 crore i.e. about 29% of the total outlay. The State Government had taken various steps as recommended by the Twelfth Finance Commission including enactment of FR BM Act, 2005 and FR BM Rules, 2005; constitution of a High Level Monitoring Committee and formulation of the Scheme “State’s Debt Consolidation and Relief

Facility(2005-06 to 2009-10)” proposals which had been sent to the Government of India. The Sector-wise achievements were also presented.

State Finances

Member, Planning Commission enquired whether the accounting practices conformed with the recommendations of the Twelfth Finance Commission and how the Twelfth Finance Commission grants were being treated. The State Government explained that steps were being taken to ensure that the accounting practices were as per the recommendations of the Twelfth Finance Commission. Further, grants for the health, education, roads and building sectors were being provided as non-plan grants. However, State specific grants such as those for conservation of old monuments and improvement of tourist infrastructure were being taken up under the plan. Member, Planning Commission explained that some of the State Plans Schemes such as the PMGY had been discontinued and replaced by Centrally Sponsored Schemes such as Mid-Day Meal Programme. As only the State’s share of these schemes would now be booked under the Plan, there would be a corresponding fall in expenditure on State Plan side. This would require a special tracking system which would track all development expenditure because if all sources were totaled, this expenditure would show considerable increase in spending on development works. Member, Planning Commission stated that the loan portion of the Additional Central Assistance should be met out of available small savings.

Member, Planning Commission stated that the plan size had remained almost constant during the last few years. Perhaps this had been a prudent approach in view of the financial problems which the State had faced. A more pragmatic approach could be used now as the fiscal situation had improved and the Twelfth Finance Commission had also made a generous award. He enquired if the State was thinking of the plan as beyond a mere financial exercise. He also stated that the revenue deficit was coming down and enquired whether it would mean increased non-plan funding. The State Government explained that though the BCR had improved, the State would still have to undertake huge borrowing to support an enhanced plan size. Further, large declines in BCR was not expected as deferred payments had to be met. Member, Planning Commission advised that the State could be cautious about the plan size in 2006-07 but an increase may be envisaged in the Eleventh Plan. The

State Government explained that a cautious approach was being adopted to ensure that scholarships could be funded alongwith State's share in Centrally Sponsored Schemes and outlays to meet the Millennium Development goals were protected. The State Government was also undertaking an exercise to get more Externally Aided Projects.

Agriculture

Representatives of the Agriculture Department explained that against the kharif production of 62 lakh MT last year the production to 70 lakh tonnes had increased in the current year. However, the target of 75 lakh MT could not be achieved owing to the late monsoon. It was explained that one lakh ha. of low productivity paddy land had been diverted to vegetables, spices etc. Farm mechanization and tubewell irrigation were other thrust areas which had not only increased productivity but led to increase in cultivated area and enabled the farmers to take three crops. As far as achievement in the Annual Plan was concerned, an amount of Rs. 27.71 crore had been spent i.e. 20% of the Annual Plan outlay. The shortfall had largely been in the horticulture sector owing to the late arrival of the monsoon. However, the distribution of mini kits had been started. Under the National Horticulture Mission an amount of Rs. 75 crore had been sanctioned out of which Rs. 30 crore had been released. The State Government explained that after the launch of the Horticulture Mission, the horticulture plantations taken up in districts not covered by the Horticulture Mission would suffer. Member, Planning Commission was of the opinion that transition arrangements should be taken care of and the State should make a strong cogent case for maintenance of horticulture plantation already taken up.

The State Government explained that marine fisheries had suffered a great deal owing to the ban imposed from 1st November to 31st May in a 120 km. coastline to allow mass nesting of the Olive Ridley turtles. Thus alternate livelihood opportunities were required for the fishermen. Nearly 23000 active fishermen were affected and loss of income was about Rs. 40 crore. They requested the Planning Commission to take up the matter for provision of livelihood assistance for these fishermen.

Member, Planning Commission was of the opinion that inland fisheries were much more important. The State Government explained that the State Government was using a multi pronged approach which included long term lease of water bodies (5 years), excavation and distillation of ponds/tanks under various employment schemes and improvement of seed quality and certification. The State Government also informed that in the large reservoirs of hydro projects, fishery had not been taken on a large enough scale owing to the fact that stumps/trees had not been removed and initial stocking was required. Member, Planning Commission advised the State Government to fund fisheries in the big reservoirs. As far as Animal Husbandry was concerned veterinary infrastructure needed to be strengthened. Further, compared to the national average of 40 per cent, coverage of artificial insemination in the State was only 12 per cent. However, under the employment mission skill upgradation in animal husbandry would be a major thrust area. It was also explained that the State Government strategy included saturation of fish, eggs and milk in the industrial belts in the State. It was also explained that in the new schemes in the rural development sector, there had been a shift to construction schemes at the expense of livelihood schemes.

Water Resources

In the Water Resources sector physical progress had been slow owing to the prolonged monsoon. Further, the State Government had been laying stress on irrigation management. The State Government explained that the Pani Panchayats were not collecting water charges as yet. It was also explained that delay in some of the larger projects was owing to the resistance to the rehabilitation package offered to the oustees. The State Government were advised to revive defunct lift irrigation schemes. The State Government explained that revival of lift points would have to be conditional on discipline to pay electricity charges.

As far as water supply is concerned, the State had 12,375 NC habitations out of which 1840 had been covered in the current year. Further, 1264 partially covered habitations had been covered out of the total of 10570 such habitations.

Health

The State Government explained that an Externally Aided Health Systems Projects has been taken up which involved upgradation of health centres and is to be completed on 31st March, 2006. Phase II of the project was now being posed for external assistance. Under Phase I, 157 institutions had been taken up for improvement. The meeting was also informed that as advised by Adviser (SP), the Mobile Health Units were touching Ashram Schools. Further, new neonatal mortality was being addressed through the Navjyoti Scheme in 14 Tribal/Backward Districts. This effort included training of dais and verbal autopsies to record the cause of infant mortality. Some of these dais would be appointed as ASHAs and they would be visiting each infant five times during the first 28 days after birth. The State Government explained that there were 450 vacancies of doctors, therefore the State Government had taken ayurvedic/homeopathic doctors on contract.

Women and Child Development

It was informed that 52 lakh children were being covered under the Mid-Day Meal Scheme. The State Government had taken a decision to handover the scheme to SHGs and already 15-20% had been handed over. An egg was provided once a week to each child. Under the Supplementary Nutrition Programme women and children were covered as per norms. The cost of feeding was Rs. 1.02 to be revised to Rs. 2.00. The State Government requested that instead of insisting on an equal contribution from the State a lump sum of Rs. 1 could be provided as under MDM. In 19 districts rice and dal were provided while in the remaining district orimix and readymix were being provided. Under the Emergency Feeding Programme the allocation was Rs. 2.70 per person per day. The State Government explained that the SHGs, were very successful in the State and out of the 1.70 lakh Women SHGs as many as 1.60 lakh groups had been credit linked.

Education

The State Government informed that as per the target of the scheme for universalisation of elementary education, all children have to be in school by 2010. The meeting was informed that the State has 51000 revenue villages and 12000 hamlets which were covered by 55000 schools and 19000 EGS schools. Nearly 92% of the children in the age group 6-13 years were read in school. Recently a child

census had been conducted and it is estimated that out of 72 lakh children only 70000 were out of school. The schools were being managed by Village Education Committees which were elected by parent teacher association. The State Government were of the opinion that school uniform should be provided under the Sarva Shiksha Abhiyan. The State Government also explained that there was a shortage of upper primary school – the State had 54000 primary schools but 14000 upper primary schools. Member, Planning Commission was of the opinion that upgradation policy including addition of rooms to existing buildings should be considered and the State Government should come with a plan at minimum cost.

In the sports sector, the State Government requested that the scheme for sports infrastructure which had been discontinued should be restarted. Further, coaching was being provided by coaches from the Sports Authority of India, but recently 50% of the coaches had been withdrawn. This would adversely impact quality of sports in the State.

SC/ST Development

The performance and flow of funds under the Tribal Sub-Plan had been good and the State had been given an incentive fund for its performance. However, performance under the Special Component Plan had been only about 12%. Adviser (MLP) handed over a copy of the Special Component Plan of Uttar Pradesh prepared for the Ninth Plan and 1996-97 and urge the State Government to formulate the Special Component Plan for 2006-07 on similar lines. He also advised that the State Government should first saturate those villages which are inhabited 100%, 75% and 50% by SCs/STs. He was of the opinion that the model of the Ambedkar Gram Yojana in Uttar Pradesh which was one of the schemes undertaken under the Special Component Plan of the State from 1996 onwards could be a good example to follow. He further urge the State Governments to provide the scholarships to all SCs/STs students in schools up to High School out of the budget of the Special Component Plan. Further, schools should be provided in SC mohallas. He also asked the State Government to furnish information on the credit provided by banks to SCs/STs. Regarding the delay in releases of most matric scholarships, it was explained that the delay was due to sanction of fresh cases which takes time. However, there had been considerable improvement in the month of October. It was informed that the State had 13 projects for Primitive Tribal Groups in 7 districts. However, the projects were

facing manpower problems and only 6 projects had regular officers. It was also seen that the ITDAs were getting more funding than the Primitive Tribal Groups.

Handlooms

The problem of providing meaningful self employment to handloom weavers were stressed by the State Government. There were four lakh weavers in the State with one lakh in the cooperative sector. The State was focusing on making 206 primary cooperative societies viable. The State had been advised by the Ministry to identify clusters of weavers and propose a separate project for special SGSY funds. Currently funds under the Deen Dayal Upadhyaya Hathkargha Yojana were being used to help the apex cooperative society. The State Government was also of the opinion that interventions in design and technology were very essential as the best of weavers do not get more than Rs. 40 per day. Member, Planning Commission was of the opinion that a cluster approach would be most viable but funds needed for this sector so that it could be nationally competitive.

Industries

In order to facilitate industries the State Government has enacted the Orissa Industries Facilitation Act which would ensure time bound clearances to industries and also rationalize inspections. The State Government is also developing two ITIs as Centres of Excellence and providing facilities for multi-skilling. Member, Planning Commission advised that the State Government should look into the provision of certificates after training to semi skilled labourers as a large proportion of Oriya labour was migrating out for work and certification and extension of skill sets would go a long way in ensuring better remuneration to them. The State Government informed that 44 MOUs have been signed for steel plants and three for alumina plants. Further, the IOC had set up a refinery and petro-chemical plant. Member, Planning Commission advised that a model concession agreement be drawn up for public-private partnership. The State Government informed that the advice of ILFS was being sought for each individual project.

Urban Development

In the Urban Development Sector, the State Government informed that an accrual based double entry system of accounting was being adopted. Training had

been imparted to the executive officers and accounts officers of 103 urban local bodies. Further, MIS had been developed with the help of NIC to monitor the status of solid waste management. Further, under the National Urban Renewal Mission, a city development plan was being prepared by USAID. The State had also taken steps to streamline the process of approval of building plans. Under the Mission a perspective plan for Bhubaneswar and Cuttack Urban complex and a Comprehensive Development Plan for Bhubaneswar and Cuttack were being prepared with technical collaboration with IIT Kharagpur. Further, a project survey was also being conducted for a mass rapid transit system through RITES.

Science & Technology

Under the GRAMSAT Project a wide area network using Vsat had been used to connect all the District headquarters and Blocks in the State as well as 1179 Gram Panchayats in the KBK Districts. The system allowed for one way video and two way audio reception and was used for review and dissemination of Government programmes. In the Bio-Technology Sector, two biotech parks were being planned. The DPR was being prepared by Ernst and Young. There were two centres of excellence for bio-technology in the State namely at Orissa University of Agricultural Technology and Utkal University. The Department of Bio-Technology was currently sponsoring infrastructure for research in institutions.

District Planning

The need to prepare district plans and their approval by the District Planning Committee was impressed by the State Government. The State Government explained that 80% of the members of the DPC were elected and the Chairman was a Minister nominated by the State Government. The State Government underlined the need for strengthening the District Planning Office as this structure had become very weak particularly after the number of districts in the State was increased from 13 to 30. Thus, most of the districts had one District Planning Officer, one Sr. Economic Investigator and one Cartographer. The District level planning capability would however, receive some help from UNDP under the District Human Development Report Initiative.

Member, Planning Commission was of the opinion that resourcefulness was required to dovetail the funds available under various schemes so that the district development goals could be realized. Further, it was expected that guidelines for the new schemes would have more flexibility. As districts in Orissa were expected to get enhanced amounts through the Employment Guarantee Scheme and the Backward Regions Grant Fund, District Level Planning and below District Level Planning would need to be strengthened so that integration with Bharat Nirman and various Centrally Sponsored Schemes could be achieved. As local knowledge was essential for proper planning it was necessary that plans were prepared at least at the block level and as much as possible below the block level. The State Government explained that under the Food for Work Programme, institutions had been identified to prepare the plan. Representatives of these institutions were to attend each Palli Sabha and the plans placed in the Gram Sabha and such plans analysed at the block level and then coordinated at the district level. At this level the MPs/MLAs were also being consulted. The State Government were requested to furnish a plan for any one of the districts. The State Government also informed that web based accounting systems were in place at the block level.

Adviser (MLP) stated that all the suggestions made during the review of Annual Plan 2004-05 should be taken into consideration and action taken during the current year.

The meeting ended with a vote of thanks to the Chair.

Field Visit

The Planning Commission team visited Bhubaneswar Block to see the functioning of the E-Governance Initiatives of the Panchayati Raj Department of the State. This Department has implemented the following projects to bring transparency and accountability in the administration of Panchayati Raj Institutions, namely – i) Rural Soft for Monitoring of Poverty Alleviation Programme ii) Priyasoft for Accounts Monitoring of PRIs iii) BETAN for Salary Bills of Block staff including teacher's salary and iv) PAMIS (Project Accounting and Monitoring Information System) which has been developed by XIMB for everyday transaction of accounts of the Panchayat Samiti. After the introduction of this system, the accounting system as prescribed by C&AG of Government of India is being followed.

It would be seen that while Priyasoft and Rural Soft used a web based software and hence data was available to everybody, PAMIS was currently not on the web. The State Government were requested to hasten the process of making available the data under PAMIS on the web. They were also requested to conduct training programmes of the elected Panchayati Raj members so that they could understand and use the data systems.

Colloquium on Agriculture Sector for economic growth and poverty reduction :
Summary of discussion held on 13.11.2005

A discussion on Agriculture Sector for achieving high economic growth and reduction of poverty was held on 13.11.2005 at 7.00 P.M. in Bhubaneswar. Dr. Abhijit Sen, Member, Planning Commission presided over the meeting. Senior officials of the State Government and renowned economists of the State attended the meeting.

The Main points which emerged in the meeting are highlighted below :

- There is serious data gap in agriculture. Regular surveys should be conducted to know the extent of diversion of agricultural land to other activities. The methodology adopted for estimation of minor crop data needs to be modified. There should be a unique set of data for the State.
- The average rainfall data for the whole State do not reveal a clear picture of the rainfall in different areas of the State. Since, some patches have scanty rainfall, disaggregation of rainfall data is necessary.
- The Seed Replacement Ratio (SRR) is 7 to 8 per cent against the ideal SRR of 25 percent. There is critical shortage in supply of quality seeds to farmers. State Government should take effective steps for vitalizing the Seed Corporation and involve the private sector in production of seed in a big way.
- Small and marginal farmers have not benefited to the desired extent from the green revolution. They should be provided subsidized inputs for increasing productivity.
- There is a large difference in irrigation potential created and potential utilized. The reasons for non-utilization need to be studied in detail.
- Villages should be connected with all weather roads for easy access of farmers to markets.
- Water retention capacity of soil in Orissa being very low, irrigation facility needs to be provided to farmers.
- Village infrastructure need to be improved for encouraging farmers to take up non-agricultural activities in villages.

- Land reforms should be implemented in proper spirit. Emphasis should be given for crop diversification instead of giving focus on increasing production of paddy only.
- The technological changes as noticed in some of the advanced States need to be popularized in Orissa also. Unemployed educated persons should be encouraged to take up agricultural marketing activities. The System of Rice intensification as practiced in some areas of Andhra Pradesh needs to be adopted in Orissa.
- Farmers should be made focal point of agricultural research. Increased use of organic manure should also be encouraged.
- Diversion of surplus agricultural labour to non-farm sector in rural areas should be emphasized.
- Public – private partnership for agriculture development is the need of the hour. Agro-based industries including food processing industry should be encouraged.
- The delivery system should be prompt, efficient and free from corruption for effective implementation of agriculture programmes.
- Emphasis should be given on empowerment of women.
- As the State has been witnessing frequent natural calamities, the strategy for agriculture development should also include disaster mitigation and risk management.
- Increase in investment and capital formation in agriculture is necessary.
- Improved technology development including bio-technology should be given proper attention.
- Emphasis should be given to improvement of quality of products.
- Contract farming should be emphasized.
- Emphasis should also be given to entrepreneurship development, marketing intelligence and management.

- Increase in indebtedness of farmers from 10% of GDP to 20% GDP were noticed mainly in advanced States like Andhra Pradesh, Maharashtra, Punjab. This has in many cases led to farmers suicides. Farmers therefore, need protection about such eventualities.
- On an average, a farmer replaces seeds in every 3 years. The new technology is being adopted by farmers due to awareness campaign by traders. The Extension Agencies of the Government need to play a more pro-active role.
- Agricultural growth rate in Orissa is lower than the population growth. This alarming situation needs to be tackled by the State Government.
- In case, rainfall is declining over the years, it may be presumed that there is a climatic change. This aspect need to be studied and proper strategies should be adopted for agricultural development.
- At present, Food for Work Programme and RSVY are in operation in many backward districts of the State. Government of India is also contemplating to launch a new scheme “Backward Area Grant Fund” aiming at accelerated development of the backward districts. This will create employment opportunities for unemployed persons. The State Government need to implement this programme in proper spirit.
- There is need to establish Rain-fed Area Authority in the State.
- There is need for capacity building at Panchayat level as huge funds are expected to flow to Panchayats under different programmes.
