

GOVERNMENT OF MEGHALAYA

BUDGET SPEECH

2008 – 2009

OF

SHRI CONRAD KONGKAL SANGMA

FINANCE MINISTER

THURSDAY THE 27TH MARCH, 2008

Mr. Speaker, Sir

I rise to present the Budget Estimates for the year 2008-2009 which will be the second year of the Eleventh Plan, the fourth year of the Award of the Twelfth Finance Commission and the first budget of the MPA Government.

- > The Planning Commission has projected an increased Plan size of Rs.9,185 crore for Meghalaya, against the State's proposed Eleventh Plan outlay of Rs.8,695 crore. Further, as against a 9 percent overall projected growth rate for the country, the growth rate for the State during the Eleventh Plan has been envisaged at 7.3 percent. This target, in turn, necessitates sectoral growth rates of 4.7 percent in agriculture, 8.0 percent in industry and 7.9 percent in services during the period. The 'Draft Vision, 2020 for the North Eastern Region' brought out by the North Eastern Council has estimated that Meghalaya needs to grow at an even faster pace, averaging 9.86 percent in terms of its Gross State Domestic Product and at 8.62 percent in terms of its per capita GSDP, in order to catch up with the rest of the country by 2020. The Vision Document further estimated that this can be achieved in a sustained and phased manner. If this vision is to be achieved, a larger investment towards better physical, social and economic infrastructure through additional resource mobilization, more central assistance and meaningful private investments would have to be our collective endeavor. To begin with, sincere efforts to analyze and address the intra and inter regional disparity in infrastructure and human development index across districts and communities in the State will be initiated in order to achieve the goals of higher and inclusive growth.
- > With a view to transforming current outlays into measurable outcomes, emphasis will be given to closer monitoring, impact-evaluation of plans and programmes, improved inter-sectoral coordination, convergence for effective service delivery, and ensuring access of the rural poor to their entitlements and basic needs. The Self Help Group movement in the State is a welcome sign for effective involvement of grassroot level organizations in plans and programmes of the Government for an inclusive and participatory growth process.

NATIONAL ECONOMY

The Union Budget presented in the Parliament has estimates a growth of the GDP at the rate of 8.7% (Advance Estimates) during the current year. The services and manufacturing sectors are expected to grow at 10.7and 9.4% respectively. On the other hand, the average growth in the Agriculture sector during the year is estimated at only 2.6%. Overall inflation which was 5.6% during 2006-07 is projected to decline to 4.1% in 2007-08. The estimated increase in per capita income in 2007-08 is 7.2%.

STATE ECONOMY

The gross state domestic product at current prices estimated at Rs.5979.81 crore during 2004-05, rose to Rs.6469.53 crore during 2005-06 and further to Rs.7051.65 crore according to Advance Estimates of 2006-07, thereby reflecting an increase of 8.19% and 9.00% respectively. The estimates of GSDP at constant prices for the same periods were estimated at Rs.4850.78 crore, Rs.5111.09 crore and Rs.5401.07

crore, thereby showing an increase of 5.37% and 5.67% respectively. About 80% of the population of Meghalaya live in rural areas with agriculture as the principal means of livelihood for 70% of the population. The contribution of agriculture and allied sectors towards the GSDP during 2005-06 and 2006-07 at constant prices was 21% respectively. The industrial sector consisting of mining and quarrying, manufacturing, electricity and construction contributed about 28% at constant prices, during the above periods. The share of the services sector was around 51% at constant prices.

The per capita income of the State at Current prices of GSDP during 2004-05, 2005-06 and 2006-07 was Rs.24,639/-, Rs.26,320/- and Rs.28,343/- respectively showing an annual increase of 6.22% and 7.68%. at constant price (1999-2000), the per capita income during 2004-05, 2005-06 and 2006-07 was Rs.19987/-, Rs.20,794 and Rs.21,708 respectively with corresponding annual growth of 4.03% and 4.39% respectively.

STATE FINANCES

The Annual Accounts of the State for the year 2006-2007 reflect the following position:

- a. The year began with an opening deficit of ***Rupees seventeen crore, twenty six lakhs (Rs.17.26 crore)***
- b. Against a total revenue receipt of ***Rupees two thousand one hundred forty two crore, nineteen lakhs (Rs.2,142.19 crore)***, the total revenue expenditure was ***Rupees one thousand nine hundred seven crore, fifty lakhs (Rs.1,907.50 crore)*** resulting in a revenue surplus of ***Rupees two hundred thirty four crore, sixty nine lakhs (Rs.234.69 crore)***.
- c. Against the total revenue receipts and recoveries of ***Rupees two thousand one hundred fifty nine crore, thirty lakhs (Rs.2,159.30 crore)***, the total revenue and capital expenditure excluding Public Debt was ***Rupees two thousand two hundred thirty three crore, eighty two lakhs (Rs.2,233.82 crore)***, resulting in a fiscal deficit of minus ***Rupees seventy four crore, fifty two lakhs (Rs.-74.52 crore)***. The emerging position reflects improvement in the fiscal position of the State during the year 2006-2007 relative to 2005-2006.
- d. Against the fiscal deficit of ***Rupees seventy four crore, fifty two lakhs (Rs.74.52 crore)***, there was an interest payment of ***Rupees two hundred three crore, thirteen lakhs (Rs.203.13 crore)***, resulting in the primary surplus of ***Rupees one hundred twenty eight crore, sixty one lakhs (Rs.128.61 crore)***.

The revised estimates for the year 2007-2008 reflect a deficit opening of ***Rupees seventy four crore, thirty nine lakhs (Rs.74.39 crore)***

- a. Against an estimated revised revenue receipt of ***Rupees three thousand two hundred forty one crore, seventy seven lakhs (Rs.3,241.77 crore)***, the estimated revised revenue expenditure is

Rupees two thousand seven hundred thirty three crore, twenty five lakhs (Rs.2,733.25 crore), resulting in an estimated revenue surplus of *Rupees five hundred eight crore, fifty three lakhs (Rs.508.53 crore)*. The Revenue surplus is anticipated on account of increase in State's share in Central Taxes and Duties in accordance with the recommendations of the Twelfth Finance Commission and due to implementation of VAT.

- b. Against the estimated total revenue receipts and recoveries of *Rupees three thousand two hundred fifty nine crore, seventy seven lakhs (Rs.3,259.77 crore)*, the total revenue and capital expenditure excluding public Debt is estimated at *Rupees three thousand three hundred forty three crore, forty six lakhs (Rs.3,343.46 crore)*, resulting in a fiscal deficit of minus *Rupees eighty three crore, sixty nine lakhs (Rs.-83.69 crore)*.
- c. Against the estimated fiscal deficit of *Rupees eighty three crore, sixty nine lakhs (Rs. 83.69 crore)*, and interest payment of *Rupees two hundred twenty five crore, twenty two lakhs (Rs. 225.22 crore)* is anticipated resulting in a primary surplus of *Rupees one hundred forty one crore, fifty four lakhs (Rs.141.54 crore)*.

The Budget Estimates being presented today for the year 2008-2009 propose as follows :

- a. An estimated opening deficit balance of Rupees forty four crore, sixteen lakhs (Rs.44.16 crore).
- b. An estimated total revenue receipt of *Rupees three thousand seven hundred two crore and eighty six lakhs (Rs.3,702.86 crore)* against an estimated total revenue expenditure of *Rupees three thousand one hundred eighty crore and forty seven lakhs (Rs.3,180.47)*, resulting in an estimated revenue surplus of *Rupees five hundred twenty two crore, thirty nine lakh (Rs.522.39 crore)*. The increase in revenue surplus in Budget Estimates of 2008-2009 as compared to those of 2007-2008, is mainly due to the anticipated increase in the central transfer of funds as a result of the Twelfth Finance Commission Award and implementation of VAT. However, the revenue surplus is not to be understood as indicative of a comfortable financial position as the anticipated fiscal deficit is estimated at minus *Rupees one hundred twenty five crore, thirty four lakhs (Rs.-125.34 crore)*.

VOTE ON ACCOUNT

Along with the Budget Estimates, I shall also be presenting a Vote-On-Account for covering expenditure during the first three months of the year 2008-09, for consideration of this august House.

NON PLAN BUDGET 2008-09

The Non-Plan Budget Estimates envisage an outlay of *Rupees one thousand, six hundred and thirty two crore, fifty nine lakhs, twenty six thousand (Rs.1,632,59,26,000)* which is 5% percent higher than the likely non-plan expenditure of *Rupees one thousand, five hundred fifty crore, ninety nine lakhs, thirty thousand (Rs.1,550,99,30,000)* during 2007-2008. All possible efforts have been made to adequately provide for normal maintenance and recurring expenses, amortization of debts and liabilities and

maintenance cost of normalized projects. Austerity measures to contain avoidable non-plan expenditure will continue, but critical segment of expenditure have been sufficiently provided for. The amount proposed for some major Departments in the Non Plan Budget 2008-2009 include **Rs.166.75 crore** for Home (Police), **Rs.163.12 crore** for Roads and Bridges, **Rs.259.58 crore** for Education, **Rs.72.51 crore** for Medical & Public Health, **Rs.64.46 crore** for Power, **Rs.60.70 crore** for Water Supply and Sanitation and **Rs.26.22 crore** for Agriculture.

THE ELEVENTH FIVE YEAR PLAN AND ANNUAL BUDGET, 2008-09

Due to resource constraints, the approved annual plan outlays of Rs.3516.34 crore during the Tenth Plan period were revised to Rs.3224.33 crore. The State Plan expenditure during the period was Rs.2924.84 crore, representing an achievement of 90.71 percent.

Our priorities for the eleventh Plan include Power, Agriculture and Allied sectors with due emphasis on Horticulture, including post-harvest management and processing, Roads and Bridges, Sericulture & Weaving, Tourism, creation of infrastructure for Trade with Bangladesh, decentralisation of planning and involvement of the people in the development process, Social Services like Education, Health, Water Supply and Nutrition and Poverty Alleviation and Employment Generation in rural areas through rural development programmes.

The Planning Commission has also fixed monitorable targets during the Eleventh Plan period for the State of Meghalaya as indicated below :-

- > Infant Mortality Rate (IMR) to be brought down from 40 to 26 per 1000 live births by the end of the 11th Plan.
- > Maternal Mortality Rate (MMR) to be brought down from 450 to 100 per lakhs live births.
- > Total Fertility Rate to be brought down from 4.6. to 2.6
- > Sex Ratio to be improved from 973 to 981 per 1000.
- > Anaemia among Women (15-49 Years) to be brought down from of 45.4 to 22.7%
- > Malnutrition of Children (0-3 Years) to be brought down from 37.90 to 23.2%.
- > Drop-Out Rate in Elementary Education to be brought down from 62.26 to 31.63%
- > Literacy Rate to be improved from 62.56 (2001 Census) to 87.61% by 2011-12. Male and Female Literacy Rate to be improved from 65.43 and 59.61% in 2000-01 to 87.61 and 87.35% respectively by 2011-12. Gender Gap in Literacy to be brought down from 5.80 in 2001 to 0.50 by 2011-12.

Besides the above, the State Government intends to bring down the level of poverty by 10 percent. As per Household Survey, 2002, the provisional figure of poverty stands at 45.02 percent. It is also proposed to generate additional job opportunities for 1.50 lakh people to facilitate further employment generation during the Eleventh Plan. Rain water Harvesting Mission will also be

operationalized in the State.

Due to the conduct of general election to the State Legislative Assembly, the meeting between the State Government and the Planning Commission to finalise the size of the Annual Plan, 2008-09 could not be held. A tentative plan outlay of Rs.1425 crore is proposed in the Budget Estimates, 2008-2009, subject to resource availability and final adjustment as and when the Planning Commission finalises our Annual Plan for the next year.

Funds from the Planning Commission, Ministry of DONER, other Central Ministries and NEC, besides Centrally Sponsored & Central Sector Schemes, will have to be adequately leveraged to address our resource limitations. In addition to the State Plan, a provision of Rs.216.77 crore under NEC and Rs.230 crore for NLCPR projects have also been provisionally kept in the Budget apart from provisions under Central Sector / Centrally Sponsored Schemes. These would be subject to actual accruals.

IMPORTANT SECTORS AND DEPARTMENTAL PROGRAMMES.

1. Maintenance of law and order will continue to receive the highest priority of Government. There has been a perceptible improvement in the law and order situation in the State. This will usher in more economic activity both in the public and private sectors, resulting in employment generation for the benefit of the people of the State. The general election to the Meghalaya Legislative Assembly passed off peacefully. The international border continues to pose problems of influx of foreign nationals. The Report of the High Level Committee to look into the grievances of the people living in the border areas of the State is under examination. Government has sanctioned the setting up of a border Management Institute at Baghmara which will serve as a training hub for the personnel of the State Police and also coordinate the anti-infiltration activities of Border management Forces to check influx and illegal migration and to contain militant activities in the border areas. Close co-ordination with the Border Security Force will be maintained to keep a close vigil over the international border and to check infiltration and movement of cadres of various militant organizations. Provisions have been made to meet the requirements of the police force of accommodation and other amenities.

A tentative Plan Outlay of Rs.445 lakh is proposed to be earmarked for the State Police during 2008-09.

2. Meghalaya's future, in a very critical sense, depends upon how soon it can have all weather road connectivity in the State. Emphasis will be on providing good arterial connections to the District, Sub-divisional and Block Headquarters from the existing network of National Highways and State Highways. The Government will therefore do its utmost to take effective steps towards this objective, not only through its plan outlay but also by tapping funding from other sources such as the Ministry of Road Transport and Highways (MORTH), Non-lapsable Central Pool of Resources (NLCPR) under the Ministry of DONER, PMGSY under the Ministry of Rural Development and NEC. Under the State Plan, provision for Public Works Department is proposed to be increased by over 23%. The quality of plan expenditure will be of paramount importance, given the competing demands for new roads and bridges on the one hand, and the imperative need to complete ongoing schemes and maintain and upgrade the existing network.

The Guwahati-Shillong National Highway 40 has been approved for four laning under the National Highways Authority of India (NHAI) and competitive bids for the project on BOT-cum-annuity basis will be invited soon. The Shillong by-pass project is also likely to be posed for bidding during 2008-09. Land acquisition for these projects are well underway. The Government will keep a close watch and extend assistance to NHAI as required.

On the building side, PWD has a number of major projects on its hands such as the new High Court Building at Shillong; Meghalaya House at Vasant Vihar, Delhi; and the Residential cum Commercial Complex at Kolkata. Other major projects likely to be completed during the current year include the construction of Tura Government College (second phase), and the Children and Women's Hospital at Tura. Works for construction of Jail Complexes at Nongpoh and Nongstoin are in good progress.

A tentative Plan Outlay of Rs.16,000 lakh is proposed to be earmarked for the this sector during 2008-09

3. Government will continue to encourage the growth and development of Road Transport in the State both in the public and private sectors. Efforts will be made to improve the functioning of the Meghalaya Transport Corporation by exploring various options, including public private partnership approach, so that it can operate as a vibrant profit earning organization. The scheme of assistance to the three existing Motor Driving Schools will continue. A proposal for construction of a helipad at Upper Shillong will be taken up during 2008-09. In conjunction with Government of India, the State Government will endeavour to initiate the upgradation of Umroi airport, through runway extension and construction of a new terminal building and related facilities, so that it can handle Boeing 737 class of aircraft for both passenger and cargo traffic. Likewise, efforts will be made to expedite the process of upgradation of Baljek airport to handle ATR 50 class aircraft.

A tentative Plan Outlay of Rs.440 lakh is proposed to be earmarked for the this sector during 2008-09

4. In the energy sector, the State has been reeling under severe power shortage in the recent past. The demand for power is over 600 MWs, whereas the availability from the State's own generation and the Central power sector is only around 290 MW during monsoons and 175 MW in the lean season. The acute deficit in power is met by purchasing power at high, and sometimes exorbitant, rates to avoid inconvenience to the public at large. However, this arrangement is not sustainable in the long run. Immediate steps need to be taken to augment the availability of power through capacity addition as well as connectivity to the North-Eastern Grid. The hydro power potential of the State is around 3000 MWs, and the thermal potential is even more. However, since power projects require substantially heavy investments, steps have been initiated to encourage the private sector to set up power plants in the State under the IPP mode or under Joint Ventures. The State Government will pursue these initiatives with private sector participation in a transparent manner. In the State sector, the capacity addition by MeSEB during the Eleventh Plan is expected at 146 MWs from three projects at Leshka, New Umtru and Ganol.

In the Transmission sector, the State is disadvantaged as it is not presently connected to the North-Eastern Grid. After due pursuance with the Government of India, the Misa-Byrnihat Transmission Line has been approved at a cost of Rs.126 crore. The scheme will be implemented by Power Grid Corporation of India,

Ltd (PGCIL) and is expected to be completed in 30 months. On completion of the Transmission Line, the MeSEB can draw around 250 MWs of Power. The Agia-Nangalbira Transmission Line, which was sanctioned by NEC for Rs.43.32 crore has commenced implementation. The project is expected to be completed in 2009-10 and another 50 MWs of power can be drawn. A master Plan for improvement of the transmission system in the State has been sent to Central Electricity Authority which is preparing the plan for the entire North-Eastern Region.

The objective of the Government of India to make power available to all villages and households within the Eleventh Plan will be pursued by the State Government. At present 3468 villages and 1,35,416 households have been electrified which is around 60% and 41% respectively. Under the RGGVY of Government of India, 193 villages and 20,856 households will be electrified in 2008-09.

A tentative Plan Outlay of Rs.41,315 lakh has been proposed for this Sector during 2008-09.

5. Over 80% of the cumulative allocations of Rs.834 crore for the Water Supply sector have been expended on rural water supply schemes. The Government will strive to provide potable water to all uncovered, partially covered and water quality (iron) affected habitations with safe drinking water supply by 2008-09. This is consistent with the goals of the Bharat Nirman Programme, and will necessitate the provision of consequential allocations under the State Plan Budget if this target is to be met. The implementation of the total Sanitation Campaign is picking up in the State. So far, 10,328 individual household latrines, 816 schools toilets, 21 sanitary complexes and 83 anganwadi toilets have been constructed. Efforts will be made to provide the required amount of State Share to ensure uninterrupted progress of the programme.

A tentative Plan Outlay of Rs.5,875 lakh is proposed for the Water Supply & Sanitation Sector during 2008-09.

6. Urbanisation is a concomitant of economic growth and development and poses its own challenges, most visibly manifest in traffic congestion, inadequacies in management of water supply, sewerage and sanitation, solid waste, housing, especially for the urban poor and so on. The Government in the Urban Affairs Department has to think long term and provide for coping with these challenges.

To prevent Shillong from choking under its own urban sprawl, the New Shillong Township has been conceived and is being given shape. Even as this futuristic development progresses, short and medium term measures are underway such as a multi-storeyed parking lot at Mawlong Hat and a 600 unit housing complex for the urban poor at Nongmynsong. Similarly, in respect of seven towns, namely Tura, Jowai, Nongstoin, Nongpoh, Williamnagar, Baghmara and Resubelpara, a number of projects are being prepared for posing under two programmes namely Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing for Slum Development Programme (IHSDP).

A tentative Plan Outlay of Rs.3,850 lakh is proposed to be allotted for the Sector during 2008-09.

7. Education will receive high priority in this Government. Sarva Shiksha Abhiyan with 90% central funding will be the engine of growth in elementary education. The emoluments of lower and upper primary school teachers have been enhanced from Rs.1500/- to 3000/- p.m. and will require necessary financial support. Untrained teachers will be deputed in two cycles annually for the Certificate course in

Primary Education conducted by the IGNOU, other short-term training programmes conducted by the Directorate of Educational Research & Training, the District Institutes of Elementary Training and the Block Resource Centres. Apart from Lower Primary Schools, Education Guarantee Scheme (EGS) Centres will continue to play a role in bringing out-of-school children into the school system. "The National Programme of Mid Day Meals in Schools" which presently covers all Primary Schools and also Upper Primary Schools in 9 Educationally Backward Blocks (EBBs) will be extended to cover all Upper Primary Schools in the State with effect from 2008-09. Effort will be made to extend financial assistance to about 200 newly permitted Secondary Schools, 30 Higher Secondary Schools and 21 Colleges in the State besides enhancing the level of grants to teachers of Adhoc Schools. Steps will be taken to establish convergence of services of line departments to optimize benefits from their programmes including promoting the idea of financial sustainability and value education. Further, with a view to maximizing gains from e-knowledge, teachers will be given training in computer awareness. Lastly, to promote inclusive education, primary and upper primary teachers will receive training in computer awareness during 2008-09.

A tentative Plan Outlay of Rs.12,335 lakh is proposed to be earmarked for Education this sector during 2008-09.

8. Priorities in the Health Sector include strengthening and consolidation of existing facilities and extension of services through outreach programmes to ensure coverage of people living in the remote rural areas of the State. Government will continue to take advantage of the programmes under the National Rural Health Mission for providing effective health care at individual, household and community level with active involvement of local and voluntary health workers. Upgradation of existing public health infrastructure, improvement in health service delivery systems, bringing about convergence of activities of various sectors, encouraging public private partnership, popularization of AYUSH and appropriately supporting traditional health practices and ensuring transparency and accountability in health service delivery will be other areas of thrust. Effective steps will be taken to improve the rural health services to ensure that people living in the rural areas of the State gain adequate access to proper health care. A differentiated and realistic fee structure would be necessary to make the services pro-poor, while at the same time making it more sustainable by recovering reasonable charges. With a view to improving maternal and child health, effective steps to bridge the gaps, including setting up an intensive neo-natal care unit at Ganesh Das Hospital which may later be replicated in other major hospitals of the State, would be undertaken. The National Programmes on Tuberculosis Control, Leprosy Eradication, Blindness Control, Vector Borne Diseases including Malaria Control and AIDS Control will continue. Public Health and Mental Health Programmes will be strengthened. Appropriate arrangements with suitable service providers would be initiated for better and specialized services in urban and rural health centers. Urban health facilities would be decentralized to have effective referral systems and decongest the secondary health institutions. Every effort would be made to provide support services and operationalise completed buildings. The State Government has closely pursued the matter for effective operationalisation of NEIGRIHMS and will fully support the efforts of the Government of India to commence MBBS course at NEIGRIHMS from the ensuing academic year. This would not only benefit the aspiring students of Meghalaya but also of other North Eastern States. Efforts are also on to start PG courses in select streams from the ensuing academic session. Government is committed to support and facilitate fuller realization of the aims and objectives of this premier institution. Steps will be taken to provide land in order to facilitate setting up of an Indian Institute of Public Health by the Public Health Foundation of India.

A tentative Plan Outlay of Rs.7800 lakh is proposed for the sector during 2008-09.

9. Welfare of women, children, the aged and infirm and the physically challenged will continue to receive due attention. Under "The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act 1995", Uniform grants, book grants, conveyance allowance and unemployment allowance were provided to 554 students and physically challenged persons during the current year. Likewise, 592 scholarships were given to the physically handicapped and 76 received vocational training for self employment, while 181 destitute aged have been covered under the scheme of "financial assistance for medical treatment of the aged". 5,89,975 beneficiaries are proposed to be covered under the Supplementary Nutrition Programme in the ICDS Project areas during 2008-09 against an anticipated coverage of 5,00,000 during the current year. Efforts are being made for convergence and networking of women's development programmes at different levels. Government will extend financial assistance to support NGOs engaged in various welfare activities.

A tentative Plan Outlay of Rs.5,125 lakh is proposed to be earmarked for Social Welfare during 2008-09.

10. Government recognize the contribution and role of the agricultural sector in our dominantly agrarian and rural economy. To ensure that the State receives enhanced allocations under Government of India's newly launched flagship programme, the "Rastriya Krishi Vikas Yojana", the State Government will make all efforts to sustain and increase its own allocations for agriculture and allied sectors.

In the context of foodgrain production, efforts will be made through incremental increases in each year of the Eleventh Plan of area coverage through high yielding varieties, irrigation, mechanization and double cropping, to increase the overall production from the current level of 2.9 million metric tones to 3.8 million tones by the end of the Eleventh Plan.

In the year 2008-09, it is consequently proposed to increase the gross cropped area by 10,000 hectares over current levels and the area under high yielding varieties by 8,000 hectares.

The Government will give special emphasis on horticulture, in an effort to realize the goal of making Meghalaya the "Fruit and Flower State" of the North East. On the one hand, the productivity of traditional horticultural crops such as turmeric, ginger and pineapple will be sought to be increased and processing and marketing opportunities provided. On the other hand, significant area expansion will be carried out of coloured capsicum, strawberry, rose, anthurium, arecanut and cashew. The area under indigenous fruits will also be expanded.

This area expansion and increase in production will necessarily require a major and consequential increase in post harvest management and processing capabilities. The Government will provide resources for infrastructural expansion through the State Plan, and from funds allocated under programmes of the Government of India and through public private partnership modalities.

Five new 'Horti-Hubs' will be established during the current year, on the pattern of Williamnagar (East Garo Hills) and Umsning (Ri-Bhoi), in each of the presently uncovered Districts of South Garo Hills, West Garo Hills, Jaintia Hills, West Khasi Hills and East Khasi Hills.

Production targets for 2008-09 include 2.36 lakh tones of fruit crops, 1.51 lakh tones of vegetables and 2.05 lakh tones of tuber crops against 2.25 lakh tones, 1.43 lakh tones and 2.03 lakh tones respectively during the current year. The likely coverage of 44.60 hectares under floriculture during the current year is proposed to be expanded to 45 hectares in 2008-09.

An area of 2355 hectares is proposed to be covered under minor irrigation during 2008-09. Harvesting of

rain water and exploration of the ground water potential are also proposed to be taken up. In order to ensure better operation and maintenance of the existing project by the farmers, steps will be taken to introduce the system of Participatory Irrigation Management in the State.

A Tentative Plan Outlay of Rs.6,120 lakh is proposed to be earmarked for this Sector during 2008-09

11. Efforts will be made to increase the productivity of livestock and poultry through improved breeding management and healthcare facilities. In order to achieve this objective, steps will be taken to ensure availability of improved variety of livestock, establishment of new piggery and cattle farms, support services, professionalization of veterinary services and generation of additional employment opportunities to educated unemployed youth. Adequate emphasis will be given to people's participation in production by developing suitable infrastructure and enabling entrepreneurs in the rural areas to take up commercially viable poultry and piggery projects. The production targets for 2008-09 include 102 million eggs, 39,000 tonnes of meat and 79,000 tonnes of milk as against a likely achievement of 100 million eggs, 38,000 tonnes of meat and 77,200 tonnes of milk during the current year. Priorities under this sector include strengthening of health care facilities and establishment of new veterinary dispensaries, training of farmers and demonstration of the latest system of farming in order to optimize production.

The tentative Plan Outlay proposed for the Animal Husbandry & Veterinary Sector, including Dairy, during 2008-09 is Rs.2,050 lakh.

12. The anticipated fish production during the current year is 5,500 metric tones against an annual demand of 11,000 metric tones. Attempts will be made to enhance fish production by bringing more water area under pond culture and to increase fish seed production. It is also necessary to educate the farmers about modern concepts in fish farming and to encourage them to take up fish culture as a mean of livelihood. The 'Thousand Ponds' scheme on Aquaculture Development along with other subsidy schemes are proposed to be continued with added intensity to augment fish production in the State. As a step towards conservation, awareness programmes for prevention of destruction of fish in rivers and streams will be organized at the District, Sub-divisional and Block levels.

A tentative Plan Outlay of Rs.600 lakh is proposed for Fisheries during 2008-09.

13. Under Soil and Water Conservation, sectoral targets for 2008-09 include coverage of 2,172 hectares of agricultural land with benefits of irrigation and afforestation against an anticipated coverage of 1,020 hectares during the current year, Erosion Control Works covering 900 hectares over the anticipated achievement of 600 hectares during the current year and construction of 126 Water Harvesting Ponds against the anticipated completion of 100 ponds during the current year. A new scientific approach in Jhum Control has been developed through soil and water conservation measures and is being taken up on a pilot basis. Another pilot project to promote Jatropha cultivation in cultivable wasteland of the State is expected to be implemented with Central Assistance during 2008-09.

A tentative Plan Outlay of Rs.3,000 lakh is proposed to be allocated for Soil & Water Conservation during 2008-09.

14. The State is richly endowed in minerals, with significant deposits of major minerals such as coal and limestone, and other minerals like kaolin, granite etc. Exploitation of these minerals deposits is one of the major economic activities in Meghalaya and a significant source of revenue both to the State and the District Councils. There is a tremendous potential for increase in the levels of exploitation if the same is carried out in a scientific manner. To fulfill this objective, the Directorate of Mineral Resources conducts training cum awareness programmes for the local mine owners and proposes to intensify these efforts in the coming year. The DMR also undertakes geological exploration for identifying and mapping minerals deposits, and proposes to continue these activities in 2008-09. The need for maintaining a fine balance between the demands of sound environmental management and exploitation of mineral resources for value added industries will engage the policy attention of the Government. A draft mining policy, to address such issues, is under consideration.

A tentative Plan Outlay of Rs.250 lakh is proposed for this sector during 2008-09.

15. Government will continue in its endeavour to enhance the forest cover and preserve the bio-genetic diversity of the State. During the current year, an area of 3385 hectares has been brought under afforestation and 15.49 lakh seedlings were distributed to the public. Till date, fourteen Forest Development Agencies have been constituted to channelise funds available under the National Afforestation Programme and Central Sector/Centrally Sponsored Schemes to the Joint Forest management Committees consisting of representatives from each household within their jurisdiction. During 2008-09, priority will be accorded to implementation and completion of all continuing schemes with due emphasis on effective and efficient utilization of resources available under the Award of the Twelfth Finance Commission for maintenance of forest, creation of a zoological park and a botanical garden in the State. With a view of curbing man-animal conflict due to fragmentation of wildlife habitats, Government will intensify its efforts to protect existing habitats including the National Parks, Sanctuaries and Bio-sphere Reserves. The scheme for establishment of Parks and Sanctuaries will continue.

A tentative Plan Outlay of Rs.2,995 lakh is proposed to be earmarked for this Sector during 2008-09.

16. The activities of the cooperative organizations have shown diversification and some signs of revival recently. Economic activities, apart from credit, covering marketing, multipurpose and consumer activities, handloom & weaving, village industry, dairy, poultry, fishery, piggery, transport, housing, women, and thrift and mutual benefit cooperative societies are encourage. More than 265 cooperative societies during the current year in the form of share capital contribution and managerial subsidy to the extend of Rs.4.21 core. Government will continue to support co-operative societies in order to make them viable and effective instruments of socio-economic growth with the active and voluntary participation of the people. Revitalization of Cooperative Credit structure through appropriate infusion of capital, reforms measures and use of Information technology will be operationalised in order to bring larger financial inclusion. This is likely to benefit our grass root and apex cooperative organization.

A tentative Plan Outlay of Rs.850 lakh is proposed for this Sector during 2008-09.

17. The plan and programmes of Community and Rural development sector will continue to play an important role to accelerate the economic and social development of rural areas. With a view to increasing

the income level and quality of life of the people living in the rural areas of the State, important centrally sponsored schemes comprising of the Swarnjayanti Gram Swarozgar Yojana (SGSY), the Sampoorna Grameen Rozgar Yojana (SGRY), the National Rural Employment Guarantee Scheme (NREGS), the Backward Region Grant Fund (BRGF), the National Social Assistance Programme (NSAP) and the Indira Awaas Yojana (IAY) will be continued. East Khasi hills, Jaintia Hills and Ri Bhoi Districts were selected for implementation of the Meghalaya Rural Employment Guarantee Scheme during the current year in addition to West Garo Hills and South Garo Hills Districts where the Scheme was already under implementation from its inception. The Government of India has also proposed to implement the scheme under the Backwards Region Grant Fund in South Garo Hills and Ri-Bhoi Districts During 2008-09. Under State Sector Schemes, the Special Rural Works Programme (SRWP), the Chief Minister Special Rural Development Fund (CMSRDF), the Construction of Rural Roads Programme (CRRP) and the scheme for Assistance to Small and Marginal Farmers will be continued. Government will accord priority to qualitative improvement in implementation of the programmes. Adequate provisions have been made in the Budget for the State share with regard to implementation of all Centrally Sponsored Schemes to enhance self employment and wage employment opportunities, while at the same time creating durable community assets and housing for the poor.

A tentative Plan outlay of Rs.15,355 lakh is proposed to be earmarked for the community & Rural Development Sector during 2008-09.

18. Government will encourage the growth and development of industries. The inclusion of new sector within the ambit of the new North East Industrial and Investment Promotion Policy, 2007 is expected to provide a further boost to industrialization in the State. The District Industries Centres, the Meghalaya Industrial Development Corporation Ltd, the Meghalaya Khadi and Village Industries Board and the Meghalaya Handloom and Handicraft Development Corporation will continue with the different promotional programmes. The Prime Minister's Rozgar Yojana is being subsumed within the Rural employment Generation Programme. Both these programmes will continue in 2008-09 under the 'Prime Minister's Employment Generation Programme'. The target for coverage of 1,400 beneficiaries under PMRY during the current Year is expected to be achieved. The package scheme of incentives will also continue.

A tentative Plan Outlay of Rs.2,175 lakh is proposed for this sector during 2008-09.

19. The Action Plan under Sericulture and Weaving for 2008-09 includes development of 3.029 acres of land under mulberry, eri, and muga plantations involving 3,029 beneficiaries in the State. While 40 (forty) candidates will be imparted training in the Sericulture Training Institute at Ummulong, Jaintia Hills, attempts will be made to depute 200 progressive handloom weavers outside the State for exposure to new technology and skill upgradation. Physical targets during 2008-09 include the production of 25,316 Kgs of mulberry cocoons, 334 metric tones of eri cocoons and 420 lakh Nos. of muga cocoons. Government will continue to take advantage of the Catalytic Development Programme of the Central Silk Board to ensure development of Sericulture in the State at a faster pace. The Integrated handloom Development Scheme along with Health Insurance of Weavers, the Mahatma Gandhi Bunker Bima Yojana and the Scheme for training of silk weavers will continue.

A tentative Plan Outlay of Rs.625 lakh is proposed to be earmarked for Sericulture & Weaving

during 2008-09.

20. The Tourism sector has a vast potential to create employment and generate income with low investment. Government will encourage eco- rural and community based tourism on a greater scale to ensure that the benefits emanating from this sector percolates to the grass root level. The overall improvement in the law and order situation will bring about a resultant increase in tourist traffic into the State. The domestic tourist inflow has been of the order of four lakhs, while foreign tourists account for about ten thousand annually. Steps will be taken for creation of tourism infrastructure in specific tourist destinations and tourist circuits along with aggressive publicity campaign both in the electronic and print media to ensure continued inflow of tourists for the economic development of the people of the State. Capacity building and training of local NGOs and tourism stakeholders will be strengthened.

A tentative Plan Outlay of Rs.375 lakh is proposed for this Sector during 2008-09.

21. Due emphasis will be given to conserve and promote the unique cultural heritage of the State. The ongoing schemes for extension of the Williamson Sangma Museum at Shillong and construction of Museum Gallery at Jowai will continue. Government will continue to access funds from the award of the Twelfth Finance Commission, Victoria Memorial Hall and the Indian Museum for continued implementation of the Heritage Scheme and for upgradation of museums in the State. Proposals for further expansion and development of museum buildings and cultural complexes in the Districts have been taken up with the Ministry of DONER for funding under the Non-lapsable Pool of Central Resources. The Intensive Art & Culture Development Programme and the schemes for Development of Traditional Folk Music and provisions of financial assistance to registered voluntary cultural organizations will continue. Efforts to enrich the collection in the Museums through acquisition of artifacts, exhibits and antiques will also continue.

A tentative Plan Outlay of Rs.850 lakh is proposed to be earmarked for this Sector during 2008-09.

22. Government will continue to assist the people living in the notified Border Areas of the State. The total road length constructed under the Border Areas Development Programme so far is 262.64 Kms. An amount of Rs.196.91 lakh has been approved for construction of roads during the current year. Government of India has approved an amount of Rs.1.029.00 lakh cleared by the State Level Screening Committee for implementation of various schemes under Special Central Assistance during 2007-08. While 2,746 border area students are being covered under the Border Area Scholarship Scheme during the current year involving an amount of Rs.42.00 lakh, it is proposed to provide Rs.46.20 lakh under the scheme to cover 4,000 students during 2008-09. An amount of Rs.1,131.90 lakh is proposed under Special Central Assistance during 2008-09. A special effort will be made to upgrade the provisioning of infrastructure and basic services in the border areas

A tentative Plan Outlay of Rs.1,125 lakh is proposed for this Sector during 2008-09.

23. Adequate focus will be given to completion of ongoing sports infrastructure projects for the benefit of sportspersons and the youth of the State. The scheme for financial assistance to various sports associations, clubs and schools will continue. The sportspersons from different areas of the State have participated in National and North East Championships in various disciplines during the year. Proposed activities during 2008-09 include participation in National Championships, holding of Athletic Meets,

conduct of different tournaments for students as well as sportspersons, organization of Sports Entrepreneurship - Workshop and inter School Debate Competition in District Headquarters.

A tentative Plan Outlay of Rs.1,375 lakh is proposed for this Sector during 2008-09.

24. Training and capacity building are important tools for imparting basic knowledge and improving the efficiency of Government and other local functionaries. During the year, the Meghalaya Administrative Training Institute conducted training programmes and workshops on Disaster Management, Right to Information Act, Office procedure and financial management, Computer, Human Rights, Women's Rights and sectoral programmes for Health and Education Departments with trainees drawn from amongst Engineers and Architects, Civil Service Officers, Magistrates, Police Officers, Academicians, Members of District Councils, Headmen, Meghalaya Secretariat Officers and Staff, students and other stakeholders. MATI will continue to impart training to State Government functionaries with the objective of improving the standard of functioning in the State Administration.

A tentative Plan Outlay of Rs.60 lakh is proposed for Meghalaya Administrative Training Institute during 2008-09.

25. Meghalaya has certain advantages in Information Technology (IT) sector. Besides being endowed with salubrious climate and a clean environment, the State has a large pool of educated youth who are proficient in the English language. In order to tap this potential, the Government will make concerted efforts to make Information Technology a tool for attaining all round development in the State. The ultimate goal will be creation of wealth, employment generation and IT led economic growth. Under the National e-Government Programme (NeGP), the task of setting up State Wide Area Network (SWAN) and the Common Services Centres (CSCs) is being implemented and tenders have been floated. Further, the detailed project report for setting up a State Data Centre has been sent to Government of India for consideration. The capacity building programmes and mission mode projects for rolling out citizen centric services will be the main thrust during the coming year to realize the aims and objectives of the NeGP. The first IT Park set up by STPI in the state will be facilitated further for fuller utilization and demand based expansion. The Government will also take steps towards setting up of an IT Estate at New Shillong through PPP approach. The plan to have wi-fi hotspots over the capital city of Shillong is also on the anvil. A major IT skill development and enhancement programme will be undertaken to make the youth more employable. Government will pursue establishment of an Indian Institute of Information Technology at Shillong which may be taken up in PPP mode for which an amount of Rs.10 crore has been provisionally kept in the Higher and Technical Education budget.

A tentative Plan Outlay of Rs.1,250 lakh is proposed to be allocated for the IT sector during 2008-09.

26. Labour Department has labour welfare with enforcements of Acts and Rules as well as employment and craftsmen training as its core function. Attempts will be made to operationalize various Labour Welfare Centres. About 4500 workers have been registered under the Employees State Insurance (ESI) Scheme at Byrnihat. Construction of the Industrial Training Institute at Baghmara and the New Hostel Building in the premises of ITI, Shillong are likely to be completed soon. The skill development mission announced in the national Budget Speech of Union Finance Minister would be leveraged to set up

additional ITIs, mini ITIs vocational training centres and skill development centres under public private partnership. IT tools would be utilized for improving the registration system of unemployed. These measures are likely to improve labour welfare, and enhance employability of our youth in particular in rural areas.

A tentative Plan Outlay of Rs.515 lakh is proposed during 2008-09.

27. The Government in the Food and Civil Supplies Department is entrusted with the responsibility of administering the Targeted Public Distribution System for nearly 450,000 families comprising Antyodaya Anna Yojana (AAY), Below Poverty Line (BPL) and Above Poverty Line (APL) families. In addition, rice is distributed free of cost to the Indigent Old Age Persons not covered under the National Old Age Pension Scheme under Annapurna Scheme, and at BPL rates to the SC/ST hostels. In this role of reaching essential commodities to all consumers, the Department assists in keeping inflation under check. In its other role of helping consumers under the Consumer Protection Act, 1986, the Department promotes consumer awareness in various ways and assists in establishing orderly market practices.

The tentative Plan Outlay proposed for Food and Civil Supplies during 2008-09 is Rs.125 lakh.

28. Efforts to bring the administration closer to the people through dissemination of information on the policies and programmes of the Government through print and electronic media will continue. With a view to providing adequate publicity about the investment opportunities in the State, seminars on Agriculture, Tourism, Information Technology and Industries were organized at New Delhi during the India International Trade Fair, 2007. In order to ensure qualitative improvement in service delivery, the Fixed Loud Speaker Systems are proposed to be replaced by digital hi-tech systems during 2008-09. Special Interactive Programmes, publication of booklets, pamphlets and journals and participation in exhibitions and fairs will be made.

A tentative Plan Outlay of Rs.375 lakh is proposed to be earmarked for this Sector during 2008-09.

29. BUDGET ACTUALS, 2006-2007

The year 2006-2007 opened with a deficit of *Rupees seventeen crore, twenty five lakhs, fifty five thousand, eight hundred eight (Rs.17,25,55,808)*. While the total receipts during the year, including receipts under Public Accounts, amounted to *Rupees nine thousand, six hundred, twenty seven crore, six lakhs, twenty three thousand seven hundred thirty five (Rs.9,627,06,23,735)*, the corresponding expenditure was *Rupees nine thousand, six hundred, eighty four crore, nineteen lakhs, twenty six thousand six hundred ninety seven (Rs.9,684,19,26,697)*, resulting in a closing deficit of *Rupees seventy four crore, thirty eight lakhs, fifty eight thousand seven hundred seventy (Rs.74,38,58,770)*.

30. REVISED ESTIMATES, 2007-2008

The revised estimates for the current year reflects on opening deficit of *Rupees seventy four crore, thirty eight lakhs, fifty eight thousand seven hundred seventy (Rs.74,38,58,770)*. While the revised estimated receipts for the year including receipts under Public Accounts are likely to amount to *Rupees thirteen thousand six hundred fifteen crore, twenty three lakhs, twenty five thousand eight hundred fourteen (Rs.13,615,23,25,814)*, the corresponding expenditure is likely to amount to *Rupees thirteen thousand,*

five hundred eighty five crore, one lakh three thousand eight hundred fourteen (Rs.13,585,01,03,814) and after taking into account the opening deficit, the closing deficit of *Rupees forty four crore, sixteen lakhs, thirty six thousand seven hundred seventy (Rs.44,16,36,770)* is anticipated.

31. BUDGET ESTIMATES, 2008-2009

The estimates envisage an opening deficit of *Rs.Forty four crore, sixteen lakhs, thirty six thousand seven hundred seventy (Rs.44,16,36,770)* and total receipt including receipts under Public Accounts of *Rupees fifteen thousand, three hundred seven crore, thirteen lakhs, ninety three thousand (Rs.15,307,13,93,000)* against a corresponding expenditure, including expenditure on Public Accounts, of *Rupees fifteen thousand, two hundred ninety four crore, eighteen lakhs ninety five thousand two hundred (Rs.15,294,18,95,200)*, and after taking into account the opening deficit, the closing deficit of *Rupees thirty one crore, twenty one lakhs, thirty eight thousand nine hundred seventy (Rs.31,21,38,970)* is anticipated.

Keeping in view the increasing revenue expenditure of the State as a consequence of rising debt service burden, spiralling establishment costs due to incremental increases in emoluments of Government employees and the requirement to curtail avoidable expenditure and generate additional resources, a Task Force was constituted to, inter alia, suggest ways and means for resource mobilization through taxes and cesses, widening of the tax base and plugging of loopholes to prevent evasion of taxes. The Committee has since submitted its Report and the recommendations are under examinations. Government will consider these recommendations and take appropriate steps for mobilization of additional resources to ensure development of the State at a faster pace.

In conclusion, it is my sincere expectation that with the fullest support of all sections of this August House, the Budget proposals that I have presented today, are unanimously carried and effectively implemented, to ensure generation of conditions favourable to accelerated and harmonious growth of the State economy, to fulfill the expectations of each and every citizen of the State.

I am also circulating 'Budget at a Glance' which reflects the overall picture of the Budget Estimates, 2008-09.

With these words, Mr. Speaker, Sir, I commend the budget proposals for the esteemed consideration of this august House.

Khublei

Mitela

Jaihind

Summary of Financial Position	The financial position for the year 2008-09 along with corresponding position in previous years is summarized below :-
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	(Rupees in Lakhs)			
Heads	Actuals 2005-2006	Actuals 2006-2007	Revised 2007-2008	Budget 2008-2009
1	2	3	4	5
Opening Balance	-2,11,90.81	-17,25.56	-74,38.59	-44,16.37
Revenue Receipts	17,46,93.55	21,42,19.12	32,41,77.47	37,02,86.00
Capital Receipts under the Consolidated Fund	3,61,31.64	2,63,15.98	4,32,65.45	4,02,06.51
Capital Receipts under the Contingency Fund	75,67.54	72,32.03	92,19.57	1,05,00.00
Capital Receipt under the Public Accounts	1,23,77,59.76	71,49,39.11	98,48,60.77	1,10,97,21.42
Total- Receipt	1,45,61,52.49	96,27,06.24	1,36,15,23.26	1,53,07,13.93
GRAND TOTAL	1,43,49,61.68	96,09,80.68	1,35,40,84.67	1,52,62,97.56
Revenue Expenditure	16,74,47.64	19,07,49.65	27,33,24.85	31,80,47.07
Capital Expenditure under the Consolidated Fund	4,25,66.60	4,12,60.61	7,55,71.97	8,33,25.30
Capital Expenditure under the Contingency Fund	75,67.54	72,32.03	92,19.57	1,05,00.00
Capital Expenditure under the Public Account	1,21,91,05.46	72,91,76.98	1,00,03,84.65	1,11,75,46.58
Total- Expenditure	1,43,66,87.24	96,84,19.27	1,35,85,01.04	1,52,94,18.95

Closing Balance	-17,25.56	-74,38.59	-44,16.37	-31,21.39
GRAND TOTAL	1,43,49,61.68	96,09,80.68	1,35,40,84.67	1,52,62,97.56
Net Result-				
(a) In Revenue Account	7245.91	2,34,69.47	5,08,52.62	5,22,38.93
(b) Outside Revenue Account	12219.34	-2,91,82.50	-4,78,30.40	-5,09,43.95
(c) All Accounts excluding the Opening Balance	19465.25	-57,13.03	30,22.22	12,94,98