

Mr. Speaker, Sir

I rise to present the Budget Estimates for the year 2007-08 which will be the first year of the Eleventh Plan and the third year of the Award of the Twelfth Finance Commission.

- An outlay of Rs. 8,695 crore has been projected to the Planning Commission for the Eleventh Plan. During the Eleventh Plan, the State's annual average growth rate has been targetted at 7.3 per cent. Highest priority will be accorded to investment in power, roads and other infrastructure. Emphasis will be laid on horticulture and post harvest management, irrigation and water harvesting. Social Services like education, health and welfare of women, children and the aged will also be accorded priority in the Eleventh Plan and the Annual Plan 2007-08. Besides allocation under the State Plan, these sectors will also secure funds from the Central Government. I am sure that by improving governance, encouraging people's participation and all-round capacity building, we will be able to achieve the aims and objectives of the Eleventh Plan.
- When I presented the budget estimates for 2006-07, I had mentioned that the Government proposed to introduce suitable legislation to bring about fiscal responsibility as recommended by the Twelfth Finance Commission. The State has accordingly enacted the Meghalaya Fiscal Responsibility and Budget Management Act, 2006. With the passing of this Act and in accordance with the recommendations of the Twelfth Finance Commission, the repayment of instalments due on Central loans (after consolidation and re-scheduling) may be written-off each year from 2005-06 onwards provided the revenue surplus of the State

does not go below the base year level of 2003-04. The revenue surplus of the State during 2005-06 was Rs.72.46 crore as against the revenue surplus of Rs 85.14 crore during 2003-04. The State has therefore not been able to avail of the incentive from the Government of India for 2005-06 since the revenue surplus was less than the base year. To qualify for the incentive, it is essential to prune down the revenue expenditure from 2006-07 onwards to maintain the level achieved in 2003-04. It is therefore proposed to streamline the austerity measures to curb avoidable expenditure during the Eleventh Plan in order to achieve the targets set under the MFRBM Act, 2006.

NATIONAL ECONOMY.

The Union Budget presented in the Parliament on the 28th February, 2007 estimated a growth of the GDP at the rate of 9% (Quick Estimates) in 2005-06 and 9.2% (Advance Estimates) during the current year. The Services Sector continues to maintain impressive growth and has recorded a growth rate of 9.6%, 9.8 % and 11.2 % respectively during the last three years. On the other hand, the average growth in the agriculture sector during the 10th Plan period is estimated at only 2.3%. Inflation which was 4.4 % during 2005-06 is estimated between 5.2 and 5.4 % during the current year. The estimated increase in per capita income in 2005-06 is 7.4 %.

The total budget allocation for the North Eastern Region in the Union Budget, 2007-08 stands at Rs14,365 crore as against Rs12,041 crore during the current year. This includes Rs1,380 crore provided to the Ministry of DONER. The new industrial policy for the North Eastern Region is expected to be finalised within the current year.

STATE ECONOMY

The Gross State Domestic Product at Current Prices was estimated at Rs.5490.62 crore during 2003-04. It rose to Rs.5852.47 crore during 2004-05 and is expected to rise further to Rs.6353.82 crore during 2005-06. The percentage of increase from 2003-04 to 2004-05 and from 2004-05 to 2005-06 (Advance Estimates) are 6.59% and 8.95% respectively. The estimates of G.S.D.P. at constant prices during the same periods were estimated at 4.56% and 4.79% respectively.

Though 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 activities towards the economy of the State from 2003-04 to 2005-06 was only about 22%. The industrial sector consisting of mining and quarrying, manufacturing, electricity and construction contributed 27 % during the above periods. The share of the Services Sector was around 51% at Constant Prices.

The Per Capita Income during 2004-05 and 2005-06 was Rs.24,114 and Rs.25,788 respectively at current prices with corresponding annual growth rate of 5.27% and 6.94% respectively.

STATE FINANCES

I. The Annual Accounts of the State for the year 2005-2006 reflect the following position:

- a. The year opened with an opening deficit of ***Rupees two hundred eleven crore, ninety one lakhs(Rs. 211.91 crore)***.
- b. Against a total revenue receipt of ***Rupees one thousand seven hundred forty six crore, ninety four lakhs (Rs. 1,746.94 crore)***, the total revenue expenditure was ***Rupees one thousand six hundred***

- seventy four crore, forty eight lakhs (Rs. 1,674.48 crore)* resulting in a revenue surplus of *Rupees seventy two crore, forty six lakhs (Rs. 72.46 crore)*
- c. Against the total revenue receipts and recoveries of *Rupees one thousand seven hundred sixty five crore, forty six lakhs (Rs. 1,765.46 crore)*, the total revenue and capital expenditure excluding Public Debt was *Rupees one thousand nine hundred forty four crore, forty three lakhs (Rs. 1,944.43 crore)*, resulting in a fiscal deficit of *Rupees one hundred seventy eight crore, ninety seven lakhs (Rs. 178.97 crore)*. The emerging position reflects improvement in the fiscal position of the State during the year 2005-2006 relative to 2004-2005.
- d. Against the fiscal deficit of *Rupees one hundred seventy eight crore, ninety seven lakhs (Rs. 178.97 crore)*, there was an interest payment of *Rupees one hundred ninety one crore (Rs. 191.00 crore)*, resulting in the primary deficit of minus *Rupees twelve crore, three lakhs (Rs. - 12.03 crore)*

II. The revised estimates for the year 2006-2007 reflect an opening deficit of *Rupees seventeen crore, twenty six lakhs (Rs. 17.26 crore)*

- a. Against an estimated revised revenue receipt of *Rupees two thousand four hundred fifty seven crore, seventy eight lakhs (Rs. 2,457.78 crore)*, the estimated revised revenue expenditure is *Rupees two thousand one hundred seventeen crore, seventy six lakhs (Rs. 2,117.76 crore)*, resulting in an estimated revenue surplus of *Rupees three hundred forty crore, two lakhs (Rs. 340.02 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.

- b.* Against the estimated total revenue receipts and recoveries of ***Rupees two thousand four hundred seventy seven crore, seventy eight lakhs (Rs. 2,477.78 crore)***, the total revenue and capital expenditure excluding Public Debt is estimated at ***Rupees two thousand five hundred sixty three crore, seventy three lakhs (Rs. 2,563.73 crore)***, resulting in a fiscal deficit of ***Rupees eighty five crore, ninety five lakhs (Rs. 85.95 crore)***.
- c.* Against the estimated fiscal deficit of ***Rupees eighty five crore, ninety five lakhs (Rs. 85.95 crore)***, an interest payment of ***Rupees two hundred twelve crore, eighty eight lakhs (Rs. 212.88 crore)*** is anticipated resulting in a primary deficit of minus ***Rupees one hundred twenty six crore, ninety three lakhs (Rs.- 126.93 crore)***.

III. The Budget Estimates being presented today for the year 2007-2008 propose as follows:

An estimated opening deficit of ***Rupees forty crore, eighteen lakhs (Rs. 40.18 crore)***.

- a.* An estimated total revenue receipt of ***Rupees three thousand two hundred forty one crore and seventy seven lakhs (Rs. 3,241.77 crore)*** against an estimated total revenue expenditure of ***Rupees two thousand seven hundred thirty two crore and nine lakhs (Rs. 2,732.09)***, resulting in an estimated revenue surplus of ***Rupees five hundred nine crore, sixty eight lakhs (Rs. 509.68 crore)***. The increase in revenue surplus in Budget Estimates of 2007-2008 as compared to those of 2006-2007, 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 ***Rupees eighty two crore, fifty three lakhs (Rs. 82.53 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 2007-08 for consideration of this august House.

NON PLAN BUDGET 2007-08

The Non-Plan Estimates envisage an outlay of Rupees one thousand five hundred forty nine crore, eighty three lakh and seventy three thousand (Rs1,549,83,73,000) which is 10 % higher than the likely non-plan expenditure of Rupees one thousand, four hundred and six crore and twelve lakh (Rs1,406,12,00,000) during 2006-07. 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 segments of expenditure have been sufficiently provided for. The amounts proposed for some major departments in the non-plan budget for 2007-08 include Rs149.19 crore for Home (Police), Rs153.73 crore for Roads and Bridges, Rs 226.18 crore for Education, Rs 62.57 crore for Medical & Public Health, Rs 53.19 crore for Water Supply & Sanitation and Rs 23.45 crore for Agriculture.

PLAN BUDGET 2007-08

The approved Tenth Plan outlay is Rs.3,009 crore which is likely to be achieved. The budget estimates presented today reflect tentative Plan provisions of Rs1,360 crore which was the proposed size of the Annual Plan, 2007-08 presented before the Planning Commission. However, in the meeting between the Chief Minister and the Deputy Chairman of the Planning Commission held in New Delhi on 7th March, 2007, the size of the Annual Plan, 2007-08 was finalized at Rs.1,120 crore.

In accordance with the priorities laid down in the Annual Plan, 2007-08, the proposed outlay for Agriculture and Horticulture is Rs 49 crore during 2007-08 as against Rs 23.82 crore during the current year. For Soil and Water Conservation, a provision of Rs.24 crore has been kept for 2007-08 as against Rs.12 crore during the current year. Similarly, a provision of Rs.24 crore has been proposed for Animal Husbandry and Dairy during 2007-08 as against the current year's provision of Rs.10.90 crore, An amount of Rs.126.80 crore has been proposed for Rural Development during 2007-08 as against Rs.77.47 crore during 2006-07, indicating an increase of about 64 per cent. The allocation for Irrigation has almost been doubled. The allocation to Energy sector is proposed to be suitably enhanced. A substantial increase is also proposed for Roads and Bridges during 2007-08. Allocations under Social Services are proposed to be enhanced from the current year's level of Rs.273.25 crore to Rs.426.90 crore during 2007-08, representing an increase of about 56 per cent. The outlay under General Education is proposed to be enhanced from Rs 70 crore in 2006-07 to Rs.120 crore during 2007-08. The outlay under Medical and Health is proposed to be increased from Rs.47.50 crore to Rs.75 crore during 2007-08. Likewise, an amount of Rs75 crore is proposed to be provided for Water Supply and Sanitation during 2007-08 as against Rs 42 crore during the current year. The allocation for Nutrition is

also proposed to be enhanced to Rs 40 crore from the current year's level of Rs.30 crore. However, sectoral allocations will be finalised soon with the approval of the Planning Commission.

IMPORTANT SECTORS AND DEPARTMENTAL PROGRAMMES

1. The State has been by and large peaceful. Government acknowledges the role played by the State **Police** in militancy and crime control and will continue to enhance the capabilities of the Force under the modernization scheme. A Border Management Headquarter for the Garo Hills sector has been sanctioned to supplement the efforts of the State Police to check influx and illegal migration and to contain militancy in the border areas. It is also proposed to set up new police stations and upgrade strategic outposts and beat houses in a phased manner. Adequate provisions have been made to meet the minimum requirements of the police force in terms of accommodation and other amenities.

A tentative Plan Outlay of Rs 450 lakh is proposed to be earmarked for the State Police during 2007-08.

2. **Road** connectivity in the State is far below the national average by most parameters. Extending and improving the road network is an essential infrastructure requirement for the all round development of the State. Government is committed to bridging the infrastructure gap in the road sector and will give high priority to this sector in the 11th Plan. The total road density of the State, which was 36.40 km per 100 sq. km in 2005-06, is expected to increase to 36.79 per 100 sq. km at the end of 2006-07. Government also proposes to give priority to completing all spillover schemes during the 11th Plan. Several Schemes have been taken up for upgradation of existing roads under various programmes of the Central Government, namely, NEC, NLCPR, CRF, Inter-State connectivity and

PMGSY. An integrated master plan encompassing all categories of roads to be developed under various programmes will be prepared by the State in consultation with the funding agencies. The Government of India has entrusted the work for four-laning of NH 40 from Jorabad to Umiam to the National Highway Authority of India. The major building projects expected to be completed during 2007-08 include the permanent High Court building at Shillong, Tura Government College (second phase), and the Children and Women's Hospital at Tura. Other projects which are under progress include the State Convention Centre in Shillong, Meghalaya Houses at New Delhi and Mumbai, Jail Complex at Nongpoh and Nongstoin and reconstruction of Meghalaya House at Russell Street, Kolkata.

A tentative Plan Outlay of Rs. 18,000 lakh is proposed to be earmarked for this sector during 2007-08.

3. An innovative scheme, the “**Mass Transport System**” is under process for grant to selected schools at the rate of 50% of the cost of the chassis during the Eleventh Five Year Plan. Government proposes to upgrade the process of computerization in order to facilitate the implementation of smart card in driving licenses, high security registration plates and issue of permits. The scheme of assistance to the 3(three) existing Motor Driving Schools in the State will also continue. Likewise, the scheme of financial assistance to the educated unemployed youth will also continue with a view to creating more employment avenues in the transport service sector. Government will make efforts to improve the functioning of the Meghalaya Transport Corporation to make it run as a profit-making organization.

A Tentative Plan Outlay of Rs.425 lakh is proposed to be earmarked for the Transport Sector during 2007-08.

4. Power generation in the State is exclusively hydro based, and the failure of the monsoons consecutively in the last two years has highlighted the weaknesses of the system. The power scenario necessitates a paradigm shift in the policy framework in the power sector, and the need to frame a Power Policy for the State, which is now under advanced stage of finalization. This policy when finalized, is expected to focus on priority areas in the sector and the role which would be played by the MeSEB, Central Undertakings and suitable private partners.

The MeSEB has been going through a difficult period. The increasing cost of power purchase, coupled with the uneconomic sale price of power is threatening the financial health of the Board. The average cost of power sold to MeSEB is Rs 4.64 per unit whereas the average sale price is Rs 2.66 per unit resulting in a per unit loss of Rs 1.98. Therefore tariff restructuring as per provisions of the Electricity Act 2003 appears to be unavoidable.

The Myntdu – Leshka project is progressing satisfactorily. The New Umtru project is also in the pre-commencement stage, and it is expected that identified mini and small hydro projects like the Ganol Project will be started soon. In the transmission sector, the recent commissioning of the Sarusajai-Byrnihat line and of the line between the Power Grid Sub Station and the MeSEB Sub Station at Khliehriat has enhanced our capacity for drawal of power from the grid. The proposal for the Nangalbibra–Agia transmission line has recently been cleared and funding for the Misa-Byrnihat line has been tied up. These two transmission lines, when completed, will substantially enhance the transmission capacity in the State and will go a long way towards making the power system stable.

The State Government has given top priority to the power sector. The Planning Commission has approved a much higher allocation for power and has also agreed to provide Additional Central assistance and Special Central

assistance to the tune of Rs. 73 Crore during 2007-08 as equity participation in the Myntdu-Leishka project, and for the construction of the Misa-Byrnihat transmission line and the Umiam-Mawngap transmission line.

A tentative Plan Outlay of Rs 30,300 lakh is proposed to be earmarked for this Sector during 2007-08.

5. Provision of potable **water** to all habitations of the State will continue to be accorded high priority. The target to cover 670 non-covered and partially-covered habitations, 30 iron-affected habitations, 600 rural schools and 50 ICDS Centres under the Central Sector Accelerated Rural Water Supply Programme and the State Plan is likely to be achieved by the end of the current financial year. Under the Annual Plan 2007-08, it is proposed to cover 800 Non-covered and partially-covered habitations, 1000 rural schools and 50 ICDS Centres. Under the Total Sanitation Campaign, it is proposed to take up construction of 1000 individual latrines, 100 school toilets and 1 rural sanitation mart. So far, 17 community based Swajaldhara-1 projects have been taken up in the State.. Under the Accelerated Urban Water Supply Programme, a scheme for improving the quality of water drawn from municipal sources in Shillong and integrating these sources with Greater Shillong Water Supply Scheme is nearing completion. The Williamnagar Water Supply Scheme has been commissioned and work on the Baghmara Water Supply Scheme is in good progress. Efforts are being made for completion of Tura- Phase III, Jowai and Mairang Water Supply Schemes under the Non-Lapsable Central Pool of Resources.

A tentative Plan Outlay of Rs 7,500 lakh is proposed for the Water Supply & Sanitation Sector during 2007-08.

6. **Urban** infrastructure and services have not been able to keep pace with the rapid urbanization. In order to create economically productive and vibrant

urban centres, accelerated flow of funds into urban infrastructure is required. One of the major initiatives in this direction is the launching of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for selected towns and two other programmes namely, Urban Infrastructure Development for Small and Medium Towns (UIDSSMT) and Integrated Housing & Slum Development Programme (IHSDP) for other towns. While the state capital Shillong has been selected under JNNURM, 7 towns viz, Tura, Jowai, Nongstoin, Nongpoh, Williamnagar, Baghmara and Resubelpara will be covered under UIDSSMT & IHSDP. Efforts will be made for integrated development of infrastructure and services to meet the demand, secure effective linkage between asset creation and asset management, scale-up the delivery system of civic amenities and emphasise universal access to services.

A tentative Plan outlay of Rs. 5,500 lakh is proposed to be allocated for the Sector during 2007-2008.

7. Education continues to receive high priority. At the elementary level, the implementation of Sarva Shiksha Abhiyan has provided the State with the much needed support to provide useful, relevant and quality elementary education to all children in the age group of 6-14 years. Core monitoring teams have been constituted at the state and district level to ensure improvement in the quality of elementary education. Block Resource Centres have been set up in all the 39 C& RD Blocks of the State along with 437 Cluster Resource Centres to oversee a cluster of villages. 9306 children with special needs have been identified through Assessment Camps and enrolment of such children has registered an increase from 3477 to 5238. Aids and appliances are being provided to children requiring such devices. Interventions under the Sarva Shiksha Abhiyan include provision of grant-in-aid for payment of salary of two teachers per lower primary school @ Rs

1500/- per teacher covering 1337 lower primary schools in the State and upgradation of 1223 lower primary schools to upper primary schools by providing teachers' salary @ Rs 6000/- per month, per school. A one-time grant of Rs 10,000/- and Rs 50,000/- is provided respectively to each new lower primary school and upper primary school taken up under SSA for teaching and learning equipments. The ratio of upper primary schools to that of lower primary schools has improved by 30 per cent. Efforts will continue to make the programme a people's movement to ensure its successful implementation in the State. Under Mid-Day Meal Scheme, cooked meals are being provided for 200 days in a year in all the Government and Government Aided Primary Schools in the State, including children enrolled under the Education Guarantee Scheme. At present the responsibility for providing cooked meals has been entrusted to the School Managing Committees. Efforts will be made to provide kitchen sheds to all the Schools to ensure proper implementation of the scheme.

625 Non-Government Secondary Schools, 99 Non-Government Higher Secondary Schools and 33 colleges have been assisted in the form of grants-in-aid. In order to further improve the quality of education and to attract better qualified faculty, attempts will be made to enhance the existing grants-in-aid to adhoc educational institutions.

A tentative Plan Outlay of Rs 12,900 lakh is proposed to be earmarked for Education during 2007-08.

8. Universal access to **health** is essential for balanced development. Government aims at a rapid transition in which efficient health systems improve quality of life, well being of the people and reduce burden of diseases, all of which will increase economic productivity and growth. Completion of construction of all ongoing schemes will be a priority. In addition, construction/upgradation of new sub centres, primary health centres

(PHCs) community health centres (CHCs) and hospitals will be planned as per the norms to increase the coverage of the health delivery system. The Government will ensure that the health delivery centres are adequately equipped and essential sophisticated equipments are provided in the major hospitals. Blood Banks will be set up at Jowai, Nongpoh and Williamnagar and Telemedicine Centres at Jowai and Tura. The Government will continue to implement disease control programmes for malaria, T.B, blindness, leprosy, AIDS and cancer. In addition, the Integrated Disease Surveillance Programme (IDSP) which was launched this year will be made more effective. Prevention of resurgence of malaria is a high priority of the Government. The Government will assign high weightage to the professionalisation of the health services and improvement of service conditions.

The National Rural Health Mission (NRHM) was launched in April 2005 in the State to bring about improvement in the health system and health status of the people. The mission seeks to provide universal access to equitable, affordable and quality health care to the people and especially the poor and vulnerable sections of the community residing in the rural areas. The duration of the mission is for 7 years (2005-2012). Some of the important goals of the mission are: Infant Mortality Rate (IMR) to be reduced to less than 30 per 1000 live births, Maternal Mortality Rate (MMR) to be reduced to 100 per one lakh, Total Fertility Rate (TFR) to be brought down to 2.1. Thirty four community health centres to be upgraded to Indian Public Health Standards and Accredited Social Health Activist (ASHA) to be engaged in all villages in the State. The full immunization cover is targeted to cross 90% during the next year. All the PHCs, CHCs and Hospitals will have hospital management societies where NGOs are also members. More PHCs and CHCs are targeted

to function on 24hrs basis. Public-private partnerships will be encouraged to achieve the goals and objectives of the mission.

An outlay of Rs. 7,500 lakh is proposed during 2007-08 under Plan.

9. Support to **socially disadvantaged** group will continue. During 2006-07, vocational training has been imparted to 76 persons with disabilities, while 567 have been provided with scholarships. In implementing the scheme under “The Persons with Disabilities (Equal Opportunities Protection of Rights and Full Participation) Act 1995”, Uniform grants to 115 students, book grants to 124 students, conveyance allowance to 85 persons with disabilities and unemployment allowance to 4 physically challenged persons have also been provided during the current year. 125 destitute aged persons are expected to be covered under the scheme of “Financial Assistance for Medical Treatment of the Aged” within the current year. 5,89,975 beneficiaries are proposed to be covered under the Supplementary Nutrition Programme in the ICDS Project areas during 2007-08. Efforts are being made for convergence and networking of women’s development programmes at different levels. Government will continue to support NGOs engaged in various welfare activities with financial assistance.

A tentative Plan Outlay of Rs 5,063 lakh is proposed to be earmarked for Social Welfare during 2007-08.

10. In the **Agriculture & Horticulture** sector, a more focused approach based on clusters and backed by an integrated package of practices will be adopted. Government will strive to achieve the production target of 3.79 lakh metric tonnes of foodgrains by the end of the 11th Plan by increasing productivity of local varieties, adopting high yielding varieties, double cropping, land reclamation, irrigation and agriculture mechanization.

Establishment of a Meghalaya Seeds Certifying Agency is being considered so that farmers are supplied with certified seeds.

The focus on horticulture will be on improving production of traditional horticulture crops and to expand the area under promising new crops like strawberry, bell pepper and flowers. The Technology Mission for horticulture development which is being implemented in all the seven Districts will encourage farmers to take up low volume-high income and high value-short duration crops and will also address the post harvest and marketing aspects by encouraging private entrepreneurs.

An area of 1800 hectares is proposed to be covered during 2007-08 under minor irrigation projects. Harvesting of rain water and exploring the ground water potential are also proposed to be taken up. Steps will be taken to bridge the gap between the potential created and the potential utilised

A tentative Plan Outlay of Rs 6575 lakh is proposed to be earmarked for this Sector during 2007-08

11. The veterinary and animal husbandry sector plays a vital role in providing food security to the people of the State. The Government will assist entrepreneurs in the rural areas to take up commercially viable poultry and piggery projects by providing adequate support services. During 2007-08, it is proposed to earmark more funds under the scheme of Employment Generation for Educated Unemployed Youth to encourage the youth to take up animal husbandry activities as a trade. The production targets for 2007-08 include 100 million eggs, 36,000 tonnes of meat and 77,200 tonnes of milk as against a likely achievement of 96 million eggs, 37,000 tonnes of meat and 76,000 tonnes of milk during 2006-07. 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, introduction of low input types of birds and cluster approach in poultry and piggery development.

The tentative Plan outlay proposed for the Animal Husbandry & Veterinary Sector, including Dairy, during 2007-08 is 2400 lakh.

12. The present demand for **fish** in the State is 11,000 metric tonnes annually out of which only 5,200 metric tonnes is produced in the state. Concerted efforts 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 the modern concepts to encourage them to take up fish culture as a means of livelihood. Two innovative schemes namely, culture and development of local mahaseer and culture and development of ornamental fish will also be introduced during the financial year.

A tentative Plan Outlay of Rs 600 lakh is proposed for Fisheries during 2007-08.

13. The **Soil and Water Conservation** department has been able to cover vast areas of land with the benefits of irrigation, land development, afforestation, erosion control and cash crops. The Jhum Control Schemes have also led to a marked reduction of jhumia families in the State over the period. During 2007-08, it is proposed to take up land development, afforestation and water distribution works covering 2530 hectares, bring in an additional 680 hectares under erosion control works besides creating 250 water harvesting/farm ponds. The Cash Crop Development Project will continue.

A tentative Plan Outlay of Rs 2,150 lakh is proposed to be allocated for Soil & Water Conservation during 2007-08.

14. In recognition of the fact that 3108 sq.km. of the geographical area of Meghalaya is under bamboo which has considerable untapped potential for economic development, the Government has finalized a State Bamboo Policy. It is proposed to set up a State Bamboo Development Agency to carry out the policy with assistance from the National Bamboo Mission. In order to foster plantation of medicinal and aromatic plants the Government has constituted the Meghalaya State Medicinal Plants Board which has started functioning.

Afforestation will continue to be carried out under the normal schemes as well as under the centrally assisted National Afforestation Programme. During the 10th Plan period an area of 6,348 hectares was afforested at a cost of Rs.1,237 lakh and 89 lakh tree saplings were distributed to the people. 7 **Forest** Development Agencies and 73 Joint Forest Management Committees covering 15,000 house-holds have been formed. With a view to curbing man-animal conflict due to shrinkage of wildlife habitats, Government is making all out efforts to protect existing habitats including the National Park, sanctuaries and Bio-sphere reserves. Government will continue to access funds from centrally assisted schemes like Project Elephant, Maintenance of National Parks and Sanctuaries and also the 12th Finance Commission Award. **A tentative Plan Outlay of Rs 3,200 lakh is proposed to be earmarked for this Sector during 2007-08.**

15. The **cooperative** sector plays a critical role in the economic development of the state The 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. Implementation of the Integrated Co-operative Development Project in the South Garo Hills and Ri Bhoi Districts will continue. Apart from providing financial assistance under the State Plan, Government will continue to take

advantage of the Centrally Sponsored Schemes and the schemes under the National Cooperative Development Corporation to further strengthen the co-operative movement in the State.

A tentative Plan Outlay of Rs 830 lakh is proposed for this Sector during 2007-08.

16. The provision under Special Rural Works Programme (SRWP), which is a flagship programme of the Government for **rural** areas, has been enhanced to Rs.54.50 crore in 2007-08 from Rs 27.25 crore during the current year. The programme envisages creation of basic infrastructure throughout the State to meet the local requirements of the people based on the recommendations of their representatives. Two Districts have been selected for implementation of Backward Region Grant Fund (BRGF) by the Government of India namely Ri-Bhoi & South Garo Hills. Rashtriya Sam Vikas Yojana (RSVY) which aims at bridging the infrastructure gaps in the district of West Garo Hills is in the second year of implementation. On completion of the implementation of schemes under RSVY, this District will also be eligible for funding under BRGF. Rs.15 crore has been provided during the current year as state share for the implementation of National Rural Employment Guarantee Act in the two districts of West Garo Hills and South Garo Hills. The Meghalaya Rural Employment Guarantee Scheme (MREGS) was notified on 28.7.2006. So far, 71,810 persons have been provided with employment. It is expected that three more districts will be covered during 2007-08.

Adequate provision has been made in the Budget for the State share for the implementation of all Central Sector Schemes, namely, Swarnjayanti Gram Swarozgar Yojana (SGSY), Sampoorna Grameen Rozgar Yojana (SGRY), Indira Awaas Yojana (IAY) to enhance self employment and wage employment opportunities, while at the same time creating durable

community assets and housing for the poor. Under the National Old Age Pension Scheme monthly pension has been increased to Rs. 200/- from 1st April, 2006. It is expected that more beneficiaries will be covered during the coming year.

A tentative plan outlay of Rs. 13,392 lakh is proposed to be earmarked for the Community & Rural Development sector during 2007-08.

17. 5,101 registered industrial units under the small-scale sector have so far generated employment for 31,688 persons while the large and medium scale sector have accounted for 6500 job opportunities. The Meghalaya Khadi & Village **Industries** Board, through the Rural Employment Generation Programme has financed 389 Projects with a total project cost of Rs.1408 lakh and has generated 2,739 jobs. 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 will also continue with a target coverage of 1400 beneficiaries during 2007-08. The package of incentives for industries will be rationalized.

A tentative Plan Outlay of Rs 2,850 lakh is proposed for this Sector during 2007-08.

18. It is proposed to increase the area under silkworm plantation at the sericultural farmers level through cluster approach for enhancement of cocoon and raw silk production. Efforts will be made to bring 2620 acres under Mulberry, Eri and Muga plantations to be raised by 2620 beneficiaries. This is expected to generate production of 70,000 Kgs of Mulberry cocoon, 3,80,000 kgs of Eri cocoon and 840.00 lakh 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. Under Handloom Sector, emphasis will be given to skill upgradation and qualitative improvement of looms besides promoting silk weaving technology at the level of the weavers.

The Central Sector Mill Gate Price Scheme, Handloom Cluster Development Programme and Technology Upgradation Fund Scheme are expected to be implemented during 2007-08. The on-going schemes of Integrated Handloom Training, Health Insurance and Workshed-cum-Housing will continue.

A tentative Plan Outlay of Rs 500 lakh is proposed to be earmarked for Sericulture & Weaving during 2007-08.

19. Tourism will continue to be promoted as the most important service industry in the State. Government of India has released funds to the Indian Tourism Development Corporation for execution of the Tourist Destination Scheme at Barapani and development of a Tourist Circuit to cover Byrnihat-Nongpoh-Sumer-Shillong-Mawkdok-Nohkalikai-Nohsngithiang areas. Schemes currently under implementation from the State Plan include extension of footpath in Mawthadraishan, lighting of Thadlaskein Lake, development of tourist spot at Wahkaba Falls, Laitryngew and construction of viewpoints and footpaths at Bokbak Cave, South Garo Hills. Assistance to ethnic cultural programmes and festivals and other promotional activities will continue.

A tentative Plan Outlay of Rs 350 lakh is proposed for this Sector during 2007-08.

20. To conserve and promote the unique cultural heritage of the State, the proposed 11th Five Year Plan emphasizes creation of appropriate infrastructure. Efforts to enrich the collection in the museums through acquisition of artefacts, exhibits and antiques will continue. Proposals for

further expansion and development of museum buildings and cultural complexes in the districts are being taken up with the Ministry of DONER for funding under the Non-Lapsable Central Pool of Resources. The Intensive **Art & Culture** Development Programme and the scheme for Development of Traditional Folk Music will continue. The Scheme of financial assistance to registered voluntary cultural organizations will also continue.

A tentative Plan Outlay of Rs 750 lakh is proposed to be earmarked for this Sector during 2007-08.

21. During the current year, 2662 border area students are being covered under the **Border Area** Scholarship Scheme. It is proposed to provide Rs 40 lakh under the scheme to cover 3,000 students during 2007-08. With a view to ensuring proper road connectivity for accelerating the pace of development in the border areas, an amount of Rs 376 lakh is proposed to be provided for the construction of new roads and upgradation of existing roads involving a total road length of 30 Kms. During the current year, the Government of India has approved an amount of Rs. 730 lakh as Special Central Assistance for border areas. An amount of Rs 1,000 lakh is proposed under Special Central Assistance during 2007-08.

A tentative Plan Outlay of Rs 1,700 lakh is proposed for this Sector during 2007-08.

22. Efforts will continue to build and upgrade **sports** infrastructure in a phased manner for the benefit of sportspersons and the youth of the State. Thirteen Centrally Sponsored Schemes with an estimated cost of Rs.1992.72 lakh have been sanctioned by Government of India and an amount of Rs.334.66 lakh has been released. The North Eastern Council has also sanctioned Rs 50 lakh for construction of 50 playgrounds in the State. In recognition of their talent in football, two under-14 players from Shillong

have been selected for free education up to Class XII in the Air Force School in New Delhi. A footballer from the State has been selected for the Olympic Camp, 2008 Qualifying Competition. Government will continue to promote and develop sports by expanding the sports infrastructure and providing financial assistance to various organizations

A plot of land has been identified for setting up of Sports Academy at Umsawli, Mawdiangdiang.

A tentative Plan Outlay of Rs 1,200 lakh is proposed for this Sector during 2007-08.

23. Efforts will continue to keep the people of the State informed of the policies and programmes of the Government through print and electronic media, publication of booklets, pamphlets, journals and organizing of special interactive programmes from time to time. People will be encouraged to utilize the provisions of the Right to **Information** Act to bring about transparency and accountability in the functioning of State machinery.

A tentative Plan Outlay of Rs 350 lakh is proposed to be earmarked for this Sector during 2007-08.

24. The Meghalaya Administrative Training Institute (**MATI**) will continue to impart training to State Government functionaries with the objective of improving their skills. During 2006-07, the MATI conducted 16 training courses and 2 awareness and sensitization workshops involving a total of 613 participants drawn from amongst State Government officials, NGOs, village durbar functionaries, doctors, engineers and school teachers. With the establishment of the Disaster Management Cell in the Institute, adequate emphasis will be given to different aspects of disaster management to bring about better awareness and preparedness in the event of disasters.

A tentative Plan Outlay of Rs 50 lakh is proposed for Meghalaya Administrative Training Institute during 2007-08.

25. Attempts will be made to operationalize the **Labour** Welfare Centres at Khliehriat, Mendipathar, Umiam and Byrnihat and to strengthen the existing Centre at Sohra in order to upgrade the skills of the labourers and enhance their standard of living. **4500** workers have been registered under the Employees' State Insurance Scheme at Byrnihat. Construction of the Industrial Training Institute at Baghmara and the new Hostel Building in the premises of ITI, Shillong are expected to be completed during 2007-08.

A tentative Plan Outlay of Rs 675 lakh is proposed for this sector during 2007-08.

26. Steps have been taken to make Meghalaya a favoured destination for **Information Technology** related business, industries, education and services. The State IT Policy announced in 2004 aims to tap the opportunities and avenues for a vibrant IT sector. An IT Society has been established and registered for effective implementation of IT related ventures and proposals. Computer Learning Centres with IT infrastructure have been set up in all the District Headquarters during 2006-07. Training on Information Technology Enabled Services in association with the Department of Electronics Accredited Course on Computers and IT based Fashion Designing in association with National Institute of Fashion Technology has been imparted and placements provided. GIS applications related to road networks and hazard zonation were implemented. The Government had also initiated projects on capacity building like State Wide Area Network (SWAN) and National E-Governance Programme with central assistance. A Memorandum of Understanding with the Software Technology Parks of India (STPI), New Delhi has been signed and the Park will be functional this year. Training has been imparted to the

computer lecturers of various colleges in the State and financial contribution for establishment of infrastructure in this connection has been provided. An IT event entitled 'North East at Work Summit' was also held during the year.

During 2007-08, it is proposed to draw up schemes on capacity building and extend the coverage of continuing schemes. Establishment of Data Centres under NeGP, SWAN and Common Service Centres will be taken up in line with the initiatives of the Government of India. Other schemes proposed to be taken up during 2007-08 are Research and Development on IT frontier, Network and computing infrastructure security, establishment of IT Estate at New Shillong, development of software technology and support to ICT promotional activities. Augmentation of hardware/software infrastructure and strengthening of GIS infrastructure will also be taken up.

27. BUDGET ACTUALS, 2005-2006

The year 2005-2006 opened with a deficit of *Rupees two hundred eleven crore, ninety lakhs, eighty one thousand, two hundred ninety six (Rs. 211,90,81,296)*. While the total receipts during the year, including receipts under Public Accounts, amounted to *Rupees fourteen thousand, five hundred, sixty one crore, fifty two lakhs, forty nine thousand eight hundred eighty four (Rs. 14,561,52,49,884)*, the corresponding expenditure was *Rupees fourteen thousand, three hundred, sixty six crore, eighty seven lakhs, twenty four thousand three hundred ninety six (Rs. 14,366,87,24,396)*, resulting in a closing deficit of *Rupees seventeen crore, twenty five lakhs, fifty five thousand eight hundred eight (Rs. 17,25,55,808)*.

28. REVISED ESTIMATES, 2006-2007

The revised estimates for the current year reflects on opening deficit of *Rupees seventeen crore, twenty five lakhs, fifty five thousand eight hundred eight (Rs. 17,25,55,808)*. While the revised estimated receipts for the year including receipts under Public Accounts are likely to amount to *Rupees fourteen thousand, two hundred ninety nine crore, eleven lakhs, fifty eight thousand (Rs. 14,299,11,58,000)*, the corresponding expenditure is likely to amount to *Rupees fourteen thousand, three hundred twenty two crore, four lakhs four thousand (Rs. 14,322,04,04,000)* and after taking into account the opening deficit, the closing deficit of *Rupees forty crore, eighteen lakhs, two thousand (Rs. 40,18,02,000)* is anticipated.

29. BUDGET ESTIMATES, 2007-2008

The estimates envisage an opening deficit of *Rs. forty crore, eighteen lakhs, two thousand (Rs. 40,18,02,000)* and total receipt including receipts under Public Accounts of *Rupees fifteen thousand, two hundred nineteen crore, eighty two lakhs, thirty nine thousand (Rs. 15,219,82,39,000)* against a corresponding expenditure, including expenditure on Public Accounts , of *Rupees fifteen thousand, two hundred four crore, ninety nine lakhs, eighty nine thousand (Rs. 15,204,99,89,000)* , and after taking into account the opening deficit, the closing deficit of *Rupees twenty five crore, thirty five lakhs, fifty two thousand (Rs. 25,35,52,000)* is anticipated.

30. I have attempted to cover the priority sectors of the Annual Plan, 2007-08 and highlight the financial position of the State and the uncovered budgetary deficit. Keeping in view our increasing revenue expenditure and the need to support plan expenditure through mobilization of additional resources, a

Resource Mobilization Committee was constituted in December, 2006 to examine ways and means of generating additional resources through taxes and cesses, widening of the tax base, imposition of cess for maintenance of roads and plugging of loopholes leading to evasion of taxes. The Committee is expected to submit its report in three months' time. The recommendations of the Committee are expected to help us raise more resources for development.

Sir, I am also circulating 'Budget at a Glance' which contains an overall picture of the budget estimates, 2007-08.

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

2. The financial position for the year 2007-08 along with corresponding position in previous years is summarised below:-

(Rupees in lakhs)

H e a d s	Actuals 2004-2005	Actuals 2005-2006	Revised 2006-2007	Budget 2007-2008
1	2	3	4	5
Opening Balance	(-)145,27.65	(-)2,11,90.81	(-)17,25.56	(-)40,18.02
Revenue Receipts	15,46,12.78	17,46,93.55	24,57,77.80	32,41,77.47
Capital Receipts under the Consolidated Fund	3,18,47.50	3,61,31.64	2,85,85.29	4,30,80.45
Capital Receipts under the Contingency Fund	74,56,.39	75,67.54	72,32.02	1,05,00.00
Capital Receipts under the Public Accounts	32,91,36.60	1,23,77,59.76	1,14,83,16.47	1,14,42,24.47
Total - Receipts	52,30,53.27	1,45,61,52.49	1,42,99,11.58	1,52,19,82.39
GRAND TOTAL	50,85,25.62	1,43,49,61.68	1,42,81,86.02	1,51,79,64.37
Revenue Expenditure	15,96,33.79	16,74,47.64	21,17,75.98	27,32,09.28
Capital Expenditure under the Consolidated Fund	4,76,00.,42	4,25,66.60	5,65,70.06	7,55,71.97
Capital Expenditure under the Contingency Fund	74,56.39	75,67.54	72,32.02	1,05,00.00
Capital Expenditure under the Public Account	31,50,25.,83	1,21,91,05.46	1,15,66,25.98	1,16,12,18.64
Total - Expenditure	52,97,16.43	1,43,66,87.24	1,43,22,04.04	1,52,04,99.89
Closing Balance	(-)2,11,90.81	(-)17,25.56	(-)40,18.02	(-)25,35.52
GRAND TOTAL	50,85,25.62	1,43,49,61.68	1,42,81,86.02	1,51,79,64.37

(Rupees in lakhs)

Heads	Actuals 2004-2005	Actuals 2005-2006	Revised 2006-2007	Budget 2007-2008
1	2	3	4	5
Net Result -				
(a) In Revenue Account	(-)50,21.01	72,45.91	(+)3,40,01.82	(+)5,09,68.19
(b) Outside Revenue Account	(-)16,42.15	1,22,19.34	(-)3,32,94.28	(-)4,94,85.69
(c) All Accounts excluding the Opening Balance	(-)66,63.16	1,94,65.25	(+)7,07.54	(+)14,82.50