

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1416

ANSWERED ON:08.03.2002

FINANCIAL RESTRUCTURING PLAN OF ORISSA

AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO;KUMUDINI PATNAIK

Will the Minister of FINANCE be pleased to state:

- (a) whether the Orissa Government have sought sanction of the Union Government for seeking World Bank and DFID loan for its financial restructuring plan;
- (b) if so, the amount sought by the State Government;
- (c) whether the World Bank and DFID team visited the State recently for reviewing the programme;
- (d) if so, the views expressed by the team thereon; and
- (e) the steps taken by the Union Government to pursue the matter for expeditious release of funds to the State?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): Yes, Sir.

(b): Amount indicated by the State Government is Rs. 3000 crore from both World Bank and DFID.

(c): Yes, Sir.

(d): The World Bank has raised following major issues:-

(i) Restructuring of the ongoing power sector reform programme, following the lifting of loan suspension; and adequately accounting for the budgetary costs of power reforms in the Medium-Term Fiscal Framework;

(ii) Evidence of improved management of resources-including operationalizing the civil service rightsizing program and improving monthly cash management-to ensure larger and timely flow of funds for priority development programmes; and

(iii) Willingness of the government of India to provide exceptional transitional assistance at a level commensurate with Government of Orissa's own efforts and financing needs.

(e): Government of India has formally posed the programme to World Bank and DFID. The programme is in preparation stage with the World Bank/DFID and Government of Orissa. Government of India is reviewing the position from time to time.