

Odisha to gain Rs 1516 cr despite cut in social sector spend in budget

*Odisha Sun Times Bureau
Bhubaneswar, May 26:*

“Implication of Fourteenth Finance Commission on Social Sector Budget in Odisha,” a study conducted by Odisha Budget and Accountability Centre (OBAC) of CYSD estimates a net gain of Rs.1516.56 crore for the state government despite a loss of Rs. 5874.44 crores it is set to suffer on account of the FFC recommendations.



This is because the state is set to gain Rs. 7391 Cr. as a result of vertical tax devolution, the study says.

The FFC

recommendations have radically enhanced the share of the States in the central divisible pool from 32 percent in 13th Finance Commission’s recommendation to 42 per cent, which is the biggest ever increase in vertical tax devolution

However, the share of nine States including Odisha has decreased. Accepting the recommendations of the FFC, the PMO wrote to all State governments saying the Centre has decided to devolve maximum money to States and allow them the required freedom to plan the course of states’ development. 18 States, including Odisha have not got the benefit of the revenue deficit grants. The FFC desist from awarding sector/state specific grants—having much bearing on the social sectors.

This year, the Government of Odisha presented State Budget 2015-16 before the presentation of FFC’s recommendation in the parliament. Union budget 2015-16 has re-categorized 66 central sponsored schemes (CSSs) based on the recommendation. 33 schemes out of 66 CSSs are to be run under the changed sharing pattern. National

Health Mission, Sarva Siksha Abhiyan, Rashtriya Madhyamik Siksha Abhiyan, National Livelihood Mission, ICDS etc. would be changed to 50:50

Total allocation for these 33 schemes in 2015-16 budget is Rs. 11643.71 Cr. The existing state share of the state government is Rs.3110 .74Cr. The new share of the state government will be Rs.5973.86 Cr. which clearly indicates an additional financial burden of Rs. 2863.17 Cr. on State. Eight CSSs will be delinked from central support including Backward Region Grant Fund(BRGF), National Mission on food processing(budgeted combined with Biju Atma Nijukti Yojana (BANY)and other programmes under MSME, National Scheme for Modernization of Police and other forces etc. Rs.1256.92 crore from the centre will not be available due to delink of the 8 schemes from the union support. Rs.790 crore from the centre in the form of special assistance (IAP districts and Left Winf Extremist Affected districts) will not be available to Odisha

Contextual changes pose challenges as well as opportunities to the state government. The challenge is because the Government has to redesign the budget process. May be for this year (2015-16), the budget has to be revised. At the same time, this is an opportunity for the State government to use the autonomy to design programmes, especially in the social sectors as per the needs and aspirations of the State.

Related Posts



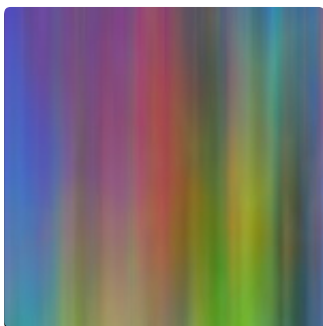
Leading Odisha CSO decries cut in social sector spending



Odisha expects Rs 6000 cr more in Central aid in 2015-16



68% of anganwadis in Odisha do not have their own building !



Death of girl in school: NHRC warns Odisha CS of coercive action

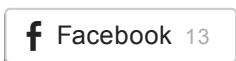


Dr Hamid Hussain quits BJD, joins Odisha Congress



Report pats Odisha govt on Re 1 rice scheme, raps it on women's safety

Share this:



JUST IN

- Invasive fish species puts Australian fauna at risk
- Police in Odisha capital not taking calls on CUG numbers

- **Odisha Police yet to crack Railway official shooting case**
.....
 - **Super computer launched, to improve weather forecasting**
.....
 - **Uber driver held for molesting passenger**
.....
-

⌂