

Title : Regarding need to extend guarantee to the Government of Andhra Pradesh to raise Debt Finance and Commercial Loan.

**(i) Need to extend guarantee to the Government of Andhra  
Pradesh to raise debt finance and commercial loans.**

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SHRI RAYAPATI SAMBASIVA RAO (GUNTUR): State Government of Andhra Pradesh had requested to extend guarantee from Government of India to raise debt finance, annuity payment irrigation bonds and commercial loans.

State Agriculture growth rate of 4.1% during 9<sup>th</sup> Plan collapsed to (-) 1% during first two years of the 10<sup>th</sup> Plan. The growth forecast for this year is a meager 0.6%. It is a gigantic task to rejuvenate this most important sector supporting 62% population for Andhra Pradesh Economy. The required changes in the policy framework are already in place. The plan expenditure for irrigation and Agriculture was 32.1% in 1994-95. It gradually shrunk to a level of 19.1% by 2003-04. Outlay for the year 2004-05 has been jacked up to 34.4%. In the next five years, it is proposed to complete 26 pending irrigation projects costing Rs. 46,000 crores for creating a potential of 60 lakh acres. It would also provide drinking water to a population of 48 lakhs.

The challenge of raising such a huge quantum of resources in a short period of 5 years is obviously beyond the capacity of State alone. I request the Government of India to provide support in availing facilities in the form of guarantees from Government of India to raise debt finance, annuity payments, irrigation bonds and commercial loans.

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\* Treated as laid on the Table.

