

# Appropriation Bill

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The Appropriation Bill has only 10 Clauses, of which Clause 1 is the 'short title' and Clause 10 is in respect of the Sinhala text prevailing, in the event of inconsistency. Therefore, in effect there are only 8 Clauses in the Appropriation Bill, pertaining to the Fiscal Management of Government Funds.

Of these 8 Clauses, 4 Clauses, namely, Clauses 3, 4, 8 and 9 deal with the Second Schedule to the Appropriation Bill. The Second Schedule relates to what are referred to as 'Advance Accounts Activities'. The said 4 Clauses, namely, Clauses 3, 4, 8 and 9, read together, stipulate minimum and maximum limits, for specified activities in the Second Schedule, and for the operations within such specified limits, and that any variations or alterations to such specified minimum and maximum limits, or any addition of any activity, mandate an Order by the Minister, with the approval of the Government and the approval of Parliament. That is the 'rigidity' of control of Government funds allocated for 'Advance Accounts Activities' specified in the Second Schedule to the Appropriation Bill.

In this context, it is pertinent to see the level of Government Funds that are so rigidly controlled through the Appropriation Bill. The Second Schedule to the Appropriation Bill 2007 is in relation to such 'Advance Accounts Activities' stipulates the following :

1. Maximum Limit of Expenditure for 2008 - **Rs. 14.2 billion** (2007 - **Rs. 13.4 billion**).
2. Minimum Limit of Receipts for 2008 - **Rs. 10.2 billion** (2007 - **Rs. 9.4 billion**).
3. Maximum Debit Balance Limits as at 31.12.2008 - **Rs. 41.5 billion** (as at 31.12.2007 - **Rs. 40.5 billion**). Therefore increase in Debit Balance Limits during 2008 - **Rs. 1 billion**.
4. Minimum Liability Limits as at 31.12.2008 - **Rs. 0.5 billion** (as at 31.12.2007 - **Rs. 0.6 billion**). Therefore reduction in Liability Limits during 2008 - **Rs. 0.05 billion**.

The foregoing levels of Government Funds ought be compared with the total expenditure as per Clause 2 of the Appropriation Bill of **Rs. 925.1 billion** and total borrowings of **Rs. 740.9 billion**. Clause 2 of the Appropriation Bill specifically stipulates, not only the Consolidated Fund, but **any other Fund at the disposal of the Government**.

Would it not be a 'startling revelation' that such 'rigid' control by explicit Parliamentary approval is enforced on Government Funds on 'Advance Accounts Activities', which are minutely negligible and less than 1% of the total actual expenditure, which in 2008 is likely to be in the region of **Rs. 1600 billion** !

Clauses 5 and 6 of the Appropriation Bill deal with Funds allocated, as per the First Schedule to the Appropriation Bill, which deals with Government expenditure amounting to **Rs. 925.1 billion**, which could be increased during the Committee Stage. If such 'rigid' control is exercised by Parliament over negligible Government Funds of less than 1% on 'Advance Accounts Activities', then could Parliament exercise a far less degree of control and/or 'give up' its control over the management of such expenditure involving very large scales of Government Funds ? If that be so, would it not make a 'mockery' of the whole Appropriation Bill and the concept of Parliamentary control over public finance ?

The only other Clause in the Appropriation Bill, namely Clause 7 provides for the Minister of Finance, with the approval of the Government, to withdraw any amount previously released for expenditure under a warrant issued by him in terms of Article 150 of the Constitution, to meet any authorised expenditure, where the Minister of Finance is satisfied that the revenues will be less than anticipated to finance expenditure or amounts originally appropriated for a particular purpose are no longer required. Hence would not conferring such power on the Secretary to the Treasury in Clause 6, be a contradiction with Clause 7, which has historically been a part of the Appropriation Bill, whilst Clause 6 had been 'introduced' to be effective only from the Year 2004 ?

Estimates of 2008

	2008	
	Recurrent (Rs.)	Capital (Rs.)
Head 1 - 21	5,009,222,000	4,178,715,000
Ministry of Religious Affairs and Moral Upliftment	729,565,000	504,998,000
Ministry of Finance and Planning	30,457,777,000	66,454,382,000
Ministry of Defence, Public Security, Law and Order	139,447,000,000	27,000,000,000
Ministry of Plan Implementation	142,370,000	39,720,000
Ministry of Nation Building and Estate Infrastructure Development	19,284,855,000	34,997,290,000
Ministry of Disaster Management & Human Rights	311,809,000	2,057,045,000
Ministry of Tourism	79,410,000	1,752,150,000
Ministry of Posts and Telecommunications	6,377,920,000	464,860,000
Ministry of Justice and Law Reforms	5,811,208,000	2,891,295,000
Ministry of Healthcare and Nutrition	40,199,998,000	17,600,000,000
Ministry of Foreign Affairs	5,246,175,000	1,330,500,000
Ministry of Ports & Aviation	217,872,000	19,643,720,000
Ministry of Transport	14,725,411,000	23,458,759,000
Ministry of Petroleum and Petroleum Resources Development	150,380,000	301,400,000
Ministry of Trade, Marketing Development, Co-operatives and Consumer Services	484,126,000	532,245,000
Ministry of Highways and Road Development	114,200,000	51,903,893,000
Ministry of Agricultural Development and Agrarian Services	21,807,084,000	10,835,534,000
Ministry of Power and Energy	1,671,870,000	30,054,240,000
Ministry of Child Development and Women's Empowerment	843,062,000	519,413,000
Ministry of Public Administration and Home Affairs	76,400,000,000	2,500,000,000
Ministry of Mass Media and Information	1,258,014,000	471,400,000
Ministry of Urban Development and Sacred Area Development	265,360,000	8,112,210,000
Ministry of Social Services and Social Welfare	616,223,000	218,393,000
Ministry of Housing and Common Amenities	122,365,000	349,850,000
Ministry of Education	20,358,358,000	5,465,800,000
Ministry of Labour Relations and Manpower	1,052,325,000	427,725,000
Ministry of Rural Industries and Self Employment Promotion	409,220,000	338,920,000
Ministry of Vocational and Technical Training	2,416,819,000	2,802,083,000
Ministry of Local Government and Provincial Councils	82,691,310,000	32,078,250,000
Ministry of Enterprise Development and Investment Promotion	158,640,000	142,625,000
Ministry of Science and Technology	1,047,288,000	1,919,262,000
Ministry of Constitutional Affairs and National Integration	243,323,000	138,100,000
Ministry of Plantation Industries	1,543,396,000	3,644,138,000
Ministry of Sports and Public Recreation	747,799,000	1,017,550,000
Ministry of Indigenous Medicine	665,762,000	663,385,000
Ministry of Fisheries and Aquatic Resources	856,055,000	4,183,847,000
Ministry of Livestock Development	367,762,000	696,985,000
Ministry of Cultural Affairs	678,189,000	1,138,620,000
Ministry of Parliamentary Affairs	216,595,000	32,550,000
Ministry of Re-settlement and Disaster Relief Services	2,098,313,000	2,269,550,000
Ministry of Industrial Development	248,567,000	1,059,675,000
Ministry of Foreign Employment Promotion and Welfare	81,580,000	575,150,000
Ministry of Irrigation and Water Management	1,242,994,000	5,019,820,000
Ministry of Land and Land Development	1,870,987,000	2,458,807,000
Ministry of Youth Affairs	668,250,000	1,072,500,000
Ministry of Environment and Natural Resources	1,458,250,000	2,802,296,000
Ministry of Internal Administration	606,230,000	717,900,000
Ministry of Youth Empowerment and Socio Economic Development	43,610,000	510,750,000
Ministry of Community Development and Social Inequity Eradication	42,410,000	317,650,000
Ministry of National Heritage	481,205,000	161,925,000
Ministry of Water Supply and Drainage	130,741,000	28,372,550,000
Ministry of Export Development and International Trade	156,371,000	682,250,000
Ministry of Public Estate Management and Development	63,954,000	15,600,000
Ministry of Construction and Engineering Services	309,662,000	178,550,000
Ministry of Special Projects	55,075,000	405,000,000
Ministry of Higher Education	11,430,542,000	9,103,775,000
Ministry of Supplementary Plantation Crops Development	165,926,000	90,900,000
<b>TOTAL</b>	<b>506,380,784,000</b>	<b>418,676,500,000</b>

Rs. 925,057,284,000/-