



Government of Odisha

BUDGET

2017-18

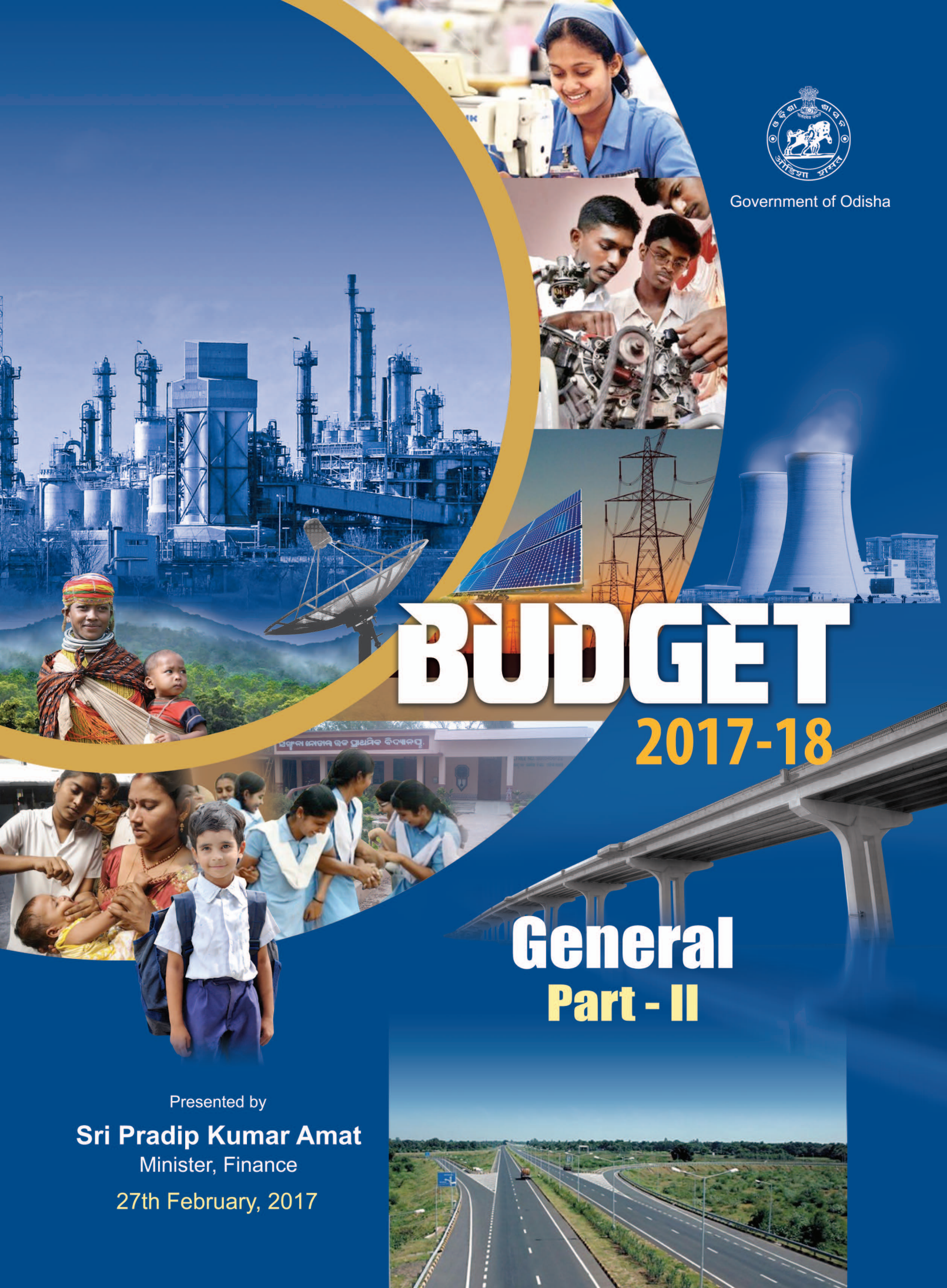
General Part - II

Presented by

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Minister, Finance

27th February, 2017



Hon'ble Speaker Sir,

Now I would go to the General Budget.

Shree Jagannath, the presiding deity of Odisha is the fountainhead of Odia culture. Puri, the abode of Lord Jagannath, attracts millions of devotees and tourists from all over the world. Our Government led by Hon'ble Chief Minister Shri Naveen Patnaik has decided to launch a new programme **ABADHA- Augmentation of Basic Amenities & Development of Heritage & Architecture** for holistic development of Puri and transform it to a World class heritage city. I propose to provide an initial sum of **Rs.100 crore** for the scheme in 2017-18.

Highlights of Fiscal Management in the State

2. The State had enacted Odisha Fiscal Responsibility and Budget Management Act, 2005 during the year 2005-06. Since then, the State has been able to achieve all the fiscal parameters prescribed in the Act.

3. There is a ten-fold increase in State Plan outlay from **Rs.5,105 crore** in 2007-08 to **Rs.50,000 crore** in 2016-17 budget estimates, over a period of nine years. Similarly, capital outlay has gone up from **Rs.2,843 crore** in 2007-08

to **Rs.16,750 crore** in 2016-17 budget estimates, which is 4.42 per cent of GSDP. The capital outlay is partly financed through generation of surplus on revenue account and partly through public debt. Hence, like the previous year, we are resorting to market borrowing during 2016-17 for financing the higher capital outlay within the prudent limit.

4. In terms of the Revised Estimates for 2016-17, there will be revenue surplus of **Rs.7,243 crore** and the fiscal deficit will be at 3.20 per cent of GSDP. The tax to GSDP ratio is likely to be 6.12 per cent and the year-end debt stock to GSDP ratio would be 16.45 per cent.

Budget Estimates, 2017-18

5. Total Administrative expenditure is estimated at **Rs.47,465 crore** in 2017-18 including provision of **Rs.22,000 crore** for salaries, **Rs.11,313 crore** for pension, **Rs.5,000 crore** for interest payment and **Rs.5,177 crore** for maintenance of capital assets.

6. Total Programme expenditure outlay for the financial year 2017-18 will be **Rs.57,800 crore**. This includes an outlay of **Rs.52,800 crore** for the Government sector and **Rs.5,000 crore** for the Public Sector Undertakings.

7. The outlay for Disaster Response Funds will be **Rs.1,824 crore**. Transfers from State will have an outlay of **Rs.4,822 crore**.

8. Thus, the Budget Estimates for 2017-18 contains total outlay for expenditure of **Rs.1,06,911 crore**. The capital outlay in 2017-18 is **Rs.20,774 crore**, which is about 5.04 per cent of GSDP. In addition the Loans and Advances, grants for creation of capital assets and other expenditure for capital formation put together account for **Rs.9,023 crore** which is 2.2 per cent of GSDP.

Financing the Annual Budget, 2017-18

9. We propose to finance the outlay for expenditure of **Rs.1,06,911 crore** in 2017-18 in the Consolidated Fund through estimated revenue receipts of **Rs.88,932 crore**, recovery of loans and advances of **Rs.130 crore** and borrowing and other receipts of **Rs.17,849 crore**.

10. Total revenue receipts for the year 2017-18 include State's share in central taxes for **Rs.31,422 crore**, State's Own tax for **Rs.26,800 crore**, Own Non-tax revenue of **Rs.9,500 crore** and grants from Centre for **Rs.21,210 crore**. The Tax/GSDP ratio would be 6.50 per cent in 2017-18.

Goods and Services Tax (GST)

11. GST is a major joint initiative of Centre and States for indirect tax reforms. Several State and Central taxes will be subsumed under the GST. As per the Constitutional Amendment (101st), GST Council, of which Finance Ministers of States and UTs with legislature are also Members, has been deliberating various issues including Draft Model Laws (SGST, CGST, IGST and GST Compensation) to be enacted by the Centre and States over the last 9 meetings. As per the Constitutional provisions and Draft Compensation law, the States will be compensated to the extent of any shortfall from the projected revenue calculated with a growth of 14% per annum over the base year revenue of 2015-16 for a period of five years. We are actively participating in the GST Council meetings with a constructive approach keeping in view the interest of our State. GST is expected to commence from 1st July, 2017 provided all necessary legislations are passed by the Parliament and all State/UT Legislatures. In the meanwhile, various preparatory activities such as establishment of GST Network, training of officers, migration of dealers to GSTN and engagement with different Stakeholders are being undertaken.

Focus Areas

12. Under the leadership of Hon'ble Chief Minister, our Government is deeply committed to the rapid and inclusive development of our State. People, especially women, members of Scheduled Tribes, Scheduled Castes, Other Backward classes, Minorities, Differently-abled and Disadvantaged, are at the core of our development paradigm. This budget is dedicated for the all round development of our State and welfare of our people.

Now I proceed to highlight important interventions for different sectors in this budget.

Education and Skill Development

13. Education and skills are at the core of human development. These are also the most important enablers for employment and livelihood.

14. The decision of our beloved Chief Minister to establish one Odisha Adarsha Vidyalaya in each Block has now resulted in the operationalisation of 100 such schools in the 14 districts of the State. Similarly, the establishment of 3 new universities at Bhubaneswar, Berhampur and Sambalpur by upgrading the existing autonomous colleges

including the first Women's University at Rama Devi Women's College, opening of the State Open University at Sambalpur and eight new Model Degree Colleges in Educationally Backward Districts of the State will contribute to making Odisha a knowledge hub of the country.

15. The State Government is committed to universalise elementary education and expand secondary education with a special focus on improving quality of education in our elementary and secondary schools. I propose to provide Rs.2,000 crore for Sarba Sikhya Abhiyan, Rs.860 crore for Mid-day Meal Scheme and Rs.706 crore for Rashtriya Madhyamika Sikshya Abhiyan, all of which will have a State share of 40 per cent. In addition, **Rs.55 crore** is also being provided as cooking cost for the Mid-day meals.

16. In order to provide free school bags and educational kit to all children from Class-I to V, free school uniform to all children from Class-I to VIII and free bicycles to all students reading in Class-IX of Govt. and Govt. aided schools, Sanskrit tols and Madrasas, I propose to provide **Rs.185 crore** under the **Gangadhar Meher Sikhya Manakbrudhi**

Yojana (GMSMY). This is our humble tribute to the great Swabhab Kabi Gangadhar Meher, and will motivate our children to pursue education with greater fervour.

17. It is proposed to open an additional 60 Adarsh Vidyalayas in 2017-18. I propose to provide **Rs.200 crore** for establishment and running the schools. We propose to set up a State Level Teacher's Training Institute for which Rs.5 crore is being provided in 2017-18. The **State Institute of Open Schooling** is also proposed with an outlay of **Rs.5 crore** to further expand the opportunities for education of our youth. Further, I propose to enhance the grant of Sainik School at Bhubaneswar from Rs.1.5 crore to **Rs.3 crore**.

18. The higher secondary (Plus 2) education has now been shifted from Higher Education to School & Mass Education. Accordingly, the budget outlays are proposed to be re-allocated in phases between the two Departments.

19. Higher Education is an important tool to build a knowledge society of future. Building up of a sound Higher Education system will provide opportunity for the youth of the State to better their career and employment opportunities.

20. I propose to provide **Rs.181 crore** for infrastructure development of universities, Government Colleges and Non-Government Aided Colleges. Laptop is being provided to meritorious students on their completion of higher secondary education which would help them in achieving better learning outcomes. I propose to provide **Rs.34 crore** for the scheme. The provision for scholarship to meritorious students is kept at **Rs.45 crore**. We also propose to provide **Rs.4 crore** towards career counselling and coaching.

21. The Centrally Sponsored Scheme Rashtriya Uchatara Sikshya Abhiyan (RUSA) aims at improving the overall quality of State higher education institutions. I propose to provide Rs.180 crore for the Scheme inclusive of 40 per cent State share. Additionally, a provision of **Rs.83 crore** is provided for the technical education component under RUSA.

22. We have also sought financial assistance from the World Bank for strengthening the higher education system of the State. The project cost is estimated at **Rs.1,020 crore**. I propose to provide **Rs.110 crore** for this purpose in 2017-18.

23. Our Government is deeply committed to education and skill development of SCs and STs as an important ladder for their social upliftment. About 5.47 lakh students are being provided education, accommodation, food and other facilities in about 7,237 SC& ST hostels.

24. Apart from Rs.293 crore under Centrally Sponsored Umbrella Scheme for Education of ST students, I propose to provide an additional **Rs.666 crore** for scholarships and stipends under State's own scheme. A sum of **Rs.35 crore** is proposed under **ANWESHA**, which is a scheme to provide free quality education inclusive of tuition fees, uniform, books, transportation, food and accommodation to ST and SC students in the best English medium schools in urban areas. **Rs.182 crore** has been proposed for construction of hostels for ST girls. Required funds are also being provided under **AKANKSHYA**, a scheme which provides for urban hostel complexes for ST and SC youth to continue their higher education.

25. We have a mission to provide quality skill training to 8 lakh youth over a period of five years. We have set up Odisha Skill Development Authority to guide, coordinate, oversee and implement all skill development programmes

in the State across Departments to achieve an aspirational “**Skilled-in-Odisha**” identity among youth as well as potential employers. A provision of **Rs.100 crore** has been made for the ADB Assisted **Odisha Skill Development Project**. A sum of **Rs.269 crore** is proposed for infrastructure development of Technological Universities and Engineering Colleges, Engineering Schools and Polytechnics and ITIs. A sum of **Rs.50 crore** will be provided for **Odisha State Self Employment Mission** and skill development of youth through ITIs. Grant-in-aid of **Rs.104 crore** will also be provided to the Technical Universities and colleges. Overall, the budget outlay for 2017-18 for Skill development and Technical Education Department has been increased by 27.57% over the last year.

I propose the largest outlay of **Rs.18,404 crore** for Education and Skills .

Health

26. Under the leadership of our Chief Minister, our State has achieved significant reduction in infant mortality rate. As per National Family Health Survey 4, the State has been able to reduce it from 65 in 2005-06 to 40 in 2015-16. Our Chief Minister Sri Naveen Patnaik’s initiatives to establish

seven new government medical colleges in the State; create additional posts of doctors and paramedics; and introduce place based incentives for doctors have resulted in improvements in health services in the State.

27. Mukhya Mantri Swasthya Seva Mission is proposed to be launched. Interventions such as Public Health Response, Health Investment Promotion Policy, Development of Infrastructure of the existing Medical Colleges and Peripheral Healthcare Institutions and financial assistance upto Rs.3 lakh to needy and poor patients to cover the cost of treatment for critical illness would be taken up under the Mission. You will be happy to know that, up-gradation of the fire fighting measures and sanitation facilities in these health institutions will also be implemented. I propose to provide **Rs.345 crore** for the Mission.

28. I propose an outlay of **Rs.400 crore** for the establishment of new Medical Colleges which will help increase the availability of doctors.

29. Strategic interventions like improvement of the Maternity and Child Healthcare facilities are envisaged under the programme **Sishu O Matru Mrityuhara Sampurna**

Nirakaran Abhiyan (SAMPURNA) with a focus on 15 high burden Districts for accelerated reduction of Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR). I propose to provide **Rs.45 crore** for the scheme.

30. Medicine is a key component of out-of-pocket health expenditure. Rising prices of medicines make health care facilities unaffordable for the poor and under privileged. We have launched the scheme **Niramaya** for free supply of medicines through Odisha State Medical Corporation to lessen the burden of health expenditure of patients in the healthcare institutions of the State. I propose to provide **Rs.253 crore** for the purpose. Further, I propose to provide **Rs.1,229 crore** for National Health Mission.

31. Employees State Insurance (ESI) Scheme provides healthcare facilities to about four lakh insured persons. An outlay of about **Rs.64 crore** is provided for the ESI scheme

32. We also intend to promote private participation in health care in 11 backward districts through Health Care Investment Promotion Policy.

33. You will be happy to know that the total budgetary allocation for Health and Family Welfare Department has

been increased to **Rs.5,690 crore** from **Rs.4,772 crore** in 2016-17 which represents an increase of about 20 per cent.

Drinking Water and Sanitation

Hon'ble Speaker Sir,

Adequate and safe drinking water supply is among the top priorities of our Government.

34. In the Bi-centenary year of **Paika Bidroha**, we propose to launch a new scheme **Buxi Jagabandhu Assured Water Supply to Habitations (BASUDHA)** as a befitting tribute to the memory of legendary leader **Buxi Jagabandhu**. It will have two components – *Buxi Jagabandhu Saharanchal Paneeya Jala Jogana Karyakram* and *Buxi Jagabandhu Gramya Paneeya Jala Jogana Karyakram* for provision of new drinking water supply facilities. I propose an outlay of **Rs.315 crore** and **Rs.750 crore** for urban water supply and rural water supply respectively under **BASUDHA**.

35. In order to resolve the water supply problem in Berhampur and its adjoining villages, a Mega Water Supply Project which will supply water from Janivilli Reservoir to

Berhampur town and 53 villages is being implemented. The cost estimate of the project is **Rs.489 crore**.

36. Although the allocation under National Rural Drinking Water Programme (NRDWP) has remained static for the last few years, we have tried to increase budgetary allocation from our own resources. It is proposed to provide Rs.300 crore on an equal sharing basis between Centre and the State under National Rural Drinking Water Programme.

37. We are also giving top priority for operations and maintenance of drinking water supply systems. Panchayats and municipalities receive 14th Finance Commission and 4th State Finance Commission recommended grants of which at least 30 per cent are required to be spent on supply of drinking water. As per the directions of Hon'ble Chief Minister, Panchayati Raj and Housing & Urban Development Departments shall ensure that the responsibility of operations and maintenance is properly discharged by the local bodies. Over and above, I propose to provide about **Rs.250 crore** towards operation and maintenance of large water supply systems.

38. I also propose to provide about Rs.1000 crore for the rural component and Rs.188 crore for the urban component of the Swachh Bharat Mission.

Housing

39. It was Biju Babu's vision that every household should have a decent roof. Carrying this vision further, under the leadership of our beloved Chief Minister, 10 lakh kutcha houses in the rural areas have already been converted into pucca houses during the last two years under **Biju Pucca Ghar** and other rural housing schemes thereby making Odisha a pioneering State in rural housing. Shelter security to more than 15 lakh households of rural Odisha is to be provided by 2019 thereby moving towards achieving one of the major commitments of the Government. We propose to provide **Rs.3,100 crore** through convergence of **PMAY Gramin** and **Biju Pucca Ghar**.

40. We have launched **Odisha Urban Housing Mission-AWAAS** in October, 2015 in convergence with PMAY. We have commenced distribution of work orders to the beneficiaries under the scheme in December, 2016. We propose to provide **Rs.200 crore** for construction of 20,000 dwelling units under beneficiary led construction and

30,000 units under affordable housing and slum development components.

We will thus provide **Rs.3,300 crore** for housing sector.

Women and Child Development

Hon'ble Speaker Sir,

41. MAMATA, an innovative conditional cash transfer scheme for pregnant and nursing mothers has now covered more than 25 lakh women and more than 1100 crores of rupees released to the bank accounts of the beneficiaries. This intervention had a major role in the reduction of IMR & MMR in the State.

42. It is a matter of satisfaction that our successful scheme **MAMATA** has been replicated by Government of India as a National Programme as Maternity Benefit Programme. I propose to provide **Rs.378 crore** for **Maternity Benefit Programme-MAMATA** in the sharing ratio of 60:40 between the Centre and the State.

43. Integrated Child Development Scheme is being implemented with the objective of improving nutritional and health status of children below the age of 6 years as well as pregnant and lactating mothers. We propose to

provide Rs.2,026 crore for the scheme which is being financed by the Centre and the State in the ratio of 60:40. About Rs.62 crore will be provided for Integrated Child Protection Scheme (ICPS) and Rs.84 crore would be provided for Scheme for Empowerment of Adolescent Girls (SABALA).

44. We are also providing additional State support for implementation of ICDS for which a provision of **Rs.100 crore** is being made. We also propose to provide uniform for children undergoing Pre-school education under the new Scheme **Malatidevi Prak Vidyalaya Paridhan Yojana** for which a provision of **Rs.34 crore** is being made. I propose to provide **Rs.90 crore** under the new scheme **Mukhyamantri Mahila Sashaktikarana Yojana** towards financial assistance to Women Self Help Groups and their federations under Mission Shakti. A sum of **Rs.70 crore** will be provided for providing hot cooked meals to all pregnant and lactating women in lieu of Take Home Ration and an additional meal to those diagnosed as high risk pregnant women. We propose to provide **Rs.10 crore** for construction of working women's hostel. Provision of **Rs.1 crore** will be made for **Biju Kanya Ratna Yojana** to address declining child sex ratio and about **Rs.3 crore** will

be provided for **Biju Sishu Surakshya Yojana** which aims at providing protection and safety net to children especially those whose parents are affected with HIV- AIDS.

Development of Scheduled Castes, Scheduled Tribes, Other Backward Castes & Minorities

45. Protection and economic empowerment of scheduled castes, scheduled tribes, other backward castes and minorities are important cornerstones of our public policy.

46. Under the Special Central Assistance for the Scheduled Castes Component, a provision of Rs.83 crore will be made. Besides, provision of Rs.220 crore will be made under the scheme for Development of Scheduled Castes. We propose to provide around Rs.10 crore under Pradhan Mantri Adarsh Gram Yojana.

47. Government of India provides grant under the first proviso to Article 275(1) of the Constitution to meet the cost of schemes for the welfare of the scheduled tribes in the State. A sum of Rs.163 crore will be provided for the purpose. Besides, about Rs.140 crore will be provided under the grants from Government of India under the scheme Tribal Sub-plan.

48. A sum of **Rs.34 crore** will be provided for the **OTELP Plus** Programme and **Rs.50 crore** will be provided under the Externally Aided Project **Odisha PVTGs Empowerment and Livelihood Improvement Programme (OPELIP)** for employment and income generating activities for the tribal population on a sustainable basis.

49. Development of SCs and STs is an integral part of almost all the Schemes of different Departments, especially those relating to education, health, rural employment and livelihoods, skill development, housing and electrification. Overall, a sum of **Rs.11,965 crore** under **Tribal Sub Component** and **Rs.8,116 crore** under the **SC Sub Component** is proposed in 2017-18 totalling to **Rs.20,081 crore**.

50. Important programmes for Minorities include Multi-purpose Community-cum Cultural Centres and Construction of Hostels for Minority Students.

Social Security and Development & Empowerment of Differently-abled

51. The society should enable all including the disadvantaged and vulnerable sections to realise their full potential and live with dignity.

52. The National Social Assistance Programme for Old Age, Widow and Disability Pensions and other benefits is being implemented on cost sharing basis. I propose to provide Rs.977 crore for this purpose. We are also providing pension to additional beneficiaries from our own resources under the **Madhubabu Pension Yojana** on the same scale for which I propose to provide **Rs.840 crore**.

53. I propose to provide about **Rs.73 crore** for **Welfare of Persons with Disability (PwD)** which includes **Rs.30 crore** under **Bhima Bhoi Bhinnakhyama Samarthya Abhiyan** for identification, certification and distribution of aids and appliances through single-window camps; **Rs.10 crore** for their rehabilitation; and **Rs.8 crore** for hostel facilities to disabled girl students pursuing higher education. Under the Centrally Sponsored Scheme National Programme for Persons with Disability, a provision of Rs.20 crore has been made.

54. Keeping in view the growing need to establish Home for the Aged in different districts, I propose a provision of around **Rs.31 crore** for such Homes. Additionally, **Rs.2.5 crore** has been provided for programmes and activities for senior citizens. Provisions have also been made for

transgender and other vulnerable groups. A sum of **Rs.5 crore** has been provided for rehabilitation of the de-addicts.

55. An amount of **Rs.1 crore** is proposed to be provided towards Welfare Schemes of unorganized workers under Social Security Act. Further, **Rs.8 crore** is provided for rescue and rehabilitation of exploited migrant workers.

Food Security & Procurement

56. National Food Security Act (NFSA) has converted the existing food security programmes into a legal entitlement. The State Government has decided to continue supply of Food Grains (Rice/Wheat) at a subsidised rate of Re.1/- per kg to each Priority House Hold (PHH) beneficiary and other beneficiaries like SC/ST Hostel Boarders. I propose to provide **Rs.880 crore** for the purpose. Further, I would like to commit that as per the direction of our beloved Chief Minister, every eligible family/individual would be covered under the NFSA and if that entails funds from State, we would provide for the same.

57. A provision of about **Rs.29 crore** is made for fair price shop automation to ensure complete transparency in the distribution of entitlements to the deserving families. As a

part of this measure, it has been decided to introduce Point of Sale devices in almost all Fair Price Shops by June, 2017. A sum of **Rs.7 crore** has been provided for **Digitisation of Ration Cards**.

58. The State Government have formulated a comprehensive procurement policy for procurement of khariff as well as rabi paddy through Primary Agricultural Cooperative Societies through creation of a reliable database of farmers and a web-based application which has been implemented in all paddy procuring blocks.

Rural employment, livelihoods and basic services

59. Livelihood security with 100 days of guaranteed wage employment to the people of rural areas is the mandate of Mahatma Gandhi National Rural Employment Guarantee Act. The labour component of the scheme is directly paid to the wage earners through Direct Benefit Transfer. The material component is shared between the Centre and the State in the ratio of 75:25 for which we propose to provide Rs.1000 crore. The labour component of the scheme will be leveraged for taking up developmental activities like plantation, construction of anganwadi centres, rural housing, improvement of canal

system and farm ponds etc. During the financial year 2016-17 nearly **Rs.2,030 crore** has been earmarked for convergence from MGNREGS. It is proposed to be suitably augmented in 2017-18. In order to provide assured wage employment to the rural population, we propose to create a **Corpus Fund of Rs.300 crore** to facilitate timely payment of wages under **MGNREGA** pending receipt of Central Assistance for the wage component. This is a pioneering step by our State Government towards ensuring timely payment of wages.

60. The National Rural Livelihood Mission has been launched to increase the household income through sustainable livelihood enhancement and improved access to financial services. We propose to provide Rs.357 crore for the scheme which is to be shared between the Centre and the State in 60:40 ratio. A sum of Rs.100 crore will be provided for the Shyama Prasad Mukherjee RURBAN Mission which aims at providing urban amenities in rural areas. The scheme is being equally shared by the Centre and the State.

61. Gopabandhu Gramin Yojana is being implemented in all the Districts of the State to provide basic infrastructure

like Bijli, Sadak and Pani. An outlay of **Rs.300 crore** will be provided for the scheme.

62. Transfer from State to the Panchayati Raj Institutions, the third tier of Government is based on the recommendations of 14th Finance Commission and the 4th State Finance Commission. We propose to transfer about **Rs.1,725 crore** on the basis of the recommendations of 14th Finance Commission and around **Rs.1,629 crore** on the recommendations of the 4th State Finance Commission, to the Panchayati Raj Institutions of the State. It will enable them to provide basic services to the rural population.

Urban Development

63. Urbanisation is an important determinant of economic growth and poverty reduction. In recognition of the need for improvement of urban infrastructure, a new scheme **Urban Transformation Initiative (UNNATI)** is proposed to focus on improvement of urban roads and provision of civic amenities. I propose to provide about **Rs.294 crore** for the scheme.

64. Transfer from State to the Local Bodies, the third tier of Government constitutes the fourth segment of our budget. Based on the recommendations of 14th Finance

Commission and the 4th State Finance Commission, **Rs.351 crore** and **Rs.1,117 crore** respectively will be transferred to the Urban Local Bodies of the State. It will enable them to provide basic civic services to the urban population.

65. Bhubaneswar and Rourkela have been included in the "Smart Cities Mission" to provide core infrastructure, decent quality of life, clean & sustainable environment and smart solutions for civic services. I propose to provide Rs.392 crore for the Smart Cities Mission.

66. The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) aims at providing basic services and amenities in cities to improve the quality of urban life. Nine urban agglomerations of our State are included in the scheme. I propose to provide Rs.215 crore for this scheme and Rs.43 crore for National Urban Livelihood Mission.

67. There is need for public transport system to reduce congestion in urban roads and arrest air pollution. We propose to provide **Rs.17 crore** for urban road transport facilities.

68. External assistance is proposed to be availed from Japan International Co-operation Agency (JICA) for improvement of sewerage system in Bhubaneswar and

Cuttack. I propose to provide **Rs.400 crore** for the project. Assistance from KfW, Germany would be obtained and channelized through Odisha Urban Infrastructure Development Fund for implementation of urban infrastructure projects with private participation. I propose to provide **Rs.120 crore** for the scheme.

69. The outlay for Housing and Urban Development Department has been stepped up to **Rs.4,478 crore** from Rs.3,357 crore in 2016-17, which is an increase of more than 33 per cent.

ENERGY

70. Under the leadership of our Hon'ble Chief Minister Shri Naveen Patnaik, we are committed to provide electricity to all in the next two years. A comprehensive strategy has been developed by the Government to strengthen the generation, transmission and distribution infrastructure in the State. The consumer base has increased from 16 lakh in the year 2000 to 64 lakh during 2016.

71. Till 31st March, 2014 there were only 600 sub-stations of 33x11 KV capacity in the State. Now in order to provide 24x7 electricity supply with proper voltage, the State

Government have initiated **Odisha Distribution System Strengthening Programme (ODSSP)** under which 500 new 33x11 sub-stations will be added by 2018. I propose to make a provision of **Rs.511crore**.

72. In order to ensure **Electricity to all**, a sum of **Rs.385 crore** is proposed under **Biju Gram Jyoti Yojana** and the State share of Centrally Sponsored Schemes of **DDUGJY** and **RGVY**. The Central share of CSS will be directly released to the implementing agencies.

73. State Capital Region Improvement of Power System (SCRIPS) is under implementation for Bhubaneswar and Cuttack Urban Complex with an objective to provide 24X7 uninterrupted stable power supply. I propose a sum of **Rs.150 crore** for this purpose.

74. In order to improve the distribution infrastructure and reduce AT&C loss in urban areas, **Rs.105 crore** is proposed under **R-APDRP** programme. Under **Integrated Power Development Scheme (IPDS)**, **Rs.100 crore** will be provided in 2017-18 for strengthening the Sub-Transmission and Distribution Network.

75. It is also proposed to provide **Rs.189 crore** as Equity Support to PSUs for various projects; **Rs.40 crore** for **Radial**

to **Ring Conversion Project** and **Rs.50 crore** for **Disaster Resilient Power System**. Considering the importance of green energy, Government has recently announced **Odisha Renewable Energy Policy** and establishment of **Odisha Renewable Energy Development Fund**. I propose to provide **Rs.50 crore** for the purpose.

Roads, Railways and Transport

76. Road connectivity is a key determinant of growth and development. I propose to provide a sum of **Rs.3,278 crore** to Public Works Department for improvement of 1310 Kms of roads and construction of 37 bridges including completion of major bridges at Gurupriya, Ib, Nelson Mandela Chitei and Kushabhadra and 3 Railway Over Bridges. This includes **Rs.500 crore** for Double Lanning of State Highways under **State Highway Development Programme (SHDP)**; **Rs.120 crore** for road Projects under PPP mode; **Rs.20 crore** for LWE affected areas; **Rs.180 crore** for **Biju Expressway** to improve connectivity in Western Odisha and KBK districts; **Rs.505 crore** for Central Road Fund projects; **Rs.30.00 crore** for **Biju KBK Yojana** respectively. A provision of **Rs.858 crore** has also been made for maintenance.

77. For rural roads, I propose a sum of **Rs.2,300 crore** under Pradhan Mantri Gram Sadak Yojana (PMGSY) for construction of 5000 Kms of roads. To ensure connectivity to the habitations which are not eligible under PMGSY, a sum of **Rs.395 crore** will be provided under **Mukhya Mantri Sadak Yojana**. For completion of 150 nos. of bridges, **Rs.500 crore** has been proposed under **Biju Setu Yojana**. **Rs.125 crore** has been provided for improvement of 78 arterial roads covering 233 km to provide connectivity to unconnected habitations in KBK districts. Under **Biju KBK Yojana**, **Rs.45 crore** will be provided for construction of 260 km of Rural roads. In addition, **Rs.370 crore** will be earmarked for periodical maintenance of Roads constructed under PMGSY.

78. A new Scheme **Connecting Unconnected Villages** is proposed with an initial budget provision of **Rs.50 crore** to provide road connectivity to 142 remotest and inaccessible villages of 17 Left Wing Extremist (LWE) affected districts. This scheme will be implemented by Panchayati Raj Department. In addition, construction of concrete roads in villages will also continue under **Gopabandhu Grameen Yojana** and urban roads will be taken up under **UNNATI** through Housing & Urban

Development Department. Rural and Urban Local Bodies will also take up local road projects as per the need from the Finance Commission grants.

79. As regards the rail connectivity, **Rs.160 crore** is proposed for development of Railway Projects such as Khurda-Bolangir Link, Nabarangpur-Jeypore-Malkangiri Link and modernization of Bhubaneswar Railway Station. Government has also decided to infuse 26% equity in commercially viable railway projects in the state to give a boost to the completion of projects of strategic importance through SPVs. Over the last three years, **Rs.252 crore** has been provided. A sum of **Rs.75 crore** has been proposed for this purpose.

80. To enhance air connectivity, a sum of **Rs.40 crore** is provided for construction of air strips. A new scheme, **Regional Connectivity Scheme (RCS)-UDAN** has been formulated by Government of India to connect the small towns of the States through eight Airstrips/Airports by way of e-bidding process. MoU will be signed with Government of India and AAI under RCS-UDAN Scheme.

81. Modernisation of regulatory infrastructure of Transport Department is an important priority and **Rs.30 crore** has

been provided for this purpose. Required funds have also been provided for Bus terminal scheme, **Biju Gaon Gadi Yojana** as well as **Road Safety** activities.

Internal Security and Administration of Justice

82. A sum of **Rs.4,682 crore** has been provided for internal security and administration of Justice, which includes **Rs.300 crore** for construction of buildings for courts, police, fire services and jails as well as equipment. **Rs.2 crore** has also been provided for digitization of Court records. Hon'ble Members will be happy to know that land has been allotted by the State Government of Karnataka for **Odisha Bhawan at Bengaluru** and construction will be taken up soon.

Handloom, Handicrafts and Industries

83. Given the availability of skills of our weavers and artisans and the potential to generate employment, I propose an outlay of **Rs.202 crore** for Handloom, handicrafts, sericulture and textile sector. The main thrust will be to improve designs, enhance productivity, assist with marketing support and credit linkage, build capacity of weavers and artisans and provide social security.

84. A new Scheme called **Baristha Bunakar Sahayata Yojana** has been formulated with provision of **Rs.5 crore** for rewarding the weavers of the state for their uninterrupted services rendered in keeping the heritage of art & craft of Odisha alive. There is provision for assisting each weaver at the rate of Rs.500/- per month after attaining 60 years of age and at the rate of Rs.700/- per month after attaining 80 years of age directly to their bank accounts.

85. More than 3000 youth have been given Skill Development Training with placement of around 2000 youth in different Textile & related Industries in the country. The **Odisha Apparel Policy** has been launched recently and a number of investment proposals are going to be grounded during 2017-18. The State Craft Museum at Bhubaneswar will be made functional.

86. A sum of **Rs.149 crore** is provided for Micro, Small and Medium Enterprise sector, which has been contributing significantly to the economy of the State. This is an increase of 34 per cent over the current year. Two new policies- **Odisha Food Processing Policy** and **MSME Policy** have been recently launched. Adequate provision has been made for financial assistance due to the units set up

in pursuance of these policies. A sum of **Rs.5 crore** is also provided for support under **Odisha Start-up Policy**.

87. The outlay for Industries Department is proposed to be increased substantially to **Rs.260 crore** against **Rs.93 crore** provided during current year, mainly towards pending benefits under IPR. The Government has taken several proactive initiatives to create a vibrant industrial sector with the enactment of important policies such as **Industrial Policy Resolution-2015** with a conducive Single Window Clearance and facilitation mechanism. **Make-in-Odisha Conclave** met with an enthusiastic response. To promote ease of doing business, a number of measures have been taken and more such measures are in the pipeline. It is proposed to provide **Rs.20 crore** under Industrial Infrastructure Development Fund (IIDF) to ensure that quality external infrastructure is provided to industrial clusters.

88. For the mining sector, I propose to provide about **Rs.18 crore** for **Integrated Mines, Mineral & Management System (i3MS)** and another **Rs.18 crore** for **Mineral Exploration & Auction**.

Forest & Environment

89. In order to mitigate adverse effects of deforestation, mining and industrial activities, afforestation and improvement of wildlife habitat will be taken up on a convergence mode. Odisha has about **Rs.6,000 crore** in the State CAMPA Fund, which is the highest in the country. About 10% of this amount will be utilized every year. About **Rs.560 crore** is programmed to be spent under **CAMPA** for afforestation and wildlife activities and **Rs.250 crore** is expected to be utilized under **MGNREGA** for afforestation. Besides, **Rs.42 crore** is provided in the Budget 2017-18 for the Scheme **Increasing Green cover in State** for afforestation and maintenance of plantation and **Rs.79 crore** is proposed for implementation of an Externally Aided Loan Assistance Project of JICA known as **Odisha Forestry Sector Development Project Phase-II**. A sum of **Rs.30 crore** is proposed for Wildlife Protection and Conservation measures including Elephant Corridor.

90. Emphasis will be made on bringing more and more forest area under Joint Forest Management providing livelihood support for having active participation of forest fringed villagers through **Ama Jungle Yojana** Scheme for

which **Rs.10 crore** is proposed. The Consolidation and Eco-restoration work in Chilika Lagoon and development of Eco-tourism will be the other major priorities.

Tourism Development

91. The State Government have formulated **Tourism Policy, 2016** to strengthen Tourism Potential of Odisha; attract investors; increase private sector participation; augment tourism infrastructure and improve marketing and promotion of Odisha Tourism with focus on Eco-Tourism and Buddhist Tourism. An outlay of **Rs.293 crore** has been provided for overall development of Tourism sector, which includes provision of **Rs.86 crore** for **Development and Management of Tourist Infrastructure**, **Rs.55 crore** for **tourism promotion** and **Rs.6.50 crore** for **Baristha Nagarika Tirtha Yatra Yojana**. A Sand Art Museum will be established at Puri as a part of tourist infrastructure. A Memorandum of Agreement has been signed by the State Government and M/s Air Asia Berhad for direct international flight from Bhubaneswar to Kuala Lumpur. It is expected that, the first flight will start in the last week of April 2017. It will provide a big boost to tourists from South East Asian countries.

Culture and Heritage

92. Odisha is known all over for its rich cultural heritage with its historical monuments, sculpture, archaeological sites, tribal and traditional arts, which attracts tourists, scholars and researchers to unravel the threads of Odishan culture. The State Government are taking various measures to promote protect and conserve the ancient, classical and folk culture of the State.

93. In order to provide a platform for promotion of all kinds of art and artists, **Kalamandal** will be set up on a six acre land at Bhubaneswar. To start with, an amount of **Rs.10 crore** has been placed with IDCO for construction of **Kalamandal**. It is proposed to provide **Rs.5 crore** for development and renovation of auditorium and **Kalamandaps**. The MoU to establish **AdikabiSarala Das Chair of Odia Studies** in the Centre of Indian Languages, Jawaharlal Nehru University, New Delhi has been signed. It is proposed for establishment of two other chairs in the University of Hyderabad in the name of **Bhakta Kabi Madhusudan Rao** and Central University of Gujarat in the name of **Kuntala Kumari Sabat**. It is proposed to provide about **Rs.8 crore** for the purpose. Grant-in-aid of **Rs.20 lakh**

will be provided for **Dasarathi Pattnaik Library** in the District of Nayagarh for protection and preservation of documents.

Sports and Youth Services

94. Sports persons of Odisha have excelled in National and International level and brought laurels for the Country and the State. We attach great importance to promotion of sports activities and development of sports infrastructure. In order to nurture young talents and promote excellence, different sports academies are being established and sports infrastructure facilities, expanded. The outlays for the Sports and Youth Services Department has been enhanced from **Rs.86 crore** in 2016-17 to **Rs.149 crore** in 2017-18, an increase of about 75 per cent. A new initiative, Sports with Aim for International Acclaim – SWARNA will be taken up with an initial outlay of Rs.96 crore covering development and management of sports infrastructure at the grassroot level. Sports tournament for schools, including special tournament for Tribal children, will be conducted in convergence with School and Mass Education Department. A provision of **Rs.3 crore** has been made for Integrated Youth Development Programme.

Science & Technology

95. With the firm belief that Science & Technology would help spur economic growth, an outlay of **Rs.62 crore** has been provided in 2017-18 BE, out of which **Rs.20 crore** is for **Roof Top Solar Power Plants in Government buildings** and for establishment of **Solar Power based Drinking Water Projects**. Other programmes include development of bio technology laboratories, construction of Green buildings, establishment of Planetarium, and imparting education by transmitting live TV programmes to Secondary School students.

Electronic & Information Technology

96. Information Technology is a necessary tool for modern governance. An outlay of **Rs.120 crore** has been proposed in 2017-18, of which **Rs.24 crore** and **Rs.16 crore** will be for **State Wide Area Network (SWAN)** and the **State Data Centre** respectively. Besides, a provision of **Rs.15 crore** has been made for **establishment of Software Technology Park of India** and **Rs.6 crore** for development of **Infocity-II-IT-SEZ**.

Disaster Management

97. Odisha is prone to disasters and over time, we have improved our disaster management capabilities for which we are well recognized within the country and outside. To ensure focussed attention to our disaster mitigation, relief and management, it has been decided to create a separate Demand for Grant No. 42 under Revenue and Disaster Management Department. I propose to provide **Rs.2,464 crore** for Disaster Management including **Rs.8,24 crore** under **State Disaster Response Fund (SDRF)** and **Rs.1,000 crore** under National Disaster Response Fund (NDRF) respectively. A sum of **Rs.250 crore** is provided for World Bank assisted **Odisha Disaster Recovery Project (ODRP)** for reconstruction of damaged houses and allied infrastructure such as, internal roads, water supply, sanitation, etc. in Ganjam, Puri and Khurda Districts. **Rs.387 crore** has been provided for National Cyclone Risk Mitigation Programme (NCRMP).

Land Administration

98. A sum of **Rs.1,017 crore** has been provided for Revenue Administration, Survey Settlement and Consolidation operations and Registration. This includes

Construction of Buildings, Digitisation of Land Records, Computerization of Registration Offices and Protection of Government Land.

Planning and Convergence

99. I propose an overall outlay of **Rs.757 crore** in 2017-18 for Planning & Convergence Department. An outlay of **Rs.147 crore** is being provided towards **MLALAD** Fund; **Rs.250 crore** is provided under **Biju KBK Yojana** for effective implementation of Bijli, Sadak and Pani projects in KBK Districts; and **Rs.100 crore** is proposed for Special Development Programme in the Districts. In order to remove regional imbalance a sum of **Rs.80 crore** is proposed towards **Grants to Western Odisha Development Council**. Under the State PPP policy **Rs.60 crore** is proposed for **State Viability Gap Fund** with a view to encourage participation of private partners in Infrastructure Development. Further, **Rs.42 crore** is being proposed for **Critical Gap Fund** to address local needs in critical sectors at the district level. An amount of **Rs.40 crore** is provided under **Special Problem Fund** to take up small and essential projects in a locality having urgent need and **Rs.29 crore** is provided for **Biju Kandhamala O Gajapati Yojana**.

100. Substantial funds are available as extra budgetary resources outside the consolidated fund of the State, which can be accessed for different developmental activities through convergence to prevent overlapping and achieve optimum utilisation of resources. Compensatory Afforestation Fund Management and Planning Authority (CAMPA) Fund (Forest and Environment Department), Odisha Mineral Bearing Area Development Corporation (OMBADC) Fund (Forest and Environment Department), District Mineral Fund (DMF) (Steel & Mines Department), Odisha State Agricultural Marketing Board (OSAM Board) Fund (Co-operation Department), Building & Other Construction Workers Welfare Board Fund (Labour and Employees' State Insurance Department) are some of the sources.

Reform Initiatives

101. We have undertaken many initiatives to promote efficiency and effectiveness of public expenditure. We intend to continue this momentum. I would like to highlight some proposed reform initiatives:

(a) Outcome Budget - After the budget is passed by the House, each Department will be asked to prepare an

outcome budget linking outcomes with budgetary outlays. Such outcome budgets are being prepared currently by 13 Departments. This requirement will be extended to all Departments this year.

(b) Restructuring of Directorates of Small Savings and Institutional Finance – To bring focus on financial inclusion, these two Directorates will be merged and restructured.

(c) Integrated Financial Management System (IFMS 2.0)- Odisha's IFMS has won laurels at the national level for automation of treasuries and for electronic receipts and disbursements. This system will be further upgraded so that the entire chain of financial transaction from Drawing and Disbursing Officer to AG becomes digital and paperless with the implementation of E-Praman and E-Signature. Integration with PFMS will be further strengthened.

(d) Digital Payment - All Government Offices and agencies will be enabled to receive digital payments of all kinds including net banking, debit and credit cards and Aadhaar-based payment.

(e) Direct Benefit Transfer (DBT) Portal - Odisha is already a leading State in DBT transactions including scholarships, Kendu leaf and procurement payment, agriculture subsidies etc. The DBT will be further extended to other

areas to prevent leakages and assure timely payments. A DBT portal will be launched to provide a holistic view across Departments.

(f) Service Costing and benchmarking - With the abolition of plan and non-plan distinction, it is proposed to take up service costing and benchmarking linked to budgeting with the assistance of different academic and other professional agencies in selected public services.

(g) Evaluation, Performance Audit and Value of Money - To improve outcome delivery and design of programmes, a structured approach will be taken up through evaluation and performance audit.

Conclusion

We face a number of development challenges. However, our Government under the visionary leadership of Hon'ble Chief Minister Shri Naveen Patnaik has a firm resolve to meet these challenges for the development, prosperity and welfare of our people. I hope that this budget is a reflection of our resolve. With this hope, I commend this budget to this August House.

Vande Utkal Janani

Jai Hind