



सत्यमेव जयते



GOVERNMENT OF NAGALAND

BUDGET SPEECH

of

Shri Neiphiu Rio

CHIEF MINISTER

and

Minister-in-Charge, Finance

For 2023 - 2024

Kohima, the 27th March, 2023

Speaker sir, I rise to present the first budget of the 14th Legislative Assembly for the year 2023-24.

1. First of all, I take this opportunity to express my sincere gratitude to the people of Nagaland for the support and mandate extended to the NDPP-BJP coalition, and the opportunity given to us to lead the Government for another five years. We are humbled by the overwhelming mandate given to us by the electorate and it has made us more committed in our endeavour to serve the citizens of Nagaland. I want to place on record our deepest appreciation to the Honourable Prime Minister Shri. Narendra Modi Ji, the Honourable Union Home Minister Shri. Amit Shah Ji, National BJP President, Shri. J.P. Nadda Ji, NDA Convenor, Honourable Assam Chief Minister Shri. Himanta Biswa Sarma Ji and a host of other central leaders who joined us in our election campaign and positively connected with the masses of Nagaland. We are indeed grateful that the above-mentioned leaders, led by the Honourable Prime Minister, attended the Swearing-in-Ceremony on 7th March, 2023 and blessed the new government with their august presence. History was made as the Prime Minister of the country attended a swearing-in-ceremony in Nagaland for the first time. The presence of the Prime Minister and all the senior leaders during this landmark occasion indicates the genuine concern of the Honourable Prime Minister and the Government of India towards the Naga people and the development journey of Nagaland.

2. As I have risen to present the first budget of the 14th House and the new government, I congratulate and welcome all the Members of this House on your electoral victory. This House has 29 new Members, and history has been written as we welcome two women MLAs for the first time in the Nagaland Legislative Assembly and subsequently our first woman minister. Smt. Salhoutuonuo Kruse, and Smt. Hekani Jakhalu, have overcome tremendous challenges to write history. They exemplify our aspiration of not just women empowerment but gender equality where women are equal members of our journey forward in all sectors. I must express our sincere gratitude to the electorates of Western Angami and Dimapur III Assembly Constituencies for sending our two women colleagues, both of whom are equally capable as other Members of this august house. I wish all 59 colleagues a successful tenure and I am hopeful that we will collectively work in unison in our common aspiration of positively impacting the destiny of our people. I extend my appreciation to all represented political parties namely, the NCP, the NPP, LJP, RPI, NPF and the Independent Members who have extended their unconditional support to the Government. Their support has ensured an opposition-less government in Nagaland and none of the Members are seated in the opposition bench. Nagaland has once again sent out a positive message of unity and oneness.

3. The 2023 General Elections to the Nagaland Legislative Assembly was relatively peaceful and successfully conducted. I express appreciation to the Election Commission of India, the State Election Department, the entire Government machinery including the Administration, Police and Para Military forces for conducting successful elections across the length and breadth of the state. We are also grateful to the Civil Societies, Mass-based

Organisations, Tribal Hohos, Church organisations, NGOs and all Stakeholders for their positive contributions towards successful conduct of the elections. Most of all the citizens of Nagaland especially the electorate deserve to be complimented for the high voting percentage of 88.07%. The Naga people have demonstrated our faith and belief in the democratic system and our citizens have once again participated in the nation building process and in strengthening the foundations of democracy. While parties and candidates emerged victorious, it was democracy that ultimately triumphed.

Political:

4. Speaker Sir, the Naga political issue will continue to be at the top of our agenda. As we have declared in our respective manifestoes, we will continue to play the role of active facilitators and make every possible effort to contribute in taking the political dialogue in the desired direction. All sections of the Naga people desire a political solution that is honourable, acceptable, and inclusive at the earliest. Generations of Nagas have faced consequences due to the political conflict and the unresolved imbroglio. Every Naga family has contributed to the Naga people's quest for genuine peace over generations. Every Naga citizen, across all our inhabited lands, is a direct stakeholder in the Naga journey. We welcome the positive initiatives and achievements that have been made in the recent past by the negotiating parties and the various Naga groups who are making genuine efforts towards unity and understanding. In the past two and half decades of ceasefire and dialogue, there have been significant achievements and milestones. The recognition of our unique history, culture and identity and our issue as political and the signing of the Framework Agreement and the Agreed Position are just some of the landmarks which the ongoing dialogue has been successful in achieving. Having said that, the time is more than appropriate for all sections of Nagas come together under an umbrella of understanding and oneness so that we collectively work towards realization of an early solution. I once again take this opportunity to call upon all sections of Naga society to make efforts towards unity of the Naga family, for it is only through unity that we will be able to achieve genuine peace. We welcome the Joint Statement made on 18th October, 2022 at Kolkata, and the signing of the 'Nagas are moving ahead' at the Meeting at Chümoukedima on 14th January, 2023.

5. Sir, the Eastern Nagaland Peoples' Organisation had been demanding a separate State called 'Frontier Nagaland' since over a decade back. Although there has been tremendous progress in the 60 years of our journey as a State, I agree that a lot more remains to be done in terms of all round development particularly in the Eastern districts. The Hon'ble Union Home Minister Shri Amit Shahhas, on more than one occasion, given assurance that the Central Government will work out an arrangement in consultation with the Eastern Nagaland Peoples' Organisation and the State Government to address their aspirations for a degree of autonomy and speedier economic development. The State Government has already recommended the formation of an autonomous region for our brothers and sisters belonging to the Eastern Areas, and we reiterate that the State Government will render all possible support in making this a reality. We have collectively urged upon the Government of India to extend a special

economic package to the eastern region, and we are confident that this will be realised and implemented in the coming months. There is a great potential for growth and progress in the Eastern Areas of Nagaland, and the people have tremendous capacity to contribute towards Nagaland's rise and India's growth. Nagaland is a small state and any division of it will further weaken us. Any call for division pains us; rather we are for greater unity and we desire the integration of the contiguous Naga-inhabited areas to live under one administrative umbrella. The Nagaland Legislative Assembly had unanimously adopted 6 resolutions for integration of the contiguous Naga-inhabited areas in 1964, 1970, 1994, 2003, 2015 and 2018. While the developmental deficits and economic challenges of the Eastern Region needs to be addressed with serious intent, I must place on record our position that we will always stand for unity of the Naga people at all costs. Let us strengthen our bonds of oneness and work as one united force so that the Eastern Region will emerge as a shining star of Nagaland, and together we will all make greater contribution in nation building and give opportunities to our youth to be part of India's rise and growth.

6. The vision of present dispensation is reflected in our respective manifestos. We have clearly spelled out our roadmap for Nagaland in our vision documents and the people of Nagaland have reposed their faith in our vision through the electoral mandate. In 2018, we promised that "change is coming". Indeed, in the past five years, Nagaland has witnessed positive changes in multiple sectors. While we admit that much remains to be done, we can say with confidence that we are on the right track to achieving a progressive Nagaland. Our aim is now to take Nagaland towards "A State of Excellence". We will lay out policies, programmes and developmental strategies that will enable our citizens, especially the youth to attain excellence in all sectors, and succeed at national and international levels. Our citizens must strive to excel in their chosen fields and careers and in doing so, push "brand Nagaland" and popularize "Naga soft power".

7. The importance which we have placed on the youth will continue. Achieving excellence begins with strong foundations of capacity and caliber. We will lay special stress on capacity building in all sectors, especially in areas where our youth have the talent and the ability to reach the highest levels. Some of the highlights of our manifestos which will be incorporated into Government plans and schemes in the area of capacity building in the coming fiscal are:-

- Scholarship for sponsoring doctors for further specialised education
- Exposure trips and study tour for progressive farmers
- Capacity building to promote indigenous products & entrepreneurs
- Scholarships and awards in the field of sports and games
- Capacity building and Chief Minister's Scholarships on music, arts and performing arts
- Capacity building and training for meat and dairy production
- Training centres and coaching institutes for students aspiring for civil services and common entrance exams

- Sponsoring for courses in institutions within & outside the state for specialised studies
- Introduction of Chief Minister's Journalism and Media Fellowship and study tour-cum-seminars for press and media fraternity

Socio-economic:

8. Sir, many achievements of my Government during the last tenure have been announced elaborately in my annual speeches during the celebrations of State and National occasions. I will, however, make brief reference to some key initiatives that were launched in 2022.

9. The Chief Ministers' Health Insurance Scheme is a landmark policy that aims to bring health care facilities to the doorsteps of the people without the difficult procedural formalities. The scheme will provide cashless medical treatment coverage upto rupees five lakh in a year to families in the general category. For State Government employees and Pensioners coverage will be upto a maximum amount of Rs. 20 lakhs. This scheme will bring relief to the less privileged people who cannot afford to undergo expensive medical treatment. The State Government will extend sufficient support for the scheme.

10. The Chief Ministers' Micro-Finance Scheme is another significant step taken to promote entrepreneurship, and thereby bring about inclusive development. The scheme endeavours to provide affordable credit to entrepreneurs engaged in the agriculture and allied sectors and micro enterprises. The scheme has subsidy as well as interest subvention components to make it affordable, and is being implemented under the direct supervision of the Deputy Commissioners of each district. I am hopeful that once the scheme stabilizes, it will enhance the productivity of entrepreneurs, farmers and Self-Help Groups and bring about economic growth at the grassroots level. The State Government will provide funds for the corpus on need basis. Special Facilitation Centres will be set up to assist entrepreneurs in availing loans under this flagship program.

11. Speaker Sir, during 2022 we have put in place the Nagaland Staff Selection Board (NSSB), and the Board has already started the process of recruitments to posts notified to be recruited by the Board. It is in line with our declared policy of meritocracy and ushering in transparency in public recruitments. However, I would also like to point out here that we do not intend to fill up all the existing vacancies. As we are all aware, we have the highest ratio of Government employees to total population in the country. As a result, majority of our resources are spent on salaries and pensions, leaving very little for developmental activities. This is not a sustainable situation, and the Government intends to gradually scale down the number of Government employees so that we can set aside more funds for developmental activities.

12. A significant event undertaken by the State Government recently was the hosting of the three-day Corporate Social Responsibility Conclave from 22nd to 24th August 2022 graced by the Hon'ble Union Minister for Finance and Corporate Affairs Shrimati

Nirmala Sitharaman. We took the opportunity to showcase our potential for investment absorption in Human Resources, Tourism and Hospitality, forest and environment, agro-based industries and organic produce. These are areas that can benefit both the investors and the people, and I am happy to say that as on date, the funds actually received, formally committed, and the value of goods stand at about Rs. 82 crore. We are looking forward to more coming in the days ahead. We plan to improve our standards in “ease of doing business” and single window clearance”, so that we become a more investment friendly State. We need to open our doors to attract investment to boost our economy, generate employment and elevate the standards of living. Towards this aspiration, we will be revitalizing the Investment and Development Authority of Nagaland (IDAN) with a specialized and focused Corporate Social Responsibility (CSR) Cell and new cells for entrepreneurship hand holding, incubation, Investment Promotion & Facilitation and women entrepreneurs. We will collaborate with specialized agencies and resource persons to hold investment meets in metropolitan cities, Destination Nagaland Conclaves, and targeted investment summits.

Financial issues:

13. Speaker Sir, many of us might be aware of the reforms being undertaken in the domain of Centrally Sponsored Schemes (CSS) by their integration with the Public Finance Management System (PFMS) portal. All CSS implementing departments are now required to manage all receipts and expenditure as well as submission of Utilization Certificates through the PFMS portal. Under this new system, both the State as well as Central Government have the facility of viewing all transactions undertaken from the Single Nodal Account linked to PFMS. Now most of the CSS programs have gone into Direct Benefit Transfer mode. Along with the rest of the country, our State has also migrated to this system that will bring in more transparency and efficiency. We are also required to release the Central Share and State Share within thirty (30) days from the date of receipt of funds from the Central Government, failing which we shall have to pay penalty of 7% per annum on the amount received. This requires all CSS implementing Departments to ensure timely movement of files.

14. Speaker Sir, the implementation of CSS programs in our State are of critical importance to us, since they can substantially impact our State socially and economically. As such, it is necessary for the implementing departments to ensure that they maximize the impact of the activities undertaken. For this reason, I intend to have in-depth reviews of the implementation of the CSS programs in the State on a quarterly basis. The review shall examine the physical and financial progress of the projects, and the impact they have made on the target areas or beneficiaries. All the concerned departments may accordingly prepare themselves from the start of the next financial year.

15. Speaker Sir, there is a growing trend of Departments neglecting their core activities over the years. As a result, the delivery of Government services for the public benefit in various sectors is being neglected. Excepting some major CSS programs, most departments are paying less attention to their core activities and focusing more on

construction of offices and residential buildings. This trend needs to be corrected. We have to ensure that the activities of departments positively impact the lives of the public.

Sectoral Allocations:

16. Speaker Sir, the Annual Development Outlay for the year 2023-24 has been fixed at Rs. 82,000 lakh. This reflects an increase of Rs. 4,500 lakh or 5.49% over the current financial year. Out of this, an amount of Rs. 25,000 lakh have been earmarked for State Matching Share for CSS programs to ensure release of funds by the Central Government. We are also taking steps to gradually increase Negotiated Loan component from NABARD for all rural infrastructure projects since it has low interest rates of 4.50% compared to loans from other sources that are above 9%. This will help us to reduce our interest burden.

I shall now briefly discuss the sector-wise details –

Agri and Allied Sector:

17. The Agri and Allied Sector has been provided with a total outlay of Rs. 5,426 lakh. The Agriculture Department has been provided Rs. 1,736.09 lakh for construction of offices and quarters, of which Rs. 706.09 lakh is earmarked for core activities like 65 numbers of agri farm roads, promotion of indigenous products and capacity building and exposure trips for farmers, and Rs. 800 lakh is State Matching Share for CSS.

18. Speaker Sir, I am happy to inform that the Agriculture Department has formed 38 numbers of Farmers Producer Organization (FPO) and acquired organic certification under Mission Organic Value Chain Development for North Eastern Region for 23,000 hectare area. To promote post-harvest economic activities including organic products, construction of an organic A.C. market, a 120-bedded Farmers' Hostel and a Community Marketing Complex at the NE Agri-Expo Site in 4th Mile is nearing completion. Once completed, this site will host year-long exhibitions for the farming community of the entire North East including 'buyers-sellers meets'.

19. The Horticulture Department has been provided Rs. 590 lakh for construction of horti link roads, augmentation of marketing of horticultural produce, development of flower clusters and other core activities, of which Rs. 150 lakhs is State Matching Share for CSS. I am happy to inform that two women horticultural farmers were awarded the 'Large Cardamom Productivity Award' during the International Buyer Seller Meet and Spices Conclave for Northeastern Region on 1st July, 2022 at Guwahati. Also, three Farmers Producer Companies from our State were jointly awarded the Horticulture Value Chain Award 2022 by the Ministry of Agriculture and Farmers Welfare on 1st November, 2022 at Pune for their excellent contributions in organic pineapple, organic large cardamom and organic kiwi production. To strengthen the functioning of the department at the grassroots level, we have set up 11 new Sub-divisional Horticulture offices.

20. The Soil and Water Conservation Department has been provided Rs. 400 lakh for construction of Departmental Guest House and other core activities, of which Rs. 150 lakh is State Matching Share for CSS. The Department is about to complete two bio fertilizer production units with a capacity of 7,500 litres of liquid bio fertilizers per unit per year. The Department will also complete the setting up of soil testing and analysis units, and distribution of micronutrients in the four newly created districts.

21. The Veterinary and Animal Husbandry Department has been provided Rs. 470 lakh for various activities like strengthening of pig breeding farms and setting up feed and fodder manufacturing units through private participation and pig breeding farms in the districts. Of this Rs. 70 lakh is State Matching Share for CSS. The Department will also carry out capacity building and training in meat production.

22. The Fisheries Department has been provided Rs. 350 lakh for development of cluster-based fisheries and to institutionalize farmer's producers organisations. Of this, Rs. 100 lakh is State Matching Share for CSS. Under "Blue Revolution – Integrated Development and Management of Fisheries" the Department has successfully constructed 200 numbers of fisherman houses. The Department is presently upgrading demonstration fish farms at Peren, Mon, Tuensang and Dimapur districts.

23. The Forest Department has been provided Rs. 420 lakh for setting up high tech nurseries to promote indigenous wild fruits in Nagaland. Of this, Rs. 100 lakh is State Matching Share for CSS. Besides bringing an area of 24,225 hectares under afforestation, the Department has distributed 40 lakh seedlings for planting during 2022-23. Under Integrated Development for Wildlife Habitat, 127 community reserves have been notified in the State with a total area of approximately 889.35 square kilometers, significantly increasing the Protected Area Network of the State.

24. The Cooperation Department has been provided Rs. 250 lakh for construction of office at Mokokchung, for MARCOFED activities and other core activities. The Department is in the fourth and final year of implementing the 'Integrated Cooperative Development Project'. The project has benefitted 185 cooperative societies consisting of 16,725 individual farmers with credit facilities for creation of various infrastructure such as go-downs, banking counters, transport vehicles, small processing units, cold storages, poultry, piggery and dairy. The Department has also conceived the model of forming 'One Village, One Cooperative Society' to declutter, streamline and provide a robust membership in contrast to small membership and limited objectives.

25. The Land Resources Department has been provided Rs. 600 lakh for various activities like setting up a Learning Centre for Coffee, promotion of coffee tourism and livelihood through coffee, rejuvenation of natural streams, promotion of natural tea and providing rubber sheet rollers. Of this, Rs. 100 lakh is State Matching Share for CSS. A notable achievement of the department is the addition of 370 hectares under coffee plantation and providing 7 roasting units to cater to 35 clusters of coffee growers. Funds

have also been provided to the Nagaland Bamboo Development Agency, Bio Resource and Aromatic Plants, Bee and Honey Mission and NEPeD for their core activities. The Water Resources Department has been provided Rs. 354.48 lakh for various core activities. Of this, Rs. 150 lakh is State Matching Share for CSS. The Department is presently implementing anti-erosion projects on Tizu river under Zunheboto and Sietsaru at Kohima under NEC funding. Also, construction of 29 water harvesting ponds under State Development Program during the year 2022-23 are nearing completion.

26. The Rural Development sector has been provided with Rs. 3,400 lakhs for activities like construction of farmer's markets and improvement of roads in various locations, and the SIRD for construction of academic block and core activities. This includes Rs. 3,000 lakh as State Matching Share for CSS. Under the Rural Livelihoods Mission, the Nagaland State Rural Livelihoods Mission has during 2022-23 been able to mobilize additional 609 Self Help Groups, 27 Village Level Organizations and 9 Cluster Level Federations. The Self-Help Groups have so far been able to access an amount of Rs. 10.29 crore as credit from banks. Another positive aspect of the Mission is the training of 2113 youth on various skills, who have also been provided job placements with reputed companies in different parts of the country. These are examples of true empowerment at the grassroots level. The Land Revenue Department has been provided Rs. 150 lakh for construction of office at Kiphire and for core activities.

27. The Department of Under Developed Areas has been provided Rs. 2,400 lakh for core activities and iconic projects, including an amount of Rs. 100 lakh for State Matching Share for CSS. I am happy to announce that the construction of the two girls hostel buildings at Jotsoma have been completed. The DUDA Guest House at Sovima, Dimapur has also been inaugurated to provide amenities for the people of the six ENPO Districts transiting through Dimapur.

28. The Power Sector has been given a total outlay of Rs. 1,902.28 lakh. The Distribution and Revenue has been allocated Rs. 721 lakh for upgradation of 33/11 kv sub-stations in various locations, and for modernization of existing sub-stations. Under Transmission and Generation, an amount of Rs. 1,181.28 lakh has been earmarked for various works like construction of transmission lines, construction of a new electrical stores, godowns and duty rooms and purchase of power transformers. Speaker Sir, the Power Sector is incurring substantial losses mainly due to billing deficiencies, non-payment of bills, power theft and also to a large extent, because of the losses incurred under communitisation. We need to realize that even in the interior villages, people now use high power consuming devices and appliances such as washing machines, refrigerators, electric kettles, heaters etc. while paying nominal amounts. A substantial effort to check these losses is being made in the form of installation of pre-paid meters. At the same time, it is necessary to ensure that we are self-sufficient in power generation so that we do not have to buy power at high rates. I am happy to inform that drilling and survey works are presently being taken up in four locations to enable DPR preparation.

29. The New and Renewable sector has been provided Rs. 220 lakhs for infrastructure works at the new Directorate Complex and for conversion of off-grid power plants in Government offices to grid connections. This includes Rs. 30 lakh as State Matching Share for CSS. The Department is implementing a 5 MW solar plant in Dimapur which is nearing completion. The Electrical Inspectorate has been provided Rs. 100 lakh for Smart and Green Village initiatives with the objective of energy conservation.

30. The Industries and Commerce sector has been provided with Rs. 913 lakh for various activities such as Incentives under Startup Policy, Ease of Doing Business, upgradation of International Trade Centres and for various activities of the State PSUs. It includes Rs. 80 lakh as State Matching Share for CSS. The Sericulture Department has been provided with Rs. 430 lakh for activities like augmentation of eri and muga, silk processing unit and other core activities. This includes Rs. 30 lakh as State Matching Share for CSS. During 2022-23 the Department has brought 60 acres of land under silkworm host plant cultivation, and has imparted training to 500 local youth in spinning and weaving with support from the Ministry of Textiles.

31. The Department of Geology and Mining has been provided Rs. 150 lakh for purchase of drilling rig. The department is presently engaged in mineral testing and geological investigations for major and minor minerals including geo-technical and geo-environment studies. The Nagaland State Mineral Development Corporation has been provided Rs. 318 lakh to facilitate shifting of the decorative stone plant from Chumoukedima to Ganeshnagar.

32. In the Roads and Bridges sector, an amount of Rs. 5,680 lakh has been provided for development and improvement of roads, rehabilitation of bridges and for construction of a Research Lab Centre at Dimapur. This includes Rs. 1,200 lakh as State Matching Share for CSS. The Mechanical Engineering Department has been provided Rs. 100 lakh for its activities. The Road Transport sector has been provided Rs. 678.51 lakh for construction of six helipads in various parts of the State, for acquisition of new buses and preparation of DPR for a short landing strip. The Motor Vehicle Department has been provided Rs. 412 lakh for construction of offices and installation of weigh bridges in various parts of the State.

33. The Science and Technology Department has been provided Rs. 443.33 lakh for various activities like popularization of science, for the Science Centre at Dimapur, for promotion of rural technology and local innovators and for construction works in the directorate. The Department of Information Technology and Communication has been provided an outlay of Rs. 416 lakh for activities like construction of the State Data Centre, website and software development.

34. The Planning Machinery has been provided Rs. 578.66 lakh for activities like construction of quarters and infrastructure in various parts of the State. The Tourism Department has been provided Rs. 1,055 lakh for the Hornbill and Mini Hornbill

festivals, for various construction works and for participation in various fairs and festivals in the country. The Department of Economics and Statistics has been provided Rs. 320.49 lakh for various construction works and other core activities such as compilation of statistical data, National Sample Survey and registration of births and deaths.

35. The Department of Food and Civil Supplies has been provided Rs. 300 lakh for construction of office cum godown at Kohima and wooden dunnages for foodgrain storage in various locations of the State. The Department of Legal Metrology and Consumer Protection has been provided Rs. 150 lakh for construction works. The Department of Evaluation has been provided Rs. 270 lakh for various construction works and evaluation studies. The Department of School Education has been provided Rs. 3,056.11 lakh for various construction works in Government High Schools and construction of a 60 bedded Girls Hostel and approach road at Sainik School Punglwa. This includes Rs. 1,800 lakh as State Matching Share for CSS. The Department of Higher Education has been provided Rs. 1,123.07 lakh for construction works in various Government Colleges like academic buildings and women's hostels. This includes Rs. 230 lakh as State Matching Share for CSS. The State Council of Educational Research and Training has been allocated Rs. 510 lakh for various construction works. This includes Rs. 250 lakh as State Matching Share for CSS. The Department of Technical Education has been provided Rs. 172.37 lakh for various construction works, including a boys hostel at Government Polytechnic Tsunazho.

36. The Department of Youth Resources and Sports has been provided with Rs. 1,025 lakh for various activities like capacity building for youth empowerment, tournaments and sports activities, capacity building for music and arts, and TAFMA and Hornbill related activities. The Department will also implement Chief Minister's Scholarship for music and arts. Nagaland is gearing up to host the next edition of the North East Olympics where we will leave no stone unturned to ensure a memorable and successful games. The success of these games and the performance of our athletes will strengthen our prospects in hosting a future edition of the National Games, as we have taken a decision to bid for the National Games. In the coming season, we will introduce a special sports development plan that will include a Nagaland School Games, a College Olympics and culminate in the Nagaland Olympic & Paralympic Games. Nagaland won 79 medals, including 18 Gold Medals at the Meghalaya edition of the North East Olympics which was double the tally of the Games held in Manipur. In the coming edition, all out efforts will be made to increase our medals tally through a special intensified sports development plan. We will launch state-of-the art modern multi-disciplinary indoor sports facilities in five districts and a Centre of Excellence for Music & Arts in the current year.

37. The Department of Art and Culture has been provided Rs. 350 lakh for hornbill related and core activities. The Hornbill Festival, which is our flagship event under the slogan of "Land of Festivals" will further be improved and internationalized with professional organization and promotion. As one of India's most popular tourism events, this festival has become a priceless asset where all Nagas are stakeholders. As it

continues to push Naga soft power and brand Nagaland, we will make renewed efforts to ensure that it stays at the top of the India's international tourism calendar. Our regional aspirations are reflected in our policy of promoting our rich culture and heritage, and we understand that our age-old festivals are the best ambassadors in highlighting the Naga way of life. We will introduce new tourism circuits and tour packages that ensure tourism footfall throughout the year, and steps will be taken to facilitate domestic and international tourists to visit all parts of Nagaland. Religious tourism, new circuits for Eastern Nagaland, sports and adventure tourism and experiential tourism will be integral parts of our tourism strategy.

38. The Department of Health and Family Welfare has been provided Rs. 2,100 lakh for construction works in hospitals, construction of quarters and upgradation of health centres in the newly created districts. This includes Rs. 1,400 lakh as State Matching Share for CSS. The Nagaland Institute of Medical Sciences and Research, Kohima, is awaiting the formal clearance of the National Medical Council to commence its academic session for the year 2023-24. We are also hopeful of external funding to upgrade Naga Hospital Authority Kohima to a 500-bedded Teaching Hospital to be affiliated to the Medical College. This is a mandatory requirement. The Department of Public Health Engineering has been provided with Rs. 1,795 lakh for various water supply works and constructions. This includes Rs. 1,500 lakh as State Matching Share for CSS.

39. The Department of Public Works (Housing) has been provided with Rs. 3367.99 lakh for construction of offices, quarters and flats. It also includes construction of Naga Patient Home at Vellore. The G.A. Housing has been provided Rs. 2,505.49 lakh for construction of DC, ADC and SDO offices, circuit houses, flat type quarters and other construction works in various parts of the State. The Police Housing has been provided with Rs. 919.60 lakh for Police housing and other constructions. The Justice and Law Department has been provided with Rs. 292.47 lakh for various construction works like judicial quarters, customary courts and district courts. This includes Rs. 100 lakh as State Matching Share for CSS. In addition to the above infrastructure works, I propose to take up infrastructure improvement works in all the newly created districts.

40. The Home Guards Department has been provided Rs. Rs. 497.77 lakh for construction works and development of the Central Training Institute at Toluvi Dimapur. The Jails Department has been provided Rs. 500 lakh for construction of jails and other works in jails in various parts of the State. The Excise Department has been provided with Rs. 132.42 lakh for construction of a triple storied building for staff.

41. The Urban Development Department has been provided Rs. 774.03 lakh for roads and infrastructure development activities. This includes Rs. 100 lakh as State Matching Share for CSS. The Municipal Affairs Department has been provided Rs. 230 lakh for procurement of urban sanitization machinery. This includes Rs. 30 lakh as State Matching Share for CSS. The Information and Public Relations Department has been

provided Rs. 310 lakh for construction of office buildings and quarters, and for multi-media mobile vehicles.

42. The Labour Department has been provided Rs. 330.50 lakh for construction of flats, labour welfare centres at Tuli, Doyang and Weziho. The Employment, Skill Development & Employment Department has been provided Rs. 319.73 lakh for construction of staff quarters, skill development programs and for the ongoing construction of flat type staff quarters at Mokokchung. This includes Rs. 30 lakh as State Matching Share for CSS. The Department of Social Welfare has been provided Rs. 1,123.40 lakh for construction of offices, handicapped and blind schools and child welfare and destitute homes. This includes Rs. 800 lakh as State Matching Share for CSS. Other activities include correctional services, prevention of drug abuse and procurement of Aadhaar kits for children. The Women Resources Department has been provided Rs. 300 lakh for livelihood intervention and core activities.

43. The General Services Sector has been provided Rs. 4,126.48 lakh. This includes Rs. 300 lakh to the Printing & Stationery Department for construction of flat type quarters, Rs. 125 lakh to the Administrative Training Institute for improvement and expansion of the training complex, Rs 720 lakh to the Nagaland Legislative Assembly Secretariat for construction of three residential quarters and refurbishing of the MLA Hostel. Rs. 968.08 lakh has been provided to the Fire & Emergency Services for construction of staff quarters, garages, duty rooms, purchase of firefighting equipment and improvement of the directorate office complex. It also includes construction of rainwater harvesting facilities at Kiphire, Phomching and Wokha fire stations.

44. The Treasuries & Accounts Department has been provided Rs. 136.74 lakh for construction of Sub-Treasury office at Chozuba and for capacity building activities. The Border Affairs Department has been provided Rs. 185 lakh for the ongoing flat type quarter construction at Meriema. The Parliamentary Affairs Department has been provided Rs. 50 lakh for parliamentary study tour. I am pleased to inform the Hon'ble Members that 'The Holy Land Tours' will be resumed. The Taxes Department has been provided Rs. 491.54 lakh for construction of ongoing flat type staff quarters and for a new office building of Commissioner Taxes. The Village Guards has been provided Rs. 275 lakh for construction of new barracks in three districts of Eastern Nagaland, for improving amenities at the Central Training Institute Dimapur and in two V.G. guest houses. The Election Department has been provided Rs. 90.12 lakh for construction of central warehouse storage for EVM & VVPAT at Chümoukedima. The Home Department, Disaster Management has been provided Rs. 320 lakh for activities of the State Disaster Management Authority, capacity building and mitigation programs. The Tribal Affairs Department has been provided Rs. 150 lakh for construction of staff quarters. The Minority Affairs Department has been provided Rs. 315 lakh for construction of playgrounds, community halls, amphitheatres and playgrounds. This includes Rs. 100 lakh as State Matching Share for CSS.

45. Other allocations include Rs. 12,500 lakh for State Matching Share to CSS. Another Rs. 12,500 lakh has been incorporated into the respective demands of CSS implementing departments, Rs. 2,500 lakh for land acquisition, Rs. 1,000 lakh for CMCF, Rs. 100 lakh for Monitoring Cell activities, Rs. 150 lakh for the GIS and Remote Sensing Centre, Rs. 180 lakh for SDG initiatives and Rs. 3,000 lakh for innovative programmes.

46. In addition to all these programs, there are presently seven ongoing Externally Aided Projects. These include 'Fostering Climate Change Resilient Upland Agriculture System' and 'Enhancing Landscape and Ecosystem Management' in the Agriculture sector, the Nagaland Enhancing Classroom Teaching and Resource (NECTAR)' project in the School Education sector, the 'Nagaland Health Project', the 'Nagaland Urban Infrastructure Development Project' in the Urban Development sector, the 'Nagaland Forest Management Project' and the 'Forest and Bio-Diversity Management in Himalaya – Nagaland' projects in the Forest sector. Against these projects, we have received a total amount of Rs. 534.16 crore from the funding agencies. In the Power sector the department is in the process of DPR preparation and re-appraisal for Lower Tizu Hydro Electric Project, Zungki Hydro Electric Project and Tizu Valley Hydro Electric Project under 'Technical Assistance' facility of Asian Development Bank.

Budget proposals:

47. Speaker Sir, I do not propose to raise any new taxes in this budget. However, it must be stated that there is a pressing need for us to mobilize more resources to meet our increasing developmental needs. One of the areas being considered is to allow sale of liquor to foreign nationals coming to the State which is permitted within the ambit of the Nagaland Liquor Total Prohibition Act, 1989, by certain hotels of star category. Our State will be hosting a large number of foreign delegates for the G-20 Business Meet from 4th to 6th April this year in Kohima, and serving of liquors to foreign delegates and their associates is being allowed under the aforesaid provision. Such sale of liquor to foreigners and their associates is needed to give further push to tourism. We also intend to start exploration and extraction of oil in the DAB area once the tripartite MOU with the Government of India and Assam is signed. We are concerned at the substantial loss in revenues while Assam continues to exploit the resources in the border areas to our disadvantage. The Government shall also explore the possibility of introducing sale of our own lotteries within our state to begin with.

48. Speaker Sir, I am happy to inform that we are seeing an encouraging trend of gradual increase in our revenues in areas like State GST, which has increased from Rs. 788.37 crore during the pre-pandemic year 2019-20 to Rs. 1,092.21 crore during 2021-22. Our revenues from the Coal sector have also seen increase from Rs.53 lakhs during 2019-20 to Rs. 2.03 crore during 2021-22. During the current financial year, it has already reached Rs. 5 crore as per the latest details furnished by the department, and is expected to cross Rs. 8 crore by the end of the current financial year. Other areas of improvements in performance include the Forest sector that has seen a good increase in revenue from Rs. 13.72 crore during 2019-20 to Rs. 19.06 crore during 2021-22. Despite

these encouraging trends, our own revenues still account for only 12.36% of total revenue receipts. This is barely sufficient to cover our salary expenditure for two and half months. This is mainly because we have a small tax base.

49. On the other hand, we will be adversely impacted by the yearly reduction in the Revenue Deficit Grant recommended by the 15th Finance Commission. Over the 5-year period of the award from the year 2020-21 upto 2025-26, the Revenue Deficit Grant will reduce by an amount of Rs. 910 crore. It appears that the Commission has taken this view to pressurize the State to cut down its revenue expenditure, especially on salaries. The unusually huge amount of resources we spend on payment of salaries has been viewed critically by almost all the Finance Commissions.

50. Given these circumstances, it has become very urgent for the State to look into all potential areas of revenue generation, streamline collection systems and plug all areas of leakage. This will require our Government employees to be motivated and driven by a determination to contribute positively. Some measures have already taken off and are in place such as PIMS and e-PayBill. The e-PayBill has already put a huge check on ghost employees and illegal appointments that were rampant in the past. It has also put an end to misuse of salary provision in the budget by departments. Now unless an appointment goes through the proper process, no salary will be provided. This will also help the State Finance Department to be more accurate in providing salary provision to each department.

51. Another important initiative in the pipeline is the integration of the Grade-IV GPF with e-PayBill which is nearing completion. Till now, the keeping of GPF accounts of Grade IV employees of the State Government were completely at the discretion of the DDOs. As a result, the State Government was unable to ascertain how much has been deposited, how much was withdrawn and what is the balance. Once completed and linked with PIMS and e-PayBill, this element of uncertainty will be completely removed. We are also moving to computerise the State Pension Sector taking advantage of the registrations being made for the Chief Minister's Health Insurance Scheme. This will help to remove bogus and doubtful pension payments. This is urgently required considering the fact that the total pension expenditure for the year 2021-22 stands at Rs. 2158.67 crore, which is a heavy burden on the State Exchequer.

52. There is also a pressing need for us to take measures to reduce the losses in the Power sector. The department has so far collected Rs. 260.64 crore upto the month of February 2023, out of which Rs. 68.58 crore is from power trading. The amount spent on power purchase upto January 2023 was Rs. 448.12 crore. By the end of the current financial year 2022-23, the amount spent on power purchase is estimated to reach Rs. 580.89 crore while revenues may barely touch Rs. 280 crore. The last four years have witnessed a total loss of Rs. 1079.74 crore in the power sector. Such losses are unsustainable, and requires urgent corrective measures. Another loss making sector is NST. Against the amount of Rs. 12.64 crore spent on fuel alone, the department was able to collect revenue of Rs. 6.50 crore only. Although the Government provides bus services

to the interior areas for the benefit of the public, such levels of losses cannot be sustained over a prolonged period. These are areas where we need to reduce losses and improve efficiency. We also need to bring down unnecessary expenditure and practice austerity in the functioning of all departments. I would also like all departments collecting taxes, cess, royalties and fees to offer the facility of online payments to their customers, especially in places where there is good mobile connectivity. This will increase transparency, reduce delays and prevent misappropriation.

53. Speaker Sir, as regards the Budget proposals, I am estimating the gross receipts at Rs. 23,145.66 crore, and gross expenditure at Rs. 23,085.66 crore for the financial year 2023-24. Speaker Sir, as mentioned in the preceding paras, we were fortunate to see an increase in our revenue receipts both under the Share of Central Taxes and Duties as well as our own revenues. This has helped us to discharge a substantial amount of liabilities in the form of CSS backlog as well as Civil Deposit. As a result, our closing accumulated deficit has reduced substantially from the estimated closing amount of Rs. 2,212.74 crore in Budget Estimates to Rs. 1,334.17 crore in the Revised Estimates. However, since the current year's transactions are estimated to result in a negative balance of Rs. 40 crore, the year 2023-24 is estimated to close with an accumulated deficit of Rs. 1,374.17 crore.

54. The broad item-wise statement of the estimated gross receipts and gross expenditure is as under:-

A : RECEIPTS	(Rs. crore)
State's Own Tax and Non-Tax Revenue	: 1950.56
State's Share in Central Taxes	: 5812.05
Central Assistance (Grants & Loans)	: 8050.63
Internal Debt (including WMA from RBI)	: 7330.91
<u>Recovery of Loans and Advances by State Govt</u>	<u>: 1.51</u>
Total	: 23145.66
B : EXPENDITURES	
Non Development Expenditure (excluding Servicing of Debt)	: 11491.76
Servicing of Debt (including repayment of WMA)	: 7325.27
<u>Development Expenditure (including CSS etc)</u>	<u>: 4268.63</u>
Total	: 23085.66
C. BALANCE (A-B)	: 60.00
D. PUBLIC ACCOUNT (NET)	: -100.00
E. CURRENT TRANSACTIONS (C+D)	: -40.00

55. With these words, Mr. Speaker sir, I commend the Budget for 2023-24 to this august House for consideration and passing.

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