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GOVERNMENT OF ODISHA

**ANNUAL BUDGET**  
**2018-19**

**PEOPLE'S GUIDE**

March, 2018

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FINANCE DEPARTMENT



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## **Participatory Budget Initiative**

Citizen is at the centre of all democratic machinery. Respecting and institutionalizing this fact, and setting an example for other States of the country, Government of Odisha introduced the concept of the Participatory Budget Initiative (PBI), a budget consultation process since FY 2016-17. The Participatory Budget Initiative aims at capturing the opinions of the citizens on resource mobilization and allocation of public expenditure in preparing our State Budget. The engagement of the citizens in the process of formulation of State Budget is one of the most important tenets of good governance. Participatory Budget Initiative is a process which enables the citizens to work with the government towards making the budget decisions that affect their lives. The Participatory Budget Initiative provides opportunities for the public to participate, thereby making budget systems efficient.

The Finance Department, with the approval of the Hon'ble Chief Minister of the State sought the public opinion from the people of the State on various issues pertaining to the budget. Public opinions were obtained directly and indirectly through pre budget consultation process and through three PBI channels i.e. the web portal on the Finance Department's website, WhatsApp, Short Messaging Services and Electronic Mails with the help of Information & Technology Department. These three channels went on live for a little over three weeks starting from 23<sup>rd</sup> December, 2017 to 17<sup>th</sup> January, 2018. In this span of time, the response received is remarkable. The total number of registered responses as on the 17<sup>th</sup> January 2018 stood at 1930.

Further, the views were obtained directly from two groups through the pre-budget consultation process in two different sessions on 10<sup>th</sup> January, 2018. The group in the first session comprised ex-finance ministers, academicians, bankers etc., while the second group in the afternoon session comprised leaders of various non-government organizations (NGOs), industrialists, journalists, civil society representatives, etc. The analysis of the responses received is presented in Table 1.

Valuable inputs and suggestions from the people of our State have formed the foundation of this year's budget. The State Budget 2018-19 reaffirms government's commitment to improve the lives of the people; and to ensure the welfare of the poor and vulnerable, within the limited resources. Budget 2018-19 is a response to the societal aspirations.

## People's Guide

### **Budgetary Terms Explained**

#### **1. Gross State Value Added at Basic Prices**

Gross State Value Added (GSVA) is defined as the value of output less the value of intermediate consumption. Value added represents the contribution of labour and capital to the production process. When the value of taxes on products (less subsidies on products) is added, the sum of value added for all resident units gives the value of Gross State Domestic Product.

#### **2. Gross State Domestic Product (GSDP)**

Gross State Domestic Product (GSDP) is defined as a measure, in monetary terms, of the volume of all goods and services produced within the boundaries of the State during a given period of time, accounted without duplication. It measures the income of the State.

#### **3. Budget**

**According to the Article 202 (1)** of the Constitution of India, the Governor of a State shall cause to be laid before the House or Houses of the Legislature of the State a Statement of the estimated receipts and expenditure of the State for a financial year. This estimated statement of receipt and expenditure for a financial year named in the Constitution as the “Annual Financial Statement” is commonly known as “Budget”.

#### **4. Annual Financial Statement(AFS)**

Annual Financial Statement is a document presented in the Assembly showing estimated receipts and expenditures of the Government of Odisha for the ensuing year.

#### **5. Explanatory Memorandum**

It is a memorandum on Budget (Expenditure by Major Heads under Consolidated Fund, Contingency Fund and Public Account), which comprises:-

<b>Appendix I</b>	Guide to Major Heads of Expenditure indicating the various Demands concerned with each major Head (both gross and recovery).
<b>Appendix II</b>	General abstract of expenditure by Major Heads of accounts (net after recoveries).
<b>Appendix III</b>	General abstract of Plan expenditure (net) Major Head-wise (State and District sector).
<b>Appendix IV</b>	Details of Opening and Closing Balance.
<b>Appendix V</b>	Contingency Fund.
<b>Appendix VI</b>	Details of Public Account (Outgoing).
<b>Appendix VII</b>	Debt Position of the State.
<b>Appendix VIII</b>	Guarantee Statement.
<b>Appendix IX</b>	Statement containing grants for creation of capital assets and other Revenue Expenditure for capital formation.
<b>Appendix X</b>	Statement on Grant-in-Aid.
<b>Appendix XI</b>	Statement on Subsidy.

## 6. Demand for Grants

This provides Department wise Expenditures both, Major and Minor Heads of Account. The Demand for grants for each Department of Government provides the details of Programmes & Schemes.

## 7. Budget at a Glance

In brief, the Budget at a Glance provides receipts and disbursements along with broad details of tax revenues and other receipts. This document also exhibits broad break up of expenditure – Revenue and Capital and delineating of Outlays by sectors. This document also shows the Revenue Surplus, the Primary Deficit and the Fiscal Deficit of the State Government. All the figures in Budget at a Glance are given in “Net form”. These Statements are required to be presented under FRBM Act, 2005 and Rules there under.

## 8. Consolidated Fund

**Article 266 (1)** of the Constitution of India provides that all revenues received by the Government, all loans raised by the Government through issuance of Bonds; loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled the ‘**Consolidated Fund of India or of the State concerned**’. **Article 266 (3)** of the Constitution of India provides that ‘no moneys out of the Consolidated Fund of India or the Consolidated Fund of a States shall be appropriated except in accordance with law and for the purpose and in the manner provided in this Constitution’.

The consolidated fund consists of Revenue Receipts, Capital Receipts, Revenue Expenditure and Capital Expenditure.

## **9. Contingency Fund**

**Article 266 (2)** of the Constitution of India provides that '**Contingency Fund**' is in nature of an imprest for meeting unforeseen and emergent expenses. The Fund is placed at the disposal of the Governor, who can authorise expenditure from it subject to post facto sanction of appropriation by the Legislature. At present the corpus of the Fund is Rs.400 crore.

## **10. Public Accounts**

According to **Article 266 (2)** of the Constitution of India, all public money received by or on behalf of the Government, is credited to the Public Account of the State. There are five major heads of accounts under the Public Account: (i) Small Savings, Provident Fund and Other Accounts (ii) Reserve Funds (iii) Deposits and Advances (iv) Suspense and Miscellaneous and (v) Remittances. Expenditure from Public Account does not require the approval of the Legislature. The net receipt in the Public Account is taken into account for balancing the Budget.

## **11. Revenue Receipt**

Revenue Receipts consist of **State Own Revenue and Transfer of Funds from Union Government. State Own Revenue** comprises of **State Own Tax Revenue and Non Tax Revenue.**

The major components of **State Own Tax Revenue** are State Goods and Services Tax (SGST), State Excise Duty, Stamp and Registration Fees, Land Revenue, Motor Vehicle Tax, Electricity Duties, Tax on Profession, Entertainment Tax, Luxury Tax, Forest Development Tax, etc.

The major components of **Non Tax Revenue** are revenue from Non-Ferrous Mining & Metallurgical Industries, Dividends on equity capital of the State Government in State Public Sector Undertakings, Interest payment on loans and advances given by the State Government to various corporations, co-operatives, Government servants, Irrigation water rate, Water tariff on urban water supply, Fees and fines collected in schools and colleges, User charges in Medicals and Hospitals, Forest royalty, etc.

**Transfer of Funds from Union Government** consists of **Shared Tax and Grants-in-aid from the Centre. Shared Tax** as per the recommendation of the Finance Commission is shared from divisible pool of tax revenues of the Union Government. The divisible pool of tax revenues comprises of Corporation Tax, Taxes on Income, Custom Duty, Union Excise Duty, and Service Tax. The divisible pool of taxes does not include any cess or surcharges. As per Fourteenth Finance Commission, 42 per cent of the divisible pool is shared with the States. This 42 per cent

transfer of fund from the divisible pool is called as Vertical Transfer. Out of this vertical transfer to States, each State has its share which is called as horizontal share. The horizontal share of Odisha is fixed at 4.642 per cent.

Grants-in-aid from the Centre comprises of Finance Commission recommended grants for Local Bodies, grants for Disaster Response and Central share of Central Sector and Centrally Sponsored Schemes.

## **12. Revenue Expenditure**

Expenditure on salary, pension, interest payment, subsidy, old age pension, electricity, water charges, motor vehicle, contingent expenditure and maintenance of capital assets like roads, buildings, irrigation works etc., is termed as revenue expenditure. The revenue expenditure is in fact an establishment related and maintenance/ housekeeping related expenditure. However, grants for creation of Capital assets and Other Revenue Expenditure for Capital formation are being separately exhibited in a statement in the Explanatory Memorandum. Committed Expenditure consists of Salary, Pension and Interest payment. This committed expenditure are first charge on the resources of the government.

## **13. Capital Outlay**

The expenditure on construction of buildings, roads, irrigation projects, powerhouse, flood control work, water supply, etc., which result in the creation of permanent assets is termed as capital outlay (but maintenances of Capital Assets is revenue expenditure).

## **14. Capital Expenditure**

**Capital Outlay, Disbursement** of loan and **Repayment** of loan constitute Capital Expenditure.

## **15. Capital Receipts**

Capital Receipts consist of both **Non Debt Capital Receipts** and **Debt Capital Receipts**.

**Non Debt Capital Receipts** includes Recovery of loans and advances and Disinvestment proceeds. It also includes recovery of institutional and non-institutional loans advanced by the State Government.

**Debt Capital Receipts** include loan portions of the Central Assistance, Small Saving loan, Market Borrowing, Loan from NABARD, LIC, GIC, HUDCO, etc. and Loan from General Provident Fund Account (GPF) of the employees. Debt Capital Receipts are borrowing of the State. The various sources of internal borrowings are Market Borrowing through State Development Loan, Loan from G.P.F Account, Institutional Borrowing such as loan from NABARD, LIC, GIC, HUDCO, NCDC, etc. and Small Savings Loan. Borrowing also includes

loan from Government of India such as loan portion of **Additional Central Assistance under Externally Aided Project** on back to back basis.

### **16. Revenue Deficit/ Surplus**

If the Revenue Receipt is less than Revenue Expenditure, then the negative gap is Revenue Deficit. On the other hand, if the Revenue Receipt is more than Revenue Expenditure, then the positive gap is called Revenue Surplus. As per the provisions of Odisha Fiscal Responsibility and Budget Management (FRBM) Act, 2005, the state is required to generate revenue surplus every year.

### **17. Fiscal Deficit**

Fiscal Deficit is the borrowing of the State during the Year. The excess of expenditure (both Revenue and Capital) over the Revenue Receipt and non-debt capital receipt represents the Fiscal Deficit.

### **18. Primary Deficit**

Primary Deficit represents the Fiscal Deficit less the Interest Payment. It represents the net borrowing to meet the expenditure excluding the interest payment.

### **19. IPRR Ratio**

Interest Payment to Revenue Receipt (IPRR) Ratio represents to the extent Revenue Receipts finance the Interest Payment on account of outstanding debt. It represents debt servicing ratio.

### **20. Debt Stock Ratio**

The outstanding debt as percentage of GSDP represents Debt Stock ratio. It indicates the debt burden of the State.

### **21. Broad Guidelines of Expenditure Framework for Budget 2018-19**

With the elimination of the Plan and Non-Plan distinction since FY 2017-18, the focus of budget and expenditure classification have shifted to revenue and capital expenditure, as envisaged in the Constitution of India. The emphasis on distinction between Revenue and Capital expenditures is not only in keeping with the constitutional requirement but also forms the basis of the policy formulation and resource allocation. This objective of merger of Plan and Non-Plan schemes will be better realized in a multi-year budgeting framework with medium term projection for each sector.

## **22. Multi Year Expenditure Framework (MTEF)**

Medium Term Expenditure Framework can provide a credible roadmap for medium term and long term fiscal policy of the Government. Since it is a rolling plan, it will adapt to the changes in overall macroeconomic conditions. The Thirteenth Finance Commission (para-9.38) have recommended that the Central Government revise the existing medium term fiscal policy statement with a more detailed Medium Term Fiscal Plan (MTFP) which would contain three-year-forward estimates of revenues and expenditures, with detailed breakup of major items that form a part of the revenues and expenditures, together with a narrative explanation of how these estimates have been generated. In the Medium Term Fiscal Plan being presented under Rule-4(2) of the FRBM Rules, 2005, the total Expenditure Policy Stance of the State Government is being presented along with the Annual Budget. Accordingly, the State Government intends to bring out a Medium Term Expenditure Framework under the Medium Term Fiscal Plan as a part of the Total Expenditure Policy Stance in conformity with the fiscal targets of the MTFP which would incorporate three-year rolling target for major items of expenditure along-with explanatory notes.

The Administrative Departments are to work out the Medium Term Expenditure Framework (MTEF) in respect to their Departments based on the assumptions taken in the aggregated Medium Term Expenditure Framework (MTEF). The Medium Term Expenditure Framework (MTEF) would form a part of the Outcome Budget document of the respective Departments to be prepared after the Budget is presented in the Legislative Assembly. The Departments would bring out the MTEF for their Departments separately for the Budget of FY 2018-19, clearly indicating the priorities and allocations in medium term, which would be a part of the outcome budget.

## **23. Outcome Linked Budget**

26 major spending Departments of Social and Economic service sector would prepare Outcome Budget for the Financial Year 2018-19. The outcome budget document will also contain the Medium Term Expenditure Framework (MTEF), which will contain a 3 year rolling target. The Departments will be provided support from the consultants of Project Performance and Outcome Monitoring Unit (PPOMU) set up under Finance Department, so that the quality of the Outcome Budget Document would be enhanced. The guideline for preparation of Outcome Budget Document for 2018-19 would be brought out separately.

## **24. Classification / Categorization of State Government expenditure**

With the merger of Plan and Non-Plan, the State government expenditure would now be classified into following four broad categories.

<b>A. Administrative Expenditure</b>	i. Establishment, Operations and maintenance (EOM) Expenditure
	ii. Debt Servicing Expenditure
<b>B. Programme Expenditure</b>	i. State Sector Schemes
	ii. Central Sector Schemes
	iii. Centrally Sponsored Schemes
<b>C. Disaster Response Funds</b>	i. State Disaster response Fund
	ii. National Disaster Response Fund
<b>D. Transfers from State</b>	i. Union Finance Commission Transfers to Local Bodies
	ii. State Finance Commission Transfers to Local Bodies
	iii. Other Transfers

## **25. Priority Areas for augmentation of revenue**

1. Strengthening the revenue machinery to step up revenue collection.
2. Implementation of recommendations of Expert Committee on Revenue Enhancement Measures and other Policy and Administrative Reform measures recommended/ accepted to increase the revenue yield.
3. Revision of user fees wherever rates have not been revised for more than 3 years.
4. Collection of arrear revenue.
5. Expeditious disposal of court cases involving substantial revenue implications.

## **26. Priority Areas for Budgetary allocation**

1. Increase in capital outlay with emphasis on completion of ongoing investment projects/ capital works.
2. Adequate provision of funds for resource tied up schemes such as EAP, Central Sector, Centrally Sponsored Schemes, RIDF, Finance Commission Grants, SDRF, etc.

## **27. Convergence of Budgetary and Extra-Budgetary Resources for Budgetary allocation**

Convergence of extra-budgetary resources to budgetary resources and between budgetary resources is to be made a part of the budgetary exercise to ensure productive output. Convergence Cell of Planning and Convergence Department will rigorously pursue convergence across the Departments and across the resource envelopes for effective utilization of resources under budgetary resources, Public accounts and various off-budget resources such as District Mineral Foundation(DMF), compensation to the State under Section 21(5) of the MMDR Act deposited with Odisha Mineral bearing Areas Development Corporation (OMBADC), CAMPA Fund, Welfare cess for Construction of workers & other cesses, different funds under various sectoral policies, Corporate Social Responsibility obligation, etc.

## **28. Rationalization of schemes and economy in expenditure**

For uniform depiction of schemes in the budget documents, a uniform structure is to be followed as below:

<b>Scheme</b>	<b>Sub Head</b>
<b>Sub Scheme</b>	<b>Detailed Head</b>

While framing the estimates, due note may be taken of the past performance, the stages of formulation/ implementation of the various schemes, the institutional capacity of the implementing agencies to implement the scheme as scheduled, the constraints on spending by the spending agencies, and most importantly the quantum of Government assistance lying with the recipients unutilized/ unaccounted for etc., with a view to minimizing the scope for available surrenders at a later stage. No provision should normally be made in the Budget without completion of pre-Budget scrutiny of a project/ scheme.

## **29. Gender Responsive Budgeting**

The State Government have started preparation of a special statement on gender budgeting depicting the magnitude of budget allocations for various schemes/programmes that are substantially benefiting women, along with budget documents. This is in line with the decision made by Government of India. It is to be noted that the initiative on Gender Responsive Budgeting aims at categorization of specific schemes/ programmes in the budget with a direct focus on women and girls specific schemes/ programmes which are stated to have components on women and the exact budget shares of these components. Gender Responsive Budgeting is to analyze how effectively Government policies, programmes and budgetary allocations respond to the needs and concerns of the females.

Gender Budgeting Cell of Women and Child Development Department is to co-ordinate with all the Administrative Departments for preparation of the information in order to ensure that a special Supplement entitled “Gender Budget Document” is prepared by the State Government and send it to Finance Department for bringing out the consolidated Gender Budget Statement of the State Government (Both in Part-A and Part-B) in the expanded form of the Odisha Budget at a Glance, 2018-19.

## **The Process of Budget Formulation**

*The Government first considers the state of its economy and growth expectation. The economic growth of the State is projected for the ensuing financial year. Based upon the projected economic growth of the State and the sensitivity of both, State's Own Tax and Non Tax on economic growth, the State's Own Revenue is estimated. besides, the effect of Pre-Actuals of the State's revenue receipts of the last year and Revised Estimates of the current year are also factored into while projecting the State Own Revenue Receipt of the ensuing Budgeted Year. The proposals given by the people of the State on both tax and non-tax revenue are factored into while projecting State's own revenue. The Central Transfer both in terms of shared tax and estimated grants to the State is worked out from the Union Budget. This exercise gives rise to estimated Revenue Receipts of the State. Considering the limit set by the FRBM Act, the borrowings of the State are estimated. Therefore, total fund available is estimated for the ensuing financial year. The resource allocation is made looking at the needs and priorities of the State. before allocation of the resources, the committed expenditures which are the first charge on resources, such as salary, pension and Interest payments are set aside. The surplus resources are allocated for the Social, Economic and General Services Sectors. At the time of allocation of resources, the proposals of the people of the State are taken into consideration along with State's priorities. The total projected resources are allocated to the administrative departments.*

*It is an annual exercise in mobilization of resources for public expenditure aimed at public welfare.*

## Sources and Uses of Funds (2018-19)

Chart 1: Composition of Sources of Funds

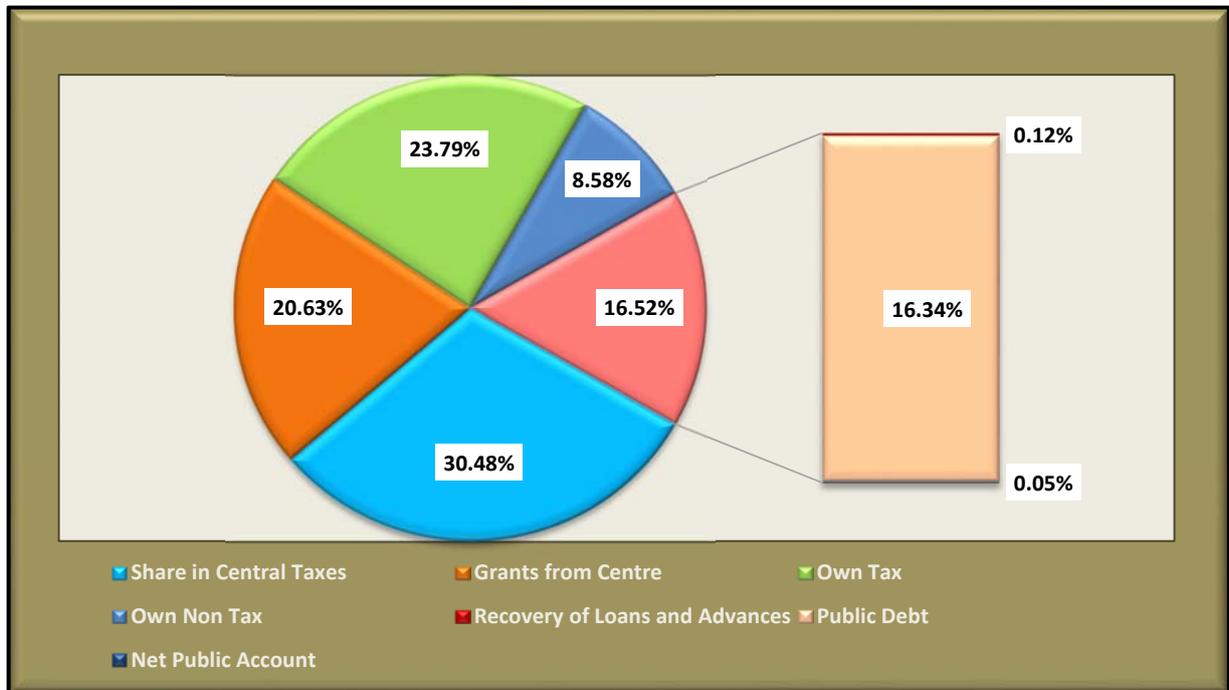
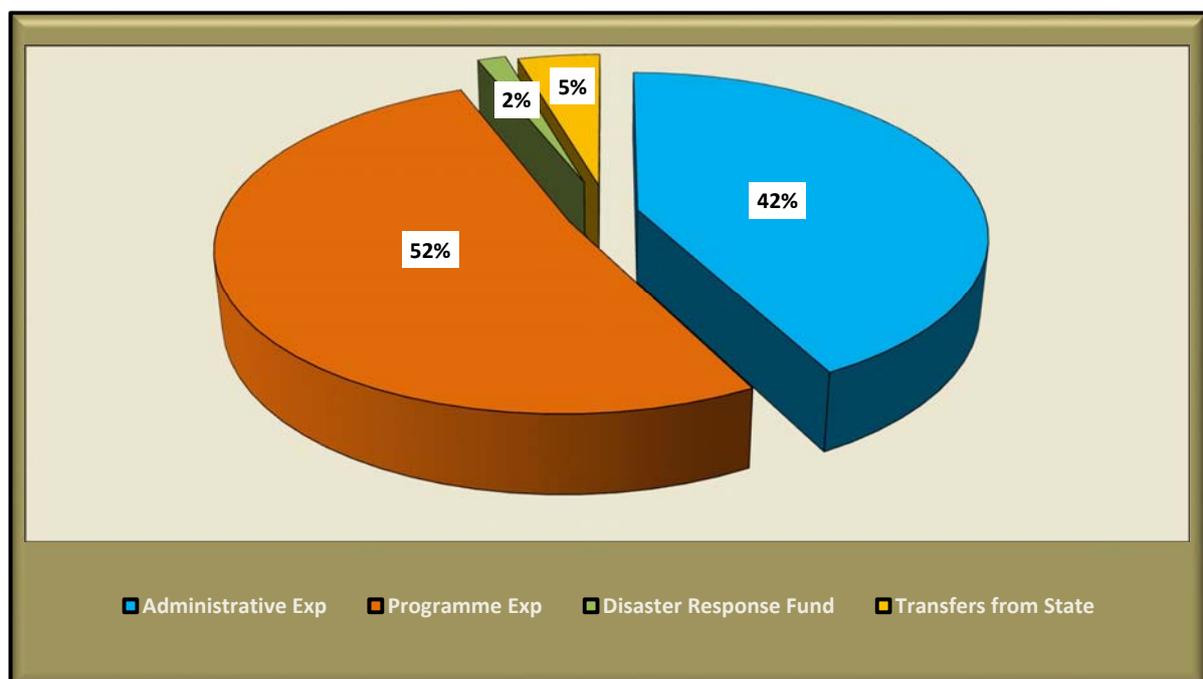


Chart 2: Composition of Uses of Funds



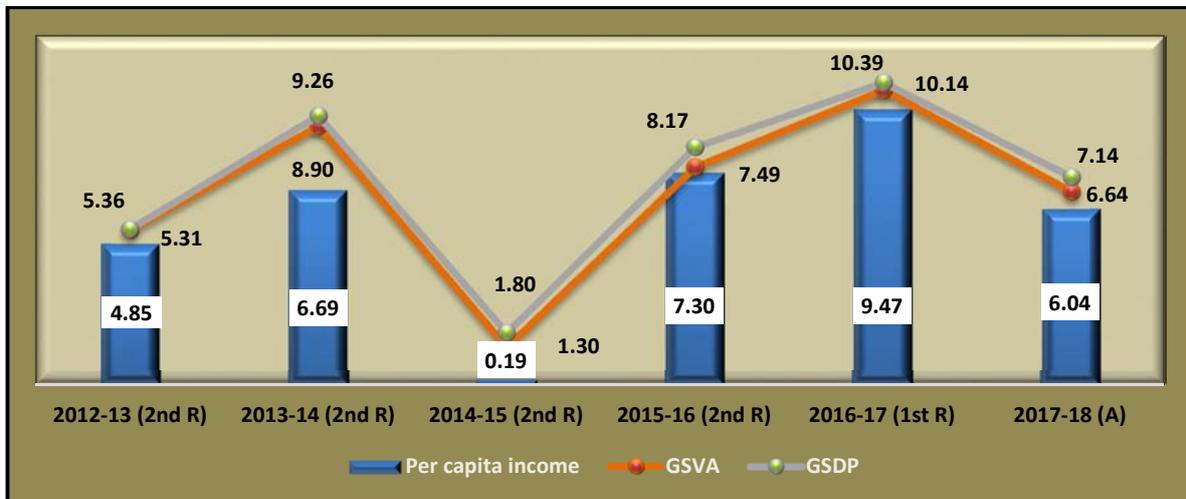
The major sources of fund (Chart 1) are Central Transfer (51.1 per cent) followed by State Own Revenue (32.3 per cent) and loans from different sources (16.3 per cent). The portfolio of the Gross Borrowing comprises of Open Market Borrowing (OMB) that constitutes 10 per cent of total sources of funds followed by negotiated loan (4.2 per cent) and loan on account of EAP (1.3 per cent). The major uses of funds (Chart 2) are programme expenditures (51.65 per cent) followed by administrative expenditure (42.29 per cent).

### **A look at the State's Economy**

The **Real Gross State Value Added (GSVA) at Basic Prices<sup>1</sup>**, which broadly reflects the supply or production side of the State economy, has registered a growth of 6.64 per cent in FY 2017-18 (Advance Estimate) against 10.14 per cent in FY 2016-17 (Revised Estimate). The real Gross State Domestic Product (GSDP)<sup>2</sup> has registered a growth of 7.14 per cent in FY 2017-18 as compared to 10.39 per cent in the previous year's revised estimate due to high base effect. The real GSDP growth at 7.14 per cent in 2017-18 has exceeded the all-India real growth rate of 6.5 per cent in 2017-18. As a result, the Real Per Capita Income has shown a growth of 6.04 per cent in FY 2017-18 as against 9.47 per cent recorded in FY 2016-17.

The trend in real growth in GSVA, GSDP and Per Capita Income are presented in Chart 3.

**Chart 3: Trend in Real Growth in GSVA and GSDP (in per cent)**



The growth of the State economy in FY 2017-18, is mainly attributed to the better performance in Tertiary Sector followed by Secondary and Primary Sectors. The GSVA growth in tertiary sector stood at 12.49 per cent in FY 2017-18 as compared to 8.92 per cent in FY 2016-17 (Table 2). This high growth is mainly attributed to 32.74 per cent growth in Public Administration and Defence, and a 13.06 per cent growth in Transport, Storage, Communication & Services related to Broadcasting. A detailed analysis is given in Table 2.

<sup>1</sup> Real Growth is calculated at constant prices of FY 2011-12.

<sup>2</sup> GSDP at Market Prices = GSVA at Basic Prices + Indirect Taxes on the Products – Subsidies on the Products

**Table 2: Gross State Value Added by economic activity at constant (2011-12) basic prices**

Economic Activity	Growth over previous year					
	2012-13 (2nd R)	2013-14 (2nd R)	2014-15 (2nd R)	2015-16 (2nd R)	2016-17 (2nd R)	2017-18 (A)
Agriculture, Forestry and Fishing	15.85	-4.16	7.84	-13.52	19.65	-4.70
Mining and Quarrying	-1.96	19.29	-7.94	30.67	9.88	4.78
<b>Primary</b>	<b>8.68</b>	<b>4.35</b>	<b>1.29</b>	<b>3.14</b>	<b>14.99</b>	<b>-0.37</b>
Manufacturing	-3.19	21.21	-9.43	15.60	5.15	5.25
<b>Secondary</b>	<b>-0.46</b>	<b>15.07</b>	<b>-6.66</b>	<b>11.02</b>	<b>4.75</b>	<b>5.45</b>
Trade, Repair, Hotels and Restaurants	11.71	7.92	8.07	6.03	12.26	9.05
Transport, Storage, Communication & Services related to Broadcasting	12.01	8.61	12.32	10.59	4.20	13.06
Financial Services	12.82	3.43	9.60	9.11	9.72	10.70
Real estate, Ownership of Dwelling & Professional Services	3.72	6.71	5.97	9.89	6.14	7.14
Public Administration and Defence	6.95	35.35	7.31	8.16	7.10	32.74
Other Services	0.20	-4.37	4.10	5.96	13.33	9.05
<b>Tertiary</b>	<b>7.41</b>	<b>7.79</b>	<b>7.75</b>	<b>8.11</b>	<b>8.92</b>	<b>12.49</b>
<b>Total GSVA at Basic Prices</b>	<b>5.31</b>	<b>8.90</b>	<b>1.30</b>	<b>7.49</b>	<b>9.39</b>	<b>6.63</b>
<b>Gross State Domestic Product</b>	<b>5.36</b>	<b>9.26</b>	<b>1.80</b>	<b>8.17</b>	<b>10.39</b>	<b>7.14</b>
<b>Per capita GSDP</b>	<b>4.30</b>	<b>8.16</b>	<b>0.77</b>	<b>7.09</b>	<b>9.28</b>	<b>6.06</b>

**Chart 4: Trends in Sector Wise Contribution to GSVA**

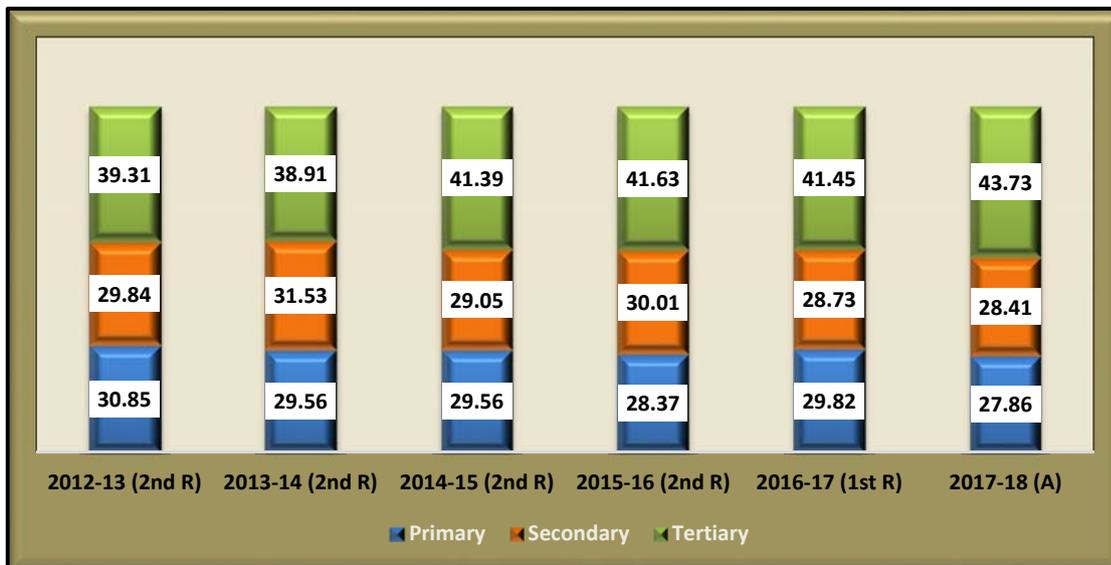


Chart 4 depicts the contribution of Primary, Secondary and Tertiary Sector to the GSVA of the State. The contribution of the Primary Sector to GSVA is 27.8 per cent in FY 2017-18(AE) The

contribution of Secondary Sector and the Tertiary Sector stands at 28.42 per cent and 43.73 per cent respectively. A detailed analysis on sectoral contribution can be seen in Table 3.

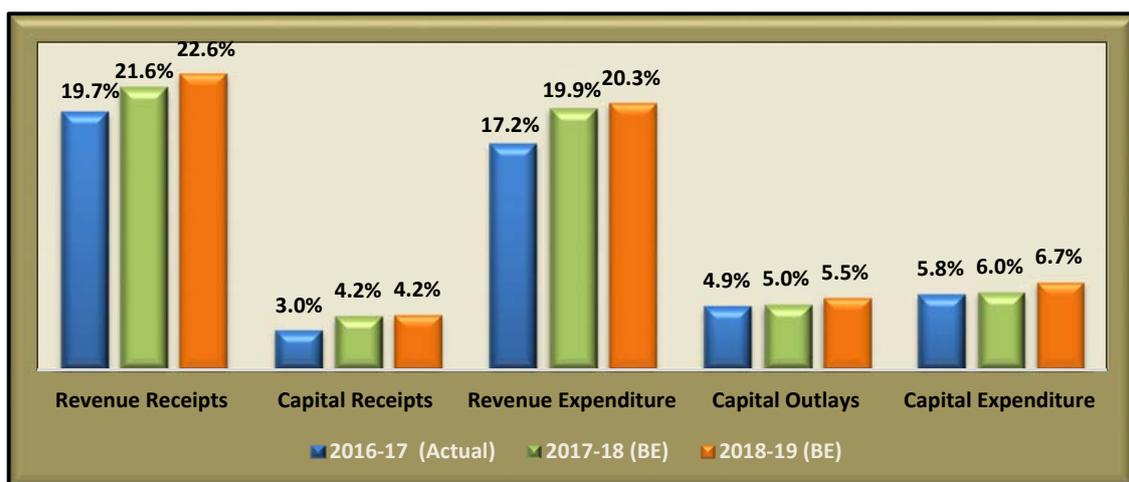
**Table 3: Contribution of Economic Activity to GSVA at constant (2011-12) basic prices**

Economic Activity	Growth over previous year					
	2012-13 (2nd R)	2013-14 (2nd R)	2014-15 (2nd R)	2015-16 (2nd R)	2016-17 (1st R)	2017-18 (A)
Agriculture, Forestry and Fishing	19.65	17.30	18.41	14.82	16.21	14.48
Mining and Quarrying	11.20	12.27	11.15	13.55	13.61	13.38
<b>Primary</b>	<b>30.85</b>	<b>29.56</b>	<b>29.56</b>	<b>28.37</b>	<b>29.82</b>	<b>27.86</b>
Manufacturing	17.18	19.12	17.10	18.39	17.68	17.45
<b>Secondary</b>	<b>29.84</b>	<b>31.53</b>	<b>29.05</b>	<b>30.01</b>	<b>28.73</b>	<b>28.41</b>
Trade, Repair, Hotels & Restaurants	9.81	9.72	10.37	10.23	10.49	10.73
Transport, Storage, Communication & Services related to Broadcasting	6.51	6.49	7.20	7.40	7.05	7.48
Financial Services	3.87	3.68	3.98	4.04	4.05	4.21
Real estate, Ownership of Dwelling & Professional Services	7.63	7.48	7.83	8.00	7.76	7.80
Public Administration and Defence	3.98	4.95	5.24	5.27	5.16	6.43
Other Services	7.51	6.59	6.78	6.68	6.92	7.08
<b>Tertiary</b>	<b>39.31</b>	<b>38.91</b>	<b>41.39</b>	<b>41.63</b>	<b>41.45</b>	<b>43.73</b>
<b>Total GSVA at Basic Prices</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

### Financing Outlays

The expenditure in 2018-19 is proposed to be funded to the tune of 83.5 per cent by revenue receipt and the remaining 16.5 per cent will be funded by capital receipt. The key financing outlays ratios (percentage of GSDP) from FY 2016-17 to FY 2018-19(B.E) are presented in Chart 5.

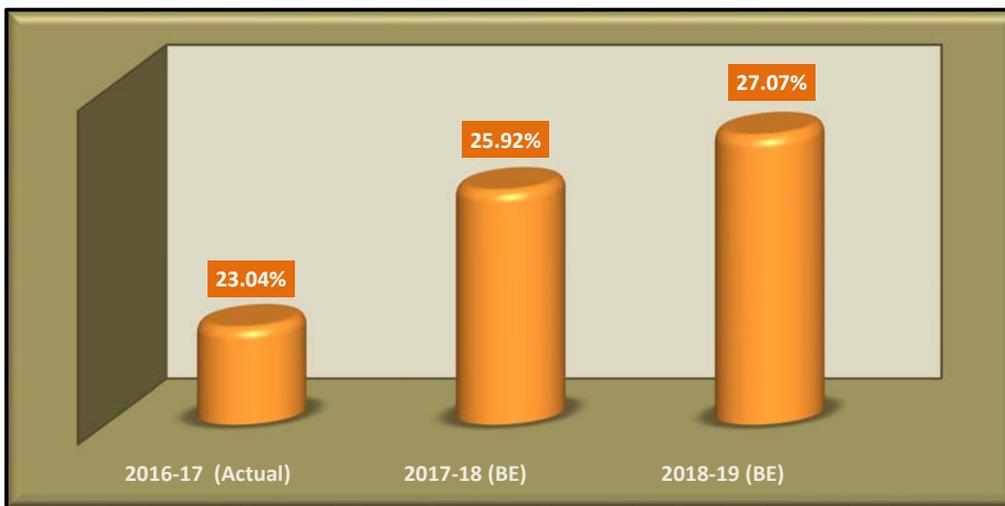
**Chart 5: Key Financing Outlays Ratios (per cent of GSDP)**



## Analysis of Expenditure

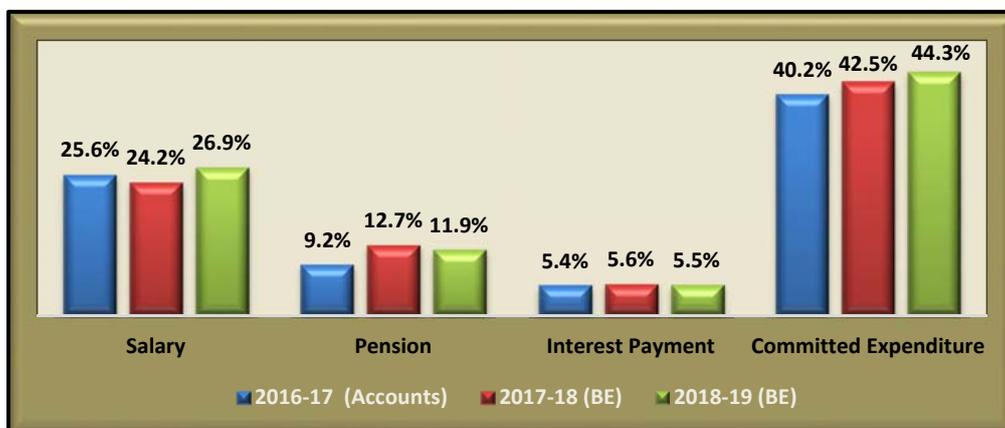
Budget size/Aggregate Expenditure of the Budget 2018-19 is estimated to increase by 12.3 per cent over FY 2017-18(B.E). The budgeted Revenue Expenditure is to rise by 9.7 per cent and Capital Outlay is budgeted to grow at 18.3 per cent over FY 2017-18(B.E). This is reflective of the State Government's commitment to create more capital formation to induce higher economic growth. The budget size as per cent of GSDP has gone up to 27.07 per cent in 2018-19(B.E) from 25.92 per cent in FY 2017-18(R.E) as depicted in Chart 6.

**Chart 6: Budget Size/Total Expenditure (per cent of GSDP)**



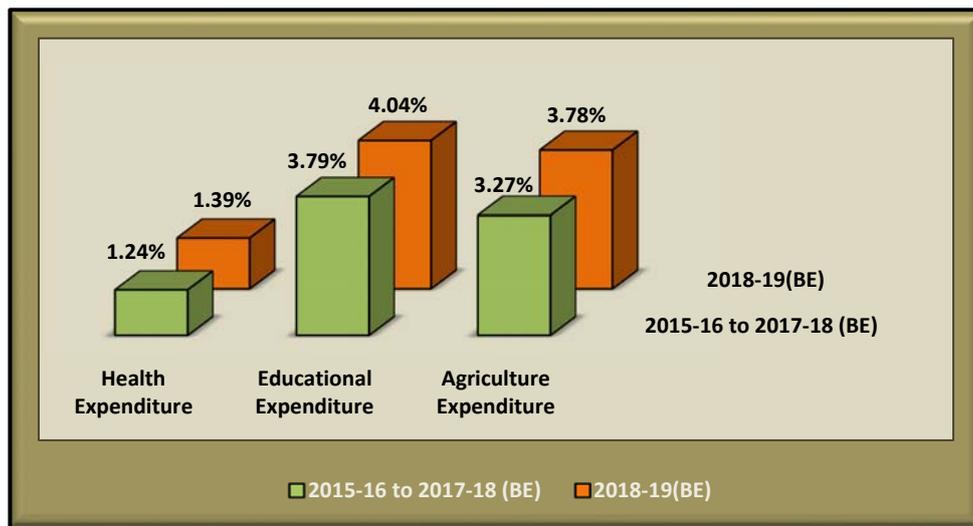
The committed expenditure as per cent of Revenue Receipts is budgeted to rise to the level of 44.27 per cent in FY 2018-19(B.E) from 42.53 per cent in FY 2017-18(B.E) as exhibited in Chart 7. This is mainly due to rise in salary and pension on account of the provision made for the implementation of 7<sup>th</sup> Pay Commission.

**Chart 7: Committed Expenditure (per cent of Revenue Receipts)**



Expenditure on Social services sector and Economic services Sector taken together is called as developmental expenditure. Health and Education sectors are major social services sectors and, Agriculture is a major economic services sector, therefore, allocation to these sectors in 2018-19(B.E) is compared to average of last three years budget estimate in Chart 8.

**Chart 8: Share of Health, Educational and Agriculture Expenditures (per cent of GSDP)**



Note: Agriculture and allied activities takes into account Agriculture and Farmers' Empowerment Department, Water Resource Department, Fisheries and Animal Resources Development Department and Co-operation Department.

The projected rise in Health and Education expenditure as per cent of GSDP to 1.4 per cent and 4 per cent in FY 2018-19(B.E) from 1.2 per cent and 3.8 per cent in FY 2017-18(B.E) respectively (Chart 8) is indicative of the State government's commitment towards higher human capital formation. Expenditure on Agriculture as per cent of GSDP is also estimated to improve to 3.8 per cent in FY 2018-19(B.E) from 3.3 per cent in FY 2017-18(B.E).

## Analysis of Revenue Receipts

The total revenue receipts for 2018-19 are estimated at Rs.1,00,200 crore which is an increase of 12.67 per cent over FY 2017-18(B.E). The total revenue receipts of the State consists of State's Own Tax Revenue, State's Own Non Tax Revenue, Shared Tax and Grants from Centre. The contribution of these components to total revenue receipts is presented in Chart 9.

**Chart 9: Composition of Revenue Receipts**

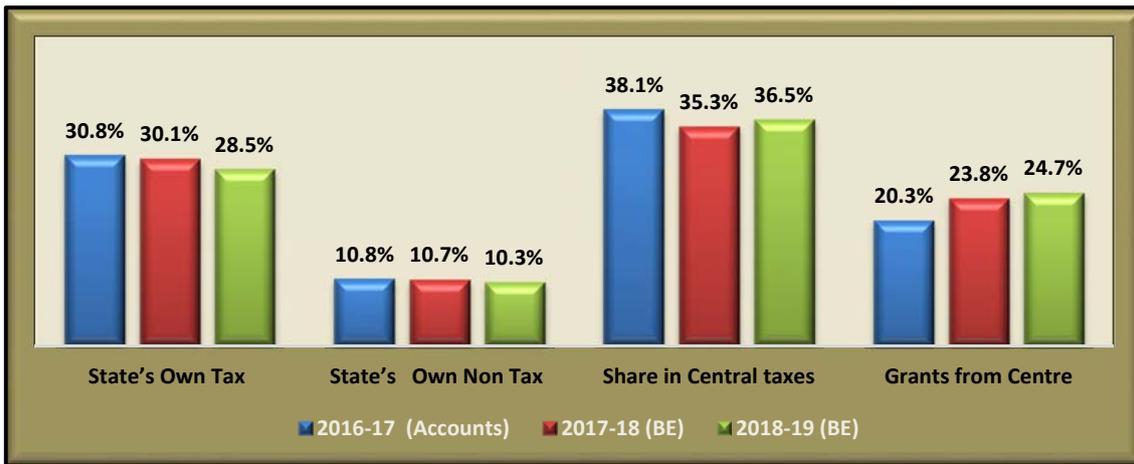
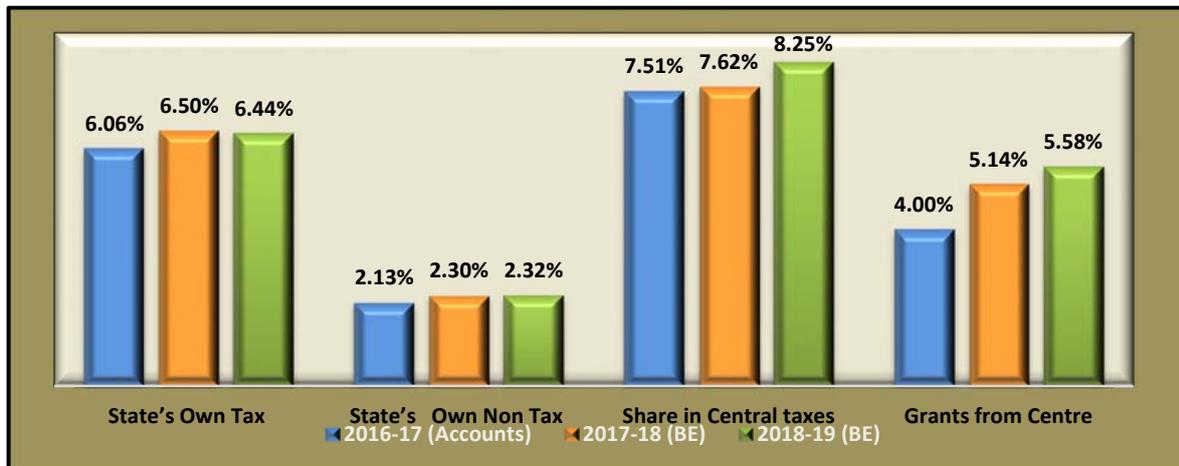


Chart 10 presents the comparative position of the revenue receipts as a percentage of GSDP. The State own Tax Revenue (SOTR) relative to GSDP is budgeted at 6.44 per cent in 2018-19. The Shared Tax from the divisible pool of horizontal taxes as percentage of GSDP, is also expected to rise to 8.2 per cent in the Budget 2018-19. Further, Non-Tax Revenue as percentage of GSDP is budgeted at 2.32 per cent in 2018-19 which is only marginally higher than 2.30 per cent of 2017-18(B.E).

**Chart 10: Trends in Revenue Receipts (per cent of GSDP)**



## Department-wise Expenditure in 2018-19

In the budget 2018-19, the highest resource allocation is witnessed in agriculture and allied sector<sup>3</sup> (Rs.16,765 crore), School and Mass Education Department (Rs.14,487.1 crore) followed by Panchayati Raj Department (Rs.13,725.35 crore). The resource allocation to the departments in terms of Administrative Expenditure, Programme Expenditure, Disaster Response Fund and Transfer from State is presented in Table 4.

**Table 4: Department Wise Expenditure: 2018-19**

(in Rs. Crore)

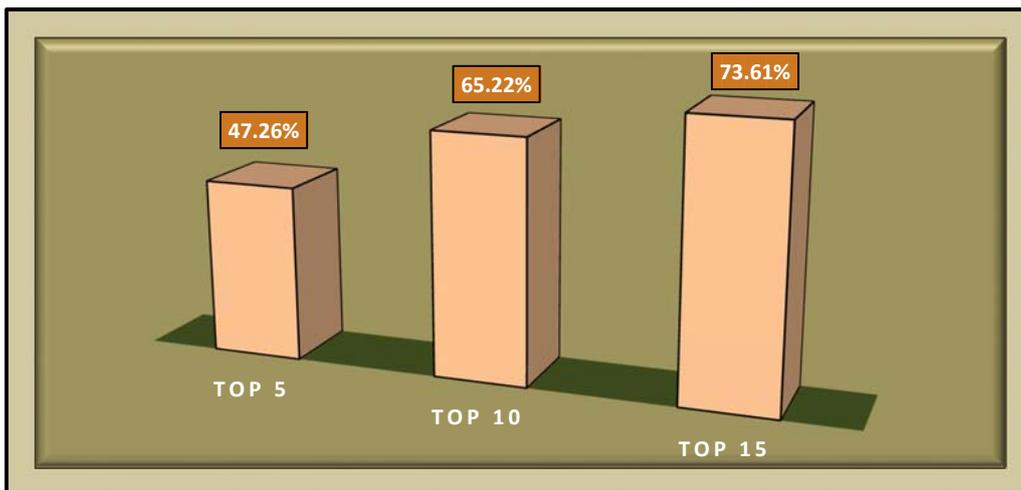
D. No	Department	Administrative Expenditure	Programme Expenditure	Disaster Response Fund	Transfer from State	Grand Total
1	Home	4,238.33	1,036.06	-	-	5,274.39
2	General Administration	178.89	224.84	-	-	403.74
3	Revenue	919.39	154.43	-	-	1,073.82
4	Law	298.54	46.56	-	-	345.10
5	Finance	24,530.17	-	-	-	24,530.17
6	Commerce	73.22	12.49	-	-	85.70
7	Works	1,453.72	2,811.17	-	-	4,264.88
8	Odisha Legislative Assembly	63.54	-	-	-	63.54
9	Food Supplies and Consumer Welfare	76.98	1,071.58	-	-	1,148.56
10	School and Mass Education	8,528.84	5,958.25	-	-	14,487.10
11	Scheduled Tribes and Scheduled Caste Development, Minorities and Backward Classes Welfare	747.40	2,666.15	-	-	3,413.55
12	Health and Family Welfare	2,137.08	4,022.89	-	-	6,159.96
13	Housing and Urban Development	564.98	2,895.28	-	1,701.54	5,161.80
14	Labour & Employees State Insurance	111.96	21.90	-	-	133.86
15	Sports and Youth Services	30.39	310.62	-	-	341.01
16	Planning and Convergence	47.45	887.98	-	-	935.43
17	Panchayati Raj	391.69	9,633.20	-	3,700.46	13,725.35
18	Public Grievances and Pension Administration	2.10	-	-	-	2.10
19	Industries	4.80	307.65	-	-	312.45
20	Water Resources	1,217.02	8,979.03	-	-	10,196.05
21	Transport	67.83	522.89	-	-	590.73
22	Forest and Environment	457.65	348.52	-	-	806.17
23	Agriculture and Farmers' Empowerment	769.29	3,741.88	-	-	4,511.16
24	Steel and Mines	60.85	52.69	-	-	113.54
25	Information and Public Relations	45.30	142.50	-	-	187.80
26	Excise	90.87	10.00	-	-	100.87
27	Science and Technology	13.74	41.39	-	-	55.13
28	Rural Development	1,171.26	4,411.20	-	-	5,582.46

<sup>3</sup> Agriculture and allied sector takes into account Agriculture and Farmers' Empowerment Department, Water Resource Department, Fisheries and Animal Resources Development Department and Co-operation Department.

D. No	Department	Administrative Expenditure	Programme Expenditure	Disaster Response Fund	Transfer from State	Grand Total
29	Parliamentary Affairs	47.56	0.04	-	-	47.60
30	Energy Department	29.56	1,953.74	-	-	1,983.29
31	Handlooms, Textiles & Handicrafts	60.94	128.99	-	-	189.93
32	Tourism and Culture	14.78	198.38	-	-	213.16
33	Fisheries and Animal Resources Development	431.09	462.34	-	-	893.43
34	Co-operation	124.36	1,039.61	-	-	1,163.97
35	Public Enterprises	2.83	5.00	-	-	7.83
36	Women and Child Development	22.61	3,424.22	-	-	3,446.82
37	Electronics & Information Technology	2.11	110.76	-	-	112.87
38	Higher Education	1,297.86	993.81	-	-	2,291.67
39	Skill Development & Technical Education	281.04	344.41	-	-	625.45
40	Micro, Small & Medium Enterprises	65.33	146.25	-	-	211.58
41	Social Security & Empowerment of Persons with Disability	49.04	2,513.45	-	-	2,562.49
42	Disaster Management	3.38	221.19	1,865.00	-	2,089.57
43	Odia Language, Literature and Culture	35.23	146.69	-	-	181.91
<b>Grand Total</b>		<b>50,761</b>	<b>62,000</b>	<b>1,865</b>	<b>5,402</b>	<b>120,028</b>

The share of top five, ten and fifteen departments in the total budget size is presented in Chart 11. The top ten Departments account for 65.22 per cent of the total budgeted expenditure. These Departments are mainly from social services and economic services sectors as shown in Table 5. Other Departments account for 34.78 per cent of the total expenditure; out of which the share of the Finance Department is 20.44 per cent.

**Chart 11: Share of Top 5, Top 10 & Top 15 Departments in Total Budget Size**



Note: Agriculture and allied activities takes into account Agriculture and Farmers' Empowerment Department, Water Resource Department, Fisheries and Animal Resources Development Department and Co-operation Department.

**Table 5: Share of Top Ten Departments in Total Budget Size 2018-19**

Sl. No.	Department	% Share
1	Agriculture and Allied Activities*	13.97%
2	School and Mass Education	12.07%
3	Panchayati Raj and Drinking Water	11.44%
4	Health and Family Welfare	5.13%
5	Rural Development	4.65%
6	Home Department	4.39%
7	Housing and Urban Development	4.30%
8	Works Department	3.55%
9	Women & Child Development and Mission Shakti	2.87%
10	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	2.84%
11	Other Departments	34.78%

\* Agriculture and allied activities takes into account Agriculture and Farmers' Empowerment Department, Water Resource Department, Fisheries and Animal Resources Development Department and Co-operation Department.

### **FRBM Targets for 2018-19**

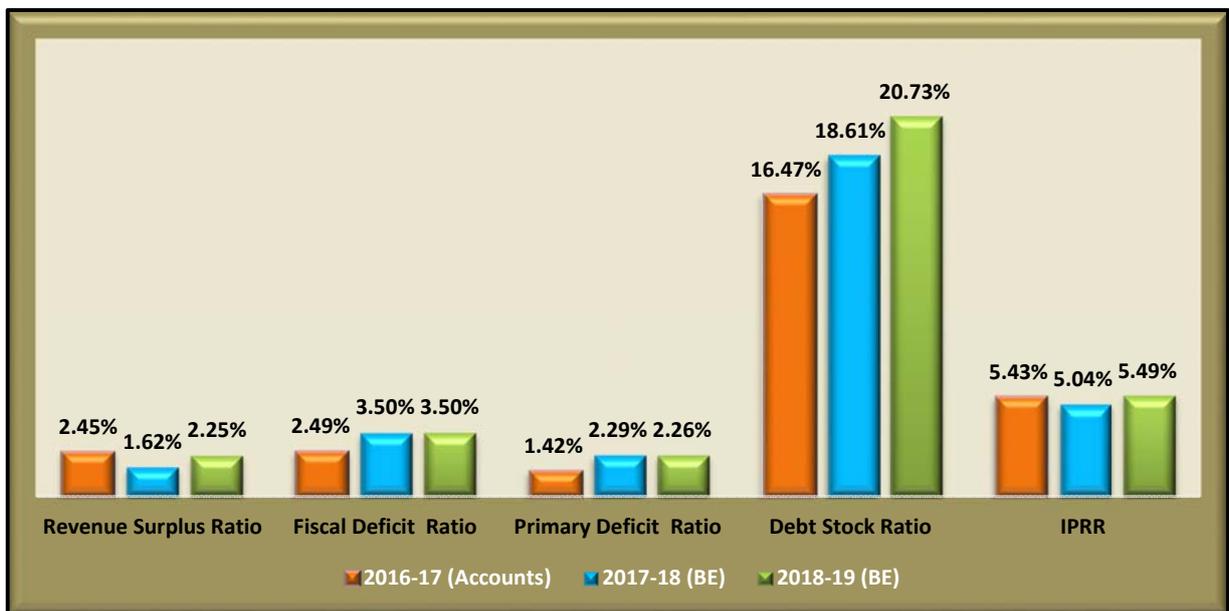
- The estimated Revenue Surplus at 2.25 per cent of GSDP has adhered to the FRBM limit of zero Revenue Deficit.
- The Fiscal Deficit is projected at 3.50 per cent of GSDP.
- The Interest Payment to Revenue Receipt (IPRR) Ratio is targeted at 5.49 per cent which is below FRBM limit of 15 per cent.
- The outstanding debt to GSDP ratio at the end of FY 2018-19 is estimated at 20.73 per cent of GSDP which is below the FRBM limit of 25 per cent.
- **The Budget for FY 2018-19 is FRBM compliant.**

### **Budgetary Outlays and Fiscal Indicators**

- For the purpose of calculation of Annual Borrowing ceiling, the nominal GSDP for the year 2018-19 works out at Rs. 4,43,479 crore as per the Fourteenth Finance Commission methodology.
- Total outlay made in the Budget Estimates for 2018-19 at Rs.1,20,028 crore, is an increase of 12.27 per cent over FY 2017-18(B.E).
- Total Revenue Receipts budgeted at Rs.1,00,200 crore in 2018-19 is an increase of 12.67 per cent over 2017-18(B.E).
- Revenue surplus for the fiscal year 2018-19 is targeted at Rs. 9,980 crore, which is 2.25 per cent of the Gross State Domestic Product (GSDP).
- The Fiscal Responsibility and Budget Management Act, 2005 was amended in FY 2016-17 to increase the fiscal deficit ceiling to 3.5 per cent of GSDP from 3 per cent limit. The additional fiscal deficit of 0.5 per cent would be available for the State Government provided the State contains the debt stock below 25 per cent and IPRR ratio within 10 per cent and continue to achieve revenue surpluses. Odisha satisfies both the condition and hence is eligible for a fiscal deficit of 3.5 per cent for the year. Accordingly, fiscal deficit for 2018-19 is budgeted at Rs.15,521 crore, which is 3.5 per cent of GSDP.
- being financed by both Revenue Surplus and higher Fiscal Deficit, the Capital Outlay as percentage of GSDP is estimated at 5.5 per cent in FY 2018-19 as compared to 5.04 per cent in FY 2017-18(B.E).

- Interest Payment to Revenue Receipt (IPRR) and Debt Stock to GSDP ratio are targeted at 5.49 per cent and 20.73 per cent respectively in FY 2018-19.
- Total Expenditure to GSDP ratio is budgeted at 27.07 per cent in FY 2018-19 as compared to 25.92 per cent in 2017-18(B.E).
- The key fiscal indicators in FY 2016-17 (Accounts), FY 2017-18(B.E) and FY 2018-19 (B.E) are depicted in Chart 12.

**Chart 12: Key Fiscal Indicators (per cent of GSDP)**



*\*IPRR is Interest Payment to Revenue Receipt Ratio*

## **Budget Highlights**

### **Farmer Centric Budget- Empowering the Farmers**

- Allocation of Rs.16,765 crore to Agriculture through the separate Budget. This is a 134 per cent increase over the first agriculture budget outlay of Rs.7,162 crore.
- Continued focus on management of soil health. 30 static and 17 mobile Soil Testing Laboratories have been established.
- Emphasis on Farm Mechanization Programme, timely distribution of seeds and fertilizers to farmers, and strengthening of the agricultural university OUAT towards development and dissemination of several agriculture technologies.
- Odisha is the first State to use Direct benefit Transfer (DBT) for transferring input subsidies to farmers for seed, farm mechanization, Jalnidhi Scheme and need-based inputs.
- Irrigation and water management remains central to the Budget. Gangadhar Meher Lift Canal System and Nabakrushna Choudhury Secha Unayana Yojana to accelerate the pace of irrigation development. Further, a sum of Rs. 1,802 crore is proposed to be spent on the Parbati Giri Megalift Irrigation Scheme.
- Construction of 2000 additional check dams and revival of defunct lift irrigation projects in the State. Focus on improving water use efficiency, last mile irrigation through field channels and pipes and minimization of conveyance loss in canals.
- Interest subvention on crop loans in order to make available credit at an effective interest rate of 1 per cent to the farmers for loans up to Rs. 50,000 and 2 per cent for loans above Rs. 50,000.
- Capital infusion in Odisha State Cooperative Bank and CCBs and selected weak Primary Agriculture Cooperative Societies (PACS).
- Conversion of all the Kisan Credit Card to Ru-Pay Kisan Cards to enable farmer members to access their sanctioned loans through all types of ATMs and PoS networks in the PACS functioning in the State. Credit linkage to 50,000 JLGs through cooperative banks and PACS.
- Towards strengthening nutritional security and the Odisha Millet Mission, millets worth Rs. 100 crore will be procured and utilized in Government Schemes.

- Commitment for Training, Skill Development & Capacity Building of Fish farmers for integrated development and management of fisheries. Continued priority to Blue Revolution.
- Focus on infrastructure development and strengthening of facilities for animal husbandry and dairying towards securing the income of millions of rural families.
- Health insurance for farm families. Cashless treatment through a network of 100 hospitals for the farmers and their families.
- Livelihood support to the fishermen community, scholarships to meritorious children from the fishermen community and assistance to Women Self-Help Groups under the Matshyajibi Unnayana Yojana.

## **Revitalizing Education and Skills**

- The State Government is committed to improving human development through strengthening of education and skills. The largest allocation of Rs.19, 678 crore in the 2018-19 budget is towards these sectors.
- Focus on improving the quality of our elementary and secondary schools. Emphasis on school infrastructure, provision of facilities to children, quality of teaching and involvement of parents and Gram Panchayats.
- An outlay of Rs.1,800 crore for Sarba Sikhya Abhiyan, Rs.808 crore for Mid-day Meal Scheme and Rs.500 crore for Rashtriya Madhyamika Sikshya Abhiyan.
- In addition, Rs.85 crore is also being provided as cooking cost for the Mid-day meals.
- Outlay of Rs.309 crore under the Gangadhar Meher Sikhya Manakbrudhi Yojana (GMSMY) to provide free school bags and educational kit to all children from Class I-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.
- Proposition to open an additional 30 Adarsh Vidyalayas in with an outlay of Rs.250 crore.
- Focus on teachers' training for improving the quality of education. Allocation of Rs. 6 crore towards setting up of a State Level Teacher's Training Institute.
- One time scholarship of Rs. 5000 for 40,000 meritorious students under **Mukhyamantri Medha Bruti Yojana**. Rs. 1 lakh cash prize per school for teachers of 3 Secondary Schools of a block.
- Rs. 50 crore earmarked for **Mo School Abhiyan**, involving the public and old students, for development of infrastructure of Secondary Schools in the State.
- Unwavering commitment to strengthening education and skill development of SC and ST students through various scholarships and schemes like Anwasha and Akanksha.
- Provision of Rs.177 crore for infrastructure development of higher education institutions.
- Provision of laptops for meritorious students, career counseling and coaching for students.
- Towards Skill Development, financial assistance for infrastructure development of technological universities and engineering colleges, engineering schools, polytechnics and ITIs has been earmarked.

## Rejuvenating Health

- Total budgetary allocation for Health and Family Welfare Department has been increased to Rs.6,160 crore in 2018-19 from Rs.5,712 crore in 2017-18.
- Proposal of an outlay of **Rs.365 crore** for the establishment of new Medical Colleges.
- Rs.700 crore has been allocated to “**Mukhya Mantri Swasthya Seva Mission**” for covering 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 to needy and poor patients to cover the cost of treatment for critical illness.
- A new scheme ‘**KHUSHI**’ has been launched to provide sanitary napkins free of cost to girl students from Class VI to XII of Government and Government-aided schools.
- A universal eye care programme ‘**Mukhya Mantri Chakshyu Jatna Karyakram-SUNETRA**’ and ‘**NIRMAL**’ – for upgrading standards of various ancillary services including sanitation, hygiene and security in health institutions have been launched.
- Intensifying improvement of the Maternity and Child Healthcare facilities 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).
- Allocation of free medicines through **Niramaya**, free dialysis services under ‘**Sahaya**’ and free diagnostic services under ‘**NIDAN**’ for reducing out-of-pocket health expenditure.
- Proposal to provide Rs.1,370 crore for National Health Mission.
- To promote private participation in health care in 11 backward districts through Health Care Investment Promotion Policy.

## **Drinking Water and Sanitation**

- Provisioning adequate and safe drinking water supply to all.
- Proposal of an outlay of Rs.1,000 crore for rural water supply and Rs.350 crore for urban water supply under BASUDHA.
- Rs. 509 crore for operation and maintenance of water supply systems.
- A **Mega Water Supply Project** with estimated project cost of **Rs.489 crore** taken up in EPC mode to resolve the water supply problem in Berhampur and 53 adjoining villages through drawal of water from Janivilli Reservoir.
- Construction of two barrages on rivers Koel and Ib for water availability for Rourkela and Sundergarh.
- Drinking water supply to 645 villages in 7 districts with an estimated cost of **Rs.550 crore** under 4th State Finance Commission funds.
- Water supply facility in all 691 directly affected villages in 8 mineral bearing districts at the cost of Rs.450 crore under OMBADC funds.
- Mega Piped Water Supply to be taken up out of the funds under District Mineral Foundation.
- **Total investment for Piped Water Supply Projects during 2018-19 about Rs.3,000 crore.**
- Rs.1,000 crore for the rural component and Rs.200 crore for the urban component of Swachh Bharat Mission.
- Focus on construction of individual household latrines and public toilets to improve public hygiene, waste management and make the public places clean

## Housing for All

- Total outlay for Housing Sector is **Rs.3,992 crore** for in 2018-19.
- Commitment for providing every household with a decent roof by 2019.
- About 15.5 lakh kutchha houses in the rural areas have already been covered under the Biju Pucca Ghar Yojana and other schemes. It is envisaged to complete 20 lakhs pucca houses by the end of December, 2018.
- An outlay of **Rs.3,592 crore** is made through convergence of **PMAY-Gramin** and **Biju Pucca Ghar**.
- With the implementation of the Odisha Land Rights to Slum Dwellers Act, 2017, more than 2 lakh slum dwellers residing in about 3000 slums across the State will be given land rights, mostly on in-situ basis.
- Under the Odisha Urban Housing Mission-AWAAS in convergence with PMAY, it is proposed to provide **Rs.400 crore** for construction of 20,000 dwelling units under beneficiary led construction and 5,000 units under affordable housing and slum development components.

## Towards the well-being of SC, ST and Minorities

- The Budget prioritizes protection and economic empowerment of scheduled castes, scheduled tribes, other backward castes and minorities towards ensuring inclusive Socio-Economic development.
- Development of SCs and STs is an integral part of almost all the Schemes of different Departments, especially those relating to education, health, housing, skill development, livelihoods and electrification. Overall, a sum of **Rs.12,741 crore** under **Tribal Sub Component** and **Rs.9,943 crore** under the **SC Sub Component** is proposed in 2018-19 totaling to **Rs.22,684 crore** for identified Schemes in the Programme budget..
- Under the Special Central Assistance for the scheduled castes component a provision of **Rs.83 crore** will be provided. **Rs.240 crore** will be provisioned under the scheme for Development of Scheduled Castes.
- A sum of **Rs.27 crore** provided for the OTELP Plus Programme and **Rs.88 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.
- Emphasis on Solar based electrification of inaccessible tribal villages / hamlets and tribal schools.

## **Social Security and Enabling the Differently-Abled**

- Social security of the disadvantaged and vulnerable sections of the society is prime to all of the Government schemes. The State endeavors to create an enabling environment for all the citizens to live a life of dignity.
- The allocation for this sector is proposed to increase by **28** per cent to **Rs.2,562 crore**.
- **Rs.863 crore** is provided for the National Social Assistance Programme to 43 lakh beneficiaries in various categories such as Old Age, Widows, Persons with Disabilities and AIDS Victims.
- **Provision of Rs. 1,486 crore** for providing pension to additional beneficiaries under the “**Madhubabu Pension Yojana**” for 2018-19.
- Reservations for the people with disabilities in Government and Public Sector jobs have been hiked to 4 per cent from the existing 3 per cent.
- Welfare of Persons with Disability (PwD), welfare of distressed and destitutes which included establishment of Old-Age homes and provisions for transgenders and other vulnerable groups has been emphasized in the Budget.
- A new scheme ‘**SAHAYA**’ has been launched for the rehabilitation of beggars.

## **Sustaining Growth: Science & Technology**

- With the firm belief that Science & Technology is the engine of economic growth, an outlay of **Rs.55 crore** has been provided in 2018-19, 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.

## **Towards Smart Governance: Electronics & Information Technology**

- Development of a Smart City and its governance hinges on Information Technology. An outlay of **Rs.113 crore** has been proposed towards this in 2018-19, of which **Rs.20 crore** and **Rs.11 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.14 crore** for IIIT, Bhubaneswar.

## **Building a Disaster Resilient State**

- The State's efforts towards disaster preparedness have been commendable. **Rs.2,090 crore is budgeted** for Disaster Management including **Rs.865 crore** under **State Disaster Response Fund (SDRF)** and **Rs.1,000 crore** under **National Disaster Response Fund (NDRF)** respectively.
- A sum of **Rs.150 crore** is provided for World Bank assisted '**Odisha Disaster Recovery Project**' for reconstruction of damaged houses and allied infrastructure such as, internal roads, water supply, sanitation, etc. Rs.69 crore has been provided for National Cyclone Risk Mitigation Programme (NCRMP).

## **Promoting Tourism, Culture and Heritage – Strategizing Development**

- An outlay of **Rs.213 crore** has been provided for overall development of Tourism sector. This includes Rs.11 crore towards Barishtha Nagarika Tirtha Yatra Yojana.
- Establishment of Shamuka Tourism Development Corporation.
- Establishment of a sand art museum in Puri as a part of installing tourist infrastructure.
- Rs.5 crore has been allocated towards setting up of 'Kalinga Institute of Peace and Conflict Resolution'.
- A '**Heritage Cabinet**' has been set up with the aim of preserving and publicizing history and culture of Odisha and enriching the Odia language further. Following the deliberations of the cabinet an '**Odia Language, Literature and Culture Department**' has been created.
- Proposition for setting up of an Odia Language Commission. Fee Waivers for students pursuing Odia at graduate and post-graduate levels in colleges and universities.
- '**Mukhyamantri Kalakara Sahayata Yojana**' for payment of pension to women artists above 45 years age and male artists above 60 years of age at Rs.1,200 per month

## **Value Creation - Other Economic Services**

- Acknowledging its crucial role in employment generation, a sum of **Rs.212 crore** has been allocated to the MSME Sector, an increase of 45 per cent over FY 2017-18.
- **Rs.5 crore** is also provided for support under **Odisha Start-up Policy**.
- An outlay of **Rs.190 crore** for Handloom, handicrafts, sericulture and textile sector. The major 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.

- The outlay includes Rs.20 crore for recently announced Odisha Handlooms & Handicrafts Development and Promotion Council and Rs.1 crore for rewarding the weavers under **Baristha Bunakar Sahayata Yojana**.
- The outlay for Industries has been increased substantially to **Rs.312 crore**. Odisha has emerged as a “Leader” in Ease of Doing Business in India. The State has recently introduced **GO SWIFT portal** for industries, providing required services and support to investors during entire investment life-cycle in a time-bound and transparent manner.
- The total allocation to the mining sector rounds up to Rs. 114 crore.
- The **Integrated Mines, Mineral & Management System (i3MS)** enables royalty and DMF payments and monitoring of mining transportation online on real time basis. Rs.31 crore has been allocated towards the upkeep of i3MS.
- For **Mineral Exploration & Auction**, Rs.18 crore is budgeted.

### **Fostering the Well-being of Women and Children**

- Provision of **Rs.155 crore** for **Maternity benefit Programme-MAMATA**. The Scheme, an innovative conditional cash transfer scheme, has been instrumental in the reduction of IMR & MMR in the State.
- Continued emphasis on **Integrated Child Protection Scheme (ICPS)**, **Scheme for Empowerment of Adolescent Girls (SABALA)**, Malatidevi Prak Vidyalaya Paridhan Yojana, Mukhyamantri Mahila Sashaktikarana Yojana and Biju Sishu Surakshya Yojana.

### **Engaging the Youth – Sports and Youth Services**

- Focus on making Odisha a global sports hub. Emphasis on building sports infrastructure and enhancing organizational capabilities.
- Allocation of Rs. 100 crore towards Sports with Aim for International Acclaim – **SWARNA** Scheme for development and management of sports infrastructure at the grass root level.
- Allocation of Rs. 15 crore for organizing a Sun and Sand Marathon at Konark.
- Organization of ‘Tribal Sports’ with an objective to identify the hidden sporting talents of Tribal youths and provide them proper platform for participation in the State & National level competitions.
- Continued emphasis on ‘Biju Yuva Sashaktikaran Yojna’ and ‘**Biju Yuva Vahini**’ towards leadership and volunteerism, promoting culture of sports & sportsmanship, healthy living among youth, establishing vibrant youth connect platforms and engaging with youth across the State.

## **Roads & Maintenance - Facilitating Development**

- Roads are indispensable towards building a modern economy. A sum of **Rs.4,265 crore** is budgeted for improvement of 1175 Kms of roads and construction of 40 bridges.
- Double Lanning of State Highways under **State Highway Development Programme (SHDP)**, **Road Projects under PPP mode**; **Roads in LWE affected areas**; “**Biju Expressway**” to improve connectivity in Western Odisha and KBK districts and maintenance of Roads are other focal areas of the budget.
- Modernization of regulatory infrastructure of Transport Department is an important priority and **Rs.30 crore** has been provided for this purpose in 2018-19. Required funds have also been provided for Bus terminal scheme, **Biju Gaon Gadi Yojana** as well as Road Safety activities.

## **Connecting the Unconnected - Development of Rural Infrastructure**

- A sum of **Rs.2,900.00 crore** under **Pradhan Mantri Gram Sadak Yojana (PMGSY)** for construction of 5,000 Kms of roads is budgeted.
- To ensure connectivity to the habitations which are not covered under PMGSY, a sum of **Rs.400 crore** will be provided under **Mukhya Mantri Sadak Yojana**.
- **Rs.600 crore** has been proposed under **Biju Setu Yojana** for the completion of 313 nos. of bridges.
- The “**Connecting Unconnected Villages**” Scheme, to provide road connectivity to 142 remotest and inaccessible villages of 17 Left Wing Extremist (LWE) affected districts, will be implemented by the Rural Development Department. **Rs.100 crore** has been earmarked towards this.

## **Enriching Rural Lives – Rural Employment, Livelihoods and Basic Services**

- “**Ama Gaon Ama Bikash**” Programme has been launched to establish a direct connect between highest level of administration with the people, and enhance participation of people and PRI members in development activities. An allocation of **Rs.1,250 crore** for the same has been made.
- Allocation of Rs.1,283 crore towards the Mahatma Gandhi National Rural Employment Guarantee Programme. Wage earners are paid through Direct benefit Transfer.
- A transfer of **Rs.1,991 crore** on account of 14<sup>th</sup> Finance Commission Recommendations and of **Rs.1,709 crore** on account of 4<sup>th</sup> State Finance Commission Recommendations to the Panchayat Raj Institutions has been done. It will enable them to provide basic services in rural areas.
- Deen Dayal Antyodaya Yojana–National Rural Livelihood Mission (DAY-NRLM), Shyama Prasad Mukherjee RURBAN Mission, and Gopabandhu Gramin Yojana have also been emphasized.

## **Electricity to all - Towards Welfare of all**

- The State remains dedicated to provide electricity to all households by March 2019.
- Towards ensuring 24x7 electricity with proper voltage to all, the **Odisha Distribution System Strengthening Project (ODSSP)** has undertaken the establishment of 473 nos. of 33/11 KV sub-stations since 2014. 180 new substations have already been established. Towards the completion of the balance projects within next year, a provision of **Rs. 530 crore** has been made.
- A sum of **Rs.560 crore** is proposed under Biju Gram Jyoti Yojana, Biju Saharanchal Viduyutikaran Yojana and the State share of Centrally Sponsored Schemes of SAUBHAGYA, DDUGJY and RGGVY.
- A new scheme ‘**Ama Ghare LED Light**’ Karyakram has been launched in which each poor household will be provided with 4 LED bulbs free of cost. An allocation of Rs. 125 crore has been made towards this.
- The State Capital Region Improvement of Power System (SCRIPS) and Integrated Power Development Scheme (IPDS) continue to be prioritized.
- **Rs.341 crore** has been allocated as Equity Support to PSUs.
- The Odisha Renewable Energy Policy has been introduced and an Odisha Renewable Energy Development Fund has been established.

## **Improving Lives - Urban Infrastructure and Sanitation**

- The outlay for Housing and Urban Development Department has been stepped up to **Rs.5,162 crore in 2018-19** from Rs.4,492 crore in 2017-18, which is an increase of 15 per cent (approx.).
- Rs.400 crore has been allocated for the development of urban infrastructure through “**Urban Transformation Initiative (UNNATI)**” Scheme.
- Rs.400 crore towards the development of Bhubaneswar and Rourkela under the Smart Cities Mission.
- Rs.125 crore is provided towards improving the transport system of Bhubaneswar.
- Rs.300 crore has been allocated towards the ongoing Japan Internal Co-operation Agency (JICA) assisted improvement of sewerage system in Bhubaneswar and Cuttack.

## **State’s Initiative in Stepping up Rail Connectivity**

- An all-time high of Rs.400 crore has been proposed for development of Railway Projects in the State. This amount will be provided towards State contribution for Khurda-Bolangir, Nabarangpur- Jeypore and Jeypore- Malkanagiri New Railway line Projects.
- Government has also decided to infuse 26 per cent equity in commercially viable railway projects in the state to give a boost to the completion of projects of strategic importance through SPVs. **Rs.307 crore** has already been provided over the last four years. **Rs.20 crore** has been proposed in 2018-19 for this purpose.

## **Smoothing the Flight - Strengthening Air connectivity**

- A sum of **Rs.100 crore** is provided for construction of air strips towards enhancing air connectivity.
- Pro-active step for development of Utkela and Jeypore Airstrip under Regional Connectivity Scheme (RCS) - UDAN Scheme in 1<sup>st</sup> phase.

## **Convergence: Looking beyond the Budget**

- 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 utilization of resources.
- Compensatory Afforestation Fund Management and Planning Authority (CAMPA) Fund (F&E Deptt.), Odisha Mineral bearing Area Development Corporation (OMBADC) Fund (F&E Deptt.), District Mineral Fund (DMF) (Steel & Mines Deptt.), Odisha State Agricultural Marketing Board (OSAM Board) Fund (Co-operation Deptt.), Building & Other Construction Workers Welfare Board Fund (L&ESI Deptt.) are some of the sources.

## **Strengthening the Public Financial Management System**

- **Integration of Odisha IFMS with SBI e-pay** – for the payment of Taxes in Odisha Treasury Portal.
- **Integrated Financial Management System (IFMS 2.0)** – entire chain of financial transaction to go paperless with implementation of E-Pramaan and E-Signature.
- **ARPAN Portal** – for online revision of pensions.
- **Government e-Market Place (GeM)** – for paperless and transparent government procurement of goods.