

I. BUDGET HIGHLIGHTS for 2012-13

Overall State Finance

- Total Budget for the state is Rs. 52030 Cr
- Enabling state infrastructure through PPP mode extensively
- Two new Departments introduced: “Employment & Technical Education and Training Department” and “Department of Micro, Small and Medium Enterprises” with the allocation of Rs. 181.47 Cr and Rs 52.50 Cr. respectively.
- Establishment of a dedicated “Programme Delivery and Outcome Monitoring Unit” in Finance Department
- Minimum VAT to be increased from 4 percent to 5 percent
- State’s own revenue generation (own tax and non tax i.e Rs. 20810 Cr) is 47 percent of total revenue. The estimated growth of own revenue for this year is 13 percent
- Net debt added Rs. 3260.54 Cr to total debt stock Rs. 43842.73 Cr.
- The estimated non - plan expenditure (14.65 % growth over previous year) is Rs. 34350 Cr including Rs. 12343, Rs. 5800, Rs. 4512 and Rs. 3123 towards salary, pension, interest payment and maintenance of capital assets respectively.
- Plan Budget (19% increase over previous year against 30% increase in 2011-12) is estimated at Rs. 17200 Cr - 33.98 percent of the total budget
- Capital expenditure is estimated at 3% of GSDP over a stagnated 1.5-2 % of GSDP over a decade.
- Expenditure on Social Services (Education, health, tribal and women welfare, water supply and sanitation and social security) is 32 percent of total budget - has declined by 3.71 percent compared to 2011-12.

Education

- Budget for School and Mass education is Rs. 6537.40 Cr - 12.56% of State budget and 2.51 % of GSDP(in 2011-12 it was 12.10 percent of the state budget and 2.39 percent of GSDP)
- Budget for the elementary education was increased from 3334.26 Cr. in 2011-12 to 4263.99 Cr. in 2012-13.
- Inclusion of mid day meal scheme in the school and mass education department made the department’s budget rise to Rs.6537.40 Cr(20 percent increment over the last year). Budget for the MDM was Rs. 686.35 Cr. During 2012-13.

- Budget for the text book in the S & ME department was reduced to Rs. 20 Cr.(it was 25.99 Cr. during 2011-12)
- Scholarship budget in the S & ME department was decreased to 90 lakhs in 2012-13 as compared to 1.82 Cr. In 2011-12
- State Plan Expenditure as a percentage of the total department plan was decreased to 69.19 percent compared to 77.65 percent to the year 2011-12.

Health

- Budget for Health and Family Welfare is 3.50 percent of state budget and 0.70 percent of GSDP in 2012-13.(2011-12 it was 3.31 percent of total state budget and 0.66 percent of GSDP) B
- New scheme named as “Biju Gramina Swasthya Sibira” introduced with an outlay rs. 3 Cr to organize Health Camps in the inaccessible areas. N
- New scheme ‘Emergency Medical Ambulance’ initially to be implemented as a pilot in 15 districts. For Purchase of Ambulance Rs 10.00 Cr. from Odisha Health System Project Fund has been allocated. A
- Allocation for purchase of medicines was substantially increased from 50 cr(2011-12) to 104.56 cr(2012-13) A

Agriculture

- Budget for agriculture is Rs. 1526.30 Cr in 2012-13(it was 1230.70cr in 2011-12) with no new schemes for farmers development.
- Budget for *Jalanidhi* scheme has increased from Rs 63.15 Cr (2011-12) to Rs 100.00 Cr (2012-13)
- Along with an additional Rs 150 Cr for installing 10,000 bore wells facilitating in increment of irrigation potential in the state.
- Allocation for farm mechanization is estimated at Rs 90 Cr
- Rs. 26.55 Cr under Integrated Watershed Management Programme (IWMP)
- Budget provision for input subsidy on seeds, fertilisers, bio-fertilisers, insecticides, bio-pesticides etc both for the agriculture and horticulture has been provisioned at Rs 38.00 Cr

Others

- Budget for Women and Child Development department is Rs. 2723.68 Cr - 5.23 % of state budget B

- s 151. 50 Cr towards capital expenditure which was nil since 2001-02.
- New Scheme 'Mamata' with Rs. 275.70 Cr has been launched for providing nutrition and health care support to the pregnant and lactating women.
- Allocation for 'Targeted Rural Initiative for Poverty Termination and Infrastructure' (TRIPTI) is Rs 100 Cr in
- Budget for 'Mo Kudia Yojana' has increased by 66 percent to reach Rs 100 Cr in 2012-13.
- Budget for 'income generating schemes' for SCs has declined from Rs. 28.25 Cr. in 2011-12RE to Rs. 25.71Cr. in 2012-13
- A new scheme 'Biju Setu Yojana (BSY)' has been launched for construction of 400 bridges over a period of 4 years.
- Under this scheme, during 2012-13 financial year, Rs. 140.00 Cr has been allocated for construction of 100 bridges.
- Budget for water supply and sanitation declined to 18.33 percent in 2012-13 from 55.62 percent during 2008-09
- Allocation of Rs. 22.13 Cr under Odisha Rural Livelihood Programme (JEEBIKA)
- To cover all kenduleaf pluckers under Jana Shree Bima Yojana in the year 2012-13.

II. EXPECTATIONS FOR THE YEAR 2013-14

- **Focus on more revenue generation from own sources:** The contribution of Own Revenue Receipt (Own Tax + Own Non - Tax) to total Revenue Receipt of the state is less than 50 percent over years. Despite implementation of minimum increased VAT from 4 percent to 5 percent in the year 2012-13, the state's Own Receipt has been estimated at 47.47 percent of total Revenue Receipt. It has been observed that the states like Andhra Pradesh, Gujarat and Jharkhand contributed 13.31 percent, 8.26 percent and 10.32 percent of Own Revenue to their GSDP respectively in the year 2009-10 whereas the contribution of Odisha is only 7.23 percent. Hence, the state needs to bring enormous effort to enhance Own Revenue receipt i.e. at least 60 percent to total receipt.
- **Effort to reduce the Growth of Debt Burden:** Though the Debt / GSDP ratio has declined to 17 percent against the 13th Finance Commission's recommendation of 25 percent by 2014-15, the total volume of debt has remained a burden for the state. The net debt incurred in the year 2012-13 is Rs. 3260.54 Cr and the total debt stock is still about double (98 percent) to the

total Revenue Receipt of the state. The estimated per capita debt burden in 2012-13 is Rs. 10275.53 Cr which has grown over years. This needs the attention of state government in curbing the growing size of debt.

- Though there is significant increase in State Budget expenditure, the plan expenditure has not been given equal importance in comparison to the increment in non plan expenditure. The growth of plan expenditure is estimated at 19 percent for the year 2012-13 which was 28 percent and 30 percent during 2011-12 and 2010-11 respectively. Also, a significant portion of the state plan is going to meet the state's share in central sponsored plan schemes. **The per capita plan expenditure for Odisha in 2010-11 is only Rs. 3076 Cr which is very low compared to Jharkhand (Rs. 6086 Cr), , Gujarat (Rs. 4454 Cr) and Andhra Pradesh (Rs. 4716 Cr). Thus, the state should focus on increasing plan expenditure as well as urge new and innovative programmes to be financed under state plan.**

Education

- **Required more Budgets to Meet the Millennium Development Goals:** The budget for School and Mass Education (S&ME) Department has increased from Rs 5417.31 Cr. in 2011-12(RE) to Rs 6537.40 Cr. in 2012-13 (BE). Although the quantum of budget has increased by 20.67 percent than the previous year but as a percentage of GSDP the education budget is only 2.51 percent with a fractional increase of 0.12 percent over the previous year (2011-12 RE). Similarly as percentage of state's total budget, S & ME budget is only 12.56 percent which was 13.45 in 2009-10. There is a need of allocation of 6 percent of GSDP to fulfill the commitment under MDGs.
- **Priority for Capital Expenditure:** The budget for capital expenditure within the department is only Rs 11.05 Cr (0.17%) which was Rs 216.47 Cr (4%) in 2011-12(RE). As per the economic survey 2010-11, **there is only one primary school per 2.9 sq. K.M., One upper primary school per 7 sq K.M. and only 6193 high schools in the state. While on one side, the state needs to open new schools to ensure RTE, on the other side there is a decrease in capital expenditure (Major Head- 4202) for the department which is not sufficient for construction of new schools.**
- **Need more budget for Elementary Education:** Budget for elementary education has increased from Rs 3334.26 Cr in 2011-12(RE) to Rs 4263.99 Cr in 2012-13(BE). This is because of shifting of the mid-day meal budget from Women and Child Development department to S&ME department. An amount of Rs 686.35 Cr. is allotted under the Mid-day meal programme. While calculating the budget for

elementary education excluding the mid-day meal budget it was found that in 2011-12(RE) it was 1.43 percent of GSDP and it decreased to 1.37percent of GSDP in 2012-13(BE).

- **Budget for Text Books should increase:** Nearly 17% of the total books supplied to the students at elementary level are produced by the government text book press. Budget for text book which was Rs 25.99 Cr in 2011-12(RE) has reduced by Rs 5.25 Cr in 2012-13(BE). Looking at the object head of the budget for text book it was found that budget for materials and supplies (**Detail Head-33002**) has decreased by Rs 3 Cr and budget for tools and Plant (**Detail head-31003**) has decreased by Rs 2.5 Cr. On the other side budget for management and administration has increased by Rs.0.25 Cr. Such figures raise concerns of the responsibility of the state in addressing the issue of shortage of text books.
- **Appropriate Budget for Scholarship:** To encourage the students at the elementary level, S&ME department is providing L.P. and U.P. merit scholarships and L.P. and U.P. merit-cum poverty scholarships. **The government has fixed 2500 number of beneficiaries from each category and the amount of scholarship is Rs 50/ per student for L.P. and Rs 100/ student for U.P. level student for two years. So the state needs an amount of Rs 1.8 Cr. for scholarship. But the budget provision for scholarship is only Rs 0.90 Cr. in 2012-13(BE), which was Rs 1.81 Cr. in 2011-12(RE).**

Health and Family welfare

- **More allocation to achieve Millennium Development Goals (MDGs):** In order to achieve, the MDGs, the state needs to allocate at least 3 percent of GSDP for health and family welfare department. Whereas the state share of departmental expenditure to GSDP is only 0.70 percent in the year 2012-13 BE.
- **Allocation towards providing diet** to the indoor patients is Rs 22.72 Cr, which exceeds by 37 percent over the previous year's allocation. But, as per the Economic Survey 2011-12 the number of inpatients is 36 lakh.s Accordingly, per patient, the allocated amount comes to Rs 63 and on an average if the same patient is hospitalized for at least 7 days, the per day meal cost comes down to a meager Rs 9 which raises concern regarding the quality of food and diet provided to the patients.

- **The Position of medical professional** is very important for delivery of health services to the people. In Odisha, there are 3630 doctors and 5213 staff nurses posted in all the district hospitals, Sub-divisional hospitals, CHCs and PHCs. Looking, at the number of health institutions and IPHs norm, the requirement of doctor is 5570 and staff nurse is 9268 in the state. To cater to such provisions, additional 1940 doctors and 4055 staff nurses are required.
- **Requirement of Health Institutions:** There is a huge gap in the current availability and requirement of health institutions in the state. As compared to the IPHS norm the state is short with 119 centres both CHCs and PHCs. The sub centre is the most peripheral institution and the first contact point between the health care system and community. There is a shortfall of 1701 number of such sub-centres in the state. The budget 2012-13 (BE) for infrastructure development of Medical Colleges, staff quarters, Sub-centre buildings and new PHC buildings is Rs.99.30 Cr which has been provided under State Plan including Thirteenth Finance Commission Grants. The sanction amount is not adequate to meet the requirement.
- **Maintenance of PHC Building:** Over the years, the state has given less priority towards maintenance of hospital buildings which creates a sick and unhygienic environment in the health institutions. According to Health and Family Welfare Department, the state has 1279 number of PHCs for maintenance of which the budgetary provision Rs 10 lakhs during both 2011-12 RE and 2012-13 BE. The maintenance cost per PHC accounts to only Rs 782 which is utterly inadequate to meet the requirement.
- **Emergency Medical Ambulance:** In order to strengthen the health security, the state government has launched a new scheme namely 'Emergency Medical Ambulance' initially to be implemented as a pilot in 15 districts. Assuming that, this ambulance will be placed at PHC level; there are 1278 PHCs in the state, totaling to 640 PHCs in 15 districts. For Purchase of Ambulance Rs 10.00 Cr. from Odisha Health System Project Fund has been allocated during current financial year. According to the budget allocated, if one Ambulance costs Rs 10 lakh, only 100 ambulance can be purchased, where as the requirement is for 640 PHCs. This clearly reflects that, the sanction amount is not adequate to meet the requirement.

Agriculture

- **Agriculture budget needs more share**

- **Budget provision for capital expenditure:** Agriculture sector in Odisha witnesses' huge shortfall of capital assets in the field of information dissemination, capacity building of farmers, emergency support services at the ground level, marketing facilities for agriculture produces, fair price shops for selling of agriculture implements, more credit facilities for small & marginal farmers and etc. However, since 2005-06 and onwards, the department does not make any provision for capital expenditure which will have tremendous negative impact on agriculture production of the state. Thus, there should be budgetary provision on capital outlay **on crop husbandry (budget head-4401) & investments in agriculture financial institutions (budget head-4416).**

- **Provision of budget for agri-clinics at the block head quarter:**-As per the chief minister's package to farmers, there will an agri-clinic at the district head quarter to facilitate the farmers to purchase their all agricultural requirements from one place. But, looking at the ground reality, this concept looks hardly viable. It is a fact that the farmers in the state are not economically sound and at the same time inputs for agriculture are frequently required. Thus, affording frequent travel costs to the district head quarters just to purchase agriculture inputs seems a difficult task. Therefore, to facilitate easy accessibility, budgetary provision is required for opening of agri-clinic and agribusiness centres (budget head-1965) at the block head quarters.

- **More budget provision for Village Level Workers (VLWs) & rural women's training in agriculture:**-"Training to village level workers for agriculture and rural women (budget head-0468)" is one of the major factors to augment agricultural productivity of the farmers in general and the rural women in particular (in tribal belt).But looking at the budgetary provision for the purpose, it seems to have marginally increased from Rs 1.49 Cr in 2012-13 against Rs 1.46 in 2011-12. On the other hand, by looking in to the trend of percentage of budgetary increment from the departmental budget expenditure, it is observed to be continuously declining since 2007-08. (2007-08-0.20% & 2012-13-0.10%).Thus, budget for this head should rationally be increased.

- **Budget for establishment of Procurement centres at the Panchayat level**
- **Introduction of new scheme (Kishan Provident Fund)**

SC & ST Development

- **Increase the budget for pre-matric scholarship for day scholars:** present rate is only at Rs. 150 for boys and Rs. 200 for girls at primary level and Rs.200 for boys and Rs.250 for girls at upper primary level which is very less for the students to meet the cost of the study materials round the year
- The State government has increased the rate of pre-budget scholarship in the year 2010 from Rs. 500.00 to Rs.600 for boys and Rs.530.00 to Rs.630.00 for girl inmates residing in residential schools. **But the increased amount is not enough since this amount includes 2 times meal per day with weekly 2times non-veg item, 1 time tiffin, two times clothing per year, DTH expenditure, pocket money for girls and other expenditure.** So, this amount should be increase, as the prevailing market price is much higher than the existing budget to maintain a student. So, the state should allocate more fund i.e.Rs.1150.00 for boys and Rs.1250.00 for girls per month who are residing in residential schools.
- According to home department and Human Rights protection Cell (HRPC) data the number of atrocity cases against SCs and STs under SCs and STs (POA) Act-1989, are increasing over the years. But there is not any budgetary provision to implement the act. **Only the legal aid and monetary relief to the victim are under the budget which is addressing the problem. But there some certain other provisions like rehabilitation to the victim and setting up special courts to implement the act for which there is no budgetary provision.** So, there should be special budgetary provision for them and the state should make separate desk for the SCs and STs at each police station in the state for which the state should allocate fund.

Social Security Schemes

- **More allocation for Madhu Babu Pension Yojana:** According to the State Government, 16,08,400 beneficiaries have already been covered under Madhu Babu Pension Yojana (MBPY) during 2011-12. At the flip side, from the State Government's budget provision, **it's evident that the state had allocated Rs. 350.26 Crore in 2012-13(BE) against a requirement of Rs. 579.02 Crore (as per the revised monthly pension of Rs 300/-) under this scheme.** This allocation might cause 6,35,467 beneficiaries to lose their pension amount within 2012-13. The budget estimate for MBPY has been stagnant at an amount of Rs. 338.02 Cr from 2009-10 FY to 2011-12 FY. It implies that no new beneficiaries have been added in the scheme during

this tenure. On the other hand as per the Annual Report of Women & Child Development Department, two lakh more beneficiaries were covered during 2011-12 under this scheme. But the budget allocation was Rs. 338 Cr. against a requirement of Rs 386.02 Cr. The state needs to allocate appropriate budget as per the beneficiaries to be covered in MBPY in the coming financial year.

- **State budget support for IGNOAPS & more allocation for MBPY:** With Odisha as an exception, all other states in India are providing an additional amount for the old age pension each month through the Indira Gandhi National Old Age Pension scheme (IGNOAPS). In this respect, Goa is providing Rs.1100 (an additional amount Rs.800), Haryana is giving Rs. 800 (an additional amount of Rs. 500), Chhattisgarh is providing Rs. 400 (an additional amount of Rs 100/-) and in Jharkhand the beneficiaries are getting Rs. 500 (an additional amount of Rs. 200) per month. In Odisha, no additional amount is being paid to the beneficiaries of IGNOAPS. In 2008-09 State Government launched MBPY for those who are not covered under IGNOAPS. For last five years all the beneficiaries covered under both the schemes receive only Rs. 200/- as the pension amount every month which was increased to Rs 300/- in the current financial year still is worse in comparison to pension amount provided by other states. This provision needs to be stringent with an increased budget provision for MBPY along with an additional amount for beneficiaries under IGNOAPS
- **More financial assistance under Mo Kudia Yojana in IAP districts:** The financial assistance under the State plan scheme for Mo Kudia Yojana is fixed at Rs. 48,500 per unit in the IAP districts. But the budget estimate for IAP districts is less (1.86 Crore in 2011-2012) as per the unit cost (Rs. 48500). So for all the 18 IAP districts budget allocation should be made as per the physical targets.