



GOVERNMENT OF ODISHA

# PEOPLE'S BUDGET

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February, 2020

FINANCE DEPARTMENT

# 2020-21

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## Budget Overview

Budget 2020-21 focuses on governance & development of the State through the 5T Mantra— Technology, Teamwork, Transparency, Time & Transformation and citizen centric initiative “Mo Sarkar”. Budget 2020-21 captures people’s aspiration for a “New Odisha” by transforming from “Reactive Governance” to “Proactive Governance”. It therefore, focuses on creation of state-of-art infrastructure, transformative healthcare facilities & education services, robust eco-system for skills, sports, tourism, culture, industries, MSMEs etc. Citizen’s trust in government is indispensable for the functioning of democratic machinery. The Government of Odisha intends to build this trust through transparency, accountability and budgeting for the happiness of its people.

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# People's Budget

The People's Budget document is prepared to improve people's access to budgetary information with the objective of promoting accountability and transparency in Odisha's Public Finance Management. It simplifies Odisha budget, highlighting its important features and making it easy for common people to understand and grasp the budget. The policies and programs reflected in the budget affect the lives and well-being of all people and therefore it is important for them to fully realize its implications.

## A Look at the State's Economy

The Real Gross State Value Added (GSVA) at Basic Prices , which broadly reflects the supply or production side of the State economy, has registered a growth of 6.05% in FY 2019-20 (Advance Estimate) against 8.59% in FY 2018-19 (Revised Estimate). The real Gross State Domestic Product (GSDP) has registered a growth of 6.16% in FY 2019-20 as compared to 7.9% corresponding to previous year's revised estimate. The real GSDP growth has exceeded the all-India real growth rate of 5.0% (1<sup>st</sup> Advance Estimate) in 2019-20 . As a result, the Real Per Capita Income has shown a growth of 5.1% in FY 2019-20 (Advance Estimate) as against 6.97% recorded in FY 2018-19 (1<sup>st</sup> RE). The trend in real growth in GSVA, GSDP and Per Capita Income are presented in Chart 1.

**Chart 1: Trend in Real Growth in GSVA and GSDP (%)**



<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

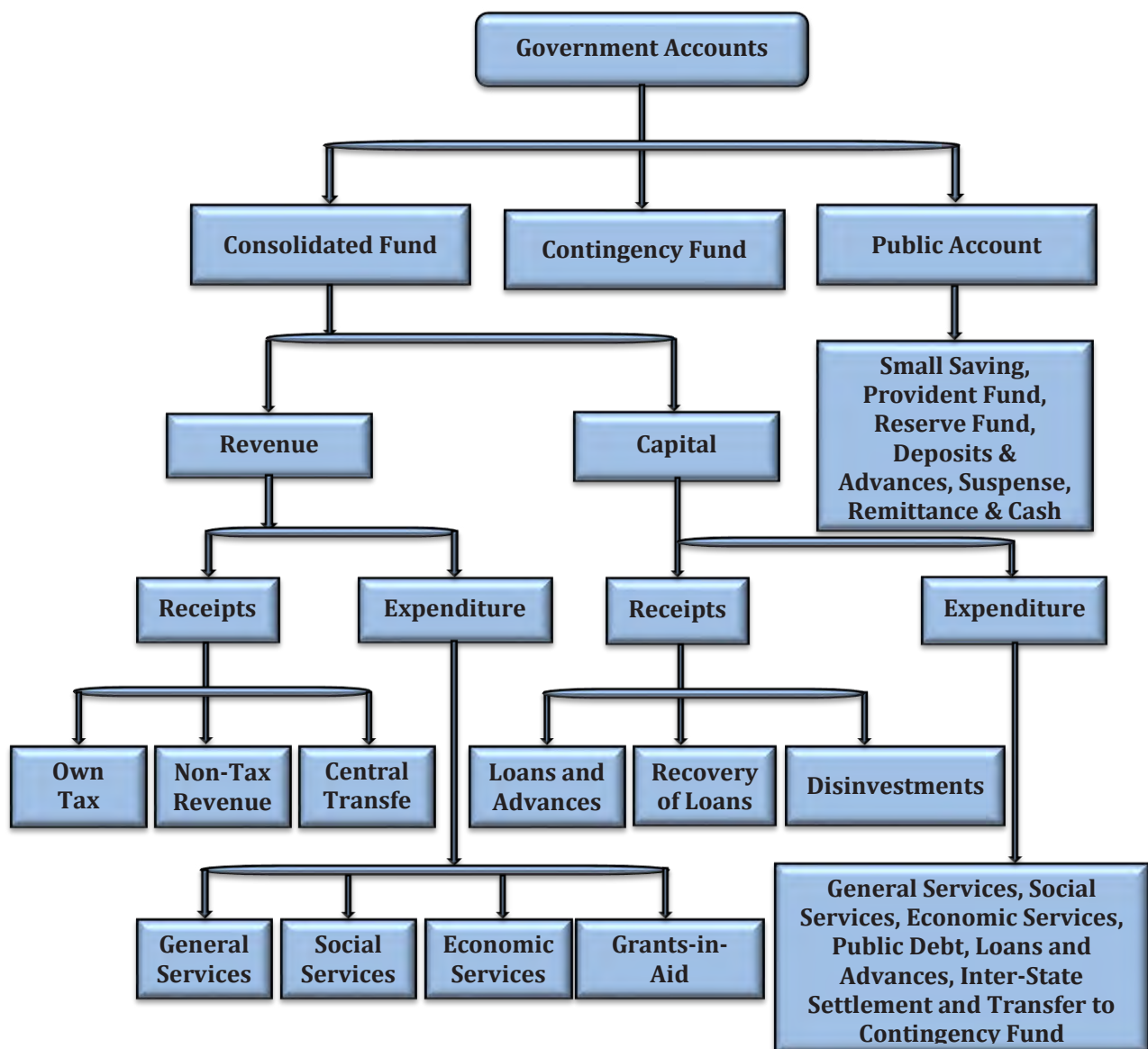
<sup>3</sup> The Macro Economic Framework Statement, Presented in Union Budget 2020-21, <https://www.indiabudget.gov.in/doc/frbm1.pdf>, Accessed on February 1, 2020.

The per cent shares of Primary, Secondary and Tertiary Sector in Real Gross State Value Added (GSVA) of the State economy in FY 2019-20 are reported in Table 1. The contribution of Primary Sector to GSVA is 26.89% in FY 2019-20 (A) as compared to 27.02% in FY 2018-19 (1st RE). Similarly, the contribution of Secondary Sector and the Tertiary Sector stands at 32.15% and 40.96% respectively in FY 2019-20 (A) as compared to 32.32% and 40.66% in FY 2018-19 (1st RE). A detailed analysis of sectoral contributions can be seen in Table 1.

**Table 1: Contribution of Economic Activity to GSVA at constant (2011-12) basic prices**

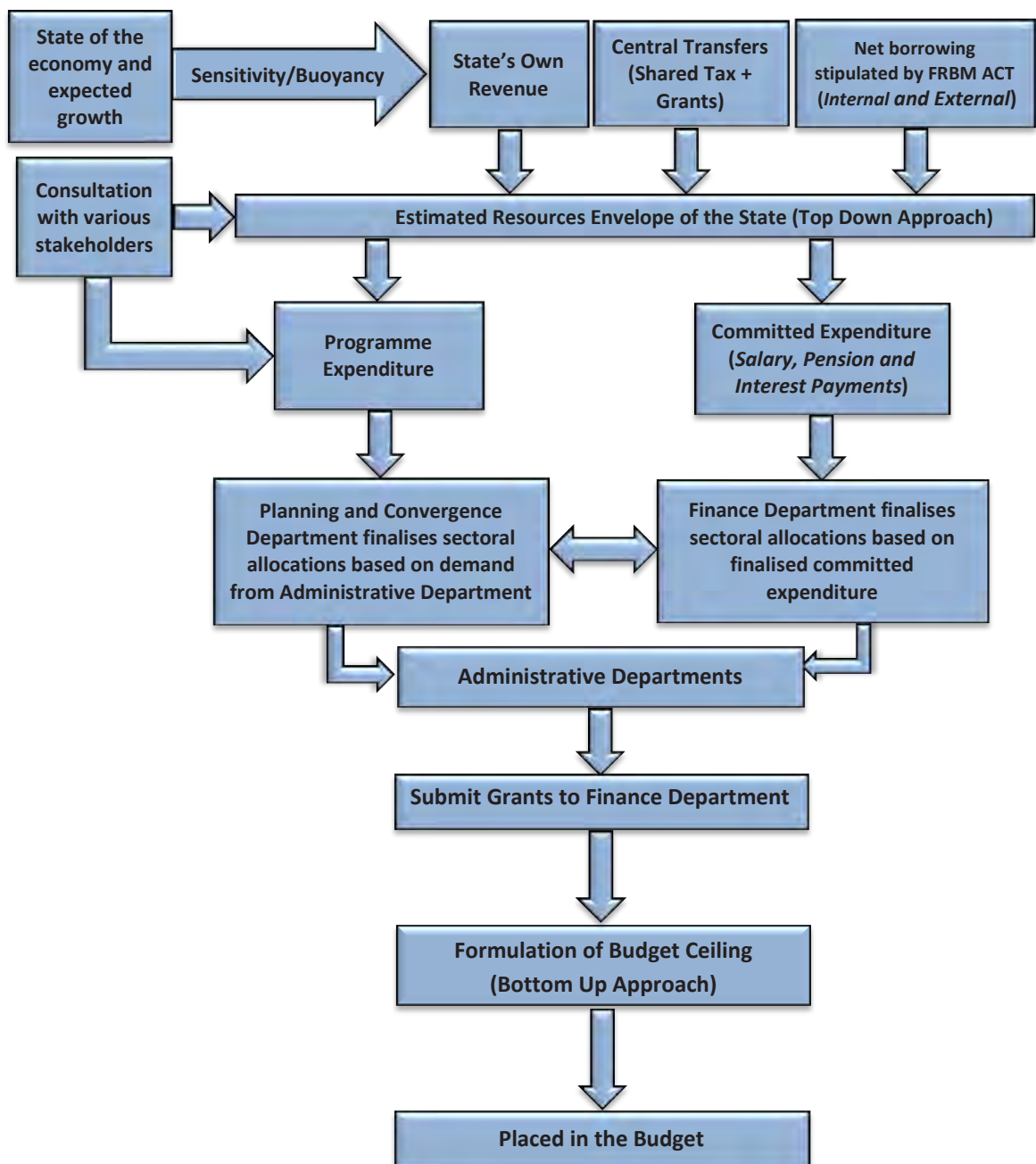
| Economic Activity  | 2012-13       | 2013-14       | 2014-15       | 2015-16       | 2016-17<br>(3rd R) | 2017-18<br>(2nd R) | 2018-19<br>(1st R) | 2019-20<br>(A) |
|--|---------------|---------------|---------------|---------------|--------------------|--------------------|--------------------|----------------|
| Agriculture, Forestry and Fishing                                    | 19.65         | 17.30         | 18.41         | 14.97         | 15.83              | 13.83              | 13.81              | 14.01          |
| Mining and Quarrying   | 11.20         | 12.27         | 11.15         | 13.38         | 13.42              | 12.34              | 13.21              | 12.88          |
| <b>Primary</b>   | <b>30.85</b>  | <b>29.56</b>  | <b>29.56</b>  | <b>28.35</b>  | <b>29.25</b>       | <b>26.18</b>       | <b>27.02</b>       | <b>26.89</b>   |
| Manufacturing  | 17.18         | 19.12         | 17.10         | 17.63         | 20.71              | 21.39              | 21.20              | 21.17          |
| <b>Secondary</b>   | <b>29.84</b>  | <b>31.53</b>  | <b>29.05</b>  | <b>29.47</b>  | <b>31.91</b>       | <b>32.53</b>       | <b>32.32</b>       | <b>32.15</b>   |
| Trade, Repair, Hotels and Restaurants                                | 9.81          | 9.72          | 10.37         | 11.11         | 10.17              | 10.56              | 10.12              | 9.87           |
| Transport, Storage, Communication & Services related to Broadcasting | 6.51          | 6.49          | 7.20          | 7.42          | 7.04               | 7.22               | 6.69               | 6.36           |
| Financial Services   | 3.87          | 3.68          | 3.98          | 3.99          | 3.55               | 4.01               | 4.20               | 4.20           |
| Real estate, Ownership of Dwelling & Professional Services           | 7.63          | 7.48          | 7.83          | 7.85          | 7.43               | 7.67               | 7.48               | 7.58           |
| Public Administration and Defence                                    | 3.98          | 4.95          | 5.24          | 5.22          | 4.62               | 4.78               | 5.24               | 5.97           |
| Other Services   | 7.51          | 6.59          | 6.77          | 6.59          | 6.05               | 7.05               | 6.93               | 6.97           |
| <b>Tertiary</b>  | <b>39.31</b>  | <b>38.91</b>  | <b>41.39</b>  | <b>42.18</b>  | <b>38.84</b>       | <b>41.29</b>       | <b>40.66</b>       | <b>40.96</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>      | <b>100.00</b>      | <b>100.00</b>  |

# Structure of Government Accounts





# The Process of Budget Formulation



# Participatory Budget Initiative

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

Finance Department, Government of Odisha sought public opinion from its citizens on various issues pertaining to the budget. Public opinions were obtained directly and indirectly through a pre-budget consultation process and three PBI channels, i.e., the web portal on the Finance Department's website, WhatsApp, Short Messaging Services and Electronic Mail with the help of Electronic & Information Technology Department. These three channels went live from 15th December, 2019 to 15th January, 2020. The total number of registered responses as on the 15th January, 2020 stands at 1564.

Further, views were also obtained directly through the pre-budget consultation meetings held on 15th January, 2020. The consultation group comprised Former Finance Ministers, Former Finance Secretaries, Academicians, Bankers, Representatives from various Non-Government Organizations (NGOs), Industrialists, Journalists, Civil Society Representatives, and others. The analysis of the responses received is presented in Table 2.

**Table 2: Analysis of the Responses of PBI**

| Components                          | SMS/Email/<br>Telegram | Whats<br>App | Web<br>Portal | Total       | Share of<br>Responses<br>(%) |
|-------------------------------------|------------------------|--------------|---------------|-------------|------------------------------|
| <b>Revenue</b>                      | <b>26</b>              | <b>0</b>     | <b>15</b>     | <b>41</b>   | <b>2.62%</b>                 |
| Own Tax Revenue (SOTR)              | 19                     | 0            | 8             | 27          | 1.73%                        |
| Non- Tax Revenue (SONTR)            | 7                      | 0            | 7             | 14          | 0.90%                        |
| <b>Expenditure</b>                  | <b>292</b>             | <b>387</b>   | <b>612</b>    | <b>1291</b> | <b>82.54%</b>                |
| Agriculture Budget                  | 43                     | 42           | 10            | 95          | 6.07%                        |
| Infrastructure                      | 22                     | 26           | 10            | 58          | 3.71%                        |
| General Service                     | 21                     | 9            | 33            | 63          | 4.03%                        |
| Social Service                      | 143                    | 27           | 555           | 725         | 46.36%                       |
| Economic Service                    | 63                     | 283          | 4             | 350         | 22.38%                       |
| <b>Others</b>                       | <b>0</b>               | <b>0</b>     | <b>232</b>    | <b>232</b>  | <b>14.83</b>                 |
| Economy and Cost Control            | 0                      | 0            | 3             | 3           | 0.19%                        |
| Allocation for Services and Sectors | 0                      | 0            | 147           | 147         | 9.40%                        |
| Public Services Delivery            | 0                      | 0            | 37            | 37          | 2.37%                        |
| Business and Economic Environment   | 0                      | 0            | 7             | 7           | 0.45%                        |
| Social Welfare                      | 0                      | 0            | 38            | 38          | 2.43%                        |
| <b>Grand Total</b>                  | <b>318</b>             | <b>387</b>   | <b>859</b>    | <b>1564</b> | <b>100%</b>                  |

Valuable inputs and suggestions from the people are segregated department-wise and sector-wise and communicated to the concerned department to consider the suggestions as a part of the budget making process both for short-term and medium-term action. The suggestions received from the public have been considered for formulating this year's budget. Further, these will guide the Departments to factor the aspirations of the people in Medium Term Planning. State Budget 2020-21 reaffirms the government's commitment to improve lives of the people and ensure welfare of the poor and vulnerable, within the limited resources. Budget 2020-21 is a response to societal aspirations.

# Budget at a Glance

**Table 3: Budget at a Glance (₹ crore)**

|          |                                     | 2018-19          | 2019-20           | 2019-20          | 2020-21          |
|----------|-------------------------------------|------------------|-------------------|------------------|------------------|
|          |                                     | Actuals          | BE                | RE               | BE               |
| <b>1</b> | <b>Revenue Receipts (a+b+c+d)</b>   | <b>99546.12</b>  | <b>115266.00</b>  | <b>111785.25</b> | <b>124300.00</b> |
|          | a. State Own Tax Revenue            | 30318.33         | 33000.00          | 33550.00         | 38350.00         |
|          | b. State Own Non-Tax Revenue        | 14276.53         | 12500.00          | 14500.00         | 17650.00         |
|          | <b>Total Own Revenue (a+b)</b>      | <b>44594.86</b>  | <b>45500.00</b>   | <b>48050.00</b>  | <b>56000.00</b>  |
|          | c. Shared Tax                       | 35353.73         | 39206.59          | 30453.25         | 36299.74         |
|          | d. Grants-in-Aid                    | 19597.53         | 30559.41          | 33282.00         | 32000.26         |
|          | <b>Total Central Transfer (c+d)</b> | <b>54951.26</b>  | <b>69766.00</b>   | <b>63735.25</b>  | <b>68300.00</b>  |
| <b>2</b> | <b>Capital Receipts (a+b+c)</b>     | <b>14402.38</b>  | <b>23734.0017</b> | <b>23214.75</b>  | <b>25700.00</b>  |
|          | a. Recovery of Loans                | 305.30           | 150.00            | 423.96           | 250.00           |
|          | b. Other Receipts                   | 0.00             | 0.00              | 0.00             | 0.00             |
|          | c. Borrowings and Other Liabilities | 14097.08         | 23584.00          | 22790.78         | 25450.00         |
| <b>3</b> | <b>Total Receipts (1+2)</b>         | <b>113948.50</b> | <b>139000.00</b>  | <b>135000.00</b> | <b>150000.00</b> |
| <b>4</b> | <b>Total Expenditure (5+6)</b>      | <b>113948.49</b> | <b>139000.00</b>  | <b>135000.00</b> | <b>150000.00</b> |
| <b>5</b> | <b>Revenue Expenditure of which</b> | <b>85356.41</b>  | <b>108737.91</b>  | <b>105610.73</b> | <b>114790.86</b> |
|          | a. Interest Payments                | 5800.37          | 6500.00           | 6500.00          | 7160.00          |
| <b>6</b> | <b>Capital Expenditure of which</b> | <b>28592.09</b>  | <b>30262.09</b>   | <b>29389.27</b>  | <b>35209.14</b>  |
|          | a. Debt Repayment                   | 3939.70          | 4707.00           | 4607.00          | 7572.00          |
| <b>7</b> | <b>Revenue Balance (1-5)</b>        | <b>14189.71</b>  | <b>6528.09</b>    | <b>6174.52</b>   | <b>9509.14</b>   |
|          | <i>As % of GSDP</i>                 | <i>2.86</i>      | <i>1.21</i>       | <i>1.16</i>      | <i>1.59</i>      |
| <b>8</b> | <b>Fiscal Balance [(1+2a+2b)-4]</b> | <b>-10157.38</b> | <b>-18877.00</b>  | <b>-18183.79</b> | <b>-17878.00</b> |
|          | <i>As % of GSDP</i>                 | <i>-2.05</i>     | <i>-3.49</i>      | <i>-3.41</i>     | <i>-3.00</i>     |
| <b>9</b> | <b>Primary Balance [8+5]</b>        | <b>-4357.01</b>  | <b>-12377.00</b>  | <b>-11683.79</b> | <b>-10718.00</b> |
|          | <i>As % of GSDP</i>                 | <i>-0.88</i>     | <i>-2.29</i>      | <i>-2.19</i>     | <i>-1.80</i>     |

Note: “-” indicates deficit, “+” indicates surplus

# Budget Highlights

## Thrust of the Budget: Transformation

- **5T Mantra** and citizen centric initiative **“Mo Sarkar”** reflect governance and development strategy for the State
- Transformation from **“Reactive Governance”** to **“Proactive Governance”**
- Aspiration for a **“New Odisha”**
- To bring transformative change in the agriculture & allied sector through **higher focus on research, development and extension activities**
- Construction of **“In-stream Storage Structures (ISS)”** in all major rivers with an investment of **₹12,000 crore** over five years - A transformative initiative for water conservation and usage
- **Mega plan to transform Puri into World Heritage City** with total investment plan of **₹3208 crore**
- Comprehensive **EKAMRA Plan to transform 65 acres around Lingaraj Temple** with total investment plan of **₹700 crore**
- **Comprehensive development plan for Samaleswari Mandir, Hirakud dam, Bhitarkanika, Talasari and other iconic sites**
- **Comprehensive decongestion plan for Cuttack**
- **Transformation of SCB Medical College into a state-of-art facility** with total investment of **₹1000 crore**
- Establishing a **“World Skills Centre”** in Bhubaneswar to transform **“Skilled-in-Odisha”** into a global brand
- Massive investment in tourism sector to **transform Odisha into a world class tourist destination**

## What is New in the Budget?

- Introduction of **e-Budgeting – A green initiative**
- A separate **Budget Mobile App** – Available both in Google Play store and Apple App store
- **QR code** made available for easy access to the Budget Mobile App
- Introduction of **Nutrition Budget document – First State in the country**
- Introduction of **Climate code Budget document – First State in the country**
- Introduction of **Strategic Budget making process to improve budget credibility – First State in the country**
- **Improvement in disclosure standards** – Budget data is made available in excel format

## Health Care for all



- A total sum of **₹7,700 crore** is allocated for public health care, which is an increase of about 14% over previous year
- **₹1,108 crore** is provided under the scheme **Biju Swasthya Kalyan Yojana** for free Medical facilities with coverage up to **₹5 lakh per family** in case of male members and up to **₹10 lakh per family** in case of female beneficiaries
- Provision of **₹578 crore** has been made under **Mukhyamantri Swasthya Seva Mission** for building health infrastructure and services
- **₹1,652 crore** has been provided for **National Health Mission**
- **₹360 crore** is proposed for maintaining quality of sanitation, laundry, security, gardening & lift services in public health facilities under **Nirmal Scheme**
- **₹1000 crore** is proposed to **transform SCB Medical College** into a state-of-art facility over next two years
- **₹562 crore** is proposed for 7 new Government Medical Colleges at Puri, Jaipur and Keonjhar, Bhawanipatna, Sundargarh(by NTPC), Talcher (by MCL) and Kandhama
- **₹47 crore** is provided for the Employees State Insurance (ESI) scheme and 220 new posts of doctors and paramedics have been created for ESI Hospitals at Bhubaneswar and Angul

### Education and Skill Development



- Total **₹22,631 crore** has been allocated for education and skill development sector
- **₹400 crore** is provided under **Odisha Adarsha Vidyalaya** to meet the establishment and running the schools
- **₹3,157 crore** is provided for **Samagra Sikshya Abhiyan** and **₹800 crore** for **Mid-day Meal Scheme** all of which will have a State share of 40%
- **₹8 crore** is provided for LPG connection in 10000 Primary and Upper Primary Schools to encourage use of green and clean fuels
- A sum of **₹40 crore** is provided under **Mo School Abhiyan** for infrastructure development of schools. The Government will provide twice the amount donated by any person for various purposes such as science laboratory, library, sports, etc
- Looking at the success of Mo School Abhiyan, a sum of **₹10 crore** is proposed towards corpus fund under **Mo College Abhiyan**
- Allocation for **₹231 crore** is made under the **Gangadhar Meher Sikshya Manakbrudhi Yojana (GMSMY)** to provide school bags to all children from Class-I to V, free textbooks and school uniform including shoes to all children from Class-I to VIII and free bicycles to all students in Class-IX of Government and fully aided schools including OAVs
- **₹1407 crore** is proposed for pre-matric and post-matric scholarships
- **₹130 crore** is proposed under World Bank assisted **Odisha Higher Education Programme for Excellence and Equity** to transform select universities and colleges into Centers of Excellence
- **₹220 crore** is provided for the **Rashtriya Uchatara Sikshya Abhiyan (RUSA)** Scheme for higher education and technical education
- Provision of **₹220 crore** has been made under the Asian Development Bank assisted **Odisha Skill Development Project** to bring up a World Skill Centre in Bhubaneswar
- A sum of **₹199 crore** has been allocated for infrastructure development of Technological Universities and Engineering Colleges, Engineering Schools, Polytechnics and ITIs

### Agriculture: Farmer Welfare



- Allocation of **₹19,408 crore** to Agriculture and allied activities
- An outlay of **₹3,195 crore** under the scheme Krushak Assistance for Livelihood and Income Augmentation (**KALIA**)
- **₹705 crore** has been provided towards Interest Subvention on crop loans to Co-operative as well as Commercial Banks
- **₹150 crore** has been provided as **Infrastructure Grants to OUAT** for promoting agriculture education and research
- **₹123 crore** has been allocated for **National Horticulture Mission**
- Revolving fund of **₹100 crore** each for seeds and fertilizers has been proposed to ensure advance availability of quality seeds and fertilizers for the farmers during the cropping seasons
- A sum of **₹100 crore** has been proposed towards subsidy for capital investment for establishment of Commercial Agri-enterprises
- **₹224 crore** is proposed for popularization of agricultural implements, equipments and diesel pump sets
- An outlay of **₹60 crore** has been provisioned as **Support to Farmers' Producers' Organisation**
- **₹40 crore** has been provided under **Paramparagat Krishi Vikash Yojana** to promote organic farming in around 20,800 hectares of land
- **₹700 crore** has been allocated for **Pradhan Mantri Fasal Bima Yojana (PMFBY)**

### Irrigation



- An outlay of **₹1,811 crore** has been provided in 2020-21 for incomplete AIBP Projects implemented through PMKSY
- **₹1,092 crore** has been proposed for construction of **In-stream Storage Structures (ISS)** in all major rivers of the State. Over a period of five years, total investment plan of ₹12,000 crore for ISS
- **₹910 crore** has been proposed under state funded Water Sector Infrastructure Development Programme (WSIDP) for on-going and new projects
- An outlay of **₹1060 crore** has been proposed for flood control and drainage work
- **₹360 crore** is provided under **Biju Krushak Vikas Yojana** for community lift irrigation projects
- **₹193 crore** has been allocated for revival of 1200 defunct lift irrigation points
- A sum of **₹540 crore** has been allocated for **Parbati Giri Mega Lift Irrigation Scheme**
- A sum of **₹35 crore** has been proposed for **Rooftop rain water harvesting and ground water recharge in 27 Urban Local Bodies (ULBs) and 49 water stressed Blocks**
- An outlay of **₹180 crore** has been provided under RIDF for Jananidhi scheme to create additional irrigation potential
- A sum of **₹459 crore** has been proposed for completion of 15,000 Deep Bore Wells
- **₹190 crore** is being proposed under **Canal Lining and System Rehabilitation Programme (CLSRP)**
- A sum of **₹150 crore** has been proposed for renovation and restoration of 538 MIPs
- **₹90 crore** has been proposed under **Nabakrushna Choudhury Secha Unayana Yojana**

### Drinking Water



- Total investment for piped drinking water more than **₹8,000 crore**
- Proposal of an outlay of **₹3,250 crore** for rural piped water supply and **₹236 crore** for urban piped water supply under **BASUDHA**
- Additional **₹2000 crore** has been provided under **Jal Jeevan Mission**
- **₹560 crore** has been allocated towards operation and maintenance of water supply systems
- Off-budget resources like DMF (**₹1538 crore**) and OMBADC (**₹991 crore**) are employed in convergence mode for piped water supply
- **₹560 crore** has been allocated for 9 pilot projects at Bhubaneswar and Puri under **Drink from Tap Mission** to improve quality of drinking water in all 114 Urban Local Bodies (ULBs) along with 24x7 water supply as a **5T initiative**

### Push to Investment: Industrial Development



- **₹575 crore** allocated for development of **Industries sector and attracting investment- Allocation Doubled**
- Technological platforms like **GO SWIFT, GO SMILE, GO PLUS, and GO CARE** are used for improving Ease of Doing Business
- **₹284 crore** Financial Assistance to IDCO for development of industrial infrastructure
- An outlay of **₹200 crore** is made for **Handloom, Handicrafts, Sericulture and Textile sectors** and **₹250 crore** is provided for **MSME sector**
- Allocation of **₹182 crore** has been made for the **Mining sector** including **Rs.43 crore for i3MS** and **Rs.73 crore for Mineral Exploration & Auction**



### Infrastructure Development

**₹2272 crore** provided under Road Development Programme for construction and upgradation of roads in the State

**₹1000 crore** is provided under Biju Setu Yojana for construction of bridges

**₹184 crore** provided for completion of the remaining works under Odisha Distribution System Strengthening Project (ODSSP)

Provision of **₹200 crore** is made under State Capital Region Improvement of Power System (SCRIPS) to provide 24X7 uninterrupted stable power supply

Provision of **₹100 crore** for double laning of State Highways under **State Highway Development Programme (SHDP)**; **₹62 crore** for road Projects under PPP mode; **₹30 crore** for Biju Expressway to improve connectivity in Western Odisha and KBK districts; **₹431 crore** for Central Road Fund projects

### Social Security Measures



- A sum of **₹3,024 crore** is allocated for social security measures
- Provision of **₹1718 crore** is made under **Madhubabu Pension Yojana** and **₹928 crore** for **National Social Assistance Programme (NSAP)** for Old Age, Widow and Disability Pensions at the rate of ₹500 per month for beneficiaries below 80 years of age and ₹700 per month for beneficiaries above 80 years of age. About 48 lakh beneficiaries are covered under the scheme
- **₹164 crore** for Welfare of Persons with Disability (PwD) and **₹14 crore** under the National Programme for Persons with Disability
- Provision of **Rs.200 crore** for welfare of distressed and destitute, which includes **Rs.189 crore** for establishment of Old-Age Homes
- **₹25 crore** has been provided for **Bhima Bhoi Bhinnakhyama Samarthya Abhiyan**

### Empowering Women



- Provision of **₹305 crore** is made under the Maternity Benefit Programme "**MAMATA**" scheme for the year 2020-21
- **₹1,161 crore** is also provided under Supplementary Nutrition Programme (SNP)
- **₹316 crore** is allocated towards financial assistance and other support to Women Self Help Groups and their federations under **Mission Shakti** programme
- **₹10 crore** is proposed for construction of working women's hostel



### Food Security



- **₹1038 crore** is provided for distribution of rice @ ₹1/- per kg. Under the State Food Security Scheme, 23 lakh additional beneficiaries are provided 5 Kg rice per month per beneficiary at the rate of ₹1 per Kg under the Scheme
- Provision of **₹210 crore** for National Food Security Mission
- **₹99 crore** is provided for handling charges and dealer's margin
- Food security operations are being carried out by Odisha State Civil Supply Corporation Ltd. and it is being strengthened through equity infusion of **₹631 crore**

### Development of SCs, STs, OBCs & Minorities



- Total **₹23,808 crore** allocated under Tribal Sub-Component and SC Sub-Component
- **₹277 crore** for construction of hostels for ST girls and urban hostel complexes under the scheme **AKANKSHYA**
- Provision of **₹936 crore** for pre-matric and post-matric scholarships for ST and SC students
- **₹128 crore** has been provisioned under Pradhan Mantri Adarsh Gram Yojana (PMAGY)
- **₹103 crore** has been allocated towards social sector initiative including **ANWESHA**

### Transforming Rural Odisha



- **₹3,962 crore** is provided for rural housing through the convergence of PMAY Gramin and Biju Pucca Ghar
- **₹2,500 crore** allocated for Pradhan Mantri Gram Sadak Yojna (PMGSY) for construction of rural roads
- **₹1,000 crore** allocated for Biju Setu Yojana under Rural Infrastructure Development Fund (RIDF)
- Provision of **₹71 crore** is made for **connecting Un-connected villages** under **Odisha Mukhya Mantri Sadak Yojana (MMSY)**
- **₹375 crore** is provisioned for improvement / completion of rural roads and bridges (including RIDF)
- **₹500 crore** is allocated for the rural component of Swachh Bharat Mission
- **₹300 crore** is allocated under **Gopabandhu Grameen Yojana** for Bijli, Sadak, Pani
- A sum of **₹852 crore** for **Deen Dayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM)**
- **₹80 crore** is provided for the **Shyama Prasad Mukherjee RRBAN Mission** for development of RRBAN clusters

### Transforming Urban Odisha



URBAN DEVELOPMENT



- Total allocation of **₹6,180 crore** for Urban Development
- **₹351 crore** has been provided under the scheme Urban Transformation Initiative (UNNATI) for improvement of urban infrastructure
- Provision of **₹236 crore** under BASUDHA (Urban) Scheme for urban piped water supply
- **₹301 crore** has been proposed under JICA assisted **Odisha Integrated sanitation improvement Project** and **₹120 crore** for **Odisha Urban Infrastructure Development Fund** in Bhubaneswar and Cuttack
- **₹200 crore** provision for Urban Road Transport (including bus system in Bhubaneswar)
- Provision of **₹518 crore** for Urban Housing
- **₹300 crore** is allocated for the urban component of the **Swachh Bharat Mission**
- **₹55 crore** has been provided towards **National Urban Livelihood Mission**
- **₹200 crore** is allocated for Smart City Mission for development of Bhubaneswar and Rourkela Smart City
- The households in 2,919 slums including Municipal Corporations will be provided with piped water supply, streetlight, road, drain and other development infrastructure support under **JAGA Mission**

### Tourism

- **₹695 crore** has been allocated for development around Jagannath Temple at Puri under **ABADHA Yojana**
- **₹150 crore** has been allocated under **Ekamra Kshetra Amenities and Monuments Revival Action (EKAMRA) Plan**
- Allocation more than doubled to **₹401 crore** for **Tourism Department**
- **₹187 crore** has been allocated for the **Development & Management of Tourist Infrastructure**
- **₹80 crore** has been allocated for the development of Samuka Project
- A provision of **₹66 crore** has been made for the publicity of Tourism
- **₹50 crore** has been allocated for **Integrated Development of Heritage, Monuments & Tourists Destinations**
- For establishment and maintenance of Eco-tourism Sites inside and around pristine wilderness, wild life destinations and wetlands of Odisha, **₹25 crore** is proposed
- **₹6 crore** for **Baristha Nagarika Tirtha Yatra Yojana**

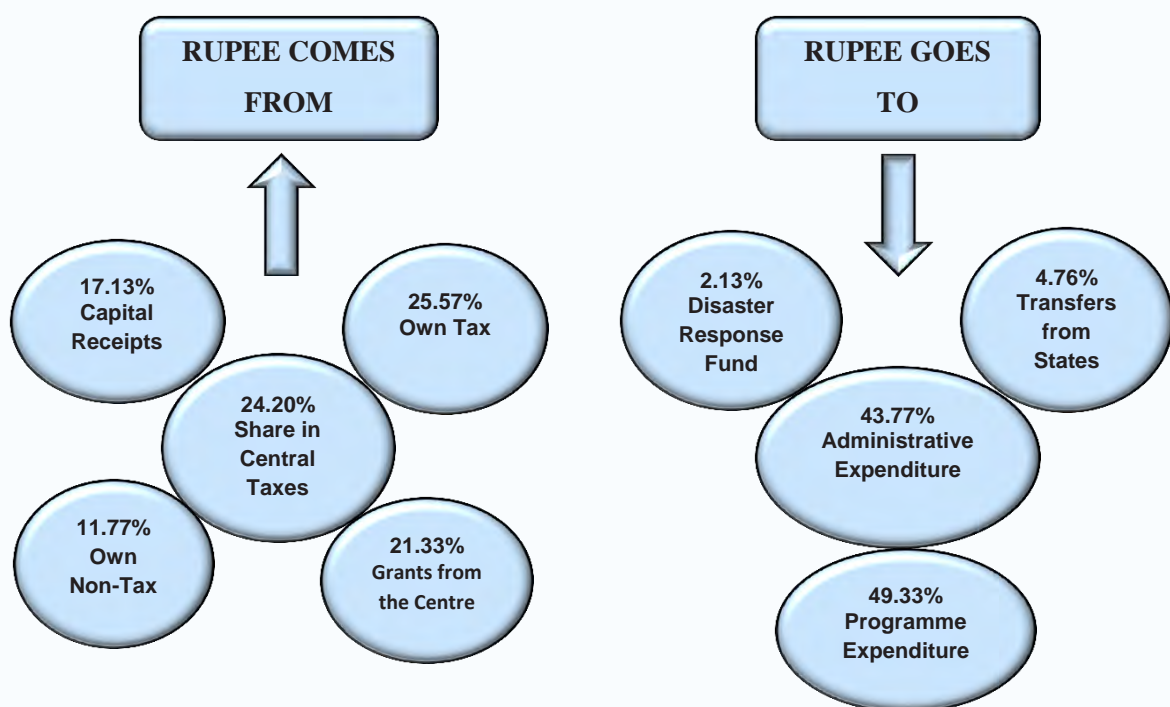
### Disaster Management



- **₹3,200 crore** is provided for Disaster Management including **₹1,711 crore** under State Disaster Response Fund (SDRF), **₹1,000 crore** under National Disaster Response Fund (NDRF), **₹428 crore** under State Disaster Mitigation Fund (SDMF), **₹43 crore** under National Disaster Mitigation Fund (NDMF)
- Besides, a sum of **₹100 crore** has been provided for World Bank assisted Odisha Disaster Recovery Project (ODRP)

# Sources and Uses of Funds

Chart 2: Rupees comes from and Rupees goes to in FY 2020-21



The major sources of funds (Chart 2) are State Own Tax (25.57%), Share in Central Taxes (24.20%), followed by Grants from Centre (21.33%) and Capital Receipts- Public Debt and Recovery of Loans and Advances (17.13%). The portfolio of Gross Borrowing comprises Open Market Borrowing (OMB) that constitutes 13.56% of total sources of funds.

The major uses of funds (Chart 2) are Programme Expenditures (49.33%) followed by Administrative Expenditures (43.77%)

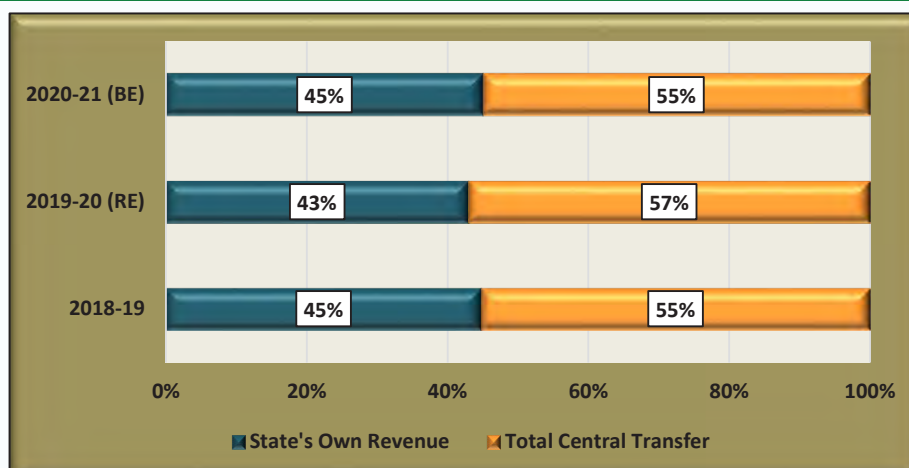
# Analysis of Revenue Receipts

**Table 4: Trends in State's Revenue (₹ crore)**

| Year         | GSDP   | State's Total Revenue (RR) | As % of GSDP | State's Own Total Revenue | As % of GSDP | Total Central Transfer | As % of GSDP |
|--------------|--------|----------------------------|--------------|---------------------------|--------------|------------------------|--------------|
| 2015-16      | 328550 | 68941.4                    | 21.0         | 31256.2                   | 9.5          | 37685.3                | 11.5         |
| 2016-17      | 393592 | 74299.4                    | 18.9         | 30895.6                   | 7.8          | 43403.8                | 11.0         |
| 2017-18      | 434769 | 85204.3                    | 19.6         | 36312.3                   | 8.4          | 48892.0                | 11.2         |
| 2018-19      | 495840 | 99546.1                    | 20.1         | 44594.9                   | 9.0          | 54951.3                | 11.1         |
| 2019-20 (RE) | 533822 | 111785.3                   | 20.9         | 48050.0                   | 9.0          | 63735.3                | 11.9         |
| 2020-21 (BE) | 596280 | 124300.0                   | 20.8         | 56000.0                   | 9.4          | 68300.0                | 11.5         |

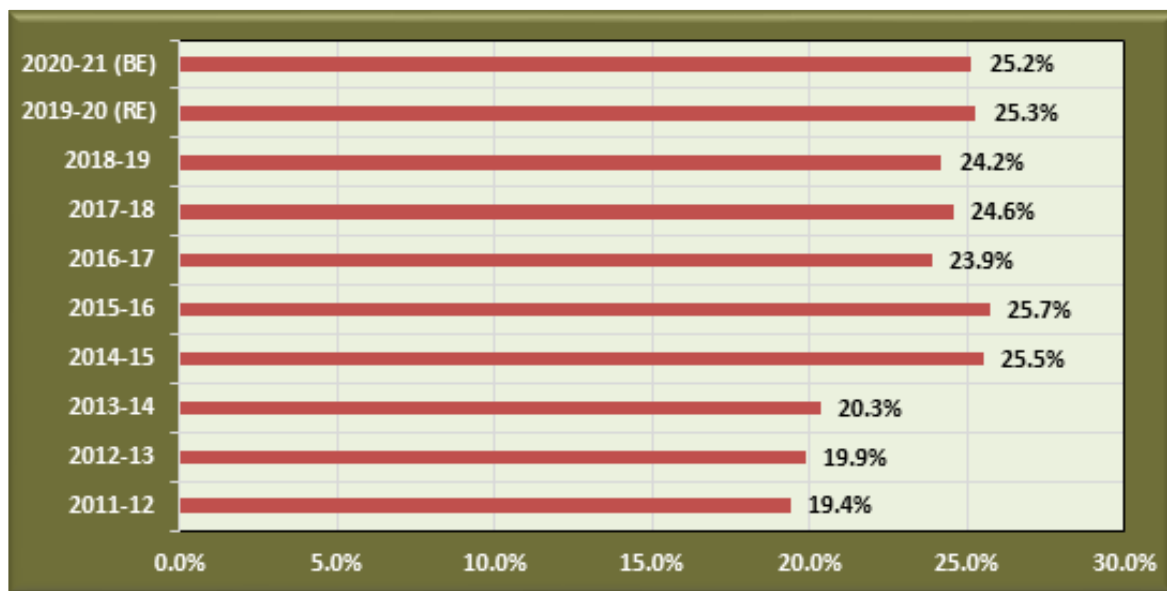
**Note:** RE: Revised Estimate; BE: Budget Estimate

- Total Revenue Receipts (RR) of the State consists of State's Own Tax Revenue, State's Own Non-Tax Revenue, Share in Central Taxes, and Grants from the Centre.
- Total Revenue Receipts of the State for 2020-21 (BE) are estimated at ₹1,24,300 crore (20.3% of GSDP) which is an increase of 11.2% over 2019-20 (RE).
- State's Own Revenue (both tax and non-tax) is budgeted at ₹56,000 crore (9.4% of GSDP) for 2020-21 (BE) as against ₹48,050 crore in 2019-20 (RE), registering a growth of 16.5%
- The Central Transfers (both shared tax and grants) is budgeted at Rs.68,300 crore for FY 2020-21. However, as proportion to GSDP, the central transfers has declined from 11.9% in FY 2019-20(RE) to 11.5% in FY 2020-21(see table 4).
- The contribution of central transfers ( both shared tax and grants) in total revenue receipt of the state is budgeted to decline from 57% in FY 2019-20(RE) to 55% in FY 2020-21. However, the contribution of state own revenue receipt is budgeted to increase from 43% to 45% during the same period (Chart 3).



# Analysis of Expenditure

Chart 4: Trend in Budget Size (% of GSDP)



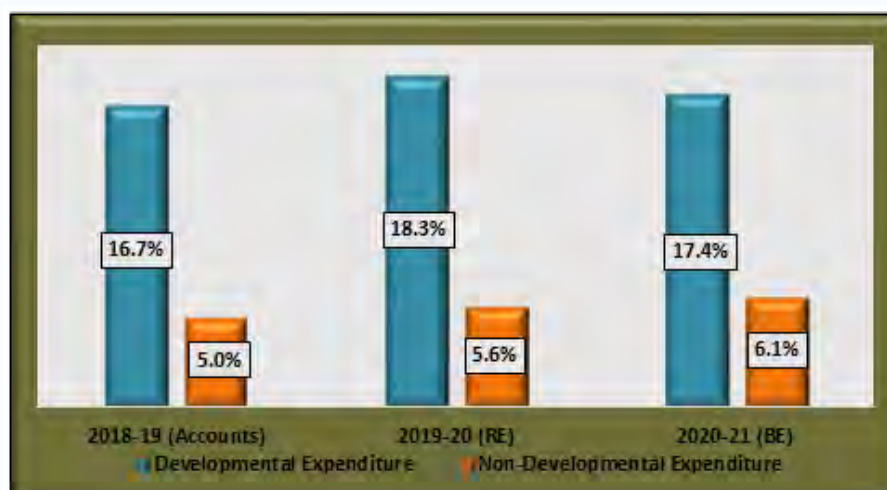
Aggregate Expenditure of the Budget (size) 2020-21 (BE) is pegged at 25.2% of GSDP. It is observed that the budget size as proportion of GSDP is hovering around 25% since 2014-15 (Chart 4).

Chart 5: Committed Expenditure (% of Revenue Receipts)



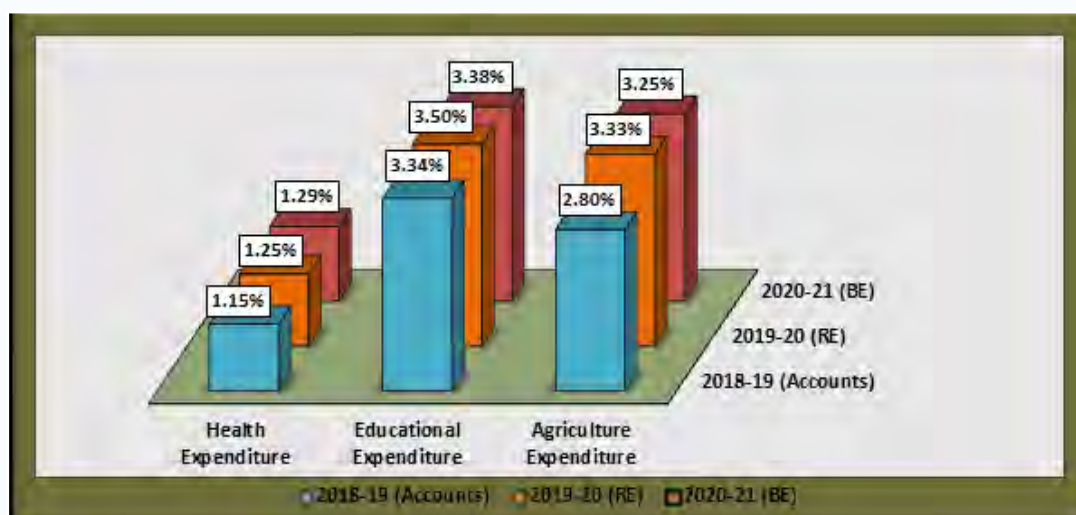
Committed expenditure as per cent of Revenue Receipts is budgeted to fall to the level of 41.15% in FY 2020-21 (BE) from 42.45% in FY 2019-20 (RE) (Chart 5). Committed expenditure as per cent of total expenditure is budgeted at 31.7% in FY 2020-21 as compared to 33.58% of total expenditure budgeted in FY 2019-20.

**Chart 6: Developmental and Non-Developmental Expenditure Ratio (% of GSDP)**



Outlay on developmental sector is budgeted at 17.4% of GSDP in 2020-21 (BE). The increase in non-developmental expenditure is due to rise in expenditure other than committed expenditure.

**Chart 7: Share of Health, Educational and Agriculture Expenditures (% of GSDP)**

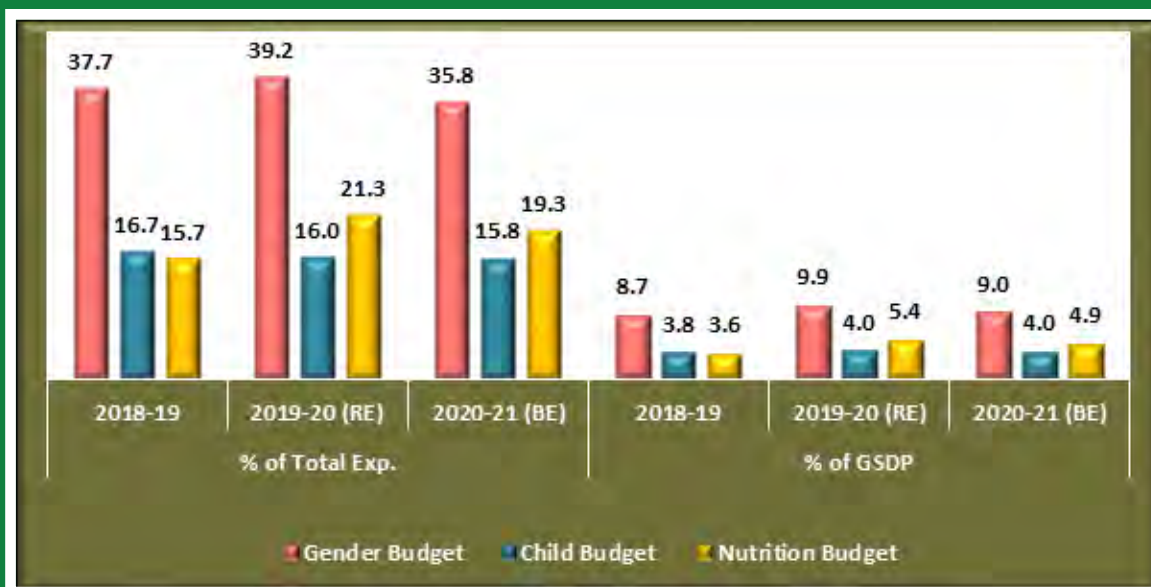


Note: Agriculture and allied activities takes into account Agriculture and Farmers' Empowerment Department, Water Resource Department, Fisheries and Animal Resources Development Department and Co-operation Department.

Health and Education are major social services sectors, and Agriculture is a major economic services sector, therefore, allocations to these sectors in 2020-21 (BE) are compared to 2019-20 (RE) and 2018-19 in Chart 7. Health, Education and Agriculture expenditures as per cent of GSDP stand at 1.29%, 3.38% and 3.25% in FY 2020-21 (BE) respectively.



Chart 8: Total Outlays for Gender, Child and Nutrition Budget



- The share of Women Centric Expenditures is budgeted at 35.8% of the Total Expenditure and 9% of the total GSDP in 2020-21. Out of which Women specific share(100%) is 1.8% of Total Expenditure and 0.5% of GSDP and Pro-women share(30%)is 34% of Total Expenditure and 8.6% of GSDP in 2020-21 (BE).
- In 2018-19, Government of Odisha spent Rs. 19012.73 crore exclusively on policies directed at the welfare of children. This amount has increased to Rs.21556.33 crore as per the Revised Estimates of 2019-20. As per the 2020-21 Budgets Estimates, the amount has further increased to Rs. 23665.75 crore.
- Per Child expenditure in Odisha has increased from Rs. 13110.5 in 2018-19 (Actual) to Rs. 16293.5 in 2020-21 (BE).
- As per 2020-21(BE), total child centric expenditure on various schemes and programmes is around 15.8% of the Total Expenditure, and 4% of the total GSDP.
- The total amount spent under Nutrition budgeting towards Nutrition Specific interventions under different schemes are around Rs.3999.07 crore during 2018-19 and the amount has increased to Rs.5210.29 crore as per 2020-21 (BE).
- While the expenditure on Nutrition Sensitive schemes was Rs.13879.96 crore during 2018-19 and the amount has significantly increased to Rs.23753.78 crore in 2020-21 (BE).
- As per 2020-21(BE), total Nutrition focused (Nutrition Specific and Nutrition Sensitive schemes) expenditure is around 19.3% of the Total Expenditure, and 4.9% of the total GSDP.
- The total expenditure related to Nutrition Specific schemes is around 3.5% of the total expenditure and 0.9% of GSDP in 2020-21 (BE). On the other hand, the total expenditure related to Nutrition Sensitive schemes is 15.8% of the total expenditure and 4% of the total GSDP in 2020-21 (BE).

# Department-wise Net Provision in FY 2020-21

**Table 5: Department-wise Net Provision: FY 2020-21 (BE) (₹ Crore)**

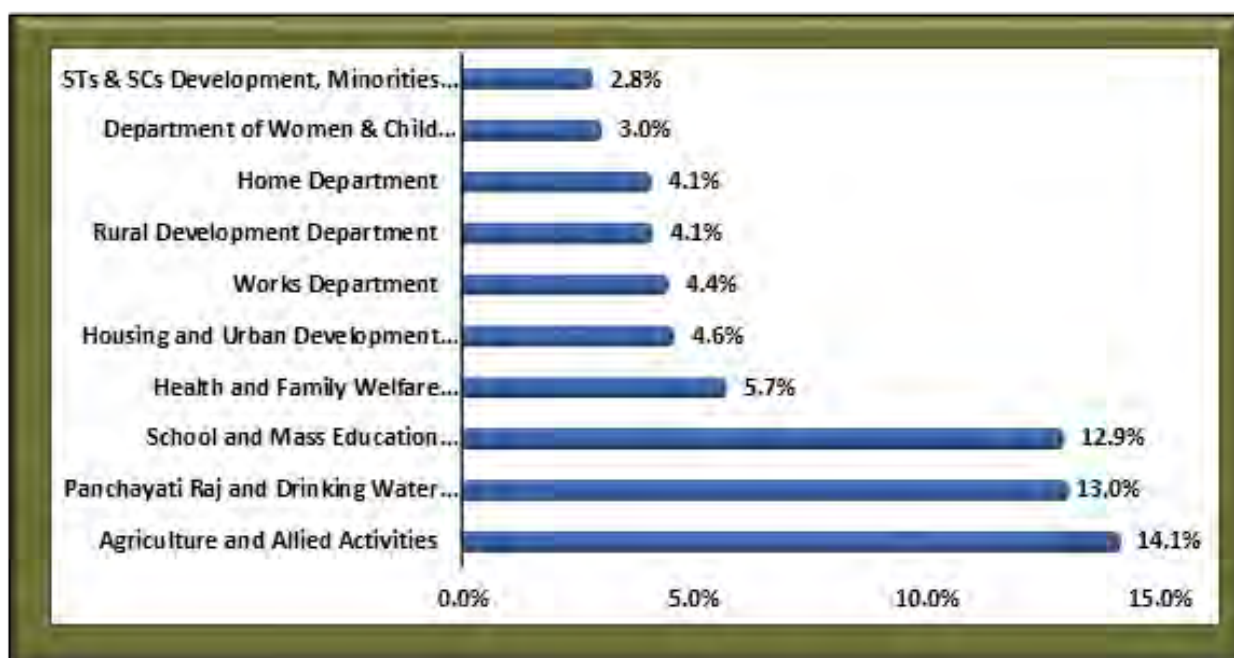
| D. No. | Department  | Administrative Expenditure | Programme Expenditure | Transfer from the State | Disaster Response Fund | Grand Total       |
|--------|---|----------------------------|-----------------------|-------------------------|------------------------|-------------------|
| 1      | Home Department   | 4,851.48                   | 655.90                |                         |                        | 5,507.38          |
| 2      | General Administration and Public Grievance Department  | 212.45                     | 210.15                |                         |                        | 422.60            |
| 3      | Revenue And Disaster Management Department  | 1,009.64                   | 325.70                |                         |                        | 1,335.34          |
| 4      | Law Department  | 441.26                     | 24.90                 |                         |                        | 466.16            |
| 5      | Finance Department  | 35,074.80                  | 67.00                 |                         |                        | 35,141.80         |
| 6      | Commerce Department   | 71.65                      | 19.63                 |                         |                        | 91.28             |
| 7      | Works Department  | 1,579.24                   | 4,420.92              |                         |                        | 6,000.16          |
| 8      | Odisha Legislative Assembly   | 121.03                     | 0.00                  |                         |                        | 121.03            |
| 9      | Food Supplies and Consumer Welfare Department   | 80.01                      | 1,816.77              |                         |                        | 1,896.78          |
| 10     | School and Mass Education Department  | 10,862.05                  | 6,596.37              |                         |                        | 17,458.42         |
| 11     | Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare Department | 769.45                     | 3,038.91              |                         |                        | 3,808.36          |
| 12     | Health and Family Welfare Department  | 2,572.39                   | 5,127.46              |                         |                        | 7,699.84          |
| 13     | Housing and Urban Development Department  | 650.74                     | 3,093.26              | 2,435.65                |                        | 6,179.65          |
| 14     | Labour & Employees' State Insurance Department  | 111.84                     | 94.33                 |                         |                        | 206.17            |
| 15     | Sports & Youth Services Department  | 35.49                      | 265.55                |                         |                        | 301.04            |
| 16     | Planning and Convergence Department   | 51.00                      | 1,130.23              |                         |                        | 1,181.23          |
| 17     | Panchayati Raj and Drinking Water Department  | 385.17                     | 12,511.33             | 4,709.35                |                        | 17,605.85         |
| 18     | Public Grievances and Pension Administration Department   | 2.18                       | 0.00                  |                         |                        | 2.18              |
| 19     | Industries Department   | 5.55                       | 544.45                |                         |                        | 550.00            |
| 20     | Water Resources Department  | 1,283.18                   | 8,091.28              |                         |                        | 9,374.46          |
| 21     | Transport Department  | 111.44                     | 733.12                |                         |                        | 844.56            |
| 22     | Forest & Environment Department   | 482.60                     | 651.97                |                         |                        | 1,134.57          |
| 23     | Department of Agriculture and Farmers' Empowerment  | 866.58                     | 5,950.55              |                         |                        | 6,817.13          |
| 24     | Steel & Mines Department  | 62.72                      | 119.50                |                         |                        | 182.22            |
| 25     | Information & Public Relations Department   | 54.95                      | 55.67                 |                         |                        | 110.62            |
| 26     | Excise Department   | 112.36                     | 50.50                 |                         |                        | 162.86            |
| 27     | Science & Technology Department   | 14.76                      | 85.24                 |                         |                        | 100.00            |
| 28     | Rural Development Department  | 1,227.16                   | 4,322.26              |                         |                        | 5,549.42          |
| 29     | Parliamentary Affairs Department  | 61.53                      | 5.29                  |                         |                        | 66.82             |
| 30     | Energy Department   | 31.80                      | 1,828.93              |                         |                        | 1,860.73          |
| 31     | Handlooms, Textiles &   | 64.62                      | 135.00                |                         |                        | 199.62            |
| 32     | Tourism Department  | 15.56                      | 385.13                |                         |                        | 400.69            |
| 33     | Fisheries & Animal Resources Development Department   | 451.71                     | 759.31                |                         |                        | 1,211.02          |
| 34     | Co-Operation Department   | 133.53                     | 1,566.86              |                         |                        | 1,700.39          |
| 35     | Public Enterprises Department   | 3.67                       | 5.00                  |                         |                        | 8.67              |
| 36     | Department of Women & Child Development and Mission Shakti  | 21.40                      | 4,053.24              |                         |                        | 4,074.64          |
| 37     | Electronics & Information Technology Department   | 7.31                       | 228.97                |                         |                        | 236.28            |
| 38     | Higher Education Department   | 1,237.92                   | 1,168.59              |                         |                        | 2,406.51          |
| 39     | Skill Development & Technical Education Department  | 346.64                     | 478.37                |                         |                        | 825.01            |
| 40     | Micro, Small & Medium Enterprises Department  | 70.96                      | 179.04                |                         |                        | 250.00            |
| 41     | Social Security & Empowerment of Persons with Disability  | 70.22                      | 2,954.04              |                         |                        | 3,024.26          |
| 42     | Disaster Management   | 3.45                       | 118.98                |                         | 3,200.00               | 3,322.43          |
| 43     | Odia Language, Literature and Culture Department  | 31.50                      | 130.31                |                         |                        | 161.81            |
|        | <b>Grand Total</b>  | <b>65,655.00</b>           | <b>74,000.00</b>      | <b>7,145.00</b>         | <b>3,200.00</b>        | <b>150,000.00</b> |



In budget 2020-21 (BE), the highest resource allocation is in agriculture and allied sector (14.1%) and Panchayati Raj Department (13%) followed by School and Mass Education Department (12.9%) and Health & Family Welfare (5.7%). Resource allocation to the departments in terms of Administrative Expenditure, Programme Expenditure, Disaster Response Fund and Transfer from the State is presented in Table 5.

- The Top Ten Departments account for 69% of the total budgeted expenditure. These Departments are mainly from social services and economic services sectors as shown in Table 5 & Chart 9 Other Departments account for 31% of the total expenditure, out of which the share of the Finance Department is 15.1%.
- The share of Top Five, Ten and Fifteen departments in the total budget size account for 50%, 69% and 78% respectively.

**Chart 9: Share of Top Ten Departments in Total Budget Size FY 2020-21**



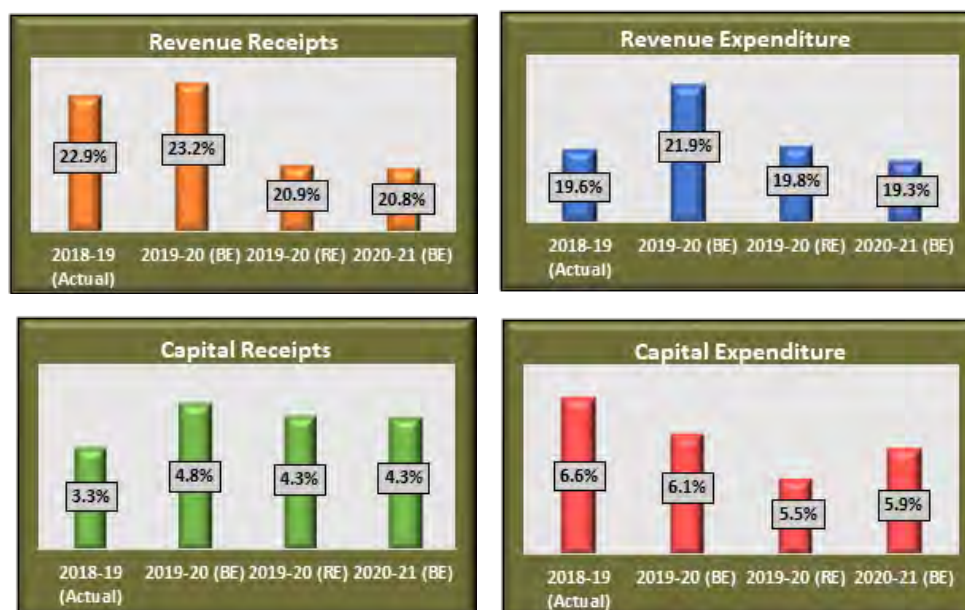
*Note: \* Agriculture & allied activities is the sum of Agriculture and Farmers' Empowerment Department, Water Resource Department, Fisheries and Animal Resources Development Department, and Co-operation Department.*

<sup>4</sup>The Net Provision for Finance Department is budgeted at Rs. 35,074.80 crore. This mainly includes committed expenditures such as Pension, Debt Repayment and Interest Payment etc.

# Financing Outlays

The expenditure in 2020-21 (BE) is proposed to be funded to the tune of 83% by revenue receipts and the remaining 17% will be funded by capital receipts. The key financing outlay ratios (% of GSDP) from FY 2018-19 to FY 2020-21 (BE) are presented in Chart 10.

**Chart 10: Key Financing Outlays Ratios (% of GSDP)**



**Chart 11: Deficit Indicators (% of GSDP)**



In 2020-21 (BE), Odisha's Fiscal Deficit is budgeted at Rs. 17878 crore (3.0% of GSDP), as compared to Rs. 18183.79 crore (3.41% of GDP) in 2019-20 RE. Revenue Surplus is budgeted at Rs. 9509.14 crore (1.59% of GSDP), as compared to Rs. 6174.52 crore (1.16% of GSDP) in 2019-20 RE (Chart 11).

## FRBM Targets for FY 2020-21

- The estimated Revenue Surplus at 1.59% of GSDP has adhered to the FRBM limit of zero Revenue Deficit
- The Fiscal Deficit is projected at 3.0% of GSDP
- The Interest Payment to Revenue Receipt (IPRR) Ratio is targeted at 5.76%, which is below FRBM limit of 15%
- The outstanding debt to GSDP ratio at the end of FY 2020-21 is estimated at 18.99% of GSDP, which is below the FRBM limit of 25%
- The Budget for FY 2020-21 is FRBM compliant

# Budgetary Terms

## 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.

## Gross State Domestic Product (GSDP)

It 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.

## 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".

## Annual Financial Statement (AFS)

It is a document presented in the Assembly showing estimated receipts and expenditures of the Government for the ensuing year.

## Explanatory Memorandum

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

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

## Demand for Grants

This document 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.

## 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 sums of money received by that Government in repayment of loans shall form one consolidated fund to be entitled the 'Consolidated Fund of India or the State concerned'. Article 266 (3) of the Constitution of India provides that 'no money 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.

## Contingency Fund

Article 267 (1) 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 ₹400.00 crore.

## 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.

## Revenue Receipt

Revenue Receipts consist of State Own Revenue and Transfer of Funds from Union Government. State Own Revenue comprises 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, and Tax on Profession.

The major components of Non-Tax Revenues are revenue from Non-Ferrous Mining & Metallurgical Industries, Dividends on equity capital of the State Government in State Public Sector Undertakings, Interest receipt 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 Share in Central Taxes and Grants-in-aid from the Centre. Share in Central Taxes as per the recommendation of the Finance Commission is assigned from the net divisible pool of tax revenues of the Union Government. The divisible pool of tax revenues comprises of Corporation Tax, Taxes on Income, Custom Duty, and Central Goods & Services Tax. The divisible pool of taxes does not include any cess or surcharges. As per the Fifteenth Finance Commission, 41% of the divisible pool is shared with the States. This 41% transfer of fund from the divisible pool is called 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 4.63% (for FY 2020-21).

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.

### **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 the creation of Capital assets and Other Revenue Expenditure for Capital formation are being separately exhibited in a statement in the Explanatory Memorandum.

### **Committed Expenditure**

Committed Expenditure consists of Salary of the employees, Pensions, and Interest payments. This expenditure is the first charge on the resources of the government.

### **Capital Outlay**

The expenditure on construction of buildings, roads, irrigation projects, power infrastructure, flood control work, water supply, etc., which result in the creation of permanent assets is termed as capital outlay. However, maintenance of Capital Assets appears under revenue expenditure.

### **Capital Expenditure**

Capital Outlay, Disbursement of loans and Repayment of loans constitute Capital Expenditure.

### **Developmental and Non-Developmental Expenditure**

Expenditure on Social services sector and Economic services sector taken together is called as developmental expenditure. Expenditure on General services sector is called as Non-developmental expenditure.



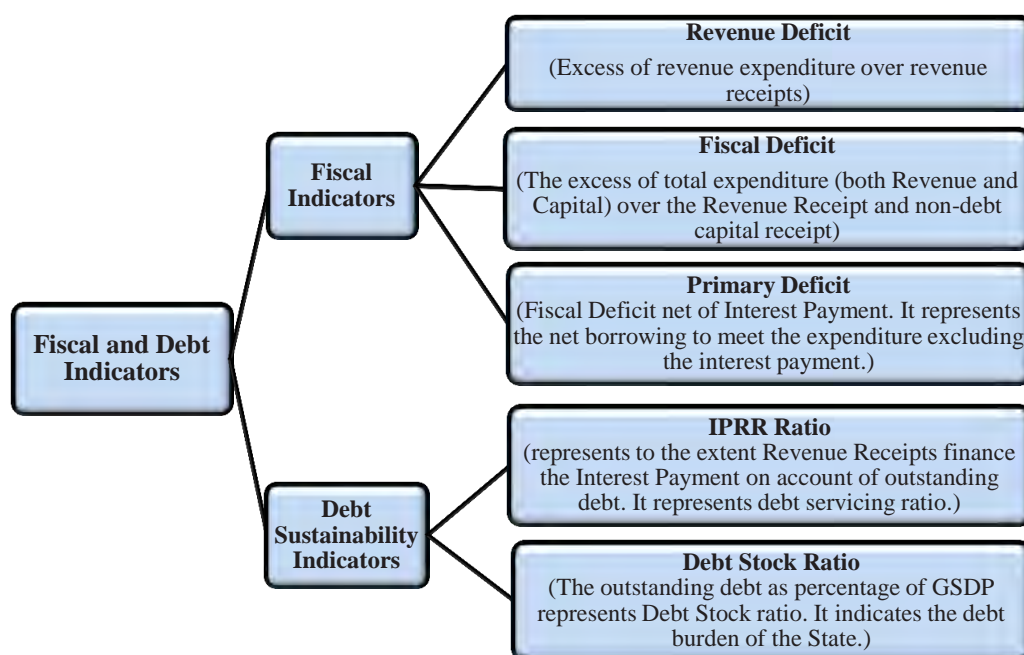
## Capital Receipts

Capital Receipts consist of both Non-Debt Capital Receipts and Public Debt.

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.

Public Debt includes loan portions of the Central Assistance under Externally Aided Projects, Small Saving loan, Market Borrowing, Loan from NABARD, LIC, GIC, HUDCO, etc. and Loan from General Provident Fund (GPF) Account of the employees. Debt Receipts are borrowings of the State. The various sources of internal borrowing are Market Borrowing through State Development Loan, Loan from GPF Account, Institutional Borrowing such as a loan from NABARD, LIC, GIC, HUDCO, NCDC, etc. and Small Savings Loan. Borrowing also includes a loan from Government of India such as loan portion of Additional Central Assistance under Externally Aided Project on back to back basis.

## Fiscal and Debt Sustainability Indicators



## 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 exhibits a broad break up of expenditure – Revenue and Capital and delineates sector-wise outlays. The document also shows the Revenue Surplus/Deficit, the Primary Surplus/Deficit, and the Fiscal Surplus/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 the FRBM Act, 2005 and Rules thereunder.

## Multi-Year Expenditure Framework (MTEF)

The FRBM framework provides a credible roadmap for medium term and long-term fiscal management. For instance, the FRBM framework requires the Government to reduce the deficits to a prescribed level in a prescribed time following a laid out fiscal consolidation roadmap. While the Medium Term Fiscal Plan (MTFP) lays down the fiscal constraints of the Government in medium term, the Medium Term Expenditure Framework (MTEF) lays down the expenditure commitments for various sectors over a 3 years rolling framework. Since it is a rolling plan, it will adapt to the changes in overall macroeconomic conditions. Accordingly, the Government of Odisha has been bringing out a MTEF since 2016-17 which has been focusing on top down budgeting where the resource priorities are guided by medium- and long-term strategies. The yearly sectoral priorities and allocations are also accordingly set. Based on the medium-term allocations under the MTEF statement, the Administrative Departments set outcome/output framework. Departments also accordingly work out the scheme wise allocations. The Departments bring out the MTEF separately after presentation of the Budget Estimates, indicating the priorities and allocations in medium term. The MTEF is a part of the Outcome Budget document.

## Outcome Linked Budget

The State Government prepares Outcome Budget for 27 major spending Departments of Social and Economic service sectors. The outcome budget document also contains the MTEF, which contains a 3-year rolling target. The Departments are provided with technical support by the consultants of Programme Performance and Outcome Monitoring Unit (PPOMU) set up under the Finance Department to enhance the quality of the Outcome Budget Document.

## Categorization of State Government expenditure

With the elimination of Plan and Non-Plan distinction, focus for budget allocation has shifted to revenue and capital expenditure. The State government expenditure is now 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   |

## Priority Areas for Augmentation of Revenue

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

## Priority Areas for Budgetary allocation

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

## Convergence of Budgetary and Extra-Budgetary Resources

Convergence of extra-budgetary resources with budgetary resources is made a part of the budgetary exercise to ensure utilization of funds in a more systematic and planned manner to serve the developmental needs of the state and different regions in a sustainable manner. Convergence Cell of Planning and Convergence Department rigorously pursues 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), Welfare cess for Construction of workers & other cesses, different funds under various sectoral policies, Corporate Social Responsibility obligation, etc.

## Optimum utilization of Government assets

The State Government creates various assets like buildings, roads, bridges, irrigation projects, power infrastructure etc. for use by public institutions and general public. It is necessary that public asset so created should be effectively utilized. Public asset created if not put to use is an unproductive investment. Hence, this year's focus would be optimum utilization of Government assets. Before creation of any public asset, a detailed exercise would be taken up to first identify if there is any existing asset that can be utilized for the desired purpose.

## Gender Budget

Gender Budgeting is an important instrument of the Government towards bringing gender equality. 'Gender Budgeting' refers to mainstreaming gender in design, implementation, and evaluation of financial allocations, across all Government expenditures as per the needs and concerns of the women. This broadly indicates the significance of translating gender commitments into budgetary commitments. Initially, Odisha developed its Gender Budget Statement only for 100% women-centric schemes and programmes in Part-A (FY 2012-13) and later, it included Part-B (FY 2015-16) featuring 30% women-centric schemes and programmes.



## Child Budget

Child Budgeting is an important public finance management strategy, which analyses and endorses responsiveness of the Government budget to the rights and needs of children. Child Budgeting has emerged as a critical accountability mechanism that can help incorporate child needs into policies, programmes and interventions. The Government of Odisha has developed the state budget with more child-specific, child-sensitive policies and provisions and has introduced its first Child Budget Statement in the FY 2019-20.

## Nutrition Budget

Nutrition is crucial for the development of health standards of the population, especially among women, young people and child. Nutrition Budgeting is an instrumental tool to assess required allocation of public funds for improving the nutritional standard and health status of the population. Nutrition Based Budgeting is a multi-sectoral approach that deals with both nutrition specific (Part-A) and nutrition sensitive interventions (Part-B). The Government of Odisha is first in India to initiate the Nutrition Budget Statement in the FY 2020-21.

## Climate Budget

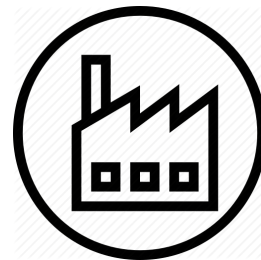
The adverse impact of climate change on human lives, environments and economies can exacerbate difficulties for the entire world. A developing country like India is not an exception to this due to the country's geography, high dependence on agriculture sector and greater incidence of poverty. Therefore, the state government is actively adopting strategies supported by appropriate public finance policies to deal with climate change risks. This requires budgetary allocation and mobilizing financial resources that respond to Sustainable Development Goals (SDGs).

## E-Budgeting

With an objective to reduce its carbon footprint, Odisha became the second state in the country to adopt complete e-budgeting. To this end, the state government has supported building digital infrastructure. The state government is actively promoting adoption and usage of e-Budget documents in electronic form and making available all budget documents to the users on the Finance Department website. Through this initiative, we have reduced our paper trail by 75 lakh pages, saving about 1000 large trees from being felled.

## Strategic Budgeting

Strategic Budgeting has three components: (i) the top down process of determining the resource envelope; (ii) the bottom-up process of costing key expenditure categories; and (iii) reconciling these technical inputs with priorities of the people in order to formulate budget ceilings. The resource envelope is estimated based on sensitivity/buoyancy of revenues with respect to overall economic activities and borrowing ceiling of the Government stipulated by FRBM Act. This is the top down process of strategic budgeting. The formulation of the resource envelope is largely a technical process of macroeconomic and fiscal forecasting; Strategic budgeting also involves determining (i) what level of expenditure has already been pre-committed to existing objectives and (ii) what level of expenditure is available for allocation to new priorities. Outlays for the spending department are prepared considering expectations of citizens through various levels of budget consulting processes. This is the bottom-up approach of strategic budgeting.







## BUDGET APP

