



GOVERNMENT OF NAGALAND

BUDGET SPEECH

of

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Chief Minister,
Minister-In-Charge, Finance
For 2021-22

Kohima, the 18th February 2021

Speaker Sir, I rise to present the Nagaland Budget for the year 2021-22 before this August House.

2. Speaker Sir, twelve months ago, when I rose to present the budget for the previous fiscal, the world was a very different place. Since March 2020, the entire planet has undergone unprecedented change, caused by the COVID-19 pandemic. The entire world has been deeply affected in every sphere of human activity. The Government sector was no exception and despite all efforts, many key activities of the Government were affected, some adversely and some for the better.

3. Despite these circumstances, we are greatly encouraged to see that India has managed to come out with a vaccine in record time. As the vaccination programme spread sits coverage, I am confident that we can look forward to better times ahead. Our country has all the positive attributes to attain a high rate of growth, and we will surely regain our position as one of the fastest growing economies in the world within a short time. It is our endeavour that Nagaland too must be part of India's growth story.

4. The main impact of the pandemic was on the economic sector. It has seriously impacted the livelihood and income of the people as well as the income and financial health of the Government. We have now learnt that during the first quarter April-June of 2020-21 the Indian economy contracted by 23.90%. While the situation improved during the second quarter up to September 2020, it still contracted by 7.5% as per the official figures of the Central Government. The economy is estimated to turn around by March 2021. Our State is heavily dependent on Central transfers for its resources. The decline in the economy of the country has heavily impacted the central transfers, both in terms of our share of Central Taxes as well as our own tax collections and therefore, has reduced our revenues substantially. I shall elaborate more on the financial impact of the pandemic in the latter part of my speech.

Naga Political Issue:

5. Speaker Sir, the early resolution of the Naga political issue remains at the top of the Government's political agenda. In the past year, the State Government has made significant efforts in playing the role of active facilitator in the ongoing peace process. The successful conduct of the Consultative Meeting on the Naga Political Issue held at the State Banquet Hall, Kohima on 15th October 2020 was a major landmark. The Consultative Meeting was attended by all sections of the people and stakeholders, including mass based civil societies, tribal hohos, church organisations, NGOs, political parties,

student bodies, etc. The unanimous adoption of the 7-Point resolution in the meeting sent the right message of unity and solidarity to all sections, especially to the negotiating parties of the Indo-Naga political dialogue.

6. Our endeavour for unity was further strengthened when the Leader of Opposition joined me in issuing a Joint Statement on 18th December, 2020, where we endorsed the resolutions of the Consultative Meeting. We welcomed the positive approach of the Government of India under the leadership of the Honourable Prime Minister and the Honourable Union Home Minister, towards expediting the ongoing political dialogue. Together we also voiced the cry of the Naga people to the Government of India and the Naga organisations participating in the peace talks to arrive at an early solution which will bring lasting peace and prosperity to the region. I extend my appreciation to the Opposition Bench led by the Leader of Opposition in rising above political affiliations to make a joint statement that has hopefully touched the hearts of all stakeholders of the Naga political journey and the citizens of the State.

7. Earlier in this present session on 16th February, 2021, this House had a fruitful and productive discussion on the Naga Political Issue, where Members of this House shared their views, opinions and suggestions. We could all get the sense that this House is indeed serious and committed towards facilitating a solution to the decades old Indo-Naga political imbroglio. After the deliberations, this House had constituted a Committee comprising of Honourable Members cutting across political party affiliations.

8. We will continue to collectively play the role of active facilitator in the political negotiations so that our aspiration of arriving at a solution that upholds the democratic rights of the Nagas in an honourable manner is arrived at as early as possible. I once again take this opportunity to appeal to the negotiating parties of the political dialogue to expedite the negotiations and bring about the much desired solution which will pave the way for a new era of growth, development and all round progress.

9. Speaker Sir, the world was not ready for the pandemic and it took us all by surprise. Nagaland had to make herculean efforts to protect and prepare our society for any eventuality by addressing the gaps and plugging the loopholes. The gloom of the pandemic also produced many silver linings. **Our strength has always been our people.** The civil society, tribal hohos, church organisations, student and youth bodies, NGOs, traditional institutions and individuals joined hands with the State Government and its agencies to combat the pandemic. Because of our united approach, we were able to perform better than many others. Our healthcare workers put in extra hours every day and worked with extraordinary dedication to make our citizens feel safe and secure. Churches came forward and prepared food for quarantine centres, day in and day out. Youth volunteers, students and traditional institutions came forward to

work with frontline workers. Extraordinary times produced extraordinary sacrifices. I sincerely thank each and everyone who rose to the occasion. I thank all our friends, especially those in the Opposition Bench who also came forward to team up with the Government to fight the crisis together. Nagaland led the way in many areas. The establishment of the Central Integrated Control Room which operated as the War Room was a model for many other states. The crisis gave us the opportunity to improve our overall health facilities and infrastructure all over the State, and we can safely say that we have improved healthcare facilities in almost every district and sub-division.

10. The Nagaland Police established a mega quarantine centre at Ganeshnagar on a war footing and provided logistical support across the State for emergency services. We extend our sincere appreciation to the generous contributions and support from corporate houses, private companies, government institutions, service associations, NGOs and individuals from all walks of life towards fighting the pandemic and for donations to the Chief Minister's Relief Fund. It motivates all of us to know that Naga society can come together as one family, leaving aside our differences in times of adversity. If we continue in the same spirit, there is no reason why we cannot overcome any challenge that lies ahead.

Sectoral allocations:

11. Speaker Sir, the budget for the year 2021-22 is affected by the financial crisis caused by the pandemic. Given the critical situation we are in at this juncture, we had worries about the funds that could be provided for developmental activities during 2021-22. However, seeing the steady pace of recovery of the country's economy and high expectations of a resurgent growth in the year ahead, I have fixed the State Developmental Outlay for 2021-22 at ₹700 crore. This is an increase of 9.55% over the Plan size of 2020-21. This has been done even at the cost of increasing the deficit, because we are passing through a time when the economy needs adequate capital investment to provide an impetus for the much needed growth to take place. I am hopeful that during 2021-22 the country's economy will rebound back to its full potential, and that we will get an opportunity to make up for the time that we lost.

12. Speaker Sir, for a resource strapped State like ours, we are heavily dependent on Centrally Sponsored Schemes for most of the developmental activities. To ensure a smooth flow of Central funds, I have allocated ₹250 crore towards State Matching Share for Central Schemes including that of DoNER and NEC. This will enable us to access greater funding under CSS programmes to boost the pace of our development. The Government has also made efforts to tap funding for roads and other key infrastructure projects under the scheme of Special Assistance to States for Capital Expenditure with ₹200 crore interest

free loan assistance. Several new and ongoing projects including improvement of district headquarter roads are being undertaken under this program. Further, under 15th Finance Commission Awards, several projects for improvement of health infrastructure, road maintenance, construction of High Court Complex, new Raj Bhavan, mini landing strips and improvement of facilities for fire services in the districts will be taken up from 2021-22 onwards. I am also keeping a provision of ₹307.31 crore for Externally Aided Projects. These projects not only come with favourable funding options, but also bring with them international best practices for us to learn from.

The details of the allocations made for the different sectors are as follows:-

13. The **Agri and Allied sector** is going to be the most important aspect of our strategy towards achieving a self-sustaining economy. The Government is working on an innovative model of cluster agri development called Naga Integrated Settled Farming (NIsF). The first project has already started in Boke Botsa area and it will be taken to other districts also. Similar initiatives are also being taken up in other departments as well. My Government is establishing Farmer Markets in all the districts aimed at promoting local products, organic food and a chain that ensures farm to market, and farm to table links without the middlemen. We also aim to make them tourist attractions as the markets will also have space for traditional products, handlooms and handicrafts and food joints. The Government is also supporting entrepreneurs who have taken up enterprises that are aimed at home deliveries and online firms. The Department of Agriculture has been provided an allocation of ₹665 lakh. Of this ₹300 lakh is earmarked for construction of 65 numbers of community agriculture farm roads. Our State is looking forward to a healthy increase in food grain production. Against 7,48,870 MT in 2019-20, expected production during 2020-21 is 8,33,770 MT. This marks an increase of 11.33% over the previous year. In response to the COVID-19 pandemic the department has distributed selected Kharif and Rabi seeds to the farmers on the basis of local needs. To facilitate better market access to our indigenous produce the department is promoting the brand 'Naturally Nagaland' with standardized labelling and packaging, along with all necessary registrations, licenses and certifications. The State Government is undertaking programmes aimed at recharging and rejuvenating the dying springs for drinking and agricultural purposes. Interventions and inventories of springs are being carried out with community led actions.

14. The **Department of Horticulture** has been provided ₹300 lakhs. This includes ₹200 lakhs earmarked for horti-Link roads and ₹100 lakhs for other earmarked activities. Under Mission Organic Value Chain for North Eastern Region the department will promote cultivation of dragon fruit in Dimapur, avocados in Kohima, apples in Kiphire, spices in Wokha, ginger in Mon and

bananas in Mokokchung during 2021-22. It will help farmers to aggregate and collectively market their produce and also create room for export. To revive the State's economy post COVID-19 pandemic, the department is developing 100 vegetable villages for 10,000 households, strengthening post-harvest and value addition infrastructure for fruits and vegetables and promoting mushroom cultivation. The **Soil and Water Conservation Department** has been provided ₹340 lakhs. Of this ₹250 lakhs is earmarked for Integrated Land Development and ₹40 lakhs for Soil Health Management. The department has established Mini Soil Testing Laboratories in all the districts of the State. In addition one Fertilizer Quality Control Laboratory and Bio-Organic Quality Control Laboratory have been established in Dimapur district. These developments will positively impact productivity in the agri and allied sector.

15. The **Department of Animal Husbandry and Veterinary** has been provided ₹350 lakhs during 2021-22. Of this, ₹300 lakhs is earmarked for setting up three Model Piggery Farms. The **Department of Fisheries** has been provided ₹350 lakhs. Of this, ₹250 lakhs is earmarked for upgradation of eight Government Demonstration Fish Farms. The **Department of Forestry and Wildlife** has been provided ₹200 lakhs. It is presently taking up activities such as plantation, community development and income generation activities for Self Help Groups in 31 villages and community organizations in 60 villages under the Nagaland Forest Management Project. It is also engaged in activities for conservation of Doyang reservoir and providing alternative livelihood to villages in the Doyang catchment area, including conservation of Amur falcon and biodiversity in the State. The **Department of Cooperation** has been provided ₹100 lakhs. The **Department of Land Resources Development** has been provided ₹473.73 lakhs. Of this, ₹166.73 lakhs is earmarked for purchase of 950 numbers of rubber sheet roller machines and ₹207 lakhs for maintenance of coffee plantations. Nagaland Coffee is emerging as a popular brand and our coffee is being exported to foreign countries. Promotion of Nagaland coffee by improving production, value addition and marketing is being undertaken. At present the State has 8997 hectares of coffee plantation and we have set a target to cover 50,000 hectares by 2030. We are also making efforts to promote natural tea in Nagaland and people are becoming aware of the health benefits of the different natural teas like roselle, cardamon, ginger, lemongrass, etc. The **Nagaland Bamboo Development Agency** has been provided with ₹100 lakhs for its activities. The **Bio Resource and Aromatic Plant** has been provided ₹100 lakhs. The **Bee and Honey Mission** has been provided ₹170 lakhs, and **NEPED** with ₹75 lakhs for hydrogers.

16. The **Department of Rural Development** has been provided ₹100 lakhs. The **State Institute of Rural Development** has been provided ₹240 lakhs, of which ₹140 lakhs is earmarked for construction of an Institute for Training and Research for Tribal Regions and ₹100 lakhs for training and research activities.

The **Department of Land Revenue** has been provided with ₹326 lakhs. Of this, ₹150 lakhs is earmarked for upgradation of Surveyor Training Institute and digitalisation of online portal, ₹100 lakhs for construction of Revenue Office Kohima and other minor construction works.

17. Despite resource constraints, the State Government has been providing substantial funds for developmental activities in the Eastern Nagaland region. For the year 2021-22 also, an amount of ₹21 crore has been provided for the **Department of Under Developed Areas**. The department has formed 380 SHGs benefiting 11,400 households by elevating the livelihood of farmers and minor forest produce gatherers. Other key initiatives include launch of Mongken fashion, apparel and handicraft brand to create economic opportunities for skilled artisans, designers and craftsmen especially from the underdeveloped regions of the State and the ANGHYA brand. The products of Eastern Nagaland are being marketed under this label through outlets in Kohima, Dimapur and other metropolitan cities through the network of Tribes India under TRIFED, Ministry of Tribal Affairs. During 2021-22, the department will focus on livelihood, human resource development and infrastructure development activities in the backward areas.

18. Speaker Sir, under the **Local Area Development Programme** we have introduced the concept of 'Iconic Projects' to be taken up in each constituency so that each Member of this House as the representative of his people can take up projects as per the actual needs of his area. In view of the COVID-19 pandemic, the Government had decided to earmark ₹50.00 lakh per Assembly Constituency from LADP 2020-21 for strengthening health infrastructure, quarantine facilities and to promote agri and allied activities to tide over the pandemic. The **Department of Water Resources** has been provided with ₹200 lakhs. Of this ₹100 lakhs is earmarked for water harvesting structure. The department is constructing a State Data Centre at Kohima under the National Hydrology Project. Once completed, data and information relating to State Water Resources Information System (WRIS) will be available in the public domain for use by all stake holders.

19. The **Energy Sector** has been provided a total allocation of ₹1970 lakhs. The Distribution and Revenue wing has been provided ₹770 lakhs of which ₹520 lakhs is earmarked for village electrification. The department is focusing on construction of new power stations, expanding coverage of villages and habitations and improve transmission and distribution networks and reduce losses. The Transmission and Generation wing has been provided with ₹800 lakhs. Of this, ₹500 lakhs is for setting up 2.5 MW Hydro Electric Project at Duilumroi. Once completed, this will reduce the burden of power purchase costs. The Department of New and Renewable Energy has been provided ₹350 lakhs. Of this ₹250 lakhs is earmarked for Power Plant at Ganeshnagar. The

Electrical Inspectorate has been provided ₹50 lakhs for the Green Village Initiative.

20. To provide products from Nagaland access to a larger market, the Nagaland State Emporiums (NSEs) outside the State have been upgraded and various state agencies such as the Nagaland Bamboo Development Agency, DUDA, Women Resources Department, Agri and Allied departments and Nagaland Handloom and Handicrafts Development Corporation have been given space in the NSEs under the marketing banner of “Naturally Nagaland”. We are confident that this initiative will promote “Made in Nagaland” products to national and international markets. The **Department of Industries and Commerce** has been provided ₹350 lakhs. ₹100 lakhs is earmarked for promotion of Entrepreneurship Start-up, ₹100 lakhs for training and ₹100 for infrastructure development. The **Department of Sericulture** has been provided ₹327.84 lakhs. Of this ₹177.84 lakhs is earmarked for Farmers Development and ₹100 lakhs for Implementation of Silk Processing Unit. The **Department of Geology and Mining** has been provided ₹200 lakhs. Of this ₹100 lakhs is earmarked for stockyard/underground water tapping machines. The **Nagaland State Mineral Development Corporation** has been provided ₹100 lakhs for concrete block-making unit. The **Department of Roads and Bridges** has been provided ₹3500 lakhs. Of this ₹2000 lakhs is earmarked for improvement of roads and ₹1500 lakhs for State Road Development Programme. The Kohima and Dimapur city roads that were initiated during 2018-19 have been completed, and we are seeing the best roads that we have had in recent memory. The **Department of Mechanical Engineering** has been provided ₹450 lakhs for purchase of heavy machinery and ₹200 lakhs for purchase of dumper trucks.

21. The **Department of Road Transport** has been provided ₹461.86 lakhs. This includes construction of hangars, waiting halls and fencing at heliports at Lerie and Civil Secretariat at Kohima, Mon and Chumukedima, and construction of General Manager’s quarter at Dimapur. The **Motor Vehicles Department** has been provided with ₹225.39 lakhs. Of this, ₹175.39 lakhs is earmarked for construction of Regional Transport Officer’s Office cum Pollution Testing Centre at Mokokchung. To enhance revenue collection, the department has introduced fee for advance booking of vehicle registration number in the State at a cost of ₹2000 per booking valid for a period of six months. The **Department of Science & Technology** has been provided ₹300 lakhs. This includes ₹200 lakhs earmarked for purchase of equipment for the Lab and Planetarium. The **Department of Information Technology and Communication** has been provided with ₹200 lakhs. Of this, ₹100 lakhs is earmarked for construction of staff quarters and guest house at the directorate complex. The **Planning and Coordination Department** has been provided ₹500 lakhs. Under the Chief Minister’s Corpus Fund, the department has during 2020-21 sponsored Naga students to undergo training in skill development at

Ishwarpuram Institute, Fugoan, Pune. During the pandemic lockdown financial assistance was provided to entrepreneurs to support home delivery services. Assistance was also extended to entrepreneurs and NGOs for undertaking various economic activities.

22. The **Department of Tourism** has been provided with ₹750 lakhs. Of this ₹450 lakhs is earmarked for Hornbill Festival and ₹250 lakhs for Mini Hornbill Festivals. The **Tourism Sector** is one area that has huge potential to boost the local economy and contribute towards employment generation. The tourism, travel and hotel industry has been adversely impacted by the pandemic and is yet to regain its full momentum. However, understanding the importance of this sector, the Government is making efforts to tune our tourism economy in line with present national and global trends. The Hornbill Festival is our most well known global brand and we must continue to build this up so that its economy can percolate to all parts of the state. In 2020, we observed the festival in a virtual mode using digital platforms and satellite television channels to propagate the brand to national and international audiences. We are now promoting new activities such as adventure tourism, rural tourism and sports tourism; through introduction of trekking routes and village experiences. The first batch of trekking guides have undergone a professional course at the internationally certified Hanifl Centre in Mussoorie, Uttarakhand and very soon more such exercises will be carried out, once the situation permits. Our partnership with the global brand Airbnb has enabled us to enhance our strength of experiential tourism. We are developing and upgrading homestays across the entire State so that the grassroots can benefit directly from the tourism economy. Promotion of homestays will generate huge employment for the entire industry and bring the world to Naga homes and take Naga experiences to international travellers. We will further strengthen the homestay network and infrastructure by allocating funds under innovative programmes as a special package for capacity building and upgradation of homestays across the State. The **Department of Economics and Statistics** has been provided ₹343 lakhs. This is earmarked for various construction works and for printing of statistical data.

23. The **Department of Food and Civil Supplies** has been provided ₹127.68 lakhs for construction of office building and godown. The department has achieved 100% online allocation of food-grains up to the Fair Price Shops (FPSs) Level, including 100% supply chain management of food grains up to the FPSs level. Another significant initiative is the automation of Fair Price Shops Automation ePOS devices to enhance transparency in distribution of food grains. The real time status report of all these are now available on the department's official website. The **Department of Legal Metrology and Consumer Protection** has been provided ₹100 lakhs. The **Department of Evaluation** has been provided ₹309.58 lakhs for construction of quarters and

offices. During 2021-22, the department will undertake studies on the implementation and impact of various State and Central programs. These studies provide an important tool for policy as well as decision making.

24. The **Department of School Education** has been provided ₹769 lakhs for construction of Government High Schools and DEO/SDEO offices in various districts. Speaker Sir, last year's results of academic examinations held under the Nagaland Board of School Education were announced during the gloom of the COVID-19 lockdown. In order to encourage and motivate the students towards achieving their aspirations, I personally wrote letters to each student who cleared the HSLC examinations. The Department of School Education has launched the innovative Online Digital Education in the State from the month of May 2020 and Nagaland became the first State in the country to incorporate sign language interpretation in the broadcasted video lessons. The **Department of Higher Education** has been provided ₹620 lakhs. Of this, ₹100 lakhs is earmarked for NAAC accreditation and others for construction of academic buildings at various colleges and construction of staff quarters. To contribute to the efforts to combat the COVID-19 pandemic, mass production of hand sanitizers was undertaken in the laboratories of Kohima Science College (Autonomous) Jotsoma and Fazl Ali College, Mokokchung. This came as a great help at a time when there was acute shortage of sanitizers in the market during the initial days of the pandemic. They were distributed to hospitals, Administration, Police and public. The **State Council of Educational Research and Training** has been provided ₹100 lakhs. We have already set up Polytechnics at Aboi, Peren and Wokha, and academic sessions will become functional from July 2021 in all the three institutes. The **Department of Technical Education** has been provided ₹100 lakhs.

25. The **Department of Youth Resources & Sports** has been provided ₹790 lakhs. Of this ₹300 lakhs is earmarked for capacity building for youth empowerment. The State Government has launched a Career & Employability Skill Development Program which is designed for students pursuing 12th standard in all Government Higher Secondary schools. In the arena of sports and games we are laying down the roadmap for a comprehensive Sports Vision of the State. The Nagaland Olympic Association (NOA) is being professionally streamlined using modern information technology and the sports fraternity will now function all year round from a newly developed central headquarters of the Olympic Association. Funds will be earmarked for sports academies in prioritised disciplines to be established in collaboration with the sports federations, and local leagues will be launched to create a positive atmosphere of sports culture that will contribute to the economy and create gainful careers in the sports and related industry.

26. The NOA is launching the Target Podium Scheme (TACS) to create champions and winners within specific time frames, and the NOA will also resume the Nagaland Olympics from this year onwards. From this year onwards we will launch the Kohima Cross Country under the aegis of the Athletic Federation of India with the aim of making it one of the top events in the country. Nagaland will be hosting national and international events in motorsports and cycling during 2021 which will help create sporting careers and boost the tourism economy. We will also be hosting the grand finale of the Indian National Rally Championships in November 2021. I am happy to announce that this year we will be inaugurating a Regional Centre of Sporting Excellence at Dimapur where academies and centres of archery, shooting and motorsports are included. Nagaland Police has always had a proud history of excellence in sports and games and in line with our Common Minimum Programme, and we are formulating a masterplan for setting up a Nagaland Police Sports Battalion, which will convert the present Police Sports Complex into a centre for sporting excellence.

27. The **Department of Art and Culture** has been provided ₹168.50 lakhs. Of this ₹50 lakhs is for promotion of cultural activities. In the field of music and arts we have made significant gains. **The Task Force for Music and Arts (TaFMA)** carried out over two dozen virtual and digital programs and projects during the lockdown, setting high benchmarks in leading the digital movement. These projects included collaborations with more than 10 countries in producing music and partnerships with schools, churches, orphanages and underprivileged children. Capacity building exercises using professionals in the music and arts industry are continuously being carried out especially for the grassroots and stakeholders from all the districts of Nagaland. I am happy to announce the introduction of the Chief Minister's Music & Arts Scholarships from this year onwards. We are excited that Nagaland will be hosting the Asia Music Summit, in partnership with Asia Music Connect and the Indian Centre for Cultural Relations (ICCR) under the Ministry of External Affairs, where captains of the music industry and top performers from across international borders will be congregating at Nagaland. We have signed MoUs of partnership and knowledge sharing with Latvia, KM Music Conservatory, Chennai, V-Rox Festival of Russia, Seven Seas Music, and Asia Music Connect. Later this year, Nagaland will host an international theatre residency in collaboration with the Italian Embassy Culture Centre which will bring artists and participants from around the world to Nagaland. Since folk and traditional music are an important part of our culture and heritage we will institute the Nagaland Conservatory of Folk and Traditional Music under the aegis of TaFMA. It is our aim to make Nagaland a capital of the music and arts industry.

28. The **Department of Health and Family Welfare** has been provided ₹604.90 lakhs. Of this ₹254.90 is earmarked for construction of a new ward at

NHAK and ₹150 lakhs for construction of 50 bedded District Hospital Kohima. The COVID-19 pandemic gave us the opportunity to address the challenges in the health sector, and we have been able to improve and upgrade health facilities all over the State. A BSL III and a BSL II Laboratory are now fully operational in Kohima and Tuensang, and district hospitals including health centres have been upgraded with emergency facilities, ventilators, power back up and availability of ambulance services. TruNat testing machines and emergency medical requirements and equipment are now at the disposal of the Health Department. We plan to apply for starting the Kohima Medical College from the academic year 2022-23 to the National Medical Commission. It will start initially with the NHAK as a Teaching Hospital. We are also in the process of establishing a Medical College at Mon. The project will be taken up at a cost of ₹325 crore, 90 percent of which is being sourced from a centrally sponsored scheme. We expect to complete all the works and make the College functional during 2023-24. The **Department of Public Health Engineering** has been provided ₹297.43 lakhs. This is earmarked for construction of offices and various water supply projects.

29. The **P.W.D. Housing Department** has been provided ₹2241.41 lakhs. This includes ₹100 lakhs for construction of Chief Information Commissioner's office at Kohima, ₹100 lakhs for construction of Patient Guest House at Dibrugarh, ₹100 lakhs for construction of rental housing at Dimapur and ₹100 lakhs for construction of rest house at Dimapur. Others include construction of offices at various places throughout the State. The **CAWD** under General Administration has been provided ₹1530.24 lakhs. This is earmarked for construction of various offices, flats and improvement works in various locations all over the State. The **Police Engineering Project** has been provided ₹1052.50 lakhs for construction of offices and accommodation in various districts. The State Police is setting up new NAP Platoon Posts along the border at Mokokchung and Wokha to control illegal activities and infiltration of illegal immigrants. A Central Monitoring Centre has been set up at Kohima Traffic Control Room for better traffic management. A Women Police Station has also been established in Kiphire.

30. The **Department of Urban Development** has been provided ₹350.16 lakhs for construction of office at Kiphire, construction of P. Shilu Ao Memorial Park at Mokokchung and upgradation of marketing centre of Development Authority Nagaland. Our district headquarters have developed into urban spaces with hardly any common space for physical activities, social interaction and recreation. To inculcate a culture of health consciousness amongst the population my Government has decided to create public parks in all the district headquarters. These parks will be equipped with outdoor exercise equipment, walking tracks and aesthetically landscaped spaces. The Deputy Commissioners shall, through the respective DPDBs and after due consultation,

identify land for developing these parks. The State Government will assist in the initial development while responsibility of maintaining the parks will be with the local bodies and communities. The **Department of Municipal Affairs** has been provided with ₹170 lakhs for construction of quarters. The **Department of Law and Justice** has been provided ₹330 lakhs for construction of New High Court Complex and construction of multi complex for High Court Kohima Complex. The **Home Guards Department** has been provided ₹178.48 lakhs for construction of office and infrastructure development at the Central Training Institute Dimapur. The **Prisons Department** has been provided ₹408 lakhs for construction of jails, barracks, offices and security walls in various districts. The **Excise Department** has been provided ₹100 lakhs for construction of staff building at Dimapur.

31. The **Department of Information and Public Relations** has been provided ₹109.22 lakhs for construction of offices. The Press and Media form the fourth pillar of democracy. In the recent years, we have observed with great satisfaction the emergence of a vibrant Fourth Estate in Nagaland. The Media plays the role of an independent observer and keeps the Government on its toes while also educating the masses with information, knowledge and just reportage. I congratulate our friends in the Press and Media for their positive contribution and for upholding the spirit of democracy and for rendering commendable service during the COVID pandemic. This year, we will introduce special capacity building and exposure programmes for the media in collaboration with central agencies and international institutions under our innovative programmes initiatives. The **Department of Labour** has been provided ₹115 lakhs. During the pandemic financial assistance of Rs. 2000/- each was provided to around 20,000 construction workers registered under the Nagaland Building and Construction Workers Welfare Board. A special registration drive was also conducted during the pandemic and around 5000 left out construction workers were successfully registered in the drive, enabling them to receive all benefits under the Nagaland Building and Construction Workers Welfare Board. The **Department of Employment, Skill Development and Entrepreneurship** has been provided ₹100 lakhs. The **Department of Printing and Stationery** has been provided ₹63.74 lakhs for construction of quarters. The **Administrative Training Institute** has been provided ₹50 lakhs. An amount ₹375 lakhs has been provided for the **Assembly Complex Project**. This includes construction of approach road staff quarters, digital library, construction of VIP Legislators wing at NLA Guest House Dimapur.

32. The **Department of Social Welfare** has been provided ₹200 lakhs for construction of offices. The department has started door to door delivery of dry rations under Supplementary Nutrition Programme to all ICDS beneficiaries including pregnant and lactating mothers in view of the pandemic. It has also distributed hand washing kits, posters and hoardings on COVID-19 to all 3,980

Anganwadi Centres. During 2021-22 I have decided to resume the pension given to disabled persons. The **Department of Women Resources** has been provided ₹250 lakhs. Out of this ₹100 lakhs is earmarked for various activities of the department. ₹150 lakhs has been earmarked for Transformative Livelihood Intervention. The department had during the lockdown produced about nine thousand three-layered face masks, most of which were donated to health and frontline workers, and the remaining were made available to the general public at discounted rates. My Government is committed to empower **Persons with Disabilities** and to ensure their full and effective participation and inclusion in society. Towards this end, the State Government has notified the Nagaland Rights of Persons with Disabilities Rules 2019. We have increased reservation for Persons with Disabilities in government jobs from 3 percent to 4 percent and notified Inclusive Education to Children with Disabilities by all educational institutions funded or recognised by the State Government. For the first time in the State, a Blind Football Demo-cum-Training Camp was conducted in 2020 by the Office of the State Commissioner for Persons with Disabilities in collaboration with the Indian Blind Football Federation. Promotion of disability sports is a priority and we have already instituted a separate Committee under the Nagaland Olympic Association for Persons with Disabilities.

33. The **Department of Fire Services** has been provided ₹300 lakhs. The department is presently working to establish a Regional Emergency Management Training Institute (REMTI) and Regional Response Centre at Chiechama, Kohima District, for the State as well as the region for disaster management and its mitigation. The **Department of Treasuries and Accounts** has been provided ₹150.41 lakhs for construction of staff quarters. The **Department of Border Affairs** has been provided ₹200 lakhs for construction works. The **Department of Parliamentary Affairs** has been provided ₹100 lakhs for construction of staff quarters. The **Taxes Department** has been provided ₹90.56 lakhs for construction of staff quarters. The **Village Guards** has been provided ₹300 lakhs for construction of training ground, for pre-fabrication infrastructure and firing range. The **Election Department** has been provided ₹150 lakhs for construction of warehouse for storage of EVMs and VVPATs. The **Home Department** has been provided ₹150 lakhs for the State Houses, and ₹50 lakhs for disaster management. The **Department of Tribal Affairs** has been provided ₹50 lakhs for construction of directorate building and staff quarters. The **Department of Minority Affairs** has been provided ₹75 lakhs for various construction works in Dimapur area.

34. On January 20th, 2021, we inaugurated Nagaland's newest district Noklak, and I take this opportunity to congratulate the people of Noklak district who have come a long way, making significant contributions towards the progress of the State. Located on the Indo-Myanmar border, Noklak has more

than 80 kilometres of international border, and the roots of the formation the now legendary Village Guards took place under its jurisdiction. Therefore, I have given it the name of “**Frontier District**”. I am hopeful that with the achievement of district status, the people of Noklak will experience more progress and development on all parameters. The State Government will undertake all possible measures to elevate the district on human and infrastructure development especially in the fields of Administration, Police, youth empowerment, education and healthcare. To begin with, we will undertake construction of office complexes for Deputy Commissioner, Superintendent of Police, a Town Hall and a godown for food grains. To improve health care facilities, the linked Anti-Retroviral Therapy Centre of CHC at Noklak is being upgraded to Anti-Retroviral Centre. We will upgrade the 30 bedded CHC at Noklak to District Hospital by adding another 20 beds under NHM.

35. Speaker Sir, we create a large number of assets every year from our own developmental funds as well as CSS funds. It is of utmost importance to ensure that adequate provision is made for their maintenance and upkeep so that these assets do not deteriorate. Accordingly, despite the resource constraints we are faced with, I am making a provision of ₹147.62 crore during 2021-22 for maintenance of assets.

36. As with all other sectors, the COVID-19 pandemic had adversely affected the functioning of the IDAN. During the pandemic the IDAN turned its attention to the serious issue of almost 20,000 people who had returned to the State in the wake of the Pandemic. Along with designing a “Digital Employment Exchange” in collaboration of the IT and the Employment Departments, it has also launched an e-commerce platform called the “Yellow Chain” to help the ‘returnees’ to try and start their own business online. IDAN has also initiated high level dialogues with Leather Skills Sector Council of India, Central Leather Institute of India and Council for Leather Export to discuss the viability of setting up of a Leather Value Chain in Nagaland, and has also represented the State in the NE India Indo-Pacific Virtual Investor Summit organized by Invest India in order to promote investment opportunities in the State. To explore the potential and establish an organic fibre industry in the State, IDAN enabled creation of a consortium of private entrepreneurs already engaged in the sector and is making efforts to link them to financial institutions as well as the global market.

37. Speaker Sir, Nagaland has been conferred a number of awards and citations from the Government of India for exceptional performances and good governance by various departments and communities in different parts of the State. Under the Ministry of Rural Development, Okotso Village and Kezoma Village were judged best performing panchayats across States and Union

Territories in recognition of the good works done at each level for improving delivery of services and public goods. Okotso village also won the best performing child-friendly gram panchayat and Chiechama village was awarded the Gram Panchayat Development Plan Award. Our initiatives on e-governance and use of information technology to deliver services has received recognition as Nagaland was amongst the top States named in the National e-governance Service Delivery Assessment, and we topped the list of the North Eastern and Hill States. We also did exceptionally well in the National Swachh Survekshan 2020 Awards under the Ministry of Housing & Urban Affairs. Mokokchung won the award for Best Cleanest City for population between 25,000 to 50,000, Chumukedima Town Council was the Best Self Sustainable City for population below 25,000 and Pfutsero Town Council was judged Best Innovation & Best Practices for population below 25,000. While commending the departments concerned, I also congratulate the citizens of these villages and towns for bringing laurels to the State and I hope that these achievements will inspire the rest of the State to strive towards higher goals.

38. The COVID-19 Pandemic also brought out our dependence on supplies of even basic food items like food grains, fruits, vegetables, meat, etc. from outside the State. Further, large scale migration of working populations during the lock down period created a need for additional employment opportunities for returnees and re-skilling of local people. To ensure re-employment of the returnees in a manner that is self-sustaining in the long run, the Government set up a Strategic Committee on Economic Affairs which formulated a detailed road map for economic development with special focus on Agri and Allied sector and entrepreneurial and skill training. Various activities of the road map for self-employment have started. We will also be launching the Chief Minister's Scholarships for Entrepreneurship to enable youngsters and start-ups to enhance their business and financial skills.

39. Speaker Sir, in today's competitive world the way forward is innovation, creativity and out of the box approaches. To generate meaningful and sustainable employment requires support of innovation in all sectors which in turn motivates the younger generations to strive towards their aspirations. The youth of Nagaland have tremendous energy and vibrancy that needs our collective support so that they can take Nagaland's soft power to the international community. To support the ideas and ambitions and innovations at all levels and in order to push employment generation, we are keeping an amount of ₹3400 lakhs under the Innovative Programmes & Activities Initiative.

40. Speaker Sir, I am happy to announce the introduction of two new grants namely, the Chief Minister's Grant for Journalism and the Chief Minister's Research Grant. The journalism grant will support the strengthening of

democracy and thereby positively impact good governance as it is an endeavour to empower a vibrant fourth estate. The research grant will support advancement of science and extend funding to research and research scholars. We will also launch the Chief Minister's Young Leadership Programme which was announced earlier but could not be implemented due to the pandemic. A Centre for Parliamentary Studies & Research Centre for Conflict Resolution will also be set up in the Nagaland Legislative Assembly. This Centre will become a hub for scholars and parliamentary studies while researching conflict resolution and strengthening of democracy through parliamentary interventions and initiatives.

General condition of State's finances:

41. Speaker Sir, the finances of the State during 2020-21 has been severely affected due to the lockdowns during the pandemic. As a result the State's revenue receipts - both from our own resources as well as Share of Union Taxes and Duties have fallen far below initial estimations projected in the budget. Going by present trends, our own revenues are expected to fall by about 10% from the budgeted figures. Against a BE figure of ₹1283.36 crore it is now estimated at ₹1197.17 crore, a shortfall by about ₹86.19 crore. The major setback has been the fall in the share of Union Taxes & Duties. Against the amount of ₹4493.37 crore shown in the BE of the Union Budget, it is now reduced to ₹3151.38 crore in Revised Estimates, a shortfall of ₹1341.99 crore.

42. To avert a potential financial collapse we had to resort to austerity measures to offset the revenue losses by curtailing expenditure both under Non-development and Development (State Resources) funds. Under Non-development we have, like the Central Government, frozen the payment of 3 instalments of Dearness Allowances and Dearness Relief payable to the State Government employees and pensioners. The expenditure under various items such as Office Expenses, Travel Expenses, Motor Vehicles and Maintenance under Non-Development were also reduced by 15 per cent. Purchase of new vehicles and fresh appointments under the State Government have also been put on hold. In addition, there has been 15 per cent reduction in the Development Outlay given to various departments. These measures have helped to keep the deficit within manageable levels. But the huge salary expenditure due to the high number of Government employees leaves us with meagre funds for developmental activities, and continues to be an area of concern. My Government will keep making efforts to bring down salary expenditure so that more funds can be earmarked for development.

Goods and Services Tax:

43. Speaker Sir, the pandemic had a huge negative impact on GST collections which constitutes the largest source of our own revenues. Against the Budget

Estimates of ₹844.49 crore for 2020-21, the Taxes Department has so far collected ₹506.20 crores as of November 2020. This constitutes 59.95% of the target set. On the whole, revenue collections are behind the collections for the same period of last year. However, following the lifting of the lockdown restrictions and intensive drives undertaken by the department, GST collections have shown some improvement during the second quarter. This improvement is due to the resumption of business activities in all parts of the State.

Measures to mobilize additional revenue:

44. In view of the difficult situation that we are facing now, I do not propose to raise any new taxes. However, we have to make all possible efforts to increase revenue collections through measures such as better enforcement and steps to check leakage of revenue. As a part of this exercise, instructions have been issued to all Government departments not to award any supply orders or works contract to the firms or contractors who are not registered with the Taxes Department to reduce scope for evasion of taxes. Efforts are also being made in sectors like Forests and Geology and Mining to tighten up control and supervision of the Government agencies over the trade in minerals and different natural resources.

45. Nagaland recently hosted the 21st edition of the North East Regional Power Committee Conference at Kohima in February, 2021 and I have taken over as the Chairman of the NERPC for the next tenure. I am hopeful that we will be able to work collectively so that the huge energy potential of the North East can be positively tapped for all round economic development of the region.

46. Realising revenue and payments of power bills from consumers has always been a challenge for the Power Department. Shortfalls in spending against revenue have always been met from the budget, which otherwise could have been used for more productive capital expenditure. The defaulters in payment of power bills include Government departments and Government employees. The Government will work to put in place a system to deduct at source the pending amounts of the defaulters from the government payments due to them.

47. The Power sector is incurring heavy losses that are no longer acceptable. Against an amount of ₹407 crore spent on power purchase during 2019-20, the revenue earned was ₹159 crore only. During the current financial year, against power purchase of ₹452 crore, we are expected to get about ₹175 crore only. This shows how serious the problem has become. The situation has been similar since 2010 with our revenue realisation being less than 50 percent of the expenditure on power purchase since 2010-11. Over the coming years, with increasing consumption this is going to increase only. We have too many

consumers who are not paying for the power they consume. A number of reform measures are in process, which include outsourcing the functions of metering, billing and collection of revenue for electricity in a few districts so that we can bring in private sector efficiencies in this area and improve collection of power dues. The arrangement will gradually be extended to all district headquarters. As a part of the efforts to improve revenue realization, the department is implementing pre-paid metering system where installation for 10,000 consumers in Dimapur and 9000 in Kohima are in advanced stage. This will be expanded gradually. I would also like to urge the Members of the House to take it as our duty to educate the public that as responsible citizens they have to pay for the electricity that they consume. I also feel it is time for us to have a relook at the communitisation of the power sector.

48. In the Forest sector, measures are being taken to tighten and improve enforcement to increase forest royalty collections. The Geology and Mining sector is also moving to generate more revenue through upward revision of royalty rates. It is also taking steps for better regulation of the minor minerals industries. In the Transport sector also steps are being taken to enhance revenue mobilisation through various measures. In order to support private enterprise, create meaningful employment and reduce public spending we will support establishment of private transport companies in the service sector. New initiatives are also being taken up in the Land Revenue Department, while revenue sharing models with source owners and village authorities in the Water Supply sector will aim to enhance efficiency and accountability, and make the activities more participatory.

Budget proposals:

49. Speaker Sir, the pandemic has adversely impacted the finances of the State with huge shortfalls in revenues – both of our own as well as Share in Central Taxes and Duties. To compound our problems, we were compelled to invest huge amounts of unbudgeted funds to fight the pandemic. The additional expenditure on fighting the pandemic alone comes to ₹90 crore as on date. Owing to the pandemic lockdowns the State's Share of Central Taxes has been reduced in the Revised Estimates of the Union Budget by ₹1341.99 crore. Our own revenues are also estimated to decline by ₹86.19 crore. Accordingly, the State's closing deficit for 2020-21 would have deteriorated by this amount had it not been for the various measures of reduction in expenditure undertaken by the State Government. As a result the year 2020-21 is estimated to close with a deficit of ₹2314.13 crore.

50. As regards the Budget proposals, Speaker Sir, I am estimating the gross receipts at ₹22451.28 crore and gross expenditure at ₹22816.61 crore for the financial year 2021-22. The broad item-wise statement of the estimated gross receipts and gross expenditure is as under:-

A : RECEIPTS	(₹ crore)
State's Own Tax and Non-Tax Revenue	: 1552.63
State's Share in Central Taxes	: 3787.04
Central Assistance (Grants & Loans)	: 9339.37
Internal Debt (including WMA from RBI)	: 7770.73
<u>Recovery of Loans and Advances by State Govt</u>	<u>: 1.51</u>
Total	: 22451.28
B : EXPENDITURES	
Non Development Expenditure (excluding Servicing of Debt)	: 9316.15
Servicing of Debt (including repayment of WMA)	: 7819.83
<u>Development Expenditure (including CSS etc)</u>	<u>: 5680.63</u>
Total	: 22816.61
C. BALANCE (A-B)	: (-) 365.33
D. PUBLIC ACCOUNT (NET)	: 0.00
E. CURRENT TRANSACTIONS (C+D)	: (-) 365.33

51. The current year's transaction is estimated to result in a negative balance of ₹365.33 crore. However, because of the negative opening balance of ₹2314.13 crore, the year 2021-22 is estimated to close with a negative balance of ₹2679.46 crore.

52. With these words, Mr. Speaker sir, I commend the Budget for 2021-22 to this august House for consideration and passing.

Thank You.