



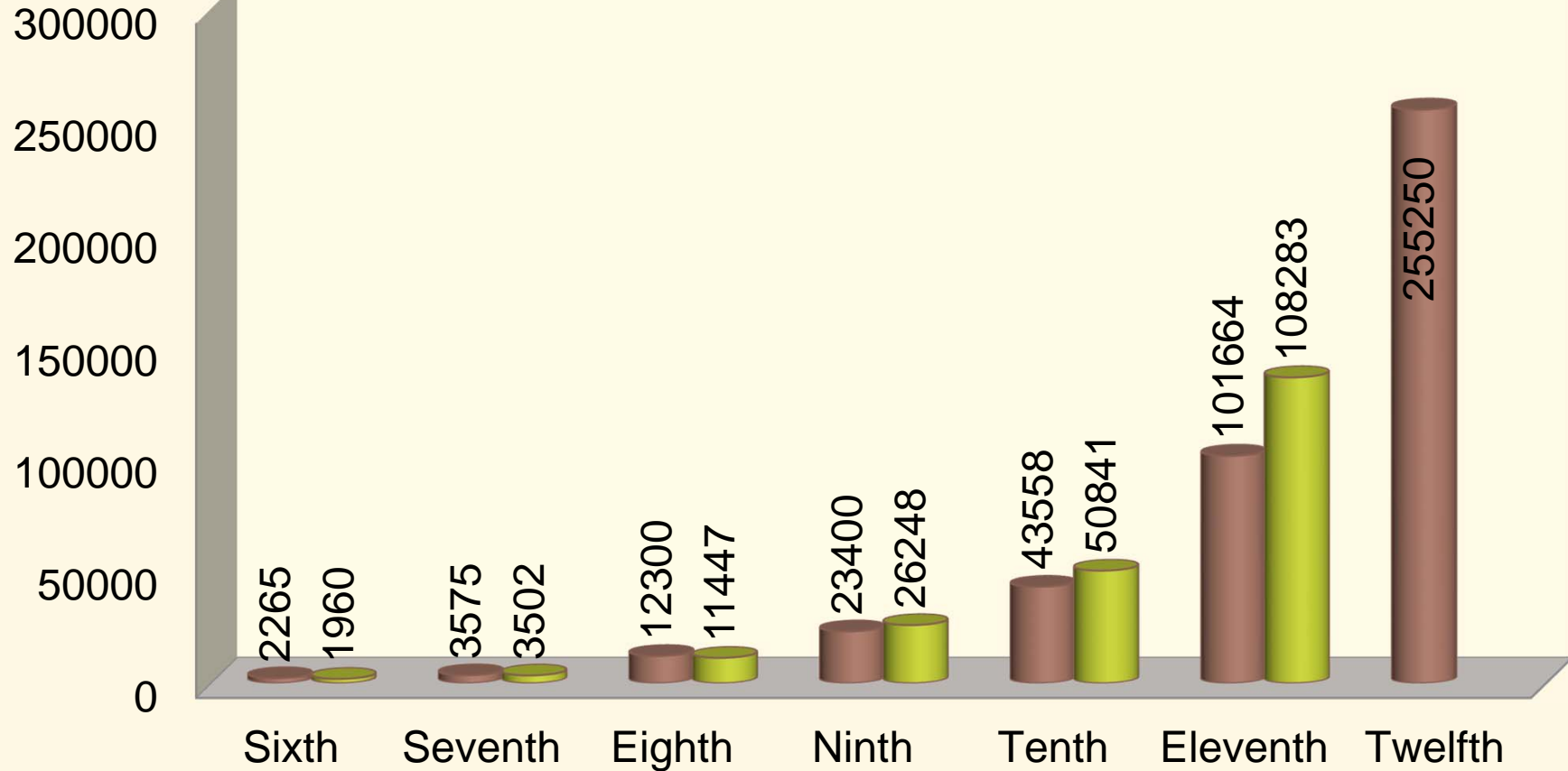
Government of Karnataka

Annual Plan 2013-14

**Planning Commission
26 June 2013**

Five Year Plans Overview

Five Year Plans: Outlay & Expenditure



■ Outlays ■ Expenditure

Fiscal Indicators: 11th and 12th Plan

Indicators	2007-08		2012-13 (RE)		Norms
	KN	AI	KN	AI	
GSDP (Constant Prices): Rs/cr	228202	3896636	303444	5503476	
GSDP (Current Prices): Rs/cr	270629	4987090	520766	10028118	MoF estimate for 2012-13
Public Expenditure as % of GSDP	17.8	14.3	19.7	14.3	
Plan as % GSDP	6.0	4.1	8.0	4.3	5.5% as per PC
Non Plan as % GSDP	11.3	10.2	10.9	9.9	
Debt as % of GSDP	22.1	56.9	22.3	50.1	KFRA ceiling 25.7%
Fiscal Deficit as % of GSDP	2.48	2.5	2.93	5.2	KFRA ceiling 3.0%

Fiscal Indicators: 11th and 12th Plan

Indicators	2007-08		2012-13 (RE)		Norms
	KN	All India	KN	All India	
State Borrowings under Plan as % GSDP	0.7	2.8	2.8	2.4	
Developmental Expr as % GSDP	12.4	9.3	14.9	10.3	
Interest Payment as % of Revenue Receipts	10.9	31.5	8.0	36.3	15% ceiling prescribed by FC
Capital Expenditure as % GSDP	3.5	2.4	3.1	1.7	

Resources: 11th and 12th Plan

(in Rs Crore)

Item	11 th plan Target at 2006-07 prices	11 th plan Ach at 2006-07 prices	12 th Plan Target at current prices
State Borrowings (Net)	27,594.08 (27.1)	23,815.83 (22.0)	1,01,654 (39.8)
State own resources	45,078.66 (44.3)	59,842.96 (55.3)	94,174 (36.9)
IEBR	12,709.21 (12.5)	10,533.01 (9.7)	31,407 (12.3)
Central Assistance	16,282.04 (16.1)	14,091.52 (13.0)	28,015 (10.9)
Total	1,01,663.99	1,08,283.33	2,55,250

6 (Figures in green in brackets indicate % to total)

GSDP Growth Rates: 10th - 12th Plans

Sector	10 th Plan Ach	11th Plan		2012-13 AE	12 th Plan	Remark
		Target	Ach.	Ach.	Target	
Agriculture	2.1 (2.4)	5.4 (4.0)	5.5 (3.3)	1.8 (0.5)	4.5 (4.0)	Two years of drought
Industry	9.5 (9.3)	12.5 (10-11)	5.0 (6.6)	2.4 (5.3)	6.5 (8.1)	SC ban on Mining Activity
Services	9.2 (9.2)	12.0 (9-11)	9.0 (9.8)	8.9 (8.9)	9.0 (9.1)	
Total GSDP	7.7 (7.8)	11.2 (9.0)	7.2 (7.9)	5.9 (6.7)	7.6 (8.2)	

(All India figures in green in brackets)

GSDP and Per Capita Plan Expenditure: 11th Plan

Year	State / India	GSDP/GDP at 2004-05 prices (Rs/cr)	Per-Capita Income (Rs)	Per-Capita Plan Exp (Rs)
2007-08	Karnataka	228202	39831	3006
	India	3896636	34181	1799
2008-09	Karnataka	244421	42195	3897
	India	4158676	36162	2393
2009-10	Karnataka	247562	42281	4601
	India	4516071	38598	2593
2010-11	Karnataka	271485	45882	5265
	India	4937006	41839	3212
2011-12	Karnataka	286410	47911	6432
	India	5243582	43335	3408

Sector-wise Expenditure: 11th Plan

Sector	Outlay at 06-07 prices	Actual Expenditure at 06-07 prices	% Expenditure over outlay
Water Supply, Housing, UD	21830	17687.29	81
Irrigation	14759	14974.02	101.4
Transport	12959	15237.06	117.6
Energy	10051	13501.42	134.3
Agri. & Allied	7688	7296.04	94.9
Rural Devt	5200	4527.99	87.8
Health	3376	3648.74	108.1
Total	101664	108283.16	106.5

Monitorable Targets and Achievements: 11th Plan

Indicator	Unit	Target	Ach.	Ref year/ source	AI Average	Targets for 12 th Plan
GSDP growth rate	%	11.2	7.2	12 th FYP doc	7.9	7.6
Agriculture growth rate	%	5.4	5.5	12 th FYP doc	3.3	4.5
New work opportunities	Lakh	33	22.91	30.9.2010	180	12
Poverty ratio	%	12.4	18.52	2009-10	29.8	15
Reduction in dropout rate at EE level	%	24.72	20.8	12 th FYP doc	40.6	<1
Literacy Rate	%	85.00	75.6	2011 census	73.0	85
Reduction in gender gap in Literacy	%	6.4	14.7	2011 census	16.68	10

Monitorable Targets and Achievements: 11th Plan

Indicator	Target	Ach	Ref year/ source	AI Average	Target for 12 th Plan
IMR per 1000	24	38	SRS 2010	47	15
MMR per 100000	76	178	SRS 2009	212	80
TFR Average no. of children born	1.8	2.0	2006 NFHS	2.5	1.8
Child Malnutrition %	20.6	42.0	2006 NFHS	40.4	27
Anaemia women & girls %	25.2	52.1	2006 NFHS	55	26
CSR Per 1000	954	941	2011 census	914	953

Flagship Programmes: 11th Plan

Scheme	Central	State Releases	Total	Expenditure	% of Exp
RGGVY	203		203	290	142.86
NHM	398	71	469	492	104.90
NRHM	1758	373	2131	2211	103.75
SSA	3330	1096	4426	4550	102.80
NSAP	1010	471	1481	1512	102.09
JnNURM	901	346 + 1499	2746	2746	100
ICDS	1550	1033	2582	2560	99.15
NRDWS	2630	1032	3662	3499	95.55
MGNREG	4876	1661	6537	6219	95.14
IAY	1162	491	1653	1560	94.37
MDM	1762	574	2336	2103	90.03
AIBP	1460	1736	3197	2858	89.40
PMGSY	1954	109	2063	1822	88.32
TSC	187	70	257	210	81.71
RAPDRP	218		218	103	47.25
Total	23399	9062	32461	32675	100.66

EAPs: 11th Plan

- 26 EAPs under implementation in 11th Plan period
- 11 Projects started during previous Plans period completed; 9 new projects initiated during 11th plan,
- Projects implemented: in Urban Development, Rural Development, Health, Road, Energy, Education, Forest, Water Resources, Finance and Agriculture Sectors.
- Out of total plan outlay of Rs. 10,514 crore, an amount of Rs. 6709 crore spent and Rs. 5617 crore received as ACA .

Annual Plan 2013-14

Financing the Annual Plan 2013-14

- Plan Size: Rs 47,000 crore of which
 - Balance from Current Revenue (BCR) – Rs. 17,443 crore
- Plan Expenditure: Rs. 47,032 crore, of which
 - Plan Revenue Expenditure Rs. 29,423 cr. (62.5%)
 - Plan Capital Expenditure Rs. 16,507 cr. (35.1%)
 - Plan Loan Expenditure Rs. 1102 cr. (2.4%)
- Fiscal Deficit – Rs. 17,214 Cr. (2.86% of GSDP)
- Revenue Surplus – Rs. 585 Cr.(0.1% of GSDP)
- Tax-GSDP Ratio -10.3%
- Public Investment (Capex) - Rs. 18034 crore (3.0 % of GSDP)
- Interest payment to Revenue Receipts – 9.0%.

Annual Plan: Resources

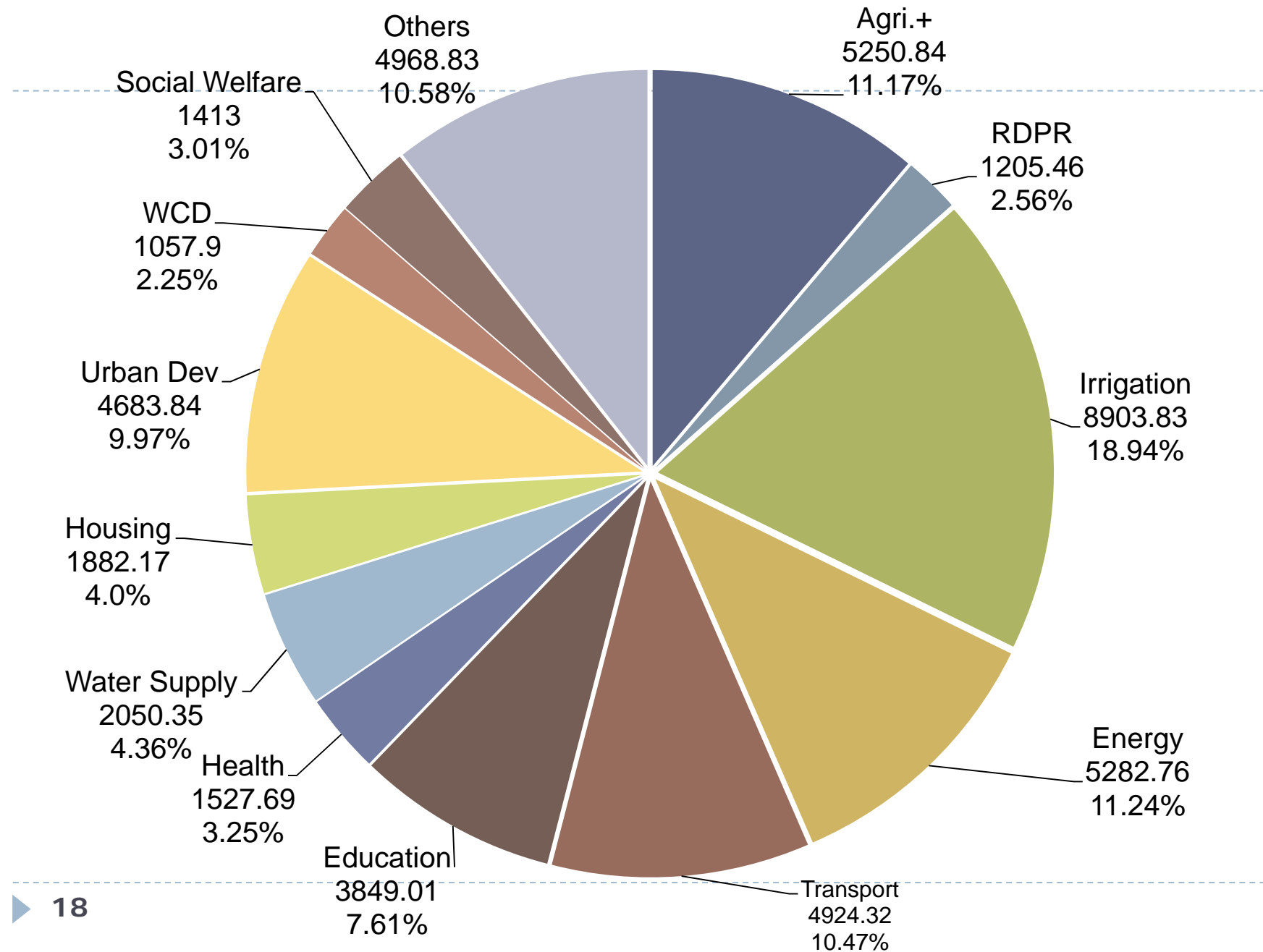
Sector	2012-13 RE	% to Total	2013-14 BE	% to Total	% change
State Borrowings (NET)	14,822.89	35.2	17931.00	38.1	20.9
State own resources	17,419.11	41.4	18796.00	40.0	7.9
IEBR	5842.54	13.8	7001.00	14.9	19.8
Central Assistance	4015.47	9.6	3272.00	7.0	-18.5
Total	42,100.01		47000.00		11.6

Revenue Receipts: 2012-13 & 2013-14

Year	Commercial Tax	State Excise	Stamps & Regn.	Motor Vehicle Tax	Others	Total
2012-13 (RE)	32000 (59.8)	11300 (21.1)	5300 (9.9)	3500 (6.5)	1393 (2.6)	53493
2013-14 (BE)	37740 (60.8)	12400 (20.0)	6316 (10.2)	4118 (6.6)	1504 (2.4)	62078

(figures in bracket indicate % to total)

Sectoral Allocations (Rs. crore)



Sectoral Issues

Agriculture and allied sectors

- All time high food grain production of 139 lakh tonnes in 2010-11; average 120.75 lakh tonnes in 11th Plan (35.4% increase)
- Bhoochetana: Productivity increased from 1278 Kg to 1631 Kg per ha (27.6%); continued focus and expansion: 50 lakh ha. rainfed & 8 lakh ha. irrigated area in 2013-14.
- Global Agri Investment Meet: 65 agreements for Rs. 60942 crores signed; 26 approved by KUM for 10721 crore
- GoK-CGIAR includes nine international institutes led by ICRISAT
 - Protect farmers from effects of frequent droughts
 - Operationalisation of programme for improving rural livelihood
 - Pilot from Kharif 2013 in 4 districts; 10,000 ha. per district
 - 80,000 ha. by end 2016-17

Agriculture and allied sectors

Reforms: Rationalisation and simplification of state sector schemes to cover (i) inputs and quality control (ii) extension and allied HRD activities (iii) crop and water management programmes (iv) farm mechanization (v) post harvesting technology (vi) administration

Central Support for:

- Strengthening infrastructure for post harvest facilities
- Restoring customs duty on raw silk to 30% to prevent farmers from resorting to distress sales
- Declaring MSP for oil palm as recommended by CCAP
- Marketing surplus milk

Rural Development

■ MGNREGS

- 100% implementation through GP; all wage payments credited electronically through e-FMS
- 1000 Engineers, 400 Agriculture/Horticulture/Forest Assts taken on outsourcing basis for assisting GPs in MGNREGS work
- **Focus** on enhancing person days, timely payment of wages, creation of durable assets, completion of incomplete works and social audit

■ PMGSY

- 16,272 km road length approved under PMGSY; 15,959 km completed.
- Proposal for preparation of DPR for 2639 kms for new connectivity to 1103 habitations submitted; GoI to send team to submit status report
- WGDP areas with unconnected habitations of 250 population to be considered for connectivity under PMGSY I on par with hilly states.
- Request for approval of 2245 kms under PMGSY-II

Rural Development

- **NRWDP:** Focus on emergency work for drinking water on account of severe drought in the past two years
- 90% ground water based; need to move to surface water based schemes
- 3600 quality affected habitations; committed to providing water purification plants to 1000 villages this year
 - GoI to expedite guidelines (flexi-fund) on new scheme for water purification for State to take advantage
- 30,000 AWCs and 3000 schools to be covered during the year
- **NBA:** Completed new baseline survey: actual coverage 30 lakh toilets; 14 lakh toilets defunct/not available
- GoI to provide provide support based on new baseline survey, rather than previously reported figures
- Review NBA guidelines to include commodes for senior citizens and persons with disability

Urban Development: JnNURM

Mission Cities - Bangalore & Mysore

- 49 projects approved at an outlay of Rs. 3781.20 crore
- Funding: GoI Share – Rs 1596 cr; GoK Share – Rs. 473.80 cr; ULB Share – 1706.31 cr

Bangalore

- 39 projects sanctioned, 24 completed, 15 ongoing
- Total approved cost- 2887.19 cr, Financial progress – 2325.01 cr (81%)
- Funds released : GoI Share – Rs. 666.63 cr, GoK Share – Rs. 327.03 cr, ULB Share – 1331.35

Urban Development: JnNURM

Mysore

- 19 projects sanctioned; 2 completed, 8 ongoing
- Total approved cost- 894.01 cr, Financial progress – 747.51 cr (83.6%)
- Funds Released : GoI Share – Rs. 496.35 cr, GoK Share – Rs. 83.11 cr, ULB Share – 168.05 cr

Transition Phase

- DPRs submitted to MoUD under Transition Phase – 15 proposals amounting to Rs. 1607 Cr

JnNURM II

- 6 city corporations proposed
 - Hubli-Dharwad, Mangalore, Belgaum, Davangere, Gulbarga, Bellary

Bangalore Infrastructure

- **Bangalore Metro**
 - Phase-1 (42.3 km) and Phase-2 (72.09 km) together will create a Metro Network of 114.39 km with 101 Stations.
 - Network will carry 14.8 lakh passengers per day by 2016-17
 - Phase-2 consists of 4 extensions to existing lines, 2 new lines and 61 stations (49 Elevated and 12 Underground)
 - GoK approval accorded; GoI approval sought for Phase-2
- **Suburban rail project:**
 - Support sought for covering satellite towns of Tumkur, Bidadi, Ramanagara, Nelamangala, Kolar.
 - Estd cost - Rs.8759 cr.

Housing

- Unit cost enhanced from Rs 1 lakh to Rs 1.5 lakh; subsidy from Rs 0.75 lakh to Rs 1.20 lakh, including Gol subsidy.
- 1.08 lakh IAY houses completed against target
- 1.73 lakh houses completed under State sector schemes
- 3.47 lakh ongoing houses targeted to be completed in 2013-14

Reforms:

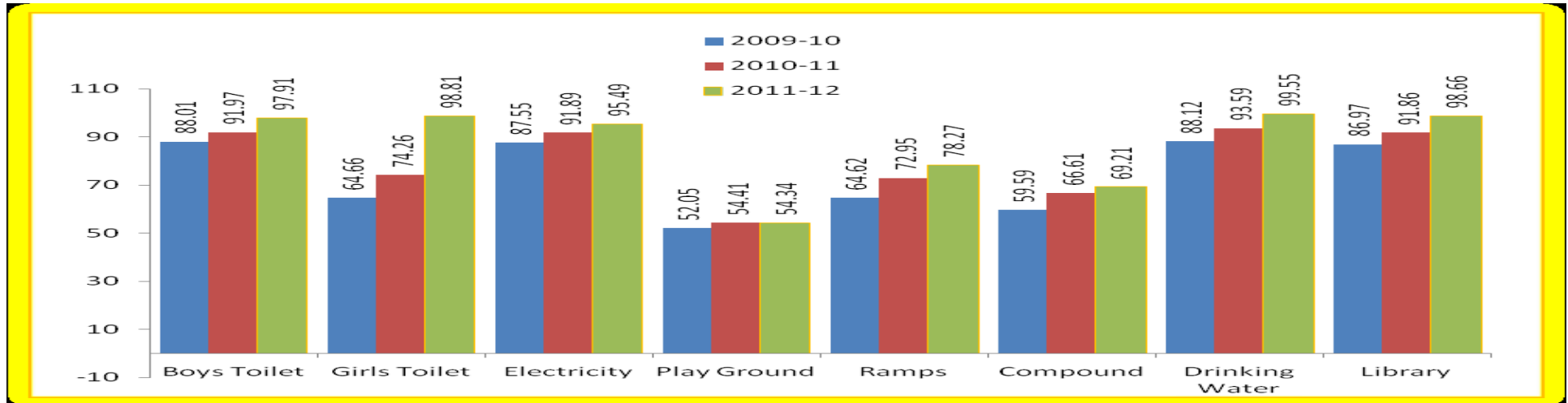
- Beneficiary wise GPS based physical progress monitoring system introduced in 2012-13 to ensure actual progress.
- Introducing direct release of funds to beneficiaries' accounts through Electronic Fund Transfer System from 2013-14 series onwards
- Common Data Centre to monitor physical and financial target/achievement across multiple Implementing Agencies

Health

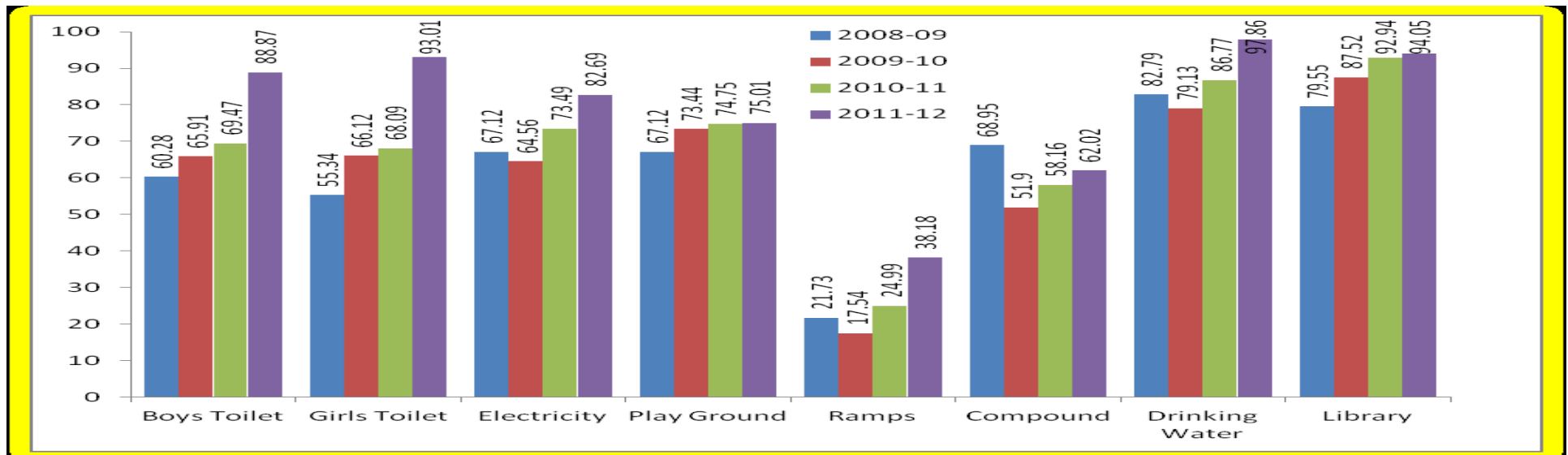
- Shortage of Specialists: major cause of concern
 - Compulsory Rural Service Bill submitted for President's assent
 - Centre to consider pay scales for Specialists on par with Specialists in Medical Education in line with UGC/AICTE schemes in 90:10 ratio
- 104 Helpline launched
- State welcomes constitution of NUHM for universal health coverage in urban areas
 - NUHM strategies should be state specific; avoid one-size-fits-all approach
- Central Assistance for NRHM should continue in 85:15 ratio in
▶ 12th Plan

Schools

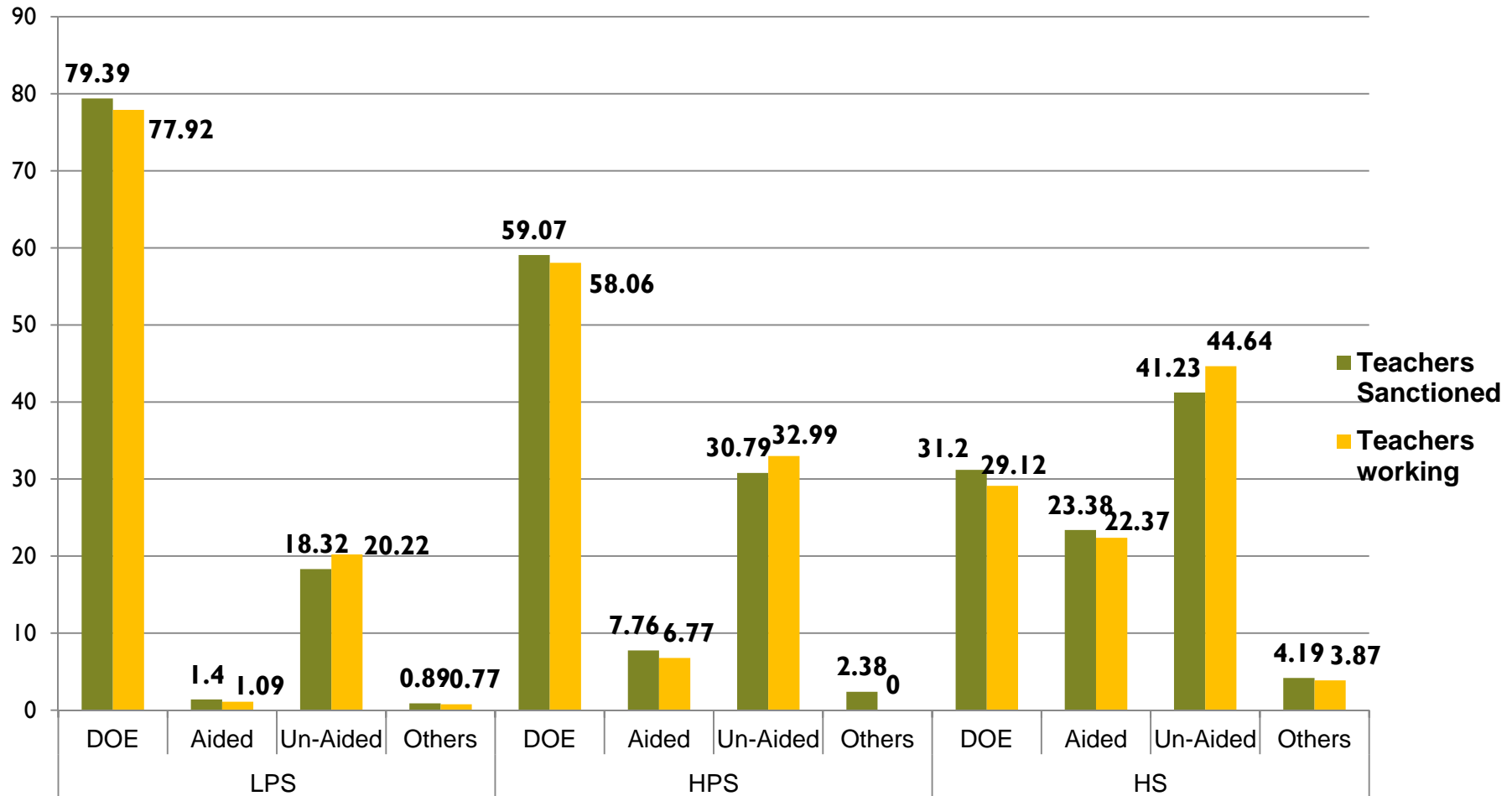
Infrastructure: Elementary Schools



Infrastructure: High Schools



Percentage of Teachers Sanctioned and Working at LPS/HPS/HS stages 2011-12



School Education

- ~~Revise fund sharing pattern for SSA in 75:25 ratio till RTE norms are achieved~~
- Provide 100% financial support for children from disadvantaged groups and weaker sections in private, unaided schools under RTE
- Provide central support for restructuring School Education in accordance with the National System of Education: need for additional teachers, infrastructure
- Extend MDM to cover secondary sector
- Provide steady and regular fund flow under RMSA
- NVEQF - Level 1 & 2 ready for launch in classes 9 & 10 in 1000 schools
- Introduce pre-school education in all govt. and govt. aided primary schools

Reform:

- Redeployment of teachers so that every school conforms to prescribed PTR

Higher Education

Central Support for:.....

- IIT in Karnataka
- World Class University in Mysore
- Pilot project for community colleges to be taken up
- 20 colleges in Educationally Backward Districts ready for upgradation as model colleges
- Expansion of TEQUIP II
- **Priority:**
 - To fill faculty vacancies in universities, colleges and polytechnics

Labour and Skill Development

- Target for skill development: 4.04 million in 12th plan
 - Existing capacity: 6.1 lakh/ annum
 - Focus on Modular Employable Skills (MES)
 - Support required for additional skill development infrastructure to meet target of 4.04 m
- GoI support for High Tech Multi Skill Development Centres at Belgaum & Mangalore
- **Focus** on improvement in RSBY delivery

Women and Child Development

- Existing norms for sanctioning new AWCs to be reviewed:
 - Adopt distance, rather than population criteria, for new AWCs
 - Reduce norm for AWCs on demand from 40 to 20 children
 - reduce norm for Mini AWCs from 20 to 10 children
- Extend enhanced SNP cost of Rs 6/child from 12 districts to all 30 districts
- SNP norms for moderately malnourished children to be at par with SAM children at Rs. 9/ child
- Provide unit cost for AWC buildings as per State SoRs
- Enhance maintenance cost for AWCs from Rs 2000 to Rs 5000/ centre.
- Extend Sabala programme from 9 districts to all 30 districts

Social Welfare

- Enhance hostel facilities:
 - 100% construction costs for new hostels for boys and girls
 - Recurring costs for hostels should be provided
- Committed Liability clause for pre- and post matric scholarships imposes very heavy burden on the State
- Remove Committed Liability Clause and provide 100% central assistance for post matric scholarship.

Forest and Environment

- Enhance support for state of art technology to fix forest boundaries, prevent encroachments, detect poaching and fires
- Increase support for boundary consolidation under Project Elephant to address human-elephant conflict
- Additional financial support required for rehabilitation of forest dwellers in Nagarhole Project Tiger areas and Kudremukh National Park (1500 forest dwellers)
- Case for simplification of Forest and Environment clearances

Priority:

- Final orders on pending applications under Forest Rights Act within one year

Irrigation

- **Focus** on completion of 78 lingering projects in 12th plan
 - 50 projects – localised to benefit small areas; can be completed with an investment of Rs.815.67 crore.
 - 18 projects require an investment of Rs.4163.03 crore
 - 9 projects require Rs.14889.46 crore
 - UKP Stage-III requires Rs.17,207 crore.
- **Upper Bhadra** (1.2 lakh ha.; grounded in 2007):
 - Include as National Project in relaxation of present norm of 2 lakh hectares
 - Will serve drought prone districts of Tumkur, Shimoga, Chitradurga and Chikmagalur

Irrigation

- **Yettinahole project:** Central assistance of Rs. 8000 crore for providing drinking water to Kolar, Chikkaballapur and Tumkur districts; environmental clearance received
- **UKP Phase III:** priority to utilize 177 TMC water awarded by Krishna Waters Tribunal
- **AIBP:** Pending projects need to be approved for optimum utilisation of state share
 - Sanctions for FIC/Field drain/land reclamation etc, should be based on state schedule of rates, not on fixed unit cost.

Power

- Growth in annual demand: 8-10%; present peak deficit 10%.
- Distribution losses of 18.7% to be reduced to 15% in 2013-14.
- Important projects held up due to unresolved problems in coal linkages and environmental clearances:
 - Yeramarus (1600 MW) Yedlapura (800 MW)
 - Godhna (1600 MW) Bellary-Unit-III (700 MW)
- Bellary II tapering linkage ended on 31.3. 2013; 500 MW lying idle
- Request for allocation of 1000 MW from Bhutan pending with MoP
- Corridor constraints in power transmission from Western & NE regions
 - 765 KV transmission lines (Kudgi-Kolhapur & Raichur- Sholapur) by PGCIL to be completed on top priority;
- Affordable pricing policy for Gas based Power Plant at Bidadi (700 MW)

Power

- **DISCOMs:** Request for extension of effective date from Sept 2013 to Sept 2014 under RAPDRP for conversion of grant as loan pending
- Gol should revise eligibility criteria under Financial Restructuring Plan to include total short term liability, power purchase dues and accumulated losses
- **RGGY:** 10th Plan target met; 11th Plan 82% BPL HHs covered; 16 unelectrified villages (100%); Udupi, Dakshina Kannada districts by October 2014
- RGGY norms to be revised for <100 households in hilly/ densely forested areas; cost norms should be based on local conditions
- **Non Conventional:** Provide enhanced support, especially for solar lighting and pumps

Infrastructure

- In principle approval required for proposed Bangalore-Mumbai Corridor with UK assistance
- Speedy implementation of on-going Railway projects in the State
 - Cost escalations range from 100 to 300%
- MoR to formulate Policy on Cost Sharing; ensure commensurate budgetary outlays for projects in cost sharing mode within the same Annual Plan
- MoR to enter into MoU with State for timely completion of projects to avoid cost over run, in line with system adopted by AAI

Railway Projects

	Line	Status	Cost Escalation
1	Kottur-Harihara	Railways to deposit decree amount for payment of compensation; start operations	From Rs 281 cr to Rs 439 cr
2	Kadur-Chikamagalur	MoR to commence operations	--
3	Bidar Gulbarga	60 kms completed 47 under progress	From Rs 386 cr to Rs 846 cr
4	Bangalore-Mysore doubling	80 kms completed 65 under progress	From Rs 126 cr to Rs 526 cr
5	Munirabad-Mehboobnagar	New Railway line 165.57 kms	From Rs 350 cr to Rs 1409 cr
6	Hassan Bangalore	New Railway line 164 kms	--
7	Kolar-Chikballapur	Nearing completion	From Rs 98 cr to Rs 438 cr
8	Gadag-Wadi	Proposal pending before Planning Commission	--
9	Bangalore-Chamarajnagar	MoR to expedite survey work	--

Ports & Airports

- DPR on Tadri Project submitted
 - Request MoS for clearance of proposal for 34 MT port on account of anticipated coal traffic, in addition to existing iron ore traffic
 - EIA study awaiting MoEF clearance
- Early environment clearance needed for Hubli-Ankola Rail Project by MoEF
- MoCA requested to use Essential Air Services Fund to incentivise airlines to operate routes to tier-II cities

Public Works

- Only 29% four-lane NHs in Karnataka; against 50% in adjoining States
 - Total four-lane length - 760 km in KN, 1706 km in AP; 1568 km in TN; Need to correct this imbalance
- Four SHs require immediate conversion to NH
 1. Bangalore–Mysore-Mangalore: 385 Kms
 2. Belgaum–Raichur-Mehboobnagar (SH 20): 336 Kms.
 3. Kumta–Haveri–Kudligi–Anantapur (SH 2 & 69): 315 Kms.
 4. Bidar–Bellary–Hiriyur–Srirangapatna (SH 19 & 105): 385 Kms
- CRF guidelines need to be reviewed for allocation on the basis of 50%, rather than 30% fuel consumption
- Increase VGF from 40% to 50% of project cost shared between centre and state on account of low vehicular traffic on State highways

Commerce & Industries

- Gol to support:
 - 9 new industrial infrastructural parks, including corridors
 - Limited number of empanelled agencies for EIA studies resulting in enormous delays and cost over runs
 - Need for expeditious environment clearance for 20 industrial projects by Gol
 - Liberalisation of labour laws and 'Exit Policy'

- Refinance Window:
 - SIDBI to be continued as major source of finance for State Finance Corporations to support MSME sector
 - NABARD to support loans to agro-based industries

IT, BT and S & T

- ~~Electronics Manufacturing Clusters (1 Greenfield & 3 Brownfield)~~ proposed to be set-up with financial assistance of DeitY.
- Information Technology Investment Region (ITIR) in Bangalore, proposed to be set-up in 10,500 acres of land with GoI assistance for external linkages and infrastructure.
- New Indian Institute of Information Technology (IIIT) in Karnatak University campus, Dharwad, with 50% financial support from MHRD.
- Science hot spot being developed at Challakere, Chitradurga with support of IISc, ISRO, DRDO, BARC.
- Karnataka GIS Mission/Geo-spatial Data Infrastructure proposed to be rolled out with financial support of DST to help in effective execution of development schemes in the State.

Integrated Development of Bangalore in ICT Sector

- Government has set-up a Committee chaired by Shri Mohandas Pai and other industry members to give recommendations to meet the targets in the ICT sector by 2020.
- Karnataka ICT Group submitted its report which contains certain Policy recommendations as well as detailed blue print of requirements of infrastructure in Bangalore for the next 10 years.
- Estimated cost spread over 12 years is Rs. 2.56 lakh crores.
- Funding is expected to be sourced from new impact fees by permitting from additional FSI, regular budget allocations from State Government and Government of India and loans from external aid agencies.
- Support of Government of India sought for the above.

Governance Reforms

- Sakala initiative guarantees time bound service delivery for 265 services in 30 departments; approx. 2 crore applications attended
- E-Procurement portal: 1,26,365 tenders published for goods worth Rs 1,77,656 crore; resulted in 10% savings and 100% transparency in public procurement
- Karnataka Resident Data Hub initiated to facilitate Aadhar based delivery of services
- Bangalore One initiative expanded to nine Tier-II cities: Hubli-Dharwad, Shimoga, Belgaum, Bellary, Mysore, Mangalore, Davangere, Gulbarga and Tumkur
- Karnataka Evaluation Authority constituted for evaluation of Govt. schemes and programmes
- RFD under implementation in the State from 2011-12

Thank You