



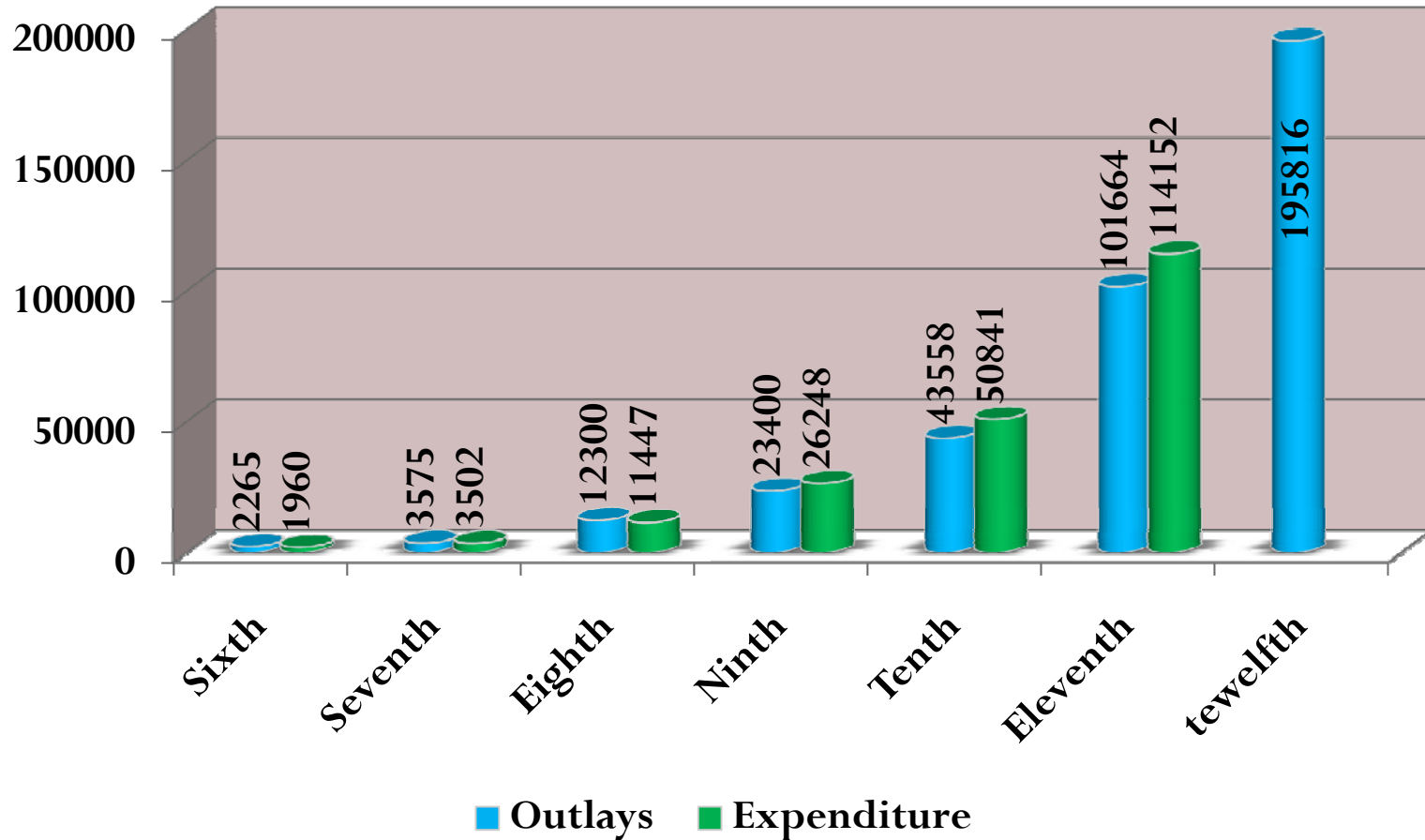
Government of Karnataka

Annual Plan 2012–13 and 12th Five Year Plan

11th April 2012

Five Year Plan approved Outlay & Expenditure

Rs. Crore



11th Plan – Sector-wise Expenditure

(Rs. Crore)

Sector	Outlay	Anticipated Expenditure	%
Water Supply, Housing & UD	21830	18759	85.9
Rural Development	5200	5243	100.8
Agri. & Allied	7688	7792	101.4
Irrigation	14759	16209	109.6
Health	3376	3842	113.8
Education	8412	9865	117.3
Transport	12959	15376	118.7
Energy	10051	15082	150.1
Total	101664	114152	112.3

Eleventh Plan – Overall

(Rs.crore)

Year	Outlay	Expenditure	
		Current Prices	Constant Prices
2007-08	17782.58	17226.89	16352.06
2008-09	26188.53	22576.75	19995.35
2009-10	29500.00	26944.00	22981.92
2010-11	31050.00	31154.44	25307.74
2011-12	38070.00	38150.00	29515.14

* Likely to achieve Rs.114152 cr. Vs Rs.101664 cr. - 112%

* Achievement - Ninth Plan: 112%, Tenth Plan: 119%

Eleventh Plan and 12th Plan– Resources

(Rs. crore)

	11 th Plan Target	Anti. Ach.	% Ach.	12 th Plan Target
State Borrowings	27594.08 (27.1)	25796.74 (22.5)	93.5	81825.80 (41.8)
State own resources	45078.66 (44.3)	61324.64 (53.7)	136.0	70582.80 (36.0)
IEBR	12709.21 (12.5)	15780.14 (13.8)	124.2	27895.80 (14.2)
Central Assistance	16282.04 (16.1)	11250.46 (9.8)	69.0	15511.60 (7.9)
Total	101663.99	114151.98	112.3	195816.00 (100.0)

(Figures in brackets indicate % to total)

Performance of some Fiscal Indicators in 10th and 11th Plan

Indicators	2006-07		2011-12(BE)	
	Karnataka	All India	Karnataka	All India
GSDP(at constant Prices)-Rs.crore	204179	3564364	294148	5222027
GSDP(at current Prices)-Rs.crore	227854	4294706	434270	8912178
Public Expenditure as a % of GSDP	18.4	13.6	19.6	14.1
Plan as a % GSDP	7.1	4.0	8.8	5.0
Debt as a % of GSDP	29.0		23.3	
Fiscal Deficit as a % of GSDP	2.5	3.3	2.9	4.6
State's Own Plan resources as a % of GSDP	5.3	2.95	3.8	3.76
State Borrowings under Plan as a % GSDP	2.0	2.74	3.3	2.88
Developmental Expr. as a % GSDP	13.1		13.2	
Capital Expenditure as a % GSDP	4.6	1.6	4.1	1.8

Eleventh Plan Targets and Achievements

(as % of GSDP)

Sector	Target Plg. Com.	Achievement	12 th Plan Target
Public Expr. on Education	6.0	3.3	6.0
Public Expr. on Health	2.0	0.9	2.5
Public Investment in Physical Infrastructure	5.3	5.2	5.0
Public Investment in Agriculture (Out of Agri. GSDP)	4.0	7.2	4.0
Agri. Research	1.0	0.39	1.0
State Plan	5.5	6.9	6.86
Non-Plan Expr	9.09	11.0	8.09
Public Investment	8.0	3.6	13.0
Competing investment needs			

11th Plan Monitorable Targets and Achievements

Sl. No	Indicator	Target	Ach.	Remarks
1	GSDP growth rate (%)	11.2	8.0	During the 11 th Plan
2	Agriculture growth rate (%)	5.4	5.7	During the 11 th Plan
3	New work opportunities (lakhs)	33	22.91	(as on 30 th Sept 2010)
4	Poverty ratio (%)	12.4	18.52	2009-10
5	Dropout rates in elementary schools (%)	24.72	2.09	2010-11
6	Literacy Rate (%)	85.00	75.6	2011 census
7	Gender gap in literacy rate (%)	6.4	14.7	2011 census
8	Infant Mortality Rate (per 1000)	24	38	(S.R.S. 2010) 33
9	Maternal Mortality Rate (per lakh live births)	76	178	(S.R.S. 2009) 120
10	Total fertility rate	1.7	2.0	2009
11	Child Malnutrition (0-3)	22.0	12.0	2009
12	Anemia women and girls (15-49)	21.2	52.1	2006 NFHS
13	Sex ratio (0 to 6)	969	943	

GSDP Growth Rates in Tenth and Eleventh Plan Period – Karnataka and (India)

Sector	10 th Plan Ach.	11th Plan		11-12 AE	12 th Plan
		Target	Achievement	Ach.	Target
Agriculture	2.1(2.4)	5.4(4.0)	5.7(3.3)	-2.9(2.5)	4.63(4.0)
Industry	9.5(9.3)	12.5(10-11)	5.3(6.7)	3.6(3.9)	9.0(9.6)
Services	9.2(9.2)	12.0(9-11)	10.3(9.9)	10.6(9.4)	9.71(10.0)
Total GSDP	7.7(7.8)	11.2(9.0)	8.0(7.9)	6.4(6.9)	8.81(9.1)
Corresponding figures for All India are given in brackets					

Assumptions and Financing of Annual Plan 2012-13 Outlay

- ❖ Plan Revenue Expenditure Rs. 24251 Cr. (60%)
- ❖ Plan Capital Expenditure Rs. 21,249 Cr. (40%)
- ❖ Fiscal Deficit – Rs. 15312 Cr. (2.94% of GSDP)
- ❖ Revenue Surplus – Rs. 930 Cr.(0.18% of GSDP)
- ❖ Tax-GSDP Ratio-9.95
- ❖ B.C.R – Rs.14116.05 crore
- ❖ Interest payment to Revenue Receipts – 9.20%.

Revenue Receipts of Southern States: 2010-11(BE) (as a % of GSDP)

State	Revenue Receipts	Own Tax Revenue	Own NonTax Revenue
Andhra Pradesh	20.7	10.8	3.6
Maharashtra	11.0	7.2	1.2
Tamil Nadu	14.4	9.5	0.9
Kerala	12.7	8.5	0.9
Karnataka	16.3	11.0	0.9

Resource Mobilization for AP 2012-13

- ❖ 18% normal growth in State's Taxes over 2011-12 (BE)
- ❖ Rs. 1250 Crore from Royalty on Major and Minor Minerals
- ❖ Sale of land Rs. 125 Crore
- ❖ Regulate non-plan expenditure

Prudent Fiscal Management Practices

- ❖ Providing for capital expenditure
- ❖ Full utilization of the GOI assistance
- ❖ Improving the quality of Government expenditure
- ❖ Curb off-budget borrowings
- ❖ Maintenance of Revenue Surplus
- ❖ Maintenance of Fiscal Deficit within 3% norm

Prudent Fiscal Management Practices (Contd.)

- a) Containing Debt to GSDP ratio to less than 25% (the norm is 25.2% of GSDP by 31st March 2015 prescribed by the 13th Finance Commission)
- b) Interest Payments to Revenue Receipts kept within 15% (the norm is 15% of GSDP by 31st March 2015 prescribed by the 13th Finance Commission)

GoI assistance sought:

- ❖ Set borrowing limits for each state based on their debt sustaining capacity.

Annual Plan 11-12 & 12-13 Resources

(Rs. crore)

Sector	11-12 BE	% to Total	12-13 BE	% to Total	% change
State Borrowings	12474.69	32.8	15043.13	35.8	20.6
State own resources	16405.95	43.0	14422.88	34.3	-12.08
IEBR	5771.59	15.2	8861.40	21.0	53.5
Central Assistance	3417.77	9.0	3702.59	8.9	8.3
Total	38070.00		42030.00	100.0	10.4

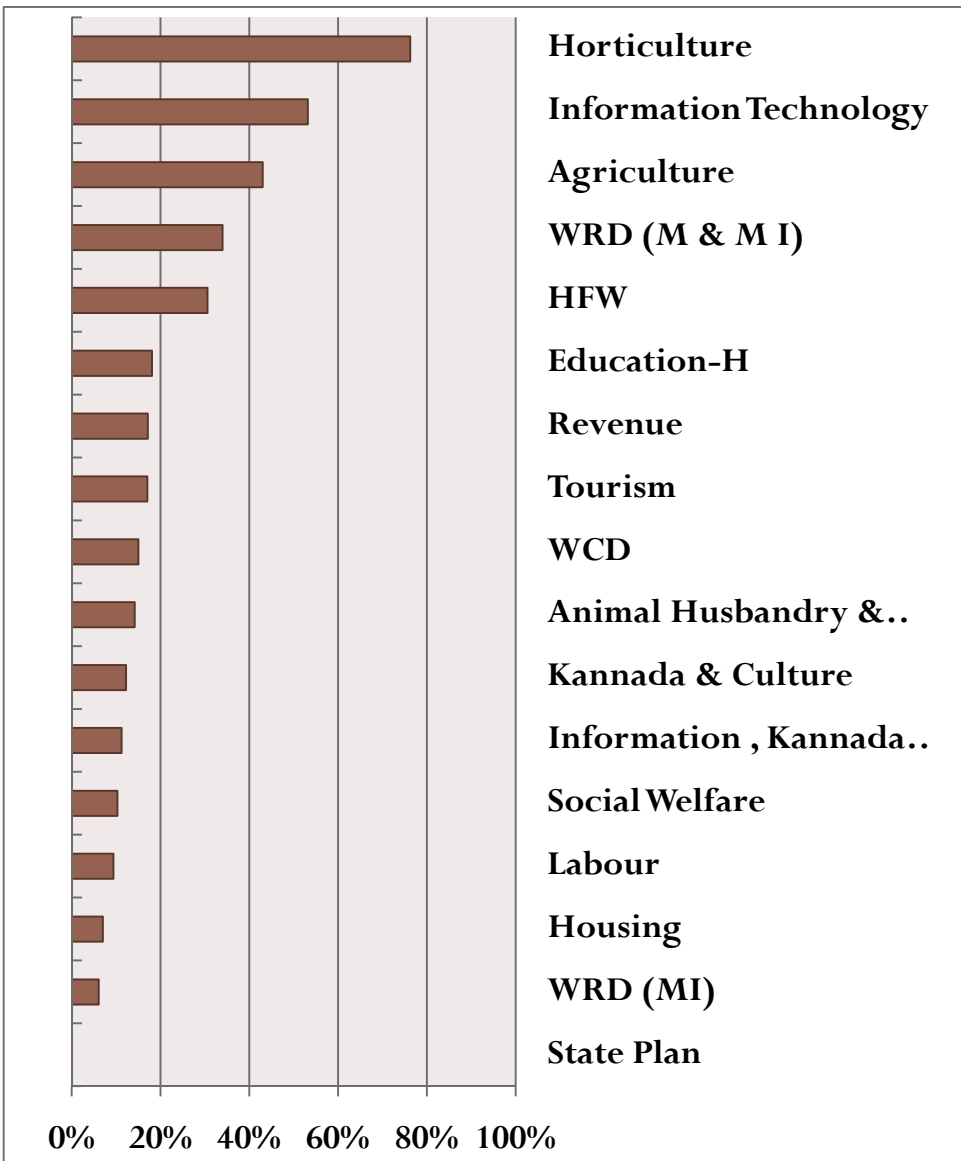
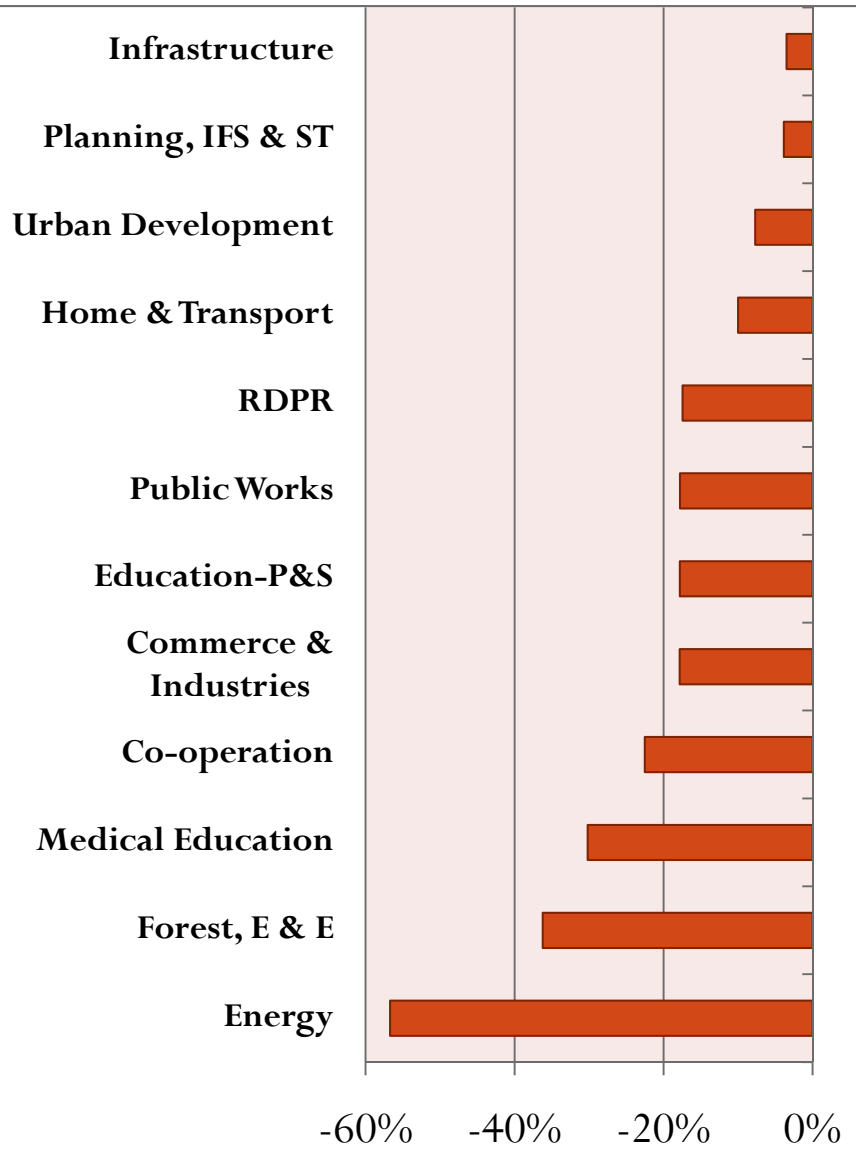
Outlays & Expenditure in Eleventh Plan, Twelfth Plan & Annual Plan 2012-13

Sector	11 th Plan Expenditure (% to total)	12 th Plan projected Outlay (% to total)	Annual Plan 2012-13 (% to total)
Agriculture & Allied	6.8	8.9	9.0
Rural Development	4.6	3.2	4.6
Irrigation	14.2	17.8	18.1
Energy	13.2	10.4	11.4
Transport	13.5	12.8	10.7
Education	8.6	7.8	8.1
Health	3.4	3.6	3.6
Water Supply, Housing & U.D	16.4	16.4	17.6
Welfare of SCs, STs & OBCs	4.5	4.5	3.9
Women & Child Development	2.9	5.5	2.6
Total	100.0	100.0	100.0

Challenges for 12th Plan

- ❖ Innovative and credible measures to
 - ❑ Raise additional resources.
 - ❑ Efficient allocation and effective utilization.
 - ❑ Attract Private investment, Harness PPP potential
- ❖ Quality implementation, monitoring
- ❖ Prioritizing of resource use. Reduce number of schemes.
- ❖ Infrastructure quality: better upkeep & maintenance.
- ❖ Prudent use of power / water: Pricing, cost recovery.
- ❖ Incentivizing sustainability: Promoting environment friendly technology across sector.
- ❖ Empowering the weakest through better targeting and effective utilisation.
- ❖ Sufficient resources for Social infrastructure and skill development.
- ❖ Support Agriculture by post harvest technology, credit, agri business and strengthening markets.

% change over Increase in State average in the 12th Plan over 11th Plan



Governance Reforms

Already Implemented:

- a) Karnataka Guarantee of Services to Citizen's Act 2011, 151 Services , 11 departments
- b) Result Framework Document: Performance Management
- c) Karnataka Expenditure Reforms Commission recommendations
- d) Karnataka Evaluation Authority
- e) Comprehensive Decision Support System: Transparent Resource Allocation, Decentralised Monitoring
- f) Strengthening Gram Panchayats with Panchayath Development Officers & Additional resources
- g) Further strengthening e-governance
- h) Accreditation of Hospitals and Gram Panchayats

Finance and Resource

GOI Assistance Sought:

1. Almost two-thirds of the central assistance of Rs 70,503 crore budgeted in 2011-12 is for specified State Plan schemes like RKVY, AIBP, JnNURM, etc. The entire assistance should flow based on objective distribution formula with freedom to the States to decide their priorities.
2. The Centre's gross budgetary support to States is projected to be increased from 4.7% of GDP in 11th Plan to 5.4% in the 12th Plan. However, the projected increase in assistance to States is only marginally increased from 1.2% in 11th Plan to 1.3% in the 12th Plan. The States should be given a larger share of the incremental resources to be mobilised in the 12th plan period.
3. The fiscal autonomy of the State should not be push up compromised under GST. The finally selected GST rate has to safeguard the ability of the State with high tax collection effort.

Efficient Management of Public Expr.

- 1. In the 12th Five Year Plan the approach should be to improve efficiency and effectiveness of public expenditure as brought out in the Report by Dr. Rangarajan's Committee on "Efficient Management of Public Expenditure".**
- 2. Early Implementation of BKC Committee report on CSS and CPS**

Power

- **Annual demand growth : 8 to 10%, Peak deficit (20%)**
- **T & D Loss 2011-12 (19.98%) to be reduced to 15% by 2013-14**
- **‘Niranthara Jyothi’: Rs. 2182 crore : 2 phases : Segregating Agri Feeder programme taken up.**

GOI Assistance Sought

- * **Long-term Coal-linkage/Allotment of Captive Coal Block**
- * **Allotment of Gas and Pricing**
- * **Environmental Clearances**
- * **Share of unallocated Power from Central Generating Stations.**

Infrastructure

PPP Initiatives in Karnataka

1. Bill drafted, 150 officers trained, PPP Cells in 12 departments,
2. 69 PPP projects in pipeline (Investment Rs. 99,451 Cr)
3. 140 new projects identified for feasibility study (Rs. 92,840 crores)

GOI Assistance Sought

- ❖ Peninsular Region Industrial Development Corridor between Chennai-Bangalore-Mumbai, extend up to Chitradurga
- ❖ Commuter Rail Project in Bangalore
- ❖ Railways PPP Policy early finalization
- ❖ Speed up implementation of on-going Railway projects
- ❖ Environment clearance sought for Hubli-Ankola Rail Project
- ❖ JnNURM extention (time and tier-2 cities)

Public Works

GoI Assistance Sought

- ❖ Karnataka's NH density is 2.10km per 10,000 sq km, whereas it is 3.60 km for Tamil Nadu. GOI requested to upgrade 23 State Highways of length 4381 km into National Highways.
- ❖ In Principal clearance of VGF proposals requested

Water Resources Development

GoI Assistance Sought

- ❖ The Upper Tunga Project (UTP), Upper Bhadra Project (UBP), Singatalur Lift Irrigation Scheme (SLIS) and UKP Stage-III are proposed major projects for including under AIBP during the 12th Five Year Plan.

Agriculture & Allied

- Achievement in Bhuchethana scheme
- Milk subsidy scheme
- “Karnataka State Integrated Horticulture Development Schemes” in selected clusters to cover 37,600 hectare of land benefitting 50000 farmers.
- Co-operative short-term crop loan up to Rs. 1 lakh at zero per cent interest

GOI Assistance Sought:

- Silk import duty reduction and support price for cocoon and silk yarn
- Minimum Support Price for Arecanut, Oil palm and Copra
- Levy higher import duty on crude palm oil
- Agriculture Extension system needs grass root strengthening with GOI assistance

Health

- IMR – 38 (2010 SRS) MMR – 178 (SRS 2009)
- TFR – 2.0 (SRS 2009)
- Institutional Delivery 65% (DLHS III – 2007-08) to 97% (HMIS 2012)
- HR added 1600 General Duty Medical Officer, Para Medic 3922, Specialists 262
- ‘Arogya Kavacha’ toll free 24X7 response; 517 Ambulance, 2.8 crore calls, 21.67 lakh emergencies, 6.94 lakh pregnancy related cases.
- Vajpayee Arogya Shree: BPL cashless high end medical care surgeries : extended to all districts.

GOI Support Requested:

- * 7 districts (C-category) identified as high focus in Karnataka, having very low health indicators, considered on par with high focus States under National Health Mission central assistance.
- * MMR, IMR declining comparatively low in urban areas. Need to fund & Strengthen Urban Health System.
- * Janani Suraksha Yojane: Children beyond 2 per family may be assisted.
- * GOI assistance sought to increase intake in Government medical colleges.
- * Upgradation of identified state autonomous institutions to national institutions requested on cost sharing basis.

Education

GOI Support Requested:

- * To Extend Mid-Day Meal Programme for high school students i.e, 9th and 10th standards.
- * Funds in the ratio of 75:25 on the line of RMSA to be provided (instead 65:35) to implement Right to Education Act.
- * Provision to pay suitable honorarium to volunteers under Sakshar Bharath.
- * GOI support requested for a special package to improve educational indicators in backward taluks of North Karnataka

Skill Development & Labour

- 4.5 lakhs unemployed youth will be provided skill training during 2012-13 on PPP
- High tech Multi Skill Development Centre being set up at Gulbarga & Bangalore with GTZ collaboration
- Till now 8,71,726 persons trained by the Karnataka Skill Development Corporation
- Job assistance provided to 2.48 lakh persons
- 7 HRD Centres set up in the Employment Exchange. 10 more planned in 2012-13
- 100 Skill Development Centres proposed for imparting in demand short term courses

GOI Support needed:

- * Two more Centres for High tech Multi Skill Development Centres: Belgaum & Mangalore : Support required.

Welfare

- Record SCP/TSP allocation of Rs. 7200 crore in 2012-13. Rs. 1250 crore pooled fund

GOI Support Sought:

- Drop committed liability clause in post-metric scholarships
- GOI may extend 100% grant for boys hostel buildings
- Scheme to construct Anganwadi buildings
- Unit cost for Nutrition Programmes need revision

Others

GOI Support Needed:

Rural Development

- PMGSY 3 pending proposals may be approved (misclassification of gravel road as all weather road)

Drought Assistance

- Central assistance of Rs. 2606 crore sought to tackle drought situation

Regional Imbalance

- To improve institutional capacity need to providing benefit of Article 371D under the Constitution to people of Hyderabad Karnataka (Reservation in Technical Education and Employment)

Tourism

- 500 years of Guru Nanak's visit to Bidar: International Celebration: Help sought from GOI

FINANCIAL PROGRESS OF FLAGSHIP PROGRAMMES DURING 2011-12

(UPTO END OF MARCH-12 Provisional)

Rs. in Crore

Sl. No	Scheme	Allocation			OB	Total Releases	Available Funds	Expenditure	Percentage Exp to	
		State	Central	Total					Allocation	Available funds
1	RAPDRP	0.00	827.55	827.55	151.73	41.75	193.48	34.82	4.21	18.00
2	Indira Awas Yojana *	157.24	326.57	483.80	485.45	299.85	785.30	264.59	54.69	33.69
3	Total Sanitation Campaign	43.01	87.09	130.10	54.17	119.90	174.07	62.01	47.67	35.63
4	National Rural Drinking water programme *	481.24	571.64	1052.88	323.48	1457.43	1780.91	905.81	86.03	50.86
5	Rajiv Gandhi Gramin Vidyutikaran Yojana *	0.00	156.12	156.12	9.23	37.19	46.42	31.54	20.20	67.94
6	Mid day Meals Programme	437.85	508.93	946.79	38.23	615.82	654.06	499.72	52.78	76.40
7	Pradhan Mantri Gram Sadak Yojana*	87.00	49.10	136.10	527.67	43.50	571.17	437.20	321.24	76.54
8	National Rural Health Mission	115.00	612.81	727.81	170.01	725.09	895.10	733.08	100.72	81.90
9	Sarvashikshana Abhiyana	468.89	870.80	1339.70	258.44	946.95	1205.39	1099.57	82.08	91.22
10	National Horticulture Mission	18.75	106.25	125.00	11.04	110.85	121.89	112.11	89.69	91.97
11	Integrated Child Development Scheme	46.75	422.20	468.96	57.03	323.81	380.83	354.95	75.69	93.20
12	National Social Assistance Programme	275.79	363.61	639.40	28.84	374.36	403.20	423.35	66.21	105.00
13	Mahtma Gandhi National Rural Employment Guarantee scheme	241.27	2171.48	2412.75	582.82	1368.17	1950.99	2141.78	88.77	109.78
14	Jawahar Lal Nehru National Urban Renewal Mission **	131.00	309.00	440.00	0.00	353.47	353.47	431.89	98.16	122.19
15	Accelerated Irrigation Benefit Programme *	0.00	1709.04	1709.04	0.00	452.23	452.23	779.98	45.64	172.47

Note: * Bharath Nirman Programme ** Expenditure includes ULB share

Thank You