



BUDGET SUMMARY-PART 1

Budget proposals have been discussed under ten distinct themes to foster this broad agenda

- (i) **Farmers** : for whom we have committed to double the income in 5 years;
- (ii) **Rural Population** : providing employment and basic infrastructure;
- (iii) **Youth** : energising them through education, skills and jobs;
- (iv) **Poor and the Underprivileged** : strengthening the systems of social security, health care and affordable housing;
- (v) **Infrastructure**: for efficiency, productivity and quality of life;
- (vi) **Financial Sector** : growth and stability through stronger institutions;
- (vii) **Digital Economy** : for speed, accountability and transparency;
- (viii) **Public Service** : effective governance and efficient service delivery through people's participation;
- (ix) **Prudent Fiscal Management** : to ensure optimal deployment of resources and preserve fiscal stability; and
- (x) **Tax Administration** : honouring the honest.

Part 1 will deal with the first 4 aspects of the budget.

I. FARMERS

- The total area sown under kharif and rabi seasons are higher than the previous year. With a better monsoon, **agriculture is expected to grow at 4.1% in the current year.**
- Last year's Budget focused on 'income security' of farmers to double their income in 5 years.

Credit:

- For a good crop, adequate credit should be available to farmers in time. The target for agricultural credit in 2017-18 has been fixed at a record level of ` 10 lakh crores.
- We will take special efforts to ensure adequate flow of credit to the under serviced areas, the Eastern States and Jammu & Kashmir.
- The farmers will also benefit from 60 days' interest waiver
- About 40% of the small and marginal farmers avail credit from the cooperative structure. The **Primary Agriculture Credit Societies (PACS)** act as the front end for loan disbursements.
- NABARD for computerization and integration of all 63,000 functional PACS with the Core Banking System of District Central Cooperative Banks.

Insurance:

- The **Fasal Bima Yojana** launched by our Government is a major step in this direction. The coverage of this scheme will be increased from **30% of cropped area in 2016-17 to 40% in 2017-18 and 50% in 2018-19**
- Issuance of **Soil Health Cards** has gathered momentum. The real benefit to farmers would be available only when the soil samples are tested quickly and nutrient level of the soil is known.
 - a) Government will therefore set up new mini labs in Krishi Vigyan Kendras (KVKs) and ensure 100% coverage of all 648 KVKs in the country.
 - b) In addition, 1000 mini labs will be set up by qualified local entrepreneurs. Government will provide credit linked subsidy to these entrepreneurs.

Irrigation:

- A **Long Term Irrigation Fund** has already been set up in NABARD.
- A **dedicated Micro Irrigation Fund** will be set up in NABARD to achieve the goal, 'per drop more crop'. The Fund will have an initial corpus of `5,000 crores.

Post harvest Losses:

- The coverage of National Agricultural Market (e-NAM) will be expanded from the current 250 markets to 585 APMCs.
 - a) Assistance up to a ceiling of ` 75 lakhs will be provided to every e-NAM market for establishment of cleaning, grading and packaging facilities. This will lead to value addition of farmers' produce.
- Market reforms will be undertaken and the **States would be urged to denotify perishables** from APMC. This will give opportunity to farmers to sell their produce and get better prices.
- We also propose to integrate farmers who grow fruits and vegetables with agro processing units for better price realisation and reduction of post-harvest losses. A model law on contract farming would therefore be prepared and circulated among the States for adoption.

Livestock

- Dairy is an important source of additional income for the farmers. Availability of milk processing facility and other infrastructure will benefit the farmers through value addition.
- A large number of milk processing units set up under the **Operation Flood Programme** has since become old and obsolete.
- A Dairy Processing and Infrastructure Development Fund would be set up in NABARD with a corpus of ` 8,000 crores over 3 years. Initially, the Fund will start with a corpus of ` 2,000 crores.

II. RURAL POPULATION

- Over ` 3 lakh crores are spent in rural areas every year, if we add up all the programmes meant for rural poor from the Central Budget, State Budgets, Bank linkage for self-help groups, etc.
- With a clear focus on improving accountability, outcomes and convergence, Mission Antyodaya to bring one crore households out of poverty and to make 50,000 gram panchayats poverty free by 2019, will be launched.

- a) This mission will work with a **focused micro plan for sustainable livelihood** for every deprived household.
 - b) A composite index for poverty free gram panchayats would be developed to monitor the progress from the baseline.
- Reorient MGNREGA to support our resolve to double farmers' income. While providing at least 100 days employment to every rural household, MGNREGA should create productive assets to improve farm productivity and incomes.
 - The target of **5 lakh farm ponds and 10 lakh compost pits** announced in the last Budget from MGNREGA funds will be fully achieved. This single measure will contribute greatly to drought proofing of gram panchayats.
 - Participation of women in MGNREGA has increased to 55% from less than 48% in the past.
 - Budget provision of `38,500 crores under MGNREGA in 2016-17 has been increased to `48,000 crores in 2017-18. This is the highest ever allocation for MGNREGA.
 - The initiative to **geo-tag all MGNREGA assets** and putting them in public domain has established greater transparency. We are also **using space technology** in a big way to plan MGNREGA works.
 - The *Pradhan Mantri Gram Sadak Yojana* (PMGSY): The pace of construction of PMGSY roads has accelerated to reach 133 km roads per day in 2016-17, as against an average of 73 km during the period 2011-2014.
 - We have also taken up the task of connecting habitations with more than 100 persons in left wing extremism affected Blocks. We have committed to complete the current target under PMGSY by 2019.
 - We propose to complete 1 crore houses by 2019 for the houseless and those living in kutcha houses.
 - We are well on our way to **achieving 100% village electrification by 1st May 2018**. An increased allocation of ` 4,814 crores has been proposed under the Deendayal Upadhyaya Gram Jyoti Yojana in 2017-18.
 - **Deendayal Antyodaya Yojana- National Rural Livelihood Mission** for promotion of skill development and livelihood opportunities for people in rural areas to `4,500 in 2017-18. The allocation for Prime Minister's Employment Generation Programme (PMEGP) and credit support schemes has been increased more than 3 times.
 - Swachh Bharat Mission (Gramin) has made tremendous progress in promoting safe sanitation and ending open defecation.
 - a) Sanitation coverage in rural India has gone up from 42% in October 2014 to about 60%. Open Defecation Free villages are now being given priority for piped water supply.
 - Safe drinking water to over 28,000 arsenic and fluoride affected habitations in the next four years. This will be a sub mission of the **National Rural Drinking Water Programme (NRDWP)**.
 - For imparting new skills to the people in the rural areas, mason training will be provided to 5 lakh persons by 2022, with an immediate target of training at least 20,000 persons by 2017-18.

- Panchayati raj institutions still lack human resources for implementing development programmes. A programme of “**human resource reforms for results**” will be launched during 2017-18 for this purpose.
- The Government will continue to work closely with the farmers and the people in the rural areas to improve their life and environment.

III. YOUTH

- Introducing a system of **measuring annual learning outcomes in our schools**. Emphasis will be given on science education and flexibility in curriculum to promote creativity through local innovative content.
- An **Innovation Fund for Secondary Education** will be created to encourage local innovation for ensuring universal access, gender parity and quality improvement. This will include ICT enabled learning transformation. The focus will be on 3479 educationally backward blocks.
- In higher education, we will **undertake reforms in the UGC**. Good quality institutions would be enabled to have greater administrative and academic autonomy. Colleges will be identified based on accreditation and ranking, and given autonomous status. A revised framework will be put in place for outcome based accreditation and credit based programmes.
- Leveraging IT and launch SWAYAM platform with at least 350 online courses. This would enable students to virtually attend the courses taught by the best faculty; access high quality reading resources; participate in discussion forums; take tests and earn academic grades. Access to SWAYAM would be widened by linkage with DTH channels, dedicated to education.
- Establish a **National Testing Agency** as an autonomous and self-sustained premier testing organisation to conduct all entrance examinations for higher education institutions. This would free CBSE, AICTE and other premier institutions from these administrative responsibilities so that they can focus more on academics.

Skill Development:

- *Pradhan Mantri Kaushal Kendras* (PMKK) have already been promoted in more than 60 districts. We now propose to extend these *Kendras* to more than 600 districts across the country.
- **100 India International Skills Centres** will be established across the country. These Centres would offer advanced training and also courses in foreign languages. This will help those of our youth who seek job opportunities outside the country.
- **Skill Acquisition and Knowledge Awareness for Livelihood Promotion programme (SANKALP)** to provide market relevant training to 3.5 crore youth.
- The next phase of **Skill Strengthening for Industrial Value Enhancement (STRIVE)** will focus on improving the quality and market relevance of vocational training provided in ITIs and strengthen the apprenticeship programmes through industry cluster approach.
- A special scheme for creating employment in the textile sector has already been launched. A similar scheme will be implemented for the leather and footwear industries.

- Tourism is a big employment generator and has a multiplier impact on the economy. Five Special Tourism Zones, anchored on SPVs, will be set up in partnership with the States. Incredible India 2.0 Campaign will be launched across the world.

IV. THE POOR AND THE UNDERPRIVILEGED

- **Sabka Saath Sabka Vikas** begins with the girl child and women. *Mahila Shakti Kendra* will be set up at village level in 14 lakh ICDS *Anganwadi* Centres.
 - a) This will provide one stop convergent support services for empowering rural women with opportunities for skill development, employment, digital literacy, health and nutrition.
 - b) A nationwide scheme for financial assistance to pregnant women has already been announced, Under this scheme, ` 6,000 each will be transferred directly to the bank accounts of pregnant women who undergo institutional delivery and vaccinate their children.
- Propose to facilitate higher investment in affordable housing. Affordable housing will now be given infrastructure status, which will enable these projects to avail the associated benefits.
- The **National Housing Bank** will refinance individual housing loans of about ` 20,000 crore in 2017-18.
 - a) Surplus liquidity created by demonetisation, the Banks have already started reducing their lending rates, including those for housing.
 - b) In addition, interest subvention for housing loans has also been announced by the Honourable Prime Minister.
- Government has therefore prepared an action plan to eliminate Kala-Azar and Filariasis by 2017, Leprosy by 2018 and Measles by 2020. Elimination of tuberculosis by 2025 is also targeted. A
- Action plan has been prepared to reduce IMR from 39 in 2014 to 28 by 2019 and MMR from 167 in 2011-13 to 100 by 2018-2020. **1.5 lakh Health Sub Centres** will be transformed into Health and Wellness Centres.
- We need to **ensure adequate availability of specialist doctors to strengthen Secondary and Tertiary levels of health care**. We have therefore decided to take steps to create additional 5,000 Post Graduate seats per annum.
- In addition, steps will be taken to roll out DNB courses in big District Hospitals; strengthen PG teaching in select ESI and Municipal Corporation Hospitals; and encourage reputed Private Hospitals to start DNB courses.
- Two new All India Institutes of Medical Sciences will be set up in the States of Jharkhand and Gujarat.
- Amend the **Drugs and Cosmetics Rules** to ensure availability of drugs at reasonable prices and promote use of generic medicines. New rules for regulating medical devices will also be formulated. These rules will be internationally harmonized and attract investment into this sector. This will reduce the cost of such devices.

- We are keen on fostering a conducive labour environment wherein labour rights are protected and harmonious labour relations lead to higher productivity.
- Legislative reforms will be undertaken to simplify, rationalize and amalgamate the existing labour laws into 4 Codes on (i) wages; (ii) industrial relations; (iii) social security and welfare; and (iv) safety and working conditions. The Model Shops and Establishment Bill 2016 has been circulated to all States for consideration and adoption. This would open up additional avenues for employment of women. The amendment made to the **Payment of Wages Act**, is another initiative of Government for the benefit of the labour and ease of doing business.
- Government is giving special importance to implementation of the schemes for welfare of Scheduled Castes, Scheduled Tribes and Minorities. The allocation for the welfare of Scheduled Castes has been stepped up from `38,833 crores in BE 2016-17 to ` 52,393 crores in 2017-18, representing an increase of about 35%. The allocation for Scheduled Tribes has been increased to `31,920 crores and for Minority Affairs to `4,195 crores. The Government will introduce outcome based monitoring of expenditure in these sectors by the NITI Aayog.
- For senior citizens, **Aadhar based Smart Cards** containing their health details will be introduced. A beginning will be made through a pilot in 15 districts during 2017-18. The LIC will implement a scheme for senior citizens to provide assured pension, with a guaranteed return of 8% per annum for 10 years.