1. AGRICULTURE & FOOD PROCESSING: BUDGET 2022-23

- Budget Allocation –

  o Budget allocation of Rs. 500 crore each to promotion of Farmer Producer Organizations (FPOs) and Agriculture Infrastructure Fund (AIF) schemes would increase credit availability and create better agri-infrastructure in rural areas.

  o Rashtriya Krishi Vikas Yojana (RKVY) focuses on food security, sustainable agriculture, oilseed production, agri-extension, etc. It has been restructured this year where various schemes viz. Pradhan Mantri Krishi Sinchai Yojana (PMKSY) - per drop more crop, Paramparagat Krishi Vikas Yojana (PKVY), National Project on Soil Health, Rainfed Area Development and Climate Change, Sub-Mission on Agriculture Mechanization including management of crop residues stand merged.

  o Krishonnati Yojana, announced in Budget 22-23 has a number of projects viz. Integrated Development of Horticulture, National Mission on Edible Oils - Oil palm, National Food Security Mission, Sub-Mission on Agriculture Extension, etc. Amalgamation of various schemes under one umbrella scheme would ensure effective targeting of eligible beneficiaries and register efficiency in the system.

- Promoting chemical free natural farming – Farmers' land in 5 km wide corridors along the river Ganga would be selected for promotion of natural farming practices.

- Promoting post-harvest value addition, consumption, and branding of millet products.

- Delivery of Digital and Hi-Tech services to farmers in PPP mode -

  o The 'KisanSarathi' digital platform will improve farmers' capability to discover just price and consolidate their products for both the regulated and unregulated markets.

  o Budget 22-23 announces launching of a scheme in PPP mode to extend delivery of digital and high-tech services to farmers through private agri-tech players and agri-value chain stakeholders.

- Digitization of Agriculture Cooperatives - In order to ensure smooth, adequate, hassle-free, and cost-effective credit flow to the farmers, the scheme aims at computerization of functional community-owned, democratically governed, member driven cooperatives to enhance their governance and operational efficiency, profitability and to ensure seamless financial transaction with utmost transparency and accountability.

- Use of Kisan Drones to aid farmers – for crop assessment; digitization of land records; spraying of insecticides, pesticides, and nutrients; mapping the fields under KCC, PMFBY; maintaining land records especially in north-eastern region, hilly region, and area affected by left-wing extremists; etc. and will help in improving farm practices for a higher and quality yield.

- Launching fund with blended capital to finance agriculture start-ups - Budget 22-23 announced a National Bank for Agriculture and Rural Development (NABARD) funded scheme to promote agri-tech startups. NABARD will set up a blended capital fund under the co-investment model to financially support the agriculture startups and rural enterprises. Startups which are extending mentoring and handholding support services to FPOs will be eligible for getting assistance from the fund. Recently, January 16 was announced as the National Start-up Day.

- Ken Betwa Link Project to benefit 9.1 lakh hectare farm land

- **Promoting R&D -** As per the budget announcement, states will be encouraged to revise the syllabi of agricultural universities to meet the needs of natural, zero-budget organic farming, modern-day agriculture, value addition and management.

AGRI-PRENEURSHIP

- **PM Formalisation of Micro Food Processing Enterprises (PM FME) Scheme** by the Ministry of Food Processing Industry (MoFPI) aims at providing financial, technical and business support for upgradation of existing micro food processing enterprises. It provides support of capital investment for upgradation and formalisation (registration for GST, FSSAI hygiene standards and Udyog Aadhar). Skill training, hand holding support to prepare bankable business plans, support towards common infrastructure such as Common Facility Centres, and branding and marketing are also provided to FPOs, SHGs and PCs.

- **Student READY (Rural Entrepreneurship Awareness Development Yojana)Programme :** Implemented by the MA&FW, it aims to provide among youths: *Experiential Learning with business mode; Hands-on training (HOT)/ Skill development training i.e., Experiential Learning without business mode; Rural Awareness Work Experience (RAWE); Internship/ In Plant Training/ Industrial attachment; and Students Projects.*

- **Rashtriya Krishi Vikas Yojana -Remunerative Approaches for Agriculture and Allied Sectors Rejuvenation (RKVY-RAFTAAR)** is another scheme of MA&FW for strengthening infrastructure in agriculture and allied sectors to promote agri-preneurship and agribusiness by facilitating financial aid and nurturing a system of business incubation. It provides capacity building in preparing business plans, personalised mentoring, funding opportunities, regulatory and advisory guidance, support to get IPRs or patents, and so on.

- **Scheme for Creation of Infrastructure for Agro-Processing Clusters :** A sub-scheme of Central Sector Scheme - Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), Ministry of Food Processing Industries, it aims to:

  a) Create modern infrastructure for food processing closer to production areas;
  b) provide integrated and complete preservation infrastructure facilities from the farm gate to the consumer; and
  c) create effective backward and forward linkages by linking groups of producers / farmers to the processors and markets through well-equipped supply chain.

- **Agri-Clinics and Agri-Business Centres (AC&ABC) Scheme :** It provides extension and other services to farmers either on payment basis or free-of-cost as per business model of agripreneur, local needs, and affordability of target group of farmers. It also aims at creating gainful self-employment opportunities to unemployed agricultural graduates, agricultural diploma holders, intermediate in agriculture, and biological science graduates with PG in agri-related courses. Under this scheme, the government is now also providing start-up training to graduates in Agriculture and allied subjects like Horticulture, Sericulture, Veterinary Sciences, Forestry, Dairy, Poultry Farming, and Fisheries, etc.

- Ministry of MSMEs is also working on an **Agro MSME policy** focusing on entrepreneurship development in rural, tribal, agricultural and forest areas for manufacturing products using local raw material.

- Many private corporates are playing a key role in promoting agri-startups. Syngenta Foundation of India (SFI) is operating in 7 states covering 75,000 farmers through trained agri-entrepreneurs. The programme focussed on transforming rural youth agri-entrepreneurs into a cadre of trained agri-entrepreneurs who are closely working with farmers and providing advisories in terms of knowledge related to crop science, input services, value-addition and market linkages as a one-stop solution.

2. EDUCATIONAL INFRASTRUCTURE: BUDGET 2022-23

Introduction

- National Education Policy 2020 aims for 100 percent GER by 2030 from pre-primary to Sr. Secondary grades.

- As per Unified District Information on School Education Plus (UDISE+)] 2019-20, there is a reduction in dropout rate at elementary level. However, annual average dropout rate at the secondary level has remained higher.

- As per Annual Status of Education Report (ASER) 2021, despite the pandemic, enrolment in age cohort of 15-16 years continued to improve as number of not enrolled children in this age group declined from 12.1 percent in 2018 to 6.6 percent in 2021. On the other hand, children in the age cohort 6-14 years who were "not currently enrolled in schools' increased from 2.5 percent in 2018 to 4.6 percent in 2021. Hence, the enrolment decline was relatively large among the younger age group (age 7-14 years); decline of enrolment for younger boys was higher than girls.

- As per an ASER report, only ~30 percent children in India are school ready. One of the reasons could be attributed to fewer children attending any pre-school education. The data from the Rapid Survey 2014 by MoWCD shows that 27 percent of the children in the age group 3-6 years don't attend any pre-school education.

- The India Early Childhood Education Impact Study, 2017 highlights that the time spent in play based learning was found to be only 35 minutes out of the total four and half hours that a child spends in an Aanganwadi. As per the National Institute of Public Cooperation and Child Development (NIPCCD), the recommended time for pre-school education is 120 minutes out of the same duration.

COVID-19 Action Plan(May 2021): This comprehensive plan was developed after wide consultation with all stakeholders and its various phases are:

- Maintain Phase: This is the first phase to maintain the level of education through initiatives such as MDM (Mid-day Meal); home learning; identifying and bringing drop-outs and OoSC (Out-of-School Children) back to school; development of the Student Registry to mobilise services; a Helpline for parents and students; teachers' capacity building; and engagement with parents and community.

- Restore Phase: This second phase is for when schools reopen; to focus on learning recovery with packages to help children recover through teachers supporting mental well-being of students, bridge courses, roll out of State Students Registry and aggregated database in National Student's Registry, assessment reforms, pedagogical reforms, etc.

- Grow Phase: In this third phase, very close tracking of achievements in learning levels and learning outcomes shall be undertaken at all stages of school education, along with capacity building of all stakeholders to achive these goals.

Digital Education Initiatives

- An initiative **PM e-VIDYA** has been launched which unifies all efforts related to digital/online/on-air education to enable multi-mode access to education under the Aatma Nirbhar Bharat programme.

- Under this umbrella scheme, **DIKSHA** is the 'One Nation, One digital education' infrastructure for school education. This digital infrastructure is artificial intelligence-based and highly scalable. Presently, it has been utilised for creating Energised Textbooks and e-contents in 33 Indian languages including Indian Sign Language (ISL). India is the first country in the world to provide QR coded textbooks, with specific e-content tagged to it, free to its elementary school children.

- 12 **Swayam Prabha TV Channels** under the 'One class, One TV channel' initiative with more than 7,000 programs are also telecast. These channels can be accessed through DD, Dish TV and Jio TV app. The broadcast

content is being organised by chapter and topics on DiKSHA for asynchronous usage by anyone, anytime, anywhere.

▪ Podcasts have been popularised for almost all topics for all subjects of secondary and senior secondary level. E.g., Podcast ShikshaVani for learners of grades 9-12.

▪ Some state-specific websites were developed wherein students, parents and teachers are able to access all content, neatly arranged on the basis of daily, weekly, and monthly schedules. For example, in Jharkhand, of the total enrolled students through WhatsApp, some have moved onto the DigiSchool App for primary grades and many students have registered onto the Learnytic App for secondary grades.

Supplementary Initiatives

▪ Alternative Academic Calendar (AAC): The AAC maps a week-wise plan of activities, with reference to learning outcome, theme or chapter, taken from syllabus or textbook for children with or without access to devices. This can provide weekly guidance to parents, teachers and students to ensure continuity of education.

▪ Use of Television: It is an effective means to deliver audio-visual content in households with or without internet access. In Uttar Pradesh, a 4-hour slot per day had been purchased by the Department of Basic Education from Prasar Bharti. The available time slot was divided into sub-slots to ensure dissemination for all grades.

▪ Use of Radio:
  o The state of Madhya Pradesh had launched a daily 1.5-hour radio programme during the pandemic for Grades 1-8, including one hour in the morning for academic inputs and half hour in the evening for co-curricular and Social-Emotional Learning content.
  o In Uttar Pradesh, a 30-minute slot per day was purchased on Akashwani, for playing 'English Seekho' audios from UNICEF.
  o A few districts in the states of Gujarat and Maharashtra had placed loudspeakers in the public spaces, which were used to narrate stories and rhymes for students.

▪ 100 Days Reading Campaign: A 100 days Reading Campaign has been launched by the GoI for children studying in Balvatika to Class VIII on 1 January 2022, and one activity per week per group has been specifically designed with a focus on making reading enjoyable and building lifelong association with the joy reading.

▪ National initiative for School Heads' and Teachers' Holistic Advancement (NISHTHA) Online Training):
  o This Capacity Building initiative was launched in August, 2019 as an integrated teacher training programme to improve learning outcomes at the Elementary level under the aegis of the Centrally Sponsored Scheme of Samagra Shiksha.
  o It includes specialised modules centred around learning outcomes and learner-centred pedagogy such as: curriculum and inclusive education, health and well-being, personal social qualities, art integrated learning, initiatives in- school- education, subject-specific pedagogies, ICT in teaching-learning, leadership, pre-school education, pre-vocational education, etc.
  o To provide continuous learning opportunities even to the remaining teachers at the elementary level, NISHTHA Online with customising modules for online delivery in the format compatible with DIKSHA Portal was also launched in October 2020.
  o Now, NISHTHA has been further extended in 2021-22 to cover the secondary teachers through NISHTHA 2.0 and the teachers in the foundational years through NISHTHA 3.0 on foundational literacy and numeracy.

Budget Initiatives

- Digital University with Universal Education incorporating the National Curriculum Framework has the potential to normalize education at all ages, thereby enabling upward mobility for all sections of society. The University will provide access to world-class quality universal education with personalised learning experience in different Indian languages and ICT formats.

- Launch of DESH-Stack E-Portal: A Digital Ecosystem for Skilling and Livelihood

- High Quality E-Content through Digital Teachers

- 'One Class, One TV', Channel Programme expansion from 12 to 200 TV Channels will enable all states to provide supplementary education in regional languages for classes 1-12.

- Start-ups to Facilitate Drone Shakti for Drone-As-A-Service

- Focus on Vocational Education through the ICT@School policy of the GoI:
  - 750 Virtual Labs in Science & Mathematics
  - 75 Skilling E-Labs for Simulated Learning Environment

- Capacity building of teachers through NISHTHA, National Professional Standards for Teacher (NPST), Indian Sign Language dictionary and initiation of Toy Based Pedagogy

- The Budget also has proposed to pave ways for world-class foreign universities to set up in India, free from domestic regulation, to offer courses in Management, FinTech, Science, Technology, Engineering and Mathematics.

Comprehensive Learning Recovery Plan : It has been prepared and released to the states and UTs in February, 2022. The plan includes some additional support and these are:

- Learning Enhancement Package (LEP) for all-students to combat the adverse effects of the pandemic will be provided in the beginning of the academic session of 2022-23.

- Teacher Resource Package (TRP): To continue with the hybrid mode of learning, tablets will be provided to the 25 lakh teachers at the primary level to enable them to use the resources/content on various digital portals and show them to the students.

- Oral Reading Fluency Study (ORF): Support will be provided to study the ability of children to read age-appropriate known as well as unknown text at a certain minimum pace, accurately, and with comprehension.

- Information Communication Technology (ICT) Facility to each Block Resource Centre (BRCs): Support for ICT including tablets will be provided at BRC level to enable the resource persons share the load of teachers' capacity building with the help of face-to-face as well as online teaching-learning techniques/tools/resources aimed at improving the quality and efficiency of the teaching and learning.

- Strengthening of CCs through mobility support to CRCs: Mobility support to CRCs (Cluster Resource Centres) will be provided to undertake regular visits and organise monthly meetings to discuss academic issues and design strategies for better school/student performance, to mitigate the impact of the pandemic.

3. INDUSTRY: BUDGET

Micro, Small and Medium Enterprises (MSMEs)

The Aatma Nirbhar Bharat package announced the following for MSMEs in 2020 –

- A revision in the definition of MSMEs considering both investment in plant and machinery and turnover of units to classify them into micro, small and medium enterprises, whereas the previous definition was based only on the investment criterion. Further, the ceiling on investment levels for classification into different categories has been revised upwards so that units can invest more without losing their MSME status.

- facilitating the ease of registering for MSMEs through the Udyam portal.

- credit availability through the Emergency Credit Line Guarantee Scheme (ECLGS).

- a special scheme for MSMEs with stressed assets.

- a scheme for equity infusion and

- disallowing global tenders up to Rs. 200 crores.

The Budget proposes -

- Interlinking Udyam, E-Shram, NCS, ASEEM Portals : The Budget has proposed to interlink the Udyam portal with the following:

  ✓ National Career Service - a one-stop solution that provides a wide array of employment and career related services to the citizens.
  ✓ e-Shram - a centralized Aadhaar seeded database of unorganized workers.
  ✓ ASEEM (Aatma Nirbhar Skilled Employee-Employer Mapping) - an AI based portal to find sustainable livelihood opportunities.

  For MSMEs, this common platform will offer registration facilities, a link to employment possibilities, credit accessibility and social security provisions.

- Extending ECLGS with focus on Hospitality & Related enterprises up to 31 March 2023 with enhanced the coverage of Rs. 5 lakh crores.

- Revamping Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) with additional credit of 2 lakh crore to expand employment opportunities.

- Rolling out of Raising and Accelerating MSME Performance (RAMP) programme over the next 5 years to equip MSMEs to overcome the challenges in the pandemic.

Skill Development

- The Budget announcements of aligning the National Skill Qualification Framework, the launch of Digital Ecosystem for Skilling and Livelihood and 'Drone Shakti' can enable lateral mobility across sectors, increasing employment opportunities.

- National Skill Development Corporation has worked with the Ministry of Education to restructure the implementation model of skill development training in schools from 4-year (1 entry at 9th class and 1 exit at 12th class) to 2-year model (entry at 9th and exit at 10th; again entry 11th and exit at 12th class) to offer skill training under job roles (mapped at NSQF Level 2 to 4) across various sectors.

- The National Education Policy 2020 has set up an ambitious target to expose 50% of the learners in school and higher education-to vocational education by 2025, and also aims to start coding classes from class 6th for future job readiness.

Infrastructure

- PM Gati Shakti Mission – explained on Page 10.

- The Production Linked Incentive (PLI) scheme was launched in 2020 to boost domestic manufacturing in sunrise and strategic sectors, improving cost competitiveness of domestically manufactured goods, enhancing domestic capacity and economies of scale, and attracting investment. PLI now covers the sector of drones and drone components. Building on its success, this year's Budget has proposed to launch a scheme for design-led manufacturing to build a strong ecosystem for 5G as a part of the PLI Scheme.

Telecom Connectivity

- 5% of annual collections under the Universal Service Obligation Fund (USOF) has been allocated for enabling affordable broadband and mobile service proliferation in rural and remote areas. The commercial telecom and internet connectivity providers give cities a priority over villages due to higher capital cost and lower revenue due to lower population density, low income, and lack of commercial activity. USOF is a way to overcome this challenge.

> In India, the USOF, was established under the Indian Telegraph (Amendment) Act 2003 (further amended in 2006) by the Parliament, to provide financial support for the provision of telecom services in commercially unviable rural and remote areas of the country. USOF is the pool of funds generated by 5 percent Universal Service Levy that is charged upon all the telecom fund operators on their Adjusted Gross Revenue (AGR). This fund is deposited in the Consolidated Fund of India and is dispatched on the approval of the Indian Parliament.

- It is expected that optical fibres will be laid in all villages through PPP under BharatNet by 2025. The latest budget too, endorses PPP mode in 2022-2023.

> BharatNet, previously known as the National Optical Fiber Network is the world's largest rural broadband connectivity programme using Optical fibre. It is also a flagship mission implemented by Bharat Broadband Network Limited (BBNL) which is a Special Purpose Vehicle (SPV) set up by the GoI under the Companies Act, 1956, implemented by the Department of Telecommunication under the Ministry of Communications. It is a highly scalable network infrastructure accessible on a non-discriminatory basis, to provide on demand, affordable broadband connectivity of 2 Mbps to 20 Mbps for all households and on- demand capacity to all institutions, to realise, the vision of Digital India.

Business Facilitation

- The Budget has proposed to launch the Ease of Doing Business 2.0 where States will also be integrated into the current system. Ease of Living will also be launched.

- The proposals of expanding the PARIVESH portal, issuance of -passports, adopting Unique Land Parcel Identification Number (IT-based Land Records Management) and 'One Nation One Registration' software are further steps towards this end.

- The Budget has proposed amendments in the Insolvency and Bankruptcy Code to ensure efficient insolvency resolution, and the establishment of the Centre for Processing Accelerated Corporate Exit (C-PACE) to ease out the exit process for companies.

- In terms of tax concessions, it has been proposed to extend the period of incorporation of eligible start-ups for a period up to 31 March 2023, for availing tax incentives for three consecutive out of ten years from incorporation. Similarly, the last date for commencement for manufacturing has-been extended to 31 March 2024 for availing a concessional tax regime of 15 percent tax for newly incorporated domestic manufacturing companies.

- <u>The Budget has proposed to provide that any income from transfer of any virtual digital asset shall be taxed at the rate of 30 percent</u>.

Investment: Scheme for Financial Assistance to States for Capital Investment (Page 14).
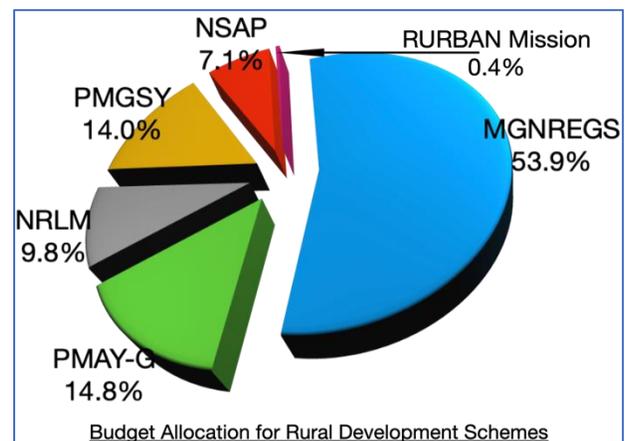
5. RURAL INFRASTRUCTURE: BUDGET

Introduction: The Ministry of Rural Development is the nodal ministry to promote welfare activities in rural India. The Ministry has two departments:

- Department of Rural Development (DORD) responsible for implementation of government schemes targeted at employment generation, poverty alleviation, infrastructure development and provision of basic services in rural area, and

- Department of Land Resources (DoLR) which takes steps to increase productivity of degraded land through the process of integrated watershed management and develop an integrated land information management system to optimize the use of land resources.

Major Schemes under the Department of Rural Development

- Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)- It ensures 100 days of guaranteed wage employment per year to every rural household whose adult members volunteer to do unskilled manual work. The scheme was introduced in 2005 through the Mahatma Gandhi National Rural Employment Guarantee Act. Presently, it covers all the rural districts of the country.

- Pradhan Mantri Awaas Yojana- Gramin (PMAY-G) – It aims at providing affordable housing to the rural poor through financial assistance for construction of a dwelling unit. Launched in 1985 as Indira Awaas Yojana, it was revamped in 2016 to provide pucca house with all basic amenities to all the eligible rural households by the year 2022 (now extended up to the year 2024).

- Pradhan Mantri Gram Sadak Yojana (PMGSY) - It was launched in 2000 as fully funded Central Government scheme to promote economic activities in rural India by providing all-weather road connectivity to the eligible un-connected rural habitations.

Budget Allocation for Rural Development Schemes

- National Rural Livelihoods Mission (NRLM) - Launched by the GoI in 2011, it was renamed as Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) in 2016. It aims at creating diversified and gainful self-employment to the rural poor through sustainable livelihood enhancements and improved access

to financial services especially by promoting and strengthening the SHGs. The programme envisages covering of all the rural poor households to be organised in 70-75 lakh SHGs at the village and cluster level by 2024-25.

- National Social Assistance Programme (NSAP) - It comprises of many sub-schemes aimed at providing public assistance to citizens in case of unemployment, old age, sickness, and any form of disability. The maior schemes under this programme include Indira Gandhi National Old Age Pension Scheme, Indira Gandhi National Widow Pension Scheme, Indira Gandhi National Disability Pension Scheme, National Family Benefit Scheme and Annapurna Scheme.

- Shyama Prasad Mukherji Rurban Mission (SPMRM) - It was launched in 2016, to develop clusters of villages that preserve and nurture the essence of rural community life with focus on equity and inclusiveness without compromising the facilities perceived to be essentially urban in nature. The aim is to bridge the rural-urban divide viz. economic, technological and those related to modern facilities for stimulating local economic development with emphasis on employment generation in rural areas. The mission has the target to create 300 urban Clusters with thematic economic growth points across the country.

Major Scheme of the Department of Land Resources

GoI has accorded high priority to increase productivity of degraded soil and improve real-time information on land. In this context, The Department of Land Resources (DoLR) created under the Ministry of Rural Development implements two key schemes:

- Integrated Watershed Development Component of Pradhan Mantri Krishi Sinchai Yojana (WDC-PMKSY) and
- Digital India Land Records Modernisation Programme (DILRMP).

Ministry of Agriculture and Farmers' Welfare (MA&FW): It has two Departments:

- The Department of Agriculture, Cooperation and Farmers' Welfare, which implements policies and programmes related to agriculture, horticulture and animal husbandry.

- The Department of Agricultural Research and Education, which coordinates and promotes agricultural research and education.

The major Central sector schemes under the Department of Agriculture and Farmers Welfare are Pradhan Mantri Fasal Bima Yojana (PMFBY), Pradhan Mantri Kisan Samman Nidhi (PM-Kisan), Modified Interest Subvention Scheme (MISS), Market Intervention Scheme and Price Support Scheme (MIS-PSS), Pradhan Mantri Annadata Aay Sanrakshan Yojana (PM-AASHA), Pradhan Mantri Kisan Man DhanYojana (PM-AASHA).

Income Support To Farmers : Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Yojana was launched in 2019 to augment the income of farmers with land holding up to 2 hectares, subject to certain exclusions. The scheme aims to enable small and marginal farmers to take care of their occupational as well as domestic expenses. Under the scheme government provides Rs 6,000 to each beneficiary in three equal instalments to the eligible farmers.

Vibrant Village Programme : Under this programme, the government is going to prioritise development of border villages, the scope of development is expected to extend to the provision and adoption of communication and digital technologies as well. This programme will improve social and financial - infrastructure in remote habitations, primarily along the border with China, and will be piloted by Home Ministry.

eGramSwaraj : To strengthen e-Governance in Panchayati Raj Institutions (PRIs) across the country, Ministry of Panchayati Raj (MoPR) has launched eGramSwaraj, a user friendly web-based portal. eGramSwaraj application is an extension to the web portal. eGramSwaraj aims to bring in transparency in decentralised planning, progress reporting and work-based accounting. Development plans can be prepared on the application and online payments can be made through the eGramSwaraj Public Finance Management Scheme Interface.

6. GENERAL INFRASTRUCTURE : BUDGET 2022-23

Introduction: In the context of India, the estimated value of the capital expenditure multiplier is 2.45 (Bose & Bhanumurthy, 2013), i.e. every one rupee spent as capital expenditure creates Rs.2.45 income in the economy. The Budget has identified four priorities :

o   Development of infrastructure through PM Gati Shakti,

o   Productivity enhancement by creating conducive environment for business, skill development,

o   More inclusive development through the development of agriculture, employment

o   Financing Investment through Public sector with active participation of private sector

Physical Infrastructure

PM Gati Shakti Mission

- The approach is driven by seven engines - *Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure*. The PM Gati Shakti National Master Plan (NMP), approved in October 2021, aims to provide multimodal connectivity to various economic zones and integrate the infrastructure linkages holistically for seamless movement of people, goods and services to improve logistics efficiency.

- These engines are supported by the complementary roles of Energy Transmission, IT Communication, Bulk Water and Sewerage, and Social Infrastructure. The projects pertaining to these seven engines in the National Infrastructure Pipeline will be aligned with PM Gati Shakti framework.

- Gati Shakti aims to bring 16 Ministries together for integrated planning and coordinated implementation of infrastructure connectivity projects like Bharatmala, Sagarmala, inland waterways, UDAN, etc.

- PM Gati Shakti Master Plan for Expressways will be formulated in 2022-23 to facilitate faster movement of people and goods.

Road Network – It consists of National Highways (NH), State-Highways(SH), District Roads, Rural Roads, Urban Roads, and Project Roads and is the second-largest in the world. The PMGSY (Page 9) is an important rural connectivity scheme.

Railways - The Indian Railway is the third-largest network in the world under single management. The Indian Railway has adopted an indigenously developed anti-collision technology named KAWACH.

- The 'Vande Bharat' Trains are known for their speed and efficiency. 400 such trains are also under consideration in the budget.

- 100 PM Gati Shakti Cargo terminals are to be developed during the next three years.

- To boost the agriculture sector, the Union Budget 2022 aims to develop 'One Station-One Product' model to leverage the local produce carried on the railway.

Civil Aviation - The GoI aims to develop regional airports through the UDAN program is as part of the Regional Connectivity Scheme (RCS), which will help to connect emerging regional markets. Under the RCS-UDAN, 153 RCS airports, including 12 water aerodromes and 36 Helipads, have been identified for the operation of RCS flights.

Ports and Waterways - To develop world-class mega ports, transshipment hubs and for infrastructure modernization, the 'Maritime India Vision 2030' was released in March 2021.

Logistics Infrastructure - India spends around 14% of its GDP in logistics, which reduces the competitiveness of our manufacturing export. The Union Budget has emphasised the logistical sector and plans for four Multimodal Logistics parks through PPP.

Multimodal Movement of Passengers –

- The budget has declared to bring the data exchange among all mode operators under the Unified Logistics Interface Platform (ULIP), designed for Application Programming Interface(API).

- The Union Budget 2022-2023 has announced National Ropeways Development Plan as a sustainable alternative to conventional roads in difficult areas.

- The Budget also has announced Parvatmala scheme for hilly areas to connect villages through a modern system of transport to make the border villages vibrant.

Use of High-tech Drone Infrastructure in Agriculture - 'Kisan Drones' (Page 1)

PM SAMPADA is an umbrella scheme to create modern infrastructure with efficient supply chain management from farm to retail output and promoting food processing.

Land Resource Management - Union Budget proposed linkage of the National Generic Document Registration System (NGDRS) with the 'One-Nation One-Registration Software'. The initiative will promote a uniform registration process and allow people to register deeds and documents anywhere thereby reducing disputes related to land.

Capacity Building for Infrastructure - The Capacity Building Commission, set up in 2021, aims to play a crucial role in the skill up-gradation of Central Ministries, State Governments, and their infra-agencies in planning, design, financing (including innovative ways), and implementation management of the PM Gati Shakti infrastructure projects.

Social Infrastructure

Housing and Urban Development - 'Housing for All by 2022' scheme in 2015 to provide assistance for the construction of houses.

Development of Post Office - The Budget has announced that in 2022, 100% of 1.5 lakh post offices will be covered as a part of the core banking system and 75 Digital Banking Units will be set up in 75 districts of the country by Scheduled Commercial Banks.

Vibrant Village Programme – Ref Page 9

Aspirational Blocks Programme - In 2018, the GoI launched the scheme 'Transformation of Aspirational Districts' to improve India's ranking under the Human Development Index (HDI). The scheme aims to quickly and effectively transform 112 most underdeveloped districts across the country. The districts have been identified by NITI Aayog based upon composite indicators from Health and Nutrition; Education; Agriculture and Water Resources; Financial Inclusion and Skill Development; and Basic Infrastructure which affect HDI. The Union Budget 2022-2023 has announced for aspirational block programme for the development of lagging blocks of aspirational districts.

Water - The Jal Jeevan Mission was launched in August 2019 to provide safe drinking water to all rural households by 2024. It also involves the development of piped water supply infrastructure, reliable supply sources, and treatment plants.

Healthcare Infrastructure –

- The Union Budget 2022-23 has proposed for rolling out of National Digital Health Ecosystem. This will consist of digital registries of health providers and health facilities, unique health identity and universal access to health facilities.

- It also announced for National Tele Mental Health Programme for quality counselling. NIMHANS will be the nodal centre and International Institute of Information Technology-Bangalore (IITB) will provide technical support.

- There is a proposal to upgrade 2 lakh Anganwadis to Saksham Anganwadi in 2022-23. Saksham Anganwadis would be new generation anganwadis with better infrastructure and audio-visual aids powered by clean energy so that they could provide an improved environment for early childhood development.

- The budget also has proposed to cover 3.8 core household in 2022-23 with piped water system under 'Har Ghar, Nal Se Jal' scheme.

Mission POSHAN2.0 is an Integrated Nutrition Support Programme to address the challenges of malnutrition in children, adolescent girls, pregnant women and lactating mothers by creation of a convergent eco-system to develop and promote practices that nurture health, wellness and immunity. The mission focuses on maternal nutrition, infant and young child feeding norms, treatment of MAM/SAM and Wellness through AYUSH.

- First, it plans to initiate a massive awareness campaign through POSHAN Abhiyan that will provide community outreach and cover innovations related to nutritional support, ICT interventions, media advocacy and research, and Jan Andolan.

- Second, the mission is leveraging technology to continuously track the progress and bring transparency and accountability in the delivery mechanism. "Poshan Tracker" was rolled out by MoWCD on 1 March 2021 which is being leveraged for

  i)   dynamic identification of stunting, wasting, under-weight prevalence among children;
  ii) last mile tracking of nutrition service delivery.

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Animal Husbandry - GoI launched a special Animal Husbandry Infrastructure Development Fund worth Rs.15,000 crore in 2020. It facilitates investments (3% interest subvention and credit guarantee up to 25% of total borrowing) for the establishment of dairy and meat processing plants and animal feed plants. In addition to individual entrepreneurs and private sector companies, FPOs, MSMEs and Section 8 companies are also entitled to get benefits under the Fund.

- Allocation has been raised for National Livestock Mission. Breed development in livestock and poultry; feed and fodder development; and innovation and extension are major verticals of the scheme aiming overall growth in the sector.

- Fund allocation for Rashtriya Gokul Mission has also been increased for development and conservation of indigenous bovine breeds. Genetic upgradation of bovine population for increasing productivity, nationwide

AI (Artificial Insemination) programme, modern facilities for embryo transfer, production of sex sorted semen and establishment of centres of excellence are being taken under the mission.

- Launched by the GoI, the National Animal Disease Control Programme is the world's largest ever vaccination programme either for human or animals. It aims to control and eventually eradicate the Foot and Mouth Disease (FMD) and Brucellosis by 2030.

- The National Programme for Dairy Development, which got a boost in the present budget, aims to strengthen and create the necessary infrastructure for the production of quality milk and milk products. It includes the end-to-end value chain from production and procurement to processing and marketing of milk products. Training of dairy farmers and strengthening of the dairy producer companies/cooperative societies at village level are also being undertaken to promote dairying activities at the ground level. As most of the dairy fraternity represents the cooperative sector, the reduction in surcharge and Alternate Minimum Tax will help enhance dairy farmers' incomes.

Fisheries:

- Under Pradhan Mantri Matsya Sampada Yojana (PMMSY), an umbrella scheme of Department of Fisheries, key interventions are mainly undertaken along following verticals: *enhancing fish production and productivity; modernising and strengthening the value chain; creating fisheries and post-harvest infrastructure; and developing robust fisheries management and regulatory frameworks*.

- The Department of Fisheries has envisaged to accelerate the cultivation of seaweed and to open up additional livelihood opportunities to fisherwomen by providing technical and financial support. Seaweed seed banks will be established and marketing will be facilitated through suitable demand aggregators.

- To promote highly remunerative shrimp farming, a network of brood banks will be set-up using indigenous technology to make quality seeds available to shrimp farmers.

- Development of modern fish markets will be done to improve hygiene and to attract new customers.

- New ventures such as aqua sports and fish tourism will be developed to promote alternative livelihood for fishermen.

- To address the credit needs of fish farmers, the facility of Kisan Credit Card (KCC) remains extended to fisheries to meet their working capital needs.

Special Infrastructure Development Initiative for North East - A new scheme Prime Minister's Development Initiative for North-East (PM-DevINE) plans to fund and implement physical/social/other infrastructural projects as per the felt need of the states in the spirit of PM Gati Shakti.

Financing the Infrastructure Projects

- The National Infrastructure Pipeline (NIP) was launched in 2020 with a projected infrastructure investment of around Rs. 111 lakh crore (USD 1.5 trillion) during FY 2020-2025 to provide world-class infrastructure across India. It also aims to showcase investment opportunities in India's infrastructure sector, improve project preparation and attract investments into India. The projects in National Infrastructure Pipeline pertaining to seven engines will be aligned with PM Gati Shakti Framework.

- The National Monetisation Pipeline (NMP) has been created to boost up investment in infrastructure.

- The 'Scheme for Financial Assistance to States for Capital Investment' has increased the allocation to Rs. 1 lakh crore. These fifty-year interest free loans to the states, will be used for PM Gati Shakti implementation and other productive capital investments.

7. SDG INDIA INDEX (SDGII)

- NITI Aayog brought out the first SDG India Index (SDGII) Baseline Report in 2018. The last SDGII 3.0 in March 2021 shows that the composite score for India has improved. Kerala continues at the top while Bihar is at the lowest position.

- A Local Indicator Framework, to achieve locally relevant targets, at Gram Panchayat level that also link and aggregate to performance reflected in the targets and indicators at Block, District, State and National level would be the next essential step. This would provide the picture of positions of different panchayats on the entire spectrum of the SDGs and provide open evidence for planning and interventions.

- The 5Ps for achieving Sustainable Development Goals- People, Partnership, Prosperity, Planet and Peace should be taken to sub-district levels to blocks, to each Village Panchayat and it is best done with the 3 tiers of Local Self Government.

8. SUGGESTIONS

- Furthering **Ease of Doing Business** reforms through trust-based governance, i.e., standardization and removal of overlapping compliances; complete digitization of manual processes and physical records; and creation of single point access systems and single window clearance systems will accelerate business processes and boost productivity in the industry.

- **Use of modern policy tools** can revolutionize the future business and regulatory environment –
  o Light-touch regulation: these are simple, digitized, self-declaration processes, that leverage technology tools to quickly ensure protection of national interest.
  o Facilitative proactive action: the government must not simply respond to market shifts but take lead and direct the market to the desired stage.
  o Open-channel consultation: establishing an open channel of communication between all stakeholders on various policy matters.
  o Data-driven evidence-based policymaking: bringing a systematic approach based on data collection and analysis, complemented with a scientific mindset to policymaking.

- Reforms in five areas can raise productivity and competitiveness. They are:
  o sector-specific policies to improve productivity in manufacturing, real estate, agriculture, healthcare, and retail.
  o unlocking supply in land markets to reduce land costs by 20 to 25 percent.
  o creating flexible labour markets for industry, with better benefits and safety nets for workers.
  o enabling efficient power distribution to reduce commercial and industrial tariffs by 20 to 25 percent.
  o privatizing 30 or so of the largest state-owned enterprises to potentially double their productivity.

- **Banking and Financial Reforms :**
  o Measures like a "bad bank" for non-performing loans and reforms in directed bank lending could reduce capital costs.
  o The use of new age financial tools in financing investment for national goals can make India the most attractive destination across sectors.

- **Business Reforms:**
  - State governments could select frontier businesses and set up "demonstration clusters," for example, manufacturing export hubs.
  - India's business leaders must focus on three key themes.
    - ✓ First, firms would need to raise aspirations and commit to productivity growth through business ideas based on the sunrise sectors. The risk-averse nature needs to be replaced with acceptance of risk in an informed, educated, and calculated manner.
    - ✓ Second, businesses need to develop a long-term value creation mindset coupled with a strong performance-oriented culture.
    - ✓ Third, firms will need a set of winning capabilities to emerge as large, high-growth, globally competitive businesses – Customer-centric Innovation, Operational Excellence and Scalable Platforms (Firms across sectors will need to ramp up digital and data capabilities to create lean, scalable platforms), Ability to be Ahead of the Curve and Win in Discontinuities, Well-executed Mergers, Acquisitions, and Partnerships.