



सत्यमेव जयते



GOVERNMENT OF NAGALAND

BUDGET SPEECH

of

Shri Neiphiu Rio

CHIEF MINISTER

and

Minister-in-Charge, Finance

FOR THE YEAR 2025 - 2026

Kohima, the 6th March, 2025

Speaker Sir, I rise to present before this august House the Budget for the financial year 2025-26. At the outset, I express my deepest gratitude to the people of Nagaland for trusting our government and extending their support for driving forward our vision of development.

2. Speaker Sir, while statehood transformed the destiny of our people, the Indo-Naga political issue remains unresolved. It is important to note that the State Government, and for that matter all of us, we are not a direct party to the talks and the negotiations, we are only a facilitator and we are making our best efforts to play a proactive and contributory role for an early solution. In order to give further impetus to this issue, the Political Affairs Committee was constituted and in its meeting held on 28th August 2024, resolved to hold consultations on the Naga Political Issue, with the representatives of apex and tribal organisations and civil society organisations. This House, and every Hon'ble Member of this Assembly, stands united in one voice for lasting peace. Setting aside political differences, we have come together for the greater cause of unity and reconciliation. Today, we once again urge all negotiating parties to make every effort to conclude the negotiations with a settlement that is honourable, inclusive and acceptable to the people.

3. Speaker Sir, the voices of our brothers and sisters in the eastern regions have been clearly heard, and our government is resolutely committed to addressing their concerns with sincere action. We are working closely with stakeholders and Central Government to bring out a solution. The cabinet deliberated on the issue of Frontier Nagaland Territorial Authority (FNTA) on the 30th October 2024 following which the State Government forwarded its comments on the third Draft Memorandum of Settlement on Frontier Nagaland Territorial Authority on 6th November 2024 to the Union Home Ministry.

4. Recognizing our tribal heritage and commitment to bring governance closer to every citizen, we have proactively formed new districts. In line with this policy, erstwhile Meluri sub-division of Phek district was inaugurated as the seventeenth district of Nagaland on 21st February 2025 and was christened as the "Land of Fortune".

5. Speaker Sir, the Sixteenth Finance Commission visited our State from 4th to 6th November 2024, during which we submitted a Memorandum seeking a substantial Revenue Deficit Grant to cover committed revenue expenditures. Given our revenue constraints, we also requested Capital Deficit Grants to support developmental activities. Additionally, we urged the Commission to waive the mandatory property tax requirement for ULB grants due to Nagaland's unique landholding system under Article 371(A) and also sought State Specific Grants for key development projects.

6. Our journey over the past year has been marked by progress, challenges, and opportunities. The Government has pursued and implemented transformative solutions aimed at improving the quality of life of our citizens. One of the most prominent initiatives is that of the Chief Minister's Health Insurance Scheme (CMHIS), which will continue to be a key priority of the Government. A total of 12,047 beneficiaries have availed benefits in the current financial year. 66 hospitals are empaneled both within and outside the State. The other initiatives include entrepreneurship development through the Chief Minister's Micro Finance Initiative (CMMFI) and 1,318 subsidized loans have been sanctioned. An amount of Rs. 50 crore has been allocated for 2025-26. The Chief Minister's Life Insurance Scheme (CMLIS) was onboarded with insurers on 1st October 2024, and 3,99,915 beneficiaries have already enrolled. To date, 30 beneficiaries have claimed benefits under the scheme. The initiative follows an open enrolment model open throughout the year, allowing more families to enroll and extend financial security to those in need. The renewal of CMLIS is scheduled for October 2025, with a provision of Rs. 15 crore allocated for the next year's premium to ensure continued coverage for beneficiaries.

7. Speaker Sir, building on the foundations laid in previous years and drawing insights from the initiatives outlined above, this Budget reflects our unwavering commitment to fostering economic growth, improving public service delivery and creating employment opportunities for citizens of Nagaland. Towards this end, in this year's budget the following new initiatives are being taken.

8. Speaker Sir, this Budget emphasizes skilling and employment-led growth, sustainability and private sector partnerships as key drivers of economic transformation. In a decisive step towards this, the Government will launch a special initiative under the Nagaland Skill Mission to train and provide employment opportunities for at least 5,000 youth in sectors such as hospitality, tourism, banking and insurance, construction, healthcare, logistics and drone technology within the financial year. With limited government jobs, the private sector and Naga entrepreneurs must lead in job creation, and this requires an industry-ready talent pool. The Mission will bridge the gap between education and employability, offering Skill Loans backed by Government Guarantee to promote financial independence. A dedicated PMU under IDAN will oversee seamless execution. Rs. 5 crore has been allocated for the same. Further, dovetailed to this mission, to promote tourism as a key driver of employment, the Government is launching the Nagaland Tourism, Hospitality and Transport Scheme. This scheme will facilitate concessional loans to entrepreneurs to set up 500 homestays and 200 tourist transport vehicles. This initiative will integrate various government programs, including CMMFI, Nagaland Skill Mission, and TourismConnect.

9. Speaker Sir, leveraging emerging technologies, the Government will launch the Drone Training and Logistics Program and an amount of Rs. 2.50 crore has been earmarked. This initiative will skill youth in drone operations through public private partnerships, ensuring employment opportunities in this growing field. This program will pave the way for Nagaland to emerge as a leader in drone technology.

10. Effective governance and service delivery depend on capacity building and continuous professional competency enhancement for both local bodies and public servants and Rs.2 crore has been earmarked. Through these initiatives, the Government aims to equip officials with the necessary expertise to enable effective policy formulation and execution for the benefit of the people. Further, to nurture future leaders and policy innovators, the Government will launch the Chief Minister's Fellowship Programme with Rs. 2.50 crore earmarked, aimed at developing a cadre of highly skilled professionals with a deep understanding of Nagaland's development priorities.

11. The Government is committed to revitalizing and preserving the culture, tradition and knowledge systems of Nagaland while seamlessly integrating them with modern development and sustainable livelihoods. Towards this objective the Living Morung Initiative with an allocation of Rs. 5 crore will be implemented by the Department of Art and Culture.

12. Speaker Sir, the Government is committed to addressing the State's power deficit through sustainable solutions. The Nagaland Solar Power Mission with an outlay of Rs. 10 crore earmarked will encourage rooftop solar installations under the PM Surya Ghar Muft Bijli Yojana. The Government shall provide a State subsidy of Rs. 20,000 per kW upto a maximum of Rs.50,000 per consumer, enabling households to benefit from clean and affordable energy. A dedicated Solar Power Mission Unit will oversee implementation, ensuring efficient and timely execution.

13. Access to banking facilities remains a challenge in 20 unbanked development blocks of Nagaland. The Government will provide necessary support to District Administration and Banks to enable banks to open branches in the unbanked blocks specially to provide approach roads and pucca buildings. This project underscores our commitment to financial inclusion, ensuring that banking services reach the remotest corners of the state. Further, to give an impetus to financial inclusion, wherever a bank opens a branch in an unbanked block, the Government will facilitate that all possible Government transactions in that block will be routed through that bank.

14. Speaker Sir, the total developmental outlay including CSS is Rs. 5819.24 crore. Out of this, the State developmental outlay from State's own resources is Rs.

1,200 crore which is an increase of Rs 190 crore, constituting a growth of 18.81% over the financial year 2024-25.

15. I shall now briefly enumerate the sector-wise allocations for the year 2025-26.

16. The Agri and Allied sector have been provided with a total outlay of Rs.49.03 crore. The Agriculture Department has been provided Rs. 11.55 crore for construction of agri link roads, office buildings and agri park at Kisama heritage village. Further an amount of Rs 2 crore under maintenance has been provided for upkeep of existing government farms. The Horticulture Department has been provided Rs. 6 crore for construction of office buildings in newly created districts, horti link roads, Strawberry Model Farming Project at Zubza and core activities. The Soil and Water Conservation Department has been provided Rs. 3.52 crore for construction of departmental buildings and for implementing comprehensive sustainable land development project.

17. The Animal Husbandry and Veterinary Services Department has been provided Rs. 4.76 crore for completion of veterinary hospital in Jalukie, strengthening of existing dispensaries and health centres, and construction of 12 meat production units. The Fisheries and Aquatic Resources Department has been provided Rs. 3.50 crore for construction of departmental buildings and the ongoing State Program “Cluster based Fisheries Development & Institutionalization of FPOs”. The Cooperation Department has been provided Rs.3.20 crore for construction of district offices at Peren and Niuland, grants to MARCOFED and other core activities. The Water Resources Department has been provided Rs. 4.46 crore for creation of water bodies, construction of E.E Office at Peren and integrated model settled farming at Mongsenyimti.

18. The Department of Land Resources Development has been provided Rs.5.81 crore for promoting sustainable livelihood through cultivation of coffee, rubber and arecanut, support to set up coffee cafés and Springshed Development. Currently, about 10,748 hectares of coffee plantation has been developed in the State whereas it is estimated that a total area of 10.4 lakh hectares is suitable for coffee plantation in the State which is about 62.7% of the State’s total geographical area. The activities planned for current financial year with State resources and convergence of various funding aspires for development of plantation clusters and providing employment opportunities. Rs. 1 crore each has been provided to the Nagaland Bamboo Development Agency, Bio-Resource Mission, Beekeeping and Honey Mission and NEPED. The Environment, Forests and Climate Change Department has been provided Rs. 5.70 crore for construction of range offices at Tuli, Noksen, Rangapahar, Phungkhuri and Aboi; check gates at Singphan wildlife sanctuary, Tizit and Lanye.

19. The Department of Rural Development has been provided Rs.5 crore for construction of roads and farmers market, construction of BDO office at Zunheboto, staff quarter at Lerie and amenities at the Directorate complex. The State Institute of Rural Development has been provided Rs. 1.95 crore for construction of administrative-cum-academic block and trainings. The Department of Land Revenue has been provided Rs. 4 crores for activities including construction of new Directorate and district office at Longleng.

20. In the Power sector, Distribution and Revenue has been provided Rs. 9.02 crore for construction of three 33 KVA sub-station lines in Mon and Phek districts, purchase of transformers, and upgradation of existing 33 KVA substations. The Transmission and Generation section has been provided Rs. 14.27 crore for commissioning of transformers at various substations and construction of departmental buildings. In addition, Rs. 16.50 crore has been provided for maintenance and Rs 38 crore for payment of service delivery under Revamped Distribution Sector Scheme. The New and Renewable Energy Department has been provided Rs. 3 crores for implementation of street and home lighting systems, and water pumps through solar energy. The Electrical Inspectorate has been provided Rs. 1 crore for Green Village initiatives.

21. The Industries and Commerce Department has been provided Rs.10.05 crore for construction of departmental buildings, handloom development program, for 'Ease of Doing Business', training and awareness programs and export promotion activities. This includes Rs. 1 crore each for NHHDC, NKVIB and Nagaland Hotels Limited. The Government has allocated Rs. 1 crore for Startup Nagaland and plans to sign an MoU with SIDBI and NEDFi to create the Nagaland Venture Fund, offering incentives to drive innovation and entrepreneurship.

22. The Sericulture Department has been provided Rs.4.95 crore for construction of district offices at Niuland, Shamator and Peren; development of Eri Silk in rural areas and for the ongoing State programs, 'Augmentation program for Eri and Muga cultivation' and establishment of 'Silk processing units'.

23. The Geology and Mining Department has been provided Rs.5 crore for construction of chemical laboratory, ground water exploration and development, mineral exploration and mineral connectivity road from Lal Pathar to Dikhu bridge. The Nagaland State Mineral Development Corporation Limited has been provided Rs. 1.53 crore.

24. For the Roads and Bridges Department, I have increased the allocation to Rs. 55 crore for implementing Special Road Development Program, improvement of other roads and rehabilitation of bridges. Rs.30 crore is provided for maintenance of existing roads. The Mechanical Department has been provided Rs.3 crore for procurement of heavy machineries, and construction of boundary

wall for the Mechanical Workshop-cum- Training Centre at Shokhuvi, Chumoukedima.

25. The Road Transport Department has been provided Rs. 7.88 crore for construction of sub-station and garages at various districts, upgradation of workshop at Lerie, booking office at Tamlu and establishment of Aviation, Inland Waterways and Railways Cell. The Motor Vehicles Department has been provided Rs. 4.99 crore for construction of DTO office at Dimapur and Zunheboto, flat type quarter at Chumoukedima and Department related activities. In line with the State's commitment to modernize public transport infrastructure, the Government will initiate the introduction of a fleet of over 40 new buses to the Nagaland State Transport (NST) this year. Additionally, Rs. 2.5 crore has been allocated to NST to upgrade essential amenities, ensuring quality facilities at five priority NST stations to begin with.

26. The Science and Technology Department has been provided Rs.2.71 crore for departmental infrastructure and for Nagaland Science Mission. The Information Technology and Communication Department has been provided Rs. 3.86 crore for construction of buildings and setting up of Artificial Intelligence and Research Centre.

27. The Planning Machinery has been provided Rs. 7 crore for construction of district offices at Zunheboto and Shamator; SDPDB conference hall at Pughoboto and Bhandari and other infrastructure. Rs. 282.55 crore is earmarked for State Matching Share to CSS. Other provisions include Rs. 12 crore for Special Development Schemes; Rs. 120 crore for LADP; Rs. 200 crore for Land Bank; Rs.10 crore for CMCF and Rs. 40 crore for Innovative Programs.

28. The Art and Culture Department has been provided Rs.4.40 crore for activities including Hornbill Festival. The Tourism Department has been provided Rs. 14 crore for the Hornbill Festival, Mini Hornbill Festivals and construction of office buildings in various districts. The 25th edition of the Hornbill Festival was a resounding success, marking over two and a half decades of celebrating Nagaland's resilience, visionary spirit, and rich cultural heritage.

29. The Economics and Statistics Department has been provided Rs. 4.10 crore for construction of various departmental buildings. The Food and Civil Supplies Department has been provided Rs. 4.60 crore for construction of office buildings and Godowns at various locations. The Legal Metrology and Consumer Protection Department has been provided Rs. 2.40 crore for construction and upgradation of various departmental building, trainings and for consumer awareness. The Evaluation Department has been provided Rs. 3.99 crore for various construction works and evaluation studies.

30. The School Education Department has been provided Rs. 14.05 crore for construction of DEO and SDEO Offices in the new districts, and school buildings. Lighthouse School Complexes which are envisioned as hubs of academic excellence with modern facilities and best teaching and learning practices are being established in the Districts. Rs. 5 crore is allocated for maintenance of school buildings.

31. The Higher Education Department has been provided Rs. 10.63 crore for construction of departmental buildings, procurement of IT equipment for Government Colleges and for accreditation activities. The NAAC has accredited 37 colleges out of 71 Higher Education Institutions in Nagaland. The SCERT has been provided Rs.3.15 crore. The Technical Education Department has been provided Rs. 2.86 crore.

32. The Youth Resources and Sports Department has been provided Rs. 13.55 crore for construction of a new Directorate building, departmental buildings and support for TaFMA activities. Construction of a Pre-fabricated Centre for Excellence in Music & Arts, Kohima has been completed while 15 Pre-fabricated Multi-Discipline Indoor Sports Stadiums and 15 Futsal grounds spread in various Districts are ongoing. The Government is committed to provide basic infrastructures for promotion of sports throughout the State. Construction of Pre-fab Multipurpose Halls and Futsal grounds have been established in most of the District Headquarters and we will extend these facilities to sub-divisions. Further, the Government will endeavour to provide Astro Turf Grounds with flood lights and allied amenities in all District Headquarters, provide assistance to the youths and sports personnel through capacity building programme and also provide platform for competition through tournaments. The Nagaland Super League will hopefully emerge as a premier professional sports league in the region. We will soon host another major sporting event—the Asian-level Wrestling Championship.

33. The Health and Family Welfare Department has been provided Rs. 9.46 crore for construction of CHC, PHCs, offices, staff quarters, health Sub-centres, and infrastructural improvement and patient lodge at District Hospital, Dimapur.

34. The Public Health Engineering Department is provided Rs. 4.08 crore for improvement of water supply to Mon, Kohima and Mokokchung, construction of SDO office at Medziphema and data storage block at Chief Engineer's office.

35. The Housing Department has been provided Rs. 25.86 crore for construction of rental housings, staff quarters, rest houses and office buildings in various districts and sub-divisions. Fund provided is also earmarked for State Commissions Complex which will house various Commissions. Rs. 4.5 crore is provided for maintenance of existing buildings. CAWD has been provided Rs.

19.43 crore for office buildings, residential quarters, flat type staff quarters, rest houses and circuit house for District Administration in various parts of the State. Further, Rs. 5 crore is provided for maintenance of administrative buildings. The Police Housing has been provided Rs. 14.11 crore for construction of SP residences in all the new districts, office buildings, police stations, staff quarters, barracks and upgradation of buildings. The Law and Justice Department has been provided Rs. 2.34 crore for construction activities.

36. The Home Guards has been provided with Rs. 3.60 crore for construction of buildings in Kiphire, Mon and Dimapur. The Jails Department has been provided Rs. 4.85 crore for construction of District jail at Noklak, sub-jail at Pfutsero, and necessary amenities at other locations. The Excise Department has been provided with Rs. 2.90 crore for construction of buildings in Phek, Peren and Dimapur.

37. The Urban Development Department has been provided with Rs.17.41 crore for Urban Roads, Urban Infrastructure Development Schemes including Master Plan for Nagaki City. Further, Rs. 25 crore is allocated for maintenance of urban roads. The Municipal Affairs Department has been provided Rs. 3.96 crore for Urban Sanitation and Sewerage Scheme and construction of office for ULBs. Under State Finance Commission Grants, Rs. 17.37 crore is allocated to Municipal Department for urban local bodies.

38. The Information and Public Relations Department is provided with Rs. 4 crore for construction of district offices at Phek, Tseminyu, Shamator and Tuensang and for electronic and mobile journalism. The Labour Department has been provided with Rs. 2.13 crore for construction of office buildings. The Employment, Skill Development and Entrepreneurship Department has been provided with Rs. 4.70 crore for construction of office buildings, establishment of Centres for entrepreneurship development and providing access to core employability skills.

39. The Social Welfare Department has been provided Rs. 5.30 crore for construction of CDPO offices at Kikruma, Mon, Shamator, Peren, Tamlu, officers' quarters at Kohima and 32 model anganwadi centres covering all the districts. The Women Resources Department has been provided Rs. 4.80 crore for completion of women resource centres at Peren, Wokha and Zunheboto.

40. The General Services sector has been provided Rs. 52.69 crore. This includes Rs.3.30 crore to the Printing and Stationery Department, Rs.1.30 crore to the Administrative Training Institute, Rs. 7.82 crore to the Nagaland Legislative Assembly and Rs. 11 crore to the Fire & Emergency Services for development of fire stations in the newly created districts, construction of staff quarter at Peren and purchase of equipment and appliances.

41. The Treasuries and Accounts Department has been provided Rs. 2.25 crore for construction of office-cum-staff quarters at various locations. The Parliamentary Affairs Department has been provided Rs. 2 crore. The Taxes Department has been provided Rs. 4 crore for construction of Directorate building, staff quarters at Kohima and office buildings at Phek and Noklak. The Village Guards has been provided Rs. 3.27 crore for construction of VG offices at Kiphire and Tuensang, training ground at Shamator, improvement works at various locations and construction of 20 VG barracks.

42. The Border Affairs Department has been provided Rs. 1.13 crore for ongoing construction of staff quarter and a Border Magistrate office. To fast track the developmental needs of villages in the interstate border areas, I am happy to announce a new initiative in the current budget with an allocation of Rs 15 crore. This initiative will focus on creation of vital amenities such as buildings, roads, power and water supply. The Department of Under Developed Areas has been provided Rs. 27 crores for Iconic projects under the State flagship Underdeveloped Areas Program, construction of staff quarters and human resource development.

43. The Election Department has been provided Rs. 4 crore for construction of new CEO Office building. The Nagaland State Disaster Management Authority under Home Department has been provided Rs. 4.20 crore for setting up of infrastructure in the Districts, procurement of machineries and strengthening of State Emergency Operation Centre. The Tribal Affairs Department has been provided Rs. 2.90 crore for construction of directorate building and staff quarters. The Minority Affairs Department has been allocated Rs. 4.50 crore for construction of new directorate building, minority women marketing outlets and for Holy Land Tour. The State Lotteries has been provided Rs. 1 crore for construction of a new directorate building at new Capital Complex, Thizama.

44. Centrally Sponsored Schemes (CSS) constitutes a substantial portion of the annual budget. Timely implementation is critical to ensure benefits to the people of the State and towards this, the State has launched a digital platform - Nagaland e-Proposal System (NePS). This will streamline submission of proposals, and ensure timely release of funds. Departments are advised to be “implementation-ready” from the beginning of the financial year. The cash management position of State is stable, and the Departments must submit proposals early, particularly those involving civil works to ensure projects are initiated and completed as scheduled.

45. Speaker Sir, our own tax and non-tax revenues contribute around 13% of the total revenue receipts. However, it is felt that there is room for increasing our tax revenue. The Government urges all citizens to demand GST cash memos for transactions to enhance transparency and curb tax evasion. This simple step will help track revenue streams and prevent leakages. To further strengthen tax administration, a dedicated research wing within the State Taxes Department will

analyze tax data, detect evasion patterns, and optimize revenue collection. Additionally, Radio Frequency Identification (RFID) reading posts will be installed along major inter-state routes to ensure e-way bill compliance.

46. The revenue loss in the power sector has made it increasingly challenging for the Government to ensure uninterrupted power supply, especially amid rising demand from households, businesses and entrepreneurs. To address this, the State has initiated the installation of smart prepaid meters to enhance efficiency and accountability. The success of this initiative depends on the cooperation and active participation of every citizen and power consumer and proactive action of the Department. The smart meters will also ensure efficient billing for the consumer combined with emergency credit facility.

47. Speaker Sir, I am happy to state that the closing deficit for the year 2024-25 is estimated to improve by Rs. 62.57 crore. As against the projection of Rs. 905.78 crore in the Budget estimates, it is now estimated to close at Rs. 843.21 crore only.

48. As regards to the Budget proposals, Speaker Sir, I am estimating the gross receipts at Rs. 24849.01 crore and gross expenditure at Rs. 24699.01 crore for the financial year 2025-26. The broad item-wise statement is as under:

A : RECEIPTS	(Rs. in crore)
State's Own Tax and Non-Tax Revenue	: 2472.13
State's Share in Central Taxes	: 8093.70
Central Assistance (Grants & Loans)	: 8216.25
Internal Debt (including WMA from RBI)	: 6065.41
<u>Recovery of Loans and Advances by State Govt</u>	<u>: 1.52</u>
Total	: 24849.01
B : EXPENDITURES	
Non Development Expenditure	: 12949.72
Servicing of Debt (including repayment of WMA)	: 5930.05
<u>Development Expenditure (including CSS etc)</u>	<u>: 5819.24</u>
Total	: 24699.01
C. BALANCE (A-B)	: 150.00
D. PUBLIC ACCOUNT (NET)	: (-) 150.00
E. NET CURRENT TRANSACTIONS (C+D)	: 0.00

49. The gross receipts and expenditures during the year 2025-26 is estimated to be equal. However, due to the negative opening balance as mentioned in para 47, the year 2025-26 is estimated to close with a negative balance of Rs. 843.21 crore.

50. With these words, Speaker Sir, I commend the Budget for 2025-26 to this August House for consideration and passing.

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