ANNUAL PLAN
2005-06

Background Note
2005-06

PLANNING COMMISSION
STATE PLAN DIVISION

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No. M-13048/1/AP/2004-SP(S)
PLANNING COMMISSION
(State Plans Division)

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Yojana Bhavan, Sansad Marg
New Delhi-110001
Dated, 06.04.2005

Subject: Background note for discussions of Annual Plan 2005-06 of Andhra Pradesh

A background note for the meeting to be held between Deputy Chairman, Planning Commission and Chief Minister of Andhra Pradesh at 3.30 P.M. on 07.04.2005 for finalization of Annual Plan 2005-06 is hereby circulated.

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Encl: As above

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Planning Commission
(State Plans Division)

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ISSUES RISED BY ANDHRA PRADESH

AGRICULTURE AND AGRICULTURAL CREDIT

1) Recapitalise cooperatives with interim assistance of Rs. 500 crs. pending receipt of the recommendations of the Vaidyanathan Committee.
2) Encourage NABARD and RBI to support rural credit through refinance of DCCBs even if they have not met the requirements of Section 11(1) of the Banking Regulation Act in the interim period by raising the reschedulement limit of NABARD for short term loans to Rs. 250 crs. and the refinance limit to Rs. 1800 crs.
3) Continue Central Plan assistance for the agricultural credit stabilization fund of SCBs and for meeting deficits in the nonoverdue cover of DCCBs.
4) Poor quality seed (sunflower and cotton) and failed bore wells due to fall in ground water level through overexploitation led to farmers'suicides and it is necessary to support Seed Acts of the Centre and States.
5) Improve control systems in cooperative banks.
6) Comprehensive crop insurance.

IRRIGATION

1) Support the AP Water Resources Development Corporation by permitting external aid, additional borrowings through annuities, irrigation bonds and commercial loans as well as direct assistance.
2) The irrigation projects proposed for APWRDC will provide protection for existing ayacut and funds can be raised from NRIs, agriculturists themselves etc.; so they could even be packaged for the private sector.

RURAL INFRASTRUCTURE

1) Clear PMGSY proposal of Rs. 900 crs. pending in RD and proposal for using diesel cess for raising loan of Rs. 2000 crs.

URBAN INFRASTRUCTURE

1) Improvement of urban infrastructure.

SOCIAL SECURITY

1) Increase monthly old age pension amount to Rs. 225 and extend coverage even to persons with families, introduce pensions for physically handicapped and widows.

EMPLOYMENT

1) Cover Medak, Prakasham, Kumool and Chittoor districts also under the food for work program.
2) Follow the Maharashtra EGS pattern as the food for work program has led to foodgrains smuggling and export.
3) Unemployment among skilled and unskilled persons including educated unemployment.

INFORMATION TECHNOLOGY

1) Support a Korean company proposal which will have to be taken up with DoE through first few years with equity; it has already obtained the State's concessions.

WATER SUPPLY

1) Rural & urban water supply.

GENERAL

1) Locate anganwadis and schools in the same premises.

PLANNING COMMISSION
(State Plans Division)

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Sub: Annual Plan (2005-06) – Andhra Pradesh : Meeting between Deputy Chairman, Planning Commission and Chief Minister of Andhra Pradesh

I. BASIC INFORMATION

1.1 Andhra Pradesh is the fifth largest State in India and the largest of the four southern States. Endowed with rich resources, the State has a strong agricultural and industrial base and has also been in the forefront of the software export phenomenon. However, it lags behind the other three southern States in human development indicators and was ranked 10th in HDI among non-special category States in the India National Human Development Report 2001 of the Planning Commission with a HDI of .416 against the all India value of .472.

GSDP Growth @ Constant Prices

	2001-02	2002-03 Provisional	2003-04 Quick Est.	2004-05 Advance Est.
Primary Sector	0.64	-8.32	10.69	-0.75
Secondary Sector	5.55	9.71	5.12	7.06
Tertiary Sector	6.83	6.21	7.19	7.20
Total :	4.6	2.59	7.64	4.96

1.2 A statement indicating selected basic information relating to the State of Andhra Pradesh is given at Annexure-I.

II. PLAN OUTLAY IMPLEMENTATION

Plan outlay and expenditure during the Tenth Five Year Plan

(Rs. crores)

Year	Approved (proposed) Outlay	Expenditure	% utilization (current prices)
Tenth Plan 2002-07	46,614.00$	-	
AP 2002-03	10,100.00	8,375.46	82.93
AP 2003-04	10,970.46	10,758.80	98.07
AP 2004-05	12,790.43	12,950.29	101.25
AP 2005-06 (proposed)	15,650.77	-	-

$ at 2001-02 prices

PROPOSED OUTLAY FOR ANNUAL PLAN 2005-06

2.1 A note from FR division regarding resources for Plan financing for 2005-06 has been sent separately. Proposed outlay for 2005-06 indicated in the draft Annual Plan document for 2005-06 is of the order of Rs.15650.77 crores. The proposed sectoral / scheme-wise break up of outlays is given in Annexure-II.

Sectoral Highlights:

III. AGRICULTURE & ALLIED ACTIVITIES

3.1 Agriculture accounts for about 13% of the State's GDP and it provides employment to 65% of the State's population.

3.2 The State has suffered from drought in the last three years. Out of 1127 mandals, 795 received deficient and scanty rainfall in khariff and they were declared drought affected by the government.

3.3 The total cropped area is 77.83 lakh has. against 79.52 lakh has. in normal years. In kharif and rabi 2004, 28.42 lakh has. were sown against 33.16 lakh has. in a normal year (coverage of 71%). A seed village programme, a fertilizer coding center for quality assurance subsidy for promoting vermi composting and the use of zinc sulphate, quality control for pesticides integrated bio-villages to promote pest management, farmers field schools and involvement of scientists of the agricultural university in pest control programmes are key initiatives.

3.4 The following Centrally sponsored schemes (CSS) are being implemented in the State for transfer of improved technologies and promotion of concepts like INM, IPM, efficient use of water, the production and supply of quality seeds and capacity building.

- Integrated Scheme on Oilseeds, Pulses, Oilpalm and Maize (ISOPAM)
- Intensive Cotton Development Programme (ICDP)
- Work Plan on Macro Management
- Agricultural Intensification Programme under APERP
- ANTWA

3.5 In kharif 2004, eighteen crops were covered under crop insurance and in rabi 2004-05, ten crops were covered.

3.6 In 2005-06 Rs.147.56 crores are proposed under Centrally sponsored schemes and State Plan schemes for agriculture.

Horticulture

3.7 Andhra Pradesh has an area of 15.32 lakh has. under horticulture with an annual production of 113.64 lakh mts. of fruits and vegetables and 1,045 million coconuts. It is the second largest producer of fruits and vegetables in the country and first in area and production for mango, oil palm, chilies & turmeric, second for citrus & coriander, third for cashew and fifth for guava, grapes, banana, ginger & coconut.

3.8 The thrust is on fruit & plantation crops, hybrid vegetable seed distribution, floriculture under controlled conditions, spices & condiments, medicinal & aromatic plants, landscape and ornamental gardening, precision farming, post harvest management, marketing, publicity and awareness programmes and tissue culture. Activities include pre and post harvest training to farmers, exposure visits, hybrid vegetable seed distribution, supply of plastic crates and assistance to integrated packing houses to improve productivity and quality, reduce post harvest losses and ensure better returns to the farmers.

3.9 To produce quality tissue culture plants, a biotechnology center has been established at Red Hill, Hyderabad to achieve self sufficiency in plant material, bring awareness of modern technology to farmers and supply quality and disease free plant material to them, bring about increase in the productivity of banana crops, and develop individual nutrient guides for horticulture crops for leaf analysis. Mushroom spawn, oilpalm and coconut are being promoted as also drip irrigation and the use of plastics. There are 4 Agri Export Zones at Chittoor, Hyderabad, Vijayawada and for gherkins in 7 districts.

3.10 Under the National Horticulture Mission, the aim is to cover 40 lakh has., rejuvenate 2 lakh has. and generate 497 crore man-days of employment, double horticultural production to 300 million tons and optimise agro climatic diversity during the Eleventh Five-Year Plan, promote high tech horticulture and precision farming, convert waste lands to horticulture, plug eight to 37 percent of wastage of horticultural produce, and create facilities to process 10% of horticultural production.

Animal Husbandry

3.11 The 17th Quinquennial Livestock Census of 2003-04 indicates decline in cattle population and increase in the buffalo and sheep population. The contribution of the livestock sector to GSDP is about 7.44% (2004-05). About 24 lakh families are directly dependent upon livestock for their livelihood. Small and marginal farmers and weaker sections of society own 80% of the livestock.

3.12 The major activities of the animal husbandry department are:

- Providing disease diagnostic services, production and provision of prophylactic vaccinations and treatment of ailing and infertile animals
- Upgrading the production potential of low productive cattle and buffaloes by artificial insemination and castrating scrub bulls.
- Ensuring adequate management practices and fodder production through extension and input supply.
- Undertaking relief measures for livestock affected by natural calamities like floods, drought etc.,

- Providing a supportive technical role in livestock based poverty alleviation programmes.
- Working with the medical and health department to control diseases.

3.13 Schemes cover running dispensaries, supplying drugs, setting up mobile clinics, conducting fertility camps, upgrading vaccine production and supplying fodder seed mini kits. Centrally sponsored schemes are also being implemented.

Fisheries

3.14 The State has the second largest coastline in the country. It contributes about Rs. 2500 crores by way of exports (40% of total exports from the country). The contribution of the fisheries sector to Gross State Domestic Product is 2.63% (2004-05).

FISH / PRAWN PRODUCTION: (lakh tons)

Year		Marine fish	Marine shrimp	Brackish water shrimp	Fresh water fish	Fresh water prawn	TOTAL
2002-03	Achievement	2.12	0.37	0.38	5.29	0.50	8.66
2003-04	Achievement	2.30	0.34	0.32	5.94	0.55	9.45
						Year 2004-05	
2004-05	Target	2.20	0.35	0.37	5.96	0.58	9.46
2004-05	Achievement (Dec, 2004)	1.35	0.23	0.28	4.08	0.29	6.23

3.15 Schemes extend from improving the database, assisting fishermen's cooperatives (supported by NCDC), providing housing, land and berthing facilities, group accident insurance, training and extension for fishermen, inculcating the savings habit, mobilizing traditional craft and developing inland fisheries & aquaculture. The scope for agro-processing, contract farming and similar methods of increasing incomes in the agricultural sector needs to be examined. To cope with the problem of suicides of agriculturists on account of indebtedness, the Central government has fixed a target to double agricultural credit over the country in three years. NABARD has issued instructions to banks to go in for debt restructuring to enable all farmers to become eligible for fresh credit. Every bank branch is expected to lend to at least 100 fresh farmers annually. This is the first State to have a Mutually Aided Cooperative Societies Act. The Cooperative Societies Act has also been substantially amended in 2001.

Forestry & Wildlife

3.16 The State has a recorded forest area of 63,813 sq.kms, 23.2% of its geographical area. Forests with good tree cover are confined to only 25,947 sq.kms. (41% of recorded forest area). Due to sustained effort, there was increase in forest cover by 1,347 sq. kms. between 1997 and 2001, as per the Forest Survey of India (FSI) Tree cover outside forest area is highest in Andhra Pradesh with coverage of 9011 sq.kms. The forestry sector contributes about one percent to GSDP. There are

7245 Joint Forest Management Committees (VSS) in the State managing 17.41 lakhs hectares of forest area. Programmes include the externally aided community forest management project to cover 3,15,800 has. spending Rs.738.47 crores in the Tenth Plan. In 2005-06, Rs.210 crores have been provided. Central sector schemes are also being implemented.

IV. RURAL DEVELOPMENT

4.1 Under watershed development, out of 78.20 lakh hectares of dry land to be treated, 36.85 lakh hectares have been treated or are under treatment through 7903 projects since 1995-96.

4.2 A massive action plan for development of degraded land and waste lands in ten years was launched in 1996-97. A ten-year action plan has been prepared to develop100 lakh hectares on watershed basis with an outlay of about Rs.4000 crores at the rate of 10 lakh hectares every year.

4.3 To arrest depletion of green cover bring fallows under cultivation and prevent soil erosion, a massive integrated wasteland development project was taken up in 1991 with 100% Central assistance to provide soil moisture conservation works on ridge to valley concept. User groups, under the supervision of watershed committees, are executing works. Under DPAP, Rs.34.57 crores will be provided by the State. DDP is implemented in Ananthapura covering 2.76 lakh hectares in 552 watersheds at a cost of Rs.6.85 crores as State's share. Under RIDF-VI, Rs.26.22 crores have been provided.

4.4 The State supports self help groups through its own programmes and through the Swarnajayanti Gram Swarozgar Yozana (SGSY). 4.75 lakh group now cover 65.39 lakh poor rural women with a total corpus of Rs.1914.31 crores. In 2005-06, Rs.10.24 crores are being provided for SGSY. Rs.27.6 crores have been provided for DWCRA.

4.5 The National Family Benefit Scheme, which was a 100% Centrally Sponsored Scheme up to 2001-02, was transferred to States in 2002-03. It envisages assistance of Rs.5,000/- to each family on the death of the primary bread earner. It is being implemented through DRDAs and mandal level agencies. Rs.14.80 crores have been provided in 2005-06. The National Old Age Pension Scheme has an outlay of Rs.43.62 crores.

4.6 The externally aided Velugu project for poverty alleviation covers 180 mandals in 6 districts with an outlay of Rs.654 crores from 2000 to 2005. The second phase of the project extends to 2008. Under this, Rs.441.53 crores have been provided this year.

4.7 The Sampoorna Grameen Rozgar Yojana (SGRY) is a Centrally Sponsored Scheme started on 1.4.2002 with a sharing pattern of 75:25 to provide additional wage employment in rural areas and food security, alongside creation of durable community, social and economic assets and infrastructure development. Outlay provided as State share in 2005-06 is Rs.85.35 crores.

V. IRRIGATION

5.1 The total geographical area of the State is 2,74,400 sq. kms, and cultivable land is 392.70 lakh acres, of which 292 lakh acres are being cultivated. Area irrigated as on 31-03-2004 is 133.763 lakh acres. Government is committed to achieving the ultimate irrigation potential of 217 lakh acres from stabilised sources, in a phased manner.

5.2 Godavari, Krishna, Vamsadhara and Pennar are the major rivers. The State's share of dependable flows at 75% dependability from its river systems is estimated at 2764 tmc. So far 1800 tmc of river water have been utilized and projects under execution will utilize about 292 tmc. Rs.46000 crores may be needed to complete the utilization of available potential.

5.3 The State Government has to take up projects in Godavari basin to use water going untapped and complete ongoing and pending major and medium irrigation projects in a time-bound manner. An amount of Rs.5096.28 crores has been proposed for major irrigation projects including water development, modernization and ongoing projects.

5.4 Eight projects are programmed to be completed in two years. Eighteen projects are programmed to be completed in five years.

5.5 4 new projects viz., Polavaram, Dummugudem, Yellampally and Inchampally will also have to be undertaken on the Godavari.

5.6 These 26 irrigation projects are planned to be completed in 5 years by utilizing financial assistance from the World Bank, Government of India under AIBP, bank finance and resources raised through irrigation bonds in addition to normal Plan allocations.

5.7 The AP Economic Reconstruction Project, an externally aided project funded by the World Bank, started in 2000-01 is being implemented through Water Users Associations. The outlay provided for the Tenth Five Year Plan is Rs.308 crores to stabilize an ayacut of 253570 acres.

5.8 Schemes, which are not under external assistance, pertaining to check dams, percolation tanks, new irrigation potential and indirect ayacut and stabilization of existing ayacut are being taken up. Outlay proposed for the Tenth Five Year Plan is Rs.156.80 crores. Rs.218.91 crores have been provided in 2005-06.

5.9 For new MI schemes projected to NABARD with ayacut more than 100 acres, Rs.155.27 crores have been provided.

5.10 NABARD will provide loans for taking up lift irrigation also. Rs.150 crores have been provided in 2005-06.

5.11 There have been substantial drawals under AIBP as given below and a provision of Rs.275 crores has been made for this purpose in the current year.

Year	Amount (Rs. crores)
1996-97	35.25
1997-98	74.00
1998-99	79.67
1999-2000	65.02
2000-01	95.02
2001-02	281.66
2002-03	33.19
2003-04	205.53
2004-05	275.00
2005-06	275.00

VI. POWER & ENERGY

6.1 The State has an installed power generation capacity of 10896 mws. and is investing 15.3% of its Plan outlay during the Tenth Plan on adding further generation capacity as well as improving the transmission and distribution system. The thermal hydel mix is 2/3 -1/3 d. The State has set up a Regulatory Commission which has issued five orders. It has also unbundled generation from transmission and distribution. Efficiency improvement is reflected in lowering T&D losses.

6.2 The State has availed of a World Bank structural adjustment loan which included power sector reform. Four distribution companies with financial autonomy now work under the holding company TRANSCO and PPAs are being signed between TRANSCO and the generating company. Under the World Bank programme, the distribution process was expected to be privatized by 2005 and power deficit reduced, efficiency improved and greater public private competition put in place by 2007. Most agricultural customers are not metered and were charged on flat rate horse power basis. The State has also announced free power to agriculturists from July 2004. The level of recovery of supply costs is estimated to be 75%, as the average tariff was estimated to be Rs.2.34 against an average supply cost of Rs.3.08 in 2004-05. It has been estimated that the average tariff charged to agricultural consumers is 31 paise/unit. Since around 35% of total energy sales are to such customers, the effective subsidy to agriculture works out to Rs.3120 crores.

6.3 Gross budget support on account of all requirements, including interest payment on power sector liabilities, is estimated at Rs.13102.37 crores (Rs.4113.24 crores as liability taken over in 1999-2000, Rs.4123.74 crores for PFC power bonds, Rs.2778.59 crores as guarantee for APTRANSCO bonds and Rs.2086.8 crores from the structural adjustment loan). Securitisation bonds of Rs.2436.09 crores will also have to be serviced at 8.55% interest. The government has made a subsidy provision of Rs.1791 crores in the budget in 2004-05 to cover estimated net commercial losses of the transmission and distribution companies. The total percentage of cross subsidization is estimated to be 18.76% (Rs.1754.55 crores). 36% of energy sales are attributed to agriculture.

6.4 Side by side with reform, the State has been increasing its generation capacity and upgrading transmission and distribution with external aid from the JBIC, World Bank, DFID as well as from the APDRP of Government of India. PPAs which have

been signed are expected to become operational soon. Under APDRP projects worth Rs.1511.4 crores have been sanctioned.

	PLF(%)		T&D Losses (%)	
	APGENCO	All India	APTRANSCO	All India
2001-02	86.30	69.9	29.82	33.98
2002-03	86.00	72.2	27.58	32.54
2003-04	88.50	72.7	24.85	NA

10th Plan (2002-07) Capacity Addition Programme

State Sector Projects

(i)	Rayalsema-II	420.00 mws
(ii)	Srisailam LBPH	450.00 mws
(iii)	Juralapriya	78.20 mws
	Total :	**948.20 mws**

Private Sector Projects

(i)	Peddapuram (ST)	78.00 mws
(ii)	Ramagundam BPL	520.00 mws
(iii)	Vemagiri-I	370.00 mws
(iv)	Gautami	464.00 mws
(v)	Jegrupadu Ext-I	220.00 mws
(vi)	Konaseema	445.00 mws
	Total :	**2097.00 mws**

Total (State+Private) 3045.20 mws

Share in Central Sector Projects

S.No.	Name of the Project	Organization	Capacity mws	Share of AP mws
1.	Simhadri	NTPC	500	dedicated to AP
2.	Ramagundam III	NTPC	500	190
3.	Neyveli II Exp	NLC	500	141
4.	Neyveli Ext	NLC	420	Nil
5.	Kaiga U3	NPC	220	62
		Total :	**2140 mws**	

SEB Performance

6.3 The financial performance of Andhra Pradesh State Transmission Corporation Ltd. (APTRANSCO) and Discoms in terms of various parameters for year 2002-03

(actual), 2003-04, 2004-05 (RE) and 2005-06 as indicated during resources discussion held for Annual Plan 2005-06 is indicated below :

	2002-03 (actual)	2003-04 (actual)	2004-05 (RE)	2005-06 (Prop.)
Average Cost (paise/Kwh)	311.00	321.00	314.00	308.00
Average Rate (paise/Kwh)	234.14	224.31	213.37	230.64
Percentage Recovery (%)	75.28	69.88	67.95	74.88
Net Commercial Profit/Loss (Rs.Cr.) (with subsidy)	(+) 242.74	(-) 75.26	(-) 336.44	(-)1903.60
Net Commercial Loss (Rs.Cr.) (without subsidy) as on March	(-) 1266.64	(-) 1588.74	(-)2127.32	(-) 1903.60
Net Internal Resources (Rs.Cr.)	(-) 421.03	(-) 2231.44	(-)1394.97	(-) 2324.25
Rate of Return (ROR) (%) (without subsidy)	(-) 26.82	(-) 29.65	(-) 35.83	(-) 27.07
Rate of Return (ROR) (%) (with subsidy)	(+) 5.14	(-) 1.40	(-) 5.66	(-) 27.07
Average agricultural tariff (paise/kwh)	65.00	32.00	31.00	32.00
Share of agricultural consumption(%)	39.58	37.07	35.84	35.21

6.4 Recently the State Government has taken a policy decision to continue to supply free power to marginal farmers. Other farmers are required to pay 50 paise per unit tariff and corporate farmers Rs.2 per unit. Net commercial losses of APTRANSCO and Discoms (without subsidy) for 2005-06 are estimated at Rs.1903.60 crores.

VII. INDUSTRIES & MINERALS

7.1 The State has a significant industrial presence and is home to the two major growth areas of pharmaceuticals and software. On the manufacturing front, other major sectors are textiles and sericulture, marine, marine and food processing, leather and chemicals. The State has strengthened its infrastructural base and set up clusters to promote industrial growth. Major software companies have set up offices in the State capital and has a significant export presence, second only to Karnataka and Tamilnadu. As the State is second in mineral wealth, coal and limestone based industries have also a significant presence.

7.2 The State Level Export Promotion Committee chaired by the Minister for Major Industries oversees export promotional activities and another State Level Export Promotion Committee implements programmes on infrastructure development under ASIDE.

VALUE IN CRORES

Sl. No.	Product Group	2001-02	Growth rate in exports	2002-03	Growth rate	2003-04 tentative estimates
1.	AGRICULTURAL & AGRO BASED FOREST PRODUCTS	2891.00	4.98	3035.00	-40.00	1805.00
2.	LEATHER, ANIMAL & MARINE PRODUCTS	2188.00	-11.73	1931.29	-7.50	1785.00
3.	MINERAL & MINERAL PRODUCTS	634.00	14.98	729.00	13.00	862.00
4.	HANDLOOMS & TEXTILES	406.00	5.00	426.30	5.00	447.00
5.	HANDICRAFTS & CARPETS	191.00	5.00	200.55	26.00	252.00
6.	DRUGS & PHARMACEUTICALS, ALLIED	2105.00	14.96	2420.00	55.00	3753.00
7.	ENGINEERING ITEMS	1045.00	10.00	1149.50	19.00	1368.00
8.	ELECTRONICS & ELECTRONICS PARTS	45.00	22.22	55.00	52.00	84.00
9.	SOFTWARE	2895.00	26.70	3668.00	36.00	5025.00
	TOTAL	12400.00	9.80	13614.64	12.97	15381.00

7.3 It is proposed to establish 24 mini leather parks in 2005-06.

7.4 There are 869 Handloom Weavers Coop. Societies with 92351 weaver members, besides 82426 weavers working outside the cooperative fold. The WTO agreement will lead to tough competition in the world and Indian markets. Emphasis is being given to production of exportable handloom varieties.

7.5 The State Govt. has declared the garment industry as a growth engine under VISION-2020. It is proposed to set up 15 Apparel Export Parks and 15 Textile Parks in different districts for providing integrated infrastructural facilities within the next eighteen years.

7.6 In sericulture, the State has the highest productivity in the country. Programmes are focused on increasing the production of mulberry cocoons, developing bivoltine sericulture, support reelers through interest subsidy and improving designs for weavers.

VIII. TRANSPORT

Minor Ports & Lighthouses

8.1 Andhra Pradesh with an extensive coast line of about 1000 kms length has one major port at Visakhapatnam (administrered by the Government of India), two intermediate ports at Kakinada (East Godavari dist.) and Machilipatnam (Krishna) and ten minor ports at Bhavanapadu, Calingapatnam (Srikakulam dist.) Bheemunipatnam, Gangavaram, Mutyalammapalem (Visakhapatnam dist.) Rawa (E.G. dist.) Narsapur (West Godavari dist.) Nizampatnam (Guntur dist.) Vadarevu (Prakasam dist.) and Krishnapatnam (Nellore dist.). In 2005-06, Kakinada Gangavaram and Krishnapatnam port development will continue under the State Plan.

Roads and Bridges (PWD)

8.2 Road density is below the country average; it is .73 kms/sq.km. and 293 kms./ lakh population (the country averages are 1 km. and 389 kms).

8.3 The Transport, Roads and Buildings Department administers 65,346 kms. of important roads (National Highways 4104 kms, State Highways 8271 kms, Major District Roads 34731 kms, and rural roads 18240 kms.) in the State and brings them to proper standards based on requirements and traffic flow. About 18,240 kms. of rural roads were taken over from Panchayat Raj Department. Rural roads are proposed to be upgraded to single lane. Improvement of National Highways 5, 7 and 9 which are qualified for four laning are being taken up by the National Highway Authority of India. The A. P. State Highways Project is an externally aided project with a sharing pattern of 90:10 between the World Bank and the State, started in 1997 for improvement and development of important roads carrying heavy traffic. The original cost of the project was Rs.1845 crores, which is now projected at Rs.1961 crores. Under this scheme widening and strengthening of 1400 kms. of A. P. State Highways in 13 packages and heavy periodic maintenance of 1747 kms. of core network in 95 packages are proposed. To complete the project, Rs.5 crores have been provided in 2005-06. Under the AP Economic Restructuring Project costing Rs.363.5 crores, heavy periodic maintenance of 1782 kms have been taken up. Rs.118 crores are provided in 2005-06.

8.4 NABARD has agreed to finance rural roads and bridges under the Rural Infrastructure Development Fund. Allocation proposed to be made under rural roads for 2005-06 is Rs.76.31 crores.

8.5 Hyderabad, Vijayawada and Visakhapatnam airports are also being developed with State Plan funds and the scope for developing smaller airports is under consideration. Consultancy services are being identified to establish an international airport at Hyderabad (feasibility study is being done by TECS and GMR-MAHB Consortium selected as the developer). Equity participation of AAI, GOAP and the private developer will be in the 13:13:74 ratio. The cost of the project is Rs.1447 crores. The project will be implemented through the Hyderabad International Airport Limited Company in 33 months from financial closure. The outlay proposed for 2005-06 is Rs.131.16 crores.

TOURISM

8.6 It is the policy of the State government to encourage private participation for developing tourism infrastructure projects to international standards. Tourism ventures involving above Rs.20 lakhs capital expenditure are eligible for 20% investment subsidy (not exceeding Rs.20 lakhs).

8.7 The government is also facilitating leases for a period not exceeding 33 years on liberal terms of lease rent at 5% of the market value with entitlement to other concessions and incentives. To encourage private investment, 70% exemption from stamp duty and registration fee has also to be granted for registering lease deeds.

8.8 Detailed study reports are being done through reputed consultancy agencies and the World Tourism Organization. In the past one year, 36 projects on government

leased lands have been approved with a total private investment of Rs.475.56 crores. An IMAX theatre, beach resorts, golf courses and water based parks have already been grounded and others will commence after getting approval from financial institutions.

8.9 Another 8 projects spread over the State with an estimated private investment of Rs.176.50 crores are at the final stage of processing. Detailed plans for setting up an art gallery and an artists' village in the hitech city of Madhapur at a cost of over Rs.5 crores are under preparation. To meet the growing demand for qualified personnel in the tourism sector, a National Institute of Hospitality and Tourism Management is being set up at Hyderabad.

IX. EDUCATION

School Education

9.1 There are 91,121 schools (Mandal/Zilla Parishad- 66468, State Government- 7283, municipality- 1983, private aided- 3647 and private unaided 11,596) in the State. Of 7283 government schools, 5626 are primary schools, 468 are upper primary schools and 1189 are high schools. Enrolment in all schools is 138.97 lakhs of which enrolment in schools belonging to the State Government is 9,14,607, to Mandals/Zilla Parishads is 8444687 and Municipalities 426029. The dropout rate for Classes I-VII is 51.52% and 32.39% for classes I-V. State schemes and CSSs are being run under the Plan.

9.2 In the first phase, DPEP covered five districts – Vizianagaram, Nellore, Kurnool, Karimnagar and Warangal – with grant from DFID for 7 years starting from 1996-97. The programme has been extended to 14 districts - 4 districts of coastal Andhra region (Srikakulam, Visakhapatnam, Guntur, Prakasam), three districts of Rayalaseema region (Chittoor, Cuddapah and Ananthapur) and 7 districts of Telengana region (Mahaboobnagar, Rangareddy, Medak, Nizamabad, Adilabad, Khammam and Nalgonda) with World Bank assistance.

9.3 Sarva Shiksh Abhiyan (2001-02 to 2009-10) is being implemented in two phases covering East Godavari, West Godavari, Krishna and Hyderabad (2001-02 under Phase I) and the remaining 19 districts (2002-03 under Phase II).

9.4 Rs.567.91 crores (Central share Rs.509.58 crores and State share Rs.58.33 crores) are proposed as outlay for 2005-2006.

Higher Education

9.5 The Andhra Pradesh State Council of Higher Education came into existence on 20th May, 1988 through an Act of the State Legislative Assembly to advise government in matters relating to higher education in the State and oversee development. The Council also co-ordinates academic activities of universities and is taking up programmes for attaining excellence in higher education.

9.6 There were 178 degree colleges with 1,36,777 students and three Oriental colleges with 581 students (end 2003-04). Schemes cover scholarships and staff salaries. Under vocational education 13 lakh students have been covered through scholarship and staff salaries.

Technical Education

9.7 There are 65 government polytechnics, 71 private polytechnics and 4 aided private polytechnics. The number of engineering colleges is 238 with an intake of 82,345 and there are 313 MCA colleges and 217 MBA colleges. Schemes cover networking courses and fresh courses. The State is one of 7 selected to participants in the 2nd phase of the Technical Education Quality Improvement Programme of Govt. of India (externally aided by World Bank at a cost of Rs.150 crores over 4 years (2004-2007).

X. HEALTH & FAMILY WELFARE

10.1 Although the decadal growth rate in the nineties at 14.59% is lower than the country's growth rate of 21.53% and the total fertility rate of 2% is also much better than the country's average of 3.2%, the crude death rate is disquieting (8.2 per 1000 against the all India average of 8.1) and IMR is the highest among the southern States (62 per 1000).

10.2 The State is implementing different cess to control infectious and other diseases and supporting medical staff in hospitals, apart from providing funds for training and the school health programme.

10.3 It is also implementing an externally aided project with an outlay of Rs.289.753 crores (US$58.40) from the World Bank and Rs.59.347 crores (US$11.84) from the State. The project is divided into 4 components - civil works, equipment, training of NGOs and staff salaries. In 2005-06, the outlay proposed under the scheme is Rs.110 crores.

10.4 Family Welfare programmes are being implemented in the State through 10,568 sub-centers, 1386 primary health centers, 82 post partum units, 131 urban family welfare centers and 192 urban health centres. Eight regional training centres (4 for males and 4 for females) are functioning under the control of the Commissioner of Family Welfare for imparting training to medical officers and para-medical staff working in the department.

10.5 The Reproductive and Child Health (RCH) Programme is a 100% CSS for improving management performance, quality coverage and the effectiveness of FW services, and expanding the scope and content of family welfare services. The project is being implemented at the PHC level and funds released to PHCs through district authorities. Rs.22 crores have been provided in 2005-06. Other programmes provide training for staff, maintain sub-centres and other institutions and provide education and counseling.

10.6 The Bill & Milinda Gates Foundation Scheme introduced in 2001 to strengthen immunisation services and introduce hepatitis B vaccine and review and advise the department on the potential for adding the encephalitis vaccine in 6 districts of Guntur, Mahaboobnagar, Kurnool, Anantapur, Cuddapah and Chittoor were covered in 2001-02 and 6 districts of Srikakulam, Vizianagaram, Visakhapatnam, Krishna, Warangal and Adilabad in 2002-2003. The remaining 11 districts were covered in 2003-2004. Rs.16.67 crores have been provided in the Tenth Five Year Plan. Rs 10.57 crores have been provided as State share in 2005-06.

XI. WATER SUPPLY AND SANITATION

11.1 The Hyderabad Metropolitan Water Supply & Sewerage Board is supplying 162 mgd of water from reservoirs at Himayatsagar, Osmansagar. Manjira and Singur. It has also commissioned, recently, stage I of the Krishna drinking water supply project for supply of additional 45 mgd of water to the twin cities by laying a 120 kms. pipeline from Nagarjunasagar. The estimated project cost is Rs.820 crores (for Stage I and II of Phase I) for which Rs.575 crores are to be mobilized as term loans from financial institutions and banks and as bonds and Rs.245 crores is margin money. Stage I of the project has been completed and works pertaining to Stage II of the project are being taken up. In 2005-06, Rs.261.44 crores have been provided. Rs.10 crores have been provided for other municipalities and corporations.

Rural Water Supply

11.2 The State has made provision for the following major schemes :

ARWS for Problem Villages

11.3 This is a Central Sector scheme to provide drinking water in rural areas started in 1972-73. Construction of piped water supply schemes and drilling of bore wells with hand pumps are taken up. Rs.181.64 crores have been proposed in 2005-06.

11.4 The Centrally Sponsored Rural Sanitation Programme (CRSP) launched in 1986 is intended to provide latrines to families below the poverty line by giving a subsidy of 80%. Rs.26.22 lakhs have been provided as outlay for 2005-06.

11.5 ARWS for Problem Villages is a Central Sector Scheme started in 1972-73. Rs.763.93 crores have been provided in the Tenth Five Year Plan and Rs.181.64 crores provided in 2005-2006.

11.6 Sub Missions under a Centrally Sponsored Scheme with a sharing pattern of 75:25 started during 1992-93 are intended to supply protected water to quality-affected habitations. There are five sub-missions of which three relate to tackling chemical quality problems arising from excess fluoride, excess iron and excess brackishness, guinea worm infestation and scientific source finding. Quality-affected habitations in the State have been classified mainly into fluoride and brackish. Rs.120.03 crores have been provided as State share in the Tenth Five Year Plan. Rs.22.67 crores (Rs.3.47 crores as Central share and Rs.19.21 crores as State share) have been provided in 2005-06.

XII. HOUSING

12.1 Apart from IAY, the State has a Weaker Section Housing Programme taken up through the A.P. State Housing Corporation. The APSHCL has constructed 47,36,359 houses under various schemes.

12.2 The Urban Housing scheme launched in 1989 is for providing houses to the urban poor. An outlay of Rs.25.74 crores has been provided under this scheme in 2005-06.

XIII. URBAN DEVELOPMENT

There are 110 municipalities and 8 corporations (including Hyderabad).

13.1 The Integrated Development of Small and Medium Towns (I.D.S.M.T.) scheme which is a Centrally Sponsored Scheme was introduced by Govt. of India in 1980-81 with a sharing pattern of 60:40 between the Centre and the State to improve urban infrastructure facilities in small and medium towns, increase the availability of serviced sites for housing, commercial and industrial uses and promote resource-generating schemes for urban local bodies.

13.2 Rs.21.89 crores (Rs.19.07 crores as Central share and Rs.2.83 crores as State share) have been provided in 2005-2006 under the scheme.

13.3 The Swarna Jayanthi Sahari Rozgar Yojana is a Centrally Sponsored Scheme, with a sharing pattern of 75:25 between the Center and the State, aimed at providing gainful employment to the urban unemployed or underemployed poor through self-employment ventures or wage employment using community organizations. The works programme under UWEP has been entrusted to Community Development Societies and Neighbourhood Committees (NHCs). An amount of Rs.4.78 crores has been provided as the outlay during the year 2005-2006 as State share and Rs.8.97 lakhs as Central share.

13.4 Under National Slum Development Programme (NSDP) undertaken through community development societies, Rs.32.77 crores will be spent in 2005-06.

13.5 Andhra Pradesh Urban Infrastructure Development Corporation (APUFIDC) Ltd. Hyderabad has been nominated as the nodal agency for implementation of the mega city project from 24.12.1997 using the Hyderabad Urban Development Authority (HUDA), Hyderabad, Metro Water Supply and Sewerage Board (HMWS & SB), Municipal Corporation of Hyderabad (MCH) and the Director of Municipal Administration (DMA). Rs.19.15 crores have been provided in 2005-2006 under the scheme.

13.6 Under the Andhra Pradesh Urban Services for the Poor (APUSP) project aimed at providing access to more appropriate and sustainable services for the year in 32 Class-1 towns (with a population of one lakh or more), with financial assistance from the Department of international Development (DFID). Rs.203.69 crores have been provided in 2005-06.

13.7 Government of Andhra Pradesh is working on the design of the Andhra Pradesh Urban Reforms and Municipal Services Project (APURMS) for implementation in all

Municipalities and Corporations in the State with World Bank assistance. In the first phase, 19 APUSP towns have been identified and infrastructure projects prepared at a cost of Rs.1445 crores. The first phase includes 397 proposals of Rs.175.25 crores covering water supply, roads, drains, solid waste management and street lighting Rs.100 crores have been provided in 2005-06.

13.8 The Hyderabad Multimodal Transportation System is a 50:50 joint venture project of Indian Railways & GoAP. Phase-I covered two corridors of 43 kms developed by strengthening existing rail infrastructure at a cost of Rs.178 crores. 28 stations (including 10 new stations) were developed with parking and circulating areas to facilitate 'park n ride' concept and multimodal integration. The Lingampalli – Hyderabad – Secunderabad route was opened for traffic in August 2003 and Secunderabad – Falaknuma in February 2004.

13.9 At present, 74 services per day are being run on these two routes, carrying on an average 25000 passengers and earning about Rs.1,25,000/- per day. This is 25% of the seating capacity. Earning can be increased by 4 times (which is the breakeven point), once the Special Purpose Vehicle (SPV) is in place to pursue introduction of proper feeder bus services; laying of link roads to hitec city and Bharatnagar stations, opening of the Lakdikapul & Necklace Road stations; and advertisement and marketing of MMTS services.

13.10 GoAP has since approved formation of the SPV and forwarded the proposal to the Ministry of Railways. Phase II of the project covers suburban areas. It envisages extension of MMTS on Secunderabad – Bolarum – Medchal (28 kms; Rs.84 crores); Falaknuma – Umdanagar – Shamshabad International Airport (20 kms; Rs.56 crores); and Secunderabad – Ghatkesar with a new third line (19 kms; Rs.76 crores). The amount provided for implementation of MMTS for 2005-2006 is Rs.26.68 crores.

Welfare of SCs,STs,BCs & Minorities

13.11 The tribal population of AP is 50.24 lakhs (6.59% of the total population). Scheduled areas extend over 31,485.34 sq.kms. (11% of total area) with 5938 villages distributed in Srikakulam, Vizianagaram, Visakhapatnam, East Godavari, West Godavari, Khammam, Warangal, Adilabad and Mahboobnagar districts. Areas inhabited by primitive tribal groups and remote areas of the ITDAs and MADAs lack infrastructural facilities.

13.12 The A.P. Tribal Development Project (IFAD-II) is an Externally Aided Project proposed in 2004-2005 under Velugu Project with 82% of the funds provided by World Bank. Earlier this scheme was funded by IFAD, Rome from 1994-95 to 2002-2003.

13.13 Objectives are creation of self managed grass-root level institutions for the poor, building the capacity of established local institutions and addressing the needs of the poor to improve access to education for girls and reduce the incidence of child labour. To achieve convergence between Velugu and the Integrated Tribal Development Agencies in the project districts, Government has developed a Tribal Development Strategy. Rs.12 crores have been provided in 2005-2006.

13.14 Other programmes cover scholarships, financial assistance to cooperative societies, hostel buildings and residential schools.

13.15 Schemes for the welfare of backward classes and minorities cover post-matric and pre-matric scholarships, construction of hostel buildings, assistance to the backward classes and minorities federations and the Commission for Backward Classes and self-employment programmes.

XIV. LABOUR AND EMPLOYMENT

14.1 Schemes cover training in ITIs, strengthening employment exchanges, apprenticeship training and rehabilitation of bonded labour.

XV. WOMEN AND CHILD DEVELOPMENT

15.1 There are 363 ICDS projects with 56,518 anganwadi centers in the State headed by CDPOs. The schemes cover running homes for destitute women and orphans as well as the aged, working women's hostels and training institutions. A World Bank assisted ICDS project is also in operation. It has several important features with pre-school education and coverage of adolescent girls.

15.2 The State Empowerment Policy for women aims at gender equality, gender justice and social security. The Integrated Women's Empowerment Programme or Swayam Siddha is a unique scheme under which 3865 self help groups have been formed with 51274 members and savings and lending of more than Rs.1 crore. There is also a girl child protection scheme and assistance for the Women's Cooperative Finance Corporation and the State Women's Commission.

XVI. RASHTRIYA SAMA VIKAS YOJANA (RSVY)

16.1 The Backward Districts Initiative under the Rashtriya Sam Vikas Yojana (RSVY) was initiated with the objective of putting in place programmes and policies with joint efforts by the Centre and States to remove barriers to growth, accelerate the development process and improve the quality of life of people. The scheme aims at focused development programmes for backward areas to help reduce imbalances and speed up development. Identification of backward districts within a State has been made on the basis of an index of backwardness comprising three parameters with equal weights to each : (i) value of output per agricultural worker; (ii) agricultural wage rate; and (iii) percentage of SC/ST population. The number of districts per State has been worked out on the basis of incidence of poverty. The main objectives of the scheme are to address the problems of low agricultural productivity and unemployment and fill critical gaps in physical and social infrastructure.

16.2 Rs.15 crores per year are to be provided to each district for three years (a total of Rs.45 crores per district). Funds are to be released to State Governments on 100% grant basis in suitable instalments linked with satisfactory progress of the District Plan. The State Government is to release funds received under the programme to a separate head created for the purpose under the District Rural Development Agency within 15 days of receipt. Failure to do so will lead to forfeiture of subsequent instalments and the funds released earlier being treated as a loan.

16.3 There is a High Level Committee at the Government of india (GOI) level chaired by Deputy Chairman, Planning Commission with Finance Minister, Minister of State for Planning, Chief Minister, Government of Bihar, Chief Minister, Government of Orissa and Secretary, Planning Commission as members. This Committee approves policies regarding initiatives of the RSVY, sets the reform agenda for State Governments and periodically conducts a review of the progress of the programme. There is an Empowered Committee at the GOI level chaired by Secretary, Planning Commission to approve District Plans, monitor and review programmes, have evaluations and mid-term appraisals conducted and attend to other matters relating to the operation of RSVY.

16.4 Each State Government has to set up a State Level Steering Committee chaired by the Chief Secretary with about five other members. Secretaries of the Departments of Finance and Planning, the Chief Executive of the District (Deputy Commissioner or Chief Executive Officer of the Zila Parishad), the State Level representative of NABARD and an NGO could be members. In the case of districts affected by left wing extremism, this Committee will also include the State's Home Secretary. The Committee gets detailed district plans prepared and recommends them to Planning Commission for concurrence. It is also responsible for coordinating and ensuring synergy between departments and agencies as well as monitoring schemes. For each district the district plan is prepared by a District Committee chaired by the District Magistrate / CEO Zilla Parishad / Chairperson of the District Planning Committee with the District Superintendent of Police (in the case of Extremist-affected districts), District Forest Officer, local NGOs, other stakeholders, etc. as members.

16.5 The backward districts of Andhra Pradesh selected under RSVY and funds released against them during 2003-04 and 2004-05 are as under :

(Rs. crores)

State	District	1st Instalment Released	2nd Instalment Released	3rd Instalment Released	4th Instalment Released	Total
Andhra Pradesh	Adilabad	7.50	7.50			15.00
	Warrangal	7.50	7.50	7.50		22.50
	Chittoor	7.50				7.50
	Karimnagar	7.50	7.50			15.00
	Khammam	7.50	7.50			15.00
	Nizamabad	7.50				7.50
	Nalgonda	7.50				7.50
	Mahboobnagar	7.50				7.50
	Vijainagaram	7.50				7.50
	Medak	7.50				7.50
	Total	**75.00**	**30.00**	**7.50**		**112.50**

ANNEXURE I

BASIC INFORMATION: ANDHRA PRADESH - INDIA

Sl. No	Item	Unit	Year	Andhra Pradesh	All India
1	2	3	4	5	6
1	Area	sq kms	2001	275,045	3,166,414
2	No. of Districts		2001	23	593
3	No. of Blocks		2001	330	5550
4	No. of Towns & Cities		2001	210	5161
5	No. of Villages		2001	28123	638588
6	Rural Population		2001	55,223,944	741,660,293
7	Urban Population		2001	20,503,597	285,354,954
8	Total Population		2001	75,727,541	1027015247
9	ST Population		2001	5,024,104	84,326,240
10	SC Population		2001	12,339,496	166,635,700
11	Population Density (Prov.)		2001	277.08	324.85
12	Sex ratio (Females)	1000 males	2001	978	933
13	Total Fertility Ratio	%	1999	2	3.2
14	Crude Birth Rate	per '000	2002	21.7	25
15	Crude Death Rate	per '000	2002	8.2	8 1
16	Infant Mortality Rate	per '000	2002	62	64
17	Population per doctor		1.1.2000	64182	-
18	Population below poverty line	(%)	1999-2000	15.77	26.1
19	**Distribution of Employment**		2002	**100.00**	**100.00**
20	Primary Sector	%	2002	60.55	52.43
21	Secondary Sector	%	2002	9.29	10.87
22	Tertiary Sector	%	2002	30.16	36.70
23	**Literacy Rate- Total**	%	2001	60 5	65 49
24	Literacy Rate-Male	%	2001	70 3	75.3
25	Literacy Rate-Female	%	2001	51.17	54.28
26	Pupil Teacher Ratio (school level)	Ratio	2001-02	36.22	34.15
27	Gross Enrolment Ratio (Classes I to VIII)	Ratio	2001-02	82.47	82.35
28	School Dropout Ratio (Classes I to VIII)	Ratio	2001-02	63.09	54.65
29	**Districts with access to safe drinking water**	No.of districts	2000-01		
30	100% access	4	2000-01	17.39	
31	80 - 99% access	3	2000-01	13.04	
32	60 - 80% access	9	2000-01	39.13	
33	40 -60 % access	4	2000-01	17.39	
34	20-40% access	3	2000-01	13.04	
35	0-20% access	0	2000-01	0.00	
36	Foodgrains Production	million tonnes	2001-02	14.84	212.04
37	Oilseed Production	million tonnes	2001-02	1.61	21.31
38	Sugarcane Production	million tonnes	2001-02	17.61	299 7
39	**Average size of Operational Holding**	has	1990-91	1.36	1.41
40	Marginal	has	1990-91	0.46	0 4
41	Small	has	1990-91	1.43	1.42
42	Semi-Medium	has	1990-91	2.68	2.73
43	Medium	has	1990-91	5.74	5.84
44	Large	has	1990-91	15.34	17.21
45	Area operated by the size groups (all holdings)	000 has	1995-96	14374	163357
46	Marginal	000 has	1995-96	2904	28121
47	Small	000 has	1995-96	3229	30722

ANNEXURE I

BASIC INFORMATION: ANDHRA PRADESH - INDIA

Sl. No	Item	Unit	Year	Andhra Pradesh	All India
1	2	3	4	5	6
48	Semi-Medium	000 has	1995-96	3736	38953
49	Medium	000 has	1995-96	3231	41398
50	Large	000 has	1995-96	1273	24163
51	**Coverage of area under irrigation**				
52	Wheat	%	1999-2000	-	87.2
53	Rice	%	1999-2000	95.7	53.9
54	Sugarcane	%	1999-2000	94.1	92
55	Oilseeds	%	1999-2000	16.9	25.2
56	Rail Density	Route kms/'000 kn	Mar-03	18.89	19.22
57	Road Density	per 100 sq. km	1999	65.2	76.8

ANNEXURE-II

ANNUAL PLAN 2005- 06 : ANDHRA PRADESH - Proposed Outlay

(Rs.lakhs)

Major/Minor Heads of Development	2004-05 Approved Outlay	2005-06 Proposed Outlay
1	2	3
I. AGRICULTURE & ALLIED ACTIVITIES		
Crop Husbandry	39852.50	32077.74
Soil & Water Conservation	-	-
Animal Husbandry	533.74	1543.74
Fisheries	178.36	1034.36
Forestry and Wild Life	30040.56	28546.65
Agricultural Research & Education	1050.00	1050.00
Agricultural Financial Institutions	1500.00	1500.00
Cooperation	1426.84	1426.84
TOTAL - I	**74382.00**	**67179.33**
II. RURAL DEVELOPMENT		
Rural Development	9687.03	7558.63
Women Empowerment	11811.05	11811.05
APSERP	42692.00	44153.40
APARD	23.20	23.20
SRT Institute	200.00	200.00
IREP	80.00	80.00
SGRY	8535.46	8535.46
Land Reforms	622.40	1122.40
CD & Panchayats	5702.56	3202.56
Commr. Land Revenue	500.00	667.00
TOTAL - II	**79853.70**	**77353.70**
III. SPECIAL AREA PROGRAMME		
Rastriya Sam Vikas Yojana	15000.00	15000.00
Assembly Constituency Development Programme	-	14750.00
Rajeev Palle Bata	-	6675.00
Grants under Article 275 (1) for tribal areas	1689.00	-
Others	8417.00	-
TOTAL - III	**25106.00**	**36425.00**
IV. WATER RESOURCES		
Major & Medium Irrigation	337086.76	563065.20
Minor Irrigation	54924.59	61042.80
Command Area Development	1012.00	892.00
Flood Control & Drainage	7228.54	10000.00
TOTAL - IV	**400251.89**	**635000.00**
V. POWER & ENERGY		
C.E. Srisailam	2840.00	2840.00
APGENCO	1500.00	35000.00
APTRANSCO	208120.00	181304.00
NEDCAP	126.00	146.00
TOTAL - V	**212586.00**	**219290.00**

ANNEXURE-II

ANNUAL PLAN 2005- 06 : ANDHRA PRADESH - Proposed Outlay

(Rs.lakhs)

Major/Minor Heads of Development	2004-05 Approved Outlay	2005-06 Proposed Outlay
1	2	3
VI. INDUSTRY & MINERALS		
Village & Small Industries	10201.64	12201.64
Industries (other than V & SI)	14428.10	23928.10
Mining	381.00	381.00
TOTAL - VI	**25010.74**	**36510.74**
VII. TRANSPORT		
Minor Ports & Light Houses	5150.00	5150.00
Roads and Bridges	73110.07	63500.13
Traffic Control - Coomr. Transport	-	1000.00
TOTAL - VII	**78260.07**	**69650.13**
	-	
VIII. SCIENCE, TECHNOLOGY & ENVIRONMENT		
Science & Technology	112.00	70.00
AP Science Centre	1.64	1.64
National Green Crops	-	42.00
EPTRI	-	103.00
TOTAL - VIII	**113.64**	**216.64**
IX. GENERAL ECONOMIC SERVICES		
Secretariat Economic Services	9364.59	11674.03
Tourism	5251.20	6251.20
Economic Advice & Statistics	150.00	350.00
Legal metrology	11.93	11 93
Civil Supplies - Deepam	3545.83	3545.83
TOTAL - IX	**18323.55**	**21832.99**
X. SOCIAL SERVICES		
General Education	47151.65	49485.46
Sports & Youth Services	7004.00	15604.00
Technical Education	6600.00	6500.00
Art & Culture	1400.31	1300.31
Medical & Public Health	40995.44	46110.44
Water Supply & Sanitation	44655.61	49309.82
Housing	42642.00	35915.00
Urban Development	46957.36	56841.96
Information & Publicity	500.00	500.00
Welfare of SCs, STs & OBCs	89306.87	103095.17
Labour & Employment	1741.91	1741.91
Social Security & Welfare	8265.68	8942.57
Nutrition	13960.10	13960.10
TOTAL - X	**351180.93**	**389106.74**
XI. GENERAL SERVICES		
Public Works	955.89	955.89
Court Buildings	2369.24	1902.73
A.P Police Academy Complex	10.00	10.00
Mandal Buildings	2500.00	2500.00
Institute of Administration	2884.00	2181.00
Dir. Fire Services	180.00	-
NALSAR	392.00	392.00
Modernisation of Police Force	4683.35	4370.00
Grey Hounds	-	200.00
TOTAL - XI	**13974.48**	**12511.62**
GRAND TOTAL	**1279043.00**	**1565076.89**

IMMEDIATE

No. M-13048/3(AS)-2004-SP-NE
Planning Commission
(State Plan Division)

Yojana Bhawan, Sansad Marg,
New Delhi, 14.2.2005

Sub.: **Annual Plan - 2005-06 : Meeting between Deputy Chairman, Planning Commission and Chief Minister, Assam to be held on 17th February, 2005.**

A Background Note for the Meeting to be held between Deputy Chairman, Planning Commission and Chief Minister, Assam on 17th February, 2005 at 3.30 P.M. is circulated herewith for kind perusal.

Enel: As above.

RBPrasad

(R.B.PRASAD)
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Planning Commission
Principal Advisers/
Advisers/
JS(SP)/
Head of Divisions

PMO
Director (Assam)

Ministry of Finance
Joint Secretary, (PF-I),
Department of Expenditure,
North Block, New Delhi.

Ministry of Development of North Eastern Region
Secretary

National Commission on Population
Member Secretary

Copy to Private Secretary to :
Deputy Chairman/Minister of State/Members/Secretary.

Copy also to:

Director (SP-Coordination)/Director (PC Division)/ DA (MLP & Hill Areas)/ Protocol Unit / Information Officer.

PLANNING COMMISSION
STATE PLANS DIVISION

BACKGROUND NOTE

FOR THE ANNUAL PLAN
2005-06
FOR THE STATE OF
Assam

FOR

DEPUTY CHAIRMAN –
CHIEF MINISTER MEETING
TO BE HELD

ON

17.2.2005

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PLANNING COMMISSION
STATE PLANS DIVISION

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Background Note for the Meeting between Deputy Chairman, Planning Commission and the Chief Minister, Assam for finalisation of the Annual Plan 2005-06 for the State.

1. STATE PROFILE

Assam State is the gateway to the beautiful North Eastern Region of India. It has a wide array of fauna and flora, the mighty Brahmaputra and its tributaries provide abundant water resources, the dense forest covers wide range of medicinal plants, the fertile valleys and hill slopes nourish tea gardens, horticultural crops and vital food grains and cumulatively provide immense possibilities for economic development. The State has oil and natural gas reserves of about 140 million tones of Crude Oil, 156 billion cu.mt. of Natural Gas and substantial quantities of Naptha.

The Brahmaputra Valley, the Barak Valley and the two Hill districts of Karbi Anglong and North Cachar constitute the present State of Assam covering an area of 78,438 sq. km., which is 2.4% of the land area of the country. 25% of the geographical area is under forest. As per 2001Census, the population of Assam is 266.38 lakh, which is 2.6% of the country's population. Population density in Assam was 340/sq.km. as against the National average of 324/sq.km. in 2001. Assam is administratively divided into 27 Districts with 54 Sub-Divisions, 219 Development Blocks and 2501 Gaon Panchayats, out of which 2 Districts, 5 Sub-Divisions and 16 Development Blocks are under two Hill Districts of N.C.Hill & Karbi-Anglong Districts and 4 districts and eight sub-division are newly created under BTC areas.

Assam's abundant natural resources notwithstanding, the State has remained one of the backward States because of (a) pressure of population on limited resources; (b) perpetual problem of floods; (c) over-dependence on agriculture; (d) poor irrigation facilities, (e) limited road and rail links, (f) inadequate telecommunication linkages with the rest of the country and (g) ethnic disturbances.

1.1 Highlights of Assam's Economy

The economy of Assam is basically agrarian. About 70% of population are dependent on agriculture and allied activities contributing over 31% of the State Domestic Product (SDP). Agricultural holdings are mainly small and marginal, the average size of operational holding being 1.27 hectares. Agricultural productivity is also low because of limited irrigation facilities and low level of fertilizer consumption.

The State has a strong base of tea and oil industries but it has not been able to develop into an industrial state mainly because of poor infrastructure and poor connectivity with the main land markets. Industry sector contributed about 23.4% in the State's GDP during 2002-03(Q) as against 22.5% in 1996-97. Contribution of Service Sector in the State's economy has been of the order of 45.6% in 2002-03(Q).

1.2 Growth of GDP and Per Capita Income

The Growth rate of GDP in the first two years of the 10th Plan has shown improvement over the 2001-02 which was 3.2%. The quick estimates for 2002-03 indicate a GDP growth rate of 3.9% and the advance estimates for 2003-04 show a rise in it upto 6%.

1.3 Tenth Five Year Plan and Annual Plan 2005-06

The Sector wise projected Tenth Five Year Plan outlay, agreed Annual Plan outlays , for the first three years vis a vis expenditure achieved and also the proposed outlay for 2005-06 is presented in the table below:

(Rs . in crores)

Sl.No.	Major Head of Development	Tenth Plan 2002-07 Projected Outlay	A.P. 2002-2003		A.P.2003-04		A.P. 04-05	A.P. 05-06
			Original Approved Outlay	Actual Expnd.	Original Approved Outlay	Actual Expnd.	Agreed Outlay	Proposed Outlay
1.	Agriculture & Allied Activities	664.98	179.83	108.15	165.82	138.62	140.95	193.94
2.	Rural Development	789.56	163.10	180.90	143.05	177.74	102.89	440.47
3.	Special Area Programme	56.40	11.18	9.84	21.14	22.93	97.09	86.88
4.	Irrigation & Flood Control	645.33	126.26	105.10	115.30	79.13	123.74	271.69
5.	Energy	837.54	187.47	82.87	191.68	73.27	290.61	515.42
6.	Industry & Minerals	237.04	48.67	45.02	55.55	41.81	45.61	71.27
7.	Transport	879.32	235.09	112.89	256.81	225.85	244.44	300.94
8.	Communication	-	-	-	-	-	2.68	-
9.	Science Technology & Environment	8.15	1.60	0.82	1.60	1.41	4.20	1.94
10.	General Economic Services	217.59	48.99	43.49	114.78	83.28	283.98	278.02
11.	Social Service	3949.66	742.86	702.79	681.81	580.78	804.24	1019.68
12.	General Services	29.67	4.95	30.30	32.46	31.50	34.57	10.36
	Grand Total	8315.24	1750.00	1422.17	1780.00	1456.32	2175.00	3190.61

The propose outlay of Rs.3190.61 crores includes Rs.188.67 crores for two hill districts of Karbi Anglong and N.C. Hills, Rs.71.11 crores for BTC and Rs.161.12 crore for Tribal Sub-Plan (TSP), Rs.94.46 crore for Scheduled Caste component Plan, Rs.251.78 crores under PMGY and Rs.513.14 crores under EAP.

1.4 State Development Report

State Development Report (SDR) for Assam brought out by the Planning Commission in 2002 highlights that Government has an important role to play in the provision of social services, infrastructure and good governance. The report recommends fiscal prudence in State functioning, downsizing and developing institutional mechanisms to provide accountability and improvement of non-performing governance systems.

The report further suggests that, if Assam's development is to be based on its natural resources and on a participatory basis, the following sectors will play an important role:

- Agriculture
- Horticulture and Agro Processing
- Sericulture and Handicrafts
- Fisheries
- Forestry and related industries

- Tourism
- Petrochemicals and related industries
- IT based services

1.5 Sectoral issues in Annual Plan 2005-06

Sector specific observations on the Annual Plan 2005-06 proposals are discussed hereunder:

2. SECTORAL ISSUES

2.1 Economic services Sector

2.1.1. Agriculture

The State has spent about Rs. 152 crore under the externally aided project, 'Assam Rural Infrastructure and Agricultural Services project (ARIASP)' during the period from September 1995 to 30th June 2004. Further, the State Agriculture Department initiated a project for installation of one lakh Shallow Tube Wells (STW) with assistance from NABARD and GOI's Non-Lapsable Pool of funds. The department has already installed 95,600 Nos. of STWs till 2002-03. But despite such large investment, impact is not visible particularly in rice production which is hovering around 3.5 million ton per year during the period from 1996-97 to 2002-03.

Now the State has again proposed to introduce a new externally aided project 'Assam Agriculture Competitiveness Project (AACP) under which Rs. 363 crore would be investment in Agriculture which *inter alia* includes Shallow Tube wells (138 crore) and Lift Pumps (32 crore) and Farm mechanization (Rs. 48 crore). A major chunk of investment in agriculture in the year 2005-06 (Rs. 46 crore out of total Rs. 77 crore) is to come from the proposed AACP. The State should clearly identify the reasons that are responsible for stagnating production in rice and then link the proposed expenditure to overcome those constraints.

The development objectives of the AACP are to increase the productivity and market access of targeted farmers (primarily small and marginal landholders, poor fishing communities and the landless) to increase yields of crops, fish and livestock products complemented by increasing the proportion of marketable surplus, but more than 50% of the total investment under AACP (Rs. 519 crore out of total Rs. 1024 crore) would be utilized by PWD for rural roads, bridges, health and educational facilities etc. rather than creation of livelihood assets (like livestock, poultry, forestry, fishery etc). for those who do not have lands. If development objectives of the AACP were to be achieved, the investment pattern in AACP needs to be reprioritized

Technology Mission on Integrated Development of Horticulture in N.E. region is being implemented in the state since 2001-02 and the state is receiving substantial amount of funds. But no information on the achievements made so far, has been given in the draft annual plan.

Instead of spending major portion of the limited funds in distributing high yielding cattle to few hundred families, Dairy Department should focus on its prime responsibility i.e. collection, processing and distribution of milk so that farmers get remunerative price and consumers get quality milk.

Despite being one of the states with sizeable surface water, the State is not self-sufficient in fish production. The major problems need to be identified and perspective plan for fish seed production may be prepared. This should consider measures like introduction of 'Seed Certification Programme', long-term leases of 'beel' fisheries, and policy changes that encourage investment by private entrepreneurs.

Infusion of fresh funds in the existing cooperative organization should be linked with fixing of targets and reforms so that a minimum level of developmental work is done

2.1.2 **Environment & Forests**

Forest & Wildlife

The state of Assam is well known for its extensive forest area with immense variety of flora & fauna. The state has a geographic area of 78,438 sq km of which 27,714 sq km is recorded as forest cover which constitutes 35.3% of total geographical area of the state.

The forest provides economic support to about 15 lakh people particularly in rural areas of Assam. The tribal population is mainly dependent on wild medicinal plants and herbs for their health care. The proper identification, use and scientific management of this natural resource and preservation and proper documentation of the indigenous knowledge base will be of immense use to the local people. Conservation and management of medicinal plants should be given a thrust in the Annual Plan (2005-06). Forest produce based employment generation to the rural poor will ensure greater stakes in forest conservation. This can be done through value addition efforts to the forest produce instead of engaging rural poor as "labourers" for exploitation of forest wealth.

Rs. 11.68 crore is earmarked for social forestry including TSP & SCP. This scheme may be used not only for afforestation but also for promotion of value addition and sustainable utilization of the plantation resources created. Cottage enterprises based on bamboo and fibre based crafts should be encouraged.

The targets pertaining to the Centrally Sponsored Schemes of NAP and JFM with 100% grant from the Centre should also have figured in the draft proposal so as to have a clear perspective of the forestry activities to be undertaken in the ensuing plan.

It may be mentioned that approximately 40% of total geographical area is under notified forests and about 55% of the total population are tribals. They mainly subsist on the forest resources for livelihood. Hence, the State Government may consider allocating appropriate outlay under Forestry and Wildlife sector in view of dependence of a large population on forest resources.

Ecology & Environment

Under the sector, the State Government proposes to undertake two types of activities – one concerning Ecology and environment awareness and other prevention and control of pollution. There is a need for strengthening the existing Central and Regional laboratories of the State Pollution Control Board, greater frequency of monitoring water quality of rivers and effluent discharges from industries and also to make the operation of Common Effluent Treatment Plants efficient and ensure and safe handling of hazardous waste. On the ecology side, State has to fund the activities of their two State bodies. Assam Science and Technology

and Environment Council (ASTEC) and Bio-diversity Research Centre which do not have scope to earn resources.

2.1.3 Rural Development

State-wise allocations (State share) for Assam State under Annual Plan 2005-06 of Ministry of Rural Development(MORD) for the various Poverty Alleviation Programmes of Assam are not available so far, as such AP proposals for 2005-06 have been compared with AP 2004-05 allocations (State share) as given below:

(Rs. in lakhs)

Sl	Scheme	Annual Plan allocation 2004-05 (MORD)	Proposed outlay 2005-06
1	**SGSY**	2398.37	3914.76
2	**DRDA**	263.28	294.91
3	**IWDP**	NA	187.04
4	**SGRY**	10789.33	18836.75
5	**IAY**	6195.00	9192.73
6	**PMGY (Rural Shelter)**	NA	2689.00
7	**Land Reforms**	NA	374.00
8	**Panchayats &**	NA	3169.74
9	**Community Development**	NA	589.28

The State Government has kept higher allocations for the schemes of SGSY, SGRY, and IAY for the year 2005-06 in comparison to 2004-05 allocations required by MORD. However, State Government may check their allocations with the allocations of MORD for 2005-06, when indicated.

Performance under major Centrally Sponsored Rural Development Programmes from 2001-02 to 2004-05 is given in the Annexure.

Land Reforms

Land reforms is a state subject, however, it is recognized that maintenance of land records is an essential pre requisite for the successful implementation of land reforms. The Central government has a scheme - Strengthening of Revenue Administration and Updating of Land Records (SRA & ULR) funded on a 50:50 basis by Center and the State. Under the scheme, as against a central release of Rs 397.20 lakhs, the utilization by the State has been Rs 202.0 lakhs(50.86 per cent) during the period 1987-88 to 1999-2000. The latest progress is yet to be obtained from the State Government.

There is also a Centrally Sponsored Scheme for Computerisation of Land Records which is 100 per cent funded by the Center. Under this scheme, as against the total release of Rs. 335.50 lakh, only Rs.67.56 lakh has been utilized (i.e. 20% utilization) by the State Govt. during 1988-89 to 1999-2000. This performance is poor and the process of computerization of land records needs to be stepped up in the State. Latest position need to be obtained from the State Government.

Panchayats have been empowered by the 73rd and 74th Constitutional Amendment Act. In Assam, the Gram Sabha select the beneficiaries under the Schemes of IAY and SGSY. The Gram Panchayat may also take up execution of small works financed by their own resources.

The Gram Panchayat has no functional control over village level functionaries in the State. Further, the State Govt. has not specified as to whether or not the Zila Parishad and the DRDA is proposed to be merged. It is reported that Panchayat Elections have been held in the State in December 2001. Yet as per the State PR Act 29 subjects need to be transferred to PRIs. District Planning Committees are also to be constituted. Present status needs to be discussed.

2.1.4 **Multi Level Planning**

I. State funded Programmes:

(a) Development of Char Areas: The Riverine areas of the Brahamputra, locally known as "Char" cover about 2.39 lakh hectare of land and population of approximate 21 lakh.

Most of the population in the char areas lives below the poverty line of which a large proportion is comprised of landless agricultural laborers. The basic objective of the char development programme to be implemented directly by Char Areas Development, Assam is to reduce the extent of poverty of the population by uplifting of the char population above the poverty line during Tenth Plan.

The main objectives of the Annual Plan 2005-06 will be to ensure development of the riverine areas of the river Brahmaputra, popularly known as Char / Chapori areas comprising about 3.61 lakh hectares of land with an approx. population of 24.90 lakh emphasis being given on Agriculture, Livestock and construction of raised earthen platforms, Cottage Industry, drinking water facilities and Education with a view to bring up the flood affected backward char areas population, mostly agricultural labourers above the poverty line.

The State Government has proposed an outlay of Rs.264.32 lakh for Annual Plan, 2005-06 against the approved outlay of Rs.224 lakh for the Annual Plan - 2004-05.

(b) State Border Area Development Programme: The border areas bordering neighboring States and Countries are being covered under this programme. The main objective of the programme is to provide some basic amenities to the people living in a 10 Km. strip from the constitutional boundary of the state and activities were confined to supply of drinking water, construction and improvement of roads and bridges, School buildings, etc. This Programme supplements the Central Programme i.e. Border Area Development Programme.

An outlay of Rs.139.24 lakh has been proposed by the State Government for the Annual Plan, 2005-06 against the approved outlay of Rs.107 lakh for the Annual Plan 2004-05.

Centrally Funded Programmes:

Border Area Development Programme (BADP): An amount of Rs. 7.48 crore was allocated and released to the State Government for the year 2003-04. The same amount has been allocated during 2004-05 also against which first instalment of SCA of Rs.4.99 crore has been released. The State Government have furnished the Quarterly Progress Reports, in physical and financial terms, till 30th September, 2004. An amount of Rs.1.64 crore is pending with the State Government against the releases made till 31st March 2004 along with Utilization Certificates.

Hill Areas Development Programme (HADP): For the Annual Plan 2005-06, the quantum of Special Central Assistance under "Designated Hill Areas Development Programmes" has not been finalized as yet. However, it is likely to be finalized at current year's

level. The current year's (2004-05) outlay of Assam under HADP is Rs. 15749.00 lakh {Including Rs. 10638.00 lakh for State Plan and Rs. 5111.00 lakh for Additive Plan (SCA component)}. The State Government has proposed an amount of Rs. 18584.00 lakh for HADP {Rs.12553.00 lakh for State Plan and Rs. 6031.00 lakh for Additive Plan (SCA component)}for the Annual Plan 2005-06. The State Government may be requested to peg down their SCA component for Annual Plan 2005-06 at current year's level i.e. Rs. 5111.00 lakh.

Rashtriya Sam Vikas Yojana (RSVY) : For Rashtriya Sam Vikas Yojana (RSVY), an amount of Rs. 7500.00 lakh has been proposed by the State Government. Five Districts of Assam namely Kokarajhar, North Lakhimpur, Karbi Anglong, Dhamaji and North Cachar are covered under the programme. Therefore, the amount proposed is as per the requirement for the Annual Plan 2005-06 and is supported by the MLP Division.

2.1.5 **Water Resources**

Major & Medium Irrigation

There are 9 nos. of major & medium projects in the State, some of these projects started in the Annual Plan 1978-1980 and in Fifth Five Year Plan. The balance cost of these projects as on 01.04.2003 is Rs. 346.63 crore and the balance potential is 24.07 th. ha. The State of Assam is availing AIBP assistance for 9 nos. of the projects and an amount of Rs. 19.20 crore released during 2003-2004. Some of the projects like Buridehing, Pahumara, Hawaipur Lift and Bordikarai are targeted for completion in the year 2004. The AIBP ceiling for 2004-2005 for major, medium & minor irrigation is Rs. 35 crore. The State Govt. proposed an outlay of Rs. 148.08 crore for major and medium irrigation during 2005-06.

Minor Irrigation

The State of Assam with a geographical area of 78,438 sq. km. has a cropped area of 39.41 lakh hectares. The State's ultimate irrigation potential has been assessed at 27 lakh hectares out of which 17 lakh hectares is proposed to be irrigated through Minor Irrigation scheme and of these 10 lakh hectares will be covered from Ground Water sources and 7 lakh hectares from surface sources. The rest 10 lakh hectares is planned to be covered by Major /Medium Projects.

The State formally started statewide irrigation with the advent of Fifth Five Year Plan when the plan allocation in this sector was already in the declining trend. From VIIIth Plan onwards irrigation development in the state remained almost stagnant due to low plan allocation in one hand and the increasing salary expenditure on the other. As a result 1327 nos. of ongoing Minor Irrigation Schemes (General Area – 1223, Hill Area 104) had to spill over to the IXth Plan. However, upto the end of the IXth Plan, Irrigation Department (including ASMIDC) created an irrigation potential of 4.48 lakh ha. under Minor irrigation Sector.

There are 1110 nos. of ongoing minor irrigation schemes. Of the 40 nos. of schemes have been taken up under AIBP for completion, 8 nos. have so far been completed and another 10 nos. are proposed to be completed by March 2005. The remaining 22 nos. of schemes would spillover to 2005-06. The target proposed under AIBP is 1300 hectares and under normal outlay is 1000 hectares that includes 450 hectares and 250 hectares against TSP & SCP classified amount respectively.

Flood Control

The State is facing an acute problem of erosion & drainage due to the Brahmaputra & Barak rivers. The State Govt. needs to provide more priority in the State Plan to this sub sector.

The State Govt. has been advised to take up embankment works and related anti-erosion activities on selective basis, so as to protect the population, highways, and railways due to flood.

State Govt. should also encourage people's participation in protection work.

Flood Plain Zoning

The State Govt. has been advised to prepare flood plain zoning to save valuable assets and lives, as well as other non structural measures such as raised platforms, raising of villages etc. The break-up of staff establishment and works in flood control sector is in the ratio of 40 & 60 % respectively.

Command Area Development

The gap between the potential creation and utilization is 50% which is resulting in huge unutilized potential and consequently the blockage of huge funds invested. The State Govt. is of the view that the gap is due to lack of CAD activities and the State does not have the adequate matching share.

Water Rates

The State Govt. has revised the water rates on 31st March 2000. The O&M expenses per ha. are Rs. 1514 per ha. for lift , Rs. 2198/- for flow and Rs. 1624/- for DTW schemes. The maintenance of irrigation system from non-plan fund is Rs. 100 per ha. which is very low. It is indicated that the management of the irrigation systems below outlet should be handed over to the farmers organizations on water rates revised to cover O&M costs.

Ground Water Development

The level of ground water development in the State is 7.46% leaving a balance of 92.54% still to be exploited (as per C.G.W.B. 2002-statistics) . It is recommended to improve the utilisation of the ground water in irrigation sector. It is also suggested that the Non-conventional energy sources like wind mill solar pumps, etc., may be used on a greater scale for exploitation of ground water. The model bill on G.W. legislation has been sent in the State by the MoWR and the State is taking steps to this direction.

Issues for discussions

There are three pre-Fifth Plan and four Fifth Plan incomplete projects in the State. The State is providing low matching share to avail the AIBP funds as a result the projects are not getting completed in time.

The scope of M.I. is tremendous in the State , the State should explore these possibilities. The State should encourage the formation of WUA's in the State and the maintenance of the M.I. schemes should be handed over to farmers organisation. The State has not yet enacted the PIM legislation. The no. of WUA's in the State is 37 nos. covering an area of 24.09 th. ha.

The State should encourage people's participation in flood management sector.

2.1.6 Power & Energy

The Assam State Electricity Board (ASEB) is the main agency for development of Power Sector in Assam.

Installed Capacity (I.C.)

(MW)

	Hydro	Steam (Coal & Oil)	Gas	Diesel	Total
I.C. (as on March, 2002)	2.00	330.00	269.00	20.69	621.69 *
Addition during (2002-03)	-	-	-	-	-
Addition during (2003-04)	-	-	-	-	-
I.C. (as on July, 2004)	2.00	330.00	244.50	20.69	597.19

* includes 24.50 MW in private sector

Central Sector Share

The Assam State's share in Central Sector power stations located in the North Eastern Region as on August, 2004 is 509.2 MW.

Number of villages Electrified as on March, 2004 : 19081(77.3%)

Pumpsets Energisation as on March, 2004(Nos.) :.....3675(Total Potential 254000)

Operational Performance

	T & D Losses (%)	
	ASEB	All India
End of 8th Plan (96-97)	26.40	24.53
At the end of Ninth Plan (2001-2002)	42.78	33.98
At the end of 2002-2003	38.30	32.54

Tenth Plan Capacity Addition Programme

The targeted capacity addition in the country during the Tenth Plan is 41,110 MW. This covers the following projects of Assam State :

State Sector Projects

1. Karbi Langpi HEP 100.0 MW
2. Lakwa Waste Heat Project 38.0 MW

Central Sector Projects

1. Kopili HEP St-II 25.0 MW

Private Sector Projects NIL

Power Supply Position

Year	Peak Surplus/Deficit (MW)	(%)	Energy Surplus/Deficit (MU)	(%)
1996-97 (End of 8th Plan)	0.0	0.0	(-) 307.30	10.2
1997-98 (Beginning of 9th Plan)	(-) 31	5.7	(-) 259.80	8.7
2001-02 (At the end of 9th Plan)	(-) 70	10.2	(-) 25.30	0.7
2002-03 (Beginning of 10th Plan)	(-) 79	11.8	(-) 109.00	3.2
2003-04 (April – March 2004)	(-) 103	14.0	(-) 206.00	5.8
2004-05 (April- July 2004)	(-) 70	10.6	(-) 71.00	5.7

Financial Performance

The financial performance of Assam State Electricity Board in terms of various related parameters from the year 2001-02 onwards as indicated during the resources discussion held in A.P. 2005-06 is indicated below:

	2001-02 (Actual)	2002-03 (Actual)	2003-04 (Actual)	2004-05 (RE)	2005-06 (AP)
1. Net Operation Surplus (Rs. Cr.) without subsidy	-209.70	-231.61	-284.58	-278.80	-220.75
2. Av. Cost of supply (Paisa/kwh)	548.81	575.15	595.16	518.02	458.34
3. Av Tariff (Paisa/kwh)	347.25	341.16	338.83	359.72	382.63
4. Date of last tariff revision			1.4.2003	1.4.2004	
5. Outstanding dues to the Central Undertaking and others	as on 1.10.2004 Rs. 322.40 crore				
6. Revenue arrears	at the end of 2003-04 Rs. 641.59 crore (90.23 % of the sales revenue for the year)				

State Sector

Status of Completed Projects

Lakwa Thermal Power Station Phase-II (3x20 MW)

The project comprises of installation of three new Gas Turbine units of 20 MW capacity each have already been commissioned. In order to clear outstanding liability of BHEL for deferred payment against erection, commissioning and supply of spares, an outlay of Rs. 5.45 crore has been provided in the Tenth Five Year Plan. An outlay of Rs. 0.55 crore is proposed for the Annual Plan 2005-06 to clear outstanding liabilities of BHEL.

Status of Ongoing Projects

Karbi Langpi Hydro-Electric Project (2 X 50 MW)

The project was sanctioned in Sept.1979 with an estimated cost of Rs.36.36 crore, and actual work was started in January 1980 with target date of commissioning by December, 1986. But because of various reasons, progress of the work delayed and remained incomplete till date. Efforts were made by the Govt. of Assam in 1993 to complete the project through a private agency but no tangible progress being achieved, the project was re-vested to ASEB in 1996.

ASEB could, however, assert possession of the project only on January, 1999 and work restarted in January, 2000.

The latest revised cost of the project is Rs.539.75 crore and the fund required to complete the balance work of the project is around of Rs.200 crore. Work on the concrete dam was already entrusted to M/S Gammon India Ltd. in April 2000 and was progressing satisfactorily till May, 2003 when the work came to a stop for want of necessary funds. Works were so far being managed from the plan fund assistance of the State Govt. but the same is not adequate for timely implementation of the project.

Efforts are being made by ASEB for resource mobilization from various agencies for completion of the balance work of the project. PFCL has, in the mean time, sanctioned a loan of Rs.125 crore to complete the project. Besides, the NEC has also considered allocation of an amount of Rs.100 crore under its Tenth Plan for the project. However, no firm commitment has yet been received from any of these financial institutions. In view of this, it is necessary that in order to continue this ongoing project, certain amount of fund be forthcoming from the State Plan provision. The provision made for the project in the Tenth Plan is Rs.13.58 crore for paucity of fund allocation. This needs to be enhanced in view of the CEA recommending Rs.104.65 crore for the project in the Tenth Plan.

An amount of Rs.10.00 crore is proposed for the Annual Plan 2005-06 in order to maintain and to keep alive the project until resource mobilization is finalized. Physical progress of the project achieved so far is 78%.

Dhansiri Mini Hydro Electric Project (15 X 1.33 MW)

The project was sanctioned by Planning Commission in February 1985 at an estimated cost of Rs.10.53 crore. The project was originally conceived as a supplementary project of Dhansiri Irrigation scheme of Irrigation Department of the Govt. of Assam. Preliminary work on the project was started in November 1985 and civil works for powerhouses started in 1988. But there was set back in the project implementation due to law and order problem in the locality. The work could be resumed only in January 1992, but was again suspended due to non-availability of fund. Supply of main equipments for all the powerhouses has nearly been completed. As per the revised estimate, the cost of the project is Rs.70.00 crore (at price level of March 2000). The viability of the project, however, depends on the successful functioning of the Dhansiri Irrigation Project to ensure sufficient water to the project through their diversion work.

A provision of Rs.2.00 crore was made in the Tenth Five Year Plan for the project. An amount of Rs. 0.70 crore is proposed for the Annual Plan 2004-05.

Amguri Combined Cycle Gas Turbine Project

The Tenth Plan outlay of the project was a token provision of Rs.10.00 lakh only as the project was decided to be executed through I.P.P. Global Tenders for pre-qualification of bidders were invited for the purpose. However, the project failed to attract sufficient response from bidders. Meanwhile, the gas allotted for the project has been diverted to Lakwa Thermal Power Station. In the meantime, Central Electricity Authority has considered implementing the project in the 11th plan with fresh gas allocation. However, an outlay of Rs.3.00 lakh is proposed for the Annual Plan 2005-06 for payment of outstanding liability to M/s DCL for consultancy service.

Status of New Schemes

Lakwa Waste Heat Recovery Project (1x38 MW)

The project is designed to be located in the existing site of Lakwa Thermal Power Station and to utilize the exhaust heat of its 3x20 MW Gas Turbines as the driving fuel. With no additional fuel requirement or infrastructural facilities, the project, on completion, is expected to generate 228 MU of power annually. In spite of the good prospects, implementation of the project is delayed due to uncertainty of resource mobilization. Against the project's estimated cost of Rs.150.20 crore, a provision of Rs.14.94 crore only could be made in the State's Tenth Five Year Plan. Meanwhile, an outlay of Rs.100.00 crore was approved in the NEC Tenth Plan. PFCL is being approached for a tie up of the balance fund of the project. However, no fund has yet been allocated for the project under any of the NEC Annual Plans and sanction of the PFCL loan is yet to be received. As such, an amount of Rs.4.47 crore is proposed for the Annual Plan 2005-06 for execution of the project. The project is planned to be completed within 21 months of its commencement.

Central Sector

Kopili HEP Stage-II (25 MW)

The project was approved by the Govt. of India in 7/99 for an estimated cost of Rs. 76.09 crore. The latest estimated cost is Rs. 99.35 crore. The project located in Assam and is being implemented by NEEPCO in the Central Sector (Ministry of Power). The project has been commissioned on 31.12.2003.

Restructuring & Reforms

ASEB has already undertaken initiative on Power Sector Reforms. The Assam Electricity Regulatory Commission (AERC) was established as a One Man Commission in August 2001. Since then, it has been operationalized. It has also brought its regulations for conduct of business. First tariff order by AERC has been issued in March, 2003. The ASEB has been unbundled in October, 2003. The first transfer scheme has been submitted by ASEB to the Government of Assam in April, 2004. The same is under consideration by the Government of Assam.

APDRP Scheme

Under the Accelerated Power Development and Reform Programme (APDRP), the sanctioned/released/utilised amount for APDRP as on 31st October 2004 is given as under:

(Rs. Crore)

Project Cost	APDRP Cost	Fund released by GOI	Counter-part fund	Utilisation
408.54	408.54 (100 %)	96.97	Not applicable	39.13 (40.35 %) *

* Percentage of amount released by GOI.

It has been reported that 64 % - 11 kV feeder metering and 90 % of consumer metering has been completed in the State of Assam.

Points for Consideration

1. .The ongoing schemes like Kabri Langpi HEP, Dhansiri Mini HEP and Amguri Combined Cycle Gas Turbine Project are lagging behind schedule of commissioning because of fund constraints. The State Government should enhance the allocation for the power sector.

2. The thermal power stations of the ASEB are operating at lower PLF and need major life extension and R&M works. Because of this over all plant availability and Plant Load Factor of thermal plants in the State have less than All India average PLF. The Plant Load Factor of Thermal Plants of ASEB during 2003-04 (Actual) was 14.12 %, which is very low.

3. The T&D losses of the power system of the State are estimated at 34.90% during next year as compared to 38.43 % during current year. Actual losses may be higher than the estimates indicated in the proposal. It is stated that the Board has taken up the metering of all 11 KV feeders and likely to complete the work during the current year. This would facilitate the realistic assessment of T&D losses in the system. The Board has taken up the work of 11 kV feeder metering and it has been reported that 64 % 11 kV feeder metering has been completed. Further it has been reported that 90 % consumer metering has been completed.

2.1.7 Industry

Assam is a modestly industrialized State with a strong base of tea and oil industries. But the mainstay of the economy is agriculture. Though Assam has a suitable climatic advantage and high potentials for rapid economic development, the main handicaps for growth have been lack of availability of adequate infrastructure and connectivity with the main land markets. As a result, outside investors remains shy to come to this region for investment. These two areas need special attention.

Assam has the unique locational advantage of being in proximity with South East Asia and the SAARC Countries. Assam and the North Eastern States have the potential to emerge as a strategic base for foreign and domestic investors to tap the vast potentials of the neighboring markets of Bangladesh, Myanmar, Malaysia, Thailand and other ASEAN countries.

State Govt. may provide specific information on the following points :

(i) The impact of North East Industrial Policy (NEIP) package may be furnished qualitatively and quantitatively on the industrial development of Assam. Also, any impact of subsequent special packages for Sikkim, J&K, Himachal Pradesh and Uttaranchal.

(ii) Two of the objectives of the Annual Plan 2004-05 of Assam were Creation of Additional Employment Opportunities and Competence with Confidence in the Global Market. State Govt. may provide detailed statistical data with respect to these.

(iii) Statistical information on structure and growth rates of industry sector in Assam. This may include physical output of key sectors, value of output, contribution to SDP, exports and employment.

(iv) Current status of related infrastructure such as power, water, roads, R&D, quality certification, consumer protection, etc. Physical targets/achievements in respect of

providing world-class infrastructure at the doorstep of industry in the last two years may be provided.

(v) Key initiatives launched/proposed to be launched for enhancing investor-friendly climate including measures for increasing competition, regulatory reforms in areas such as labour/land and re-engineering of industry-related clearances. Domestic and foreign direct investment figures may be provided.

(vi) List of State Public Sector Units, physical and financial performance during the last two years, disinvestment, revival and closure features. How many PSUs are profit-making and how many are loss-making. In case of running units, their consumption norms and energy efficiency in comparison to similar nationally and internationally best plants may be provided.

(vii) Latest status of ongoing projects under Centrally Sponsored Schemes such as Apparel Parks, TCIDS, IIUS/MAI/ASIDE.

(viii) Information regarding Consumer Protection.

(ix) A time-schedule showing the different activities connected with the progress of the growth centers and Integrated Infrastructure Development Centres must be furnished.

2.1.8 **Minerals**

The state of Assam is moderately rich in mineral resources. Petroleum, coal and natural gas are the major minerals produced in the state. Limestone and other minor minerals such as asbestos, fuller' earth and sillimanite occur in small quantity.

Mineral Based Industries:

The state has large and medium scale mineral based industries like asbestos – cement products, cement, sulphuric acid, oil refining and paper in organized sector. The principal large and medium-scale mineral based industries in organized sector in the State are given below:

Industry	No. of units	Total installed capacity(tpy)
Asbestos-cement products	2	76,000
Cement	1	200,000
Sulphuric acid	3	105,000
Caustic soda	1	7,700

*Exclude SSP/SSI Units

The value of mineral production during 2003-04 in the state was at Rs.767.02 crores. Petroleum was the principal mineral produced in the state contributing 88% to the value of mineral production while value of production of minor minerals was at about Rs.50 lakhs.

As mentioned in the Annual Plan document 2005-06, the State Directorate of Geology & Mining, Assam is responsible for exploration, exploitation and the administration of mineral & mineral oil/gas. Directorate is adopting modern techniques for exploration of minerals. Remote Sensing Surveys and Computer applications have been used in carrying out systematic geological survey, particularly in the areas of inaccessibility.

The Directorate of Geology & Miens continued exploration work both in mineral as well as ground water sector. However, no quantitative data on physical progress has been furnished for AP 2003-04 and A.P.2004-05.

The State of Assam have indicated a total plan proposal at Rs. 110.00 lakhs for the Annual Plan 2005-2006 ,out of which the capital outlay is Rs. 45.00 lakhs. Efforts are being made to introduce modern techniques like Remote Sensing Survey to cover the virgin areas of the State which have so far been untouched due to inaccessibility.

In the administration of mineral/mineral oil sector, the Directorate is planning to grant/renew more numbers of exploration licenses, mining leases for coal, limestone and oil/gas.

Issues for Consideration:

Need to furnish scheme wise physical performance of the sector for AP 2003-04 and AP 2004-05.

The state needs more efforts to put in preparing of a road map for sustainable and scientific development of mineral resources with adequate trained man power as a part of HRD programme.

Infrastructure development around small mines and quarries is required to be developed to facilitate the transport of mineral commodity inter-alia attracting the private investment .

A corpus fund should be created on the lines of other states such as of Maharashtra for funding the faster and scientific development of the minerals particularly the minor minerals.

2.1.9 Village & Small Enterprises

Small Scale Industries play a vital role in the process of industrialisation and considered a vehicle for achieving a broader regional parity. Assam has more than 40,404 SSI units, employing 1.62 lakh persons. An outlay of Rs.976 lakh is proposed to implement various schemes which includes margin money, entrepreneurship development programme, training, quality control and marketing scheme, exhibition and publicity, etc. During 2005-06, it is proposed to provide loan to 400 SSI units, seed/margin money to 400 units and employment to 14,400 persons. Success rate of entrepreneurs who have availed the training under EDP may be monitored for actual setting up of industry units.

Under Khadi & Village Industries, an outlay of Rs.531 lakh is proposed during 2005-06 to perform various activities of the KVIC which includes grants to KVIC, marketing facilities, implementation of margin money scheme under REGP, etc.

Sericulture is one of the most labour intensive cottage industries playing a vital role in rural economy by providing employment to poor sections of society in the state. Assam produces around 65% Eri and 90% Muga of the country's total production. The State Govt. should make efforts for post cocoon sector development through private entrepreneurs/societies, market support through cocoon procurement, training support to the farmers and technical staff, support for value addition like silk reeling, twisting, wet processing, weaving etc. The State Government should take technical assistance from Central Silk Board and implement the Central Schemes and avail Central Assistance to the maximum possible extent.

For the Handicrafts and Powerlooms sub-sectors, Rs.104 lakh and Rs.15 lakh are proposed during 2005-06. The State Govt. has not proposed any outlay for Coir sub-sector.

Under the scheme of Ministry of Food Processing Industries, Govt. of India, a provision of Rs.4.00 crore as Central Assistance is available for setting up a Food Park. Under Assam Small Industries Development Corporation, one Food Park has been approved at Sonapur in 2000-01. The State Govt. may take advantage of this scheme to utilise the horticulture and vegetable produce of the State in a better way by proposing more food parks.

In pursuance of Industrial Policy Measures for Promoting & Strengthening tiny village enterprises, a scheme of setting up of Integrated Infrastructure Development Centre for small scale industries to facilitate location of industries in rural/backward areas and to promote stronger linkages between agriculture and industry was launched in 1994. The estimated cost to set up an IIDC is Rs.5.00 crore which is shared between Govt. of India and Small Industries Development Bank in the ratio of 4:1. The share of the Central Govt. is in the form of grant and that of SIDBI as loan. So far two projects have been sanctioned under IIDC at Dalagoan in April, 2000 and Bhomoraguri in September, 2000 at a cost of Rs.418.00 lakh and Rs.510.00 lakh respectively. The work is in progress.

2.1.10 **Transport**

Roads & Bridges

The State Govt. has undertaken an externally aided project with World Bank Assistance called 'Assam Rural Infrastructure and Agricultural Services Project (ARIASP)' started in August, 1995 and targeted to be completed by December, 2003. Initially, the project envisaged rehabilitation of 1400 kms of road length and conversion of 282 bridges into permanent RCC bridges in 6 districts of Assam. Subsequently, targets were revised to 726 kms. of roads and 209 bridges. Total estimated cost of this project is stated to be Rs.338.54 crore. Against these targets, 719.70 Kms. of roads and all 209 bridges have since been completed. An expenditure of Rs. 323.53 crore has been incurred upto September, 2004.

As mentioned in the Plan document, the State Govt. intends to approach Govt. of India and the World Bank for a follow on project on ARIASP. This project has been named 'Assam Agriculture Competitiveness Project (AACP).Under this programme, Rural road component would include (i) Upgradation of 1000kms of existing rural roads, (ii) Replacement of 250 SPT bridges falling on these 1000 kms of rural roads and (iii) Repair and rehabilitation of 1000 kms of rural roads including SPT bridges. These works would be under taken in 9 districts. However, work will be started for works in 5 districts from current year. Total estimated cost of this project as indicated in the plan document would be Rs. 431 crore.

The State has a total road length of 89486 kms. (as on 31st March, 2002) of which about 14% is surfaced. This percentage of surface category of roads is very low as compared to all-India average of about 57.8%. The State Govt. is advised to improve surface category of roads during the 10th Plan period.

PMGSY

An amount of Rs. 75 crore is allocated to Assam per annum under PMGSY. MORD has identified 13143 habitations in Assam for providing connectivity under the scheme. So far, only 16.8% (2206) habitations have been connected upto 31.3.2004. As regards habitations with population 1000 and above, only 1437 habitations have been provided connectivity against 6149 habitations identified under PMGSY. This works out to about 23% of the total habitations.

There is a need to accelerate connectivity programme particularly for habitations with population 1000 and above.

Road Transport

The ASRTC has been incurring losses for the last several years. Net loss of the ASRTC is estimated to improve to (-) Rs.13.20 crore during 2005-06 from (-) Rs. 13.75 crore during 2004-05 (LE). The important factors contributing towards losses of the corporation primarily are; lower load factor, poor utilisation of fleet and vehicle productivity and high bus staff ratio. The ASRTC need to be advised to improve upon physical performance in order to reduce losses.

Inland Water Transport:

The State Govt. has proposed an outlay of Rs. 2.93 crore for Annual Plan 2005-06. Proposed schemes include construction/renovation/ modification and replacement of commercial ferry vessels/barges and procurement of life saving fire fighting equipments etc. This Division endorse the proposals for IWT for 2005-06.

2.1.11 Science & Technology

The programmes proposed for Annual Plan 2005-06 are mostly the continuing programmes of the Ninth Five Year Plan, which include: Strengthening of the Directorate of ST&E/Planetarium/Assam ST&E Council (ASTEC); Establishment of S & T Library; Instrumentation Repair, Development and service Centre; Radio Astronomy Centre; Popularisation of Science; Assam Remote Sensing Application Centre; Institute of Advanced Study in Science & Technology (IASST); Centre of Plasma Research; and National Natural Resources Information System. In addition, there are several new activities of the Tenth Five Year Plan, which include: Training programme for skill formation; Patent Information Centre; Students' science projects; research and development projects relating to solution of location specific problems in the areas of agricultural productivity, biotechnology, sericulture development, harnessing of natural resources, engineering technology development etc. Department of Science and Technology, Government of India has already initiated the process for taking over the Institute of Advanced Study in Science & Technology (IASST) and the Centre of Plasma Research.

The proposed outlay of Rs.172 lakh under the Science and Technology sector for the Annual Plan 2005-06 may be agreed to.

2.2 SOCIAL SERVICES SECTOR

2.2.1 Education

The State of Assam has improved its overall literacy rates when compared to the 1991 Census. The improvement in the female literacy rates is appreciable (from 43.0% in 1991 to 56.03% in 2001). The percentage of literacy in Meghalaya (64.28) is comparable with that of the All India rate (65.38). The male and female literacy rates are 71.93% and 56.03% respectively, with a wide gender gap of 15.90%. Eleven out of 23 districts have female literacy rates lower than the national female literacy rate.

Issues for Concern

- State should lay greater emphasis on creation of school infrastructure.

- Efforts are needed to improve the quality of education.
- Higher GER at primary level are mainly due to under-age children in schools. Studies have noted that pre-school children also get enrolled in Class I and they are retained.
- Younger children should be put in ECE Centres and not in Class I and detain them.
- Enrolment of children of weaker and disadvantaged section of the society should be improved and special efforts should be taken for children residing in remote and hilly areas.
- States should make the best out of the SSA provisions and ensure greater enrolment in schools.
- Minimum Level of Learning is adopted in DPEP districts; it should be extended to non-DPEP districts also.
- Teacher training is the most important pre-requisite for UEE and increasing the enrolment, retention and enhancing the learning achievement of the students.
- Mid day meal scheme to be implemented in all schools in the 23 districts of the State.
- Habitations unserved by schools should be covered.
- Improve the enrolment of girls in polytechnics and open greater venues of employment generation activities.

The proposed Annual Plan for 2005-06 shows about 124% increase than that of the previous year's outlay. The major factor attributing to this greater increase is due to substantial enhancement in the allocation for Sports (309.3%). This is in view of providing the requisite infrastructure for conducting National Games 2005 in Guwahati. The proposed allocation to secondary education is also high and exhibits about 205% increase over the previous year's outlay; that of technical is about 171% increase.

Some of the pertinent observations are:

1. The State is providing its mandatory share of 25% under SSA, i.e., Rs 4 Cr.

2. Provision of ad-hoc grants to 1688 recognized middle schools @ Rs 5000 per school as these schools have been functioning without any financial support from the Govt. has been proposed.

3. It is proposed to provide assistance to non-Govt secondary schools and non-Govt. colleges and institutes; hence an increased allocation is found in secondary and university education. During the year 2005-06, it is proposed to give financial assistance to another 500 high schools, 70 higher secondary schools and 50 junior colleges.

4. There is requirement of teachers at all levels of education and hence there is an increase in the allocation for teacher and other services. Awareness camps and workshops are proposed to be organized with the proposed allocation. The major share is towards arrear liability of officers and officer staff of SCERT.

5. High allocation for polytechnics (Rs 1030.50 lakh) over the previous year's outlay of Rs 296.50 lakhs. It is proposed to complete the construction work of Tezpur Polytechnic in 2005-06.

6. It is proposed to develop a rural library to cater to the educational needs of the rural people and will be an active center for information dissemination.

7. Five archaeological sites and monuments are proposed to be conserved in the year 2005-06 for which an allocation of Rs 132 lakhs are suggested.

There is substantial increase in allocation for the education as a whole. The State should universalize MDMS and take advantage of SSA in improving the quality of education. We may support the proposal provided activities that are proposed to be undertaken in the Annual Plan 2005-06 must be strictly adhered to in achieving the targets set for the Plan.

Statistical Profile of Education Indicators* – Government of Assam

Literacy Rate

	1991		2001	
Male	67.62	(64.13)	71.77	(75.85)
Female	54.75	(39.28)	61.92	(54.16)
Total	61.65	(52.21)	67.11	(65.38)

Numbers in () indicate the All India figures

Projected Child Population in the specified age group (in Thousands)

	6-11 years	11-14 years	14-18 years
Boys	1838	1061	1214
Girls	1765	1005	1113
Total	3604	2066	2327

Gross Enrolment Ratio (2002-03)

	Primary		Upper Primary	
Boys	80.63	(97.32)	58.66	(65.51)
Girls	78.44	(92.87)	53.43	(56.31)
Total	79.56	(95.18)	56.11	(61.13)

Drop out rates (2002-03)

	Classes I – V		Classes I – VIII		Classes I – X	
Boys	62.51	(35.85)	67.07	(52.28)	74.28	(60.72)
Girls	59.63	(33.72)	70.85	(53.45)	75.65	(64.97)
Total	61.17	(34.89)	68.76	(52.79)	74.91	(62.58)

Pupil Teacher Ratio (2002 – 03)

	Assam	All India
Primary	28	42
Upper Primary	14	34
Secondary	20	30
Higher Secondary	24	35

Percentage of Trained Teachers (2002 – 2003)

	Assam	All India
Primary	73	86
Upper Primary	36	87
Secondary	30	89
Higher Secondary	30	90

Per Capita Expenditure on Education (2002-03) (In Rs)

Assam	**All India**
965.84	867.39

Enrolment (2002 – 03)

	Assam	**All India**
Primary	2867048	122135797
Upper Primary	1159472	46946513
Secondary	607549	21905698
Higher Secondary	170889	11396634
Higher Education	242751	9516773
Polytechnics	4498	428143

Number of Institutions (2002-03)

	Assam	**All India**
Primary	30068	651399
Upper Primary	8143	245710
Secondary	4480	91517
Higher Secondary	726	46137
Arts/Science Colleges	309	9166
Teacher Training Institutes	39	873
Polytechnics	8	1173
Universities	5	217

2.2.2 **Health, Nutrition & Family Welfare**

The All-India birth rate has fallen from 36.9 to 25.4, in Assam it fell from 38.5 to 26.8, the maximum reduction has been in the urban areas of Assam, where it declined from 31.0 to 18.5. While the all India death rate declined from 14.9 to 8.4, in Assam the decline is from 17.8 to 9.5, and the slowest decline has been in the urban death rate of Assam from 9.5 to 6.6.

Health & Demographic Indices						
	Birth Rate*	Death Rate*	IMR*	Sex Ratio^	Sex ratio 0-6yrs^	Likely year of Achieving NRR of 1
State	26.6	9.2	70	932	964	2015
India	25.0	8.1	64	933	927	2026
Source: * SRS Bulletin 2003, ^: Census 2001						

Health and demographic indices of the state are poor as compared to all India level (Table). Birth rate is more than the national level and IMR is higher than the national levels ; the state will have to improve its performance under the Family Welfare Programme if it wants to achieve the desired reduction in fertility and mortality. Sex ratio in the 0-6 years age group is, however, better than all - India level, and the projected level of achieving NRR of 1 is earlier than that for all India, as well as for states like Bihar, Uttar Pradesh, Madhya Pradesh and Rajasthan.

Infrastructure- rural

Primary health Care Infrastructure					
	Subcentres	PHCs	CHCs	Sub-district Hospitals	Dispensaries
Required	4356	726	181	-	-
Existent (RHB)	5109	610	100	192	436

Information available with the Planning Commission (RHS and CBHI surveys) clearly indicates that the state has more than adequate number of primary health care institutions at all levels of primary health care (Table). There are substantial gaps in essential requirements in terms of manpower, equipment, drugs and consumables in the primary health care institutions. In view of the difficult terrain, Tele-linkages should be developed on priority, for emergency consultations as well as for prior appointments for patients with specialists in various secondary and tertiary care hospitals. Available funds should be used to strengthen the existing centers in terms of equipment, drugs and consumables, and making them fully functional.

Infrastructure -urban

Available information on urban family welfare services is indicated in Table. This pertains only to urban primary health care infrastructure created by the Department of Family Welfare. Information on available primary, secondary and tertiary care institutions serving urban population in is not available with the Planning Commission. The Ninth and Tenth Plan have emphasized organization of existing facilities in urban areas so that existing primary, secondary and tertiary care institutions are geographically linked, and optimum use is made of available facilities at all level with appropriate referrals back and forth.

Post Partum Centres		**Urban FW Centres**	**Health Posts**
District Level	**Subdistrict Level**		
11	30	10	0

Health Manpower

Primary Health Care Manpower		
	Required	In Position
Specialists in CHCs	724	200
M.O.s in PHCs	726	610
ANMs in sub-centres	4356	5109
Male multi-purpose workers	4356	320

Current status of health manpower in the government health care centres is given table. Data from Rural Health Bulletin (2002) indicate that the state has large gaps in manpower at all levels except the ANMs. The Tenth Plan envisages that states will readjust the existing staff of RFWCs and PPCs against the existing vacancies in SC, PHC and CHCs. Lab technicians from the National Disease Control Programmes will be

used to fill gaps in critical posts in primary health centers after skill up gradation, and the uni-purpose workers in these programmes will be trained and redeployed as multi-purpose workers in the primary health care institutions, This would improve the functional status of the primary health care institutions, as trained personnel already in service will fill the existing vacancies.

Secondary Health Care

State has 192 sub-district hospitals and district hospitals. These should be strengthened on priority, especially in areas where there are no sub-district hospitals/CHCs, so that they can provide emergency care and care for fro those with complication which cannot be treated at PHC. These hospitals should develop referral linkages both with the district hospitals and with the PHC so that they could develop a forward and backward referral system which will benefit the patients and reduce under utilisation of some facilities and over crowding. All hospitals at least up to the district level should have blood-banking facilities,

ISM&H

State has one Ayurvedic, one Yoga and three Homoeopathic hospitals,, besides having 329 Ayurvedic, 75 Homoeopathic, 25 Yoga 2 Naturopathy and one Unani dispensaries. Tenth Plan envisaged the integration of these with primary health care. Upgrading them into PHCs wherever there are gaps, training these practitioners in implementation of National Disease Control Programmes, and emergency management, and placing them in the PHCs along side the MBBS doctors should mainstream this system into the general health care system.

Tertiary Health care & Medical Education

Assam has three medical colleges in the modern system of medicine, 1 dental college, 1 Ayurvedic medical college (which also imparts postgraduate training),and 9 Homoeopathic Medical colleges. The state should strengthen these and make them fully functional, so that professionals and para-professionals graduating from them are able to deliver good quality service to the population

Immunisation

Immunization coverage is also lower than the national average, with only17% of children between 12-36 months are fully vaccinated, and 33.2% have received no vaccination under the

	By Ster.	Spacing (Modern)	Per man ent	Spacing (Moder n)						
INDIA	35.5	8.0	50.0	15.0	25.8	21	3.2	2.3	68	45
Assam	15.1	12.5	35.0	16.9	26.9	22	3.2	2.3	75	50

UIP against the six vaccine preventable diseases. Only 24.6% are given vaccination against measles. The drop out rate between first and third doses of polio is 23.9, and the same between first and third doses of DPT is 19.9.StaTe must strive to ensure 100% coverage under the UIP.

Since Assam has vast regional disparities in terms of terrain, infrastructure and availability of health care, it is important that disaggregated data on infrastructure and availability of health care for the Hill Areas and the plains is compiled by the state, so that appropriate region/district specific investments and strategies can be formulated and implemented.. It is also imperative that 100% birth and death registration, and compilation of the data at district and state levels is ensured, so that its utilization for decentralized, area specific planning, monitoring and assessing the impact of Family Welfare and health programmes becomes possible.

Nutrition

Since 2000-01 the states plan outlay for nutrition has shown an improvement because earmarked funds have been made available through nutrition component of PMGY. But the state has been substituting the funds provided under the nutrition component of PMGY for the states own provision of ongoing food supplementation under ICDS. Funds under PMGY is being used to provide food grains to the ICDS beneficiaries. This should be rectified and the state should utilize the PMGY funds according to the guidelines issued by the Planning Commission in providing take home food supplements to children between 6-36 months of age from BPL families so that there is improvement in the nutritional status of infants and young children. It is essential to ensure convergence of services between health, family welfare and nutrition service providers at village, block and district levels, and involve PRI's in decentralized district based planning and monitoring of progress.

The pilot project to provide food grains to pregnant and lactating women and adolescent girls is being implemented in Kokrajhar and Karbi Anglong districts, and Rs 225 lakhs was released towards this project. The progress in this pilot project has to be assessed based on the efficiency of screening, provision of food grains and health services to families and percentage of under nourished persons who cross the cut off point. Based on the performance the decision regarding continuation of the pilot project will be taken.

2.2.3 **Housing & Urban Development**

An outlay of Rs 5.76 crore (including Rs 61 lakhs for development of Hill Areas) has been proposed for 2005-06 for Housing, recording an increase of about 36% over the corresponding outlay for 2004-05. The schemes include provision of house sites to landless, assistance to State Housing Board, housing for Police personnel etc. There is no housing scheme for people living below poverty line in the State.

Under Urban Development, Rs 61.12 crore (including Rs 61 lakhs for Hill Areas development) is proposed for 2005-06, showing an increase of 42% over the corresponding outlay for 2004-05. The outlay includes Rs 3.60 crore for Capital Project and Rs 12.64 crore as assistance to ULBs. The main objective of the Urban Development Department. is to support the ULBs by providing financial assistance in terms of loans and grants for creation of civic amenities, improvement in urban environment and for up-gradation of the living condition of Urban poor. Development of market buildings in urban areas targets to restrict haphazard growth of street corner markets within different ULB areas. Feed back on the projects taken up and their operationalisation etc needs to be furnished.

IDSMT (Integrated Development of Small & Medium Towns): As per information available, upto March, 2004, the number of towns covered is 8. The central and State release of funds amounted to Rs 12.66 crore, Rs 6.57 crore respectively. The expenditure reported was Rs

12.83 crore. Rs. 9 crore is proposed for 2005-06, an increase of Rs 7 crore as compared to the outlay earmarked for 2004-05. The implementation of the programme requires in-depth discussion, in particular, in the context of the fact that no expenditure had been reported since 2002-03.

NSDP (National Slum Development Programme): As per records, upto March 2004, Rs. 12.62 crore was released as Additional Central Assistance and the expenditure reported was Rs 10.38 crore working out to 82% utilisation. An amount of Rs 2.24.crore remains as unspent balance under the programme. Rs 3.16 crore is proposed for 2005-06.

SJSRY (Swarna Jayanti Shahari Yojana). As per information available, the central and State share of release upto March, 2004 amounted to Rs 16.18 crore and Rs 1.20 crore respectively, and the utilization was reported to be Rs 12.19 crore. With an unspent balance of Rs 23.06 crore, the utilization works out to 35%. No information is made available. The appointment of Project Officers, Community Organisers along with formation of Neighbourhood Groups/ Committees, Community Development Societies should be given top priority.

URIF (Urban Reforms Incentive Fund): Release of Additional Central Assistance for strengthening urban Infrastructure was being envisaged, in linkage with the urban reforms executed by the State Government. Rs 12.95 crore is proposed for 2005-06 under Initiatives for Strengthening of Urban Infrastructure.

NLCPR (Non-Lapsable Central Pool of Resources): As against an outlay of Rs 25 lakhs for 2004-05, Rs 7 crore has been kept for 2005-06 under 10% Central Pool Fund for development of infrastructure projects.

In addition to the outlay proposed under Housing and Urban Development, it is also observed that, Rs 3 crore is proposed for 2005-06 to undertake one higher Judicial Court Building and two lower Judicial Court Building, 14 units of residential quarters for Judicial Officer and also to give special emphasis to construct an Additional High Court Building at Gauhati. The Plan document needs to explicitly incorporate the status reports on the various projects in hand and in pipeline for implementation. A number of projects are posed for one time central assistance entailing huge budget estimates. In addition to furnishing details regarding these, it may be relevant to point out that the plan document has to bring out clearly the project wise progress made with NLCPR funds; projects being implemented under external assistance. In addition, necessary feed back on the following areas of concern may be provided:

- In a time bound frame, comprehensive survey to ascertain the number of houseless families should be carried out; Provision of credit, interest subsidy etc need to form part of the exercise both for construction of new house or upgradation/ reconstruction/ etc with emphasis on EWS/ LIG; The share of beneficiary must be insisted upon;
- Being geographically different, suitable and environment friendly building bye-laws to suit local conditions be framed;
- To decongest the existing towns, alternative sites may be identified for satellite towns with innovative land pooling/ land assembly and PPP models;
- The construction costs should conform to those prevalent in the target areas;
- Building Material Technology Promotion Council (BMTPC), Central Building Research Institute (CBRI) and IITs may be associated in developing appropriate building material and construction technologies;

- Comprehensive and integrated Urban Poverty Eradication Cells at the Headquarter level with branches in the Districts/Municipal level need to be set up for effective implementation of SJSRY;
- Specific strategy should be adopted to access the Plan funds under IDSMT; the concept of Revolving Fund, both at the level of ULB and State, should be developed followed by constant monitoring by the State Government;
- The strategy for development of infrastructure facilities including Solid Waste Management has to take care of future demand/ interests of tourists;
- The problem of urban transport network and essentially availability of space for the purpose have to be tackled;
- Assets created by the planned investments have to be maintained properly;
- Capacity building of ULB personnel;
- Speed up the works undertaken under NSDP and proper utilization of fund and timely submission of UCs be given priority;
- Funds under VAMBAY have not been accessed;
- Dovetailing of NSDP, VAMBAY etc may be carried out for effectively utilizing the funds meant to improve the urban slums.

2.2.4 **Labour, Employment and Manpower**

Employment Service

The employment service is provided through a network of one directorate at State level and employment exchanges at district levels. During the Tenth Five Year Plan period, it is proposed to extend existing service to sub-divisional level for which strengthening of the existing machineries is required along with setting up of new employment exchanges and computerization to reach the rural population.

The following ongoing schemes will be implemented during the Annual Plan 2005-06: -

(i) Collection of Employment Market Information;
(ii) Vocational Guidance and Employment counselling; and
(iii) Expansion of Employment Service

The proposed outlay for above three schemes is Rs. 60.00 lakh.

Craftsmen Training / Industrial Institutes

Presently there are 24 I.T.I.s in Assam with seating capacity of 4744 imparting training in 31 Engineering & 12 Non-Engineering Trades. Eight ongoing schemes will be implemented during 2005-06.

The scheme relating to 'Advanced vocational Training System ' is proposed to be discontinued and a new training programme in collaboration with Central Manufacturing Tools Institute of Bangalore is likely to be introduced. A new scheme for establishment of "one production cum training centre at Guwahati is proposed for the fresh pass-outs from I.T.I.s of the State. An amount of Rs. 50.00 lakh is proposed for Annual Plan 2005-06.

Centrally Sponsored Scheme

A Centrally Sponsored Scheme for "Establishment / Modernisation of I.T.I.s in North Eastern States and Sikkim" was taken up in the State during Tenth Plan. An amount of Rs. 315.00 lakh has been allocated against the scheme during 2005-06.

Issues for consideration in the Annual Plan 2005-06.

(a) In order to provide Labour Welfare, State Govt. has proposed significant increase in Annual Plan 2005-06 allocation under (i) strengthening of inspection machinery at Block Level for agricultural Labourers and other rural workers (ii) strengthening of Administrative machinery for plantation workers and (iii) construction of office building of the directorate and field offices. No justification is provided for the proposal increase in allocation.

(b) The schemes under inspectorate of Factories and inspectorate of Boilers contain salary component besides construction activities etc. State Govt. may explore possibilities of meeting salary expenses through Non Plan budget provision.

(c) The proposed outlay for Rs.315.00 lakh as assigned for the scheme "Externally aided Project for reforms and improvement of Vocational Training Services rendered by State Government" is yet to be approved, as Detailed Project Report of the scheme has not been finalized by Labour Ministry. Status may be discussed.

(d) The CSS Scheme for "strengthening and Establishment of I.T.I.s in NE States & Sikkim" contains construction of 4 new I.T.I.s and Strengthening of 17 I.T.I.s in Assam. Some of the I.T.I.s are also covered under funding of Tribal Sub-Plan. The financial resources available out of these Schemes need to be mentioned in the Annual Plan 2005-06. Status may be discussed.

(e) As per National Sample Survey, incidence of unemployment amongst youth (aged 15-29 years) on CDS has been increasing in urban areas of the State. State Govt. may be advised to create employment opportunities in the organized sector. It may be noted that in the present scenario where employment in the public sector is contracting, scope of employment opportunities in private organized sector may be explored.

(f) State may explore the possibilities of credit linkages entrepreneurship development and marketing to boost self-employment in the State.

2.2.5 **Social Welfare**

The Social Welfare Department, Government of Assam continue its efforts towards fulfilling the objectives of Empowering the Persons with Disabilities, reforming the Social Deviants viz; juvenile delinquents, drug addicts and alcoholics etc and Caring for the Other Disadvantaged, viz; older persons, street children, orphans and abandoned children, Empowering the women and development of children by coordinating effectively with the other departments

There is no separate directorate or department for the women and Child development. As per the National Policy for Empowerment of Women, there should be a separate department for Women and Child Development.

Under Disability Sector, the State Govt. has proposed an outlay of Rs.184 lakhs for 10 ongoing schemes for Annual Plan 2005-06. It is observed that more than 50% of the proposed outlay of Rs.184 lakhs is being spent on salary leaving rest for developmental programme. *This may be discussed.*

The State Government has not provided the scheme–wise details of allocation, physical target/achievement of the previous years. In the absence of details, it is not possible to appreciate the programmes. The State Government may furnish the same.

More than 67.1% of the proposed outlay of Rs.13.41 crore has been proposed for the new scheme 'Financial Assistance for the Health Care of the Aged' leaving only 33% for disabled, women & children, juvenile delinquent, street children, correctional services and other services etc. It is felt that there should be a better balance in the distribution of outlay between the different target groups, so that each group's needs are adequately taken care of. We may suggest that the Directorate of Social Welfare may work out proper balanced distribution of outlays from the year 2005-06 onwards between the different target groups under this sector.

As per the Persons with Disability Act, 1995, the State Government has to create the post of Commissioner for Disability, which is mandatory. It was emphasized that for effective implementation of the various schemes for the disabled, the post for the Commissioner for Disabled should be created at the earliest.

There is a need of effective co-ordination among various Departments to construct a barrier-free environment for proper implementation of Persons with Disabilities Act, 1995.

Under the new scheme 'Financial Assistance for the Health Care of the Aged', it has been proposed to provide financial assistance for health, care of the aged people through reimbursement of medical expenditure up to a maximum of Rs.700/- per beneficiary per year. The eligibility criteria are for those who are 70 years of age and are below poverty line.

It was suggested that instead of providing medical assistance for Rs.700 per person for medicine, the State Government may explore the possibility of providing health insurance cover to the target group through existing insurance companies like New India Assurance Company, National Insurance Company, etc. This may help in avoiding mal-practices and complications of the implementation of the proposed scheme.

Women and Child Development

The State Government may be advised to draw up Time-Bound Action Plans for translating the recently adopted National Policy for the Empowerment of Women, 2001 into a set of concrete actions through a participatory process and in consultation with all the concerned, both in the governmental and non-governmental sectors.

Under the Integrated Child Development Services (ICDS) Scheme, 198 Projects have been sanctioned for the State of Assam. The State Government has merged earlier scheme of Supplementary Nutrition Programme into PMGY scheme. Therefore, PMGY is the only programme under nutritional scheme run by ICDS projects and covers 198 projects. Under PMGY scheme total 25,41,600 number of beneficiaries (including hill districts) get nutritious food in 198 ICDS projects. As against the norms for providing nutrition for 300 days, the State Government is providing nutrition only for 150 days. At the time of preparing Draft Annual Plan 2005-06, the rate of expenditure per beneficiaries was Rs.2.50 per day for 150 days. Total requirement is Rs.95.00crore including National Programme for Adolescence girls (NPAG) is Rs.2.96 crore. It may be pointed out that the present proposed outlay should be sufficient to provide nutrition to the children as per the norms of the scheme.

Backward Classes

The percentage of Below Poverty Line among SCs & STs in rural areas is 44.00 and 38.73 respectively. Cultivators among ST is 67.72(P). This indicates that the tribals hold cultivable land and percentage of poverty can be reduced only by providing all agricultural related inputs to boost up agricultural activities and to improve their living condition.

State Govt. has not furnished scheme-wise detailed write-up and physical target and achievement, hence it has become difficult to offer comments. Therefore, the State Government needs to send a detailed proposal along with physical target and achievement for Annual Plans2002-2005 and physical target for Annual Plan 2005-06.

The State Government of Assam has so far identified 40413 scavengers in the state. The state Government has not furnished detailed information in respect of number of scavengers trained, rehabilitated under different avocations under National Scheme of Liberation and Rehabilitation of scavengers.

The corporations provide financial assistance to Scheduled Castes, Scheduled Tribes and Other Backward Classes but no detailed information has been furnished by the State Government. Secondly, the State Government may be suggested to evaluate the schemes being implemented to assess the impact of the schemes and to take remedial measures to streamline the function of these corporations to improve recovery position.

The function of 2 Autonomous District Councils in the Hill Districts of kachhar and Kurbi Anglong may be discussed in view of their involvement in the planning process.

Items made out of bamboos have a great demand not only in the country but also in the international market. Therefore, the State Government of Assam may be suggested to train some SC &ST boys and girls for production of different items to promote their economic activities and subsequent economic betterment.

The State Government of Assam is yet to adopt Maharashtra model of Tribal Sub-Plan(TSP) for the welfare and development of tribals of the State.

No information in respect of flow of funds under TSP and Special Component Plan (SCP) for Scheduled Castes has been indicated. Formulation of schemes under these two strategies is urgent need for the over all development of these communities.

As on 1999 alienated land was reported from 2023 cases involving 5174 acres of land, of which only 1609 cases have been disposed off. The State Government need to implement the land alienation Act very effectively.

Assam Minorities Development Board has proposed Rs.350.00 lakh for undertaking a number of economic activities which include tailoring, cutting, distribution of hand cart/ rickshaw etc. to improve their economic condition. This needs discussion

2.2.6 **Tourism**

Tourism in Assam is mainly based on wildlife, with five national parks and ten reserved forest, there lies a tremendous scope of wildlife Tourism in the state. In addition, Assam has enormous tourism potentials, which are to be explored and developed fully as commercial resources. Its natural scenic beauty, rare flora and fauna, colorful cultural festivals, historical ruins and monuments, holly shrines, turbulent rivers and blue mountains, vast stretches of green tea gardens are the main attraction for tourists both domestic and International. But growth of development in tourism, in the state is not so satisfactory as it is expected.

The allocation for the Tenth Five Year Plan (2002-07) is Rs.2250.00 lakh.

The plan allocation for 2003-04 was Rs.450.00 lakh. The Annual plan allocation for the year, 2004-05 is Rs.471.00 lakh, and for 2005-06 it is proposed at Rs. 628 lakhs.

Annexure

Financial Performance under major rural development programmes for 1999-2000, 2000-01, 2001-2002, 2002-2003, 2003-2004 and 2004-2005(Rs. Lakhs)

Assam

S.No.	Name of the Scheme/Year	Opening Balance	Total allocation	Total release	Total available funds	Total expenditure	% Expenditure to available funds	% Expenditure to total allocation
	1999-2000							
1	JGSY*	4480.56	7098.69	5049.22	9529.78	6619.20	69.46	93.25
2	IAY&	817.72	20877.33	18426.67	19244.39	6184.05	32.13	29.62
3	EAS	3434.28	7836.76	6267.99	9702.27	5043.05	51.98	64.35
4	SGSY#	3042.37	4737.45	3828.70	6871.07	4503.94	65.55	95.07
	2000-2001							
1	JGSY*	2487.00	15828.99	0.00	2487.00	1426.61	57.36	9.01
2	IAY	4629.36	21806.39	10903.20	15532.56	11991.24	77.20	54.99
3	EAS	1771.29	14062.16	5773.31	7544.60	5880.31	77.94	41.82
4	SGSY#	2209.46	9593.57	0.00	2209.46	2071.74	93.77	21.60
	2001-2002							
1	JGSY*	441.29	17993.71	17993.26	18434.55	11145.93	60.46	61.94
2	EAS	2590.04	17987.95	15344.34	17934.38	12103.40	67.49	67.29
3	SGSY#	732.61	5708.17	3820.70	4553.31	2989.44	65.65	52.37
4	IAY	4180.94	16652.15	11494.84	15675.78	10974.00	70.01	65.90
				88				
	2002-2003							
1	SGRY	12237.93	34168.57	24632.03	36869.96	28729.07	77.92	84.08
2	SGSY	1465.09	4403.45	3419.91	4885.00	3587.09	73.43	81.46
3	IAY	3660.39	17098.20	13316.44	16976.83	10433.62	61.46	61.02
	2003-2004							
1	SGRY	10695.83	39514.68	29681.01	40376.84	41423.14	102.59	104.83
2	SGSY	1089.66	7674.91	5330.06	6419.72	7417.91	115.55	96.65
3	IAY	2183.71	18832.80	19603.67	21787.38	14318.27	65.72	76.03
	2004-2005							
1	SGRY+	6481.59	43157.33	19421.76	25903.35	8042.67	31.05	18.64
2	SGSY++	1223.54	9593.57	3664.68	4888.22	2320.23	47.47	24.19
3	IAY+	2819.85	24779.99	9292.53	12112.38	6495.06	53.62	26.21
	* JRY has been restructured as JGSY wef 1999-2000.							
	# SGSY was introduced w.e.f. 1999-2000 by merging IRDP and its allied programmes like TRYSEM, DWCRA, SITRA and GKY; and MWS.							
	'+ upto September 2004.							
	'++ upto October 2004.							
	(Source: Ministry of Rural Development)					**Updated - as reported on 20.12.2004**		

IMMEDIATE

No. M. 13048/2/Aru./2004- SP
Planning Commission
(State Plans Division)

Dated 14.2.2005

Subject: Annual Plan - 2005-06 : Meeting between Deputy Chairman, Planning Commission and Chief Minister, Arunachal Pradesh to be held on 15th February, 2005

A copy of the Background Note for the Meeting between Deputy Chairman, Planning Commission and Chief Minister, Arunachal Pradesh, to be held on 15th February, 2005, is circulated herewith for kind perusal.

Encl: As above

(S.N. Brohmo Choudhury)
Director(SP-NE)

Planning Commission
Principal Advisers/
Advisers/
JS(SP)/
Head of Divisions

PMO
J.S. (N.E.) / D.S. (N.E.)
Ministry of Finance
Joint Secretary, (PF-I),
Department of Expenditure,
North Block, New Delhi.

Ministry of Department of Development of North Eastern Region
Secretary

Copy to Private Secretary to :

Deputy Chairman/Minister of State/Members/Secretary, Planning Commission.

Copy also to:

Director (SP-Coordination)/Director (PC Division)/ DA (MLP & Hill Areas)/ Protocol Unit / Information Officer.

PLANNING COMMISSION
(State Plan Division)

Background note for meeting between Deputy Chairman, Planning Commission and the Chief Minister, Arunachal Pradesh for Annual Plan, 2005-06 to be held on 15th February, 2005.

Introduction

Arunachal Pradesh is spread over 83,743 sq. Kms, bordering three sides by Bhutan, China and Myanmar along 1,613 Kms long international border and has seven rivers flowing through its tropical to alpine geo-climatic terrains. The State has 15 districts, 59 development blocks and 143 administrative circles with 26 major tribes and more than 100 sub-tribes. Majority of its 10.91 lakh population (census 2001) lives in 3857 villages. With a density of 13 persons a square kilometer, the state is very sparsely populated. Since its days of administration through Ministry of External Affairs as NEFA and becoming UT in 1972 and attaining Statehood in 1987, the ethnic communities have been moving from their primitive mode of life to the contemporary one. Agriculture is their main occupation. The state's socio-economic situation is affected by rugged mountainous terrain, heavy rainfall, communication bottleneck, primitive method of cultivation, prevalence of shifting cultivation, inadequacy of physical infrastructure, absence of marketing network and credit flow, low level of local entrepreneurship etc

ECONOMIC DEVELOPMENT

Despite beginning with poor infrastructure, the state in these five decades surged ahead in communication, education, health, etc. With the spread of education, literacy rate has risen from 20.8% in 1981 to 41.6% in 1991 and further to 54.7% in 2001. About 84% of the population has primary education facility within a distance of 1-2 kms. Notwithstanding difficulties in accessing health services, health indices of the state are better than the all-India average. A total of 93% of habitations have either been fully or partially covered under rural water supply; and 60.5% of the villages have been electrified. Road length increased from 3,149 kms in 1987 to 15,568 kms in 2001-02. Even though rich in natural and mineral resources, infrastructural bottlenecks and resource constraints kept it wanting for faster growth. Only 45% habitations have access to roads, with road density figure of 18 kms. per 100 sq. kms. The State has no industry, except a few agro-forest based ventures, and there is no private sector investment. The state is deficient in food grain. Against the requirement of food estimated at 282992 MT. the availability is 252913 MT. Thus 20% of the food requirement of the state has to come from outside the state.

Some of the developmental issues and concern highlighted in the plan document are state's inability to transfer the committed liabilities and maintenance cost of completed assets from 7th plan onwards. Major junk of plan outlay goes for salary, maintenance of assets and committed liabilities. This has led to the state's limitation to take up new schemes and also to continue financing of ongoing spillover schemes. Another area of concern is the state government has not been able to contain the growth rate of revenue expenditure corresponding to its revenue receipts. The annual growth rate in revenue expenditure during 1997-02 was 11.9%. The revenue expenditure rate has grown at an average rate of 15.2% annually during the same period. The state has not been able to mobilize its own resources which affecting the annual plan size due to resource shortfall. The state has been demanding 100% central funding for all the centrally sponsored schemes (CSS). The banking scenario in the state is not encouraging. The cash deposit ratio for scheduled banks is 17.25% and 23% for all banks, which is the lowest among the northeastern states. The state is finding difficulties in implementation of credit linked schemes viz. SGSY where assets are to be given to the beneficiaries by providing the subsidies and bank credits.

Net State Domestic Product (NSDP), and Per Capita NSDP

The Net State Domestic Product both at current and constant prices has maintained an increasing trend. While NSDP at current prices (new series) rose from Rs.796 crore in 1993-94 to Rs.1740 crore in 2001-02, it rose to Rs.1037 crore at constant price during the same period. During 2001-02 NSDP (Rs.1740 crores) at current price experienced growth of 2.5% over that of previous year (Rs.1697). Likewise, per capita NSDP has experienced an upward trend. At current prices, the per capita NSDP of Rs.8559 in 1993-94 has increased to Rs. 15785 in 2001-02.

The plan document of the state indicates the contribution of primary, secondary and tertiary sectors to the total GSDP estimated at current prices for 2002-03 were 35.02%,19.23% and 45.75% respectively and their contribution to total NSDP is 38.53%,14.78% and 46.69% respectively. The contribution of Agriculture sector (including horticulture and live stocks) in GSDP/NSDP is found to be highest. The highest contribution

in Secondary and Tertiary sectors is form construction and public administration respectively.

Per Capita Plan Outlay:

The projected per capita 10th plan outlay for the state is Rs. 35348. The per capita plan outlay for the 9th plan period had been Rs. 6,038. Per capita outlay varied between Rs.5877 and Rs.6262 during 9th Plan. The per capita outlay for the Annual Plan 2002-03 and 2003-04 were Rs. 6145.45 and Rs. 6436.36 respectively.

Central Assistance:

Arunachal Pradesh is one of the 11 Special Category States, which receive Central Assistance on the basis of 90% grant and 10% loan, with the dispensation to use 20% of Central Assistance for meeting the Non-Plan gap. The Central Assistance for financing the State Plan was Rs.207.23 crore in the Sixth Plan, which rose to Rs.591.31 crore in the Seventh Plan and to Rs.1691.22 crore in the Eighth Plan. A total Central Assistance of Rs.2814.00 crore has been provided during the Ninth Plan which accounts for 88.2% of the total agreed outlay. Central Assistance projection for the 10th Plan period is Rs.38 crores.

During the first three years of the Tenth Plan, Central Assistance provided to the states were Rs.653.16 crore (02-03), Rs 695.45 crore (03-04) and Rs.802.48 crore (04-05) respectively.

NON-LAPSABLE CENTRAL POOL OF RESOURCES (NLCPR)

The state is getting funds from Non-Lapsable Central Pool of Resources (NLCPR) since 1998-99. NLCPR funds are over and above the Central Assistance, provided to the NE states to finance their Annual Plans. Since its inception, a total of 49 projects have been approved for Arunachal Pradesh involving an estimated commitment of Rs.339.20 crore. A total amount of Rs.289.91 crore has been released for these projects as on 01.08.2004. The progress of implementation of the projects sanctioned under NLCPR is being monitored by DoNER.

OBJECTIVES OF TENTH PLAN

The Tenth Plan emphasizes on development and maintainance of basic infrastructure, improvement in the educational, health and nutritional profile of the population, provision for basic minimum services, increase in agricultural production and productivity and setting up industries based on local resources. Accordingly, sectors like Social Services, Transport, Energy and Agriculture and Allied Activity have been accorded high allocational priority by allocating around 80% of the proposed Tenth Plan outlay to these sectors. Ten percent reduction in poverty levels, and reducing population growth rate to 16.2% by 2007 are two important objectives of the Tenth Plan. The overall growth target for the Tenth Plan has been fixed at 8%.

The approved outlay for the 10th Plan was Rs. 3888.32 crores, which is 8.92 % higher than the 9th Plan approved outlay of Rs. 3,569.89 crores, The following table indicate the projected sectoral outlays for the Tenth Plan and outlay and expenditure for the Annual Plan 2002-03, 2003-04,2004-05 and proposed outlay for 2005-06.

Annual Plan (2005-06) Proposals– Arunachal Pradesh (Rs. in crores)

Major Heads	10th Plan projected outlay	2002-03		20 03-04		2004-05		Proposed Outlay 2005-06
		Outlay	Expndr.	Outlay	Expndr.	Outlay	Anti. Expdr.	
Agriculture and activities	515.30	57.50	46.00	53.89	49.81	48.55	48.55	99.41
Rural Development	145.74	22.13	13.32	16.21	16.86	18.09	18.09	29.35
Special areas programme	65.00	15.51	7.27	40.51	29.45	35.91	35.91	55.71
Irrigation and Flood Control	184.37	26.68	17.84	39.64	41.79	38.94	38.94	71.49
Energy	498.11	122.79	74.32	116.07	86.36	156.84	156.84	224.57
Industry and Mineral	76.35	5.84	6.01	9.22	8.78	6.17	6.17	64.03
Transport	824.41	108.03	125.81	131.37	138.68	112.86	112.86	181.25
Science and Technology	4.62	1.35	0.34	1.62	0.63	0.35	0.35	0.92
General Economic Services	231.70	36.61	37.45	39.30	37.58	52.46	52.46	68.04
Social Services	1251.75	224.60	184.90	236.92	218.43	237.98	237.98	394.85
General Services	90.92	21.25	18.15	23.21	13.88	47.23	47.23	22.48
Grand Total	**3888.32**	**676.00**	**531.46**	**708.00**	**642.30**	**760.35**	**760.35**	**1212.12**

The over all utilization of the plan provisions during the annual plan 2002-03 had been 78.61%. Better performing sectors were Transport (116%), general economic service(102 %), general service(85.4%), Social Services(82.3%) and Agriculture(80%); the moderate performing sectors were Irrigation and Flood control (68.87%), Energy(60.5%) and Rural Development(60.1%), and remaining sectors were low performance sectors with less than 50% utilization. Similarly, the over all utilization of the plan provisions during the annual plan 2003-04 had been 90.72%. During 2003-04 the better performing sectors were Transport (105%), Irrigation and Flood control (100.7%), Rural Development(100.4%), general economic service(95.6%), Agriculture(92.4%), Social Services(92.1%); the moderate performing sectors were Energy (74.4%), and remaining sectors were low performance sectors with less than 60% utilization.

As regards 2004-05 the plan has been finalized recently. Feed back on the utilization is yet to be received.

Draft Annual Plan 2005-06

The proposed outlay for 2005-06 is 159.42% higher than the approved outlay Rs. 760.35 core for 2004-05. The percentage distribution of the proposed allocation shows that Social Sector constitute 32.4%, Energy 18.4%, Transport 14.9%, Agriculture 8.2%, irrigation and flood control (5.9%), General Economic Services (5.6%), Industry and Mineral (5.3%), Special area Programme (4.6%) and Rural Development (2.4%). of the total allocation.

Within the social sector major allocation is for elementary education sector under general education, primary health care under medical and public health, water supply and sanitation, general housing under housing, urban development and nutrition under social security and social welfare.

The State's 10th Plan outlay is Rs. 3888.32 crores. Transport, energy, agriculture and rural development, with allocation of Rs. 133.42 crores, Rs. 124.79 crores, Rs 87.76 crores, and Rs. 40.88 crores, respectively, accounted for 48.2% of the total state plan outlay. Outside these sectors it is social services and general economic services which

with Rs. 286.96 crores and Rs. 49.11 crores make for another 41.8% of the annual allocation. Thus 90% allocation is proposed for transport, energy, agriculture, rural development, social services , and general economic services. Other sectors as Special Areas Programme, Irrigation and Flood Control, Industries and Mineral, Communications, Science & Technology, and General Services are left with the remaining 10% of the total allocation.

Major sub-sectoral allocations go to agriculture, horticulture, forestry and wild life in Agnculture and Allied sector; Panchayat in Rural Development; Minor Irrigation with AIBP in Irrigation and Area Control, power in Energy; roads and bridges in Transport; District Decentralized Planning, MLAAD, general education, medical and public health, water supply and sanitation, housing, urban development, and nutrition and public works.

AGRICULTURE & ALLIED ACTIVITIES

Agriculture

According to 2001 census, out of the total working population of 42,82,206, the number of cultivators in the state is 281822 and that of agricultural laborers is 18569. Thus 62.29% of the working population of the state is engaged in agriculture. Agriculture is the main stay of the economy of the state. However, agriculture continues to be dependent on rains. The state is not able to attain the self-sufficiency in food grain production. Against the requirement of food estimated at 282992 MT. the availability is 252913 MT. Thus 20% of the food requirement of the state has to come from outside the state. This deficiency can be removed if food production can be increased at around 3.4 % annually. Agriculture is not being treated or considered as a remunerative occupation in the most parts of the state. The yield of per hectare most crops in the state is below national levels. This gap needs to be bridged by application of critical in puts like better yielding seeds, fertilizers and plant protection measures. The productivity of rice can be increased from 1.3 million tonne to 3 mt per hec , 70 of the total food requirement can be met out of 90,000 hec. Of land under permanent cultivation living only 30% of the requirement to be met out of jhum, paddy and other cereals The main factors responsible for low productivity could be attributed to traditional shifting and terrace cultivation, limited availability of flat arable land (4.10%) only of the total geographical area), in absence of irrigation system, low cropping intensity due o

mono-cropping, lack of infrastructural support in transportation, communication, assured irrigation facilities, technical research and marketing. The plan document indicates that the crop production target for the current year i.e. 2004-05 will not be achieved at desired level due to considerable loss in production of different crops during kharif season due to heavy and erotic rain and flood during the month of June to October 2004. As against 2,44,200 mt. production of food grains during 2003-04, the anticipated production during 2004-05 is likely to come down to 1,70,100 mt. Similarly, the plan document indicates that the anticipated production of cash crop in 2004-05 is 144050 mt. which is less than the production level of 170807 mt. in 2003-04. The cropping intensity and productivity of different crops in the state during 2002-04 and Target and Anticipated achievement during 2004-05 is given in the statement at **Annexure –I.**

The agriculture development programmes for 2005-06 are based on policy of food security to double the level of food production by 11th Five Year Plan period. The main objectives of Annual Plan 2005-06 are : -

- Modernisation of Agriculture by taking up need based trial and research as per the agro climatic situation and enhancing the technical competency of farmers by extension work.
- Development of marketing infrastructure in the surplus producing areas and value addition in primary produce by creating post-harvest and processing facilities to make agriculture an employment oriented income-generating enterprise.

The action plan of the state government for agriculture development are as below :

- For area having high potential and low productivity: 60% emphasis on productivity and 40% on marketing surplus.
- Area having potential but under utilized: 50% on productivity, 30% on better inputs and 20% on extension.
- Areas having scope for expansion: 50% on area expansion, 20% on productivity and 20% on better inputs.
- Area for selective crops (temperate zone): 60% on higher productivity, 20% on better inputs and 20 on marketing.

The thrust areas identified are increasing cropping intensity, diversification of high value crops, utilization of created irrigation potential, conversion of shifting cultivation to

settle cultivation through watershed approach, timely and adequate inputs, promotion of formal system etc.

Under crop husbandry the state government proposes development of food crops and cash crops along with other supporting services like integrated nutrient management, pest management, seed production, farm mechanization and modernization of agricultural extension etc. for the year 2005-06, the food grain production target has been proposed at 2.755 lakh mt. statement indicating the food grain production target and major cash crop production targets during 2005-06 is at **Annexure- II.**

Horticulture

Horticulture sector holds a key to State's Socio-economic development and is a thrust area of the state government. The agro-climatic conditions in the undulating terrain of the State provide immense scope for growing a wide variety of tropical, sub-tropical like medicinal and aromatic plants, mushroom and ornamental flowers etc. The horticulture sector has a high employment generation potential in the state. The horticulture plantation being a long-term investment needs substantial financial support for creation of infrastructure. Promotion of horticulture depends on successful marketing network which is weak in the state to provide a remunerative prices to farmers and also to provide job opportunities among the local unemployed educated youths, the main objective for development of horticulture for 2005-06 is on expansion /diversification of areas under horticulture activities, emphasis on income generation crops, like spices and mushrooms and low volume high value fruits, stress on compact area plantation of orchids and development of marketing network for surplus produces. Further, considering the potential for floriculture in the state stress has been on production of quality flowers, seeds and bulbs etc.

The Tenth Plan objective is to bring about convergence among various ongoing programmes and maximize production while maintaining carrying capacity Towards this end, the thrust would be on development and propagation of quality planting material within the State, improvement of laboratory testing facilities, and development of post-harvest infrastructure and other technologies and credit support to farmers

The target of major horticulture crops for tenth plan and achievements during 2003-05 and targets proposed for Annual Plan 2005-06 are at **Annexure III.** The State proposes to make an allocation of Rs.16.38 crore for the Annual Plan 2004-05

Soil & water conservation

Necessitated by the aggravated situation of soil erosion and landslides due to deforestation and increased developmental activities and the need for sustained development so far an area of 260.50 hac. has been brought under land protection. The target proposed for 2005-06 are: a) Land reclamation and development- 10 hac., land protection – 310 hac.

Animal husbandry & dairying

Arunachal Pradesh's diverse eco-system support vast pastures abound in wildlife and livestock. Its livestocks are good source of income, employment and nutrition. The rising demand for livestock and dairy products is stimulating dairy farming and poultry rearing. The major Animal husbandry programmes are focused on Cattle and Buffalo development programme, Poultry Development Programme, Sheep and Goat rearing, Pig rearing, Livestock development programme, Feeds and fodder development programme, Extension and training progrmame etc.

The outlay proposed for 2005-06 is Rs.1075 crore which includes 10 crore for Anima Husbandry and Rs.0.75 crore for Dairy Development.

Fisheries

The state is full of water bodies with rivers, lakes, tanks and ponds, paddy fields and swamps that are conducive to fisheries. The 10th Plan objective is to accelerate fishery growth for bridging the supply and demand gap. As an economic activity that generates income and employment, and meet nutrition requirement – fisheries demand for financial and scientific guidance is high.

Fish production is stagnant for last few years indicating ineffectiveness of programme and utilization of funds for non-plan heads of expenditure.

An outlay of Rs. 4.5 crores is proposed for the sector during the year 2005-06.

Rural Development

Incidence of poverty in Arunachal Pradesh remained more or less static during the last two decades. The BPL population at the beginning of the Eighth Five Year Plan was 59.5%. About 54% of the rural house holds were below poverty line as per BPL census ,1077. As per 1999-2000 estimation the BPL population of the state is 33.47%. The decrease in the BPL percentage the had been very gradual. In order to uplift the BPL population the emphasis is on creation of community infrastructure with employment opportunities for sustainable economic development through Centrally Sponsored Poverty Alleviation schemes like SGSY, SGRY, Rural shelter under PMGY and Hariyai etc. However, the document has indicated that overall performance of the poverty alleviation programme is not impressive because of the difficulties in coverage of large area under the programme due to problems of accessibility.

A statement indicating physical targets under Tenth Plan, achievements during 2003-04,2004-05 and target proposed for 2005-06 is at **Annexure-IV**. For annual Plan 2005-06 an allocation of Rs. 33.54 has been proposed for the rural development programmes. The proposed outlays for 2005-06 for SGRY, SGSY, IAY and DRDA are much higher than the Annual Plan allocation for 2004-05 made by the MORD for the state. There is need to improve the performance of SGSY,SGRY and IAY.

Forestry

Out of the total geographical area of 83,743 Sq. Km., the recorded forest area is 51540 Sq. kms. Covering about 62% of the total geographical area. Of late, forests have been adversely affected b y rapid increase in human and livestock population, insufficient infrastructure and diversion of forest area for developmental activities. The state government has notified the Forests areas into Reserved Forests (9552.32 Sq. Km), ARF/VRF (625.37 Sq Km), National Park (2290.82 Sq Km.), Wildlife Sanctuary & Orchid Sanctuary (7237 17 Sq. km), and Protected area (7 80 Sq km.)

The Supreme Court, in its directive, dated 22nd Sept.'2000, allowed to restart timber operations with approved Working Plans with the condition that the felling should commensurate with afforestation. As per prescription of Work Plan approved so far the State has to raise about 6,000 ha. of plantation annually to commensurate with the harvesting of timber. Plan allocation for this sector needs to be adequately enhanced to meet these requirements.

Only 24% of the forest is covered under working plans Concerted efforts are required o cover all the forests under management plans. Thrust of management should be on improving productivity of forests.

The proposed outlay for Forestry and Wildlife Sector for the Annual Plan 2005-06 is Rs.26.57 crore (2.19%) and for Ecology & environment sector it is Rs.0.12 corre. Keeping in view the significant role of this sector in economic development of the state, there is need for higher allocation.

Main activities in the Forestry and Wildlife sectors proposed for 2005-06 are Restoration of vegetative cover for soil, water conservation and amelioration of the environment, survey and enumeration of the forests for preparation of scientific management plans/working plans, forestry extension and to create awareness among local people in conservation, protection and development of forests and wildlife, Social Forestry progrmames through distribution of seedlings, Development of non Timber Forest Produce, strengthening of forests protection measures etc.

BORDER AREA DEVELOPMENT PROGRAMME

The Border Area Development Programme (BADP), a 100% Centrally Funded Programme, has been designed to tackle the special problems being faced by the people living in the border areas. The BADP funds were to be spent in the Border Blocks along the Myanmar border, on schemes which address such problems as inadequacies relating to provision of essential needs, strengthening of social infrastructure and filling up of critical gaps in the road network etc. The BADP has recently been extended to the Border Blocks of the State, which have an international border with China and Bhutan. A total of 23 nos. of blocks are covered under BADP The funds sanctioned under the programme are released to the concerned Deputy Comissioners and the Para-Military

Forces, viz. Assam Rifles and the Arunachal Police for implementation of need based schemes approved by the State Level Screening Committee.

The funding under BADP has remained stagnant at Rs.13.51 crore since 20-02.

IRRIGATION & FLOOD CONTROL

The economy of the state being largely agrarian a good deal of emphasis was on the creation of extensive irrigation facilities. This has resulted in the impressive growth of irrigation potential during the four decades. The total irrigation potential of 106474 hect has been created up to 31st March 2004 under minor irrigation. Utilisation of ground water potential needs to be taken up to bridge the gap of 60000 hac.between creation and utilization of irrigation potential. Expansion of irrigation facilities and flood control has been given due emphasis during 2005-06. The priorities identified by the state govemment are completion of ongoing irrigation projects as well as taking up new schemes in the potential aeas, adoption of technically advanced sprinkler and drip irrigation system, underground water survey and exploitation of ground water irrigation in the foothill areas, maximizing utilization of created potential through augmentation/ renovation/proper maintenance of irrigation projects and other command area development works. Proposed outlay for Annual Plan (2005-06) is Rs 71.49 crores.

Under Rajiv Gandhi National Drinking Water Mission (RGNDM) the status of project implementation as on 1.04.04 was 253 not covered, 686 partially covered, 3359 fully covered out of the total 4298 habitations. The targets for 2004-05 are 107 of NC, 194 of PC totaling 301. The number of schools to be covered under the mission during 2004-05 is 452. The coverage during 2004-05 up to October is 10NC, 38PC totaling 48 habitations. As per RGNDM, the financial progress under Centrally Sponsored Accelerated Rural Water Supply Programme the expenditure incurred till October, 2004 was Rs.19.72 crore and the opening balance as on 1.4.2004 was Rs.8.20 crore, Allocation during 2004-05 was Rs.61.25 crore. Under states sector provision made dunng 2004-05 was Rs.15.85 crore against which expenditure up to October, 2004 was Rs.8.01 crore The State govemment is not availing the benefits of Urban Low Cost Sanitation Programme.

Under Accelerated Urban Water Supply Progrmme for towns having population less than 20,000 (1991 census), three numbers of projects at an estimated cost of Rs.29.63 crore was taken up An amount released by Govt. of India is Rs.4.27 crore and by the state was Rs.2.03 crore. The total expenditure incurred upto March 2004 was upto Rs.14.65 crore

POWER

Arunachal Pradesh has hydro-power potential of 49,000 MW, which is 84 per cent of the total hydro-power potential of the North-East Region and 32 per cent of the total potential of the country. The state can be a power house of the country when this potential is harnessed. Till date only 437.52 MW could be explored out of the total potential. The state has been mostly developing micro/mini hydel projects. As on the date the power supply is mostly dependent on micro/mini hydel projects with a break up of DG Sets and import from the Central Sector. The State has so far developed 49 numbers of hydel stations with an installed capacity of 59.72 MW. The state government is developing more numbers of micro/mini hydro-electric projects. The work of renovation and modernization of at least 12 numbers of hydel stations are required during 2005-06. There are 29 nos of on going schems, which on completion will give a capacity addition of 64,78 MW. Out of these 29 schemes, 2 schemes are being funded under RIDF loan and another 5 are being funded under REC loan.

During 2004-05 an amount of Rs.45.68 cfrore has been earmarked for APDRP. The Gfovemment of India has released an amount of Rs.36.68 crore for A{PDRP schemes as on 31.8.2004 but the power department has utilized only Rs.1.40 crore which is 3.82%. The progress of distribution schemes under APDRP is slow. He progress of 11 kv feeder metering and consumer metering is also very poor, as 0% -11 KV feeder metering and 46% consumer metering has been completed as on 31.8.2004.

The present power status in the state is as below:

Peak Power demand	105.00 MW
Firm Power Generation a)Hydel	22.00 MW
b)D.G. Sets	20.00 MW
Total	42.00 MW
Total Short fall:	63.00 MW
Total installed capacity a)Hydel:	32.60 MW
b)D.G. Sets	27.12 MW
Total	59.72 MW

Cost and price effectiveness have been eluding power generation and distribution supply in the state all these years. The document does not contain any information relating to operating deficit of the Power generation/supply. The department of power has initiated Power Sector Reforms to reduce difference between the average cost of Power per Kwh and average revenue (on cash realisation basis) per kwh. The state government has signed an agreement with Power Trading Corporation to sell 50 MW of surplus power. If supply from allotted quota of 48 MW free power from the Ranganadi Hydel Project is materialized, the sale will yield Rs.65 crore annually. Special drives have been launched to recover all pending electricity dues of consumers. As regards, rural electrification so far 250 villages have been electrified and remaining 2230 villages are yet to be covered under Rural Electrification. As such, the progress of Rural Electrification continues to be far from satisfactory.

INDUSTRY & MINERALS

Arunachal Pradesh, though endowed with vast natural and mineral resources, has remained industrially backward State, mainly on account of difficult topographical features, geographical isolation, lack of infrastructure and entrepreneurship, etc. Presently, industrial activities are mainly confined to small-scale industries, textiles, handicrafts and sericulture. The thrust areas for development o industry include development of infrastructural facility in the existing industrial estates, growth centers, Integrated infrastructure development centers, development of Small Scale Industries based on handicrafts and sericulture, R&D in the handloom and handicrafts sectors and incentive to local artisans. The Industrial Policy of the State provides many incentives to boost he industrial development in the State. Despite having vast mineral deposit, Arunachal Pradesh remains a least explored area Concerted effort is required for exploration of its proven mineral resources like crude oil, coal and minor mineral etc. to augment revenue and to generate employment opportunity.

The outlay proposed for Annual Plan 2005-06 for the sector is Rs 64.03 crore.

Rashtriya Sam Vikas Yojana(RSVY)

Upper Subansiri District has been identified b y the Planning Commission under RSVY programme. An amount of Rs.15 crore would be available annually for three years for development of district. To operationalise the scheme, the State Level Steering Committee under the Chairmanship of Chief Secretary and District Committee under the Chairmanship of Deputy Commissioner, Upper Subansiri have been constituted. The draft district plan prepared by the District Level Steering Committee has been submitted to the Planning Commission. The Empowered Committee will consider the proposal in the meeting scheduled to be held on 2nd March, 2005.

EDUCATION

Lack of proper infrastructural facilities like school building, hostels etc. and high incidence of school dropouts particularly in the primary and middle levels, non-coverage of small and thinly populated villages poses a problem for achieving universalisation of elementary education in the state. The state has a literacy rate of 54.74% in 2001, vis-à-vis 65.38% all India figure. However, this is an improvement as compared to 1991 census (41.59%). Its male literacy, 64.07%, as well as female literacy, 44.24%, is well below respective national averages. The gender gap in the literacy rate is 19.83%. Twelve out of 14 districts have female literacy rates lower than the national female literacy rate. Special emphasis should be laid on girls education The per capita expenditure on education by the state (Rs. 1423.68) is quite high than the All India (Rs.867.39). Dropout rate reported in 1999-2000 for boys was 49.77%, and 50.81% for girls, while combined drop out rate is 50.23%. The dropout rate at middle level during this year is reported as 66.07% for boys, 63.38% for girls and 64.92% combined. High drop out rates, especially at primary and middle levels, are a cause of concern. The number out of school children is on the rise Almost 17% of the children in the age group of 6-11 and 26% in the age group of 11-14 are out of school. This large population of out of school children has to be brought under the regular schooling system, which is a major task for the state.

Problems are experienced in implementation of Mid Day Meal Scheme in terms of transportation of food grains, meeting conversion cost. Difficulties are faced in providing infrastructure facilities for cooking. Since 2004-05 ACA is being provided to the states for

mid-day meal schemes under the state plan. Arunachal Pradesh has been provided an amount of Rs.1.79 crore in 2004-05.

Even though the state has 78% of its villages provided with primary schools within a radius of 1km, only 40.7% of them have drinking water, 13.4% have urinals, 7.6% have lavatories.

Plan fund utilisation in Education Sector during the last three years and proposed outlay in various heads of the sector is given at **Annexure-V**. An amount of Rs.175.90 crore has been proposed for Elementary and Higher Education, Sports and Youth Services and Art and Culture for the year 2005-06.There is an overall increase by about 52% in the proposed outlay for 2005-06 over that of the preceding year. Steep increase has been proposed in the allocations for secondary education, sports and youth affairs and art & culture. Infrastructure development of Government secondary and higher secondary schools is proposed to be taken up during 2005-06. A very high allocation (300%) in the Sports and Youth Affairs has been proposed. There is no indication in the document of any civil work that will be undertaken during the year 2005-06 in respect of schools. The State is providing its share of Rs 15.69 cr under SSA. It has been observed that private participation in setting up of colleges has been encouraged in the State.

HEALTH

Notwithstanding its sparsely populated difficult terrain, and poor connectivity, poor access to health care services, the available data indicate that the state has adequate functioning sub-centres, PHCs and CHCs. It has three General Hospitals, 12 District Hospital, 31 Community Health Centers,78 PHCs,376 Sub-centres, 37 Homeopathy dispensary, 2 Ayurvedic Dispensary, 39 dental units. This is more in number than required health infrastructure of different systems of medicine, requires redesignating, integrating and strengthening for streamlining into a three-tier model of Sub-Centres, Primary Health Centres, and Community Health Centres. This reorganisation should be done with the objective of providing a) referral linkages; b) primary health care; c) emergency life saving services; d) services under National Disease Control and National Family Welfare Programmes. However, general access to health care services is poor in the state particularly in the rural areas due to difficult terrain and dispersed habitations. The existing health care facilities lack essential infrastructure like buildings, trained manpower, equipments etc.

There is need to re-organize the existing health infrastructure into 3-tier health care system with sub-centres, PHCs and CHCs. Vacant posts in State AIDS Control Society should be filled up, and targeted intervention project should be closed monitored by the state.

The basic health care and reproductive and child health services are yet to reach to the interior and remote areas of the State. Universal accessibility of health and family welfare services by entire population of the state is still a distant dream. This has been confirmed by the large unmet needs for family welfare services in the State as revealed by the NFHS-2 survey. According to the Second national Family Health Survey health and demographic indicators in respect of Arunachal Pradesh are:-

- Infant Mortality Rate (IMR): 63.1 per 1000 live births.
- Maternal Mortality Ratio (MMR): 4.50 per 1000 live births
- Decadal population Growth Rate: 26.85% (for the decade 1991-01)

An outlay of Rs.30.77 crore for medical and public health during 2005-06.

TRANSPORT

The State has a total road length of 18365 km. (as on 31.3.2002) with surfaced road share of 30.6%. The State Govemment needs to increase surface category of roads at least to the level of national average of 57.8%. The NH-52 and NH-52-A and NH-153 has a total length of 419.52 km. in the state. The state is still deficient due to inadequate capacity with pavement, poor geometric, poor riding quality, weak and distressed bridges and presence of a number of semi-permanent timber bridges. The present road density of state is 17.70 km per 100 sq. km. against All India average of 73 km per 100 sq. km. out of 3857 villages, only 1743 villages are connected b y road. Lateral road link is absent. There is need to improve length of surfaced roads. The state has emphasized on establishing continuity of connectivity by filling missing links, construction of bridges and protective/retention works, construction of porter/mule tracks/food suspension bridges along the rural link roads. The 10th Plan outlay, and Annual Plan outlays/expenditure during 2002-05 and proposed outlay for 2005-06 under various components of transport sector are indicated below:-

Plan outlay/Expenditure

Rs.Crore

Sub-sector	10th Plan Outlay	2002-03 Outlay	2002-03 Exp.	2003-04 Out.	2003-04 Exp.	2004-05 Out.	2005-06 Prop.
Road & Bridges	788.98	99.99	118.99	123.33	131.19	99.11	168.68
Road Transport	19.82	4.50	3.73	4.50	4.20	4.50	5.31
Road Safety Programme	0.37	0.09	0.09	0.09	0.09	0.09	3.10
Dte. of transport	1.39	0.35	0.35	0.35	0.35	0.35	0.50
Civil Aviation	13.86	3.10	2.65	3.10	2.85	3.10	3.66
Total	824.42	108.03	125.81	131.37	138.68	107.15	181.25

The proposed outlay of Rs.181.25 crore for Transport Sector for Annual Plan 2005-06. This works out to about a little over 22% of the 10th Plan Outlay and is higher by 69% than outlay for 2004-05.

Roads & Bridges

An outlay of Rs. 168.68 crore has been proposed for roads & bridges for AP 2005-06. This includes Rs. 136.05 crore for works under PWD and Rs. 32.63 crore for RWD. Physical targets during the 10th Plan and achievements are as follows:

Items of work	Unit	Target for 10th plan 2002-07	Achievement 2003-04	Anti achievement 2004-05	Target 2005-06
PWD					
1. Survey & investigation	Km.	1455	211.50	167.95	350.00
2. Formation cutting	Km.	1843	72.885	39.703	184.00
3. Permanent bridge	Mtr.	5342	359	615.48 (20 nos.)	(26 nos.)
4. Black topping	Km.	1392	33.26	7.63	50.91
5. Suspension bridge	Mtr.	3000	730/9 nos.	250 (3 nos.)	445 (5 nos.)
6.Pucca drain etc.	Km.	322	11.46	13.867	17.32
7. Porter/Mule Track	Km.	1500	236	196.34	234.00
RWD					
1 Road formation cutting	Km.	450	56.50		65
2 Road hard surfacing/ black topping	Km.	124	11.95		10
3 Wire rope suspension bridge.	No.	72	5		5
4 Mule/Porter track	Km	163	21		25
5 Road side plantation	Km.	300	12		18

The plan document doest not indicate estimated cost or physical targets.

PMGSY - As per available information the State has 3857 number of habitations of which 618 have been identified for providing connectivity under PMGSY. Out of these 111 have been connected till 19.1.2004. Against 103 habitations with population 1000 plus, only 11 habitations have been connected under PMGSY. The State Govt. need to speed up connectivity programme particularly for habitations with population 1000 plus.

There is no mention about the maintenance of State Roads in the Plan document.

Road Transport

Financial and physical progress of the State Transport Corporation is as follows:

Item	2001-02 Act.	2002-03 Act.	2003-04 Lat.Est.	2004-05 Estimate
Net operating loss (Rs.cr.)	9.31	9.59	10.88	10.79
No.of buses at the end of the year	226	233	236	240
Fleet utilization (%)	67	65	68	68
Vehicle productivity per bus per day	122	124	125	125
Load factor (%)	52	47	51	51

As estimated by the Resources Working Group, net operating loss of the State Transport Corporation is estimated to marginally increase to Rs. 10.70 crore as compared to 9.59 crore in 2002-03. Important factors contributing for slow progress are mainly, low fleet utilization, load factor and poor vehicle productivity of the STC. The STC need to improve the physical performance to reduce losses.

Civil Aviation

An outlay of Rs. 3.66 crore has been proposed for Annual Plan 2005-06 Important schemes proposed include improvement/upgradation of ALGs located at strategic places

TOURISM

Arunachal Pradesh has vast potential for development of eco and adventure tourism Though tounsm has already been declared as an industry in the State, no

significant activity on the ground level could be taken up due to various problems like that of accessibility, remoteness from the mainland, poor connectivity, net work, etc. During Tenth Plan intended to give a major thrust on tourism development to make it a major growth engine for the State in coming years. The state tourism policy –2003 envisages various incentives for development of tourism in the state for employment and income generation and to attract private investment in the sector. The priority in t2005-06 will be exploitation of tourism potential through development of tourism infrastructure , stress on adventure tourism, eco tourism and cultural tourism and development of tourist circuits.

The State proposes to allocate Rs 9.94 crores under its various tourism related schemes.

HOUSING AND URBAN DEVELOPMENT

There are 17 towns with a population of 2.23 lakh i.e., 20.4% of the total population. The urban growth and urbanization is a fast growing phenomenon in Arunachal Pradesh

The identified thrust during the Tenth Plan is on effective planning and implementation of urban developmental infrastructure, preparation and implementation of Master Plans, construction of sewerage system for the towns etc. The urban poverty alleviation programme under Centrally Sponsored Schemes of Swarnajayanti Shahari Rozgar Yojana (SJSRY) is being implemented in the state. The Central and State share released upto March, 2004 amounted to Rs.1.81 crore respectively, and the utilization was reported to be Rs.3.17 crore with an unspent balance of Rs.5.35 crore, the utilization works out to 37%.

Under IDSMT upto March, 2004 the number of towns covered was 16, The Central and State release of funds amounted to Rs.4.06 crore, Rs.2.12 crore respectively. The expenditure reported was Rs.2.68 crore.

Under NSDP Rs.5.98 crore was released and expenditure report was Rs.4.63 crore amounting to 82% utilization.

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Annexure-I

Cropping intensity and productivity of different crops in Arunachal Pradesh during 2002-04 , Target and Anticipated achievement during 2004-05

A. Area Statistics. (in 000' Hect)

Sl. No	Particular	Level during 2002-03	Level during 2003-04	Target 2004-05	Anticipated achievement 2004-05
1	Net area sown	200.500	201.000	207.000	160.500
2	Gross area sown	253.000	254.000	270.000	219.000
3	Cropping intensity	126.000	126.000	130.000	136.440%

B. Productivity per unit area: (Qtl. Per Hect)

Sl. No	Crops	Level during 2002-03	Level during 2003-04	Target 2004-05.	Anticipated achievement 2004-05
1	Rice	12.20	13.00	12.80	10.50
2	Maize	13.90	14.10	14.60	10.15
3	Millet	9.20	9.60	10.63	8.51
4	Pulses	10.70	10.80	10.55	9.83
5	Oilseeds	10.50	10.20	10.48	10.18
6	Potato	69.60	73.50	74.54	69.38
7	Ginger	72.70	79.40	72.73	57.57
8	Sugarcane	191.50	200.53	219.78	225.80
9	Vegetable	33.30	33.00	34.00	27.17
10	Wheat	15.20	15.20	15.62	15.53

C. Area under High Yielding variety:

(in '000 Hect)

Sl. No	Crops	Level during 2002-03	Level during 2003-04	Target 2004-05.	Anticipated achievement 2004-05
1	Rice	37.200	37.500	41.000	33.400
2	Maize	22.300	23.000	25.000	18.000
3	Millet	3.600	4.000	4.000	2.500
	Total :-	63.100	64.500	70 000	53.900

Annexure- II.

Food grain and major cash crop production target during 2005-06

Crop	Area (in 000 hect)	Production (000MT)	Yield (Qtl per hect)
1. Rice	128.500	165.000	12.840
2 Maize	45.000	68.000	15.110
3. Millet	23.50	23.500	10.000
4. Wheat	4.900	8.000	16.320
Total Cereal	201.900	264.500	13.100
Total Pulses	10.000	11.000	12.220
Total food grains	211.900	275.500	13.000

Crop	Area in 000 hect	Production in 000 MT	Yield in Qtl/hect
Oilseeds	31.800	35.000	11.000
Potato	5.850	44.000	75.210
Ginger	6.000	44.000	73.000
Vegetables	17.500	60.000	34.280
Sugarcane	1.040	23.000	221.150
Turmeric	0.600	2.400	40.000
Chilli	1.870	2.900	15.500
Total	64.660	211.300	32.670

Annexure III.

Target of major horticulture crops for tenth plan and achievements during 2003-05 , targets proposed for Annual Plan 2005-06

Crops	Target for 10th Plan 2002-07		Achievement 2003-04		Anticipated Achievement 2004-05		Proposed targets 2005-06	
	Area in hect.	Prod. in MT	Area in hect	Prod. In MT	Area in Hect	Prod. in MT	Area in Hect	Prod. in MT
Apple	8554	12467	7320	10178	7686	10687	9006	9889
Citrus	25509	33079	21829	27011	22920	28361	26250	27826
Pineapple	9468	43894	8102	35841	8507	37633	8663	35514
Banana	4630	18024	4000	14717	4160	15452	5250	15112
Walnut	3025	80	2590	65	2719	68	3835	80
Other fruits	6698	21332	5733	17419	6019	18290	6521	16397
Total fruit crops	57884	28876	49574	105231	52011	110491	59525	104818
Cardamom	2898	707	2480	578	2604	607	5182	650
Black pepper	863	203	738	166	775	174	2226	210
Other spices	8386	40641	7176	33185	7535	34844	7875	26775
Total spices	12147	41551	10394	33929	10914	35625	15283	27635

Annexure IV

Physical targets under Rural Development schemes in the Tenth Plan, achievements during 2003-04,2004-05 and target proposed for 2005-06

Sl. No.	Item	Unit	Tenth Plan (2002-07) Target	Achieve-- ment 2003-04	Anti. Achi 2004-05	Target. 2005-06
1	2	3	4	5	6	7
1	i) SGSY	a) No of Group b)No of Individual Swarozgari	300 16170	30 722	108 1051	120 1100
2	SGRY	No of Man days in Lakhs	115	13.70	23.11	25.00
3	Rural Housing	-	-	-	-	
	a) IAY	No. of House				
		New Const.	21527	3541	3204	3525
		Up-gradation	11840	1333	1762	1940
	b)PMGY (GA)	New House	11710	1110	1757	1757
		Up-gradation		660	966	966
4	IWDP (now Hariyali)	Area in Hect.	-	9370.68	32000	40000
5	Vehicle	No		2	-	5
6	Housing Prog.	No	250	13	-	

ANNEXURE – V

Utilization in Education Sector during 2002-05 and proposed outlay for 2005-06

(Rs. Lakhs)

S. No	Sub-head	Tenth Plan 2002-07 Agreed Outlay	2002-03 Actual Expd.	2003-04 Actual Expd.	2004-05 Approved outlay.	2005 – 06 Proposed Outlay by the State	% Change
1.	Elementary Education	27555.27	4998.14	7064.85	7064.85	9640.00	36.4%
2.	Secondary Education	12487.00	1778.00	1839.36	1219.00	3006.00	146.6%
3.	Adult Education	500.00	132.09	146.80	146.80	153.00	4.2%
4.	Higher Education	7594.00	1260.10	1460.98	2160.00	2599.00	20.3%
5.	Others	586.45	92.83	364.71	364.35	110.00	(-)69.8%
6.	Total General Education (Items 1 to 4)	48702.72	8261.16	10876.70	10955.00	15508.00	41.6%
7.	Sports & Youth Affairs	910.56	307.33	318.55	376.00	1492.00	296.8%
8.	Art & Culture	2435.16	630.95	285.87	265.00	590.00	122.6%
	Total Education (Items 6 to 8)	**52048.44**	**9199.44**	**11481.12**	**11596.00**	**17590.00**	**51.7%**

BIHAR

Background Note 2005-06 not issued

MOST IMMEDIATE
OUT TODAY

No. M-13048/5/CHH/04-SP-C
PLANNING COMMISSION
(State Plans Division)

Yojana Bhavan, Sansad Marg
New Delhi, 110001
Dated 19th January, 2005

Subject: Background Note for discussions of Annual Plan 2005-06 of Chhattisgarh

A Background Note for the meeting to be held between Deputy Chairman, Planning Commission and Chief Minister of Chhattisgarh at 3:30 p.m. on 24 1.2005 for finalization of Annual Plan 2005-06 is hereby circulated.

(Harish Chandra)
Director (SP-C)
Room No. 360
Tel No. 23096722

Encl: As above

Planning Commission

Principal Advisers
Advisers
JS(SP)
Heads of Divisions

PMO

Director (Chhattisgarh)

Ministry of Finance
Joint Secretary (PF-I)
Department of Expenditure, North Block, New Delhi

National Commission on Population
Member Secretary

Copy to Private Secretary to:
Deputy Chairman/Minister of State/Members/Secretary,

Copy also to :
Director(SP-Coordination)/Director(PC Division)/DA(MLP & Hill Areas) and NEC Unit/ Protocol Unit/Information Officer

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BASIC FACTS OF CHHATTISGARH

A.	**Notified as 26th State created on**	1st November 2000
	1. Area	136 thousand sq. km
	2. Population	2,08,33,803
	3. Districts	16
	4. Development Blocks	146
	5. Villages (2001)	20308

B. COMPARATIVE FIGURES – CHHATTISGARH VS. ALL INDIA

Sl.No.	Particulars	CHHATTISGARH	All India
1	Per capita Income (2002-03) at current prices (in Rs.)	11893	18912
2	Population in lakh (2001)	208	10286
3	Sex Ratio (number of females per thousand males) (2001)	989	933
4	Percentage of Urban Population (2001)	20.08%	27.78%
5	Decadal growth rate of population (1991-2001)	18.06%	21.34%
6	Density of population per Sq. Km (2001).	154	324
7	Birth rate per thousand (2002)	25	25
8	Death rate per thousand (2002)	8.7	8.1
9	Infant mortality rate per thousand (2002)	73	63
10	Population below poverty line in % (1999-2000)		
	a) Rural	45.09%	27.09%
	b) Urban	36.27%	23.62%
11	Literacy rate in percent (2001)	64.7%	64.8%
	a) Male	77.4%	75.3%
	b) Female	51.9%	53.7%

PLANNING COMMISSION
(State Plans Division)

ANNUAL PLAN 2005-06

BRIEF FOR THE MEETING BETWEEN THE DEPUTY CHAIRMAN, PLANNING COMMISSION AND THE CHIEF MINISTER OF CHHATTISGARH

STATE PROFILE

The new State of Chhattisgarh came into existence on 1st November, 2000 by separation of 16 districts of Chhattisgarh region from Madhya Pradesh. Chhattisgarh situated in Central eastern part of India, shares its boundaries with six States viz. Madhya Pradesh, Maharashtra, Andhra Pradesh, Orissa, Jharkhand and Uttar Pradesh. The total geographical area of State is 136.03 thousand sq. km.

Geographically, the State is divided into three distinct land areas. In the north are the Satpura ranges, in the center, the Chhattisgarh plains (known also as plains of river Mahanadi and its tributaries) and in the south the plateau of Bastar. The State is rich in mineral and forest resources. Land is fertile and water availability is reasonably sufficient with total average rainfall of 60 inches. Paddy, is the main crop of the State. Due to abundance of production of paddy, Chhattisgarh was earlier known as '*Rice Bowl of India.*'

The State has at present, 16 districts, 93 tehsils and 146 community development blocks (including 85 Tribal development blocks). Chhattisgarh has three tier Panchayati Raj Institutions in the legacy from Madhya Pradesh. These institutions have defined powers and duties at all levels. At present the State has 16 Districts Panchayats, 146 Janpad Panchayats and 9193 Village Panchayats. In urban areas, the State has 8 Municipal Corporations, 28 Municipal Councils and 40 Nagar Panchayats.

According to the Census 2001, the State has a population of 208.34 lakhs persons with 104.74 lakhs males and 103.60 lakhs females. Thus, the sex ratio comes to 989 females per thousand males which is far above the national average of 933 and 919 for Madhya Pradesh. The estimated density of population is 154 persons per sq. km. It is far below the national average of 324 and 338 of the neighbouring new state of Jharkhand but not very far from 196 of Madhya Pradesh.

Another significant aspects of the population characteristics of the State is high concentration of tribal population. The proportion of Scheduled Tribes population in 2001 was 31.8 % while the proportion of Scheduled Caste population in the State was 11.6%. The proportion of ST and SC at the national level in 2001 was 8.2 % and 16.2% respectively. The decadal growth rate of population in Chhattisgarh was at 18.06% which is much lower than the national average of 23.1%. The literacy rate in the State was 64.7% against the national average of 64.8% in 2001.

TENTH PLAN

Tenth Plan (2002-07)
Approved Outlay at 2001-02 prices Rs. 11000.00 crore

Annual Plan 2002-03

Approved Outlay	Rs. 1757.00 crore
State's own resources	Rs. 1011.90 crore
Central Assistance	Rs. 745.10 crore

Annual Plan 2003-04

Approved Outlay	Rs. 2335.00 crore
State's own resources	Rs. 1476.01 crore
Central Assistance	Rs. 858.99 crore

Annual Plan 2004-05

Approved Outlay	Rs. 3322.46 crore
State's own resources	Rs. 2048.23 crore
Central Assistance	Rs. 1274.23 crore

Realization of the aggregate of plan resources during first two years of plan was 33.80% against the average of 29.04% for non special category states.

The approved outlay for Tenth Plan, approved outlay and expenditure for first three years of Tenth Plan and proposed outlay for 2005-06 are given in the Annexure-I.

Priorities for the Tenth Plan

Chhattisgarh Government has given top priority to agriculture with emphasis on increasing production and productivity and change in the cropping pattern to increase the area under cash/commercial crops, pulses, oilseeds and horticulture and linkages between agricultural research and education. The second priority area is irrigation, which at present covers only one-fourth of the net area sown. The state government has accorded the highest priority on completion of incomplete major, medium and minor irrigation works earlier rather than their stipulated time.

Judicious exploitation of the State's other natural resources, such as its vast mineral wealth and forest wealth for economic growth will be the third priority area. The vast mineral resources of the State are largely untapped. The large potential in the field for growth of mineral-based industry and power generation will be realized during the Plan. Similarly, the entire tribal economy is sought to be changed through minor forest produce.

The other priority area is human development with emphasis on the provision of basic amenities viz. universalisation of primary education and provision of mid day meals, primary health, safe drinking water, housing assistance to shelter less poor, nutrition for disadvantaged section of the population, connectivity to rural habitations, distribution of essential commodities through public distribution system. Generating adequate employment opportunities for unemployed and removal of regional/social disparities are the other priorities to be addressed during the Xth Plan period. This requires large plan outlay under

Rural Development, where in most of the scheme relating to generation of additional employment and alleviation of poverty are being implemented.

Agriculture and industrial development need support with developed infrastructure, particularly in the energy and transport sectors with a larger road/rail link. So energy and Road development are also placed in priority area.

GROSS STATE DOMESTIC PRODUCT OF CHHATTISGARH

Although, Chhattisgarh was created on 1st November,2000, the comparative data for the State was compiled and brought out by Central Statistical Organisation for the years when the region was not a separate State. The GSDP data published by Central Statistical Organisation for Chhattisgarh state is given in the following table:

Year	GSDP at 1993-94 prices (Crore Rs.)	Growth over previous year (%)
1993-94	14171	
1994-95	14353	1.28
1995.96	14796	3.09
1996-97	15415	4.18
1997-98	15895	3.11
1998-99	16744	5.34
1999-2000	16785	0.24
2000-01	16029	-4.51
2001-02	18062	12.68
2002-03	17716	-1.92

Source: Website of Ministry of Statistics & PI(CSO)

The Planning Commission has worked out State-wise Gross State Domestic Product (GSDP) growth prospects for the Tenth Plan period under which the overall GSDP growth rate of Chhattisgarh State is 6.10 per cent with 3.00 percent in agriculture, 7.50 per cent in industry and 7.00 per cent in services.

Per Capita Income

The per capita NSDP at current prices decreased from Rs. 11952 in 2001-02 to Rs. 11893 in 2002-03, registering a decrease of 0.49 per cent. The same at constant (1993-94 prices decreased from Rs. 7303 to Rs. 7040 registering a 3.60 per cent decrease. The decrease was due to poor performance of agriculture sector on account of monsoon failure during the 2002-03.

Sectoral Composition

The following table shows the sectoral composition of the Net State Domestic Product of Chhattisgarh at current prices.

Sl. No.	Sector	Percentage Distribution of Net State Domestic Product at Current Prices (P)					
		1993-94	1998-99	1999-00	2000-01	2001-02 (P)	2002-03 (Q)
1	Primary Sector	42.08	36.14	38.22	36.33	40.80	34.91
2	Secondary Sector	27.31	29.10	23.91	21.58	18.77	21.11
3	Tertiary Sector	30.61	34.76	37.87	42.09	40.42	43.98

(P) Provisional (Q) Quick Estimate

Nearly 44% people are living below the poverty line. The cropping intensity is the lowest in the country. The State is a net importer of fruits, milk, milk product, fish, egg etc. People are migrating to different states in search of wage employment. Planning has to address these deficiencies.

EXTERNALLY AIDED PROJECTS

The Working Group headed by Principal Adviser recommended ACA of Rs. 289.53 crore for Externally Aided Projects for the Annual Plan 2005-06. The details are given in the following table:

Additional Central Assistance in the Annual Plan 2005-06 Rs. crore

Sl. No.	Name of the Projects	ACA required
1	Chhattisgarh Sericulture Development Project (JBIC)	2.53
2	Chhattisgarh Tribal Development Programme (IFAD)	14.00
3	UNDP Development Programme (UNDP)	1.00
4	National Hydrology Project Ph-II (World Bank)	4.00
5	Chhattisgarh District Rural Poverty Programme (World Bank)	109.00
6	Chhattisgarh State Road Sector Development (ADB)	70.00
7	EC India State Partnership Programme	75.00
8	CIDP	14.00
	GRAND TOTAL	**289.53**

SECTORAL ISSUES

AGRICULTURE AND ALLIED ACTIVITIES

Agriculture sector contributed about 34% to the States' Net Domestic Product in the year 2002-03. Over 80% of the State's population depends on agriculture and allied sector for their livelihood. Development of agriculture is the core issue for overall development of the state. Agro climatic conditions of the Chhattisgarh vary with reference to rainfall, temperature, topology etc. Therefore, it has been divided into three agro climatic zones viz. Chhattisgarh plains, Bastar Plateau and Northern-Hills zone. Paddy is the main crop covering about 80% of total cropped area and it is also being grown indiscriminately where the productivity is not remunerative. Presently, the State has 57.88 lakh hectares gross areas

and 48.28 lakh hectare net areas under cultivation. The double crop area of the state is only 16.5 lakh hectares with average cropping intensity of 116%, which was 136% during last year (2003-04) due to shift in rainfall pattern. Assured irrigation is merely 21% in the state. Poor productivity, low intensity, negligible area under commercial crops is affecting the growth of agriculture sector.

Cropping pattern

Rice is the main crop of State, occupies about 35.00 lakh hectare, which is 80% of total sown area. While the area under pulses (Kharif + Rabi) is 13.92 lakh hectare and oilseed (Kharif + Rabi) is 6.47 lakh hectare.

Crop-wise Kharif and Rabi area, production, productivity during 2003-04 has been given at **Tables A & B** respectively.

Progress of food grain production

Total food grain production during 2000-01 was 7328.83 thousand metric tone and it was 7985.87 th. mt. during 2004-05 (estimated) - significant increase over the base year (2000-01).

Under the crop diversification programme, an area of 551.692 thousand ha. had been converted from the cultivation of uneconomical rice, coarse cereals etc. to cultivation of oilseeds, pulses and maize over the base year (2000-01) of which 29.04 thousand ha. fallow land had been brought under cultivation.

Seed Production and Distribution

Improved Seed has the potential to increase crop production by 15-25% over traditional varieties. Thus, it is very essential to increase supply of the seeds of HYVs by increasing the seed replacement rate (SRR). The SRR of state at present is much lower and have tremendous scope to increase. In this context, the state has prepared a detailed seed rolling plan for the next five year with a provision to reach up to 10% (approximately) of SRR at the end of the plan

Supply of seeds to the farmers in proper time is not successful due to poor distributive network. Thus, there is urgent need to establish storage structure and transportation facilities. Under the state schemes of Annapurna and Surajdhara, SC/ST farmers are being motivated for seed production of HYVs of cereals, pulses and oilseeds, by providing them foundation / certified seeds.

Balance use of fertilizer

Fertilizer consumption of Chhattisgarh is around 54 kg./ha. which is very low with reference to national average. Besides, low consumption, it is far from the norm of balanced use, as at present the ratio of N : P : K is 14.2 : 5.9 : 1.

Promotion of Organic farming and bio pesticides

The State department is working with scheme "Development of organic and sustainable agriculture" (DOSA) with the objectives to promote the use of biofertilizer, green mannuring, bio compost, biogas slurry to improve the physico- chemical properties of the soil.

The scheme "Integrated Pest Management" is being implemented with the objective to check indiscriminant use of chemical pesticide to make balance the population of natural enemies among the pest population, so as to balance the natural environment.

Horticulture

Chhattisgarh has 1.45% of the area under horticulture. Almost entire fruit supply in the State is from the outside. The State has a good potential to develop horticulture, spices, vegetables, etc.

Horticulture crops such as fruits, vegetables, flowers, spices and other are well suited to the agro ecological condition of Chhattisgarh and have considerable scope for further expansion. In addition, many of these crops, particularly vegetables are well suited to the resource conditions of small and marginal farm household, since they can transform excess family labour into new sources of income through highly profitable, intensive farming systems. Also, several of these commodities have high export potential either as fresh produce or as processed goods and ensure better income realization per unit area and unit time.

In Chhattisgarh state, Department of Horticulture is having 106 Govt. Nurseries and produce quality planting material for distribution among the farmers. In the year 2004-05, the State has produced 19.68 lakh plants and by selling of these plants, department generated a revenue of Rs. 61.89 lakh. With regard to quality production of vegetable seed, a vegetable seed production farm has been established at Bana in district Raipur to meet the requirement of vegetable seeds of farmers.

Agriculture Education and Research

- Indira Gandhi Agricultural University, Raipur is imparting education and carrying out research with following objectives :-
- Making provision for education of rural people of Chhattisgarh in different branches of study particularly agriculture, rural industry and business and other allied subject.
- Furthering the pursuance of research, particularly in agriculture and other allied sciences and
- Undertaking field and extension programmes.

Animal Husbandry

Livestock sector is extremely vital in the State economy in general and rural economy in particular. Over 70% of rural household own livestock. A large majority of livestock owning household comprise of small and marginal farmers and landless labourer, which also account for a large share of poor household.

The State has planned distribution of cows, pig trios, up-gradation of breeds of local pig and goat through exchange of boar and ram as well as backyard poultry units. Elaborate programme have been made to benefit 65000 families directly in the remaining three years of the tenth five year plan. It has been proposed to develop 30000 backyard units of poultry, 10000 pig development, 5000 sheep development and 20000 milch cows under different projects and schemes. These schemes shall raise the income of the beneficiaries from Rs. 7600 to Rs. 15000 per annum and alleviate poverty.

Fisheries

Fish production in the State is 99,800 tonnes per year whereas the demand is about 2,08,800 tonnes. There is a good scope for reservoir fisheries in the State. The main

hindrance in the growth of the sector is non-availability of quality seed. The demand of seed is 774.6 million and supply from government is only 430 million fingerlings, which is about 56% of the demand. Part of this demand is met from the private hatcheries, which not only charge higher rate but the quality of seed is poor.

Requirement of fish seed in terms of standard fry is 610 million annually, against which 380 million standard fry are produced locally in the state. 45 hatcheries are functioning in the state out of which 17 hatcheries are in the private sector. Now emphasis is given to private sector to come forward in this field. Five additional hatcheries have come up in the private sector in the recent past.

The sub-sector wise outlays and expenditures of Agriculture & Allied Activities during 10th Plan is given at **Annexure-II.**

Issues

- Although paddy occupies an important position in the State agriculture, it is not economic to grow paddy in all the available land for cultivation. It has been found that paddy is being grown in land (25%-30% of total paddy area) where, it is un-economical to grow.

- One of the reasons for the poor growth in agriculture sector is lack of infrastructure facilities and inputs like availability of quality seeds, plants, agro processing/value addition units, etc. Horticulture nurseries need to be promoted/strengthened in the public/private sector to provide high quality planting materials on time to the farmers.

- The Government/private run I.T.Is may be encouraged to introduce special courses for farm implementation fabrication and maintenance so that available technical manpower is increased.

- Market has always been bottleneck in the field of agriculture development. An efficient marketing system with facilities like pre-cooling chamber, ripening chamber etc. may be developed with the help of the producers cooperatives to reduce post harvest losses and avoid distress sale of produce by the farmers. Contract farming is gaining importance and has to be encouraged.

- Government may provide incentives to private breeders for producing quality animals to bridge the gap in demand and supply of livestock. Infrastructure for veterinary health care, artificial insemination, milk processing and marketing needs to be upgraded, increased and strengthened.

- There is an urgent need to promote commercial aquaculture in the State on a large scale by propagating fish farming by construction of new ponds on private land which has obvious advantage over the farming in lease pond.
- Promotion of new technologies viz fresh water prawn farming, magur farming, ornamental fish breeding etc., for fish production and export should be encouraged.

Table A: Crop-wise Kharif area, production and productivity achieved during 2003-04

S.No.	Crop	Area in 000' ha.	Production in 000' tones	Productivity kg./ha.
1	Paddy	3470.52	5750.72	1588
2	Jowar	11.64	10.95	961
3	Maize	151.01	208.92	1408
4	Kodo-kutki	146.80	37.14	235
5	Arhar	164.58	199.15	1230
6	Moong	28.94	11.47	425
7	Urid	203.39	85.88	425
8	Kulthi	65.46	19.86	300
9	Groundnut	58.89	64.17	1113
10	Til	54.77	15.29	257
11	Soybean	81.56	72.67	978
12	Ramtil	113.24	27.60	249
	Total-	**4550.8**	**6503.82**	

Table B: Crop wise Rabi area, production and productivity achieved during 2003-04

S.No.	Crop	Area in 000' ha.	Production in 000' tones	Productivity kg./ha.
1	Wheat	164.91	180.94	1127
2	Jowar	4.40	4.28	1250
3	Maize	8.88	12.53	1249
4	Gram	298.83	247.86	779
5	Field pea.	37.94	19.53	506
6	Lentil	27.91	12.21	438
7	Urid	20.29	8.95	415
8	Moong	22.90	5.50	344
9	Lathyrus	487.85	296.59	606
10	Kulthi	30.95	12.32	398
11	Other pulses	4.17	1.06	250
12	Linseed	158.90	44.69	359
13	Mustard	132.78	57.67	662
14	Safflower	7.82	3.12	459
15	Sun-flower	18.25	19.42	841
16	Til	3.04	1.49	462
17	Ramtil	17.70	3.91	294
18	Groundnut	9.47	9.71	1013
	Total -	**1456.99**	**941.78**	

RURAL DEVELOPMENT

The percentage of rural population living below the poverty line in the State of Chhattisgarh in 1999-2000 was 45.09% as against the corresponding All India figure of 27.09 per cent. In absolute term, number the persons living below poverty line was 74.01 lakh in 1999-2000 in the State.

Rural Poverty Alleviation Programmes:

The major rural poverty alleviation programmes are:

Swaranjayanti Gram Swarozgar Yojana (SGSY): Swaranjayanti Gram Swarozgar Yojana (SGSY) is a holistic programme of micro enterprise development in rural areas with emphasis on organizing the rural poor into self help groups, capacity building, planning of activity clusters, infrastructure support, technology, credit and marketing linkages.

Sampoorna Grameen Rozgar Yojana (SGRY): The objective of the SGRY is generation of wage employment, creation of durable economic infrastructure in rural areas and provision of food and nutrition security to the poor. The works taken up under the programme are labour intensive and the workers are paid the minimum wages notified by the States.

Indira Awaas Yojana (IAY): The IAY is the core programme for providing free housing to BPL families in rural areas and targets SCs/STs households and freed bonded labourers.

Financial and Physical performance under major centrally sponsored schemes i.e. Swarnjayanti Gram Swarozgar Yojana (SGSY), Sampoorna Grameen Rozgar Yojana (SGRY) and Indira Awaas Yojana (IAY) during the Tenth Plan Period is given in Annexure III & IV respectively.

The major issues under major rural poverty alleviation programmes in the State are as under:

Under SGSY, provision of credit is an area of concern. The percentage of credit disbursed under SGSY in the State is lower than the credit target set for the State (64.76% in 2003-04). Subsidy credit ratio was 1:1.77 in 2003-04 as against the norm of 1:3. Per family investment was, however, higher than the norm of Rs. 25,000 (Rs. 26660 in 2003-04). The participation of women under the programme is not very encouraging as only 18.24% of the total swarozgaris assisted were women in 2003-04 as against the norm of 30%. During the same period, the percentage of SC and ST assisted in the State under the scheme is 15.35% and 42.81% respectively. The percentage of expenditure on training/capacity building under SGSY is quite low (2.72% in 2003-04). Further, the pace of SHG families is quite slow in the State as majority of assisted beneficiaries are individual swarozgaris.

In view of the above, it may be emphasized that credit delivery under the programme needs to be strengthened. Further, training and capacity building of SHGs needs to be given priority. Marketing is an important component of the programme. Steps may be taken to ensure effective market linkages are established with an emphasis on market research, upgradaton/diversification of projects, packaging, creation of marketing facilities, etc. Further, the formation of SHGs also needs to be given impetus. The SHGs formed under the SGSY can play a major role in convergence with various programmes of other departments targetting the rural poor.

Under SGRY-I, 56.18% of foodgrains authorized were lifted while 90.39% of foodgrains lifted were utilized in 2003-04. During the same period under SGRY-II, again 90.98% of foodgrains authorized were lifted while 94.16% of the foodgrains lifted were utilized. Watersheds have not received importance. These need to be given priority as they have the

potential for providing sustainable incomes to the poor in the long run. The quality of assets created and their maintenance also needs to be focused upon.

Recently, National Food for Work Programme (NFWP) has been launched in selected backward districts. 100% Central funding is being provided under the programme. The State Government may take appropriate steps for the implementation of the programme. The Programme is being implemented in ten districts of the State.

The State Government of Chhattisgarh may be asked to earmark the Additional Central Assistance (ACA) of Rs. 2888.60 lakh for National Social Assistance Programme (NSAP) including Annapurna for Annual Plan 2004-05 alongwith the State Budget provision or actual expenditure whichever is higher for the schemes during 2000-01.

Major findings of the Impact Assessment Study on Rural Development Programmes in Kanker District in Chhattisgarh (2002)

- During 1998-99 to 2000-01, 33% of the funds available remained unutilized in the four blocks selected for the study.
- Average employment for beneficiaries under EAS was 23.6 days per year and the average income was 7831 per annum. While under JGSY, it was 26 mandays per year. Under EAS/JGGSY, payments were mostly on weekly/monthly basis and it was made by the contractor in 30% cases under EAS and 64% under JGSY. Regular Work and higher wages were demanded by the beneficiaries. The assets created included 'Katcha Roads' Gali Nirman, Chabutra Nirman and Kharanja construction.
- The beneficiaries of IAY were satisfied with the selection procedure and quality of houses. However, 68% of the houses were registered in favour of males.
- About 38.5% of the respondents stated that the programmes resulted in increased incomes for them.
- There is lack of awareness of all MORD schemes. The villagers were neither well informed about the features and objectives of the various programmes nor did they know how they could approach authorities and complete the formalities to get the benefits at the quickest possible time. This was also responsible for low participation in the process of development.
- The funds provided under the schemes were generally inadequate for the creation of sufficient number of assets at a village level.
- There are difficulties in assessing the cost effectiveness of funds utilized under various programmes due to lack of proper estimates during the planning stage of asset creation.
- The three tier panchayati raj system is in place in the district and the norm of reservation seats for SCs/SSTs/women/backward castes is being followed. The success of the Panchayati Raj system to help execute the MORD schemes hinges largely on the extent to which their capabilities are built in to perform these functions and responsibilities. However, this kind of training or guidance was not given to any of the panchayat member despite the fact that a number of entrants are from the weaker sections of the society who require such skills and guidance to perform their role efficiently. Further, records were not displayed by panchayats as per the guidelines

POWER & ENERGY

The Chhattisgarh State Electricity Board (CSEB) is the main agency for development of power sector in the State.

Installed Capacity (I.C.)

(MW)

	Hydro	Thermal	Total
I.C. at the beginning of 9th Plan (1.4.1997)	120	1240	1360
Capacity Addition during 9th Plan (1997-2002)	-	-	-
I.C. at the end of 9th Plan (31.3.2002)	120	1240	1360
I.C. as on 31.3.2003 (Actual.)	120.85	1240	1360.85
I.C. as on 31.3.2004 (Actual)	120.85	1280	1400.85

In addition the Chhattisgarh State has a share of 498 MW in Central Sector thermal and nuclear power stations located in the Western Region as detailed below :

Central Sector Thermal Stations	Chhattisgarh Share (MW)
Korba STPS (3x200+3x500MW) - NTPC	308
Vindhyachal STPS (6x210+2x500MW) - NTPC	106
Kawas -I CCGT (4x106+2x110 MW) - NTPC	33
Gandhar-I CCGT (3x131+1x255 MW) - NTPC	28
Nuclear Stations	
Kakarapar APP (2x220 MW) - NPC	23
	498

Operational Performance

	PLF (%)		T&D Losses (%)	
	CSEB	All India	CSEB	All India
2000-01	65.72	67.7	24.48	32.86
2001-02	69.75	69.9	32.24	33.98
2002-03	69.90	72.2	30.52	32.54
2003-04	68.51	72.7	26.81	
2004-05 (RE)	76.01		29.00	

Number of Villages Electrified

Chhattisgarh (As on 31.3.2004)	All India
94%	84.3% (Revised)

Pump Sets Energisation Programme

Achievement

As on 31.3.2004 (Cumulative) — 98035 Nos.

Power Supply Position

Year	Peak Deficit		Energy Deficit	
	MW	%	MU	%
2001-02	46	3.4	229	2.8
2002-03	56	3.6	307	3.1
2003-04	164	9.5	271	2.7

Annual Plan 2005-06

The State Government has stated that the Chhattisgarh State Electricity Board (CSEB) is in surplus position and major on-going schemes of, T&D, Renovation & Modernisation, and Rural Electrification are maintained through its internal resources.

APDRP utilisation (As on 31st October, 2004)

Project Cost	:	**Rs. 424.58 crore**
APDRP Cost	:	**Rs. 212.29 crore**
APDRP Release		
Investment	:	**Rs.53.07 crore**
Incentive	:	**NIL**
Counterpart fund drawn	:	Rs.60.25 crore
Total utilization	:	Rs.119.06 crore

SEB Performance

The financial performance of Chhattisgarh State Electricity Board (CSEB) in terms of various related parameters for the year 2000-01 (actual) and 2001-02 (anti.) and Annual Plan 2002-03 is indicated below.

(Rs. Crore)

	2002-03	2003-04	2004-05 BE	2004-05 RE	2005-06 AP
Average Cost of Supply (Paise/Kwh)	237.39	270.15	249.24	258.00	260.98
Average Tariff (Paise/Kwh)	312.00	314.00	314.00	310.00	310.00
Percentage Recovery (%)	131.43	116.23	125.98	120.15	118.78
Net Commercial Profit/ Loss (Rs. Crore)	853.08	663.84	729.19	803.26	839.56
(With Subsidy)	791.58	586.58	654.58	718.51	746.83
(Without Subsidy)					
Net Internal Resources (Rs.Crore)	621.54	689.65	870.91	583.34	616.43
Average Agricultural Tariff (Paise/Kwh)	45	42	40	56.40	56.40
Share of Agricultural Consumption (%)	10.82	11.36	12.55	9.48	9.53

Revenue Arrears (as on 31.3.2004) Rs.1460.8 crore

(Which is 52.07% of the Revenue of the year 2003-04)

Tenth Plan Capacity Addition Programme

All India 41110 MW

Out of 41110 MW All India Capacity addition estimated for Tenth Plan the following Chhattisgarh State Sector project has been included.

i) Korba East TPS Extn 420 MW (2x210 MW)

In addition to above, the following projects have also been proposed by the state

i) Matnar Hydel (3x20 MW)
ii) Mahanadi Reservior (Gangrel) Hydel (4x2.5 MW)

Joint Venture (Proposed)

i) Chhattisgarh & Gujarat Power Generation Co. (1x500MW)

Status of Major On-going Projects

Indira Sarovar (Bodhghat) Hydro Electric Project (4x125 MW)

This project had started in the early 80's and about Rs.43 crore was spent on this project on various construction activities. However work on this project was stopped in 1994 after Ministry of Environment and Forest conveyed its inability to approve diversion of 5704 ha. of forest land. Chhattisgarh Government has taken up the matter again to Ministry of Environment & Forests to revive this project.

Matnar HEP (3x20 MW)

Geological investigation is in progress. Forest land diversion application with recommendation of State Government has been forwarded to Regional Office of Ministry of Environment & Forests, Bhopal.

Mahanadi Reservoir Project (4x2.5 MW)

This project is under execution by CSEB. Civil works in progress.

Restructuring & Reforms

The Power Sector reforms in the State of Chhattisgarh is being implemented as per the MOU signed between Undivided M.P. and Ministry of Power. Regarding energy auditing, it is stated that the metering of 33 KV and 11 KV feeders are in progress. Similarly the metering of all consumers in the State, are also in progress.

The SERC of Chhattisgarh State has been constituted vide their notification dated 1.10.2001, but it is yet to be started functioning

Points for Consideration - Chhattisgarh

1) The CSEB is financially in surplus position and estimated a net commercial profit of Rs.803.26 crore in 2004-05 (RE) and the same estimated for 2005-06 is

Rs.839.56 crore. The major ongoing Plan schemes of CSEB are met from its internal resources and the same is not reflected in the outlay for CSEB in the State Plan. The outlay in the State Annual Plan for Power Sector is to cover the provision under APDRP, MNP etc.

2) The T&D losses of CSEB are indicated as 29% in 2004-05 (RE) and the same estimated for 2005-06 is 27.19% against the All India average of around 32%. However, CSEB should make a realistic assessment of their T&D losses and initiate constructive efforts to bring it down to a realistic level. CSEB should also complete metering at 11KV feeders and also 100% metering at consumers end.

3) The SERC of Chhattisgarh State has been constituted vide their notification dated 1.10.2001, but it is yet to be started functioning. Restructuring of CSEB including unbundling and corporatisation also need to be taken up.

EDUCATION

For the Annual Plan 2005-06, Government of Chhattisgarh has proposed a sum of Rs.4490.07 Crore of which an outlay of Rs. 758.17 Crore has been proposed for the education sector including Youth Affairs and Sports and Art and Culture.

(Rs. In crore)

Sub-Sector	**2002-03 (RE)**	**Approved outlay 2003-04**	**Approved outlay 2004-05**	**Proposed outlay 2005-06**
Elementary Education	340.13		357.87	444.00
Secondary Education			163.50	203.08
Higher Education	26.81		53.07	67.29
Total General Education	367.80	414.35	574.38	714.39
Technical Education	8.13	49.18	16.76	12.90
Sports & Youth Welfare	5.17	5.33	11.22	25.26
Art & Culture	3.42	4.28	5.59	5.62
Grand Total	384.52	473.14	607.75	758.17

Ranking by literacy Chhattisgarh is 23 as per census 2001

As per 1991 census literacy rate which was 42.91% has moved up to 65.18% in 2001, which is very close to national average of 65.38%. The male, female literacy rate has now gone up to 77.86% and 52.40% respectively. The Chhattisgarh along with the state of Madhya Pradesh received a Decadal Achievement Award for female literacy on International Literacy Day. It showed an increase of 15 per cent during the last decade.

State Government has introduced English language as compulsory language right from Class I. Free computer education is provided to girl students under Indira Soochna Shakti Programme. The famous education programme i.e., Padhbo Badhbo School Jabo" for

enhancing the enrolment in the school has resulted in achieving 100% enrolment in primary schools in all the districts except Dante Wada a naxal affected district.

In the State of Chhattisgarh, education schemes are being implemented by Education Department and SC/ST Welfare Department. School education department is responsible for school education from primary to higher secondary level except in the tribal sub plan area. Under the universalisation of education programme state is running :

- 839 Pre-Primary Schools
- 31907 Primary schools
- 7098 Middle Schools
- 1176 High Schools
- 1386 Higher secondary schools,
- 7 + 7 DIETS + 7 BTIS upgraded

Under the Scheduled Castes and Scheduled Tribes Welfare Department state is running

- 8015 Junior primary schools
- 8089 Middle Schools
- 350 High Schools
- 289 Higher secondary schools
- 6 Modal higher secondary schools
- 3 Girls educational complex schools,
- 11 Sports Complex
- 3 Universities
- 116 Government Colleges
- 115 Private Colleges
- 3 Universities to be opened (90,000 students)
- 14 Engineering Colleges (intake students - 4670)
- 14 Polytechniques (intake students – 1850)

Regarding hostel facilities, department is running 1064 pre-metric, 76 post matric and 597 ashram schools in the tribal areas.

In the State of Chhattisgarh eradication of illiteracy among the age group of 15-35 have been undertaken under Adult Education Scheme. Now the total literacy campaign has been converted into a new scheme i.e., Padbo Badbo Andolan and it has developed as public programme rather than Govt. Programme through Panchayati Raj Institutions The State Govt. is making serious efforts to increase the responsibilities, duties and rights of Panchayats.

The department of Higher Education has adopted a strategy to provide essential minimum facilities of equipments, furniture, building, books, library etc. through involvement of public participation. At present 116 colleges of which 40 colleges are in tribal areas were functioning with 0.844 lakh students out of which the girl students were 0.311 lakh

In the State of Chhattisgarh, there are 14 engineering colleges and 14 polytechnque colleges including 3 women polytechniques.

Suggestions

- The districts where the literacy rate is below 10% such as Dante Wada and Baster State Government is to be requested to take the benefits of the Central sector educational complex school.

- Under the Technical Education, State Government should be requested to find out the emerging occupations and revise their curriculum accordingly by incorporating vocational programme.

- Co-operation of the NGOs and Voluntary organisations should be sought.. Under Education Guarantee Scheme (EGS) all the scattered habitation in tribal areas should be covered. The primary education facilities should be provided under the radius of 1 Km. Middle School facilities within 3 Km. Necessary provision is to be made for free distribution of uniforms, textbooks and scholarships to all girls from 1st to 5th standards belonging to SC/ST/OBC and students of minority communities and of families living below poverty line.

- In order to enable the student of the backward State to compete at the National Level. English has been introduced as a compulsory subject right from class I in schools. Impact of this initiative needs to be ascertained.

- In the field of Technical Education, a new Regional Engineering College (REC) and Separate Technical University and Technical Board, its establishment needs to be discussed.

- New courses/trades relating to new technology and employment-oriented courses need to be introduced in all the Technical Institutes. The quality of the technical education needs to be maintained and efforts required to be made for updating courses/trades according to the social/industrial employment opportunities. Plans are prepared to establish a close liaison and active partnership between technical institutes in research and innovation, and monitoring of technical education.

- Academic and professional enhancement of professors need to be ensured through their participation in orientation and refresher courses. Academic programmes like seminars, conferences and summer training camps need to be promoted in the State. Lecturers who are involved in research work may be provided financial assistance by the State.

- Jan Bhagidari Samiti and its involvement in education need detailed discussions.

- For the development of information Technology and Bio-technology participation of private sector require detailed discussion.

- To popularise Higher Education in masses through Distant Education Centres is an issue which required efforts by the State Government.

- The Impact of new initiatives like Padhbo Bhadhbo School Jabo scheme in the other Naxal affected districts of Sarguja, Jaspur and Raigarh, Indira Suchna Shakti Scheme

that provides IT education to all poor girls studying in classes IX to XII, the Mid Day Meal being operated in the State, Ashram School for tribal students needs to be assessed. The Gyan Vikas Abhiyan for training Science Teachers may be studied for replication in other districts.

- The State Government should provide adequate funds towards its share for the Sarva Shiksha Abhiyan under the education component of the State Plan.

- The National Policy on Education, 1986 as revised in 1992 emphasised the importance of decentralised planning and management at all levels and involvement of people in the process. Education is one of the 29 items suggested for transfer to the PRIs. The state should take steps for effective decentralisation of powers and responsibilities to the PRIs and urban local bodies.

- Data should be collected for number of disabled children in the State and children migratory population not attending the school.

- PTA's should be formed for extending cooperation in qualitative improvement of school education

- Labs and libraries, supervision of DIETs ,inter-State exchange programmes for students and teachers, health check up of students, proper utilization of grants for improvement of science education in schools, vocational education are some of the issues that demand attention.

Issues

- Need of impact studies to be conducted for various new initiatives and incentive schemes.

- Need of in-service programmes for teachers at all levels be organised for keeping them abreast of latest developments in education.

- The work of DIETS to be monitored by SCERT.

- Need for monitoring of utilisation of grants given to schools.

- Upgradation of methods of teaching and computerisation as the need of the hour.
- Curriculum to be modernised, updated and renewed from time to time keeping in view the latest developments.

- Technology to be upgraded

- Research & innovatives in education to be boosted

MULTI LEVEL PROGRAMME

Eight districts of Chhattisgarh are covered under the Backward Districts Initiative of Rashtriya Sam Vikas Yojana. District Plans of all these districts have been approved by the

Empowered Committee. Three instalments of Rs. 7.50 crore each have been released to Dantewada and Bastar districts and first instalment of Rs. 7.50 crore each has also been released to Kawardha, Jashpur and Rajnandgoan. First instalment of Rs. 7.50 crore each will be released shortly to Bilaspur, Kanker and Sarguja districts. An amount of Rs. 67.50 crore has so far been released to the State Government under RSVY. The total allocation for Annual Plan 2005-06 is Rs. 120.00 crore.

TOURISM

Chhattisgarh is endowed with rich tourism potential in the form of ancient monuments, rare wild life, temples, Buddhist sites, palaces, waterfalls, caves and hill stations. Lack of publicity, information, inadequate road connectivity, and shortage of tourist accommodation are the basic problems facing tourism sector of the State. In order to meet the challenges the State Government have identified 16 tourist spots, one in every district, to provide basic facilities. The tourism policy of the State encourages private participation in tourism projects. The Annual Plan 2005-06 document has highlighted the tourism potentiality and the existing situation but details of the plan schemes for their development are not indicated. Considering the opportunities in the sector, higher allocation of Rs. 4238.00 lakhs for 2005-06 is in the right direction. Tourism Cell supports the proposals.

LABOUR AND EMPLOYMENT

Employment Situation in Chhattisgarh Region

Since Chhattisgarh is a newly created State, information separately for Chhattisgarh is not available in the reports of comprehensive surveys of NSSO on Employment and Unemployment situation, conducted so far.

However, the NSSO have made available to Planning Commission information on certain aspects of employment for all the NSSO regions in the country. In the 55th Round survey, the Chhattisgarh region included 7 Districts – Surguja, Bilaspur, Raigarh, Raj Nandgaon, Durg, Raipur and Bastar. Though at present the new Chhattisgarh State has 16 Districts, the Chhattisgarh region of NSSO, of erstwhile undivided Madhya Prudish, is closest to the geographical coverage of the Chhattisgarh State. Based on region wise information provided by NSSO, a brief write up on employment situation in Chhattisgarh region, and comparative situation in undivided Madhya Pradesh and All India is given below.

At the all India level the incidence of unemployment, on Current Daily Status basis, increased from 5.99 % in 1993-94 to 7.32 % in 1999-2000. In the State of Madhya Pradesh the Unemployment rate increased from 3.56% to 4.45 % during the same period. In the Chhattisgarh region also, the incidence of unemployment increased, the increase being more pronounced in rural areas. Following table gives the estimates of unemployment rate for All India, Madhya Pradesh and Chhattisgarh region of Madhya Pradesh.

Table 1: Incidence of unemployment *

	1993-94					
	Rural			Urban		
	Male	Female	Persons	Male	Female	Persons
All India	5.62	5.60	5.61	6.77	9.09	7.19
Madhya Pradesh	2.75	2.81	2.77	7.23	5.74	6.96
Chhattisgarh Region	2.29	1.36	-	7.86	-	7.35
	1999-2000					
All India	7.18	7.27	7.21	7.20	9.76	7.64
Madhya Pradesh	3.89	3.55	3.77	7.33	6.03	7.10
Chhattisgarh Region	5.43	5.02	5.26	10.05	4.26	8.94

* as percentage pf labour force

It can bee seen from the above table that the incidence of unemployment in the rural areas of Chhattisgarh region in 1999-2000 was lower than the national average, but higher than the Madhya Pradesh State as a whole. Among the urban female the unemployment rate in Chhattisgarh region is estimated to be comparatively low.

During the period 1993-94 to 1999-2000, the share of casual labour among rural male workers increased from 28.31 % to 32.53 %. This increase was compensated by an almost equivalent decline in the share of self-employed, with share of regular employed remaining almost unchanged. The Distribution of workers by category, in the urban areas, remained largely unchanged.

Annual Plan (2005-06) proposals

Not much information is available regarding schemes to be implemented in the Labour and Labour Welfare (L&LW) sector during the Annual Plan (2005-06). However, a large step up has been proposed in outlays for Labour Welfare and Manpower Planning. State Government may be requested to include a detailed status note on the sector- including information on Craftsman Training infrastructure, Status of Employment Service and Schemes under implementation for welfare of labour. New initiatives proposed to be taken in these areas should also be spelt out.

Based on the information available, the outlay and expenditure in the L&LW sector is given in the following table.

Outlay and Expenditure in L&LW Sector

(Rs.Lakh)

Sub Sector	Annual Plan 2002-03		Annual Plan (2003-04)	Annual Plan (2004-05	Annual Plan (2005-06)
	Outlay	Anticip Expend	Approved Outlay	Approved Outlay	Proposed Outlay
Labour Welfare	58.00	47.00	-	-	-
Craftsman Training	1100.00	757.62	-	-	-
Employment Service	138.00	138.00	-	-	-
Total	1296.00	942.00	1370.00	1186.00	3755.60

INDUSTRY

Good Governance is the highest priority in this Fast Track State. There is both policy stability as well as political stability. Government has been kept small and the State is in excellent fiscal health. The City of Bhilai with its modern and cosmopolitan lifestyle is just 30 km from Raipur, the State capital. Chhattisgarh is truly a land of opportunities. There are mega industries in Steel, Aluminium and Cement. Chhattisgarh contributes substantially to the Human Resources of India. Its large power surplus is attracting power-intensive industries, and the State is poised to become the power-hub of the nation. There has been no labour unrest in either Bhilai, the knowledge capital or Korba, the Power capital, for several decades. 12% of India's forests are in Chhattisgarh, and 44% of the State's land is under forests. Identified as one of the richest bio-diversity habitats, the Green State of Chhattisgarh has the densest forests in India, rich wildlife, and above all, over 200 non-timber forest products, with tremendous potential for value addition.

Chhattisgarh has been famous for its rice mills, cements and steel plants. Durg, Raipur, Korba and Bilaspur are the leading districts in the field of industrial development in the state. Bhilai Steel Plant (BSP) in Durg district happens to be the largest integrated steel plant of the country. Establishment of BSP in 1950's led to development of a wide range of industries at Raipur and Bhilai. Raipur district has got the rare distinction of having the largest number of big and small-scale cement plants. Bilaspur and Durg districts too are home to a number of large-scale cement plants korba, with a number of power generating units established by NTPC and MPEB, is among the leading power generation centers of the country. Aluminium and explosive plants are also located in Korba district. There are a number of industrial growth centers in the state which host hundreds of industrial units. The principal growth centers in the state are : Urla and Siltara (Raipur); Borai (Durg) and Sirgitti (Bilaspur).

Chhattisgarh has one of the foremost Industrial Parks in the country, in Bhilai, which has numerous ancillary industries around India's most profitable Steel Plant in the public sector. A similar concentration of industries is in Korba, with NTPC and CSEB's power plants, and BALCO's aluminium plant. Besides these two clusters, there are a number of high-quality industrial parks in the State. In Borai Industrial Park in Durg, there is a special privately constructed water supply project, and the Park is ideal for water- intensive industries from all over the country. Chhattisgarh's surplus and quality power means that there are no power-cuts, and continuous process industries from all over the country are relocating to the State. The highly productive labour force, and peaceful law and order are catalyzing this process. The State Investment Promotion Board is bound by law to issue time bound approvals, with the Act in place.

Thrust sectors in Chhattisgarh's new Industrial Policy 2001-2006 include large, core sector industries, which would typically develop their own satellite townships. They would be encouraged and assisted to do so, with suitable incentives. For medium and small-scale industries locating within Industrial Parks, all existing industrial estates are continuously being strengthened and upgraded. The State welcomes private sector investment in new Industrial Parks, for which land is going to be provided by Government. The State will contribute 20% towards the cost of development of industrial parks in PPP, with a cap of Rs 2 crores. Operation, maintenance and marketing of existing Industrial Estates would be handed over to professional management agencies. A portion of Government's revenues from the industrial estate will be allocated to such agencies for this purpose. To promote cluster based

industrial development, assistance is being provided for establishing common facilities covering quality improvement, technology upgradation, market promotion and technical skills, with assistance of upto Rs 2 crores per cluster. Private industrial estates will also be allowed to install Captive Power Plants to generate and distribute power directly within the Industrial Estate.

The Industrial Growth Centre in Urla, in Raipur city, is spread over 815 ha. It has 45 km of asphalted roads, and a water supply system of 1 MGD. There are separate and dedicated power sub-stations. It has around 60 medium and large-scale industries, and 550 small-scale industries. Investments in Urla are over Rs 400 crore, and it provides employment to over 16000 people. It has all civic amenities, and a Dry Port (Container Freight Station) is established for customs formalities for exports and imports.

Borai Industrial Area in Durg district is the best example of a privatized industrial water supply scheme in India. Borai is located next to the Durg by-pass, constructed on a Build-Operate-Transfer (BOT) basis, and the by-pass is now converted into NH 6. A railway station is just 500 metres away. The Growth Centre sprawls over 437 ha, and 80 ha is available for allotment at present. 13 km of internal roads have been constructed, and the best part is the assured water supply. A 4 MLD scheme is already in place, which is going to be augmented to 30 MLD. It has two medium and large -scale, and twenty-seven small-scale enterprises. More than Rs 115 crores have been invested here, with employment to around 1300 people.

Chhattisgarh, a land of opportunities, is among the richest States in the country in terms of mineral and forest resources, with a large untapped potential for industrialization. The State has economic and political stability. It is conclusively known that good governance and excellent infrastructure carry a much higher weight than incentives in attracting investments. With its emphasis on good governance and good infrastructure, Chhattisgarh is on its way to economic prosperity through industrial investments.

Chhattisgarh has adopted its five-year Industrial Policy in 2001. The four basic strategies identified in the policy are Cluster based industrial development, Good governance and excellent infrastructure, Improving the competitiveness of small scale industries, and Directed incentives. The State has formulated and is implementing stable macro-economic policies, and ensuring transparency and accountability in the administering of rules and regulations. Government has enhanced allocations including by way of public- private-partnerships, for providing basic and specialised physical infrastructure, especially in industrial parks. It is also focussing on concerted human resource development.

Incentives, in keeping with the Industrial policy, are directed only at thrust industries, Mega projects and small scale industries. Additional incentives are being provided to industries that employ a large number of women workers, industries that are set up by Scheduled Tribes/Scheduled Castes, and those units investing in quality control and innovation.

Thrust sector industries including Export Oriented units will get infrastructure support, to the extent of 25% of infrastructure cost, subject to a maximum of Rs 1 crore. New units will be exempted from electricity duty for 10 years, and commercial tax would be the floor rate of Value Added Tax, when introduced.

Mega Projects (with investment in fixed assets in excess of Rs.1000 million-Rs 100 crores) will be eligible for infrastructure support outside Industrial Estates, up to 25% of the infrastructure cost subject to a maximum of 5 years' sales tax. Such units would be allowed to have captive power plants, to generate power from waste heat recovery, and to wheel power to sister concerns. They will also enjoy exemption from Electricity Duty for a period of 15 years.

A Technology Upgradation Fund of Rs 30 crores over the next 5 years is providing financial assistance to small and medium industries. Quality certification is being encouraged by underwriting 50% of the cost of obtaining such certification including ISO9000 and ISO14000, with a ceiling of Rs 75000 per unit.

Units set up in Scheduled Areas will get infrastructure support equal to 10% of the project cost. All industries, irrespective of size, will be exempted from Entry Tax, and payment of stamp duty.

Technology patents:- To facilitate entrepreneurs in matters relating to Patents and Intellectual Property Rights, the State will bear 50% of such expenses, with a maximum of Rs 5 lakhs.

For those units having more than 500 workers on permanent pay-roll, if women constitute more than 50% of their work force, an additional incentive equal to 10% of the capital investment over 5 years will be given.

In order to initiate the process of rapid economic and social growth, Chhattisgarh has, in tune with this contemporary economic thinking, prepared its Vision 2010, which defines the long-term development priorities of the State. Chhattisgarh's Vision 2010 is based on the premise that the contribution of the industrial sector to Gross State Domestic Product (GSDP), presently at approximately Rs. 55 billion (Rs. 5,500 crores), will double in the next ten years.

The four broad strategies identified by Chhattisgarh for its industrial development –

- Cluster based industrial development;
- Good governance and excellent infrastructure;
- Improving the competitiveness of small scale industries;
- Directed incentives.

STRATEGY 1 : Cluster Based Industrial Development

On the basis of competitive advantages of Chhattisgarh, we have identified five such areas that would be our focus. We would welcome investments in any other areas by entrepreneurs, but would concentrate our efforts to provide international cost advantages in these thrust areas.

STRATEGY 2 - Good Governance and Excellent Infrastructure

The Government will play a key role to enable public-private-partnership for rapid industrial development and to provide a conducive business environment. The Government's role would include:

- Formulating and implementing stable macro-economic policies;
- Ensuring transparency and accountability in the administering of rules and regulations;
- Enhancing allocations, through budgetary support, borrowings and public-private-partnerships, towards the provision of basic and specialised physical infrastructure – especially in industrial parks; and
- Concerted human resource development.

STRATEGY 3 - Improving Competitiveness of Small Scale Industries (SSI)

SSIs have large potential for employment generation and are crucial for economic and social development of the State. SSIs in the State will be developed through proactive policy initiatives to enhance competitiveness in a market driven economy. This would include initiatives to improve product and service quality, skill development and market access. The policy aims at the long-term sustainable growth of the sector rather than short-term subsistence and strengthening indigenous **entrepreneurial skills.**

STRATEGY 4 - Directed Incentives

Instead of small incentives spread thinly, the Government would concentrate on the provision of excellent infrastructure. However, the State does realise the need for encouraging thrust sectors and providing fiscal benefits in the immediate term to attract new industries in these thrust areas. Accordingly, Chhattisgarh would follow a system of directed incentives that help generate investment and employment, enhance competitiveness of indigenous enterprises, and contribute towards the development of physical and social infrastructure.

Bilaspur district has an Industrial Growth Centre in Sirgitti, which is spread over 430 ha. Land available for allotment is 30 ha within the Centre and 285 ha outside the Industrial Park. It has 7 medium and large-scale industries and around 195 small-scale units. An investment of Rs 93 crores provides employment to 4500 people. Bilaspur, being a Railway zone and the headquarter of South Eastern Coalfields Ltd, has many ancillary units in the area. There is a well-developed water supply scheme. Apart from regular Industrial Estates, large tracts of land have been reserved and earmarked in various districts for mega-projects.

The process of allotment of land and all other clearances is quick and hassle free, with the Single point of Investor Contact - SIPB.

Siltara's Growth Centre is 13 km from Raipur on NH 200. It has an area of 1260 ha out of which 400 ha is available for allotment. Its water supply scheme is being upgraded from 1 MGD to 3 MGD, through an anicut on Kharun river, already constructed as a joint venture with private participation. There are three medium and large-scale enterprises and nine small-scale industries. A power generating unit in the private sector has also established

its operations here. About Rs 700 crores have been invested in this centre, employing 1500 people. Future projects include two sponge iron units and one Ferro alloy unit, and an LPG bottling plant. The infrastructure here includes 23 kms of internal roads and two petrol pumps, besides all other amenities.

Physical Progress of Growth Centres as on 30th September, 2004

(Rs. in Lakhs)

	Date of Approval	Land Acquired	Plots/sheds developed	Plots/sheds Allotted	No. of units established	Capital invested by units	Employment generated
1. Borai (Durg)	27/03/91	436.84 Hec.	192.43 Ha	102.709 Ha	37	12937	1399
2. Siltara (Raipur)	11/03/92	1259.286 Hec.	911.27 Ha	664.627 Ha	21	63766	1779

Financial Progress of Growth Centres as on 30.06/2004

(Rs. in Lakhs)

	Approved Proj. Cost	Central Release	State Release	Total Exp.	Utilization Certificate Status	Progress Report Status
1. Borai (Durg)	3633.00	1000.00	1542.33	2542.33	Recd.	June. 04
2. Siltara (Raipur)	3437.00	1000.00	1902.06	2902.06	Recd.	---do---

Head of Development	Annual Plan 2004-05	Proposed Annual Plan 2005-06
Major & Medium Industries	Rs. 1352.00 lakhs	**Rs. 3729.00 lakhs**

In absence of the detailed scheme-wise break-up of the Annual Plan 2005-06 proposals, it is difficult to offer any meaningful comments. However, following specific information may be provided by the State govt. of Chhattisgarh :

(i) Detailed scheme-wise break-up of the Annual Plan 2005-06 proposals must be provided for proper examination of the same.

(ii) The present level of direct and indirect subsidy to Industry sector along with details of efforts being made to move over to non-subsidy-based support such as creation of industrial infrastructure and investor-friendly climate.

(iii) Statistical information on structure and growth rates of industry sector in Chhattisgarh. This may include physical output of key sectors, value of output, contribution to State Domestic Product (SDP) and employment.

(iv) Current status of related infrastructure such as power, water, roads, R&D, quality certification, consumer protection, etc. Physical targets/achievements in respect of quality certification, of providing world-class infrastructure at the doorstep of industry in the last two years may be provided.

(v) Key initiatives launched/proposed to be launched for enhancing investor-friendly climate including measures for increasing competition, regulatory reforms in areas such as labour/land and re-engineering of industry-related clearances. Domestic and foreign direct investment figures may be provided.

(vi) List of State Public Sector Units, physical and financial performance during the last two years, disinvestment, revival and closure features. How many PSUs are

profit-making and how many are loss-making. In case of running units, their consumption norms and energy efficiency in comparison to similar nationally and internationally best plants must be provided.

(vii) Incidence of local taxes/levies on industrial products and efforts for lowering their incidence to a reasonable level.

(viii) Latest status of ongoing projects under Central and Centrally Sponsored Schemes such as Apparel Parks, TCIDS, IIUS/MAI/ASIDE. Detailed position about achievements made through growth center scheme, integrated infrastructure development scheme, etc., including hurdles in these schemes, may be provided.

(ix) Consumer protection information in detail.

(x) General write-up on industrial policy in the State and thrust areas visualized.

(xi) Projects commissioned/proposed to be commissioned in PPP (Public Private Participation) mode. Policy measures to create conducive atmosphere to invite PPP in the field of industrial and infrastructure development.

(xii) Requirement and availability of quality testing and certification and proposals in this regard.

One of the strategies in the Industrial Policy of Chhattisgarh is to concentrate on the provision of excellent infrastructure instead of thinly spread small incentives. Concrete measures taken and achievements made in this regard may be substantiated with documentary evidence.

HEALTH

Demographic Profile

Chhattisgarh, which was created on 1st November, 2000 out of the undivided state of Madhya Pradesh, has a population of 208.34 lakhs, comprising of 104.74 lakh males and 103.60 lakh females., The sex ratio of the state at 989 females per 1000 males is far above the national average of 933. The state has a very high concentration of tribal population which is 31.76% of the total population of the state as against the national average of 8.2%. The life expectancy of the state is 54 years. The estimated Crude Birth Rate (CBR) and Crude Death Rate (CDR) as per 2002, is 25.0 and 8.7 respectively. The Infant Mortality Rate (IMR) is estimated to be 73 per 1000 live births.

Infrastructure of Primary and Community Health Centres

Majority of people live in rural areas and Indian System of Medicines viz. Ayurveda, Unani, Yoga and Naturopathy are popular among them. At present, the major **public health infrastructure** (Allopathic) in Chhattisgarh is as follows

Sl.No.	Items	No.	No. of ANMs/Doctors
1	Sub Health Centres	3818	3818
2.	Primary Health Centres	515	643
3.	Community Health Centres	116	642

To improve health service quality, basic infrastructure of the Department of Health viz. Hospitals, CHCs, PHCs and SHCs etc. are being strengthened. The medical officers and other health providers are being trained under skill- based training programme to provide

quality care to the beneficiaries. Further, efforts are being made for extension of ayurvedic system of health care in the district hospitals.

Annual Plan outlay 2005-06 of Chhattisgarh

The following table given an idea of the approved outlays for 2004-05 and proposed Annual Plan outlays for 2005-06 in Chhattisgarh:-

(Rs. In lakhs)

Sl. No.	Head	Approved Outlays 2004-05	Proposed Annual Plan 2005-06
1.	Total Outlay	332246.00	449006.93
2	Public Health & Medical Education	15076.00	22413.24
3	Percentage to Total	4.5	5.0
4.	Nutrition	7086.00	10000.00
5.	Percentage to Total	2.1	2.2

It may be seen from the above table that while the percentage of outlays under Health has increased from 4.5% in 2004-05 to 5.0% in 2005-06, that of Nutrition has also increased from 2.1% to 2.2% during this periods.

Concluding Comments

In spite of relatively poor health infrastructure and difficulties in accessing health care, health indices of Chhattisgarh state are better than that of Madhya Pradesh, the mother State out of which the former has been created. Chhattisgarh has a higher birth rate and death rate, but lower decadal growth rate than all India average. This is partly due to difficult terrain, and partly due to gaps in health care infrastructure at all levels, and lack of essential manpower, equipment, drugs and consumables in these institutions. In sex ratio, the state is above the national average. IMR, however, is higher in Chhattisgarh as compared to the national average. Priority should be accorded to filling the critical gaps, and ensuring that essential quality health-care is accessible by all who need it. In addition to practitioners of modern medicine, the ISM&H practitioners may be mainstreamed after skill upgradation to fill some critical gaps in PHCs.

ENVIRONMENT & FORESTS

Forestry & Wildlife :

Chhattisgarh has a recorded forest area of 59772 sq. kms. which is 44% of its total geographical area. Forest and tree cover is spread over 44.4% of the land area. About 40% of the forest area harbours economically important species such as teak, sal, bamboo, as also medicinal plants. About 40% of the total forest area is in degraded condition. The state has 19000 villages out of which 9000 depend on forests. Besides villagers of 425 forest villages inside the forests also totally depend upon forestry operations for livelihood.

Forests are a prime source of non-tax revenue for the State. An amount of Rs.110.83 crore was realized in the year 2002-03 from forest resources. The dependence of tribal, marginal farmers and landless labourers on forests for employment, small timber, fuel, fodder

and food is an acknowledged fact. Tribes inhabit an area of 338 sq km within forests. Sustainability of these resources, therefore, is the biggest challenge before the state for which involvement of community is the most crucial factor. Bamboo is an important resource, which has versatile uses in rural life as well as industry. The State earns nearly Rs. 15 crores from bamboo resources annually. Under the JFM programme, the amount earned by the community institutions has been nearly Rs. 1 crore.

Under the Joint Forest Management Programme, the State has brought an extent of 28577 sq km managed by 6755 JFM committees. The State Government has declared Chhattisgarh as a Herbal State. To achieve this, the concept of the People's Protected Area has emerged as the vision of the State. This will cover about 800 sq km forests for in situ conservation of medicinal and MFP resources and another 800 ha for ex-situ demonstration and awareness centers. It's intended to set up village level processing centers for the value addition of minor forest products including medicinal plants.

The State has three national parks and eleven sanctuaries covering about 6287.43 sq. km. area. The State also has one national park under Project Tiger. Forest Department is the nodal agency for biodiversity conservation.

The approved outlay for 2004-05 is Rs. 70.00 crore. The proposed outlay for Annual Plan 2005-06 is Rs.80.73 crore which constitutes 1.8% of the total Plan size.

The State has proposed many new schemes for the Annual Plan 2005-06 viz. Distribution of Plants, Haryali Prasar Yojana, Bamboo Rehabilitation Scheme, River Bank Plantation.

The Chhattisgarh State Medicinal Plan Board was dissolved in 2004 to constitute a new Board known as the Chhattisgarh Rajya Vanoushathi Board under the Chairmanship of the Chief Minister, Govt. of Chhattisgarh.

Under the Project, People's Projected Area (PPA), the Chhattisgarh MFP Federation is moving with the help of other Govt. agencies, entrepreneurs, NGOs to set up industries on commercial, pharmaceuticals, Neutraceuticals, Cosemceuticals, Fragrance and Flavours and General. Steps for strengthening market intelligence have also been taken.

The Forest Development Corporation will implement an Integrated Watershed Project with a focus on bamboo plantation availing Rs.100 crores financial assistance under RIDF from NABARD during Annual Plan 2005-06.

To promote bio-diesel in the State, Chhattisgarh MFP Federation has taken up a project funded by the NOVOD Board, Gurgaon with a total budgetary allocation of Rs.38 lakhs in 2004 planting 2.5 lakhs seedlings of Jatropha and 0.5 lakh seedling of Kranj in Khairagarh and Kondagaon forest divisions.

Mineral Resources (as on 1.04.2000)

(in '000 tonnes)

Mineral	Proved Probable	Possible	Total
In situ Reserves			
Bauxite	158817.14	13114.12	26288.32	198219.58
China clay	2128.15	1523.24	11259.57	14910.96
Corundumn (t)22.26	-	-	22.26	
Dolomite	343885.34	144404.29	446306.75	934596.38
Diamond(carats)	-	-	1304000	1304000
Fluorite (t)	1265958	77040	111234	1454232
Fire clay	10638.83	13.77	10335.62	20988.22
Gold Primary				
Ore (t)	-	600000	300000	900000
Metal (t)	-	1.80	0.90	2.70
Garnet (t)	-	-	28800	28800
Granite(000'cu.m)	-	-	50057.17	50057.17
Iron Ore				
(Heamatiite)	993159.75	537553.61	747508.00	2278221.36
Limestone	4194962	957856	3072413	8225231
Marble	-	-	83000	83000
Quartz/	206	598	135	939
Silica sand				
Quartzite	7488.04	4812.25	13884.20	26184.49
Rock Phosphate				
Talc/Steatite/Soapstone	-	70.43	-	70.43
Tin				
Ore(t)	3588920	22015	28369615	31980550
Metal(t)	2135393	17304	30003	2182700

Mineral Based Industries :

The State has following mineral based industries mainly based on iron ore, Bauxite and limestone.

Industry	No. of units	Total Installed Capacity (tpy)
Aluminium	1	100,000
Sponge Iron	7	1035,000
Steel Ingot	1	4,000,000
(including concast)		
Ferro Alloys	4	101,560
Fertilizers *	2	465,478
Refractories	2	116,000
Pig Iron	1	4,54,000
(Including integrated steel)		
Paper	1	16,500
Cement	9	11,583,170

*Excluding SSP/SST Units

The revenue receipts in terms of **royalty** from minerals was Rs.637.17 crore during 2003-04 which is now anticipated to be Rs.700.00 crore during the year 2004-05.

Tenth Plan outlay & expenditure

(Rs. in lakhs)

Sl.No.	Tenth Plan Approved Outlay	Actual Expenditure during Annual Plan 2002-03	Actual Expenditure during Annual Plan 2003-04	Approved outlay AP 2004-05	Proposed outlay for AP 2005-06
1	2	3	4	5	6
	4051.00	477.00	847.00	5136*.00	7970.00*

*Includes for both Industry & Mining (separate outlays for industry and mineral not given in the plan document).

Physical progress

Mineral Development(Exploration)

As per the plan document-2005-06 of the State , for locating new mineral deposits and for proving mineral reserves Directorate of Geology and Mining is actively engaged in mineral exploration. During the period 1st Nov., 2000 to Nov., 2004 exploration for Limestone, Bauxite, Dolomite, Coal, Cassiterite, Lepidolite, etc., have been carried out in the State. Since 1st Nov., 2002, 279 million tones of Cement grade Limestone and 0.2 million tones of high grade Bauxite reserves have been proved in the State. 465 million tones of different grade of Limestone, 9.03 million tones of high grade Bauxite 90 million tones of Dolomite 58 million tones of coal 5 tonnes of (Tin Ore) Cassiterite 50 thousand tonnes of Lepidolite reserves have been estimated, beside this 48.1 million cubic meter of Flagstone and 20 million tons of road metals deposits have also been estimated.

For the year 2005-06 Directorate Plans to carry out detail mineral exploration for Bauxite, Coal, Iron ore, Limestone and Survey for preparation of district wise mineral inventory.

For search of Diamond (12), gold (3) and Base metal(1), a total of 16 Reconnaissance permits have been sanctioned in the State covering an area over 22,000 sq km.

Mapping, Traversing, Drilling and Pitting:

Geological Mapping, Drilling, Pitting, Chemical analyses and Petrological Study of mineral samples are essential part of mineral exploration. Details of work carried out during last three years and proposed target for 2004-05 and 2005-06 are given in the following table:

Sl. No	Item	Unit	Achievement			Anticipated	Proposed
			2001-02	2002-03	2003-04	2004-05	2005-06
1	Survey and Mapping	Sq.km.	4547	5828	5173	2025	3000
2	Pitting/Trenching	Cubic meter	131	101	292	200	100
3	Drilling	Meters	6185	5001	6919	4350	4500
4	Chemical/Analysis	No. of radicals	26746	24607	18775	18000	18000

Mineral Administration

16 district mining offices under the control of District Collector are working in the Sate for grant of mineral concession, collection of mineral revenue and prevention of illegal mineral transportation and mining. Three flying squad and 45 check posts have been established for prevention of illegal mineral transportation and mining. Government has decided to install road weighbridges for checking the actual quantity of the mineral being transported. Coal laboratory has been established at Bilaspur regional office for checking and confirmation of Coal grades, since contribution of royalty from Coal is around 80% of total mineral revenue of State.

Issues For Consideration:

(i) Need to furnish scheme wise Plan outlays and expenditure etc. which would certainly provide a detailed information for monitoring each scheme/ project.

(ii) The State Government should focus for attracting private sector investment in the mining sector by creating a conducive environment for exploration and eco-friendly exploitation of the available minerals.

(iii) The state of Chhattisgarh collets more than Rs. 600 crores as royalty on minerals annually, a low expenditure done on mineral development work does not appear to be commensurate with the royalty received. The state should create a mineral exploratory fund similar to DGM, Maharashtra for detailed mineral exploration with latest state-of-the-art exploration technologies through promoting private sector and creating new mining capacities for faster development of internationally competitive mining sector.

(iv) Thrust is required to be given on exploration of high value low volume minerals in the present regime of globalization to augment the reserve position of minerals.

(v) A road map should be prepared for sustainable development of the mineral resources along with the adequate trained manpower as part of HRD programmes for taking up future projects.

HOUSING & URBAN DEVELOPMENT

The total population of Chhattisgarh, as per 2001 census is 2.08 crore, out of which urban population constitutes about 20% of the total population. The programmes and projects under Housing and Urban Development sectors pertain to provision of urban

infrastructural facilities like housing, transport, poverty alleviation, slum improvement, water supply, sewerage etc.

For 2005-06, it is observed that the outlay proposed for Housing is Rs 35.54 crore, a 5% increse over the corresponding provision for 2004-05. The schemes include provision of housing to Government official, Judicial personnel etc. An essential aspect is to ensure focus on priority projects, consistency between financial and physical achievement.

The proposed outlay for Urban Development sector for the Annual Plan, 2005-06 is Rs 81.61 crore, indicating an increase of 26% over the corresponding provision for 2004-05. The main plan schemes include grants and loan to ULBs for development work, basic amenities, environment improvement etc. No progress details are made available vide the plan document. As per records, the financial progress of centrally assisted programmes may be seen below:

IDSMT (Integrated Development of Small & Medium Towns): Upto March, 2004, 29 towns had been covered. The central and State release of funds amounted to Rs 14.61 crore, Rs 9.11 crore respectively and mobilization of financial assistance amounted to Rs 1.78 crore. . The expenditure reported was Rs 16.45 crore It is observed that since 2002-03, no expenditure had been incurred under IDSMT.

SJSRY (Swarna Jayanti Shahari Rozgar Yojana): Upto March 2004, the central and State share of release amounted to Rs 10.17 crore and Rs 3.47 crore respectively, and the utilization reported was Rs 7.80.crore. With an unspent balance of Rs 5.84 crore, the utilization works out to 57%. The appointment of Project Officers, Community Organisers along with formation of Neighbourhood Groups, Community Development Societies should be given top priority.

VAMBAY (Valmiki Ambedkar Awas Yojana): Rs 9.64 crore was released, 1363 dwelling units had been completed and 2045 units in progress upto March 2004. The programme is meant to provide affordable houses or upgrade the existing shelter to EWS, people belonging to the SC, ST and other weaker sections in urban slums as also for taking up need based projects under Nirmal Abhiyan Yojana.

URIF (Urban Reforms Incentive Fund): Upto March 2004, Rs 2.92 crore was recommended for the State.

NSDP (National Slum Development Programme): Upto March 2004, Rs. 16.90 crore was released as Additional Central Assistance (ACA) and the expenditure reported was Rs 11.25 crore working out to 67% utilisation. An amount of Rs 5.85.crore remains as unspent balance under the programme.

State Capital and Urban Project: The city at Raipur is proposed to have high and efficient standards of physical infrastructure of road network, communication facilities, water supply, open landscaped spaces, parks, waste disposal etc.

Apart from above, the Government of Chhattisgarh may furnish feed back regarding the initiatives taken on the following important points of concern:

- Need to evolve perspective urban development strategy with emphasis on preparation of Master Plans for cities;
- In a time bound frame, comprehensive survey to ascertain the number of houseless families should be carried out; Provision of credit, interest subsidy etc need to form part of the exercise both for construction of new house or upgradation/ reconstruction/ etc with emphasis on EWS/ LIG; The share of beneficiary must be insisted upon;
- recovery position of the State Housing Board;
- The construction costs should conform to those prevalent in the target areas;
- Building Material Technology Promotion Council (BMTPC), Central Building Research Institute (CBRI) and IITs may be associated in developing appropriate building material and construction technologies;
- progress in setting up of Revolving Fund under IDSMT aiming at sustainable development;
- Convergence of various urban development schemes to effectively leverage financial assistance from the market;
- development of comprehensive Urban Poverty Eradication Cells at the State HQrs with branches at the district/ municipality level in view of the high level and complex issues of urban poverty;
- dovetailing of NSDP with VAMBAY and Night Shelter schemes;
- the reforms executed under URIF.

Annual Plan, 2005-06: The outlays proposed by the State Government of Chhattisgarh are Rs 35.54 crore for Housing and Rs 81.61 crore Urban Development for the Annual Plan, 2005-06.

SOCIAL WELFARE AND WOMEN'S EMPOWERMENT

The department of Social welfare is to take care of the aged, senior citizens, addicts, rehabilitation of Persons with disabilities under PWD Act-1995, Children in conflict with law, and children in need of care and protection and JJ Act-2000 respectively. The main objective of the department is to bring these vulnerable sections within the main stream of society. The implementation of the various policies and programs seek to empower these groups and facilitates their success to the various opportunities of the various plans.

2. The Govt of Chhattisgarh has proposed Rs 9.07 crore for Annual Plan 2005-06 for Social Welfare. The break-up of the proposed outlay in percentage is as follows:-

Planned Budget

- Direction and Administration - 1%
- Welfare of Persons with Disabilities - 64%
- Implementation of Juvenile Justice Act- 2000 - 22%

Non Planned Budget

- Other Programmes - 13%

3. The programmes and achievements up to the end of year 2004-2005

i) **Persons with disabilities-1995**

For implementation of the provisions of the persons with disabilities (equal opportunities, protection of rights and full participation) Act 1995,the state Government has taken many steps by a multicultural and coordinative approach of all the department of Government and other appropriate local bodies and NGO's etc.

ii) State policy: for persons with disabilities is under preparation, to ensure an active participation of persons with disabilities in the developmental activities of the state by providing equal opportunities and by making them self reliant so as to secure their dignified place in the society.

iii) The special campaign namely **Deendayal Nishakt Jan Punrwas Yojana** has been launched to facilitate persons with disabilities for certification, issuance of identity card and pass book etc to PWD's during the year 2004-2005.

iv) The DDRC scheme is implemented in the 6 districts namely, Raipur, Durg, Raigarh, Jashpur, Jagdalpur and Rajnandgaon. The enter functions as a resource unit to facilitate counseling, Therapeutic aid and appliances services to PWD's. Rs. 16 lakh have been provided by GOI to the National Institutes for setting up these enters.

v) The NPRPD scheme is implemented in 3 districts of the state i.e. Bilaspur, Korea and Rajnandgaon. Under the scheme 1056 gram Panchayats are covered. Since this scheme provides the rehabilitation services at doorstep of the PWD's 2112 village level rehabilitation workers are appointed in 1056 GP. To make it more effective and as per the guidelines of NPRPD 30 Multipurpose rehabilitation workers have been trained and posted in the block level.

vi) The instructions have been issued to all the districts to enroll children with disabilities in age groups of 0-6 in Angan-wadis to facilitate early intervention and admit those beyond 6 years of age in the primary middle schools under SSA. Children with disabilities have been enrolled in 18200 Angawadis and around 30000 in SSA.

4. Targets during the Annual Plan 2005-06

Schemes	No. of Benefits
Scholarship to disabled students	16000
Grant-in Aid for providing Artificial Aids and Appliances	2500
Financial Assistance to Non-Government Organizations	25 NGO
Schools and institutions	100
Construction of Building Under PWD act	3 buildings
Central Scheme (construction of building JJ act)	5 buildings
Grant-in Aid for NGO's Under JJ Act	300
Estt. of institutions under JJ Act	30
Rehabilitation services for Juveniles and Children in care and protection through Juvenile Justice fund	300
Upgrading of Juvenile Homes	
Implementation of NPRPD	15000
Communication and Information Services	
Special schools for Mentally challenged and Hearing Impaired girls	100

Issues for Consideration

I. Women & Child Development

The Department of Women Empowerment and Child Development (DWECD) implement the schemes to ensure all round development of women and children as also to provide effective momentum to the development / empowerment oriented schemes in an integrated manner. The Department has two wings :-

i) The schemes operational under Child Development wing are Integrated Child Development Services, Kishori Shakti Yojana and Balika Samridhi Yojana

ii) The schemes operational under Women Development Wing are Swa-Shakti, Swayamsidha and Food Grains Schemes.

It is observed that there are few schemes for women and children. The proposed scheme are generally Centrally Sponsored schemes.

6. To empower women economically, the State Government should give priority to training and income-generating schemes, impart training to women in different trades so that they are gainfully employed and are able to become economically independent and self-reliant. Therefore, the State Government should expand ongoing programmes and avoid such programmes where direct doles giving services are involved.

7. Out of total sanctioned 152 ICDs projects, 73 projects are General ICDS Projects. Under these 73 ICDS Projects 10740 Anganwadi Centers are sanctioned and operational. Through these centers nearly 11.37 lakh children of 0-6 years and 2.17 lakh pregnant and lactating mothers are benefited by its services. Despite adequate allocation by the Planning Commission, it has been observed that sufficient funds are not provided for Nutrition under ICDS. **The State Government may be requested to provide adequate funds for Supplementary Nutrition under ICDS.**

II. Social Welfare

8. Various Social Welfare programmes are to rehabilitate destitute children and persons to lead a respectable life in society. This is sought to be achieved through schemes like scholarship to disabled, grant in aid to voluntary organization to cover different areas of physical social and economic rehabilitation, Social Security Pension, implementation of the provisions of *Kishor Nayayalaya Adhiniyam*, 1986, Welfare of Destitute, National Old Age Pension and National Family Assistance Scheme, etc.

9. For Strengthening of Administration, monitoring and evaluation of various schemes of the department, The State Government has proposed Rs. 2.32 lacks for the year 2005-06 and for set up of disabled person commissioner office under the Act anAn amount of Rs. 8.25 lacks has been provided for year 2005-06.

10. The State Government has to implement various provisions of 'Persons with Disabilities' (Protection of Rights, Equal Opportunities, Full Participation) Act, 1995. **Action initiated by the State Government may be ascertained.**

11. For Implementation of Juvenile Justice Act 2000, the department proposes to establish 6 new homes which has been started with the support of NGO namely Chhattisgarh Bal Kalyan Parishad. An amount of Rs. 61.61 lacks is proposed as grant in aid to the NGO's for the year 2005-06. This would be shared in the ratio of 45% from State Govt. 45% from GOI and 10% from NGO. **We may discuss.**

12. **The Social mobilization and integrated rehabilitation campaign for persons with disability – Chunauti – would be further strengthened and implemented with non government support.**

13. Services provided in the mandatory institutions set up under different Acts by and large remain below the expected level. The State Government should, therefore, ensure maintenance of minimum standard of services in these institutions set up under various Acts like Juvenile Justice Act, 1986: Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1998: and Immoral Traffic (Generation) Act, the Child Labour (Prohibition and Regulation Act.).

BACKWARD CLASSES & TRIBAL DEVELOPMENT

Approved Outlay and expenditure for Annual Plans 2002-2003 and 2003-2004 and Approved outlay (2004-2005) and proposed outlay for Annual Plan

(Rs. in lakh)

Plan Outlay 2002-07	**Annual Plan 2002-03**	**Annual Plan 2003-04**	**Annual Plan 2004-05**	Annual Plan 2005-06	**Increased outlay (%)**
Approved outlay	**Actual Exp.**	**Actual Exp.**	**Approved outlay**	**Proposed outlay**	
26263	**4195**	**5698**	**11485**	**15682**	**36.54**

1. The State Government of Chhattisgarh has spent Rs.21378.00 lakhs as against the Approved out of 26263.00 lakhs which accounts for 81.4% leaving behind Rs.10797.00 lakhs for the rest of the two Annual Plans of Tenth Five Year Plan. The State Government has not indicated as to how the fund will be arranged.
2. As against the approved out of Rs.11485.00 lakhs for Annual Plan Plan 2004-05, the State Government has proposed an outlay of Rs.15682.00 lakhs for Annual Plan 2005-06 which accounts for 36.54%. This needs discussion.
3. Female literacy of Scheduled Caste and Scheduled Tribes is 49.2 and 39.3 which is lower when Compared to Female literacy of total population. Therefore the State Government may be suggested to implement all the schemes including Ashram School, Hostels for Scheduled Tribe Boys and Girls, Educational Complexes in low literacy pockets, Pre-matric Scholership engaged in un-cleaned occupation etc.
4. The State Government has not furnished the detailed information in regards to the Schemes proposed for Annual Plan 2005-06.
5. The State Government has made a duplication efforts of the Central and Centrally Sponsored Schemes in the State Plan Sector as well.
6. The Scheme of Mid day meal needs to be shifted to Educational Sector which is a nodal agency as per the Supreme Court directive.

7. The scheme of pre-matric scholarship needs to be evaluated to assess the impact of the scheme and to arrest drop out rates among the schedules castes girl students.
8. The State Government has not indicated the flow of funds under special component plan and Tribal Sub Plan. The State Government needs to prepare a detailed Plan proposal under SCP & TSP and send the same to the Planning Commission and concerned Ministries for examination.
9. The State Government has to conduct a survey for identification of scavengers and to take appropriate step for their rehabilitation under" National Scheme of Liberation and Rehabilitation of Scavengers."
10. Growing unemployment among the Scheduled Tribe youths in the State is likely to lure the youths towards destructive activities like Naxalism in tribal areas. The State Government may be recommended to formulate and implement suitable income generating schemes for these tribal youths to wean them away for joining hands in national development activities.
11. Land alienation Act needs to be implemented effectively in order to prevent Land alienation from Tribal to non Tribals.

TRANSPORT

The details of approved outlay for Tenth Plan, outlay / anticipated expenditure for 2004-05 and proposed outlay for Annual Plan 2005-06 are given as follows:

(Rs. Crore)

Sector	Tenth Plan Outlay	Annual Plan 2004-05 Outlay	Anti. Expdr. 2004-05	Annual Plan 2005-06 proposed outlay
Roads & Bridges	447.76	429.47		462.01
Civil Aviation	3.88	0.90		1.15
Total (Transport)	451.64	430.37		463.16
Total (State Plan)	11000.00	3322.46		4490.06
Transport as % of total State Plan	4.11%			

Roads & Bridges

The total road length in the State as on 31st March, 2004 was 36,324 kms. The category-wise road length is –

National Highways – 2225 kms
State Highways – 3313 kms
District Roads – 2118 kms
Rural Roads – 28,768 kms

The length of Pucca Roads is 26,171 kms including 11,768 Tar (BT) roads. The total road length per 100 sq. km. area is 26.85 kms (in 2003-04) against the national average of 75 kms.

Thrust of Tenth Plan and Annual Plan 2005-06

- Maximising benefits by completing the on-going schemes.
- Development of rural roads – village connectivity.
- Upgradation of existing road network and construction of bridges / ROBs.
- Construction of urban roads / flyovers / subways in important cities of the State.
- Private sector participation.
- Traffic safety measures i.e. improvement of road geometrix, construction of subways etc.

Private Sector Participation in Roads

Under BOT schemes in PWD, works are under progress as per the details given below:

1. Pathalgaon Raigarh – 109.40 kms
2. Nandghat Bhatapara Road – 42.40 kms
3. Bilaspur Katghora Korba – 161.00 kms.
4. Raipur Durg NH 4 lane – 26.60 kms

In addition, one more road work i.e. Raipur to Arang road (45.00 kms) is also proposed on BOT basis.

Externally Aided Road Projects (ADB)

A loan agreement between ADB and State Government has been signed on 14th December, 2004 for the improvement of existing roads and construction of flyovers / ROBs and bye passes estimated to cost Rs. 1286 crore (285.70 US$ million). Of it, Rs. 810 crore will be provided as loan as by the ADB. Further details are given as follows:

Proposal for 2004-09

Details of the project	Length in kms / nos.	Cost of the project (Rs. Crore)
Upgradation of roads	1700 kms	880
Flyover between Raipur City (from Tatibandh to Telibandha)	12 kms.	150
Construction of Raipur Ring Road No. 3 (NH 200 to NH 6 via Mandha)	15 kms	60
ROB	8 nos.	96
Bye Passes (Kawardha, Dhamtari, Kanker, Champa, Rajnandgaon)	5 nos.	100
Total		1286.00

The project has to be implemented in a five years period i.e. 2004-09. In the current Annual Plan, a provision of Rs. 5 crore has been made for the preparation of DPR. It is expected to be completed by June, 2005. A sum of Rs. 70 crore has been proposed for 2005-

06. The project is to be implemented in phases. In the first phase 8 roads estimated to 800 kms. are proposed to be constructed.

Village Connectivity – PMGSY

Connectivity status in Chhattisgarh is as mentioned below:

		1000+	500-999	250-499	Less than 250	Total
Total number of habitations (as on 1.4.2000)		4086	7766	8195	9495	29542
Total number of connected habitations (as on 1.4.2000)		1440	1508	1219	1105	5272
Total number of unconnected habitations (as on 1.4.2000)		2646	6258	6976	8390	24370
Habitations covered by PMGSY – 2000-01	New connectivity	9	20	8	8	45
	Upgradation	123	75	68	56	322
Habitations covered by PMGSY – 2001-02	New connectivity	265	123	68	43	499
	Upgradation	27	13	0	1	41
Habitations covered by PMGSY 2003-04	New connectivity	226	202	137	121	686
	Upgradation	0	1	0	0	1
Habitations proposed to be covered by PMGSY – 2004-05	New connectivity	202	274	171	160	807
	Upgradation	11	2	2	0	15
Balance unconnected habitations		1783	5548	6522	8001	21854

Comments

(i) Since the condition of road infrastructure in the newly formed State of Chhattisgarh is quite poor, therefore, for the development of road infrastructure, formulation of long-term plan is very essential. The State Government may be advised to formulate a long-term plan for the development of road infrastructure and to identify deficiencies in the existing road network. In addition, it will help the State Government to prioritise the programmes for development and fix up physical and financial targets.

(ii) Details of the programme and physical targets and achievements have not been given. This would be discussed in the Working Group meeting.

(iii) Details of rural roads (non-PMGSY) have not been provided.

Road Transport

Details regarding road transport neither were provided last year nor have been provided this year. The latest position needs to be ascertained.

Civil Aviation

The aim during Tenth Plan is to upgrade and strengthen the existing airstrips belonging to State Government so that the landing and take off of State planes carrying VVIPs and other dignitaries could be smooth and safe.

During 2004-05, the allocated amount of Rs. 0.90 crore is likely to be spent. A sum of Rs. 1.15 crore has been proposed for 2005-06. It will be spent on upgradation of airstrips at Jaspur, Raipur, Chakarabhata and Jahaj Bhata Jagdalpur.

WATER RESOURCES

Irrigation:

Chhattisgarh has a total geographical area of 136.03 lakh hectares out of which net area sown in 2001-2002 was 48.28 lakh hectares constituting 35.49% of total geographical area. The following table indicates the land use for the State :

(lakh Ha.)

S. No.	Land Use	Area	% of Geographical Area
1	Total geographical area	136.03	
2	Net area sown	48.28	35.49
3	Total forest area	60.99	44.84
4	Fallow land	0.45	0.33
5	Other uncultivated land	11.97	8.79
6	Area not available for cultivation	10.29	7.56

Financial details:

(Rs. Crore)

Plan	Major & Medium	Minor Irrigation	Flood Control	CAD	Total Irrigation
2000-01 (5 months) Actual Expenditure	47.12	20.00	0.00	0.67	67.79
2001-02 Actual Expenditure	160.22	77.45	0.09	1.57	239.34
X Plan Outlays	1337.07	732.38	1.72	6.76	2506.65
2002-03 Approved	274.95	124.05	0.30	1.08	400.38
2003-04 approved	211.52	195.65	0.15	1.58	418.02 (17.90%)
2004-05 Anticipated expenditure	422.59	254.00	0.40	24.74	701.73
2005-06 Proposed	752.88	364.00	0.25	23.01	1140.14

Physical

(000' ha.)

S. No.	Item	Major & Medium Irrigation		Minor Irrigation	
		Pot.	Utl.	Pot.	Utl.
1	Utl. Irrigation Potential	1146.93	1146.93	571.00	571.00
2	Benefits to the end of March 2002	922.50	760.74	487.70	322.86
3	Target X Plan	26.66	14.69	55.00	44.00
4	Achievement 2002-03	58.00	37.70	29.10	23.28
5	Target 2003-2004	47.00	30.55	38.00	30.40
6	Target 2004-05	N.A.			
6	Target 2005-06	N.A.			

Issues for Discussion

(i) There are seven major ongoing rpoejcts in the State out of them Mahanadi reservoir and Jonk Diversion are pre-Fifth Plan projects. These projects are targeted for completion in 2006-07. Hasdeo Bango major project will spill to XI Plan.

(ii) **Medium Project:**

There are 30 completed medium irrigation projects in the State with 2,09,894 hectare design irrigation and 8 medium projects are under construction with design area of irrigation as 58,473 hectare.

(iii) **Minor Irrigation Projects**

2067 Minor Irrigation schemes have been completed with design irrigation of 4,84,552 hectares. A total of 448 minor irrigation schemes are under progress as on 3/2004 with design irrigation potential of 47,072 hectares.

(iv) In the modified CADWM programme two major projects Mahanadi reservoir projects and Hasdeo projects are covered. State made a provision of Rs. 23.01 crore during 2005-06.

(v) There are only three flood control projects in the State for which a provision of Rs. 0.25 crore has been made.

(vi) Water Rates:

These water rates are of Madhya Pradesh but Chhattisgarh earlier was part of Madhya Pradesh.

(i) Date of last revision = In the year 1984

The water rates were revised in 1992 but, the State Administration in 1993 decided to revert to old rates. The State Government of Chhattisgarh may take steps to revise the water rates to atleast cover O&M expenses.

(vii) Ground Water Development

The level of ground water development in the State is only 5.60% thus leaving ample scope for further development. The State is yet to enact the legislation on control and development of ground water resources, a copy of model bill was sent to State Govt. by the MOWR.

(viii) Water Users Associations

Under 'Madhya Pradesh Sinchai Prabhandhan Mein Krishikon Ki Bhagidari, Adhiniyam 1999'. A total number of 945 water user association were formed in the year 2000 to serve 119320 hectare of irrigated area. The entire management of minors is proposed to be transferred to Water User Association.

SCIENCE AND TECHNOLOGY

Chhattisgarh Council of Science & Technology (CCOST) was established in January 2001. CCOST supports R&D activities in universities/colleges/S&T institutions; provides financial assistance for organizing seminar/symposium/workshop/conference/training programme etc. Under Technology Development and Application Scheme five locations in Rajnand Gaon District have been selected for installation of arsenic removal plants. It is proposed to undertake the mapping of Chhattisgarh. The projects related to the development of Bastar region would be identified. The technology related to terracotta water filter would be promoted. Under Biotechnology Development the activities proposed to be taken up are relating to: biotechnological approach for enrichment of rice, micronutrients; development of extra short duration cultivars of pigeon pea; technology upgradation of Jatropha oil extraction and ,promotion of mass scale plantation of Jatropha for oil extraction and wasteland upgradation; development of suitable fermentation technology for microbial inoculants production and large scale demonstration of the efficacy of microbial inoculants. In order to make the survey of natural resources of the State it is proposed to establish National Natural Resource Information System. In this connection it may be mentioned that the State S&T Council meeting may be held at least once a year for providing policy directives / guidelines and monitoring of the various S&T plans and programmes being implemented by the State Government. The Council of Science and Technology may establish active interaction and linkages with the Central Departments like DST, CSIR, DBT, DOS for identification of specific plans and programmes for the development purposes. The State Government may also submit specific S&T projects/schemes to these Central Government S&T Departments for project grants. The proposed outlay of Rs.358.03 lakh for the Annual Plan (2005-06) may be agreed to.

WATER SUPPLY

The outlay/Expenditure for Water Supply and Sanitation Sector for the Tenth Plan, Annual Plan 2002-03 and Annual Plan 2003-04 are given below :

Plans/Years	Outlay/Expenditure (Rs. in crores)
Approved outlay for Tenth Plan (2002-07)	847.07
Approved outlay for AP 2002-03	135.30
Actual Expenditure for 2002-03	110.03
Approved Outlay for AP 2003-04	131.21
Anticipated Expenditure AP 2003-04	131.21
Approved Outlay for AP 2004-05	146.03
Proposed Outlay for AP 2005-06	190.04

The detailed break up of Rural Water Supply, Rural Sanitation and Urban Water Supply and Urban Sanitation is not given in the document.

As per the Rajiv Gandhi National Drinking Water Mission (RGNDWM), the status of "Not Covered" (NC) and "Partially Covered" (PC) habitations are as under :

Status	Not Covered (NC)	Partially Covered (PC)	Fully Covered (FC)	Total	No. of schools
As on 1.4.2004	0	0	50379	50379	-
Target for 2004-05	3000	1500	-	4500	4500
Coverage during 2004-05 (upto August'04)	634	683	-	1317	1548

State Govt. should clear whether the new NC and PC habitations came up this year. State should also step up their efforts for covering all the NC/PC habitations and primary schools within stipulated time and submit the report.

As per RGNDWM, the financial progress under Centrally Sponsored Accelerated Rural Water Supply Programme (ARWSP) and State sector

Under ARWSP

Opening balance as on 1. 4.2004	=	Rs. 50.12 lakh
Alocation during 2004- 2005	=	Rs. 2313.00 lakh
Releases during 2004-2005	=	Rs. 1330.00 lakh
Expenditure incurred August'04	=	Rs. 8.63 lakh

Under State Sector

Provision during 2004-2005	=	Rs. 8345.00 lakh
Expenditure incurred upto August 2004	=	Rs. 2398.08 lakh

The State Govt. may accelerate their efforts for utilization of funds and implementation of the programme.

1. The implementation status of Sector reforms projectrs are as under :

(Rs. Lakh)

Sl No	District	Approved Cost	GOI share	Admin. approval date	Funds released	Reported Expdr.	Community Contribution
1.	Durg	4000.00	3740.00	15-Jun-01	1122.00	1268.51	113.65

The details of Swajal Dhara Schemes (upto 29-10-2004)

(a) Swajaldhara scheme (2002-03)-

No. of proposals approved = 102
Total Outlay = Rs. 283.10 lakh
GOI Share = Rs. 263.00 lakh
Amount released = Rs. 131.50 lakh

(b) Swajaldhara scheme (2003-04)-

Allocation for 2003-04 = Rs. 262.80 lakh
Amount released = Rs. 13.15 lakh

(c) Swjaldhara Scheme (2004-05)

Allocation for 2004-05 = Rs. 332.20 lakh
Amount released during 2004-05 = Rs. 232.58 lakh

As per RGNDWM, the Physical progress under Total Sanitation Campaign (Central Rural Sanitation Programme) are as below (upto 20-10-2004):

Item	**Project Objective**	**Project Performance**
Integral House hold latrines (IHHLs)	314666	3015
Sanitary Complex	47	15
School Toilets	4916	1477
Toilets for Balwadis	0	0
Rural Sanitation Mart(RSM)/ Production Centres(PCs)	23	17
Total San. of villages	0	0

State Govt should step up their efforts to improve the project performance under the Campaign

As per RGNDWM, the financial progress under Total Sanitation Campaign (Central Rural Sanitation Programme) are as below (upto 20-10-2003):

Total Projects outlay = Rs 3876.79 lakh
Approved Share
(i) Central Share = Rs 2520.83 lakh
(ii) State Share = Rs 850.21 lakh
(iii)Beneficiary's share = Rs. 505.75 lakh
Release of funds
(i) Central Share = Rs 404.97 lakh
(ii) State Share = Rs. 99.85 lakh
Total Expdr. reported = Rs 372.12 lakh

Under Accelerated Urban Water Supply Programme (AUWSP), for towns having population less than 20,000 (1991 Census),

No. of projects	=	41 nos.
Estimated cost approved	=	Rs 3516.66 lakh
Allocation for 2004-05	=	Rs 417.86 lakh.
Amount released by Govt. of India	=	Rs 1589.16 lakh
An amount released by State Govt.	=	Rs.1576.88 lakh
Total expdr. incurred upto March'04	=	Rs.1524.94 lakh

VILLAGE AND SMALL INDUSTRIES

1. The State Govt. has formulated a five year Industrial Policy (2004-09) and enacted a Special Law, the Chhattisgarh Industrial Investment Promotion Act, 2002 to eliminate red tape, procedural hassles and law down a statutory time limit for all clearances. Cluster industrial development, good governance, creation of enabling excellent infrastructure with private participation, promotion of SSIs, incentives to ensure competitiveness and providing special thrust to industries have been the priorities. During 2005-06, a target of 1200 small scale units is proposed.
2. For the Village & Small Enterprises Sector, agreed outlay for 2004-05 was Rs.39.26 crore which has slightly been increased to Rs.40.00 crore in 2005-06.
3. Sericulture is a commercial sustainable farm based economic enterprise favouring the rural people in the organized sector with low investment and high returns. The outlay for Sericulture sub-sector has been proposed at Rs.19.40 crore. Under SGSY of Ministry of Rural Development for the development of tasar, a project estimated to Rs.14.24 crore has been formulated for implementation in Bilaspur, Raigarh, Jashpur and Dhamtrai Districts which will benefit 2632 beneficiaries. Other schemes of Sericulture Sector includes Tasar Development Scheme. Nature Grown cocoon Production, Mulberry Sericulture Development Eri-culture.
4. In all the seven districts of erstwhile Bilaspur Division, Chhattisgarh Sericulture Project with the assistance of JBIC is under implementation since 1998 for a period of seven years with an estimated cost of Rs.117.16 crore. Under the project, 4000 hectares of tasar, food plantation has been completed and 4821 beneficiaries are being benefited. Apart from this 4379 women beneficiaries re also engaged in tasar reeling and spinning activities. State Govt. may indicate the overall target and achievements of this project
5. Under Handicraft and Handlooms sub-sectors, State Govt. is implementing Central Sector Schemes, training, design input, etc. These sub-sectors need marketing support, technology upgradation, latest design inputs to promote these sub-sectors and generate employment opportunities.
6. There is no indication of providing any outlay for Handicraft Sub-sector. State Govt. may initiate the Central Scheme implemented by the Office of DC(handicrafts) for establishment of Urban Haat to promote handicrafts and handlooms sectors and avail central assistance for which provision of matching share may be kept in the State Plan.
7. During Tenth Plan, State Government emphasised on promotion and strengthening the small, tiny and village industries and facilitate location of industries in rural areas and also to promote stronger linkages between agriculture and industries and proposed to take up the scheme of integrated infrastructure development for which Rs.50.00 lakh

was proposed during the Tenth Plan. The State Govt. has not allocated any funds for setting up IIDC during 2005-06. The State Govt. should avail the benefit of this scheme under which Rs.2.00 crore out of the project cost of Rs.5.00 crore is available as Central Assistance and remaining Rs.3.00 crore as loan from SIDBI. Scheme-wise break up of sub-sectorwise outlays not given. Scheme-wise break ups would indicate the exact schemes being taken up during 2004-05 for the 10th Plan period, in absence of which comments cannot be given.

8. For utilising fruit, vegetable and horticulture produce in a better way and providing opportunities for more employment which has potential for export also in the area of food processing industries. The State Govt. should avail the benefit of the scheme of Ministry of Food processing Industries under which a provision of Rs.4.00 crore as Central Assistance is available for setting up a Food Park. Food Processing Industries is also a component of VSE Sector.
9. VSE is an important sector from point of view of having potential for employment generation, utilisation of local available resources, potential for exports and, therefore need to be encouraged. The share of allocation for the VSE sector may be utilised for implementation of development programmes and strengthening of various components of the sector as it has potential to generate new jobs at lower investment per job. State Govt. may make efforts to reduce the expenditure on salary and administration and the savings may be utilised for developmental schemes.

Annexure I

Approved outlay for Tenth Plan, approved outlay and expenditure for first three years of Tenth Plan and proposed outlay for 2005-06

(Rs. in lakh)

Sl. No.	Sector	Tenth Plan 2002-07	Annual Plan 2002-03		Annual Plan 2003-04		Annual Plan 2004-05		Annual Plan 2005-06
		Agreed Outlay	Approved Outlay	Actual Expenditure	Approved Outlay	Actual Expenditure	Approved Outlay	Anticipated Expenditure	Proposed Outlay
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Agriculture & Allied Activities	86097	13697	11736	24878	25651	22290	22290	31376
2	Rural Development	115891	18511	17765	25715	18301	36498	36498	35874
3	Special Area Programmes	$	$	$	$	1224	2298	2298	2600
4	Irrigation & Flood Control	250665	40038	39695	41702	43562	70173	70173	114014
5	Power & Energy	13325	2549	1807	3456	4743	16197	16197	25820
6	Industry & Minerals	21412	3420	2339	4746	3426	5519	5519	7970
7	Transport	45164	7214	23562*	24011	32080	43037	43037	46316
8	Communication	0	0		0	0	0	0	0
9	Science, Technology & Environment	1083	173	96	198	198	198	198	522
10	Gen. Economic Services	16919	3230	2955	2675	5621	4335	4335	10911
11	Social Services	525615	83168	72112	102114	103202	126702	126702	167805
12	General Services	23829	3700	4642	4005	2402	4999	4999	5798
	Grand Total	**1100000**	**175700**	**176709**	**233500**	**240410**	**332246**	**332246**	**449007**

Source : Draft Annual Plan 2005-06, Government of Chhattisgarh

* Excess expenditure on Public Works (Construction of Roads & Buildings)

Annexure-II

Chhattisgarh

Outlay for Agriculture and Allied Sector (Rs Lakhs)

Major Heads/Minor Heads of Development	10th Plan Approved Outlay	2002-03 Approved Outlay	2002-03 Actual Exp	2003-04 Approved Outlay	2004-05 Approved Outlay	2005-06 Proposed Outlay
Agriculture & Allied Activities						
Crop Husbandry(Incl Horticulture)	28561	4562	3712	12970	4061	4057 62
Soil and Water Conservation	1546	247	231	262	298	296 83
Animal Husbandry	8959	1431	1124	1660	4037	8815 00
Fisheries	1884	246	223	276	251	274 26
Forestry & Wild Life	32718	5226	4821	6080	6999	8073 00
Food, Storage & Warehousing/PDS	0	0	0	0	1854*	2459*
Agricultural Research & Education	2856	456	121	477	500	546 00
Cooperation	9573	1529	1504	3153	4290	6854 00
Total	**86097**	**13697**	**11736**	**24878**	**20436**	**28916.71**
All Sectors		175700		233500	332246	449006 93
Agriculture as % of total plan outlay		**7.80**		**10.65**	**6.15**	**6.44**

* Public Distribution System

ANNEXURE - III

Financial Performance under major rural development programmes for Annual Plans 2002-03, 2003-04 and 2004-05 (Rs. Lakhs)

Chhattisgarh

S.No.	Name of the Scheme/Year	Opening Balance	Total Allocation	Total release	Total available funds	Total expenditure	% Expenditure to available funds
	2002-03						
1	SGSY	168.82	2160.77	2673.35	2842.17	3510.70	123.52
2	SGRY-I	1028.18	7112.15	9429.91	10458.09	9420.95	90.08
3	SGRY-II	279.60	5269.27	6963.49	7243.09	6406.25	88.45
4	IAY	303.88	2752.07	2703.80	3007.68	2923.19	97.19
	2003-04						
1	SGSY	36.54	2985.12	2738.40	3238.30	2975.36	91.88
2	SGRY-I	1418.75	8236.63	8838.28	10635.38	9689.54	91.11
3	SGRY-II	911.52	6122.53	7192.84	8145.85	7116.31	87.81
4	IAY	192.56	3116.68	3360.51	3553.07	3068.27	86.36
	2004-05 (upto June, 2004)						
1	SGSY	262.94	3736.60	1868.31	2150.40	132.58	6.17
2	SGRY	2026.51	17478.19	10486.91	12564.14	3529.04	28.09
4	IAY (upto 8/64)	339.96	4099.95	2050.03	2389.99	802.42	33.57

(Source: Ministry of Rural Development)

ANNEXURE - IV

Physical Performance under major rural development programmes for 2002-03, 2003-04 and 2004-05

Chhattisgarh

S No	Programmes	Unit	Target	Achievement	% Achievement to Target	% Ach. To Target
	2002-03					
1	SGSY	Total Swarozgaris Assisted (Nos)	-	25950	-	-
2	SGRY-I	Employment Generated (lakh mandays)	-	277.16	-	-
3	SGRY-II	Employment Generated (lakh mandays)	-	NA		-
4	IAY	Dwelling Units (Nos)	16512	16255	98.44	98.44
	2003-04					
1	SGSY	Total Swarozgaris Assisted (Nos)	-	22926		
2	SGRY-I	Employment Generated (lakh mandays)	-	180.08		NA
3	SGRY-II	Employment Generated (lakh mandays)	-	128.47		
4	IAY	Dwelling Units (Nos)	18700	18302	97.87	97.87
	2004-05 (up to June, 2004)					
1	SGSY	Total Swarozgaris Assisted (Nos)	-	623		
2	SGRY	Employment Generated (lakh mandays)	-	180.08		
3	IAY (upto Aug 04)	Dwelling Units (Nos)	19680	3287	16.7	0

Source: Ministry of Rutal Development

IMMEDIATE

No. M-13048/33(DL)/2004-SP-North
PLANNING COMMISSION
(State Plans Division)

Yojana Bhavan, Sansad Marg
New Delhi-110001.
Dated, 7.12.2004.

Subject:- Background Note for discussions of Annual Plan 2005-06 of Govt. of NCT Delhi.

A Background Note for the meeting between Deputy Chairman, Planning Commission and Chief Minister of NCT of Delhi to be held on 9.12.2004 in Room No. 122 (Sangam) at 3.30 P.M Yojana Bhawan, New Delhi for finalization of Annual Plan 2005-06 is hereby circulated.

(J.P. Vijay)
Dy. Adviser (SP-N)
Room No. 448
Tel.No. 23096524

Encl: As above

Planning Commission

Principal Advisers
Advisers
JS(SP)
Heads of Divisions

PMO

Director (NCT Delhi)

Ministry of Finance
Joint Secretary (PF-I)
Department of Expenditure, North Block,
New Delhi.

Ministry of Home Affairs
Director (NCT Delhi)
North Block, New Delhi.

National Commission on Population
Member Secretary

National Capital Region
Member Secretary

Copy to Private Secretary to:
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Planning Commission
(SP Division)

Background Note on the Annual Plan (2005-06) Proposals of National Capital Territory (NCT) of Delhi

Planning Commission
(SP Division)

Background Note on the Annual Plan Proposals for the year 2005-06 of National Capital Territory (NCT) of Delhi

1. Profile of NCT Delhi

Geographically National Capital Territory (NCT) of Delhi is located in the heart of Northern India surrounded by the States of Haryana, Punjab and U.P. It covers an area of 1483 sq.km. of which 591.91 sq.km is rural and 891.09 sq. kms is urban.

According to the 2001 census, total population of NCT Delhi is 1.38 crore. The density of the population is 9294 persons per sq. km. as against the national average of 324 persons per sq. km.

Urban population constitutes 93% against 27% of all India. Due to large migration from other States, the annual growth rate of the population in NCT Delhi during 1991-2001 was 3.81% against the national growth average of 1.93% during the same period.

The literacy rate in Delhi which was 75.29% as against the all India average of 52.21% in 1991 went up to 81.82% as compared to the all India average of 65.38% in 2001. Similarly the female literacy rate in NCT Delhi, which was 67% as against the National average of 30% in 1991, further increased to 75.29% as compared to the National average of 54.16% in 2001.

The sex ratio is 821 female per thousand male in 2001 against the all India figure of 933 female in the same year. It has been revealed that the sex ratio in Delhi compared to the All India figure is very low. The main reason is possibly because the male migrants coming from other States for earning their livelihood live alone, leaving their families behind.

The number of person below poverty line in 1999-2000 was 11.49 lakh which was 8.23% of the total population of NCT Delhi. In 1973-74 the total number of people below poverty line was estimated at 22.84 lakh, 26.10% of the total population of NCT Delhi. The percentage of population below poverty line in Delhi decreased significantly from 26.10% in 1973-74 to 8.23% in 1999-2000.

Basic information about NCT of Delhi is given at **Annexure-I**

2. Economy of NCT of Delhi.

Delhi has a strong and vibrant economy. GSDP during 2002-03 at constant prices has been estimated at Rs. 44135 crore with an annual growth rate of 7.9%.

Table indicating GSDP/ NSDP at current price and constant price of NCT of Delhi from 1993-94 to 2002-03.

(Rs. crore)

Year	Gross State Domestic Product		Net State Domestic Product	
	Current Prices	Constant Prices	Current Prices	Constant Prices
1993-94	20991.79	20991.79	18967.35	18967.35
1994-95	25846.50	23502.85	23413.87	250.14
1995-96	28390.06	24109.59	434.24	620.54
1996-97	33803.37	27268.41	420.49	596.22
1997-98	41234.80	31499.20	411.42	582.47
1998-99	47484.16	33021.88	43368.75	30016.27
1999-2000	52913.56	34548.59	48470.67	31394.55
2000-01 (Q)	62517.51	39233.73	57566.14	35848.77
2001-02	66866.13	40899.90	61575.01	37366.32
2002-03	74474.48	44135.43	68746.57	40395.78

- The targeted growth of GDP of NCT of Delhi during 10th Five Year Plan is 10.6%.
- The growth in GDP in service sector during 2002-03 is 8.5% as against targeted growth of 12% for the 10th Plan
- It is difficult to reach the target growth of 10.6% in GDP in Delhi during 10th Plan.
- The growth rate during 2002-03 was 7.9%

- Per Capita Income of Delhi at current prices has increased from Rs. 18166.00 in 1993-94 to Rs. 47477.00 in 2002-03.

- Percentage contribution of sectoral State Domestic Product at current price.

Sl. No.	Sector	1993-94	2001-01	2001-02	2002-03
1	Primary	3.85	1.37	1.29	1.17
2	Secondary	25.20	22.96	22.86	22.54
3	Tertiary	70.95	75.67	75.85	76.29

The reasons for change in the sectoral composition of Delhi economy may be attributed to the rapid urbanization and consequential reduction in agricultural and

allied activities on the one hand and substantial increase in activities pertaining to the service sector on the other. Regular monitoring of environmental degradation by different Government agencies on the directives of hon'ble supreme court and subsequent closer of polluting industrial units also contributed to the reduction of output of the secondary sector.

3. Resource Position of NCT of Delhi

- The 10th Plan outlay was of Rs. 23, 000 crore which includes Rs. 20,811 crore as Delhi's own Resources. This is 90% of the total outlay.
- Rs. 11,208 crore was collected during the first two years of the 10th Plan which was 32% of the total tax revenue for the 10th Plan.
- During first two years of 10th Plan, the Delhi Government has made pre-mature payment of small savings loan of Rs. 2,922 crore.
- The outstanding debt stands at Rs. 13,770 crore at the end of March, 2004.
- About 23% of the tax revenue is being spent towards interest payment.
- Non Plan revenue expenditure has grown an average rate of about 12% during first two years of 10th Plan as compared to about 10% growth in Tax Revenue.

4. PLAN PERFORMANCES of NCT of Delhi

i. Review of Ninth Five Year Plan (1997-2002) NCT of Delhi.

The total outlay for the Ninth Five Year Plan of Delhi was approved at Rs. 15541.28 crore at 1996-97 prices. The total expenditure during 9th Five Year Plan was reported at Rs. 13465.15 crore which account for 86.64% of the approved outlay. Taking into account the Revised Plan outlays of each Annual Plan, the aggregate revised plan outlay of 9th Five Year Plan of Delhi comes to Rs. 14438.86 crore. The total of 9th Plan expenditure accounts for 93.26% of the revised outlay. Year-wise Plan outlay and expenditure are as indicated below:

(Rs. crore)

Annual Plan	Approved Outlay	Revised Plan Outlay	Expenditure	% Exp. to revised outlay
1997-98	2331.73	2073.00	1979.31	95.43
1998-99	2700.00	2365.86	2054.56	86.84
1999-2000	3000.00	2500.00	2298.20	91.93
2000-01	3300.00	3300.00	3129.11	94.82
2001-02	3800.00	4200.00	4004.97	95.36
Total	15131.73	14438.86	13465.15	93.26

As per the allocation of Plan outlay during the 9th Five Year Plan, the highest priority was given to core sectors like Energy, Transport, Water Supply, Medical & Public Health, Education and Urban Development.

Some major achievements of the 9th Five Year Plan of NCT of Delhi were-

(i) Pragati Power Generation Project (330 MW) started functioning;
(ii) Power reforms implemented;
(iii) Work on First Phase of MRTS started;
(iv) More than 2000 CNG buses added in DTC fleet;
(v) Mahila Institute of Technology started functioning;
(vi) About 1000 new beds added in existing and new Hospitals of Delhi Government.
(vii) Sewage treatment capacity increased from 284 MGD to 482.4 MGD by DJB by constructing 13 new Sewage Treatment Plants.
(viii) Old age Pension enhanced to Rs. 300 per month.
(ix) Nine District set up introduced in place of single District set up in Delhi.
(x) More than 33,000 JJ cluster households shifted to relocation sites with all basic civic amenities.
(xi) More than one lakh senior citizens benefited with monthly old age pension.
(xii) 10410 widows benefited under the scheme "Financial Assistance for Self-Employment".

ii. Review of the Tenth Plan (2002-07) and Annual Plan 2002-03, 2003-04 & 2004-05

(a) Tenth Plan 2002-07

The size of the approved Tenth Plan was Rs. 23000.00 crore at 2001-02 price with the SOR of Rs. 20810.84 crores and Central Assistance of Rs. 2189.16 crore. GSDP growth rate target for Tenth Plan of NCT Delhi has been decided at 10.63%. Sector-wise growth rate targeted by the Planning Commission for NCT Delhi is (-)12.21% for Agriculture, 6.90% for Industry and 12.01% for Service Sector.

Sector-wise allocation of funds of 10th Plan indicates that main priority has been given to six sectors/ sub-sectors i.e. Energy, Transport, Water Supply& Sanitation, Urban Development, Medical & Health and General Education. About 88% of the total approved outlay has been provided to these six priority sectors/ sub-sectors. Sector-wise allocation of 10th Plan outlay and a sectoral outlay and expenditure of Annual Plan 2002-03 & 2003-04 are given below:

The sector-wise breakup of approved/ revised outlays and Expenditure

(Rs. in Crore)

Sl.	Sector	Tenth Plan (2002-07) Approved Outlay	2002-03			2003-04		
			Original Outlay	Revised Outlay	EXP	Original Outlay	Revised Outlay	EXP (Antl.)
1	2	3	4	5	6	7	8	9
1	Agriculture & Allied Services	13745.00	2295.00	5672.00	5164.63	2310.00	1882.5	1337.60
		(0.60)	(0.49)	(1.21)	(1.17)	(0.46)	(0.39)	(0.29)
2	Rural Development	46325.00	8208.00	7116.00	6710.72	9805.00	8245.00	7957.96
		(2.01)	(1.75)	(1.51)	(1.52)	(1.95)	(1.70)	(1.73)
3	Irrigation and Flood Control	15600.00	2250.00	2160.00	1927.20	2250.00	2080.00	1743.84
		(0.68)	(0.48)	(0.46)	(0.44)	(0.45)	(0.43)	(0.38)
4	Energy	345750.00	141400.00	161158.00	157679.61	146325.00	174994.00	170629.00
		(15.03)	(30.08)	(34.29)	(35.79)	(29.12)	(35.98)	(37.02)
5	Industry & Minerals	10000.00	4500.00	1577.00	2183.77	3505.00	3200.00	2592.68
		(0.43)	(0.96)	(0.34)	(0.50)	(0.70)	(0.66)	(0.56)
6	Transport & Communication	544671.00	89919.00	74288.00	66510.88	96423.00	72018.11	65384.47
		(23.68)	(19.13)	(15.81)	(15.10)	(19.19)	(14.81)	(14.19)
7	Science, Technology & Environment	5500.00	750.00	500.00	292.15	750.00	301.00	181.22
		(0.24)	(0.16)	(0.11)	(0.07)	(0.15)	(0.06)	(0.04)
8	General Economic Services	10730.00	1614.00	1560.10	1247.93	2772.00	1894 00	1210.09
		(0.47)	(0.34)	(0 33)	(0.28)	(0 55)	(0.39)	(0 26)
9	Education	221860.00	39543.00	31872.00	29322.32	42903.00	33848.00	30467.87
		(9.65)	(8.41)	(6.78)	(6.66)	(8.54)	(6.96)	(6.61)
10	Health & Public Health	238150.00	38970.00	35635.00	33043.43	42692.00	42179.55	38942.11
		(10.35)	(8.29)	(7.58)	(7.50)	(8.50)	(8.67)	(8.45)
11	Water Ssupply & Sanitation	376600.00	59287.00	63350.00	63176.50	65200.00	61971.00	61837.00
		(16.37)	(12.61)	(13.48)	(14.34)	(12.98)	(12 74)	(13.42)
12	Housing	20000.00	3200.00	3441.00	3105.62	2195.00	1018.04	798.20
		(0.87)	(0.68)	(0.73)	(0.70)	(0.44)	(0.21)	(0.17)
13	Urban Development	294025.00	53665.00	55165.00	49589.76	55200.00	56483.85	54208.92
		(12.78)	(11.42)	(11.74)	(11.26)	(10.99)	(11.61)	(11.76)
14	Other Social Services	74105.00	12431.47	13460.00	11423.14	15465.00	16600.00	15247.74
		(3.22)	(2.64)	(2.86)	(2.59)	(3.08)	(3.41)	(3.31)
15	General Services	82939.00	12084.00	13045.90	9211.08	14705.00	9684.95	8383.21
		(3.61)	(2.57)	(2.78)	(2.09)	(2.93)	(1.99)	(1.82)
16	**Total**	2300000.00	470116.47	470000.00	440588.74	502500.00	486400.00	460921.91
		(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)

Note: Figures in brackets are percentage to total.

At an aggregate level during the first two years of the 10th Plan an expenditure of Rs. 9015.09 crore has been incurred against the total approved outlay of Rs. 9726.16 crore which accounts for 39% of the total outlay of the 10th Five Year Plan. The expenditure level of the NCT of Delhi for the last two years is satisfactory.

(b) Monitorable Targets for 10th Five Year Plan of NCT of Delhi.

- The main thrust of the planning process in Delhi is on augmentation and strengthening of civic amenities and infrastructure under transport, energy, water supply & sanitation, urban development, education, medical & public health sectors. The 10th Plan has given substantial stress in making this programme of Bhagidari more broad based so that citizens can become partners, in the true sense.

- The targets growth in GDP during 10th Five Year Plan was kept at 10.6% for Delhi as against 8.0% for all India.

- The completion of the first phase of Delhi Metro by Dec., 2005 will make the concept of Multi-Model Public Transport System in Delhi – a reality. This Metro System has been classified as one of the best in the world.

- The second phase of the MRTS has been approved by Govt. of Delhi and Govt. of India in principle.

- Introduction of High Capacity Bus System and Electric Trolley Bus System will be completed before the end of Tenth Five Year Plan.

- With the construction of 20 flyovers during the last 05 years and 12 more fly overs under construction at present, the flow of traffic on the roads of Delhi has improved considerably.

- With the massive Tree Plantation Programmes undertaken since last 05 years, the programmes for developing new city forests and Asola Bhati Sanctuary, area under forest cover and tree cover in Delhi has increased to a laudable extent.

- Transparent administration could be made possible with the implementation of the Delhi Right to Information Act and promotion of E-Governance besides people's participation in City Governance through Bhagidhari.

- Health Sector will be the major beneficiary of the Tenth Five Year Plan in Delhi both in view of its expansion from primary to tertiary level infrastructure as well as the rate of investment as compared to other sectors. About 750 beds have already been added and by the end of Tenth Five Year Plan 3250 more beds will be added in Delhi Govt. Hospitals.

- Education Sector is also in the category of priority Sectors. Sarva Shiksha Abhiyan (SSA) has been taken up at full swing to take care of the children and adults who could not attend the formal education.

(c) Annual Plan 2002-03

		(Rs. Crore)
Approved Outlay	-	4703.16
Revised Outlay	-	4700.00
Expenditure	-	4405.89
Percentage Utilisation	-	93.68%
State's Own Resources	-	4151.54
Central Assistance	-	548.46

(d). Annual Plan 2003-04

		(Rs. Crore)
Approved Outlay	-	5025.00
Revised Outlay	-	4864.00
Expenditure	-	4609.22
Percentage Utilisation	-	91.73%
State's Own Resources	-	4597.00
Central Assistance		589.18

(e) Annual Plan 2004-05

		(Rs. Crore)
Approved Outlay	-	5000.00
State's Own Resources	-	4572.00
Central Assistance	-	428.00

(f) Annual Plan 2005-06

Proposed Outlay -- Rs. 5100.00 crore

Sector-wise Break-up of the Proposed Outlay of Annual Plan 2005-06

(Rs. in crore)

Sl. No.	Sector	Proposed Outlay	Order of Priority %age
1	2	3	4
1	Agriculture and Allied Services	23.44	0.46
2	Rural Development	106.70	2.09
3	Irrigation & Flood Control	17.16	0.34
4	Energy	487.54	9.56
5	Industry	28.36	0.56
6	Transport	136.49	26.76
7	Science & Technology	4.70	0.09
8	General Economic Services	22.11	0.43
9	Social Services	2810.22	55.10
10	General Services	234. 85	4.60
	Total	**5100.00**	**100.00**

Sector-wise break-up of the Plan Outlay for the year 2005-06 of NCT Delhi reveals that the State Govt. has given high priority to the Social Service sector (55.10%) followed by Transport & Communication sector (26.76%) and Energy (9.56%).

7. SECTORAL HIGHLIGHTS

(i) AGRICULTURE & ALLIED ACTIVITIES:

The total geographical area of Delhi is 1,47,488 hectares. As per village records, the total cropped area was 48,445 hectares (32.85%) in 2003-04. The remaining area was being used either for non-agricultural purposes or remained as forest, fallow land, uncultivable land, etc. The main crops grown in Delhi are wheat, jawar, bajra and paddy.

The Govt. of NCT Delhi intends to shift the farmers from conventional agriculture to high value commercial agriculture by boosting them for cultivation of commercial crops with focus on vegetable production, floriculture, mushroom cultivation etc. At present, nearly 5000 hectares of land is under flower and 40,000 hectares in vegetable cultivation which is not even sufficient to fulfill the need of domestic market. Tenth Five Year Plan (2002-07) aims at diverting the farmers towards the cultivation of high value & low volume crops from the existing conventional system, keeping in view the geographical location and climatic condition to get more income per unit area and per unit time.

Animal Husbandry

With the increasing urbanization of NCT area, the land holdings are becoming too small to grow agricultural cash crops. Hence, the farmers are shifting towards keeping dairy animals as they can be maintained in smaller land holdings. This was resulted in concentration of more high yielding animals with a superior genetic merit in the areas of NCT of Delhi. With the improvement of technologies and invention of new methods to deal with the animal diseases, it is necessary to provide the regular health services and to improve/upgrade the existing facilities in Veterinary Hospitals/ Dispensaries in order to deal with the new problems.

Stray cattle has become a major traffic hazard in the NCT Delhi. Delhi Govt. has taken various steps to solve this problem.

The Govt. of NCT of Delhi has set up four Dog Sterilization Centres in the previous year in order to deal with the problem of stray dogs and control of rabis in Delhi. The scheme is required to be continued until the objective to curb the stray dog population is achieved.

The Govt. of NCT of Delhi has also set up six Gosadans to receive and maintain the stray, ownerless and unproductive agricultural cattle. Since sick and infirm animals from different sources are received in these gosadans, a proper health check of these animals has to be maintained in order to protect the healthy livestock in the surrounding areas.

Fisheries

There are about 1000 fisherman families who are totally dependent on fisheries for their livelihood. In addition to this, about 10,000 people get part time income from fisheries. Okhla is known as famous fishing spot in the country and is known as "Anglers Paradise". About 10,000 amateur anglers visit Okhla for fishing every year. This includes good number of tourists both foreign and Indian High Civil and Defence officials and members of Diplomatic Corps.

For the development of fish production, the most important requirement is the availability of fish seed of fast growing varieties of fishes, which is in shortage in the country. The Govt. of NCT of Delhi has developed two farms i.e. one at Shahdara and the second at Barwala. Both the Indian and Exotic varieties of culturable fishes breed during rainy season.

Environment & Forest

While the forest area of Delhi Ridge is under process of declaration as Reserve Forest under the Indian forest Act, a part of this area, now in custody of

CPWD was also proposed to be transferred to Delhi Government Forest Department. This needs to be expedited.

Greening programme, waste management, and rain water harvesting need to be implemented with involvement of people in order to make these programmes more effective.

Poor maintenance and operation of facilities for sewage treatment plants has been under criticism. These environmental concerns should be addressed on priority.

The State Government should ensure that adequate provisions are made towards Operation and Maintenance of assets created under Yamuna Action Plan Phase-I and Phase-II.

Issues

- In view of the shrinking area under agriculture, the possibility of diversifying from traditional crops to vegetables, floriculture and horticulture needs to be explored.

- There is a need for good agency to handle the production as well as the marketing of cut flowers and exotic vegetables. In addition to this, it is required to improve the ecological balance and the environment of the area by way of development of greenery.

- To meet the changing taste and demand (for frozen and processed foods) the possibility of development of agro-processing industries could be explored.

- Stray cattle have become a major traffic hazard; a scheme for controlling stray cattle needs to be introduced.

- The provision of storage facilities in the wholesale mandies need to be improved in order to reduce wastage.

(ii) RURAL DEVELOPMENT

In 2001, the rural area in Delhi was 37.50% (556.17 sq.km.) of total geographical area of 1483 sq. km. According to the 2001 census. 6.82% (9.45 lac people) were living in rural areas. Administratively the entire rural area is divided into 5 CD Blocks. In the Five Year Plans and Annual Plan of Delhi, priority has been accorded to rural development.

The main schemes under this sector are (i) Integrated Development of Rural Villages (IDRV) (ii) Mini Master Plan for the Development of Rural Villages (iii) Stg. and Modernization of Panchayat Unit & its functions and Development of Rural Village and Development of Rural Roads. The Govt. of Delhi has proposed

Rs. 106.70 crore for Rural Development Programme during the Annual Plan 2005-06.

(III) Power

Energy is a critical input for economic development and one of the vital needs of every citizen. Globally, the per capita consumption of energy is often used as a barometer to measure the level of economic development. All forms of economic activity (agriculture, industry or services), is reliant on the uninterrupted supply of power. The per capita consumption of electricity in Delhi is around 650 kwh, which is highest in the country after Gujrat (963 kwh) and Punjab (837 kwh).

Delhi's energy requirement is growing at about 7-8% per annum. From a peak demand of only 27 MW in 1951, Delhi's power demand crossed 3289 MW on 4th January, 2004.

The Delhi Vidyut Board (DVB), formerly Delhi Electric Supply Undertaking (DESU), was entrusted with the responsibility of Generation, Transmission and Distribution of electricity in the areas within the Municipal limits of M.C.D till 30th June, 2002. Later, under the Delhi Electricity Reform Act, DVB has been unbundled into five separate companies w.e.f 1st July, 2002 comprising of a Generation company, a Transmission company and three Distribution companies. The Generation and Transmission functions will be performed by the two companies i.e Genco and Transco as wholly State Government owned companies, the Distribution functions have been entrusted to two private companies viz. BSES and Tata Power. Transco company also makes available bulk supply of power to NDMC and MES for distribution in their respective areas.

Operational Performance

YEAR	PLF (%)		T&D Losses(%)	
	Delhi	ALL INDIA	Delhi	ALL INDIA
End of 8th Plan (1996-97)	41.70	64.40	49.64	24.53
End of 9h Plan (2001-02)	45.10	69.90	43.97	33.98
2002-03	43.50	72.20	45.82	32.54
2003-04	46.00	72.70	NA	NA

Tenth Plan (2002-2007) - **Capacity Addition Programme**

The feasible capacity addition during the Tenth Plan period is 41,110 MW at All India basis. This covers only one project of Pragati CCGT aggregating to 225.78 MW for the NCT Delhi during the 10th Plan period.

Power Supply Position

Year	Peak *MW*	Deficit %	Energy *MU*	Deficit %
1997-98 (at the end of the 8th Plan)	(-) 157	7.0	(-) 366	2.6
1997-98 (beginning of the 9th Plan)	(-) 167	6.8	(-) 276	1.8
2001-02 (at the end of the 9th Plan)	(-) 239	7.7	(-) 609	3.1
2002-03	(-) 316	9.2	(-) 379	1.9
2003-04	(-) 100	3.0	(-) 280	1.4
2004-05 (April - Oct.2004)	(-) 66	1.9	(-) 110	0.8

Financial Performance of Power Utilities in NCT of Delhi

The data in respect of the three private distribution companies has not been provided by the Government of NCT to Planning Commission. Some of the data in respect of Delhi Tranco Company based on the Resources Discussion held for Annual Plan 2005-06 is indicated below:

	2003-04 (actual)	2004-05 (RE)	2005-06 (AP)
Average Cost of supply (paise/Kwh)	241.03	243.56	250.30
Average Tariff (paise/ Kwh)	159.97	195.69	192.16
Net Commercial Loss (Rs. Cr.) (without subsidy)	(-) 1922.54	(-) 1153.00	(-) 1406.50
Net Internal Resources (Rs. Cr.)	(-) 1175.63	(-) 550.21	(-) 1240.48

APDRP Scheme

Under the Accelerated Power Development and Reform Programme (APDRP) the sanctioned/released/utilized amount for APDRP (2002-03) as on 1st November, 2004 is given as under:

(Rs.crore)

Project Cost	APDRP Cost	Released Amount as on 31.03.2003	Counter-part fund	Utilisation
946.46	473.23 (50%)	105.51	463.23	711.12

ISSUES FOR DISCUSSION:-

- The performance of the thermal units of Delhi Genco. has been below the National level. In 1995-96, the Plant Load Factor of the erstwhile DVB units was 51.6% which came down to 46% in 2003-04 as against the national average of 72.70%. Delhi Genco. Needs to improve their performance and to bring down operational costs.

- The erstwhile DVB Transmission & distribution losses have been very high over the years. The actual T&D losses for the year 2001-02 and 2002-03 were 43.97% and 45.82% respectively. The impact of privatization on T & D losses should be ascertained.

- The State Government has committed to provide financial support to the Delhi Transco Ltd. to bridge the gap between the average tariff and average cost of supply during the transition period. The stated aim is to ensure that the distribution companies will be able to earn the agreed rate of return on equity with the achievement of targeted efficiency gains as specified by the Regulatory Commission. The financial assistance provided by the State Government to Delhi Transco Ltd, is Rs. 1364 crore in 2002-03, Rs. 1470 crore in 2003-04, Rs. 480 crore in 2004-05 and Rs. 138 crore proposed for 2005-06.

- As outlined above, APDRP projects of Rs. 946.46 crore were sanctioned for Delhi and first tranche of the APDRP fund of Rs. 105.51 crore (25%) was released by MHA. The implementing agencies have already utilized the released fund along with equal amount of counterpart fund from their own sources. In view of this, the balance 75% of APDRP fund amounting to Rs.

367.72 crore need to be provided in the revised budget 2004-05 of Government of NCT Delhi.

(Iv) TRANSPORT

Roads & Bridges:

The State has 27611 kms. of road length as on 31st March, 1999. The road length per lakh population is 203.0 kms. as against all India average of 256.1 kms. The road length per 100 sq. kms. is 1661.8 kms. as compared to 76.8 kms for all India. The projects included in the Annual Plans such as strengthening/ resurfacing, widening of roads, construction of flyovers/ bridges and subways etc. would help to cope up with the problem arising out of rapid increase of population and number of vehicles on the road.

Road Transport:

In the State, Road Transport is broadly structured into 3 categories: I) Mass Rapid Transit System, ii) Transport Department and iii) Delhi Road Transport Corporation.

MRTS:

With an aim to provide a reliable, non-polluting and affordable Mass Rapid Transit System (MRTS) for the NCT of Delhi duly integrated with other mode of transport, the project called Mass Rapid Transport System (MRTS) was launched in Oct, 1988 during the 9th Five Year Plan. Delhi Metro Rail Corporation Ltd. is a 50:50 partnership company between the Govt. of India and NCT of Delhi. The progress of work undertaken is excellent. The Shahdra-Tis Hazari and Tis-Hazari – Tri Nagar Corridors have been completed and are in operation. Civil works from Delhi University to Central Secretariat and Barakhamba Road to Dwarka corridors is in progress.

Delhi Transport Corporation:

DTC is a loss-making corporation of NCT of Delhi. The net loss in the Annual Plan 2004-05 is estimated to increase to (-) Rs. 604.74 crore (RE) from (-) Rs. 554.67 crore in the Annual Plan 2003-04 (RE) and Rs. 451.12 crore in 2002-03 (Actual). The contribution to Plan is estimated to improve to (-) Rs. 397.29 crore from (-) Rs. 399.77 crore in Annual Plan 2003-04 (RE) and Rs. 451.12 crore (Actual).

The major schemes under the Road Transport are (i) Regional Rail Network (ii) construction of ISBTs at Dwarka and Narela and modernizaion of ISBT at Sarai Kale Khan.

Issues:

- In Delhi, there is a multiplicity of authorities handling different aspects of public transport, with little coordination between them. There is, therefore, a need to create a statutory authority to act as a coordinating body.

- The efforts of the Govt. are appreciable for replacing the existing bus fleet by non-polluting buses. However, the average bus staff ratio in DTC is 9.84 in 2004-05 (LE) as compared to the 6.15 of national level. This needs to be reduced.

- Inadequate supply of spare parts for CNG buses has been reported and the cost of which is also very high. The fuel efficiency is low. The material cost is high i.e. around 26% of the total working expenditure. This needs to be look into.

- The Delhi Transport Corporation is a loss-making Corporation. During 2004-05 , the net loss has been estimated at Rs. 697.25 crore. This is a matter of grave concern. Delhi Govt. should take serious note and take steps to minimize losses.

- The staff ratio per bus which is 9.84 should be reduced.

Tourism

Delhi being the National Capital, acts as the nerve center of tourism activities in the country. Considering the high rate of foreign and domestic tourist visits to the capital, higher investment in budget accommodation and tourist facilities are required. Efforts may also be made to make Delhi as the cultural capital of India, as envisaged in the Tenth Plan strategy, by organizing higher number of festivals. Keeping in view the importance of tourism in the National Capital, higher allocations may be made for the projects.

(v) Water Resources

Government of Delhi does not have any major or medium irrigation schemes. The minor irrigation schemes for supplying treated effluent from Sewage Treatment Plants at Kshopur, Okhla and Coronation Depot (Burari) to the cultivators of Delhi for irrigation, have already been completed.

In Delhi 4234 Hac. Is being irrigated through Western Yamuna Canal system under the control of Haryana Government, 1538 Hac. Utilizing treated effluent of the Sewage Treatment Plants through minor lift irrigation schemes and 240 Hac., from the ground water resources through State tube wells. Rest of the land is being irrigated by cultivators either by installing their own tube wells or by lifting water from the drains/ river.

Rural Drinking Water Supply - NCT Delhi has 219 rural habitations and all are "Fully Covered" habitations as on 1.4.2004.The State has no quality-affected habitations.

Urban Water Supply& Sanitation: 100% urban population in NCT Delhi has access to water supply and only 55% to sanitation facilities as against the all India coverage of 89% and 63% respectively. The urban sanitation coverage of the State is below the all India average and efforts should be made to improve the sanitation coverage. Poor sanitation and inadequate sewage treatment largely contributes to the pollution of river Yamuna. Also the drinking water service level is skewed with certain areas receiving very high levels like 500 lcpd and others around 50-60 lcpd. This calls for better management of water supply and reducing the losses due to leakage and theft generally called "Unaccounted For Water".

Issues

- The State Govt. should expedite the early execution of on channel storage and recharge of ground water of the Najafgarh drain. This will raise the ground water table of Delhi as well as provide drinking water to adjoining areas such as Dwarka.

- The decreasing water table is a matter of growing concern. The development of ponds in and around the city where the possibility of increasing surface storage exists should be explored and implemented.

- To avoid the flood/drainage congestion of the Delhi city the Flood Control Deptt. should prepare a comprehensive drainage plan before taking up the implementation of the measures. The piece meal approach of constructing the protection measures should be stopped.

(vi) INDUSTRY & MINERALS

Industry, which contributes about 20% of income, plays a vital role in the economic development of the territory.

. Delhi has an estimated 126218 industries with cumulative capital investment of 2524 crore, production of Rs. 6310 crore and it employs 11.36 lakh persons in 1996. It is a matter of concern that only 25000 units are located in industrial area/ estates and the rest are located in residential and non-conforming areas. There are relatively few medium and large industries. An industrial Survey (1988) indicated that an average unit employs 9 workers while 30% of the unit employs 4 workers. About 19.72% of 76559 units covered were engaged in Textile, 14% in repair and services and only 5% in food products. There were 6350 registered factories including 139 Government factories in 1998.

Delhi Government's Industrial Policy Statement of 1982 laid emphasis on the promotion of hi-tech and sophisticated less energy-intensive and non-polluting industries. Setting up of large and medium industries has been banned from 1987. Further in view of relocation of polluting industries from residential areas to industrial areas Delhi. Govt. may consider issuing a new industrial policy statement.

(viii) Social Service Sector

Out of Rs. 23,000 crore approved for Tenth Five Year Plan of Delhi, Rs. 12,247 crore is allocated for Social Service Sectors which includes Education, Medical and Public Health, Water Supply and Sanitation, Housing and Urban Development, Welfare of SC/ST/OBC and Social Welfare, Labour and Employment etc. The allocated outlay for Social Service Sector is 53% of the total plan outlay for Tenth Five Year Plan. In the current year, about 50% of the total approved outlay of Rs. 5,000 crore is allocated to these Social Service Sectors and about 40% of the allocated outlay for these sectors for Tenth Plan has already been utilized up to September, 2004.

A. Education

Delhi has 4874 schools which includes 2535 Pre-primary and Primary schools, 650 middle schools and 479 secondary and 1210 senior secondary schools in 2003-04. NCT of Delhi has shown good progress in the field of education. Delhi's literacy rate is higher than the national average. The literacy rate in Delhi rose from 38.4 percent in 1951 to 81.8 percent in 2001, while the literacy rate at the national level for the corresponding period rose from 18.3 percent to 65.4 percent. The literacy rate for males has increased from 82.01 percent in 1991 to 87.4 percent in 2001. In case of the females, the literacy rate in Delhi has increased from 67 percent in 1991 to 75 percent in 2001.

Issues:

- A large number of slum children don't go to school on account of poverty. Attention should be paid to ensure they are admitted in the regular stream of elementary education.

- The drop out rate in Delhi is very high despite the fact that the Govt. of Delhi has been implementing incentive schemes in terms of providing scholarships, bus passes, free text books etc. to encourage children to remain in school.

- Efforts should be made for interconnectivity between vocational education, and Polytechnics.

- Attention should be given to improve the literacy rate of SCs population as their total literacy is low (57.60%) in comparison to the general population (81.82%).

- Attention should be paid for Girls Enrolment in the Elementary Stage.

B. Health

The NCT of Delhi has already achieved the replacement level of fertility. However, owing to large migration from neighboring states, the decadal growth rate is higher than the national level. The low sex ratio, especially in the 0-6 years age group is a cause of concern. The state should make all possible efforts to reverse the sex ratio and also to enforce rigorously PNDT Act. There should be health education to make the population aware of the situation in this regard. If 100% registration of births and deaths, especially deliveries conducted at home is ensured and the data thus obtained analyzed properly, it will be possible to detect the time and place when adverse sex ratio emerges. The requisite corrective measures can be taken up thereafter.

Medical services provided by the Delhi Govt. are inadequate and lack quality. Steps may be taken to open new dispensaries in the developing areas and improve the infrastructure in the existing.

The State's performance under the National Disease Control Programmes has been satisfactory. Malaria cases have declined, prevalence of leprosy below 5/10000 has been achieved and performance under the TB and Blindness Control Programme has shown improvement. The state should strive for Total Quality Management in the health sector reforms.

C. Housing & Urban Development

According to 2001 Census there were 25.54 lakh households in Delhi compared to 18.62 lakh households in 1991. There were 33.80 lakh census houses in 2001 of which 30.02 houses were occupied and 3.78 lakh were vacant. Out of the occupied houses only 23.16 lakh (78.18%) were being used exclusively for residential purposes.

The exact number of JJ Clusters was enumerated in a survey conducted by Government of Delhi in 1990. In this survey about 2.59 lakhs households were counted in 929 JJ Clusters. The estimates of Slum Wing of MCD indicates about 1100 JJ Clusters with 6 lakh households at present in Delhi. However, Census 2001 results indicate only about 18 lakh persons residing in Slums including JJ clusters in Delhi.

Issues:

- The State Government should assess the number of houseless families and chalk out a comprehensive strategy to provide shelter within a time bound frame.

- The Growth of the City has resulted in a shortage of dwelling units which in turn, has given rise to a mushroom growth of Jhuggies and Jhopaddies on public land. The State Gov's attention is drawn to the problem.

- Under Swarna Jayanti Shahari Rozgar Yojana (SJSRY), upto March 2004, the central and State share amounted to Rs. 2.75 crore and Rs. 51 lakhs respectively, but the utilization was a mere 45%. The central release of funds during 2001-02 to 2003-04 has been Nil. Focused attention is required in its implementation to avoid shortfall in utilization of funds; The appointment of Project Officers, Community Organizers under SJSRY along with formation of Neighbourhood Groups/ Committees, Community Development Societies should be given top priority.

- Under the National Slum Development Programme (NSDP) an amount of Rs. 40.53 crore as ACA has been released and the State Govt. has reported no expenditure against this scheme. The Delhi Govt. may intimate the reasons for not utilizing the amount.

- Not much headway has been made under Valmiki Ambedkar Awas Yojana (VAMBAY) AS ONLY Rs.50 lakhs has been released and 167 dwelling units have been completed as of now;

- In order to realize the objectives of NCR, emphasis needs to be laid on completion of the on-going projects, set up monitoring mechanism, make an impact assessment of the programme.

Annexure-I

BASIC FACTS ABOUT NCT OF DELHI

Sl.No.	Particulars	Delhi	All India
1	Area in thousand sq. km.	1483 391.91 rural 891.07 urban	
2	Population in lakh (2001)	137.82 lakh	
3	Commissioner's Division	9	
4	Number of Districts	9	
5	No. of Development Blocks Rural	5	
6	No. of villages	250	
B	**COMPARATIVE FIGURES- NCT OF DELHI WITH ALL-INDIA**		
1	Per Capital income in 2001-02 (quick estimate) Rs. at 1993-94 prices Per Capital Income in 2001-02 (quick estimate) at current price	25419 42818	
2	Population in lakh 2001	137.82 lakh	10270.15
3	Percentage of Urban Population	93%	27%
4	Percentage of SC Population	19.05%	6.99%
5	Annual exponential growth rate of population (1981-91)	4.24%	2.16%
7	-do- (1991-01)	3.88%	1.95%
8	Density of population per sq.km. (2001)	9294	324
9	Crude birth rate per thou. (1998-99)	23.33	26.50
10	Crude death rate per thousand (1997)	6.60	9.00
11	Infant mortality rate per thousand	31.30	72
12	Population below poverty line in % (1999-2000) (a) Rural (b) Urban	8.23% 0.40% 9.42%	26.10% 27.09% 23.62%
13	Literacy rate in percent (2001) (a) Male (b) Female Literacy rate in percent (1991) (a) Male (b) Female	81.82 87.37 75.00 75.29 82.01 66.00	65.38 75.85 54.16 52.5 64.13 39.29
14	Electrified villages in No. (upto 1995-96)	All	501831
15	Electrified villages in percent of total (1995-96)	100%	86.62
16	Primary schools (2000-01)	2676	

IMMEDIATE

No. M-13048/7/Guj/2003-SP
Planning Commission
(State Plans Division)
*****

Yojana Bhavan, Sansad Marg
New Delhi –110001
Dated 7.02.2005

Subject: Background note for discussions of Annual Plan 2005-06 of Gujarat.

A background note for the meeting between Deputy Chairman, Planning Commission and Chief Minister of Gujarat to be held at 3.30 PM on 10.02.2005 for finalisation of the Annual Plan 2005-06 is hereby circulated.

(N.D. George)
Director (SP W)
Tel: 23096719

Encl: As above

Planning Commission
Principal Advisers
Advisers
JS (SP)
Heads of Divisions

PMO
Director (Gujarat)
Ministry of Finance
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North Block, New Delhi
National Commission on Population
Member-Secretary

Copy to Private Secretary to:
Deputy Chairman/Minister of State/Members/Secretary

Copy also to:
Director (SP-Coordination)/Dy. Adviser (PC Division)/Dy. Adviser (MLP & Hill Areas)/Protocol Unit/Information Officer

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INTRODUCTION:

The State of Gujarat accounts for 6.19 percent area of India and 4.93% of its population. As per the provisional results of Population Census 2001, population of Gujarat, as on 1st March, 2001, stood at 4.84 crore, excluding earthquake affected areas, while including the estimated figures of earthquake affected areas, it becomes 5.06 crore. The decadal growth rate has increased from 21.19, in 1981-91 to 22.48 in 1991-2001(including estimated population of earthquake affected areas).

The literacy rate in the State (excluding children in the age group 0-6 years) has increased from 61.29 percent in 1991 to 66.43 percent in 2001. Among males, it has increased from 73.13 percent in 1991 to 76.47 percent in 2001, whereas among females, it has increased from 48.64 percent in 1991 to 55.61 percent in 2001. The literacy rate for the rural areas is 62.06 percent whereas for the urban areas it is 82.57 percent. Ahmedabad has the highest literacy rate of 79.89%, while Dohad district has the lowest literacy rate of 45.65%.

The density of population increased from 211 persons per sq.km. in 1991 to 258 persons per sq.km. in 2001. The highest density of 718 persons per sq.km. was observed in the district of Ahmedabad, while the least density of 33 persons per sq.km. was in the Kachchh district(estimated). The percentage of population, residing in urban areas, has also increased from 34.49% in 1991 to 37.67% in 2001.

In the decade of 1991-2001, the sex ratio of Gujarat has gone down significantly, from 934 to 921. The Dangs and Amreli districts have the highest sex ratio of 986, while Surat district has the lowest sex ratio of 835.

According to 1991 census, the Scheduled Castes and Scheduled Tribes constituted 7.09 % and 14.76 % of the State population, respectively. 37.94% of SC population and 8.09% of ST population resides in urban areas of the State.

State of Finances:

The gross fiscal deficit of the State with reference to GSDP has increased substantially after 1997-98 (because of the implementation of the Fifth Pay Commission's recommendations) when it rose to 5%, reaching a high of 7% by 2000-01 after which there has been some improvement. Similarly, the revenue deficit of the State shot up from 3% to 6% between 1999-2000 and 2000-01 and has slightly improved since then. This was also due to the successive traumatic experience of earthquakes and communal riots in the last few years. The fiscal indicators of the State are far worse than the all State GFD/GDP ratio of 4.2% and the all States RD/GDP of 1.8%. The RD/GFD ratio of the State reached 56% in 2003-04 indicating serious fiscal stress on the revenue account. The State's debt ratio is much higher than the all-state average of 28%. Interest payments account for 29.6% of revenue receipts which is higher than the all States' average of 25%. The effective interest rate of the State is 10% in 2003-04. There is scope

for reduction of interest liability by swapping debt to banks and financial institutions. The State may put the risk weighted guarantee liability position into budget documents and introduce fiscal responsibility legislation. The State should place administrative limits on guarantees.

The State was the first to obtain external aid from the ADB for a structural adjustment loan which is now fully drawn. Gujarat is one State in which State PSUs have performed relatively well in financial and commercial terms and where disinvestment has also been undertaken.

Gujarat is a high income non-special category State. Transfers from the Central Government account for only 13% of the State's revenue receipts. Own tax revenue accounts for 69% of total receipts. The major item of State tax revenue is the sales tax which accounts for 64% of own tax revenue. The buoyancies of all receipts have come down. On the expenditure side, apart from interest payments, pension and salary payment account for 53.46% of total revenue receipts. This is higher than the all State position of 50% for salaries and pension payments.

Medium Term Fiscal Restructuring Plan (MTFRP)

The Government of Gujarat has not signed a Memorandum of Understanding (MoU) on MTFRP, with the Ministry of Finance, Government of India.

The State's borrowings as per the proposed Revised Outlay for 2003-04 is at Rs.8254.58 crore where as the MTFRP Ceiling for the Annual plan is at Rs 9849 crore.

The State's Borrowings in the Estimates 2004-05 is also about Rs.10052 crore and the MTFRP ceiling is at Rs.10262 crore.

Financing Pattern – Ninth Plan (Projections & Realization) versus Tenth Plan (Projections):

A comparative statement on the structure of Plan Financing during Ninth Plan and the Tenth Plan projections is given below:

Items	Ninth Plan (1997-2002)		Tenth Plan (2002-07)	
	Projections*	Realization*	Projections*	Realization during 2002-03 and 2003-04*
States Own Borrowings (As Percentage to Aggregate Plan Resources)	**15883.29** (42.08%)	**25400.56** (76.94%)	**34091.75** (85 20%)	**13710.83** (118 70%)
State's Own Funds (As Percentage to Aggregate Plan Resources)	**10347.38** (27 42%)	**(-)1299.70** -(3.94%)	**(-)7241.09** -(18 10%)	**(-) 6536.54** - (56 60%)
Central Assistance (As Percentage to Aggregate Plan Resources)	**11510.53** (30.50%)	**8911.99** (27%)	**13156.34** (32.90%)	**4376.90** (37 90%)
Aggregate Plan Resources	**37741.20**	**33012.85**	**40007**	**11551.20**

* at 2001-02 prices

Tenth Five-Year Plan

Objectives of the Tenth Plan (2002-07)

1. To attain 8.7% rate of growth of GDP over the Tenth Plan period.
2. Access to basic social services especially education, health availability of drinking water and basic sanitation.
3. Expansion of economic and social opportunities for all individuals and groups; reduction in disparities and greater participation in decision-making.
4. Establishment of specific and monitorable targets for key indicators of Human Development such as:
   (a) Reduction of poverty ratio by 5 percentage points
   (b) All children in school by 2003, all children to complete 5 years of schooling by 2007.
   (c) Reduction of Gender gaps in literacy rates by at least 50%.
   (d) Reduction in decadal rate of population growth between 2001 to 2011 to 16.2%.
   (e) Reduction of IMR to 45 per 1000, MMR to 2 per 1000.
   (f) Increase in literacy rate to 75%.
   (g) Increase forest and tree cover to 25%.
   (h) Potable water for all villages.
   (i) Cleaning of major polluted rivers.

Tenth Five Year Plan and Annual Plan 2002-03 and 2003-04:

The sectoral break up of the Approved Outlays and the Actual Expenditure in respect of Annual Plans 2002-03 and 2003-04 are given below.

(Rs. lakh)

S.No	Sector	Tenth Plan 2002-07 (Current prices)	Annual Plan 2002-03		Annual Plan 2003-04	
		Agreed Outlay	Approved Outlay	Actual Expenditure	Approved Outlay	Actual Expenditure
(1).	(2).	(3).	(4)	(5)	(6)	(7)
1.	Agriculture & Allied Services	416900.00	53342.70	26217.64	56342.70	42196.08
2.	Rural Development	160000.00	31631.00	25571.02	31131.00	29089.85
3.	Special Area Programmes	4500.00	0.00	0.00	0.00	0.00
4.	Irrigation & Flood Control	1035000.00	139768.00	147674.09	146583.00	181176.97
5	Power Development	707100.00	80294.30	57620.97	77251.30	111711.04
6.	Industry & Minerals	243000.00	32210.00	15069.69	30710.00	14832.28
7.	Transport	217500.00	79321.00	60296.12	82321.00	65047.35
8.	Communication	4000.00	960.00	1081.19	960.00	1355.45
9.	Science & Technology	38300.00	7028.00	5419.73	7728.00	6216.57
10.	General Economic Services	98550.00	17321.00	17140.95	21131.00	38126.70
11.	Social & Community Services	1772700.00	317837.00	184139.88	331555.00	268449.39
12.	General Services	2450.00	287.00	88.22	287.00	267.77
	Grand Total	**4700000.00**	**760000.00**	**540319.50**	**786000.00**	**758469.45**

- The Tenth Plan projected outlay at 2001-02 prices is Rs.40007 crore
- The actual/estimated expenditure during the first two years of the Tenth plan is Rs.15444.69 crore at current prices which is 32.86 percent of the projected Tenth plan outlay of Rs.47000 crore at current prices. In order to achieve the Tenth plan projected expenditure, the actual expenditure during the remaining three years of the Tenth plan should be over Rs.10518.44 crore per year.

Annual Plan 2004-05:

The Sectoral break up of the Approved Outlay for Annual Plan 2004-05 is given below.

(Rs. Lakh)

S.No	Sector	Approved Outlay
(1).	(2).	(3)
1.	Agriculture & Allied Services	52481.70
2.	Rural Development	43332.40
3.	Special Area Programmes	0.00
4.	Irrigation & Flood Control	2344.5.76
5.	Power Development	64947.70
6.	Industry & Minerals	27025.00
7.	Transport	79556.00
8.	Communication	1956.97
9.	Science & Technology	7618.97
10.	General Economic Services	19232.00
11.	Social & Community Services	320811.50
12.	General Services	453.00
	Grand Total	**851821.00**

Issues raised by the State Government during the Regional Consultation Meeting on the Mid-term Appraisal of Tenth Plan held on November 6, 2004 at Jaipur:

- AIBP ceiling for the current year 2004-05 may be raised to Rs.1000 crore from the approved level of Rs.630 crore.
- Rs. 2000 crore assistance may be provided under RIDF for completing the *sujalam suphalam scheme*.
- The ACA granted under Externally Aided Projects (EAPs) for Earth Quake Rehabilitation may be treated as 70% grant and 30% loan.
- There should be parity in the NPA norms of cooperative banks and the nationalized banks.
- There is a need for a national energy policy. A national gas grid may be established.
- Excise exemption given to Kutch in the wake of earthquake may be extended for a further period of three years.

(I) AGRICULTURE:

Two third of population in Gujarat is engaged in agriculture and earn livelihood directly from this sector. This sector also provides indirect employment to a large section of population who are engaged in agro-based secondary and tertiary occupations.

Agriculture in Gujarat is characterized by adverse natural features except in Central Gujarat. These are:

1. Drought prone areas and low annual rainfall amounting to only about 400 mm at the North West end of the state; and assured and highest annual rainfall amounting to about 2500 mm at the South East end of the State.
2. Shallow & undulating soils with poor fertility in hilly rocky areas;
3. Moisture starved denuded areas and low-lying waterlogged and saline areas.
4. Areas prone to frequent scarcity due to frequent cyclone or floods or locusts.

The trends in share of selected crops of Gujarat in the total respective area and production at the all-India level during 1970-2001 are given at **Annexure-I.**

The physical achievements during 2000-01, 2002-03 and 2003-04 in respect of some of the sub-sectors of Agriculture and Allied Services are indicated below.

Agriculture

The Production of total food grains, total oilseeds and Cotton from 2001-02 to 2003-04 was as under:

Item	Unit	2001-02	2002-03	2003-04
Total Foodgrains	Lakh tonnes	49.06	36.21	65.71
Total Oilseeds	Lakh tonnes	36.30	16.73	56.55
Cotton	Lakh bales	17.03	16.85	40.27

It may be recalled that 2002-03 was a year of widespread drought.

Horticulture

Among the different States of India, Gujarat ranks seventh in production of fruits. The physical performance in respect of some of the important items under horticulture from 2001-02 to 2003-04 has been as under:

Item	Unit	2001-02	2002-03	2003-04
Fruits	Lakh tonnes	31.70	30.50	35.51
Vegetables	Lakh tonnes	30.75	30.00	45.80
Spices	Lakh tonnes	2.50	3.50	3.77
Flowers	Lakh tonnes	-	0.30	0.36

Animal Husbandry

As per the provisional results of livestock census 2003, there were 224.53 lakh livestock in Gujarat. The achievements for livestock products like milk, eggs and wool from the year 2001-02 to 2004-05 have been as follows:

Year	Milk Production ('000 M. tonnes)	Egg production (Million Nos.)	Wool Production (Lakh Kgs.)
2001-02	5876	370	28.08
2002-03	6089	385	27.11
2003-04	6421	443	27.80
2004-05	6852	457	29.50

The major constraints related to animal husbandry are stated below:

i) The present availability of green and dry fodder as also concentrates is very low. The situation so observed is mainly due to: (a) Animal pressure on land is very high. The animal population is about 2 animals per hectare of cultivated land and is varying among the agriculture zones in the State; (b) Proportion of rainfed agriculture is relatively high and hence the availability of fodder supply in non-rainy seasons poses a problem. About 70 per cent of Gujarat agriculture is rainfed; (c) In Gujarat agriculture is dominated by non-food grain crops having no fodder value. The area under non-food grain crops was about 68 per cent of GCA in triennium ending 2000-01, the corresponding figures is 33 per cent of GCA in India.

ii) The quality of roughages of straw is low.

iii) The State suffers from drought of different degrees every alternate one or two years during which fodder shortage gets worsened.

Fisheries

Gujarat has a long coastline of 1600 kms. According to the Seventeenth Livestock Census 2003, there are 970 fishing centres scattered in the remote places of the State. The production and export of fish from 2000-01 to 2003-04 have been as under:

Item	Unit	2000-01	2002-03	2003-04
Fish production	Lakh tonnes	6.61	7.78	6.55
Fish production	Rs. Crore	1374.10	1889.36	1688.15
Fish & fish products-exports	Lakh tonnes	1.24	1.34	1.08
Fish & fish products-exports	Rs. Crore	615.65	760.36	614.41

The marine fish production constitutes about 93.06 per cent of total fish production of the State.

In respect of fisheries, Gujarat has favourable situation. In order to take full benefit of the situation, a lot of improvement will have to be attained in respect of landing and berthing facilities, fishing harbours, terminal divisions and supportive facilities such as boat building, processing, ice and cold storages and dry and fish meal plants. The terminal and intermediate markets are situated far away from the scattered landing sites. Thus, a weak market link between landing sites and the terminals makes it difficult for producers to fetch a reasonable price for their products.

10th Plan outlay and Annual Plan outlays and expenditures during 2002-03, 2003-04, 2004-05 and proposed outlays for 2005-06 are given at **Annexure-II.**

There are at least five weaknesses, which have plagued Gujarat agriculture. These are:

i) low value addition;
ii) increasing real cost of production giving rise to increasingly low benefit-cost ratio;
iii) high variability in productivity growth of some major crops;
iv) inefficient use of natural resources; and
v) deterioration in the institutions working in agriculture sector.

Low Value Addition

Low value addition is the principal cause of weak economic condition of a majority of farmers particularly marginal and small farmers with an average operational holding of 2.93 hectares and average cropping intensity of 114, it is estimated (1988-99) that an average farmer would be earning Rs. 13,000. For marginal and small farmers, the average earning from agriculture only would be around Rs. 4,000 and Rs. 6,000 respectively.

Increasing real cost of agriculture

Increase in real cost of production is another major weakness faced by agriculture in Gujarat.

Variability in Productivity Growth

Growth with stability is highly desirable. However, in agriculture, which solely or to a major extent depends on nature, it is hardly attained. With relatively poor rainfall position and relatively low irrigation facility in Gujarat vis-à-vis India, Gujarat agriculture has experienced lot of variability in the post-green revolution period.

Wasteful use of scarce resources

As in other States, another handicap of agriculture in Gujarat relates to inefficient use of scarce resources like land, water etc. The incidence of water logging and salinity

is relatively high in Gujarat and it has adversely influenced agricultural production in the affected areas. Unchecked soil erosion is also another factor adversely influencing the soil in the State. Fertilizer, another scare resource, is used at less than 25 per cent level of efficiency. In the absence of adequate measures, degradation of soil and water is going ahead more or less unabated.

Deterioration in the co-operative and other self-help institutions

The erosion of co-operative and other institutions working in the field of rural sector is the most disturbing factor, which has adversely affected the progress of agriculture in Gujarat. In modern times continuous changes take place with respect to seed varieties, types of fertilizers and pesticides etc. In order that farmers remain in touch with such changes, adapt them at farm level and enjoy their fruits, an effective extension agency is required. The working of the State level extension agency has weakened in Gujarat. The story with respect to co-operative credit structure and other self-help institutions in Gujarat is similar.

The constraints in agriculture development in the State of Gujarat are discussed below:

Land

Increased pressure on land due to continuously increasing population, industrialization and urbanization has resulted in fall in average operational holding from 4.11 hectares in 1970-71 to 2.93 hectares in 1990-91. Number of marginal and small holders constituted as high as 52.29 per cent share in total landholders, their corresponding share in area was only 17.79 per cent. Although overall average operational holding is relatively higher in Gujarat than that in India, quality of land with higher relative drought prone area is poor in Gujarat.

Irrigation

Water resources of Gujarat even after considering allocated shares from the inter-State rivers are hardly 2 per cent of the country's water resources; its share in population is being 4.93. The per capita availability of water in Gujarat is only 40 per cent of the India's average. The position is dismal in north Gujarat, Saurashtra and Kutch, while in Narmada basin it is nearly 50 per cent more than the national average and 3.5 times of the Gujarat average. The area south of Narmada is water rich, while the north Gujarat, Saurashtra and Kutch are drought prone.

The quality of groundwater in large parts of Gujarat especially along the coasts as well as along with boundaries of Rann is poor. Water is saline. The groundwater also contains harmful proportion of fluorides and nitrates in several areas. The coastal belt of Saurashtra has become saline due to over exploitation of groundwater.

In 1961-62, only about 8 per cent of GCA was irrigated in Gujarat, which increased to 33.71 per cent in 1997-98.

Fertilizer use

Fertilizers use was very low in Gujarat in 1960-61, only 0.85 Kg. NPK per hectare of GCA as against an average of about 2 Kg. NPK in India. Subsequently, the use substantially increased and reached a figure of 102 kg. NPK per hectare by 1997-98, well above the all-India average of 87 NPK kg. But in 2000-01 it was 71 NPK in Gujarat and 87 NPK in India. It is observed that a poor rainfall situation and consistent droughts have much to do with the fall in fertilizer use in Gujarat. Otherwise, with relatively low irrigation in Gujarat vis-à-vis India, the Gujarat performance in respect of fertilizer use can be considered as highly creditable.

In respect of groundnut and cotton, two of the most important problem crops of Gujarat, the strategic policy issues may be laid down as under:

Groundnut

1) A shift in relative area under groundnut cultivation from rainfed conditions to those of irrigated condition as also a shift from kharif cropping to rabi/summer cropping.
2) A provision of one to three protective irrigation at the time of flowering, pegging and pod formation stages in kharif season. This can be attained through proper planning of irrigation development and its distribution network. This strategy would help stabilizing yield per hectare, which is highly unstable.
3) Evolution of new, but successful high yielding varieties of groundnut well suited to irrigated areas as also rainfed areas while evolving these varieties, location and season specific problems should be properly taken care of. This would require concentrated research in right direction.
4) Major extension efforts need to be made to make acceptable the advances available in technology among the groundnut growers. Generally, a wide gap prevails between yield at research and experiment stations on one hand and farm level on the other. Appropriate extension management including interface between extension and research scientists needs to be undertaken.
5) Adequate preliminary arrangements for supplying the strategic inputs along with the necessary extension services to make application of adequate doses of these inputs. This would reduce the productivity differential of groundnut both intra and inter-farm.
6) Adequate market arrangement for effective price procurement support. At present the prevalence of exploitative nature of trade practices leads to a situation of all benefits accruable to groundnut growers are lost in margins of traders.

Cotton

1) Evolution, production and provision of quality pesticides with assured availability at reasonable prices to constantly and effectively control pests and diseases in respect of the present high yielding varieties.

2) Evolution of short duration and pest-resistant high yielding varieties or irrigated farming.
3) Adequate market support in respect of price and facilities for sale.

In the context of the above two crops, it may be maintained that crop income depends on the price as well as productivity. Since productivity growth of two major crops of Gujarat, viz. groundnut and cotton is sluggish, the efforts need to be concentrated on price front.

Annexure-I

Trends in share of selected crops of Gujarat in the total respective area and production at the all-India level during 1970-2001

Crop	Share in area (%)				Share in production			
	1970-73	1980-83	1990-93	1998-01	1970-73	1980-83	1990 93	1998 01
Rice	1 24	1 22	1 34	1 44	1 01 (0 81)	1 16 (0 95)	1 04 (0 78)	1 02 (0 71)
Wheat	2 70	2 95	2 41	1 84	3 18 (1 18)	3 48 (1 18)	2 21 (0 92)	1 56 (0 85)
Bajra	14 45	12 23	11 49	9 82	22 94 (1 59)	20 37 (1 67)	17 10 (1 49)	16 26 (1 66)
Jowar	7 14	5 80	4 55	2 21	5 23 (0 73)	4 92 (0 85)	2 77 (0 61)	2 31 (1 05)
Maize	4 57	5 25	6 09	6 24	5 97 (1 31)	5 41 (1 03)	5 32 (0 87)	5 23 (0 84)
Total cereals	4 54	4 23	3 78	2 73	3 91 (0 82)	3 82 (0 90)	2 71 (0 72)	2 10 (0 77)
Total pulses	2 14	3 71	4 02	3 39	1 50 (0 70)	4 83 (1 30)	4 34 (1 08)	3 16 (0 93)
Total foodgrains	4 18	4 13	3 82	2 85	3 66 (0 88)	3 91 (0 95)	2 83 (0 74)	2 17 (0 76)
Groundnut	24 18	29 80	21 98	26 24	22 74 (0 94)	29 44 (0 99)	16 49 (0 75)	19 49 (0 74)
Rapeseed & mustard	1 10	5 26	9 93	4 97	0 98 (0 89)	7 00 (1 33)	8 35 (0 84)	6 40 (1 29)
Castor	11 51	30 30	42 59	-	27 40 (2 38)	64 58 (2 13)	76 68 (1 81)	-
Sesamum	4 87	4 46	10 67	-	8 23 (1 69)	6 14 (1 38)	11 88 (1 11)	-
Cotton	22 61	19 36	14 16	18 09	31 77 (1 41)	23 66 (1 22)	14 51 (1 02)	21 36 (1 18)
Sugarcane	1 50	2 69	3 29	4 58	1 53 (1 02)	3 05 (1 13)	4 39 (1 33)	4 55 (0 99)
Tobacco	17 76	24 67	23 91	21 63	29 44 (1 66)	37 38 (1 52)	29 30 (1 23)	22 91 (1 06)
Banana	6 04	6 92	5 10		9 37 (1 55)	11 75 (1 70)	14 26 (2 80)	-
Potato	0 78	1 64	1 85	2 48	2 03 (2 60)	2 92 (1 78)	2 97 (1 61)	3 21 (1 29)

Figures in parentheses indicate ratio of share in production to share in area of respective crops

Source On the basis of data from Directorate of Agriculture, Ahmedabad

Annexure-II

Gujarat

(Rs. Lakh)

Major Heads/Minor Heads of Development	10th Plan	2002-03		2003-04		2004-05		2005-06
	Outlay	Outlay	Exp.	Outlay	Exp.	Outlay	Ant.Exp.	Proposed Outlay
Agriculture & Allied Activities								
1. Crop Husbandry (incl. Horticulture)	232000	25001	9501.93	27001	16285.63	17090.70	17090.70	21091
2. Soil & Water Conservation	22800	3700	2258.39	4700	4347.86	9420.00	9420.00	7920
3. Animal Husbandry	12700	2007	1719.47	2007	2036.13	3609.00	3609.00	4609
4. Dairy Development	670	106	74.40	106	88.82	266.00	266.00	266
5. Fisheries	7800	1214	852.02	1214	848.98	1068.00	1068.00	1068
6. Forestry & Wildlife	110000	17000	9268.13	17000	15362.54	14960.00	14960.00	16000
7. Plantations	0	0	0.00	0		0.00	0.00	
8. Food,Storage & Warehousing	530	86	28.23	86	38.00	76.00	76.00	1076
9. Agricultural Research & Education	15400	1920	1678.27	1920	1878.85	3960.00	3960.00	3960
10. Agricultural Financial Institutions	3300	509	221.96	509	484.27	448.00	448.00	448
11. Cooperation	11700	1800	614.84	1800	825.00	1584.00	1584.00	2500
Total	**416900**	**53343**	**26217.64**	**56343**	**42196.08**	**52481.70**	**52481.70**	**58938**
Expenditure as % of Outlay			**49.15**		**74.89**			
All Sectors Outlay/Expenditure	4700000	760000	540319.5	786000	758469.45	851821	851821	1007100
Agriculture as % of All Sectors Outlay/Exp.	**8.87**	**7.02**	**4.85**	**7.17**	**5.56**	**6.16**	**6.16**	**5.85**

(II) RURAL DEVELOPMENT:

The percentage of rural population living below the poverty line in the State of Gujarat has declined from 22.18 percent in 1993-94 to 13.17 percent in 1999-2000. The corresponding All India figures are 37.27 per cent in 1993-94 and 27.09 per cent in 1999-2000. In absolute term, number the persons living below poverty line have decreased from 62.16 lakh in 1993-94 to 39.80 lakh in 1999-2000

Rural Poverty Alleviation Programmes:

The major rural poverty alleviation programmes are:

Swaranjayanti Gram Swarozgar Yojana (SGSY): Swaranjayanti Gram Swarozgar Yojana (SGSY) is a holistic programme of micro enterprise development in rural areas with emphasis on organizing the rural poor into self help groups, capacity building, planning of activity clusters, infrastructure support, technology, credit and marketing linkages.

Sampoorna Grameen Rozgar Yojana (SGRY): The objective of the SGRY is generation of wage employment, creation of durable economic infrastructure in rural areas and provision of food and nutrition security to the poor. The works taken up under the programme are labour intensive and the workers are paid the minimum wages notified by the States.

Indira Awaas Yojana (IAY): The IAY is the core programme for providing free housing to BPL families in rural areas and targets SCs/STs households and freed bonded labourers.

Financial and Physical performance under major centrally sponsored schemes i.e. Swarnjayanti Gram Swarozgar Yojana (SGSY), Sampoorna Grameen Rozgar Yojana (SGRY) and Indira Awaas Yojana (IAY) during the Tenth Plan Period is given in Annexure I & II respectively.

The major issues under major rural poverty alleviation programmes in the State are as under:

Under SGSY, provision of credit is an area of concern. The percentage of credit disbursed under SGSY in the State is lower than the credit target set for the State (75.09% in 2003-04). Per family investment is also less than the norm of Rs. 25.000 (Rs. 23311 in 2003-04). Subsidy credit ratio also low at 1:1.91 in 2003-04 as against the norm of 1:3. The pace of group formation in the State is also low as only 26% of the beneficiaries assisted belong to SHGs. 38.69% of the total swarozgaris assisted were women in 2003-04 vis-a-vis the stipulation of 40%. During the same period, the percentage of SC and ST assisted in the State under the scheme were 19.35% and 32.27%

respectively. The percentage of expenditure on training/capacity building under SGSY is quite low (6.10% in 2003-04).

It may be emphasized that credit delivery under the programme needs to be strengthened.

Adequate focus should be given to the 'group concept'. Social mobilization is the basic plank on which the success of the scheme hinges. A process oriented approach needs to be adopted for social mobilization and community organization. The emphasis should be on skill development of the swarozgaris through well designed training courses tailored to the activities selected and matching with the requirements of the groups. Efforts also need to be made to design scientific training modules for the groups as well as for the functionaries at the grassroot level with the help of institutions possessing expertise in this area, with the impact being closely monitored over a period of time. Attention should be given to the technological and marketing needs of the swarozgaris. Adequate technical assistance would help add value to the local resources including processing of the locally available materials from natural and other resources for the local as well as non local markets. Steps may be taken for ensuring the establishment of effective market linkages with an emphasis on market research, upgradaton/diversification of projects, packaging, creation of marketing facilities, etc. The SHGs formed under the SGSY can play a major role in convergence with various programmes of other departments targetting the rural poor.

Under SGRY-II, 73.13% of foodgrains authorized were lifted while 186.89% of the foodgrains lifted were utilized. As such, the process of lifting of foodgrains needs to be streamlined. The quality of assets created and their maintenance also needs to be focused upon.

Recently, National Food for Work Programme (NFWP) has been launched in selected backward districts. 100% Central funding is being provided under the programme. The State Government may take appropriate steps for the implementation of the programme. The scheme is being implemented in 6 districts of the State.

The State Government of Gujarat may be asked to earmark the Additional Central Assistance (ACA) of Rs. 3580.34 lakh for National Social Assistance Programme (NSAP) including Annapurna for Annual Plan 2004-05 alongwith the State Budget provision or actual expenditure whichever is higher for the schemes during 2000-01.

Annexure - I

Financial Performance under SGSY, SGRY and IAY during Annual Plans 2002-03, 2003-04 and 2004-05– **Gujarat**

(Rs lakhs)

Progs.	Opening Balance	Total Allocation	Total Releases	Total Available Funds	Total Expenditure	%age Exp to Available Funds
2002-03						
SGSY	86.65	1539.95	1876.17	1962.82	2006.46	102.22
SGRY-I	1941.87	4743.53	2936.50	4878.37	4971.99	101.92
SGRY-II	676.54	5560.88	5301.63	5978.17	4097.85	68.55
IAY	374.19	4625.13	7357.35	7731.54	5330.60	68.95
2003-04						
SGSY	266.31	2127.44	2049.00	2376.74	2415.12	101.61
SGRY-I	1564.07	5493.52	5542.27	7106.34	6170.22	86.83
SGRY-II	1271.18	6461.37	7262.40	8533.58	7425.88	87.02
IAY	383.23	5237.95	4992.84	5376.07	5817.24	108.21
2004-05 (upto June, 2004)						
SGSY	76.85	2663.03	998.64	1082.84	286.63	26.47
SGRY	2735.20	13711.07	9008.38	11743.58	2805.30	23.89
IAY*	13.88	6890.43	3445.28	3459.16	2382.94	68.89

Source: Ministry of Rural Development

*upto August, 2004.

SGSY: Swaranjayanti Gram Swarozgar Yojana
SGRY. Sampoorna Grameen Rozgar Yojana
IAY: Indira Awaas Yojana

Annexure - II

Physical Performance under SGSY, SGRY and IAY during Annual Plans 2002- 03, 2003-04 and 2004-05– **Gujarat**

Progs	Unit	Target	Achievement	% age
2002-03				
SGSY	Total Swarozgaris Assisted (Nos)	-	18132	-
SGRY-I	Employment lakh mandays		113.91	
SGRY-II	Employment lakh mandays			
IAY	Houses constructed	27751	27053	97.48
2003-04				
SGSY	Total Swarozgaris Assisted (Nos)	-	21462	-
SGRY-I	Employment lakh mandays	-	166.80	-
SGRY-II	Employment lakh mandays	-	156.39	-
IAY	Houses constructed	31428	31159	99.14
2004-05 (up to June, 2004)				
SGSY	Total Swarozgaris Assisted (Nos)	-	2362	-
SGRY	Employment lakh mandays		35 97	
IAY*	Dwelling Units (Nos)	33074	10156	30.71

Source: Ministry of Rural Development

*upto August, 2004.

SGSY Swaranjayanti Gram Swarozgar Yojana
SGRY Sampoorna Grameen Rozgar Yojana
IAY. Indira Awaas Yojana.

(III) IRRIGATION:

Annual Plan Outlays:

The Annual Plan outlays and expenditures for the first three years of Tenth Plan (2002-03,2003-04 and 2004-05) and proposed outlays for 2005-06 are shown in Annexure I and II respectively.

Annual Plan Physical Performances:

The Annual Plan performances during the first three years (of 2002-03,2003-04 and 2004-05) and proposed targets for 2005-06 are shown in Annexure III.

Major and Medium Irrigation sector:

The outlay proposed for 2005-06 is Rs. 151.05 crore (excluding Sardar Sarovar Project). Some of the major subcomponents of the outlay are discussed below.

Allocations to Major and Medium Projects: The State Government has proposed the following outlays to the ongoing projects as given below.

(Rs. in crore)

SL NO	NAME OF PROJECT NAME	PLAN OF START	APPROVAL STATUS	ESTIMATED COST		CUMMULATIVE EXPENDITURE TILL IX PLAN	AMOUNT PROPOSED 2005-06
				ORIGINAL	LATEST ESTIMATED COST		
	(A)Major Projects						
1	Sardar Sarovar(IS)(AIBP)	VI	Approved	4655 52	30823 00	12673 20	1450 00
2	Zankari	VI	Approved	18 70	90 00	5 07	N P
3	Sidumber	IX	Unapproved	205 35	205 35	0 26	10 00
4	Bajajsagar						1 00
	Total Major Projects			**4879.57**	**31118.35**	**12678.53**	
	(B)Medium Projects						
1	Mukteshwar(AIBP)	VI	Approved	5 37	52 50	45 20	50 00
2	Und-II	VII	Unapproved	NA	64 00	58 50	N P
3	Goma	VIII	Approved	NA	88 70	63 60	10 00
4	Kollayari	VIII	Unapproved	NA	26 00	16 15	25 00
5	Ozat II(AIBP)	VIII	Approved	NA	82 00	70 48	200 00
6	Vatru II(NABARD)	VIII	Unapproved	NA	59 00	52 51	50 00
7	Limbdi Bhogavo II(NABARD)	VIII	Unapproved	NA	43 00	34 06	25 00
8	Aji IV(AIBP)	IX	Approved	98 00	98 00	78 79	50 00
9	Bakrol	IX	Unapproved	23 86	23 86	6 26	N P
10	Bhadar II(AIBP)	IX	Approved	107 00	107 00	68 96	50 00
11	Demi III(NABARD)	IX	Unapproved	32 50	32 50	30 61	25 00
12	Gunda(Utavali) (NABARD)	IX	Unapproved	37 00	37 00	28 18	25 00
13	Men	IX	Unapproved	8 72	8 72	0 59	N P
14	Singur	IX	Unapproved	20 00	20 00	4 18	10 00
15	Varansi	IX	Unapproved	16 81	16 81	9 72	50 00
16	Kuntali	IX	Unapproved	43 99	43 99	4 11	1 00
17	Brahmani II(AIBP)	IX	Approved	41 50	41 50	4 51	N P
18	Chinchai LIS	IX	Unapproved	18 10	18 10	8 94	N P
	Total Medium Projects			**452.85**	**862.68**	**585.35**	
	Total(Major&Medium)			**5332.42**	**31981.03**	**13263.88**	

N P No Provision has been made in 2005-06 by the State

Accelerated Irrigation Benefit Programme (AIBP): Ministry of Water Resources has provided Central Loan Assistance Under AIBP to the following Projects. The details are given below.

Sl. No.	Name of project	Plan of start	(Rs. Crores) CLA released in the 9th Plan	CLA released 2002-03 (Ceiling Rs. 1000 crore)	CLA released 2003-04 (Ceiling Rs. 850 crore)	CLA 2004-05
1	2	3	4	5	6	7
1	Sardar Sarovar	Sixth	1805.25	902.996	557	210
2	Jhuj	78-80	4.74			
3	Sipu	78-80	6.455			
4	Mukteshwar	Sixth	9.748	0.89	0.225	
5	Harnav-II	Fifth	0.065			
6	Umaria	Fifth	0.135			
7	Damanganga	Fourth	9.47			
8	Karjan	Fifth	7.6			
9	Sukhi	Fifth	5.65			
10	Deo	Fifth	0.5			
11	Watrak Kadna RBC	78-80	3.11			
12	Aji-IV	Ninth	10.35	0.665	0.093	
13	Ozat-II	Eighth	10.66	1.115	0.335	
14	Barahmini-II	Ninth	4			
15	Bhadar-II			0.66	0.206	
	TOTAL		**1877.733**	**906.326**	**557.859**	
	Fast Track 2001-02					
16	Sardar Sarovar		94	94	92.5	
	G.TOTAL		**1971.733**	**1000.326**	**650.359**	**210**

For the Annual Plan (2003-04), an amount of Rs.850 crore was allocated for the State under AIBP and the State availed Rs.650.359 crore. During Annual Plan (2004-05), Rs.1000 crore is earmarked for the State under AIBP, and till date release is Rs. 210 crore.

Hydrology Project Phase I: The Government of Gujarat has taken up Hydrology Project with the external assistance of World Bank. An outlay of Rs. 75 lakh has been provided for the year 2005-06.

Hydrology Project Phase II: This is a follow up of the recently concluded HP-I project. This is also a multi-state/agency project. Gujarat is one of the participating states. The project would be implemented over a period of six years from the financial year 2004-05. A provision of Rs. 75 Lakh has been made for the year 2005-06.

Provision of Hydro-Plus Fuse Gates on the Existing Dams: Providing Hydro-plus Fuse Gates on 7 un gated schemes of Gujarat viz. Demi-I, Bangawadi, Sorthi, Dhatarwadi, Karad, Machhannala and Edalwada has been completed. Further it has been agreed in principle to take up the work of providing Hydro-plus Fuse Gate on Veradi-I Scheme in place of Patadungri Scheme. An outlay of Rs. 10 lakh has been provided for the year 2005-06.

The other major outlay is for Information Technology (Rs. 100 lakh for 2005-06).

Minor Irrigation: The outlay proposed for Minor Irrigation is Rs. 56.63 crore out of which Rs 56.30 crore for surface irrigation, Rs. 33 lakh for ground water.

Command Area Development: The Command Area Development and Water management (CADWM) Programme is a centrally sponsored plan scheme and out of 32 schemes included in this scheme 31 are declared completed. Karjan Irrigation Scheme is only one on going which will be completed soon and Sardar Sarovar Project Phase-I is included as a new project in the CAD Programme. The outlay proposed is Rs 3.19 crore for 2005-06.

Sujalam Sufalam Yojana: Rs. 1169.71 crore has been allocated for the year 2005-06 for this project. Out of which Rs. 733.04 crore is for Water Resource Sector and Rs. 436.67 crore is for water Supply Sector

Reforms:

7.1 **WATER RATES & O&M**

Operational Profit (+) / Loss (-) Of Irrigation Projects

(Rs. in Crore)

Year	Gross receipt	Working Expense	Net Profit (+) Loss (-)
1991-92	22.77	55.98	- 33.21
1992-93	22.79	100.13	- 77.34
1993-94	30.99	59.87	- 28.88
1994-95	12.59	96.21	- 83.62
1995-96	37.22	100.38	- 63 16

Source – Pricing of Water in public system in India. Published by Central Water Commission in December 1999.

The prevailing water rates in few States as compared to Gujarat are as under :

(Rs./ha)

State (Year)	Rice	Wheat	Sugar Cane
Gujarat (2001)	825.00	240.00	2750.00
Andhra Pradesh (1997)	494.00	494.00	494.00
Kerala (1974)	99.00	62.00	99.00
Karnataka (2000)	247.10	148.25	988.45
Tamil Nadu (2002)	175.00	50.00	49.42
Rajasthan (1999)	197.60	148.20	286.52
Maharashtra (2003)	320.00	320.00	4230.00

Source – CWC Report

Participatory Irrigation Management (PIM): Up to March 2001, 476 Water Users Associations are formed in the State covering approximately 19,000 ha. Only Minor Irrigation and Lift Irrigation Projects are covered. No current information regarding formation of water user association and coverage in ha. has been furnished in this report.

Ground Water Legislation: Out of 184 blocks in 20 districts, 41 blocks are over exploited and 19 blocks are in dark or critical stage with respect to ground water development (as on 31.03.2003) as reported by the CGWB. During August 2000, the State Government had notified for regulation of Ground Water for Gandhi Nagar Taluka. The Ground Water aquifer below 200 meters depth declared as "Protected Aquifers' exclusively for drinking and domestic use.Gujarat Ground water Authority (GGWA) has been formed vide Government of Gujarat notification no. GWR/1095/61/I-1/j-1 dated 19/09/2001. During August 2000, the State Government had notified for regulation of Ground Water for Gandhi Nagar Taluka. The Ground Water aquifer below 200 meters depth declared as "Protected Aquifers' exclusively for drinking and domestic use. Model Bill to regulate and control the development of ground water is under preparation.

Annexure I

Gujarat-Proposed Annual Plan 2005-06

(Rs. Crore)

Major heads/Minor heads of development	Tenth Plan	2002-03	2003-04	2004-05	2005-06 proposed
1	2	3	4	5	6
Irrigation and Flood Control					
1.Sardar Sarovar Project	7200.00	891.85	900.00	900.00	1450.00
2.Major and Medium irrigation	1800.00	298.47	258.47	227.45	151.05
3.Minor Irrigation	1275.00	195.85	295.85	291.47	56.63
4.Command Area Development (Including AIBP)	40.00	6.12	6.12	5.39	3.19
5.Flood Control (Anti sea erosion)	19.50	3.02	3.02	2.66	1.10
6.Sujalam Sufalam Yojana	0.00	0.00	0.00	915.00	1169.71
Total	**10334.50**	**1395.31**	**1463.46**	**2341.97**	**2831.68**

Annexure II

Gujarat-Annual Plan 2005-06 -Expenditure

(Rs crore)

Major heads/Minor heads of development	Ninth Plan	2002-03	2003-04	2004-05 (Anticipated)
1	2	3	4	5
Irrigation and Flood Control				
1.Sardar Sarovar Project	5298.42	1174.84	1379.96	900.00
2.Major and Medium Irrigation		173.15	262.76	227.45
3.Minor Irrigation	933.32	120.34	162.80	291.47
4.Command Area Development	61.34	3.89	3.39	5.39
5.Flood Control (Include flood protection works)	15.60	1.72	0.85	2.66
6. Sujalam Sufalam Yojana	0.00	0.00	0.00	915.00
Total IV	**6308.68**	**1473.94**	**1809.76**	**2341.97**

Annexure III

Gujarat-Annual Plan Performances-Potential Creation

(in 000 ha)

Major heads/Minor heads of development	Tenth Plan Target	2002-03 Ach'ment	2003-04 Ach'ment	2004-05 Antcpd Ach'ment	2005-06 Target
1	2	3	4	5	6
Irrigation and Flood Control					
1.Sardar Sarovar Project	1792	0	83	148	309
2.Major and Medium irrigation	112	0	20	20	15
3.Minor Irrigation	66	6.5	6.5	6.5	4
4. Sujalam Sufalam Yojana	0	0	0	450	450
Total VI	**1970**	**6.5**	**109.5**	**624.50**	**770**

(IV) SPECIAL AREA PROGRAMMES:

Border Area Development Programme (BADP):

Against the allocation of Rs. 10.26 crore only Rs. 6.84 crore was released to the Government of Gujarat during 2003-04. The same amount has been allocated during 2004-05 against which the first instalment of Rs. 6.84 crore has been released. The state government has furnished the quarterly progress reports in physical and financial terms upto 30th September 2004. An amount of Rs. 9.78 crore is pending with the state government against the releases made till 31st March 2004 along with utilization certificates. The state government has proposed an outlay of Rs. 10.26 crore for 2005-06.

Rashtriya Sam Vikas Yojana (RSVY):

Under the backward districts initiative component of RSVY, three districts namely, Dangs, Dohad and Panchmahals of Gujarat have been covered. Two installments of Rs. 7.50 crore each for Dangs and one installment of Rs. 7.50 crore for Dohad district have so far been released. Further funds will be released on receipt of the progress reports on physical and financial achievements made under the district plan. The allocation for 2004-05 and 2005-06 is Rs. 45 crore. The state government have proposed an outlay of Rs. 0.49 crore for 2005-06.

(V) POWER:

In the State of Gujarat, the Gujarat Electricity Board (GEB) is the main agency for development of Power Sector. In addition, Ahmedabad Electric Supply Co. (AECO) in private sector is generating and distributing electricity in the Ahmedabad area. The Gujarat Power Corporation Ltd. (GPCL) and Gujarat State Electricity Corporation (GSECL) have also been set up to install new power projects in the State in public sector as well as in joint sector. Gujarat Industrial Power Corporation (GIPCL) is another agency which has been promoted to cater the captive power needs of a Group of Industries in a particular area.

Installed Capacity (I.C.)

(MW)

	GEB	JVs/Private	Total
I.C. at the beginning of 9th Plan	4420.00	810.00	5230.00
Capacity Additions during 9th Plan (1997-2002)	120.00	1766.00	1886.00
I.C. at the beginning of 10th Plan (1.4.2002)	4507.00	2576.00	7083.00
Capacity Addition during 2002-03	-	-	-
Capacity Addition during 2003-04	-	106.60	106.60
IC as on 31.3.2004*	4333.00	2817.60	7150.60

* Utran gas (135MW) transferred from GEB to GSECL and Utran TPS (Old) (39MW) of GEB retired.

Central Sector Share

The Gujarat State's share in Central Sector power stations located in the Western Region is as detailed below :

Thermal Stations	Gujarat's Share (MW)
Korba STPS (3x200+3x500MW) - NTPC	360
Vindhyachal STPS I (6x210+ MW) – NTPC	230
Vindhyachal STPS II (2x500 MW) – NTPC	239
Kawas CCGT (4x106+2x110 MW) – NTPC	187
Gandhar CCGT (3x131+1x255 MW) – NTPC	237
Nuclear Stations	
Tarapur APP (2x210MW) – NPC	160
Kakarapara APP (2x220MW) – NPC	125
Total	1538

Number of Villages Electrified as on March 2004

Gujarat	100%
All India	84.3%

Pump Sets Energisation Programme

Potential in terms of number of Pump sets	779800 Nos.
Cumulative achievement as on 31-3- 2003	764564 Nos.
Achievement during 2003-04	29584 Nos.
Cumulative achievement as on 31-3-2004	794148 Nos.

Power Supply Position

Year	Peak Deficit		Energy Deficit	
	MW	%	MU	%
Beginning of 9th Plan (1997-98)	406	6.4	2133	5.2
2000-01	896	11.5	5161	9.7
End of 9th Plan (2001-02)	1305	16.3	6130	11.5
2002-03	1305	15.1	6859	11.4
2003-04	2616	26.6	6879	12.0

Operational Performance

	PLF (%)		T&D Losses	
	GEB	All India	Gujarat	All India
Beginning of 9th Plan (1997-98)	65.6	64.70	21.70	24.79
End of 9th Plan (2001-02)	66.23	69.90	22.84	33.98
2002-03	66.96	72.20	31.13	32.54
2003-04	62.07	72.7	28.96	-
2004-05 (RE)	69.15	-	26.96	-
2005-06 (AP)	70.95		24.96	

Financial Outlays

The details of approved outlays for Tenth Plan and actual expenditure of Annual Plans for Gujarat State are given below :

	All Sector Outlay (Rs. Crore)	Power Sector Outlay (Rs. Crore)	Power Sector Outlay as % of All Sector outlay
Tenth Plan Outlay	47000.00	7000.00	14.89
2002-03 Actual Expdr.	5403.19	571.39	10.58
2003-04 Actual Expdr.	7584.69	1108.18	14.61
2004-05 Likely Expdr.	8518.21	635.45	7.46
2005-06 Proposed	10071.00	730.49	7.25

Annual Plan 2005-06

Gujarat State has proposed an outlay of Rs.730.49 crore for the power sector for the Annual Plan 2005-06, against Rs.635.45 crore expenditure (likely) during 2004-05. The proposed outlay for power sector for 2005-06 includes Rs.196.92 crore for power generation schemes including R&M, Rs.408.09 crore for T&D schemes, Rs.18.79 crore for earthquake rehabilitation works, Rs.59.22 crore for rural electrification including drip irrigation, Rs.1.33 crore for border area development scheme and Rs.46.14 crore for other schemes.

APDRP Status (As on 31st October, 2004)

Project Cost	Rs.1111.25 crore
APDRP Cost	Rs. 555.63 crore
APDRP Release – Investment	Rs. 288.86 crore
Counterpart fund sanctioned	Rs. 291.96 crore
Counterpart fund drawn	Rs. 114.33 crore
Total Utilisation	Rs. 467.:82 crore
APDRP Release- Incentive	Rs. 236.38 crore

SEB Performance:

The performance of Gujarat Electricity Board in terms of various related parameters is indicated below.

	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 RE	2005-06 AP
Average Cost of Supply (paise/KW)	336.00	346.00	388.00	345.00	352.00
Average Tariff (Paise/KW)	221.00	246.00	265.00	269.00	272.00
Percentage Recovery (%)	65.8	71.1	68.3	78.0	77.3
Commercial Profit/ Loss with subsidy (Rs. Crore)	-622	-476	-1933	-645	-934
Commercial Profit/ Loss without subsidy (Rs.Crore)	-3201	-2281	-3034	-1745	-2034
Net Internal Resources (Rs.Crore)	-194	-1184	-1643	-570	-1838
Rate of Return (ROR) with subsidy (%)	-11.75	-8.93	-35.47	-11.57	-16.59
Rate of Return (ROR) without subsidy (%)	-60.48	-42.77	-55.67	-31.31	-36.13
Average agricultural Tariff (Paise/KW)	58.00	74.00	80.00	80.00	80.00
Share of agricultural Consumption (%)	49.00	42.00	37.00	36.00	35.00

Revenue arrears as on 31st March 2004 is Rs.1579 crore whereas the amount realisable excluding bad debt is Rs.1286 crore which is 15.65% of sales revenue of 2003 - 04

Tenth Plan Capacity Addition Programme

All India 41110 MW

Out of 41110 MW All India capacity addition estimated for the tenth plan, the following Gujarat state sector projects are included.

State Sector		**MW**
i)	Sardar Sarovar HEP (1450MW) Gujarat share	232
ii)	Kutch Lignite TPS Extn.Unit IV	75

IPPs

i)	Dhuvaran Gas Based CCPP	106.6 - commissioned
ii)	Akrimota Lignite (2x125MW) GMDC	250
iii)	Jamnagar Power Plant (2x250MW)	500
	Total	**1163.6**

Status of Major On-going Projects

Sardar Sarovar Multi-Purpose HEP (1450 MW)

Approved Cost & Date of Sanction	:	Rs.1551.86 crore	5.10.1988
Estimated Cost latest	:	Rs.4526.15 crore	
Expenditure upto 3/2002	:	Rs.2422.58 crore	

Sardar Sarovar HEP is a joint sector project being executed by SSNNL. The costs and benefits of the power portion are to be shared by the States of Gujarat, Madhya Pradesh and Maharashtra in the ratio of 16:57:27. The share of Gujarat is 232 MW. The project was targeted to be commissioned during 8th Plan period. Due to various problems such as local agitation on account of rehabilitation and Resettlement, procurement of TG sets from Japan for the river bed power house (6x200MW), the project is delayed. The project was originally assisted by World Bank aid and OECF loan. However, World Bank aid was surrendered by Govt. of India in March, 1993 and OECF loan for river bed power house was suspended since March, 1990. . The Supreme Court in its final judgement gave direction for completing the dam as per the award of the NWDT. Rehabilitation and Resettlement works and environmental measures to be undertaken by the participating States of Gujarat, Maharasthra and Madhya Pradesh will be carried out

pari pasu with the progress of the construction of the dam. The permission to raise the dam height up to MDDL of 110.64 mtrs. which is the obligatory minimum level to commence power generation and irrigation, was given by Narmada Control Authority (NCA) on 16.3.04 and the dam has been raised upto 110.64 mtrs. The work of erection of all the five units of canal head power house is already completed and generation has already been started. The latest schedule of works as per the rehabilitation and resettlement action plan approved by Narmada Control Authority (NCA) and its Review Committee indicate that raising the dam height up to the obligatory level of 121 mtrs. is targeted during 2004-05. The work on the river bed power house is progressing and the commissioning of first unit is targeted by 30th September, 2004 and thereafter at the interval of 4 months each and all the six units to be commissioned by May 2006.

Kutch Lignite TPS Extn. Unit IV (75MW)
(Panandhro)

This project is being implemented by GEB. Order for main plant & equipment is placed on M/s BHEL and execution will be taken up in 2004-05. GEB propose to commission this project in the Tenth Plan. TEC clearance has been given by CEA on 6.3.2003 at a completed cost of Rs.304.69 crore.

Akrimota Lignite (2x125 MW)

The project is being implemented by M/s GMDC.

Estimated Cost	:	Rs.1338 crore
CEA Clearance	:	Received
Status of PPA	:	Signed

One unit (125 MW) is likely to be commissioned in 2004-05 .

Private Sector
Jamnagar Power Plant (2x250 MW)

This project has been proposed by M/s Reliance Power Ltd.. The plant is based on Petroleum coke as fuel.

Estimated cost	:	US$434.36 million +Rs.726.43 crore
Techno-economic clearance by CEA	:	CEA clearance on 24.5.1999
Status of PPA	:	Signed

This project was earlier scheduled to be commissioned in the Tenth Plan but construction activity is yet to start and Government of Gujarat wants to review the earlier signed PPA.

Restructuring & Reforms

The Gujarat Electricity Regulatory Commission GERC has been constituted under ERC Act 1998. The GERC has issued its first tariff order effective from 10.10.2000 and the latest in June 2004. Regarding Reforms in the Power Sector an MOU between Ministry of Power and Gujarat State has been signed on 19th January 2001.

Regarding unbundling and corporatisation of GEB, the Gujarat Electricity Industry (Reorganisation and Regulation) Act 2003 has been passed in the Assembly. ADB had appointed M/s. P.A. Consultants and M/s CRISIL Advisory Services to study the reorganization of GEB and come out with recommendations. Accordingly they had submitted their recommendations. GEB is already trifurcated functionally into Generation, Transmission and Distribution Companies. The four new Distribution Companies have been incorporated under the Companies Act 1956 in September 2003. It is envisaged that the Gujarat Electricity Board shall remain as a holding entity to look after the residual functions such as bulk power purchase and bulk supply functions. GEB has a subsidiary Company for generation by name GSECL, which is having generation capacity of 662 MW. GEB has also created the Gujarat Electricity Transmission Company to take over the transmission business. To ensure smooth and proper implementation of the reorganisation of GEB, M/s CRISIL Infrastructure Advisory have been appointed to look into the various aspects of reform and ensure that the entire reforms are put in place within the stipulated time limit of 12-18 months.

Points for Consideration - Gujarat

1. The average cost of supply was 388 paise per unit during 2003-04 as against the average tariff of 265 paise. The gap between average tariff and the cost of supply for the year 2003-04 is 123 paise. This gap is estimated to come down to 76 paise in 2004-05 and 80 paise in 2005-06. GERC issued first tariff revision orders effective from October 2000 and latest in June 2004.

2. Commercial losses of GEB (with subsidy) was Rs.1933 crore during 2003-04 and is likely to come down to Rs.645 crore in 2004-05 (RE). These losses for 2005-06 are estimated at Rs.934 crore. Average agricultural tariff is 80 paise per unit in 2003-04 and its share in the total power consumption is 37%. The average agricultural tariff for 2004-05 and 2005-06 is estimated at 80 paise per unit which needs to be increased to at least 100 paise per unit in order to reduce losses.

The actual T&D losses during 2003-04 is 29%. The projected T&D losses for the year 2005-06 is 25% compared to the present All India T&D losses of around 32%.

(VI) INDUSTRY:

The State's industrial sector comprises of over 2100 medium and large industrial units and over 2.5 lakh small-scale units. In a survey carried out in 2000-01, 76% of medium and large industrial units were found to be in operation. In another recent survey covering small scale (units registered upto 31.3.2000) as well as medium and large units. 75.8% of the surveyed units were functioning.

The State Government has announced **Gujarat Industrial Policy 2003**, to make the State an attractive investment destination by adopting an approach as the best industry facilitator State. As part of the new policy, the state Government has introduced schemes effective from June, 2004. These schemes include:

- Interest subsidy to small and medium enterprises (SMEs)
- Assistance for technology upgradation
- Financial assistance to SMEs for quality certification
- Assistance to research and development
- Assistance to cluster development
- Assistance for market promotion and development
- Assistance to environment protection measures
- Assistance to common effluent treatment plant (CETP)
- Financial assistance to industrial park
- Assistance to critical infrastructure projects
- Relief to sick industrial units

The State Government has also taken up programmes for development of specific industries like textile industry, diamond and jewellery industry, agro and food processing industry, etc. as part of new industrial policy. The development of these industries is both to improve exports from the State as also generate large scale employment.

The Tenth Plan outlay of industries (other than VSI) is Rs. 1903.00 crores. This is approx. 4% of the overall Tenth Plan size of Rs. 47,000 crores. There are no physical targets for this sector.

The main schemes under Industries (other than VSI) in the Gujarat and the corresponding outlays are as follows:

Table II (in Rs lakhs)

Name of the Scheme	Tenth Plan 2002-07 Outlay	2003-04 Outlay	2004-05 Outlay	2005-06 Outlay
1. Financial Assistance to Industries	58000.00	2350	2751	2500
2. Assistance to Research and Technology Dev	6015.00	700	700	1000
3. Development of Infra. Facilities	25000.00	4500	3800	6800
4. Assistance to Institutes for Ind. Dev.	2735.00	355	320	500
5. Promotional Efforts for Ind. Dev.	5020.00	1050	1000	2500
6. Rehabilitation Prog. For sick industry	355.00	20	17	100
7 Development of Salt Industry	3550.00	300	330	1500
8. Assistance to Industries for Natural Calamities	325.00	25	5	30
9.Development of Textile Industry	35000.00	7400	4483	2970
10. Gujarat Infrastructure/ Debt/Equity Fund (GIIC)	25000.00	2278	0.0	0.0
Total	161000.00	18978	13406	17900

The four main schemes under industry Sector in Tenth Plan by Govt. of Gujarat are:

i) Financial assistance to industries,
ii) Development of Infrastructure facilities,
iii) Development of Textile Industry
iv) Promotional Efforts for Industrial Development

The scope and status of industries are as follows:

i) Financial assistance to industries

The operation period of capital subsidy that was provided as a part of Industrial Policy of Gujarat – 2000 has completed. The financial assistance to industries under Gujarat Industrial Policy 2003 is interest subsidy to small and medium enterprises (SMEs) at the rate of 5% per annum is offered for five years period upto maximum of Rs 25 lakh to new units and existing units carrying out expansion/diversification. Apart from intrest subsidy the assistance to SMEs for technology upgradation, quality certification and research and development is also provided.

ii) Development of Infrastructure Facilities:

The State Government has worked out an Infrastructure Plan, Vision – 2010 enlisting 389 projects covering infrastructure sectors like power, port development, road development etc. These projects include large projects, promotion of Industrial Parks by private sector participation, setting up of specific infrastructure projects in industrial clusters, setting up common facility centers etc. have been identified in this regard and separate schemes have been introduced as part of Gujarat Industrial Policy.

The financial assistance in the form of subsidy for setting up of Industrial Parks is will be as under:

i. Industrial Park: 20% of fixed capital investment in land, building and infrastructure facilities, upto a maximum of Rs. 1.00 crore.
ii. Mini Industrial Park: 25% of fixed capital investment, upto a maximum of Rs.50.00 lakh
iii. Hi-tech Park: 50% of fixed capital investment, upto a maximum of Rs.250.00 lakh
iv. Export Park: 25% of the fixed capital investment, upto a maximum of Rs.250.00 lakh.

A separate scheme namely Critical Infrastructure Fund has been introduced in order to provide assistance to specific infrastructure requirement. The State Government has also introduced a new scheme to provide assistance towards the cost of infrastructure like land development, power connection, etc. by medium and large industrial projects coming up in rural areas. The assistance is at the rate of 25% of infrastructure cost up to a maximum of Rs. 100 lakh which can be enhanced to Rs. 250 lakhs in case of linkage facilities extending to rural areas. A scheme is also decided to provide assistance for setting up desalination plants by industrial units as well as common facilities for distribution of water in coastal areas/water scarcity areas.

iii) Development of Textile Industry:

An allocation of Rs. 350 crore under this Scheme has been provided in Tenth Plan. Textile is an important industrial sector in Gujarat with 11.5% share in industrial production of the State. Apart from receiving central assistance, the State Government also support institutions engaged in the promotion of textile industry carrying out research and development activities, promotion of textile park, etc. The State Government has decided to establish garment and apparel park at Surat, Ahmedabad and other locations. It is reported that State Government has also initiated cluster development programme for powerloom sector.

iv) **Promotional Efforts for Industrial Development:**

Industries Administration. District Industries Centres (DICs) undertakes various programmes of investment promotion. 24 DICs are functioning in the State. Industrial Extension Bureau (iNDEXTb) organises Investment promotion campaigns at intervals at the State level as well as at Metropolis and also works at Single Point contact for entrepreneurs, providing information on investment opportunities. The State Government provides grant for these activities. The State Government has also introduced specific schemes of data collection and processing on SSI registrations, monitoring of Industrial Approvals like IEM, LOI, LOP and FDI, collection of production details from industrial units

v) ***Consumer Protection:***

The State Government has established 19 consumer disputes redressal forums (out of 25). Out of these, Government has recently established 11 forums in 11 districts. During 2004-05 an outlay of R. 1.15 crores was provided these new forums. Government now intends to start forums at Navsari, Patn and Anand for establishing these three new districts forums and allocation of Rs.30 lakhs is proposed. In total an allocation of Rs. 1.17 crore for 14 district forums (11 recently established and three new forums). State Government is also setting up a one Circuit Branch in terms of section 17 B of Consumer Protection Act 1986 by creating two more posts of Members in the State Commission. An allocation of Rs. 10.0 lakhs is proposed for supporting staff and a vehicle for this circuit branch.

Additional forums in Ahmedabad, Baroda, Surat and Rajkot for clearance of arrears of past cases would also be set up. For these forums, an allocation of Rs.25 lakhs is proposed. A provision for computerization of district forums – allocation of Rs. 20 lakhs is also proposed. An allocation of Rs. 25 lakhs for Directorate of Consumer Affairs is also proposed.

Total allocation for above five schemes is Rs. 1.97 crores in 2004-05.

vi) **Weights & Measures**

An allocation of Rs. 1.11 crore in A.P. 2005-06 is proposed for weights & measures services. A specific programme targeted to tribal areas proposed an outlay of Rs. 26 lakhs (including Rs. 3 lakhs for computers). It is stated that for the protection of tribal areas, it is necessary to have a standard balance (Dharam Kanta) for verifying the goods sold by the traders to the consumer. The approximate cost of one electronic balance (dharma kanta) is Rs. 20,000. The specific component of the scheme to enforce Weight & Measure (Enforcement) Act in the tribal areas is not clear.

Issues:

1 The State Government needs to expedite the establishment of Textile/ Apparel Park for the textile sector. The setting up of the /Apparel Park is a CSS scheme. Under this scheme, Ministry of Textile provides financial assistance (75% by Centre, 25 % by the State Govt. is provided for infrastructure facilities and 100% for setting up of common effluent treatment plants) to State Government for setting up of Parks.

2 The State Government should expedite the operations of 11 newly established District Forums and to expedite setting up new district forums in the uncovered districts for consumer protection.

3 Department of Consumer Affairs, GOI has expressed its concern on the lack of modernization of infrastructure and facilities to enforce Weights & Measures in States. No capital content is involved in the proposed outlay of Rs. 1.10 crore on

Weights & Measures scheme covered in General Economic Services. The components of the scheme to enforce Weights and Measures (Enforcement) Act in three tribal areas are not clear.

4 An allocation of Rs. 25 crore is proposed for financial assistance to industries (mainly 5% interest subsidy, financial assistance for technology upgradation etc.) in terms of Gujarat Industrial Policy 2003. This scheme was introduced in June 2004. It is for consideration whether such a component for SMEs across the board should be supported.

5 Reorganizing the State Processes/policies for early clearance of investment proposals and streamlining procedures specially from the angle of environment and forests.

6 The detailed progress of Centrally Sponsored Schemes/Central Schemes to be provided, like Textile Centres Infrastructure Development Scheme (TCIDS), Assistance to States for Development of Export Infrastructure and Allied Activities (ASIDE), Apparel Parks, Growth Centers and Industrial Infrastructure Up-gradation Scheme (IIUS) and their activities should be monitored through PERT/CPM Charts with prescribed dates and deadlines for major milestones, such as acquisition of land, position of water supply, power supply road linkages with access to ports, airports, rail heads and approach roads to parks sewerage and drainage and telecommunication etc.

7 For industrial sickness, a clear-cut measure to tackle this problem in a definite time frame is a prerequisite. Units having potential to revive and which are bankable in nature should be preferred. There is a need to devise a suitable mechanism to classify revivable units and chronically loss making units and decide appropriate future course of action. List of sick State PSUs and revival plan including disinvestment/closure if any, may be provided.

8 Achievements with respect of public-private partnership initiatives in relationship of infrastructure in the State may be elaborated.

9 Progress, if any, in rationalization of local taxes/ levies etc. and information on labour reforms, land reforms, statutory, non- statutory clearances may be furnished.

Annexure-I

The State Government has announced **Gujarat Industrial Policy 2003**, to make the State an attractive investment destination by adopting an approach as the best industry facilitator State. As part of the new policy, the state Government has introduced schemes effective from June 2004. The details of these schemes are at Annexure- I. These schemes include:

1. Interest subsidy to small and medium enterprises (SMEs): Interest subsidy at the rate of 5% per annum is offered for five years period upto maximum of Rs 25 lakh to new units coming up in the state. The existing units carrying out expansion/diversification are also offered interest subsidy.
2. Assistance for technology upgradation: Assistance in interest rate @ 3% per annum is offered to existing industrial units undertaking technology upgradation. The scheme also provides creating Technology Upgradation Fund. As a part of the scheme, assistance is to be provided to units obtaining patent registration as per national/international rules.
3. Financial assistance to SMEs for quality certification: Assistance for obtaining quality certification from the approved institutions at the rate of 50% of the expenditure upto maximum of Rs 2 lakhs.
4. Assistance to R&D: For setting up new facilities as well as undertaking upgradation of existing facilities. Assistance will also be provided to R & D institutions for undertaking sponsored research work from industrial units. The assistance will be in the form of subsidy @ 50% of the project, subject to maximum of Rs.5.00 lakh per project.
5. Assistance to cluster development
6. Assistance for market promotion and development
7. Assistance to environment protection measures - Common Effluent Treatment Plant (CETP): This is an on going scheme to provide assistance for setting up Common Effluent Treatment Plant, disposal of treated effluent, development of sites for Solid Waste Disposal etc. Financial assistance is provided at the rate of 25% of the investment in such projects without ceiling.
8. Financial assistance to industrial park : Under this scheme, financial assistance will be provided to Industries Associations/Industrial houses/institutions for setting up various parks such as industrial parks, mini industrial parks, hi-tech parks as well as export parks. The developer of the industrial park will be eligible for exemption on payment of stamp duty for the purchase of land. Besides, the industrial units in the park will also be eligible for concession in stamp duty payment, @ 50% of the applicable stamp duty.

The assistance will be in the form of subsidy as under:

Industrial Park	@ 20% of fixed capital investment in land, building and infrastructure facilities, upto a maximum of Rs. 1.00 crore.
Mini Industrial Park	@ 25% of fixed capital investment, upto a maximum of Rs.50.00 lakh
Hi-tech Park	@ 50% of fixed capital investment, upto a maximum of Rs.250.00 lakh
Export Park	**11.5.1** @ 25% of the fixed capital investment, upto a maximum of Rs.250.00 lakh.

9. Assistance to critical infrastructure projects- A separate scheme viz, Critical Infrastructure Fund is introduced in order to provide assistance to specific infrastructure requirement. The State Government has also introduced a new scheme to provide assistance towards the cost of infrastructure like land development, power connection, water facilities, construction of approach roads etc by medium and large industrial projects coming up in rural areas. The assistance is at the rate of 25% of infrastructure cost up to maximum Rs. 100 lakh which can be enhanced to Rs. 250 lakh in case of linkage facilities extending to rural areas.

10. Relief to sick industrial units: Under the scheme, sick units intending to avail relief and concession will be entitled to the benefit of 50% deferment of state taxes, namely Sales Tax and Electricity Duty, provided it makes payment of 50% of the amount of taxes accrued and payable from the date on which the sick unit has filed reference to BIFR or made application to GBIFR till the data of the order by the competent authority, in three different options viz. payment of accrued amount within 6 months, 18 months or 30 months. The relief is in the form of waiver of penal interest and penalty depending upon the option exercised by the sick unit.

(VII) VILLAGE AND SMALL INDUSTRIES:

1. The proposed agreed outlay for the Tenth Plan for the VSE sector was Rs.475.00 crore (1.01%) of the total State Plan outlay of Rs.47000 crore. The approved outlay for the VSE sector for 2004-05 was Rs.64.63 crore. **The proposed outlay for 2005-06 for the VSE sector is Rs.70.00 crore.**
2. State Govt. had announced a New Industrial Policy 2000 w.e.f. 15th November, 2000. The main objective of the policy are to achieve sustainable industrial development, to make the State more attractive to improve flow of investment, promoting IT, high-tech and knowledge based industries and will emphasise on improving the investment in industrial sector, technology & infrastructure development, encouraging exports, entrepreneurship development to promote employment opportunities, private sector participation in infrastructure development, environmental protection, trade and market development, etc.
3. **Handloom** activities stand second after agriculture sector in providing employment to rural masses in the country. However, in Gujarat its share is very small. As per the handloom census conducted in 1987-88, out of 37000 looms, 22570 were working in the State which have been reduced to 17500 as per the census recently conducted. Handloom is losing its importance in the rural economy. Central Govt. has passed the Handloom Reservation Act (1995) to reserve items for exclusive production in handloom sector to protect it from the competition from Powerlooms. During 2005-06, a sum of Rs.528.50 lakh has been proposed for **Handloom Industries**, targeted to benefit 3236 beneficiaries for taking up various schemes which includes welfare, workshed cum housing, Deendyal Hathkargha Protsahan Yoyana. A sum of Rs.102 lakh has also been proposed for **Intensive Development of Handloom** to be implemented by Handloom Development Corpn. to provide employment opportunity to weavers outside the cooperative field. The Corpn. will take up various programmes which includes modernisation of looms, training, providing yarn designing and marketing of goods, establishing emporias and sales depots, organising exhibition expo, etc. 360 beneficiaries are targeted to be covered.
4. Most of the artisans engaged in the handicrafts are from rural and remote areas of which more than 60% are women artisans. To promote this sector, State Govt. is providing financial assistance for modernisation to the societies and individuals and best artisans are selected and awarded. An outlay of Rs.52.00 lakh is proposed under **Handicraf Industries** to benefit 2600 beneficiaries during 2005-06. **Gujarat State Handicraft Development Corporation** which was established in 1973 is providing inputs to the artisans like raw material, design and technology. At present, Corporation is having its own sales outlets in various cities like Ahmedabad, Mumbai, Kolkata, Chennai, Bangalore, Hyderabad, etc. Corporation will take help of NIFT for design development.An outlay of Rs.101.50 lakh has been provided for 1122 beneficiaries during 2005-06. Under **Special TASP for HDC** an outlay of Rs.20.00 lakh has been provided for 120 beneficiaries

5. **Carpet weaving** is a flourishing cottage industry, providing employment to large number of artisans mostly in remote and tribal areas where other source of employment is not available. This sub-sector has a vast potential for employment as well as earning foreign exchange by tapping export market. An outlay of Rs.275.00 lakh has been proposed to benefit 7540 beneficiaries engaged in carpet weaving during 2005-06, especially for undertaking construction of pakka workshed for the weavers, technology upgradation and improved tools & equipment. Modern Common Carpet Facility Centre has been established in Gundluv in collaboration with IIT Delhi which will help in bring out value addition in carpet weaving.
6. **Khadi & Village Industries** Board is to provide training, modern technology, undertaking survey and publicity, market facilities to generate more employment in the State. An outlay of Rs.815.00 lakh has been proposed to cover 8175 beneficiaries during 2005-06. . Under **Co-Op. Industries Sector** (Package Yojana) an outlay of Rs.136.00 lakh has been provided for 1840 beneficiaries
7. **INDEXT-C** (Industrial Extension Cottage) is established to promot cottage sector activities in an organized way. An outlay of Rs.200.00 lakh has been provided for 2005-06.
8. Under the establishment of **Urban Haat Scheme** of M/o Textiles. Haats have been sanctioned in Ahmedabad, Bhuj and Surat An outlay of Rs.102.50 lakh is proposed during 2005-06. For establishing **Gramoudyog Vikas Kendra** which provides common workshop facility, an outlay of Rs.107.50 lakh has been proposed to benefit 400 beneficiaries during the year.
9. Govt. of Gujarat has set up **Gujarat Rural Industries Marketing Corporation** Ltd. (GRIMCO) to promote marketing of the products of rural industries and to provide technical and managerial assistance to rural artisans. An outlay of Rs.30.00 has been provided for 600 beneficiaries during AP 2005-06 for Leather Development Corpn. which has been merged with GRIMCO. An outlay of Rs.9.00 lakh has also been proposed for **Village Tannery & Flaying Centres** for the benefit of people engaged in processing of leather with traditional methods. Tannery and flaying centres will be improved to generate more employment in this area.
10. An outlay of Rs.108.00 lakh has been proposed for **Gujarat Rural Technology Institute** which is providing technology inputs to artisans engaged in cottage and rural industries, to identify and develop appropriate technology, dissemination of information, research and development to develop more efficient tools/equipments and machines for rural artisans of various institutions.1044 beneficiaries are targeted to cover. For **Manav Kalyan Yojana**, an outlay of Rs.400.00 lakh has been proposed for 22560 beneficiaries during 2005-06. This scheme was introduced on 11th September, 1995 for upliftment of economic condition of artisans/persons living below poverty line. The scheme is providing financial assistance upto Rs.1700/- in the form of tools and equipments to the persons engaged in 46 activities like hawkers, vegetable vendors, carpenters, etc. Cottage Industries Department is also running Regional **Training Centres** and Training-cum-Production Centres in the State to impart training to the artisans in rural and urban areas in the traditional trades like turner, fitter, smithy, welding,

motor rewinding, radio, TV, refrigeration, air condition repairing, printing, auto repairs, etc. for which an outlay of Rs.373.00 lakh has been provided to cover 1472 beneficiaries. **Monitoring of the training imparted to the entrepreneurs should be done regularly.**

11. Under **Shri Vajpayee Bankable Yojana** which is providing assistance for employment generation through indivisual an outlay of Rs.2851.00crore is proposed for 27560 beneficiaries.
12. Gujarat **Soil Work Artisans Board** at Gandhi Nagar is engaged in soil work arting business to provide raw material, marketing help, upgradation of technology and quality of soil work, providing incentives etc. A sum of Rs.50.00 lakh has been proposed for 2005-06 to benefit 717 beneficiaries.
13. **Sericulture** activities have not picked up in the State for want of technical persons and proper marketing inputs avenues. The area under mulberry cultivation is reducing. The National Institute of Sericulture is facing problem due to import of cheap silk. State Govt. has discontinued the schemes for development of sericulture w.e.f. 2003-04. **No outlay has been provided.** Central Silk Board need to be involved for development of this sector.
14. As a follow up action of the recommendations of the Steering Group formulated for preparation of Tenth Five Year Plan on Cottage and Rural Industries Sector, an outlay of Rs.370.00 lakh has been proposed to implement the scheme for **Cluster Development** to **benefit 260 beneficiaries during 2005-06.**
15. In the State of Gujarat, **Venture Capital Fund Scheme for Cottage and Rural Industries** has been introduced under which capital will be made available for (i) seed money for preliminary study, (ii) assistance for proto-type projects, (iii) assistance for pilot project, (iv) assistance for commercial projects. An outlay of Rs.90.00 lakh has been proposed for the year 2005-06.
16. Provision of Rs 250 lakh for **TDD is not clear.** For **Cluster Development Scheme of Kite manufacturing** and **Raw Material Bank** an outlay of Rs.10.00 lakh has been provided.
17. Under the scheme of setting up of **Food Parks**, the Ministry of Food Processing Industries, Govt. of India, is providing Rs.4.00 crore as Central Assistance. The State Govt. may take advantage of this scheme to utilise the horticulture and vegetable produce of the State in a better way.
18. In pursuance of industrial policy measures for promoting & strengthening tiny village enterprises, a scheme of **Integrated Infrastructure Development Centre** for small scale industries to facilitate location of industries in rural/backward areas and to promote stronger linkages between agriculture and industry was launched in 1994. The estimated cost to set up an IIDC is Rs.5.00 crore which is shared between Govt. of India and Small Industries Development Bank in the ratio of 2:3. The share of the Central Govt. is in the form of grant and that of SIDBI as loan. As per the information available in Planning Commission, the State Govt. has taken up **four Integrated Infrastructure Development Projects** at village Miyani (distt. Junagarh) village Radhanpur (distt. Banaskantha),), Anjar (distt. Kutch) and Nagor (distt. Kutch) sanctioned on 25.3.1994, 30.3.1998, 10.07.2003 and 10.07.2003 respectively. The former

Centre is initiating to start the work and for the second one, land acquisition has been made.

19. The State Govt. is running a number of schemes and outlays are provided to institutions/corporations to promote and assist weavers, rural artisans, and people below poverty line. The State Govt may ensure no duplication of work. For promotion of leather industry setting up of industrial leather estates and tannery projects in joint sector with the help of private entrepreneurs/investors could be encouraged. State Govt. may ensure to adopt all possible measures to control pollution by the tanneries/leather industries. **SSI sub sector is also a component of VSE sector, therefore its activities and outlay should be included under VSE.**

(VIII) MINERALS:

Gujarat state is moderately bestowed by wide range of economic minerals such as lignite, bauxite, limestone, fluorite, chalk, clay, fireclay, silica sand, bentonite etc. Dimension stones such as marble, granite, sand stone occur in considerable quantity. Mineral oil, natural gas and coal bed methane are being exploited on a large scale in the State. The present status of mineral resources of the state is given in the Annexure-1. Presently lignite-bearing areas of Bhavnagar, Surat, Bharuch and Kachchh are under exploration. Building stones like granite, Marble, limestone and industrial minerals like silica sand, bauxite, clays etc. are also being explored. The Mineral development of the State has following three activities.

i) Mineral Exploration
ii) Mineral Administration
iii) Mineral Exploitation & Development

The activities of Commissionerate of Geology and mining are aimed at Mineral Exploration, Mineral Administration, and Mineral Exploitation. Mineral Exploration in the field of lignite, bauxite and various types of clay is being done expeditiously. Mineral administration works under directives of respective district collectors and engaged with prevention activities of illegal mining and transportation of minerals.

PLAN OUTLAY (Rs. in lakhs)

Scheme	**X plan** Outlay	**AP 2002-03** Act..Exp.	**AP 2003-04** Act. Exp.	**AP 2004-05** Outlay	**Ant.Exp**	**A P 2005-06 Proposed**
Mining	**5200**	**563.28**	**365.23**	**714.00**	**714.00**	**800.00**

Proposed outlay of Rs. 800.00 lakh for Annual Plan 2005-06 includes allocation for mineral Exploration, Administration, Development and Laboratories and for training, seminars, workshops and exhibitions.

Schemes/Projects proposed for Annual Plan –2005-06

It is proposed to continue with the activities of mineral exploration, administration and development and modernization of mineral laboratories during the year 2005-06.

Computerization by providing infrastructure facilities in mining areas, examining conditions of mines and minerals, developing mineral Atlas and databank, establishing stone artisan parks at Ambaji and Dhangdhra will be taken up by procurement of latest equipment utilized in field. Scheme wise proposed outlay is as given below.

Schematic proposals for AP 2005-06

(Rs. In lakh)

Schemes	Proposals
Mineral Exploration	327.75
Purchase & drilling accessories	40.00
Computerization of the office	25.55
Preparation of Mineral Atlas & Data Bank	10.00
To provide infrastructure facilities	40.00
Establishment of Stone Artisan Parks at Ambaji & Dhangadhara	70.00
Establishment of Khanij Bhavan at Gandhi Nagar	20.00
Renovation of Petrology lab	50.00
Purchase of Rock cutting machine & petrography microscope	32.00
Purchase of new vehicles for newly Created districts	40.00
HRD through training in exploration remote sensing etc.	15.90
Mineral study	30.00

Under the heads of Industries and Mines Department, provisions of Rs. 187.00 lakhs, Rs.15.00 lakhs and Rs. 100.00 lakhs would be for IT (includes digitization of geological data), Evaluation of Schemes and creating of database for Marketing Assistance respectively. The scheme on industrial minerals and stones ultimately lead to the development of mineral based industries and would help in generating employment to the people of backward areas.

Mineral Administration would help in scientific utilization and conservation of minerals. The exploitation of minerals is done by industrial houses and private entrepreneurs in addition to M/s. Gujarat Mineral Development Corporation Limited, and Gujarat Industries Power Company Limited.

ISSUES:

1. The State Government needs to furnish scheme wise actual expenditure and physical performance made in A P 2004-05 and targets fixed for AP 2005-06 in minerals sector In the Plan Document.
2. *The State should put every effort to create a conducive environment for private investors including FDI's to invest in the state, particularly in exploring low volume high value minerals and opening up of new mines.*
3. A Road Map needs to be prepared for detailed mineral exploration and upgradation of minerals reserves.
4. Need to discuss the activities of Gujarat Mineral Development Corporation (GMDC) in the areas of Mineral Development.

(IX) LABOUR AND EMPLOYMENT:

Employment and Unemployment Situation

Table: Incidence of unemployment*

	GUJARAT		ALL INDIA	
	1993-94	1999-2000	1993-94	1999-2000
Rural	5.6	4.8	5.6	7.1
Urban	6.0	4.2	7.4	7.7

* On Current Daily Status Basis

Incidence of unemployment on current daily status basis in the State of Gujarat has decreased both in rural and urban areas during the period 1993-94 to 1999-2000 whereas there is an increasing trend at All India Level.

Unemployment Among Youth and Educated

Table: Incidence of Unemployment among Youth and Educated*

	Youth		Educated		All	
	1993-94	1999-2000	1993-94	1999-2000	1993-94	1999-2000
GUJARAT						
Rural	3.6	3.1	5.2	1.9	2.3	1.9
Urban	8.8	6.4	4.9	3.3	4.3	2.8
INDIA						
Rural	5.4	7.2	9.3	8.4	3.0	3.8
Urban	12.8	13.1	9.0	8.2	5.8	5.9

* On Current Weekly Status Basis

As can be seen from the above table, the incidence of unemployment among youth and among educated has shown decreasing trend during 1993-94 to 1999-2000 both in rural and urban areas in the State of Gujarat. However, at All India Level, incidence of unemployment among youth in rural areas has increased slightly during 1993-94 to 1999-2000.

Employment in Organised Sector (Lakh Persons as on 31st March)

Employment in Organised Sector	1984	1994	1999	2002*
GUJARAT				
Public Sector	8.15	9.73	9.49	8.49
Private Sector	6.51	7.29	8.20	7.37
Total Organised	**14.66**	**17.02**	**17.69**	**15.86**
ALL INDIA				
Public Sector	168.69	194.45	194.15	N.A.
Private Sector	73 45	79.30	86.98	N.A.
Total Organised	**242.15**	**273.75**	**281.13**	**N.A.**

*As per State Govt. Annual Plan Document (EMI Report)

As can be seen from the above table, employment in public sector has increased during 1984-1994 but slightly decreased during 1994-1999. Private sector has shown an increasing trend during 1984-99 but it decreased during 1999-2002.

Labour Force Participation Rates 1999-2000 (Usual Status)

Sl. No.	Labour Force Participation (% of population)	Gujarat	All India
1	Rural		
(a)	Male	58.8	54.0
(b)	Female	41.3	30.2
2	Urban		
(a)	Male	54.7	54.2
(b)	Female	13.8	14.7

Source: National Sample Survey Organisation

Report No.458, Employment and Unemployment Situation in India, 1999-2000.

Literacy Rates 1991-2001 (Usual Status of individuals)

Sl.No.	Literacy Rates %	Gujarat	All India
1	1991		
(a)	Person	61.29	52.21
(b)	Male	73.13	64.13
(c)	Female	48.64	39.29
2	2001		
(a)	Person	69.97	65.38
(b)	Male	80.50	75.85
(c)	Female	58.60	54.16

Source: (i) Registrar General of India, Decennial Census Reports
(ii) National Sample Survey Organisation 54th round (Jan.- June, 1998)

Literacy rate in Gujarat has increased during 1991 to 2001 both in Rural and Urban Areas.

Population below Poverty Line 1993-94 & 1999-2000

Sl. No.	Population below Poverty Line	Gujarat		All India	
		1993-94	1999-2000	1993-94	1999-2000
1	No. of Persons	105.19	67.89	3203.68	2602.50
	Rural	62.16	39.80	2440.31	1932.43
	Urban	43.02	28.09	763.37	670.07

Source: Planning Commission, Govt. of India

- Estimates correspond to 30-day recall period.

No. of persons below poverty line has decreased from 105.19 lakh in 1993-94 to 67.89 lakh in 1999-2000 in the State of Gujarat.

Comments on The Proposals of State Govt. of Gujarat for Annual Plan 2005-06:

The Planning Commission had approved an outlay of Rs.30,000 lakh for Tenth Five Year Plan (2002-07) and Rs.11555 lakh each for Annual Plan 2002-03 and Annual Plan 2003-04. For the Annual Plan 2004-05, an outlay of Rs.10423 lakh was agreed to. For Annual Plan 2005-06, an outlay of Rs.11405 lakh has been proposed for Labour and Employment Sector.

Craftsmen Training:

At the end of Ninth Plan (1997-02), there were 129 Government ITIs with sanctioned seating capacity of 54416. Out of these, 956 seats are for Scheduled Castes, 10064 seats for tribal area candidates and 2016 seats for women. During Tenth Plan, the State Government has proposed to set up 5 new Women ITIs.

The State Government had started short-term training courses especially for school drop-outs and huge backlog of unemployed youth. Since the infrastructure capacity in the ITIs was limited, implementation of this programme has been undertaken through Public Private Partnership Scheme. Under this scheme, mostly computer related courses, English speaking and communication skill and hotel management are taught. After the assessment of this scheme by Tata Consultancy Services in the year 2001, the number of courses was reduced and duration was increased.

The Government of Gujarat has decided to launch Group Insurance Scheme named as Udhyog Vidhya Ratna Scheme @ Rs.10 per annum to each student. The scheme is to protect the vocational engineering and non-engineering trainees from the accident who take intensive practical training. A provision of Rs.6 lakh has been made during the Annual Plan 2005-06 including Rs.0.93 lakh under Tribal Area Sub-Plan and Rs.0.09 lakh under Special Component Plan (SCP).

Employment Service:

There are 42 Employment Exchanges functioning in the State and all are computerized.

Govt. of Gujarat is implementing Pandit Din Dayal Sankalit Swavlamban which is non fund based scheme. Respective departments are required to utilize their resources for providing self-employment assistance. At the end of July, 2004, 5262 youths have got self employment through various self employment schemes implemented by different departments. The total outlay of Rs.89.35 lakh has been provided for the Annual Plan 2005-06.

The scheme "Gram Mitra" is an innovative step taken be State Government to provide employment opportunities to educated unemployed youth. This is not a Tenth Plan approved scheme. Total outlay of Rs.5280 lakh is proposed for this programme. Inclusion of scheme in the middle of the Plan needs discussion. The State Government has decided to provide employment opportunities to educated unemployed youth under

the Gram Mitra Programme. It provides Rs.1000 lumpsum honorarium to one lakh unemployed persons on fixed, temporary basis.

The State Government of Gujarat is implementing various schemes under "Youth Employment Service", i.e., career corners, vocational guidance to youth, pre-service training for defence etc.

Labour Welfare:

Government of Gujarat is implementing various schemes for the welfare of organized and unorganized workers. Government of Gujarat has taken an innovative step and has started Lok Adalats. The scheme is to ensure speedy disposal of pending cases. In the first phase, in four Metropolitan Cities of Ahmedabad, Vadodara, Rajkot and Surat, Lok Adalats will be held in the year 2005-06.

The Govt. is implementing a Group Insurance Scheme covering over 84.25 lakh unorganized labourers in the age group of 14-70 years. Compensation package under this scheme has been fixed at Rs.50, 000 in the event of accidental death and Rs.25, 000 for major disabilities caused due to accident through company. A provision of Rs. 258.45 lakh has been made for this scheme during Annual Plan 2005-06.

The State Government has decided to conduct a survey of the unprotected workers in the organized sector, like the type of occupation, condition of the place of work etc. information on which may be supplied to Planning Commission.

Other promotional activities are – Grant-in-aid to Mahatma Gandhi Labour Institute for Research Training and Development Programme, Scheme of Shram Awards etc. The State Govt. is also implementing social security schemes like grant-in-aid to trade unions and social institutions, various schemes for unorganized labourers etc. Government of Gujarat is also implementing social security scheme for Motor Transport Workers in the Organised Sector who are neither covered by Motor Transport Workers Act 1961, nor covered by the Bombay Shop and Establishment Act 1948.

Issues:

1. The problem of educated unemployment is a serious concern in the state. Reorientation of the present Education System is suggested to effectively deal with this problem.
2. Under Apprenticeship Training, industries need to be encouraged to actively participate under the scheme by increasing the number of seats allotted and service sector should also be included in the "Industrial Establishments".
3. Under the scheme Child Labour, apart from routine inspection, special campaign drives should be launched. The State Govt. should send the reports of such special campaigns regularly to the Planning Commission.
4. State should supply details of the Social Security Programmes along with their achievements and about Lok Adalats and Udhyog Vidhya Ratna Scheme.

(X) ENVIRONMENT AND FORESTS:

Forestry & Wildlife

The recorded forest in Gujarat extend over an area of 18999 sq. kms which constitutes 9.7 per cent of total geographical area of the State. As per Forest Survey of India (FSI) Report, 2001, the tree cover in Gujarat is 4036 sq. km and the forest cover is 15,152 sq.km. representing 2.1% and 7.7% of the state's geographical area respectively totalling to 9.8% of the geographical area of the State.

Gujarat has led the social forestry movement and farm forestry/ agroforestry models were developed in this state. Considering the awareness of the economic importance of forestry species, attempts are required to attain more area under green cover. The pace of afforestation in IFDP should be maintained in the State Plan.

Gujarat State Forest Development Corporation (GSFDC) is engaged in collection of 57 commodities. Collection of Tendu leaves, Mahua flowers and gums have been nationalized. The trade of other NTFP is, however, free.These NTFP can be effectively used for village level enterprises for value addition and gainful employment to the rural people. There is need to organize collection, value addition and trade of NTFP, ensuring due benefit to those involved in collection.

Gujarat State harbours, some of the unique wildlife habitats of the country - Asiatic Lions, Wild Ass, Flamingoes etc. Conservation of these habitats should have a specific focus in the plan. With completion of India Eco Development Project , the focus on people's participation in conservation and PA management should be continued.

The proposed outlay under Forestry & Wildlife Sector for the Annual Plan 2005-06 is Rs. 160.00 crore including (Border Area Development Programme) which constitutes 1.59 % of the total State Plan outlay. The allocation for schemes under Tribal Area Sub Plan is Rs. 4.71 crore, Integrated Forestry Development Project under EAP - Rs.32.93 crore, Border Area Development Programme - Rs.3.15 crore and Forestry & Wildlife - Rs. 119.21 crore. The Agreed outlay for the Annual Plan 2004-05 is Rs. 149.60 crore. There are four major segments containing schemes.

Ecology and Environment:

The rapid pace of industrialization and urbanization in the State has resulted in over exploitation of natural resources/ eco-system adversely effecting the quality of the life, especially of the poor. Rigorous and sustained efforts need to be emphasized in coming years to rectify these man-made mistakes.

The hazardous wastes from the largest shipbuilding yard at Alang, the industrial wastes from Vapi industrial estate, etc continue to cause serious concern/ innumerable hardships to the people. The State Government should explore tie-up campaigns on clean

air and clean water, especially with local TV networks and ad agencies, for creating environmental awareness among the public.

The success stories of corporation like Surat in cleaning city need wider interpretations in other highly polluted cities/towns of the State.

SPCB should be made self-supporting through optimum cess collections.

The State Government must undertake preparation of the state of environment report on annual basis. It should prepare on Agenda-21 rooted in specific conditions of the State. The State Government should prepare a natural resource budget based on natural resource accounting.

Gujarat tops in new investment with Rs. 1.74 lakh crore of which 60% is in chemicals, petrochemicals, fertilizers, dyes & dye-intermediates, drug & pharmaceuticals.

MOU has been signed between Indo-Canada Environment Facility (ICEF) and Gujarat Ecology Commission (GEC) for restoring Mangroves along the Gujarat Coast in 5000 ha. within next 5 years.

13 Common Effluent Treatment Plants are already commissioned in the State.

The proposed outlay for AP 2004-05 for Ecology and Environment Sector is Rs. 4.44 crore. The agreed outlay for the Annual Plan 2005-06 is also Rs. 4.44 crore. The allocation in Ecology & Environment sector needs to be appropriately enhanced in view of pressing problems of natural resource degradation and environmental pollution.

(XI) TOURISM:

The outlay for the tourism sector in the state of Gujarat for the tenth Plan is Rs.12022 lakh. The Annual Plan outlay for 2004-05 was Rs. 1516 lakh. The proposed outlay for the Annual Plan 2005-06 is Rs. 3948 lakh.

Considering the employment generation and tourism potential of the sector, significant increases in the outlay have been made for integrated development of infrastructure, eco tourism and fairs and festivals during 2005-06. However, the state may avail more development assistance under various Centrally Sponsored Schemes operated by the Ministry of Tourism for higher investments in the sector.

(XII) TRANSPORT:

The outlay and expenditure on transport sector during the 10th Plan and proposed outlay during 2005-06 is given in Annexure. The proposed outlay on the transport sector for the Annual Plan 2005-06 is Rs. 993.24 crore.

Roads & Bridges

Presently the State has a total road length of 133850 kms. out of which 117479 kms.(87.77%) is surfaced (as on 31-3-96). In relation to per one lakh of population and per 100 sq.kms., the State road length is 324.9 kms. and 68.3 kms. as against the All India average of 284.7 kms. and 73 kms. respectively. An outlay of Rs. 970.00 crore has been proposed for the Road and Bridges sector during the Annual Plan 2005-06. It is expected to achieve a target of new road length of 40 kms. and connectivity to 12 villages by Pucca road during the year 2005-06. The State's share of Central Road Fund during 2005-06 will be approximately at last year's level.

The arterial routes in the State carry very heavy industrial traffic. These arterial roads have several deficiencies in terms of capacity and strength. The State Govt. has therefore approached the World Bank for widening and strengthening about 1800 kms. of State highways at an estimated cost of US $ 533 million (Rs. 2132 crores) of which the external aid component is US $ 381 million (Rs. 1524 crore) which is about 70% of the total project cost. The external aid will be supplemented by counterpart funds from the State budget. The work of widening and strengthening of 240 kms. of State highways and improvement of 515 km of State Highways under maintenance has been completed. Another 854 kms. of roads under widening and strengthening has been taken up. A sum of Rs. 475 crores is proposed for this project in the Annual Plan 2005-06. The date of completion is December, 2005. The State Govt. has sought World Bank/ADB assistance for reconstruction/strengthening of major/minor bridges and rehabilitation programme of State Highways under Earthquake Rehabilitation programme. Besides, the State Govt. has sought assistance of HUDCO for the improvement of State highways from Bagodara to Vasad(101 kms.) on 70:30 cost sharing basis. The State Govt. has also decided 'in principle' to approach NABARD under Rural Infrastructure Development Fund (RIDF) scheme for taking up the work of black topping the existing rural roads in a phased manner.

The State of Gujarat has developed a long-term plan for development of roads, which envisages a major role for private sector participation. To begin with private sector is expected to invest around Rs. 2000 crore in the next decade. Under this programme, the State Govt. has decided to improve two State highways, viz. Ahmedabad-Mehsana and Vadodara-Halol through private participation on BOT basis at a cost of about Rs. 500 crore to be implemented through special purpose vehicles formed for this purpose. The work on Vadodara-Halol road has already been completed and opened to public. The work on Ahmedabad-Mehsana road has been recently completed and opened to public. The third road project which is proposed to be taken up for improvement is the Ahmedabad-Rajkot highway. The funding pattern for four-laning of

this highway is to be in the ratio of 70:30 between HUDCO and the State Govt. of Gujarat. The participation of the Govt. of the Gujarat in this project is in the form of equity and debt. Besides, Gujarat State Road Development Corporation (GSRDC) has undertaken 4 road projects and construction of 1 ROB (on sharing basis).

Rural Roads connectivity

As per 1991 census, the total number of villages in the State is 18028. Of these as many as 17786 villages (about 99%) were connected by rural roads upto March, 2004. Out of the 242 remaining villages, as many as 156 villages are difficult to be connected by pucca roads due to various reasons, such as, inaccessibility etc. However, planning for the remaining 86 villages have been made to connect them with pucca road. The allocation to Gujarat under Prime Minister's Gram Sadak Yojana (PMGSY) for 2005-06 is likely to be approximately at last year's level.

Road Transport

Gujarat state Road Transport Corporation (GSRTC) is one of the undertakings in the country the performance of which in terms of nationally accepted performance indicators such as, fleet utilization, vehicle productivity and bus-staff ratio have been generally satisfactory compared to all India average. However, vehicle productivity and staff productivity in 2005-06 are likely to decline due to increase in the number of over-aged buses and the increasing burden of interest payment liability. The unhealthy competition with maxi cabs, jeeps and stage carriage permit holders has adversely affected the load factor and revenue of the Corporation. Improvement in load factor which is 57% (2005-06 estimate) will go a long way in restoring the financial health of the State transport under taking. The Corporation is not doing well financially. It has been suffering net losses over the years. It is likely to suffer a net loss of Rs. 81.67 crore in 2005-06 (estimated). Fare revision by 8% took place w.e.f. 22-2-03 and the proposed fare rise by 3% is expected to augment the resources of the corporation. The State Govt. may consider suitable revision in bus fare for improving revenue generation and enforce regulatory provisions to check clandestine operation of private buses to generate more income for the corporation. The losses on account of concessional travel also need to be compensated by the State Govt. During 2005-06 the State Govt. took two important decisions to help GSRTC to improve revenue. The formula for automatic fare revision was prepared. The State Govt. has also decided to reimburse the loses incurred due to operation on uneconomic routes to the GSRTC. An outlay of Rs. 17.74 crore has been proposed in the Annual Plan 2005-06 for this sector.

Ports & Lighthouses

The 10th Plan approved outlay on Transport sector for the State does not include any outlay on ports and lighthouses. The State Govt. has decided to develop this sector with private sector participation.

Civil Aviation

An outlay of Rs. 5.50 crore has been proposed for this sector during the Annual Plan 2005-06. The outlay is proposed to be utilized for land acquisition to construct a hangar for parking helicopters and aircrafts, repair/development of helipads, up-gradation of work at Surat Airport and building and landing strips at different cities are proposed.

Annexure

(Rs. in crore)

	10th Plan	2002-03 (BE)	2002-03 (RE)	2003-04 (BE)	2003-04 (RE)	2004-05 (BE)	2005-06 (Prop.)
Road & Bridges	1706.68	767.00	767.00	797.00	658.15	772.50	970.00
Road Transport	110.66	20.16	20.16	20.16	20.16	17.74	17.74
Ports & Lighthouses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Civil Aviation	34.05	6.05	6.05	6.05	4.54	5.32	5.50
Total (Transport)	1851.39	793.21	793.21	823.21	682.85	795.56	993.24

(XIII) EDUCATION:

The financial performance of the State during the Tenth Plan period including the proposed allocation under education sector for 2005-06 is given below:

Financial Progress in Education Sector – Government of Gujarat

Rs. Lakhs

S. No	Sub-head	Tenth Plan 2002-07 Agreed Outlay	2002-03 Outlay	2003–04 Outlay	2004-05 Outlay	2005 – 06 Proposed Outlay by the State	% Change
1.	General Education	292500.00	40500.00	40600.00	47892.25	47892.00	(-) 0.01
2.	Technical Education	24700.00	5840.00	5840.00	5104.00	8500.00	66.5
3.	Youth & Cultural Activities Deptt. (Languages)	300.00	48.00	48.00	42.00	88.00	109.5
4.	Sports & Youth Affairs	2000.00	326.00	326.00	287.00	606.00	111.1
5.	Art & Culture	5075.00	1190.00	1190.00	686.00	806.00	17.5
	Total Education (Items 1 to 4)	324575.00	47904.00	48004.00	54011.25	57892.00	7.2

Observations pertaining to the proposed Annual Plan 2005-06 for education are as below:

1. It is proposed to undertake water harvesting activities in the primary schools this year for which Rs 3750 lakhs are allocated. This will include development of 5000 units at 5000 primary schools during the year. However, the ongoing scheme of providing incentive for enrolment and retention has a decline in the allocation as compared to that of 2004-05. *The water harvesting activities should not be undertaken at the cost of enrolment activities and the State Govt. should pay attention to this factor*

2. Development and expansion of Govt. colleges and hostel are proposed to be undertaken for which a capital outlay of Rs 3600 lakhs is provided. The activities are spread over 26 govt. colleges, 3 colleges in the non-tribal area and 10 in tribal areas.

3. Bulk of the outlay for technical education is towards meeting the capital expenditure, which is meant for development of Govt. polytechnics including

girls' and Govt. engineering colleges. The majority of the allocation is for earthquake relief activities.

4. The State Govt. has decided to establish a Gazal Centre wherein the poets of ghazal will be awarded and honoured. This is a new scheme and Rs 30 lakhs has been allocated for the same. Kacchi Sahitya Academy is newly established by the Govt. and will function of the line of other academies. Hence, the proposed outlay for promotion of languages is much higher than the current year (almost 110%) and is at Rs 88 lakhs.

5. New schemes have been proposed in the year 2005-06 under youth welfare for renovation of the Mount Abu Mountaineering Institute and opening of district sports offices in newly created districts and municipal corporations. The proposed allocation for the activities in the various new schemes is Rs 48 lakhs.

6. For encouraging sports activities, setting up of sports complexes at various district headquarters is being proposed (at Junagadh, Bhuj, Palanpur, Patan, Himatnagar, Rajpipla and Saputara). This has resulted in an increase in the proposed allocation by 111%.

It is reiterated that these increase in allocations should not be at the cost of targets set for primary education.

(XIV) SCIENCE AND TECHNOLOGY:

Gujarat Council of Science and Technology (GUJCOST) was set up for the promotion and popularization of science and technology in the state and to encourage R&D activities for the development of the state.

Major programmes for Annual Plan 2005-06 include strengthening of State Council of Science and Technology, expanding the remote sensing activities, popularization of science, modernization of forensic science laboratory, promotion of biotechnology in the state etc.

Under popularisation of science, the important activities include assistance to community science center, celebration of National Science Day, organizing quiz competitions, workshops, seminars, symposia, training etc. in order to strengthen the remote sensing activities in the state, and construction of a remote sensing building. In this connection it may be mentioned that there is need for regular state S&T council meeting at least once in a year for providing policy directions and monitoring the various S&T activities in the state. There is also need for close interactions with the central scientific departments/agencies like DST, DBT etc. for identification of specific plans and programmes for the development of science in the state. It is important that biotechnology programmes are focused on specific plans and projects which are location development oriented. Efforts are to be made to self sustain the remote sensing center by way of charging user charges for the services provided.

An outlay of Rs. 57.70 crore has been indicated under the scientific research for Annual Plan 2005-06 in which the components relating to IT, industry, and education sectors have also been included. Proposed outlay for Annual Plan 2005-06 for S&T is Rs. 9.50 crore.

(XV) HEALTH:

Primary Health Care Infrastructure:

Table - Primary health care infrastructure

	Subcentre	PHC	CHC	Subdist Hospitals	Dispensaries
Required	6158	1028	257	-	-
Existent	7274	1044	253	344	199
Data provided by state	7274	1048	258	-	-

The state has surplus primary health care infrastructure. However the institutions are underutilized mainly because of vacancies in critical manpower at PHC and CHC levels. For instance only 53 % deliveries occur in institutions. Vacancies in the number of specialists required in CHCs (890) can be reduced by adjusting the specialists in post partum centers and sub-district hospitals (2518) against these posts. Vacancies of doctors and other personnel can be filled by adjusting the RFWC staff against these vacant posts at PHC This would reduce the financial burden due to transfer of staff RFWC and PPC to the states and also to improve the functional status of these institutions. The Department of family welfare has taken over the responsibility of funding of all ANMs in sub-centres as per the 1991 norms. State should ensure filling all vacancies and ensuring that the ANMs stay in the areas where they are posted; this will improve coverage under FW programe .

To ensure convergence of services at below district level it is suggested that the state may try to form state and district health and famiiy Welfare societies and also ensure that all the on-going National disease control and Family Welfare programmes are implemented through it. Some of the gaps between required and sanctioned posts in critical personnel in primary health care may be met by optimal use of contractual staff being provided under the CSS in Health and Family Welfare. It is important to organize appropriate screening and referral services between primary, secondary and tertiary care institutions.

Infrastructure of Primary and Community Health Centres:

The Health Infrastructure in the state has been able to achieve a significant improvement in the Health status of the people. The number of Community Health Centers, Primary Health Centers, and Sub-Center functioning in the state has increased to 271, 1067 and 7274 respectively at the end of March, 2004 from 17, 251 and 2951 respectively in 1981-82. The number of Primary Health Centers has further increased to 1070 at the end of November, 2004. The State has 25 General District Hospitals and 22 Taluka Hospitals with 5811 beds. The current health policy is based on The Primary Health Care approach, with due support of an effective network of referral system and inter-sectoral coordination. Over the years, the State Government has built up fairly extensive network of Community Health Centers, Primary Health Centers and Sub-

Centers in the rural areas of the state and a quantum leap in infrastructure development has taken place

Annual Plan Outlays, 2005-06 of Gujarat

The following table gives figures of Annual Plan Outlays and anticipated expenditure during 2004-05 and outlays for 2005-06.

Rs. In lakhs

S. No.	Head	Annual Plan 2004-05		Annual Plan 2005-06 outlay
		Outlay	Exp.	
1.	Medical & Public Health	25294.00	25294.00	35494.00
2.	Total	851821.00	851821.00	1007100.00
3.	Percentage	2.97	2.97	3.52

It may be seen from the above table that while the anticipated expenditure during 2004-05 is likely to be 100%, the percentage of outlays proposed under the Health sector for the year 2005-06 is at a higher level of 3.52 percent as compared to 2.97 percent in 2004-05.

Indian System of Medicine & Homoeopathy

An important role has been assigned in the Indian System of medicine and Homoeopathy in delivery of health services. Government has encouraged the system by way of opening Ayurveda hospitals, Ayurveda & Homoeopathy dispensaries. Ayurveda education is imparted through Ayurveda University and colleges. Homoeopathy education is imparted by Grant in Aid & self-finance Homoeopathy Colleges.

Comments

The Government of Gujarat should keep in mind the following main objectives in the formulation and implementation of Annual Plan 2005-06.

(i) Expantion and strengthening of health care delivery, infrastructure and services so as to achieve cent percent coverage and to provide quality health care to the community.

(ii) Implementation and strengthening of National Health Programmes.

(iii) To ensure preparedness for dealing with natural calamities and containment of epidemic prone diseases.

(iv) Establishment and strengthening of Urban Health Care Services.

(v) To meet the new challenges of HIV AIDS and other transmitted and new emerging communicable diseases.

Problem Areas

To ensure convergence of services at below district level it is suggested that the state may try to form state and district health and family Welfare societies and also ensure that all the on-going National disease control and Family Welfare programmes are implemented through it. Some of the gaps between required and sanctioned posts in critical personnel in primary health care may be met by optimal use of contractual staff being provided under the CSS in Health and Family Welfare. It is important to organize appropriate screening and referral services between primary, secondary and tertiary care institutions

(XVI) WATER SUPPLY AND SANITATION:

The outlay/Expenditure for Water Supply and Sanitation Sector for the Tenth Plan. annual Plan 2002-03 and Annual Plan 2003-04 are given below:

Plans/Years	Outlay/Expenditure (Rs. in crores)
Approved outlay for Tenth Plan (2002-07)	3907.28
Approved outlay for AP 2002-03	792.13
Actual Expenditure for 2002-03	632.34
Approved Outlay for AP 2003-04	792.13
Anticipated Expenditure (RE) AP 2003-04	680.74
Approved Outlay for AP 2004-05	677.24
Anticipated Expenditure AP 2004-05	NA
Proposed Outlay for AP 2005-06	699.24

* Discrepency between the figure given in the State Govt. document and approved by the Planning Commission. Planning Commission approved an outlay of Rs. 3907.28 crore for Tenth Plan whereas State Govt. document showing that outlay for Tenth Plan is Rs. 4590.25 crore, it needs clarification.

1. As per the findings of Gujarat Social Infrastructure Development Board, the Rural and urban scenario with regard to water supply is as under:

a) **Rural Scenario in the State :**

1) There is very high per capita consumption of water (around 400 lpcd) in the rich houses of the villages in North Gujarat.
2) Govt. policy is to subsidise power tariff for water supply schemes. House connection facility is availed by affluent sections, that constitute 15 to 20% of the population and the remaining 80% are utilising only 20% of the water resources. Thus, the people who can afford to pay are grabbing 80% of the water subsidy.
3) Per capita availability of water for the poorer and lower middle class has gone down, whereas per capita availability of water to rich people has gone up by more than 100%.
4) Per capita water wastage is 50% of consumption in the case of affluent sections whereas wastage by the poor is only to the tune of 5% of their total consumption i.e. high rate of consumption and wastage by the rich people.

b) **Urban Scenario in the State :**

1) The urban scenario of drinking water is not satisfactory. Approximately 72 urban centres have been worst affected during the last drought year. The water sources were found inadequate and water supply drastically curtailed.

2) Water supply falls under the jurisdiction of the subject of urban local bodies. The urban local bodies were unable to provide professional management in drinking water supply.

3) There is heavy variation in the drinking water supplies of various municipalities. Only 10 municipalities meet the present requirement completely, the 38 municipalities have water supply below 50 lpcd, 24 municipalities do not have water plan & 13% of the towns depend on the hand pumps or pressure pumps, which are not reliable.

4) Water supply is being largely grabbed by commercial and institutional establishments such as boards, corporations, restaurants and others who consume about 70% of water quantity.

2. As per the Rajiv Gandhi National Drinking Water Mission (RGNDWM), the status of "Not Covered" (NC) and "Partially Covered" (PC) habitations are as under:

Status	Not Covered (NC)	Partially Covered (PC)	Fully Covered (FC)	Total	No. of schools
As on 1-4-2004	1	58	30210	30269	-
Target for 2004-05	40	560	-	600	600
Coverage during 2004-05 (upto Sept'04)	20	320	-	340	138
The status as per a new survey conducted during 2003-04, in the State	166	9462		34845	

State should step up their efforts for covering all the NC/PC habitations and primary schools within stipulated time and submit the report.

3. The new survey revealed that 4187 habitations are found with excessive fluoride, 2508 habitations with excessive salinity and 1335 habitations with nitrate and 29 habitations are affected with other water quality parameter in drinking water, out of that 384 habitations are affected with multiple quality parameter. Hence, net 7675 habitations are affected with water quality problem in drinking water sources.

4. As per RGNDWM, the financial progress under Centrally Sponsored Accelerated Rural Water Supply Programme (ARWSP) and State sector

Under ARWSP

Opening balance as on 1. 4.2004	=	Rs. 0.43 lakh
Allocation during 2004- 2005	=	Rs. 5753.00 lakh
Releases during 2004-2005	=	Rs. 3308.00 lakh
Expenditure incurred August.'04	=	Rs. 3308.43 lakh

Under State Sector

Provision during 2004-2005	=	Rs. 20886.00 lakh
Expenditure incurred upto August.'04	=	Rs. 3248.80 lakh

The State Govt. may accelerate their efforts for utilization of funds and implementation of the programme.

5. The implementation status of Sector reforms projectrs are as under :

(Rs. Lakh)

Sl No	District	Approved Cost	GOI share	Admin. approval date	Funds released	Reported Expdr.	Community Contributio
1.	Mehsana	4000.00	3740.00	04-Feb-00	3708.00	4371.00	328.00
2.	Rajkot	4000.00	3740.00	09-Feb-00	3043.23	2702.00	306.00
3.	Surat	4000.00	3740.00	04-Feb-00	3366.00	3620.00	89.28

6. The details of Swajal Dhara Schemes (upto 29-10-2004)

7.

(a) Swajaldhara scheme (2002-03)

No. of proposals approved	= 30
GOI Share	= Rs. 184.42 lakh
Amount released	= Rs. 167.97 lakh

(b) Swajaldhara scheme (2003-04)

Allocation for 2003-04	= Rs. 765.56 lakh
Amount released	= Rs. 803.84 lakh

(c) Swjaldhara Scheme (2004-05)

Allocation for 2004-05	= Rs. 826.42 lakh
Amount released during 2004-05	= Rs. 619.81 lakh

8. As per RGNDWM, the Physical progress under Total Sanitation Campaign (Central Rural Sanitation Programme) are as below (upto 31-10-2004):

Item	Project Objective	Project Performance
Individual House Hold latrines (IHHLs)	183898	54288
Sanitary Complex	0	0
School Toilets	5948	2095
Toilets for Balwadis	0	0
Rural Sanitation Mart(RSM)/ Production Centres(PCs)	37	0

State Govt should step up their efforts to improve the project performance under the Campaign.

9. As per RGNDWM, the financial progress under Total Sanitation Campaign (Central Rural Sanitation Programme) are as inder (upto 29-09-2004):

Total Projects outlay	**= Rs 3253.56 lakh**
Approved Share	
i) Central Share	= Rs 2143.52 lakh
(ii) State Share	= Rs 744.61 lakh
(iii)Beneficiary's share	= Rs.365.43 lakh
Release of funds	
(i) Central Share	= Rs 566.25 lakh
(ii) State Share	= Rs.160.12 lakh
Total Expedr.	= Rs.552.11 lakh

10. Under Accelerated Urban Water Supply Programme (AUWSP), for towns having population less than 20,000 (1991 Census),

No. of projects	=	51 nos.
Estimated cost approved	=	Rs 6297.10 lakh
Allocation for 2004-05	=	Rs.772.19 lakh.
Amount released by Govt. of India	=	Rs 3035.86 lakh
An amount released by State Govt.	=	Rs.3007.99 lakh
Total expdr. incurred upto Jun'04	=	Rs. 3936.92 lakh

11. Population coverage as per CPHEEO

	UWS	US
- State's Coverage (%)	98*	67*
- All India average(%)	89	63

* - The figures indicated as of 31.03.1998 since the State have not furnished the information as of 31.03.2000.

12. Details of overexploited/dark/total blocks in the state and the level of ground water development in the state is given below:

Total no. blocks	= 184
No. of overexploited blocks	= 41
No. of Dark blocks	= 19

The level of ground water development in the state is 49.27% against all India average of 37.23 %. The State Govt. should take measures to prevent over exploitation in the identified over-exploited and dark areas and should also take recharging measures for sustainability of drinking water sources.

13. Mahi based Saurashtra Pipeline Project : As per proposal, Govt of Gujarat has taken up implementation of the Mahi based Saurashtra pipeline project for supply of bulk water (275 mld). The total cost of the project is Rs. 409 crore. The project is based on Mahi fed Pariej and Kanewal tanks in kheda district. The major portion of the project has been completed and water supply is commissioned. An outlay of Rs. 500 lakh has been provided in this plan to meet with cost of the remaining works.

14. Sardar Sarovar Canal Based Drinking Water Supply Project : Saurashtra, Kachchh and North Gujarat has been facing acute problem of drinking water due to peculiar geological and geo-hydrological situation. Ground water table is constantly depleting. Ground water recharging is minimal due to rocky terrain. Govt. is left with no other option but to transfer water from South and Central Gujarat. Narmada tribunal has allocated 3582 mld of water for domestic and industrial use. Out of this 2021 mld is allocated for the drinking water needs of 8215 villages and 135 urban centers and 661 mld for industrial purpose. GoG. has decided to implement a mega project for water supply to Saurashtra, kachchh and North Gujarat including Panchmahal. The project aims at supplying drinking water ta the rate of 70 lpcd for rural areas and 100 to 140 lpcd to urban area to the total projectsed population of 2,41,94,000 (year 2011)and 2,93,05,000 (year 2021).

15. Guarat Earth Quake Relief and Rehabilitation Project under ADB Loan 1826-ind. & Under Bilateral Assistance of Netherlands Government : GOG has negociated a loan from the Asian Development Bank for rehabilitation and reconstruction of rural water supply and urban bulk supply systems in the earthquake affected areas. The main objective of this component is to finance restoration of the bulk and rural water supply systems to pre-earthquake levels, incorporating multi hazard resistance against earthquake, cyclone and drought, which are prevalent through out the area. Against the cost of Rs. 812.86 crore of projects, an expenditure of Rs. 353.22 crore is incurred upto 15.10.2004. Therefore, an amount of Rs. 459.64 crore is required as on 15.10.2004 for completion of projects. A financial outlay of Rs. 200 crore is provided for the year 2005-06.

16. The details of Community managed development of water and sanitation in earthquake affected villages of Gujarat,Netherland Assistance project are as under:

Cost of the project	: Rs. 165 crore
Funding Agency	: The Royal Netherlands
Expected external aid in 2005-06	: 0
State share	: Rs. 17.00 crore
Outlay for 2005-06	: Rs. 17.00 crore

(XVII) COMMUNICATION AND INFORMATION:

1. Out of the total outlay of Rs. 10071 crore proposed for the Annual Plan 2005-06, an outlay of Rs. 117.83 crore has been set aside for IT.
2. As suggested by Planning Commission, 2-3% of the total outlay should be earmarked for the IT activities. In the present case it is 1.17% only. The state government needs to work out a comprehensive and concrete action plan to ensure the provision of earmarked outlay and undertake worthwhile IT projects in the state.
3. Suitable e-governance plan for the state may be implemented.
4. Before implementing Citizen Card project for Gujarat, the Department of Information Technology (DIT) at the center may be consulted as DIT is planning, in consultation with Census Commission and Ministry of Home Affairs, to coordinate a mission mode project 'National ID Project' in which each state will be brought under National E-governance Action Plan (NEGAP).
5. Reengineering of the present processes for weeding out obsolete processes and procedures must be undertaken before implementing e-governance projects.

(XVIII) HOUSING AND URBAN DEVELOPMENT:

According to the 2001 census, 37% (1.89 crore) of Gujarat population of 5.06 crore reside in urban areas.

The outlay proposed for Annual Plan 2005-2006 is Rs.740.28 crore for Housing including Rs 232.58 crore as assistance to disaster Management Authority and Rs. 143.81 crore for rural housing. As per the plan document, the overall housing situation in the state has improved with increase in supply. Provision of public housing for weaker section is a major priority under the Basic Minimum Needs Programme and the Economically Weaker Section Housing Scheme is the main source for weaker section housing in the State.

The total requirement of houses for urban areas by 2010 is estimated at 57.6 lakh. To meet the challenge, the State Government has formulated VISION 2010 for Urban Housing Sector stating, "Offer everyone an opportunity for a decent living space, owned or rented there by providing stability, growth and social well being of population in the State". Government expects to be facilitator and the actual construction activity has to be taken mainly by the private sector for Economically Weaker Sections of the population. Under Town Planning Scheme up to 10% of the land is provided for Economically Weaker Section Housing. It is elaborated further that the Government has amended the Bombay Rents, Hotel & Lodging House Rates Control Act 1947 by exempting new tenancy from 30.10.2001 to 30.10.2011 and make more vacant houses available to the needy persons in the urban areas, thus reducing incidences of homelessness in the urban sector. Construction work is undertaken by Municipal Corporations, Urban Development Authorities, Area Development Authorities and Gujarat Housing Board. The Municipal Corporations and Urban Development Authorities had availed HUDCO/ NHB loan to the tune of Rs. 57.80 crore. An outlay of Rs 163.42 crore is budgeted under residential & non-residential buildings including Rs 86 lakhs for tribal buildings for 2005-06

An outlay of Rs. 119.16 crore is allotted for the Police & Jail Housing to meet the expenditure towards construction of Gujarat Police Academy, District Karai, Gandhinagar; residential, non-residential buildings etc. Under Legal housing, the on-going construction work of court-buildings, residential quarters for judiciary is proposed to be continued.

The State Government has given a special thrust to the security of people and to maintain the law and order situation in the State. For this purpose, in the last financial year, the State Government had created- 3000 posts of Lok Rakshak, Navsari District Police Establishment and one Batalian of SRP at Kevadiya Colony entailing Rs. 8.25 crore, Rs. 30.50 lakh and Rs. 12.70. In addition, it is observed that new components, viz., Information Technology (Rs 21 lakhs), National Law University (Rs 1 crore) and establishment of (Rs1.76 crore) have been brought under the head, Legal Housing. This needs discussion, especially in the context of the fact that except for development of infrastructure facilities to judiciary, other schemes do not form part of Housing sector.

Rs 408.51 crore is proposed for Urban Development including Rs 198.41 crore under Disaster Management for the Annual Plan, 2005-06. The outlay includes Rs 4.30 crore under the Strategy of the Government to strengthen various Urban Development Authorities for preparation and updating of regional and sub regional plans, undertaking community development projects in urban areas, environmental improvement of urban slum areas, socio economic development of urban poor through income generating activities, financial assistance to ULBs etc. The strategy is expected to arrest further deterioration in the services in the urban centers.

The highlights of the State Government's initiatives include, leveraging its contribution by Creating a Revolving Fund, supervised by the Gujarat Municipal Finance Board for undertaking various infrastructure developmental projects like water supply, sanitation and drainage, solid waste management, area development etc. An outlay of Rs.8.84crore is provided for 2005-06 with a target of covering 143 municipalities. It is observed that Rs.40 lakh is provided under Urban Development Fund formed to provide loans at lower rate (5 percent) to Urban Local Bodies to be repaid over ten years so that financially weak municipalities of the State can take up works of slum upgradation, community toilets, solid waste disposal, fire services and environmental improvement also being implemented by Gujarat Municipal Finance Board. It may not be out of context to mention another on-going scheme, 'Creation of Municipal Finance Development Fund for Urban Local Bodies (Rs 5.35 crore)'. Further, there is the scheme, 'Grant-in-aid to Municipalities' for basic capita and pay allowances to the Urban Local Bodies in pursuance of the recommendation made by the Gujarat Finance Commission, under which the Government has decided to give 35 % grant per capita per annum. An outlay of Rs.26 crore is provided for 2005-06. It is essential to ensure that schemes with similar objectives and target groups have to be dovetailed to optimize utilization of scarce resources.

As per plan document, Vajpayee Town Development Scheme was introduced for helping local bodies to develop their infrastructure facilities and also give basic physical amenities to its citizens. The projects are finalized by local bodies in 143 Municipalities. The projects which are undertaken under the scheme relate to water supply, sanitation, storm water drainage and solid waste management, filtration plant, rain water harvesting, percolating, wells, tanks, roads, street lighting etc. additional assistance is given at the rate of 10% for infrastructure works in the slum areas. Assistance upto 50 to 70% of the project cost is given as grant depending upon the population of the local body, the rest is given as soft loan by Gujarat Municipal Finance Board at the subsidized rate of interest of 5%. An outlay of Rs.12.25 lakh is provided for this scheme in Annual Plan 2005-06.

State Government has decided to implement a new scheme, Amurt Dhara yojana to provide pure drinking water in all municipal areas over a period of next four years in a phase manner. The amount of grant and loan will be provided on the basis of class of municipalities as decided in the Vajpayee Nagar Vikas Yojana. An outlay of Rs.19.21 crore is provided for 2005-06.

IDSMT (Integrated Development of Small & Medium Towns): As per records, Upto March, 2004, 100 towns had been covered. The central and State release of funds amounted to Rs 46.87 crore, Rs 28.34 crore respectively and mobilization of financial assistance amounted to Rs 13.16 crore. The expenditure reported was Rs 69.03 crore. An outlay of Rs.875.00 lakh is provided for this scheme in Annual Plan 2005-06 with a target of covering 18 towns.

SJSRY (Swarna Jayanti Shahari Rozgar Yojana): Upto March 2004, the central and State share of release amounted to Rs 44.92 crore and Rs 13.80 crore respectively, and the utilization reported was Rs 55.22.crore. With an unspent balance of Rs 29.95 crore, the utilization works out to 65%. The appointment of Project Officers, Community Organisers along with formation of Neighbourhood Groups, Community Development Societies should be given top priority. Rs 2.50 crore is proposed for 2005-06.

NSDP (National Slum Development Programme): As per records, upto March 2004, Rs. 148.95 crore was released as Additional Central Assistance (ACA) and the expenditure reported was Rs 111.56 crore working out to 75% utilisation. An amount of Rs 37.39.crore remains as unspent balance under the programme. Last year Rs. 1306.55 lakh had been utilized and covered six municipalities. An outlay of Rs 1500.00 lakh is provided for this scheme in Annual Plan 2005-06 with a target of covering 8 municipalities.

VAMBAY (Valmiki Ambedkar Awas Yojana): As per information available, Rs 6.32 crore was released, 168 dwelling units had been completed and 1872 units in progress. The programme is meant to provide affordable houses or upgrade the existing shelter to EWS, people belonging to the SC, ST and other weaker sections in urban slums as also for taking up need based projects under Nirmal Abhiyan Yojana. Rs. 11.12 crore has been included under Housing sector.

URIF (Urban Reforms Incentive fund): As per records, upto March 2004, Rs 16.55 crore was recommended for the State. No information is made available.

Externally Aided Project: As per plan document, Urban Reforms Project is introduced as a plan scheme for building up capacities in ULBs in collaboration with World Bank to improve the level, quality etc of basic urban services in selected ULBs. The plan includes implementation of modern accounting methods, moibilization of sources for augmentation of its resources after abolition of octroi duty etc. and is in the advanced stage of negotiation with the World Bank. The projects are to be taken up in the corporations of Ahmedabad, Vadodara and Surat and municipalities of Ankleshwar and Valsad. Six towns of Kutch district are also to be taken up under the scheme for capacity building in future. The total project cost is $150 million out of which $100 million (70%) is the World Bank's loan component. The participating Urban Local Bodies share is 30 % of the total project cost. The State Government's share of $ 2 million is for carrying out reforms in the urban sector. An amount of Rs.20.45 lakh is provided for 2005-06. The plan document needs to cover progress details to facilitate proper assessment/ review to

avoid duplication of efforts. It is also important to gather feed back on the following issues:

- Schemes with overlapping objectives need to be dovetailed and a comprehensive progress statement need to be provided;
- Meant to improve urban slums, the schemes of NSDP, Night Shelter and VAMBAY be dovetailed for effective utilization of funds;
- development of comprehensive Urban Poverty Eradication Cells at the State HQrs with branches at the district/ municipality level in view of the high level and complex issues of urban poverty;
- The utilization level of funds under IDSMT needs to be accelerated; Further allocations under the scheme should be in commensurate with the number of towns and the urban population in the State;
- The strategy for development of infrastructure facilities including Solid Waste Management has to take care of future demand and the interests of tourists;
- Assets created by the planned investments have to be maintained properly;

The State Government of Gujarat has proposed an outlay of Rs 740.28 crore for Housing and Rs 408.51 crore for Urban Development.

(XIX) BACKWARD CLASSES:

Expenditure/anticipated expenditure during Annual Plans 2003, 2003-04, 2004-5 and proposed outlay for Annual Plan 2005-06

(Rs. in lakh)

Tenth Plan Outlay (2002-07)	Annual Plan. 2002-03	Annual Plan 2003-04	Annual Plan 2004-05	Annual Plan 2005-06	% Increase	Annual Plans (2002-05	Annual Plan 2002-06
	Actual Expdr.	RE	RE	Propose-d Outlay		Actual Exdr./ Antd. Expdr	Likely Expdr.
1.	2	3	4.	5.	6	7.	8
186000.00	23415.12	24376.00	29913.00	35230 00	17.77	77704 00	112934 12

The proposed outlay for Annual Plan 2005-06 is Rs.35230.00 lakh which is 17.00% higher than the RE for Annual Plan 2004-05. This needs discussion. Actual expenditure/anticipated expenditure till 2002-05 will be to the tune of Rs.77704.00 lakh and likely expenditure till fourth year of the Tenth Plan will be Rs.112934.12 lakh leaving a balance of Rs.73066.00 lakh. This indicates that the State Govt. will not be able for full utilization of the Tenth Plan approved outlay. This needs discussion.

2 There are about 83 schemes. The number of schemes needs merger/clubbing and weeding for better management of scheme.

3. Although, total population of all three categories i.e. total population, SCs and STs has increased over the decade in the State, the percentage of scheduled castes and scheduled tribes has decreased from 7.4% and 14.9% in 1991 Census to 7.1% and 14.8% respectively in 2001. This needs discussion.

4. Literacy rate among both person and female scheduled tribes is lower when compared to total population and scheduled castes literacy rate in spite of several Central and State Sector Educational Schemes. This needs discussion.

5. All three categories (Total population, SCs and STs) have shown much declining trend during 2001 in respect of cultivators. Among Scheduled Tribes, the percentage of cultivators has declined from 45.9% in 1991 to 32.89 in 2001. This may be discussed.

6 Non-workers among total population (58-P) and scheduled castes (60.58-P) is highest when compared to scheduled tribes (48.32P), this suggests that percentage of workers among scheduled tribes in 2001 is (51.56P) but the percentage Below Poverty Line (BPL) both in rural (29.11%) and urban (36.66%) is, according to 1999-2000. This needs discussion.

7. The proposed schemes of "Women Hostels, Balwady and Programme for Women and Child" need to be shifted to Social Welfare Sector, which is the nodal agency to deal with the schemes.

8. The proposed outlay under some of the schemes like "MD/MS, Doctors for Surgical Nursing Home (Rs.50,000/- subsidy and Rs.50,000/- margin money)(Rs.5.00 lakh)", Stipend for IAS and IPS Training Centres (Rs.1.00 lakh), Computers Training to SC educated unemployed youth (Rs.1.00 lakh), Grant-in-aid for Building Construction for Girls' Hostel (Rs.0.50 lakh), Pre-examination Training Centre (Rs.4.54 lakh), Full fledged Hostel and Training Centre at Gandhi Nagar (Rs.4.86 lakh) is notional proposed outlay. The notional proposal of such paltry sum has literally no meaning, therefore, it may be suggested that meager amount need not be proposed under any scheme for effective implementation of schemes.

9. Some of the schemes like "Dry Hostels for Scheduled Tribe Students in Standard VIII to XII, Dry Hostels for college going Scheduled Tribe students, Establishment and Development of New Govt. Hostels for Tribal Boys and Girls, Construction of Govt. Hostels for Boys and Girls need to be merged into one for the betterment of Administration.

10. There are 7 Corporations namely: The Gujarat Scheduled Caste Development Corporation, Gujarat Safai Kamdar Development Corporation, Gujarat Backward Classes Development Corporation, Gujarat Minority Finance & Development Corporation, Gujarat Gopalak Development Corporation, Gujarat Thakor and Koli Development Corporation and Gujarat Tribal Development Corporation, Gandhi Nagar. The functioning of the Corporations may be evaluated to assess the impact of the Corporations. During the Working Group discussions (2002-03), the State Govt. representative had reported that the recovery position of the Corporations was as low as 25%. Steps to improve functioning of Corporations and recovery position may be discussed.

11. Under the Schemes of "Free Uniform to students belonging to Other Backward Classes in Standard I to VII and Free Uniform to children of Primary Tribal Students whose family income is up to Rs.15000/- per annum, the proposed outlay is Rs.2420.00 lakh and Rs.1500.00 lakh respectively. It may be suggested that instead of proposing huge funds for uniform to school children, huge fund may be provided for the economic development.

12. The scheme of Finance Assistance for Kuverbai's Mamera may be discussed in detail.

13. The only asset i.e. land, the tribals have got in their possession have been alienated due to launching of various major projects which include Karjan, Sardar Sarovar, Daman Ganga and Ukai Reservoir resulting in the displacement of 138875 tribal people. The action taken by the State Government in consultation the Rural Development Department for the rehabilitation of these displaced persons may be discussed.

14. The State Government has decided to adopt the Maharashtra Model of TSP The State Government may also be asked to formulate schemes under Special Component Plan (SCP) and TSP and to ensure that the flow of funds is in proportion to Scheduled Caste and Scheduled Tribe population.

15. There are five Primitive Tribal Groups (PTGs) in the State whose comparative population according to 1981 and 1991 is as under:

Names of PTGs	**1981**	**1991**
i) Kathodi	3665	3234
ii) Kolgha	25030	33096
iii) Padhar	12731	13446
iv) Kotwalia	16130	18835
v) Siddi	5600	6896

It is observed that population of Kathodi has decreased from 3665 in 1981(census) to 3234 in 2001 census. This needs discussion.

POINTS FOR DISCUSSION:

1. Actual expenditure during the first two years of the Tenth Plan is only 32.86% of the Tenth Plan approved outlay. During Annual Plans 2002-03 and 2003-04, the actual expenditure fell short of the approved outlays. Plan expenditure needs to be stepped up to realise the Tenth Plan targets.
2. The social indicators of the state such as literacy rate, especially of the females and SCs and STs, sex ratio, birth rate, TFR etc., though close to the national average, are not in keeping with the high per capita income of the state, which was fourth highest in the country in 2002-03. This calls for more focused and intensive efforts towards human development, especially of the SC/ STs, other backward communities and the poor in general.
3. The state has surplus primary healthcare infrastructure which is, however, underutilised due to vacancies at PHC and CHC levels. Institutional deliveries are low at 53%. Some of the remote districts have severe shortage of specialists such as gynecologists. Delivery of healthcare in remote areas has to be improved by filling up the vacancies, introducing mobile clinics, establishing state and district family welfare societies and enlisting private participation
4. There are 83 schemes for the welfare of SC, ST and OBC population in the state. These need to be reviewed and re-organized to facilitate better implementation and monitoring. Similarly, there are 7 corporations for the development of various disadvantaged sections. The working of these corporations may be reviewed and they may be revamped/merged to improve efficiency.
5. The pace of group formation in the state is low as only 26% of the beneficiaries assisted belong to SHGs. This needs to be speeded up.
6. Gujarat has a comparatively low poverty ratio of 14.07% as against 26.10% for the country and the total No. of people below poverty line has declined from 62.16 lakh in 1992-03 to 39.80 lakh in 1999-00. Rural and urban poverty ratios in the state are 13.17% and 15.59% compared to 27.09% and 26.02% respectively for the country. Gujarat should set the goal of completely eradicating poverty with in a few years.
7. A total of 138875 tribals have been displaced by various projects. Their rehabilitation has to be expedited.
8. There are 166 habitations that are not covered by safe drinking water supply while 9462 habitations are only partially covered. There are 4187 fluoride-affected habitations, 2508 salinity affected, and 1335 nitrate affected habitations. Efforts are needed to address these problems. The level of ground water exploitation in the state is 49.27% against the national average of 37.27%. Out of 184 blocks, 41 are over exploited and 19 are dark blocks.
9. The impact of ground water conservation programmes involving huge investments need to be assessed from time to time and necessary modifications may be made in those programmes in order to improve their effectiveness.
10. As per the research findings of the Gujarat Social Infrastructure Development Board, per capita water wastage is 50% of consumption by the affluent sections who consume 80% of the available water. Per capita wastage by the poor is only

5% of their consumption. Water rates may be made adequately progressive to discourage wastage by the affluent sections.

11. Problems of environmental pollution, waste disposal and traffic congestion in cities and towns need urgent attention.
12. The municipalities need to be energised and their resource base strengthened to effectively deal with the problems arising out of increased urbanization.

Some of the remarkable features of the State Plan are the following:

1. The state is implementing a Master Plan for providing Narmada Water through pipelines to 8215 villages and 135 urban centres. Out of 2694 km, 1343 km of water transmission pipelines have been laid and commissioned. Total cost of the project is Rs. 8770 cr.

2. Under Sujalam Sufalam Yojana, the state government plans to provide safe drinking water to 4904 water scarce blocks of which 929 are tribal ones. Proposed outlay for Annual Plan 2005-06 is Rs. 1170 cr.

3. Under Gokul Gram Yojana, 16 basic amenities such as all weather roads, drinking water, community latrines, community halls, school grounds etc. are being provided. This programme is presently implemented in 11690 villages.

4. Sardar Sarovar project, with an estimated cost of Rs. 13180 crore at 1991-92 prices, is under implementation. Though delayed and plagued by huge cost overruns, this project, when completed, will provide irrigation facilities to 17.92 lakh hectares of land spread over 75 talukas and 3393 villages in 14 districts. The project will permanently solve drinking water problem of 135 urban centers and 8215 villages. Efforts may be made to speed up the completion of the project.

5. The power sector is accounting for a declining share of plan allocation (7.3% in 2005-06), as the share of private investment in the power sector is increasing. The resources thus freed are invested in other vital sectors such as agriculture and irrigation (34% and 35.9% respectively of the plan outlays). This is a welcome trend. However, the power sector reforms are progressing very slowly. The pace of the reform's process needs to be speeded up.

Annexure A

Scheme of Financing for Annual Plan 2004-05 Gujarat

(Rs. Crore)

	Items	Allocation
A	**State's Own Resources (1 to 12)**	**4732.63**
1	Balance from Current Revenues	-1405.07
	of which ARM	
2	Contribution from Public Enterprises	**0.00**
2.1	State Electricity Board	0.00
2.2	Road Transport Corporation	0.00
3	Special Grants under EFC/TFC	**145.57**
3.1	Upgradation Grant and Special Problems	145.57
3.2	Grants for Local Bodies	0.00
4	**Misc. Capital Receipts (Net)**	**-1453.54**
5	State Provident Funds (Net)	**250.74**
6	Mobilisation of Small Savings	**4830.98**
7	Net SLR based Market Borrowings	**562.13**
8	**Negotiated Loans & Other Finances**	**1001.82**
8.1	LIC	248.62
8.2	GIC	1.32
8.3	NABARD	430.00
8.4	REC	57.00
8.5	IDBI	150.18
8.6	HUDCO	114.70
8.7	Others	0.00
9	Debentures/Bonds	**800.00**
10	ARM agreed at Deputy Chairman level discussions	**0.00**
11	**Adjustment of Opening Balance**	**0.00**
12	**Net Surplus from Local Bodies**	**0.00**
B	**Central Assistance (13 to 15)**	**3785.58**
13	**Normal Central Assistance**	636.96
14	ACA for Externally Aided Projects	1908.97
15	Others*	1239.65
C	**Aggregate Plan Resources (I+II)**	**8518.21**

*** Other Central Assistance includes:**

1	Prime Minister Gramodaya Yojana (PMGY)	7122.00
2	Accelerated Irrigation Benefit Programme (AIBP)	63000.00
3	Boarder Area Development Programme (BADP)	1026.00
4	Rashtriya Sam Vikas Yojana (RSVY)	4500.00
5	Roads & Bridges	5521.00
6	National Slum Dev. Programme	2036.00
7	National Social Assistance Programme (NSAP) including Annapurna	822.00
8	Accelerated Power Dev. & Reforms Programme (APDRP)	21097.00
9	Urban Reforms Incentive Funds	3310.00
10	Grant-in Aid under Article 275 (1)	2475.00
11	Nutrition Programme for Adolescent Girls (NPAG)	845.00
12	Tribal Sub-Plan	3537.00
13	One time ACA for schemes of special importance to state government	8674.00

Annexure B

Basic Indicators –Gujarat (2001)

Sl. No.		Gujarat	India
1.	Area (Sq. Km)	1,96,024	3,166,414
2.	No. of Districts	25	593
3.	No. of towns and cities	242	5161
4.	No. of villages	18,662	6,38,588
5.	Total population	50,596,992	102,70,15247
6.	Rural population (%)	62.65	72.22
7.	Urban population (%)	37.35	27.78
8.	SC population (%)	7.09	16.48
9.	ST population (%)	14.76	8.08
10	Decadal Growth Rate of Population	22.48	21.34
11.	Population Density (sq. km)	258	324
12.	Sex ratio	921	933
13.	Total Fertility Ratio	3	3.1
14.	Crude Birth Rate	24.7	25
15.	Crude Death Rate	7.7	8.1
16.	Infant Mortality Rate	60	64
17.	Percentage of population below poverty line (1999-2000)	14.07	26.1
18.	Rural Poverty Ratio	13.17	27.09
19.	Urban Poverty Ratio	15.59	23.62
20.	Literacy rate Male – Female -	66.43 76.47 55.61	64.8 75.3 53.7
21.	Female Work Participation Rate	28.03	25.68
22.	Human Development Index	0.479	0.472
23.	Pupil to Teacher Ratio	47	34.15
24.	Food grain Production (2001-02) [Million tonnes]	3.62	212.04
25.	Average size of operational holdings (1990-91) [Hectares]	2.6	1.41
26.	Irrigated Area (%)	35.72	40.23
27.	Fertilizer Consumption (kg/hectare)	95.12	95.23
28.	Rail Density (Route Kms/1000 sq. kms.)	27.09	19.21
29.	Road Density (Road length per 100 sq. kms. Area)	37.77	66.8
30.	Credit-Deposit Ratio of Scheduled Commercial Banks	43.3	58.4

IMMEDIATE

M-13048/6 (Goa)/2004-SP- West
Government of India
Planning Commission
(State Plans Division)
*****

Yojana Bhavan, Sansad Marg
New Delhi –110001
Dated July 26th 2005

Subject: Background Note for Discussions of Annual Plan 2005-06 of Goa

A background note for the meeting between Deputy Chairman, Planning Commission and Chief Minister of Goa to be held at 3 PM on August 1, 2005 in Room No 122, Yojana Bhavan for finalisation of the Annual Plan 2005-06 of Goa is hereby circulated.

(N.D. George)
Director (SP–W)
Tel: 23096719

Encl: As above

Planning Commission
Principal Advisers
Advisers
JS (SP)
Heads of Divisions

PMO
Director (Goa)
Ministry of Finance
Joint Secretary (PF-I)
Deptt. of Expenditure
North Block, New Delhi
National Commission on Population
Member-Secretary

Copy to Private Secretary to:
Deputy Chairman/Minister of State/Members/Secretary

Copy also to:
Director (SP-Coordination)/Dy. Adviser (PC Division)/Dy. Adviser (MLP & Hill Areas)/Protocol Unit/Information Officer

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Annual Plan 2005-06 of Goa - Background Note

INTRODUCTION

Geographical area of Goa is 3702 sq. kms and it has two districts viz., North Goa and South Goa. There are 11 talukas in the State: 6 in North Goa and 5 in South Goa districts. Total number of villages in the State is 383 of which 233 are in North Goa district and 150 in South Goa district. There are 374 inhabited villages grouped into 183 village panchayats. As per the 2001 Census, the population of Goa is 13.44 lakh and the density of population 363 per sq. km.

Growth Performance:

Year	Constant Price (1993-94)			
	Net State Domestic Product (Rs.crore)	Percentage growth of NSDP over the previous year	NSDP Per Capita (Rs.)	Percentage growth of NSDP per capita over the previous year
1993-94	2002	-	16558	-
1994-95	2080	3.9	16977	2.5
1995-96	2225	7.0	17929	5.6
1996-97	2602	16.9	20686	15.4
1997-98	2628	1.0	20595	-0.4
1998-99	3285	25.0	25364	23.2
1999-00	3334	1.5	25371	0.03
2000-01	3568	7.0	26730	5.4
2001-02	3838	7.6	28304	5.9
2002-03	NA	NA	NA	NA

Source: CSO

Goa has achieved fairly high level of economic growth along with high level of social development. The NSDP growth rate of the state at constant prices fluctuated between 1 percent and 25 percent during 1994-95 to 2001-02 representing an average annual growth rate of 8.74 percent. The per capita NSDP of the state is the highest in the country.

Review of Ninth Plan:

Outlay/Expenditure during Ninth Plan (1997-02)- Goa

(Rs. crore)

Year	**Approved Outlay**	**Expenditure**	**% Utilisation**
Ninth Plan 1997-2002	1500.00 *	-	-
AP 1997-98	230.56	198.59	86.13
AP 1998-99	291.34	220.61	75.72
AP 1999-2000	281.19	236.90	84.25
AP 2000-01	332.00	360.78	108.67
AP 2001-02	460.00	372.72	81.02
Total (1997-2002)	**1595.09 @**	**1389.60@**	**87.12**

* At 1996-97 prices @ At current prices

Approved Outlays – Tenth Plan and Annual Plans 2002-03 and 2003-04

(Rs. lakh)

S.No	Sector	Tenth Plan 2002-07	Annual Plan 2002-03		Annual Plan 2003-04	
		Agreed Outlay	Approved Outlays	Actual Expenditure	Approved Outlays	Actual Expenditure
(1).	(2).	(3).	(4)	(5)	(6)	(7)
1.	Agriculture & Allied Services	15834.00	2359.37	2471.14	3583.78	2764.80
2.	Rural Development	8365.00	1819.90	1767.08	2405.14	1895.49
3.	Special Area Programmes	1800.00	321.00	285.53	321.00	292.83
4.	Irrigation & Flood Control	22290.00	8290.56	3064.84	5495.05	4201.28
5.	Power Development	40585.00	5610.00	5891.28	7266.37	6068.93
6.	Industry & Minerals	11640.00	1648.75	1445.71	3738.15	2178.11
7.	Transport	39283.78	5819.92	5313.19	6087.57	7781.70
8.	Communication	0.00	0.00	0.00	0.00	0.00
9.	Science & Technology	475.00	65.00	114.93	155.90	152.66
10.	General Economic Services	15975.00	2206.13	2189.25	2442.77	2717.40
11.	Social & Community Services	152652.22	26630.37	18299.52	31018.20	26112.76
12.	General Services	11100.00	3829.00	1478.24	2486.07	2593.87
	Grand Total	**320000.00**	**58600.00**	**42320.71**	**65000.00**	**56759.83**

- The shortfall in expenditure in the first two years has been mainly on account of lower realization of state's own resources and due to the state not availing central assistance under AIBP.

Annual Plan 2004-05:

(Rs.Lakh)

Sl. No	Sector	Proposed Outlay	Revised Outlay
(1).	(2).	(3)	(4)
1.	Agriculture & Allied Services	6297.51	4491.84
2.	Rural Development	2960.57	2393.95
3.	Special Area Programmes	429.26	376.97
4.	Irrigation & Flood Control	6955.74	6281.21
5.	Power Development	10064.40	9998.40
6.	Industry & Minerals	5291.50	3513.79
7.	Transport	10295.47	10630.70
8.	Communication	0.00	0.00
9.	Science & Technology	372.40	436.40
10.	General Economic Services	3109.96	3003.65
11.	Social & Community Services	35225.84	36597.28
12.	General Services	7330.46	7270.23
	Grand Total	**88333.11**	**84994.32**

Annual Plan 2005-06:

The state government has proposed a total outlay of Rs. 1199.09 crore for Annual Plan 2005-06. Out of the proposed outlays, social services account for 41.97%, irrigation and flood control 14.58%, energy-12.59%, transport-7.85%, industries and minerals-6.29% and agriculture and allied activities-5.49%.

The sector-wise proposed outlays are given below:

Sl. No	Sector	Proposed Outlay	%Total Outlay
(1).	(2).	(3)	
1.	Agriculture & Allied Services	6581.33	5.49
2.	Rural Development	3238.17	2.70
3.	Special Area Programmes	495.22	0.41
4.	Irrigation & Flood Control	17486.17	14.58
5.	Energy	15098.00	12.59
6.	Industry & Minerals	7538.50	6.29
7.	Transport	9413.44	7.85
8.	Communication	--	
9.	Science & Technology	632.50	0.53
10.	General Economic Services	4428.45	3.69
11.	Social & Community Services	50322.48	41.97
12.	General Services	4675.06	3.90
	Grand Total	**119909.32**	**100**

Issues Raised by the State Government in the Mid-Term Appraisal of the Tenth Plan Meeting:

- ✓ Most of the Centrally Sponsored Schemes (CSSs) were not suitable for a developed state such as Goa. Better performing states may be given more flexibility in respect of CSS.

- ✓ Other issues raised by state government were about the poor quality of food grains supplied by the FCI, restrictions imposed on removal of forest produce, objections from Navy relating to expansion of Goa Airport, lack of increase in mining royalty rates, contamination of drinking water with e-coli bacteria etc.

FINANCIAL RESOURCES POSITION AND FISCAL SCENARIO:

The Tenth Plan of the state was prepared estimating a growth of 9.2% against an actual growth of 7 % achieved in 2001-02 which was higher than the all India growth arte of 5.8% for the year.

The state is a non-special category state with the highest per capita income. The RD/GSDP ratio of the state at 3% is higher than the all state average pf 1.8%. The debt ratio of the state at 21% is lower than the all state ratio of 29%. As a result, the percentage of interest payments to total revenue receipts in Goa is 13% which is still lower than the all state average of 25%. The share of pension and salary payments to total revenue receipts is around 25%, whereas the all-state average is 50%. The effective interest rate on debt is 10.5%. 46% of the state's liabilities are on account of small saving.

Only 8% of the state's revenue receipts come from transfers from the centre. The state's own tax revenue accounts for around a quarter of total receipts. Sales tax accounts for 74% the state's own tax revenue. It has substantial non-tax revenue (50% of its revenue receipts). 24% of total revenue receipts come from state lotteries. Since lottery data is shown on a gross basis on the receipts side, net revenue from lotteries may have to be looked at.

Plan Finances:

Plan expenditure accounts for a substantial amount of the state's expenditure (53%). The all-state average of plan expenditure to total expenditure is only around 25% but Goa seems to be spending a very high percentage of its revenue on the plan. Although the state spends a substantial component of total revenue on the plan, the share of plan expenditure to GSDP has come down from around 10% in 1991 to 6% in 2001-02. This is nevertheless much better than for most non-special category states.

Issues that could be raised with the state government are the size and magnitude of guarantees and extra-budgetary liabilities and whether the state intends to cap them by administrative and statutory methods, including fiscal responsibility legislation, as also whether these details are being mentioned by a risk-weighted method in budgetary documents.

Financing Pattern – Ninth Plan (Projections and Realisation) versus Tenth Plan (Projections)

Items	Ninth Plan (1997-2002)		Tenth Plan (2002-07)
	Projections at 2001-02 prices (in Rs.crore)	Realization at 2001-02 prices (in Rs. crore)	Projections at 2001-02 prices (in Rs. crore)
States Own Borrowings (As Percentage to Aggregate Plan Resources)	**865.37** (42.80)	**1367.22** (82.62)	**1567.41** (48.98)
State's Own Funds (As Percentage to Aggregate Plan Resources)	**506.78** (25.07)	**(-) 260.06** -(15.72)	**980.19** (30.63)
Central Assistance (As Percentage to Aggregate Plan Resources)	**649.70** (32.13)	**547.71** (33.10)	**652.40** (20.39)
Aggregate Plan Resources	**2021.85**	**1654.87**	**3200.00**

Medium Term Fiscal Restructuring Plan (MTFRP)

The Government of Goa has not signed a Memorandum of Understanding (MoU) on MTFRP with the Ministry of Finance, Government of India. Revised ceilings indicated by Ministry of Finance for borrowings under the MTFRP of Goa State need to be kept at sight for finalizing the Annual Plan. As per the Official level estimates the overall borrowings level is within the revised ceiling limit.

General Issues

- Goa has achieved uniform level of excellence in respect of economic, social and demographic indicators and is a national model in this regard.
- The State is presently in a consolidation phase and is looking forward to entering a higher growth trajectory in the near future.
- The major strengths of the State include high level of NSDP growth, high per-capita income, high literacy, low population growth rate, a surplus generating State Electricity Department and good law and order.
- The areas which need attention of the State Government include the revival/disinvestments of loss-making State Transport Corporation, revival of the plantations like the cashew, marine products, and fisheries sectors which are stagnant, increasing urban unemployment and decreasing work participation rate in the State.

The State has very low level of poverty (4%). Tourism has been the engine of growth for Goa. There is need for leveraging the State's potential for growth with the fiscal assistance from the State Government and assistance from the Government of India and the financial institutions. The State Government has provided Rs.20 crore under the State's Scheme of Integrated Development of Towns, which could be combined with other urban sector schemes so that the State could undertake larger programmes for all-round development. As many of the schemes in the urban sector are commercial in nature, the State Government could collect user charges. By signing an MOU with the Ministry of Urban Development in respect of urban reforms, the State Government could avail considerable financial assistance. Goa could be developed into a hub for education and health services, catering to the Middle East and near east countries. Planning Commission would support such efforts. There was considerable potential for value addition in the mineral-based industries. Efforts could be made to modernise municipal bodies and standardize their accounting systems so that such bodies could get assistance from financial institutions.

According to the State Government, Goa has been making efforts to consolidate the achievements already made and to achieve improved synergy between various sectors. The State Government is carrying out a lot of innovations in governance across all sectors. Public-private participation is one of such innovations.

The State Government is making efforts to enhance the productivity of Government servants by giving them suitable rewards and incentives. The State Government is also making efforts to enhance the involvement of the people in the planning process. A brainstorming session was held for obtaining the ideas for the Mission 2020 of the State. The plan programmes are being reviewed periodically at the level of the Chief Secretary and the Chief Minister.

REVIEW OF MAJOR SECTORS:

(I) AGRICULTURE AND ALLIED ACTIVITIES:

Goa has 2 districts with 11 talukas and 189 village Panchayats. Agriculture contributes about 6% of the State's GDP and provides livelihood to about 16.67 per cent of the working population in the State as per 2001 census. The total area reported for utilization is 3,61,113 hectares of which the total cropped area is 1,71,356 hectares. Area under foodgrain crops is 68,796 hectares (40%), under horticulture crops is 99,692 hectares (58%) and under other crops like sugarcane and oilseeds (groundnut) is 2,868 hectares (2%). Main foodgrain crops grown in the State are paddy, ragi, maize and pulses. Groundnut is the only oil seeds crop taken in the State. Irrigated area is only about 36000 hectares and hence area sown more than once is also small i.e. 29,896 hectares.

10th plan Outlay, Annual Plan outlays and expenditures during 2002-03 and 2003-04, approved outlay for 2004-05 and proposed outlay for 2005-06 for Agriculture & Allied Activities are given below:

Rs. in lakh

Plan period	Approved outlay	Expenditure
Tenth Plan (2002-07)	15834.00	
Annual Plan 2002-03	2359.37	2471.14
Annual Plan 2003-04	3583.78	2765.00
Annual Plan 2004-05	6298.00	
Annual Plan 2005-06	6581.33*	

* Proposed

The sub-sector wise details for Agriculture & Allied Activities during 9th Plan and 10th Plan have been indicated at **Annexure I** and **Annexure II** respectively.

The various initiatives taken by the State Government during 2002-03, 2003-04 and 2004-05 under major segments of agriculture and allied activities are indicated below:

Crop Husbandry

There exists adequate scope for diversification of agriculture that would not only make agriculture a commercially viable activity but also generate additional employment opportunities and provide raw materials for Agro Processing Industries. The first two years of the Tenth Plan laid emphasis on these aspects with many new initiatives like Krishi Ghars, Agriculture Estates, Food Courts etc.

In order to provide ready market and good price to the producers of vegetables, fruits, flowers and other horticulture crops, the concept of Krishi Ghars has been evolved for the first time in Goa during 2003-04. The scheme aims at generating employment opportunities in rural areas. The concept involves developing a well-knit network of collection, transportation, preservation and marketing mechanism for Agriculture/Horticulture produce. The scheme is being implemented with the active

involvement of cooperative societies with financial support from National Cooperative Development Council and the State Government. So far, up to Septmber, 2004, 23 Krishi Ghars and 3 collection cum grading centres have been established. In all it is proposed to establish 107 outlets and 5 procuring centers. A 30 tonnes cold storage has been commissioned at new market complex, Panaji. The same is being given on hire to the entrepreneurs and farmers for storing milk, fruits, flowers and dry fruits.

It is proposed to establish Agricultural Estates with all facilities for culture of high value flowers and vegetables through unemployed youth. The concept is to provide land in the Agricultural Estates to the unemployed youth on lease basis to cultivate high value crops. Marketing of products is proposed to be further linked to Krishi Ghars. Steps have been initiated for setting up of Food Court at Verna. This would comprise sales outlets for ethnic products from Goa, tourism related items and handicrafts, restaurants and fast food centres, conference hall, auditorium, public utilities, exhibition hall etc. While the Government will play the role of facilitator, the project will have major participation from private sector.

During the first two years of the Tenth Plan, floriculture has received the much-needed boost for the promotion of high value flowers like orchids, gladioli, gerberas and authuriums. The State Government has taken a number of steps like seminars, trainings etc for promotion of floriculture in the State. As a result of this exercise, initially two units, one each of gerbera and orchid were set up in Salcete taluka followed by another 6 units. M/s Goa Flora is setting up a unit with a capacity of 15000 plants at Sal, Bicholim. Similarly many more units are coming up. As regards marketing, at present flowers produced are absorbed by the local market. Opening an outlet at the Airport by the Floriculturist Cooperative Society is benig explored. It is expected that Krishi Ghars being set up in different parts of the State would also assist the floriculturists in marketing their produce.

Schemes are also being implemented for development of cereals, pulses, oilseeds (Groundnut), horticultural crops and mechanization in agriculture for reducing the cost of cultivation. Support price is also extended to farmers for cash crops like sugarcane, arecanut, oil palm, cashewnuts and coconut to sustain the fluctuating prices in the open market. Major achievements under various schemes are given in **Annexure-III.**

Soil & Water Conservation

During the period 2002-04, emphasis was given for repair and remodeling of embankment for protection of low lying agricultural land and revitalization of water bodies in villages. The scheme envisages renovation of notified embankments by adopting improved design with wider and structurally stronger sections. The beneficiaries' contribution is 10% of the cost incurred to be paid in maximum ten annual installments. During the period 2002-04, an area of 4490 ha was protected with an expenditure of Rs. 82.45 lakh. The Government has taken a significant decision to revitalize the ponds and lakes that are either abandoned or not being put to optimum use. It is proposed to desilt/repair these ponds/lakes, which is expected to create an additional potential of about 2000 ha. benefiting about

21,400 farmers. During the year 2003-04, 89 ponds/lakes were desilted which enhanced the storage capacity creating an additional irrigation potential of 360 ha.

Animal Husbandry

Veterinary health cover is being provided through a network of 5 veterinary hospitals, 21 veterinary dispensaries and 51 sub centers. The State has one disease investigation laboratory and one mobile laboratory to analyse samples and investigate diseases so as to recommend a line of prophylactic and curative treatment. Efforts have been made for control of diseases like rinderpest, foot & mouth, rabies etc through systematic time bound programme of vaccinations. Rinderpest disease has already been eradicated from Goa. More than 3 lakh vaccinations were given to animals and poultry during 2002-04. In order to increase the production of eggs and poultry meat, farmers were supplied with more than 30000 quality chicks and financial assistance was also given for setting up of 15 poultry units. To increase the production of pork and pork products, farmers were supplied with quality piglings at reasonable price and financial assistance was also given for setting up 10 piggery units. Efforts have been made to increase green fodder cultivation and 476 farmers were provided with seasonal fodder minikits/seeds. Incentives were given to 86 farmers for cultivation of green fodder covering an area of 20.6 ha. Under Extension and training programmes, 1318 farmers were trained in modern techniques of dairy, poultry and piggery farming and also 34 officials have undergone in-service training.

Dairy Development

The State has tremendous potential for employment generation in dairy sector as presently more than 70% of the milk requirement is met from neigbouring States. Thus, in order to achieve self-sufficiency in milk production and to generate employment opportunities in villages, the Government of Goa has launched a new scheme 'Kamdhenu" to provide milch animals to individual farmers, group of farmers, cooperatives etc. The scheme operated through the Goa State Cooperative Bank is fully guaranteed by the Government. For repayment of loan, the beneficiary would need to deposit only 50% of the EMI and balance 50% will be paid as subsidy to the bank on monthly basis. The scheme launched during the third quarter of 2003-04 has received tremendous response and up to March 2004, 599 animals were purchased under the scheme. The State is expected to achieve self-sufficiency in milk production by the end of Tenth Five Year Plan.

Under the ongoing scheme of providing financial assistance to farmers for purchase of maximum 10 milch animals, 726 farmers were given 40% subsidy limited to Rs.5000/- for purchase of 2234 milch animals. For setting up of bigger dairy units, 33 farmers were given subsidy of 25% upto Rs.3.00 lakh for purchase of 400 milch animals. Farmers are supplied with improved or cross bred cattle & buffalo through Government farms and during the first two years of the Tenth Plan 39 heifers were supplied to farmers. The cross breeding programme is undertaken through 74 Artificial Insemination Centres located all around the State. These centers have performed 18,601 artificial insemination during 2002-03 and 2003-04. Financial assistance was provided to 133 families of small/marginal farmers and agricultural labourers for purchase of balanced feed for cross bred calves (cow/buffalo) till they reach maturity. Financial assistance was also given to farmers for rearing 2021 calves during 2002-03 and 2003-04.

Forestry and Wildlife

During the period 2002-04, emphasis was on improving the quality/density of forests, protection of forest by increasing mobility of staff, development and expansion of botanical garden near Salaulim dam, development of turtle nesting sites at Morjim and Galjibag, development of parks and gardens in the towns/cities and around tourism places, improvement and development of infrastructure at wildlife sanctuaries, national parks and bird sanctuary, promotion of eco-tourism, cultivation of medicinal plants, public participation, employment generation through forestry, environment education etc. Major achievements during 2002-03 and 2003-04 are given in the following table.

Forestry: Major achievements during 2002-03 and 2003-04

Sl.A No.	Scheme	Units	Achievements	
			2002-03	2003-04
I	**Afforestation**			
	1. Seedlings distributed	No. in lakh	8.42	8.87
	2. Raising of seedlings	No. in lakh	17.94	15.20
	3. Creation of new garden	No.	-	1
11	**Area Coverage**	Ha.	541.05	696.79
	1. Soil Conservation	Ha.	-	10.00
	2. Rehabilitation of degraded	Ha.	118.50	78.17
	forests			
	3. Compensatory Afforestation	Ha.	121.55	110.30
	4. Social Forestry	Ha.	-	15.62
	5. NTFP Plantation	Ha.	155.00	175.70
	6. Mangrove Plantation	Ha.	23,00	180.00
	7. Forest Plantation	Ha.	123.00	127.00
III	**Forest Produce**			
	1. Timber salvaged	M3	252.477	413.907
	2. Fuel wood salvages	M3	9155.132	1805.397
IV	**Soil Conservation Measures**			
	(under WGDP)			
	1. Check dam	No.	286	100
	2. Gully plugging	No.	77	2
	3. Dry stone dams	No.	10	142

Fisheries

The estimated fish catch has increased from 70,000 tonnes during 2002-03 to 87,000 tonnes during 2003-04 registering a growth of about 25%. This increase is mainly on account of very good performance in pelagic fisheries with huge catches of mackerels, sardines etc. The fishing season of 2003-04 for demersal fisheries was satisfactory as compared to earlier years. Improved fish production has been possible on account of sustained efforts by the State Government to control illegal fishing by the mechanized vessels within 5 Km from the coast and strict enforcement of ban on fishing during June to mid August.

Issues

1. The average size of holdings is small. 81% of the agricultural holdings vary between 0.5 hectare to 1 hectare. Most of the cultivation (78% of the area) is rainfed due to lack of irrigation facility. Since the State has low productivity of crops, the emphasis in the crop husbandry programmes and the diversification plan should be on increasing income of farmers by making the best use of the agro-climatic condition, which gives higher productivity to crops. For improving productivity, the State need to pay attention to seed production and supply and seed replacement rates of various crops and Plan/measures to increase SRR. HYV seeds are brought in the State from outside which increases the cost of production. Encouragement needs to be given to the private, co-operative and public sectors in the State to enable them to take up production and storage of seeds.

2. Soils in the State are acidic, poor in phosphatic and organic content. Along with popularizing chemical fertilizers effective use of bio-fertilisers including vermin compost, phosphatic solublising agents and re-cycling of farm biomass should be encouraged to increase crop productivity. Integrated pest-management and water management technologies also need to be emphasized.

3. Due to continuous siltation, ponds, tanks and other water bodies in the villages have become unusable. The State government has proposed their revitalization. This is a step in the right direction for water harvesting which can increase the productivity. On-farm water management needs attention. The existing experiments that have given good results in the State have to be identified by the State Government and efforts made to ensure the adoption of these technologies in larger area by small and marginal farmers.

4. Mechanization is very important in the State, since the State is facing the problem of high wages of farm labour making agriculture un-remunerative and unattractive for the new generation.

5. There is a Centrally Sponsored Scheme of Capital Investment Subsidy for Construction/Renovation of Rural Godowns in which capital investment subsidy to the extent of 25 per cent (up to a maximum of Rs. 50 lakhs for each project) and bank loan up-to 50 per cent is available for construction of storage facility to the individual farmers, partnership, co-operatives and market boards etc. The State Government should avail the subsidy under this programme

6. There is good scope for horticultural development and expansion of activities for development of fruits, vegetables, floriculture, spice, medicinal and aromatic plants etc. The State proposes to increase significantly area under horticulture crops. For giving thrust to fruits and other horticulture crops. adequate planting material is required. Cashew, coconut and other old fruit crops need rejuvenation. The State government should strictly monitor the

implementation of these programmes to ensure that benefits reach the intended beneficiaries.

7. Inputs, credit, marketing infrastructure, godowns, and cold chains are some of the important infrastructure needs of agriculture, horticulture and sectors allied to the agriculture. Clear action plan needs to be prepared to ensure development of these linkages. Efficient marketing of produce especially perishable commodities ensures that the gap between farmers' incomes and the consumer's price is reduced.

8. The State Government has reported that a significant requirement of milk is imported in the State from outside. Similarly eggs and pork and pork products are imported from the neighboring States. Hence, there is considerable scope for increasing the livestock products in the State. However, the genetic potentiality of milk animals in the State is low. There is need to upgrade the local cattle with germ plasm of high yielding progeny tested bulls. Frozen semen technology should be used for this purpose. Fodder is another inhibiting factor in the development of the animal husbandry in the State. The State should increase fodder production to meet requirement of the livestock population.

9. Fish is a major component of the diet of the majority of the State's population. According to the State estimates, the State has 104 kms long coastline and brackish water estuaries along the banks of rivers and creeks, about 4000 hectares of marshy, khazan lands suitable for prawn farming and around 3,300 hectares spread area of fresh water bodies area is available for fishery development. During 2002, the State has reported decline in marine fish catch which apparently was due to over exploitation of fishery resources. The State should ensure strict enforcement of ban period for optimum development of fishery resources. It needs to be ensured that the exploitation of waters is sustainable.

Annexure-III

Major achievements made during 2002-03, 2003-04 & 2004-05

Sr.	Names of Schemes/Programmes	Unit	Achievements		Ant. Ach.
No.	Schemes/Programmes		2002-03	2003-04	2004-05
A	**Crop Production & Input**				
	Management				
	i) Distribution of seed				
	a) Paddy seed	Tons	308	210	300
	b) Groundnut seed	Tons	25	5	25
B	**Dev. of Horticulture**				
	i) Area under Horticulture Crops				
	a) Coconut	'000 Ha	25.07	25.10	25.20
	b) Cashewnut	'000 Ha	54.37	54.70	54.80
	c) Mango	-do-	4.20	4.23	4.25
	d) Banana	-do-	2.12	2.32	2.60
	e) Vegetable	-do-	7.60	8 00	8.30
	ii) Production of horticultural				
	crops				
	a) Coconut (Million nuts)	No.	122.02	120.00(P)	130
	b) cashewnut (tonnes)	'000s	23.11	23.20(P)	24.5
	c) Mango(tonnes)	-do-	17.33	19.53 (P.)	15.2
	d) Banana (tones)	-do-	15.74	16.20(P)	18.0
	e) Vegetable (tones)	-do-	70.47	71.20 (P)	84.0
	iii) Distribution of planting	In Lakh	3.76	3.70	
	material				
	iv) Creation of marketing				
	network				
	a)Krishi Ghars/Retail outlets	Nos	—	11	23
	b) Marketing/handling				
	collection centres	Nos	—	3	
C 1	**Fertilizer Consumption**				
	a) Nitrogenous (N)	Tons	2480	2785	2800
	b) Phosphatic (P)	Tons	1422	1505	2000
	c) Potassic (K)	Tons	1630	1763	1100
2	Agri & Home Science				
	a) Demonstration camps	Nos	52	29	40
	b) Exhibition & Shows	Nos	2	4	3
	c) Awards to best	Nos	2	2	
	Horticulturist/Farmer				
3	Soil Sample collection analysis	Nos	24113	24503	
4	Support for higher edu. in agri	Nos	8	8	
5	Assistance for construction of	Nos	73	80	75
	Biogas units				
6	Area coverage under HVY				
	a)Rice	'000Ha	50.17	52.80	52 00
	b)Ragi	-do-	0.35	0 44	0.45
	c) Pulses	-do-	9.37	9 78	1 80
	d) Other cereals	-do-	0.20	0.20	
7	Production	'000Ha	134.77	160.00(p)	

	a)Rice (HYV)				
	b) Ragi	-do-	0.30	0.39	0.60
	c) Pulses	-do-	7.45	9.11(p)	11.00
	d) Other cereals	-do-	0.80	0.90	
8	Area under commercial crops				
	a) Sugarcane	'000Ha	1.19	1.17	
	b) Groundnut	-do-	2.39	3.28	
9	Production of commercial crops				
	a) Sugarcane	'000Ha	65.47	61000	
	b) Groundnut	-do-	4.263	4493 (P)	
10	Crop demonstration				
	a) Demonstration on hybrid rice	Nos	20	20	20
	b) Demonstration on sugarcane	Nos	10	10	10
	tissue culture				
11	Dev. of sugarcane				
	a) Subsidy on weedicides	Ha	75.65	52.42	45.00
	b) Assistance for transport of	No. of			
	seed material and organic	loads	140	25	80.00
	manure				
12	Support price to sugarcane	Tons	65437	60584	
13	Assistance for bio pesticides				
	and bio control agents/sex				
	pheromones	Ha	446	278	
14	Weed management Salvinia				
	Molesta				
	i) Paddy fields/waterbodies	Ha	77.63	51.00	
	ii) Technical grade pesticide				
	consumption	Tons	4.7	4.0	
15	Mechanization in Agriculture				
	i) Tractor	Working	25600	28126	29000
	ii) Power tiller	Hours	911	796	900
	iii) Bulldozer		1926	1679	1800
	iv) Crane/paddy reaper		260	87	
	v) Assistance for higher HP	Nos	4	2	
	tractor				

Annexure-I

(Rs Lakhs)

Major Heads/Minor Heads of Development	1997-98		1998-99		1999-2000		2000-01		2001-02	
	Outlay	Exp.	Outlay	Exp	Outlay	Exp	Outlay	Exp	Outlay	Exp
Agriculture and Allied Activities										
Crop Husbandry	207	222	200	241	210	224	228	242	375	463
Soil and Water Conservation	42	42	30	0	35	35	40	52	94	95
Animal Husbandry	154	200	209	263	234	239	264	256	325	301
Dairy Development	42	31	30	30	30	28	33	32	60	64
Fisheries	103	92	75	129	115	254	127	111	170	85
Forestry & Wild Life	221	249	220	241	240	418	305	568	443	376
Plantations	0	0	0	0	0	0	0	0	0	0
Food,Storage & Warehousing	9	0	5	10	5	1	5	4	4	5
Agricultural Research & Education	13	19	15	12	15	14	16	15	19	18
Agricultural Financial Institutions	1	0	1	0	1	0	1	0	0	0
Other Agricultural Programmes										
(a) Marketing & Quality Control	5	5	5	5	5	0	5	0	4	0
(b) Others	0	0	0	0	0	0	0	0	0	0
Cooperation	82	74	60	60	65	63	70	75	352	195
Total - (I)	879	934	850	991	955	1276	1094	1355	1846	1602

Annexure II

(Rs lakh)

Major Heads/Minor Heads of Development	10th Plan	2002-03			2003-04			2004-05	2005-06
Agriculture & Allied Activities	Outlay	Outlay	Exp	Exp as % of Outlay	Outlay	Exp	Exp as % of Outlay	Outlay	Proposed Outlay
1 Crop Husbandry (incl Horticulture)	2405	758	672 27	88 68997	980 78	580 08	59 14476	1052 05	1160
2 Soil & Water Conservation	6450	125	106 74	85 392	498 8	119 06	23 86929	341	340
3 Animal Husbandry	821	318	117 57	36 9717	217 76	153 64	70 55474	215 2	249 87
4 Dairy Development	839	68	301 68	443 6471	644 6	541 42	83 99317	691 62	810 42
5 Fisheries	780	174	89 67	51 53448	163 76	142 58	87 06644	270 8	994 8
6 Forestry & Wildlife	2500	417	359 57	86 22782	465 21	425 12	91 38239	653 5	869 31
8 Food,Storage & Warehousing	15	3	1	33 33333	1 5	0	0	3	3
9 Agricultural Research & Education	14	7	1 82	26	3 11	2 09	67 20257	7 81	7 1
11 Cooperation	2000	487	820 82	168 5462	593 17	791 49	133 4339	3062 45	2146 75
12 Other Agricultural Programmes									
Agriculture marketing	10	2	0	0	15 009	0 08	0 533014	0 08	0 08
Total	15834	2359	2471 14	104 7537	3583 699	2755 56	76 8915	6297 51	6581 33

(II) RURAL DEVELOPMENT:

The percentage of rural population living below the poverty line in the State of Goa has declined from 5.34 percent in 1993-94 to 1.35 percent in 1999-2000. The corresponding All India figures are 37.27 per cent in 1993-94 and 27.09 per cent in 1999-2000. In absolute term, number the persons living below poverty line have decreased from 0.38 lakh in 1993-94 to 0.11 lakh in 1999-2000.

Rural Poverty Alleviation Programmes:

The major rural poverty alleviation programmes are:

Swaranjayanti Gram Swarozgar Yojana (SGSY): Swaranjayanti Gram Swarozgar Yojana (SGSY) is a holistic programme of micro enterprise development in rural areas with emphasis on organizing the rural poor into self help groups, capacity building, planning of activity clusters, infrastructure support, technology, credit and marketing linkages.

Sampoorna Grameen Rozgar Yojana (SGRY): The objective of the SGRY is generation of wage employment, creation of durable economic infrastructure in rural areas and provision of food and nutrition security to the poor. The works taken up under the programme are labour intensive and the workers are paid the minimum wages notified by the States.

Indira Awaas Yojana (IAY): The IAY is the core programme for providing free housing to BPL families in rural areas and targets SCs/STs households and freed bonded labourers.

Financial and Physical performance under major centrally sponsored schemes i.e. Swarnjayanti Gram Swarozgar Yojana (SGSY), Sampoorna Grameen Rozgar Yojana (SGRY) and Indira Awaas Yojana (IAY) during the Tenth Plan Period is given in Annexure I & II respectively.

The major issues under major rural poverty alleviation programmes in the State are as under:

The performance of the SGSY is not satisfactory in the State. Further under SGSY, provision of credit is an area of concern. The percentage of credit disbursed under SGSY in the State is lower than the credit target set for the State (44.05% in 2003-04). Per family investment is also less than the norm of Rs. 25.000 (Rs. 22591 in 2003-04). However, subsidy credit ratio was higher at 1:3.07 in 2003-04 as against the norm of 1:3. Only 33.79% of the total swarozgaris assisted were women in 2003-04 as against the norm of 40%. During the same period, the percentage of SC in the State under the scheme is 10.99%. The percentage of expenditure on training/capacity building under SGSY is quite low (0.08% in 2003-04) while the expenditure on infrastructure development is quite substantial at 40.92 % in 2003-04.

It may be emphasized that credit delivery under the programme needs to be strengthened. Further, training and capacity building of SHGs needs to be given priority. Marketing is an important component of the programme. Steps may be taken to ensure effective market linkages are established with an emphasis on market research, upgradaton/diversification of projects, packaging, creation of marketing facilities, etc. The SHGs formed under the SGSY can play a major role in convergence with various programmes of other departments targetting the rural poor.

Under SGRY-I, 23.26% of foodgrains authorized were lifted while none of foodgrains lifted were utilized in 2003-04. As such, the process of lifting and distribution of foodgrains needs to be streamlined. The performance under the scheme also needs to stepped up.

The State Government of Goa may be asked to earmark the Additional Central Assistance (ACA) of Rs. 66.90 lakh for National Social Assistance Programme (NSAP) including Annapurna for Annual Plan 2004-05 alongwith the State Budget provision or actual expenditure whichever is higher for the schemes during 2000-01.

(III) IRRIGATION:

Annual Plan Outlays.

The Annual Plan outlays and expenditures for the first three years of Tenth Plan (2002-03,2003-04 and 2004-05) proposed outlays for 2005-06 are shown in Annexure I and II respectively.

Annual Plan Physical Performances.

The Annual Plan performances during the first three years and proposed targets for 2005-06 are shown in Annexure III.

Major and Medium Irrigation sector:

The outlay proposed for 2005-06 is Rs 61.2635 crore. Some of the major subcomponents are discussed below.

Allocations to Major and Medium Projects: The State Government has proposed to allocate the following outlays to the ongoing projects as given below.

Major projects

1. Salauli Irrigation Project(AIBP) - Rs 4.7485 crore
2. Tillari (Inter-State) (Goa Share)(AIBP)- Rs 50.00 crore

Salauli Irrigation Project(AIBP) - The Saluili Irrigation project with an estimated cost of Rs. 160 crore is in advance stage of completion. This project is getting assistance under AIBP. 7866 ha. (C.C.A.) of potential has already been created out of 11,634 ha.(ultimate). During the year 2005-06 an amount of Rs. 4.75 crore has been proposed to create an irrigation potential of 961 ha.

Tillari Irrigation Project (AIBP)- It is an interstate project with Maharashtra which is executed by the Government of Maharashtra. The latest cost of the project is Rs. 952.44 crore out of which Goa share cost is Rs.698.97 crore. The Government of Goa has contributed an amount of Rs. 196.93 crore towards common work in the State of Maharashtra. During AP2005-06 it is targeted to create an irrigation potential of 10,000 ha.

Anjunem Irrigation Project has been completed in 1989 with a potential of 4625 ha. During Tenth Plan 125 lakh is required for clearing final bill of works, land acquisition /arbitration/ court case and also for taking up appurtenant works of the main dam as recommended by the dam safety panel. For 2004-05 outlay for this was Rs 48.80 lakhs and expenditure was Rs. 156.35 lakhs. Increase of expenditure is due to enhance land acquisition compensation. Rs. 350.8 lakhs is proposed for 2005-06

Project completion: No information regarding that.

Accelerated Irrigation Benefit Programme(AIBP)

Name of project	Plan of Start	(Rs. Crores)		
		CLA released in the 9th Plan	CLA 2002-03 (Ceiling Rs.40 crore)	CLA 2003-04 (Ceiling Rs. 8 crore)
1	2	3	4	5
Salauli	Pre 5th	15.1	0	2
Tillari	Fifth	113.3	0	
TOTAL		**128.4**	0	**2**

For the Annual Plan (2003-04), an amount of Rs.8 crore was earmarked for the State under AIBP, but the State could avail only Rs.2 crore. During Annual Plan (2004-05), Rs.5 crore is earmarked for the State under AIBP.

The other major outlays include Rs 3.007 crore for creation of infrastructure for development of Water Resources, survey and investigation of six water resource projects, training research and evaluation studies, establishment charges of central Planning Organization and computerization of the Department etc.

Minor Irrigation:

The outlay proposed for Minor Irrigation is Rs 93.4427 crore and the major Sub-components are discussed below.

4.1 Ground water component: The outlay for this are Rs 41.20 lakh for investigation and development of ground water resources and construction of open wells/bore wells, Rs 5.00 lakh for watershed development and groundwater recharge.

4.2 Surface water component: The outlay includes Rs 900.00 lakh for construction of lift irrigation, Rs 239.08 lakh for construction of other diversion schemes, Rs. 6884.76 lakh to create a storage potential of water to the extent of 932.552 lakh m3.

Command Area Development:

The outlay proposed is Rs 4.1655 crore for improving the Command Area of projects of Salauli, Anjunem.

Flood Control, Drainage and Anti-Sea Erosion:

Flood Control: The outlay proposed is Rs 382 lakh .

Anti Sea Erosion: An outlay of Rs. 724.00 lakh is proposed for the Annual Plan 2005-06, to protect a length of 4.33 kms. embankment and to take up the three spillover works as well as 16 new works.

Drainage: A provision of Rs 439.00 lakhs is kept for protecting a length of 8.25 kms of embankment and to take up execution of 9 spillover works and 18 new works.

Sector Reforms:

Ground water Legislation: The "Goa Ground Water Regulation Act, 2002" has already been enacted by the State Legislature on 25/01/2002.

Pricing of water for Irrigation: The details of working expenses for irrigation system/projects and corresponding gross receipts for the State of Goa are not available/not furnished. However, irrigation water rates as prevalent in States as compared to Goa are as under:

(Rs./ha.)

State(Year)	Rice	Wheat	Sugarcane
Goa(1988)	150	-	300
Gujarat (1981)	125	110	830
Maharashtra (2002)	295	295	3845
Bihar(2001)	217	185	371

Source: NCIWRD report (1999)

Annexure I

Goa-Proposed Annual Plan 2005-06

(Rs crore)

Major heads/Minor heads of development	**Tenth Plan**	**2002-03**	**2003-04**	**2004-05**	**2005-06 proposed**
1	2	3	4	5	6
Irrigation and Flood Control					
1.Major and Medium Irrigation	175.4	68.50	16.07	28.0305	61.2635
2.Minor Irrigation	27.00	9.50	31.82	33.8569	93.4427
3.Command Area Development (Including AIBP)	12.50	3.09	2.44	2.725	4.1655
4.Flood Control (Include flood protection works)	8.00	1.76	4.62	4.945	15.99
TOTAL	**222.90**	**82.91**	**54.95**	**69.5574**	**174.8617**

Annexure II

Goa-Annual Plan 2005-06 -Expenditure

Major heads/Minor heads of development	**Ninth Plan**	**2002-03**	**2003-04**	**2004-05 (Anti.)**
1	2	3	4	5
Irrigation and Flood Control				
1.Major and Medium irrigation	245.45	14.6844	10.9653	27.6292
2.Minor Irrigation	33.55	10.6901	24.1489	31.2185
3.Command Area Development (Including AIBP)	10.52	2.5393	2.4033	2.914
4.Flood Control (Include flood protection works)	6.68	2.7346	4.4953	6.84
TOTAL	**296.20**	**30.6484**	**42.0128**	**68.6017**

Annexure III

Goa-Annual Plan Performances-Potential Creation

(in 000 ha)

Major heads/Minor heads of development	Tenth Plan Target	2002-03 Ach'ment	2003-04 Ach'ment	2004-05 Antcpd Ach'ment	2005-06 Target
1	2	3	4	5	6
Irrigation and Flood Control					
1.Major and Medium irrigation	26.66	N.F	N.F	2.222	10.00
2.Minor Irrigation	4.54	N.F	N.F	0.500	0.656
Total VI	31.20	N.F	N.F	2.722	10.656

(IV) SPECIAL AREA PROGRAMMES:

As per the existing practice, the Annual Plan proposals under WGDP are received separately in Western Ghats Secretariat of the Planning Commission for its approval. The proposals are examined and approval accorded if the plan proposals are in order and also after obtaining details/clarifications from the State Government, if necessary.

For the past 2-3 years the allocation in respect of Goa under WGDP has been kept at Rs. 321.00 Lakh. For the current year 2004-05, the State Government of Goa had furnished their annual plan proposals for an amount of Rs.429.26 lakh under WGDP for 2004-05 and the same were examined in the Western Ghats Secretariat and approval was accorded for Rs.321.00 lakh. Against the first instalment of Rs.160.50 Lakh of Special Central Assistance released to them, the State Government have reported an expenditure of Rs.106.54 lakh incurred up to the second quarter ended on 30.09.2004. The second instalment of SCA of Rs. 80.25 lakh has been released now. The allocation for 2005-06 may be pegged at the current year's level pending allocation for HADP/WGDP.

(V) INDUSTRY:

When Goa was liberated in 1961, it did not have an industrial base. Soon after independence, the government of Goa, established developmental agencies to promote small and medium scale industries. The Goa Daman & Diu Industrial Development Corporation (GDDIDC) was formed, to provide the physical infrastructure to promote industrialization. GDDIDC identified areas for setting up industrial estates and developed the plots with adequate, power, water and communication facilities.

The Economic Development Corporation (EDC) Ltd. is primarily a financial institution established by the Government of Goa to promote industrial investment within the State (earlier Union Territory). EDC has been assisting units located in the Union Territory of Daman, Dadra and Nagar Haveli also. Tax incentives, and a scheme of capital subsidies were provided to attract investments in Goa. Goa today manufactures, fertilizers, tyres and tubes, cement, electrical machinery, fish-net making machines, automatic washing machines, printed circuit boards, pharmaceutical machinery, electronic medical test kits, modems etc. Seimens, IFB, Courtalds, Nestle, D-Link have their manufacturing units in Goa. Pharmaceutical companies figure prominently. Multi-nationals like, E-Merck, Novartis, German Remedies, Hoechst and Indian companies; Kare Labs, Blue Cross, Indoco Remedies, Nestor have their units in Goa. The accent on future industrial growth is on developing, environment friendly industries particularly in areas of Computer Software and bio-technology. Subsequent to economic liberalisation in the nineties, the Corporation continues its financial lending operations as a main activity. The main objective of the Corporation is to catalyze and finance investment in the State in the form of Term Loan, Equity Participation under-writing, bill discounting, Corporate Loan, leasing, etc. in the industrial projects.

(Rs. lakhs)

Head of Development	Tenth Plan (2002-07)	Annual Plan (2003-04)		Annual Plan (2004-05)		Annual Plan (2005-06)
	Projected Outlay	Agreed Outlay	Actual Exp.	Agreed Outlay	Antcptd. Exp.	Proposed Outlay
Industries Other than VSI	1500.00	1877.00	300.00	400.00	400.00	400.00

Investment in EDC is the only continuing scheme and no new scheme has been proposed in the year 2005-06.

For the subsequent Working Group Level discussion, it is requested that State Govt. may provide specific information on the following points:

(i) Statistical information on structure and growth rates of industry sector in Goa. This may include physical output of key sectors, value of output, contribution to SDP, exports and employment.

(ii) Current status of related infrastructure such as power, water, roads, R&D, quality certification, consumer protection, etc. Physical targets/achievements in respect of providing world-class infrastructure at the doorstep of industry in the last two years may be provided.

(iii) Key initiatives launched/proposed to be launched for enhancing investor-friendly climate including measures for increasing competition, regulatory reforms in areas such as labour/land and re-engineering of industry-related clearances. Domestic and foreign direct investment figures may be provided.

(iv) List of State Public Sector Units, physical and financial performance during the last two years, disinvestment, revival and closure features. How many PSUs are profit making and how many are loss making. In case of running units, their consumption norms and energy efficiency in comparison to similar nationally and internationally best plants must be provided.

(v) Incidence of local taxes/levies on industrial products and efforts for lowering their incidence to a reasonable level.

(vi) Latest status of ongoing projects under Centrally Sponsored Schemes such as Apparel Parks, TCIDS, IIUS/MAI/ASIDE. Detailed position about achievements achieved through growth center scheme, integrated infrastructure development scheme, etc., including hurdles in these schemes, may be provided.

(vii) Information regarding Consumer Protection.

(viii) General write-up on industrial policy in the State and thrust areas visualized.

(ix) The level of subsidy given/proposed to be given to industry sector in various forms. Amount of subsidy used for giving generator sets, etc. to industrial units should instead be used for creating infrastructure development.

(x) Projects commissioned/proposed to be commissioned in PPP (Public Private Participation) mode. Policy measures to create conducive atmosphere to invite PPP in the field of industrial and infrastructure development.

(xi) Requirement and availability of quality testing and certification and proposals in this regard.

(xii) In the year of 2003-04, only 16% of the agreed outlay has been spent. In view of this, it has to be properly analysed/foreseen the expenditure details to be committed by the State govt.

(VI) MINERALS:

The State of Goa is endowed with exportable iron ore deposits. Besides, Manganese, bauxite and silica sand are the other minerals produced in the State. Important iron ore deposits are located in Bicholim, Sanguem and satari Talukas. Important manganese ore deposits are confined to Sanguem Talukas. Bauxite occurs in South- Eastern parts of Goa. Mineral reserves of the State are tabled below:

Resources of Minerals of Goa State (As on 1-4-2000)

(in '000 tonnes)

Mineral	Proved	Probable	Possible	Total
Bauxite	37872.00	16187.00	10223.00	64282.00
China clay	-	16.00	-	16.00
Iron ore (Hematite)	461013.90	149372.41	119460.79	729847.10
Iron ore (Magnetite)	67358.00	5416.00	115218.00	187992.00
Manganese ore	6253.64	23875.77	17037.04	47166.45
Quartz/ Silica sand	20.00	1736.00	18248.00	20004.00

(Source: mineral Year Book-2002)

Mining contributes substantially to the Goan economy. Besides providing employment, it also earns substantial foreign exchange. There are about 440 quarries and 282 mining leases in Goa. During the year 2003-04, production of iron ore was 16.86 million tones, manganese ore was 6419 tonnes and bauxite was 87501 tonnes. The export of iron ore to different countries was to the tune of 22.09 million tones. Foreign exchange earned stood at Rs.1629 crore. The total receipts on major and minor minerals from royalties, dead rent etc. was Rs. 19.46 crore.

Plan Outlays (Rs. in lakh)

Tenth Plan	AP 2002-03		AP2003-04		AP2004-05		AP2005-06
	Approved	A.Exp	Outlay	iExpn	Outlay	Ant. Exp.	Proposed outlay
1.Srenghthening of Mines Department	50.00	19.95	35.00	31.94	80.50	80.50	80.50
2.Environmental Studies	90.00	10.05	15.50	10.33	22.00	22.00	22.00
Total	140.0	30.00	50.50	42.27	102.50	102.50	102.50

As per the state Plan document, the geological data generated through exploration and mining activities is presently scattered and not well documented. To maintain a good database of geological/ mineralogical information the following schemes are proposed to under take in AP2005-06:

1. Strengthening and Modernization of Mine Department

Under this scheme following activities have been proposed: -

- Preparation of derailed topographic/geological plans on a suitable scale.
- Study and location of the distribution pattern of all outcropping and probable mineral deposit on the plan.
- Location plan of the mine working, trial pits and reject dumps.
- Collection of available data regarding exploration and exploitation work.
- Correlation of field data with interpretation of data from aerial photographs.
- Collection of samples from the whole or part of deposit for an overall approximation of grade.
- Study of tailings from iron ore washing plants will be taken up.
- Modernization of the Department with necessary machinery and equipment.
- Implementation of Acts and Rules, two branch offices will be set up.
- To organize Exhibitions with regard to Mining and environment within and outside of the State and conduct a course on legal Appraisal on Mining Laws.

An outlay of Rs.80.50 lakh is proposed for the Annual Plan 2005-06 against an equal amount of anticipated expenditure during AP2004-05.

2. Environmental Studies and Upgradation measures in Mining Areas

Under this scheme, the study of geo-environmental aspects in the mining areas with special reference to pollution from mining rejects and water pumped out from mining pits damaging agricultural land, wells, ponds, rivers etc will be taken up. On an average 40 million tones of mining rejects is generated annually. During the monsoon these mining rejects being of clay in nature flow along with the rainwater, thereby affecting agricultural land and water courses. Various activities proposed under the scheme are listed below:

- To review the existing practice adopted by he mining companies with regards to abatement measures and prescribe suitable guidelines.
- To utilize the water pumped out from the mining pits for agricultural purposes.
- To explore the feasibility of using mining rejects.

- To take up rehabilitation of exhausted mines with the help of mining companies. Feasibility of using water logged pits for pissiculture will be explored.
- An outlay of Rs. 22.00 lakhs is proposed under this scheme for Annual Plan 2005-06 against an equal anticipated expenditure during the year 2004-05.

Comments:

1. There is a potential for development of mines & minerals in the state. State should devise the mineral policy in line with other states and create a department for focusing the mineral development work.
2. Scattered geological data needs to be collected at the earliest for detailed scientific dissemination and interpretation.
3. Detailed exploration for bauxite deposits needs to be undertaken to. It is therefore essential to evaluate the resource potential in mineral sector which would further help in the development of the minerals in the State.
4. The proposed outlay for the mining sector needs to be commensurate with the amount of royalty collected from mining each year.

(VII) COMMUNICATION AND INFORMATION:

The Department of IT has been booked under Industry & Minerals Sector. As suggested by the Department of Economic Affairs, there should be a separate head for IT. An allocation of Rs.15.92 crore has been proposed which is 1.3% of the total outlay. The Directorate of IT is the nodal agency for computerization and e-governance with the objective of formulating policies, creating awareness and providing technical consultancy to state government. The cost of proposed International Institute of Information Technology & Management may be firmed up.

(2) State Government should list out detailed IT related programmes in consultation with DIT at center and other stakeholders.

(3) SWANs and state data centers should be created in the state with the support of DIT at center.

(4) As suggested by Planning Commission, 2-3% of the total outlay should be earmarked for the IT activities.

(VIII) VILLAGE AND SMALL ENTERPISES:

The new industrial policy 2003 of the State envisages catalysing economic growth through accelerated industrial development. The industrial activities in Goa are confined to the private sector. The State Government's role is mainly catalytical and promotional nature. During Tenth Plan, emphasis would be given to agro-based industries and promote industries using local available raw materials, R&D, export promotion activities, and development of the village and cottage industries including handloom, powerloom and coir etc.

The projected agreed outlay for the VSI sector for the Tenth Plan was Rs.50.00 crore i.e. 1.56% of the total outlay of Rs.3200.00 crore and the approved outlay for 2002-03 was Rs.8.19 crore (1.4% of total plan size of Rs.586.00 crore). During 2003-04, the outlay for the sector was Rs.18.11 crore which was 2.8% of the total plan size of Rs.650.00 crore of the State. Outlay for VSE Sector for 2004-05 was Rs.31.52 crore (3.6%) out of the total Plan size of Rs.883.33 crore. The proposed outlay for 2005-06 is Rs.54.44 crore (4.5%) of the total proposed plan size of Rs.1199.00 crore.

For the development of Handicrafts, promotional schemes for traditional arts and crafts of the Goan artists/artisans are being implemented under which training and skill upgradation is imparted in trades like printing, metal crafts, bamboo crafts, pottery crafts, tailoring and embroidery, etc. There are 31 training cum production centres located in different parts of the State. More centres are proposed to be opened for tailoring and embroidery during the year. An outlay of Rs.115.00 lakh is proposed during 2005-06. The Central Scheme of Urban Haat may be implemented in the State utilising Central assistance for which matching share should be provided in the State Plan.

For the promotion of Handlooms, Powerlooms and Coir Industries, an outlay of Rs.80.00 lakh has been proposed during 2005-06. In Goa there is enough scope for development of coir industry as the raw material is locally available in abundance and coir industry has vast employment potential. A survey was conducted by Andhra Pradesh Industrial and Technical Consultancy Limited which recommended and supported intensive development of coir sector. Training-cum-Production Centres at Tamonem and Poinguinim should be upgraded and efforts should be made to make them self-sustaining. Assistance of Coir Board should be availed to the maximum extent. Considering good demand for the products of powerlooms and handlooms, which is providing substantial employment opportunities, emphasis is being given for training in rural areas especially to the persons displaced from the Salaulim Irrigation project.

For Khadi & Village Industries Board, an outlay of Rs.145.00 lakh is proposed during 2005-06. The Board is engaged in creating employment opportunity and providing financial assistance in the form of loan and grants to entrepreneurs. Presently, Margin Money Scheme is under implementation in Goa.

Under the scheme of development of Tool Room-cum-Training Centre (TRTC) located at Kundaim Industrial Estate Goa TRTC is conducting diploma courses in tool and dye making and short-term courses for industrial workers/managers. The TRTC is also providing other facilities like consultancy and marketing, quality control, tool design and production facilities, data bank and library. TRTC has established a Quality Testing Centre at Corlim Industrial Estate which provides quality control facilities and technical & advisory service to units. A sum of Rs.5.00 lakh is proposed during 2005-06. The State Govt. may try to make TRTC self-sufficient in recurring expenditure in the Tenth Plan.

Handicraft Development Corporation was set up for the development of Handicrafts, small scale and cottage industries, which undertakes the supply of raw materials, arranging marketing, organising Handicrafts exhibitions and providing guidance, training, etc. The Corpn. is organising and participating in Handicraft Exhibitions and Fairs and running sales counters, emporia, etc. In addition to above, financial assistance to tiny artisans of handicrafts and for consumable items repacking processing will be given. A sum of Rs.681.00 lakh is proposed as share capital contribution to the Corporation during 2005-06.

Under the scheme of Venture Capital Contribution to Industries which envisages providing capital contribution to the existing functional industries to venture out and expand. The scheme is designed to support local entrepreneurs, promote industrial units to manufacture goods and also units in tourism sector, except hotels and resorts, a sum of Rs.500.00 lakh is proposed during 2005-06.

Under Deendayal Swarozgar Yojana which provides loan assistance to unemployed youth for taking up self-employment activities such as information kiosks, cyber cafes, vending kiosks, etc., an outlay of Rs.100.00 lakh is proposed during 2005-06. The scheme is being implemented through the Goa Handicrafts, Rural and Small Scale Industries Development Corpn.

State investment subsidy for industrial units scheme was initiated after attaining the statehood in 1987 which envisaged providing capital investment subsidy to industrial units. Since 1987 to 1999, the State has disbursed subsidy amounting to Rs.25.19 crore and during 1999-2002, Rs.17.57 crore pending subsidy claims have been settled. The State Govt. has discontinued this scheme w.e.f. 1.4.2003 with the introduction of new industrial policy. During 2002-03, 144 units were to be covered against the target of covering 156 units. During 2004-05, Rs.15.00 crore is likely to be disbursed to clear 170 pending applications. During AP 2005-06, an amount of Rs.10.00 crore is proposed to clear all the pending cases of subsidy received upto the last cut off date of 30.6.2003. The number of pending cases has not been indicated. To settle the old claims, non-plan funds may be utilised and the plan funds allocated for this purpose may be utilised for developmental and promotional schemes of the VSE sector.

Employment subsidy scheme was announced in the year 2003-04 under which new units having 80% of local manpower employment amongst its permanent employees are eligible. During 2004-05, expenditure of Rs.10.00 crore is likely to be incurred covering

2000 beneficiaries. Proposed outlay for 2005-06 is Rs.10.00 crore for covering 2000 beneficiaries.

Under the scheme of Ministry of Food Processing Industries, Govt. of India, Rs.4.00 crore as Central Assistance is available for setting up a Food Park. The State Govt. may take advantage of this scheme to utilise horticulture and vegetable produce of the State in a better way.

In pursuance of Industrial Policy Measures for Promoting & Strengthening Tiny Village Enterprises, a scheme of Integrated Infrastructure Development Centre for small-scale industries to facilitate location of industries in rural/backward areas and to promote stronger linkages between agriculture and industry was launched in 1994. The estimated cost to set up an IIDC is Rs.5.00 crore which is shared between Govt. of India and Small Industries Development Bank in the ratio of 2:3. The share of the Central Govt. is in the form of grant and that of SIDBI as loan. As per the information available in Planning Commission, the State Govt. has not taken any Integrated Infrastructure Development Project so far. The State Govt. may send a proposal to the Office of the DC (SSI).

Goa is on international tourist circuit and the tourist flow has been increasing tremendously, which has already crossed 1 million mark. During 1999 about 12.44 lakh tourists who include 2.84 lakh foreign tourists visited the State. There is scope for development of souvenir craft items for foreign/domestic tourist. Goa has potential for production and development of handicrafts, handlooms/powerlooms items. The allocation for VSE Sector could be increased for strengthening the various components of this sector considering the vast scope for generation of new jobs at lower investment, utilisation of local available resources and has potential for export.

(IX) POWER SECTOR:

The State of Goa does not have power generation of its own except for one 48 MW Naptha based power plant of M/s Reliance Salgaonkar Power Company Ltd., which went into commercial operation from August 1999. It is mostly dependent on the power allocated from the Central generating stations in the Western and Southern regions. The Electricity Department of Goa is responsible for the transmission and distribution of power in the State.

Share of Goa in the Central Sector Projects

Thermal Stations	Goa's Share (MW)
Korba STPS (3x200+3x500MW) - NTPC	210
Vindhyachal STPS (6x210MW+2x500) - NTPC	47
Ramangundam STPS (3x200+3x500MW)- NTPC	100
Total	357

25 MW from the allocation of Ramangundam was temporarily withdrawn by M/o Power

Operational Performance

	T&D Losses (%)	
	Goa	**All India**
2001-02	23.17	33.98
2002-03	20.00	32.54
2003-04	22 95	-
2004-05 (RE)	21.00	-
2005-06 (AP)	20 00	

Number of villages electrified as on March 2004

Goa	100%
All India	84.3%

Pump Sets Energisation Programme
Estimated Potential - 7800 Nos
Achievement Cumulative as on 31st March 2004 - 7332 Nos. (94%)

Financial Outlays

The details of approved outlays and actual expenditure for various Annual Plans for Goa State are given below:

	All Sector Outlay (Rs.Crore)	**Power Sector Outlay (Rs.Crore)**	**PowerSector Out-Lay as % of All Sector Outlay**
Tenth Plan (2002-07) Outlay	3200.00	400.00	12.5
2002-03 Actual Expenditure	423.20	58.53	13.8
2003-04 Actual Expenditure	567.60	59.84	10 5
2004-05 Anticipated Expenditure	964.52	98.99	11.3
2005-06 proposed	1199.09	150.10	12.5

Annual Plan 2005-06

The State has proposed an outlay of Rs. 150.10 crore for the Power Sector for the Annual Plan 2005-06 against Rs.98.99 crore expenditure (anticipated) during 2004-05. The entire outlay proposed is mainly for the Transmission and Distribution schemes and system improvement. NHPC has been asked by Government of Goa to carry out detailed survey and prepare DPR for 5 small hydel projects of total 60 MW on Mahadevi River basin. The NHPC has submitted various reports and the final report will also be submitted during the current year. An outlay of Rs 50lakh has been kept for the balance payment to NHPC.

APDRP Status (as on 31st October, 2004)

Project Cost	Rs.302.40 crore
APDRP Cost	Rs 151.20 crore
Total APDRP Releases	Rs. 30.58 crore
Counterpart fund sanctioned	Rs. 62.70 crore
Counterpart fund drawn	**Rs. 21.82 crore**
Total utilisation	Rs. 42.74 crore

Performance of Electricity Department

The performance of Goa Electricity Department in terms of various related parameters is indicated below:

	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 RE	2005-06 AP
Average Cost of Supply (Paise/Kwh)	276.00	214.00	194.00	240.00	218.00
Average Tariff (Paise/Kwh)	269.89	242.45	264.68	307.1	316.76
Percentage Recovery (%)	97.8	113.3	136.4	127.9	145.3
Commercial Profit/Loss (Rs.Cr.)	-7.33	130.86	153.48	184.08	209.20
Average Agriculture Tariff (Paise/Kwh)	125.00	213.00	217.00	240.00	241.00
Share of Agri. Consumption (%)	1.12	1.31	1.65	1.65	1.65
Rate of Return (ROR)	-5.11	90.54	101.67	116.51	126.52

Revenue Arrears as on 31.3.2004 Rs.76 Crore
(Excluding bad debts) (12.88% of Sales Revenue of the year 2003-04)

Power Supply Position

Year	Peak Surplus/Deficit		Energy Surplus/Deficit	
	MW	%	MU	%
2000-01	(-) 29	9.8	(-) 190	10.8
2001-02	0	0	0	0
2002-03	0	0	0	0
2003-04	0	0	0	0

Tenth Plan Capacity Addition Programme

All India	41110 MW
Goa	Nil

Restructuring & Reforms

An MOU was executed on 4th October 2001 between the Ministry of Power, Government of India and Government of Goa to affirm the joint commitment of the two parties to the reform of the power sector in Goa State. The main feature of the MOU is corporatisation of the Electricity Department. SBI-CAPS was entrusted with the

consultancy in this respect and they have already submitted their final report on corporatisation to the State Governments and the same is under consideration. The State Electricity Regulatory Commission has been set up and appointed the Chairperson cum Member (one member commission), but since he has resigned, the Commission is presently not functioning. Regarding Energy Audit and Energy Accounting, a scheme of providing electronic trivector meters for all sub-station feeders and for all H.T. consumers is in progress.

Points for Consideration

1. Government of Goa had executed PPA for setting up of a 48 MW Naptha based IPP with M/s Reliance Salgaonkar Power Company Limited (RSPCL) and for the purchase of 39.8 MW power from this plant. This IPP went into commercial operation in August 1999. Since the power purchased from this plant was very costly over Rs.5 per unit the Government of Goa subsequently executed supplementary agreements whereby RSPCL was allowed to sell power directly to the HT consumers, thus reducing the burden of the Government on the power purchase bills. Purchase of power from IPP has eroded the financial strength of the Electricity Department since 1999-2000. Out of the total power purchased of 2217.96 Mkwh at a cost of Rs.368.27 crore in 2003-04, 213.31 Mkwh was from the IPP at a cost of Rs.108.67 crore at the rate of Rs.5.1 per unit. The Government of Goa proposes to reduce the power purchase from this plant by 50% of the installed capacity in a phased manner. The power purchase from IPP during 2004-05(RE) is reported as 144.51 Mkwh and proposes it further reduced to 126.14Mkwh in 2005-06.

2. The Government of Goa had signed a MOU with Power Trading Corporation (PTC) for trading power round the clock basis. The surplus power available with Goa has been traded with PTC since 2001-02, thereby improved the financial position of the Electricity Department and it continuously made profit since 2002-03. However during 2004-05 M/o Power temporarily withdrew 25 MW from its allocation from Ramagundam, hence very little surplus power is available for trading during 2004-05 and no trading is anticipated during 2005-06.

3. The Electricity Department has been able to generate a Commercial Profit of Rs.153.48 crore during the year 2003-04 and a target of Rs.184crore has been kept for 2004-05(RE) and Rs.209crore for 2005-06. The last tariff revision was on 1st April 2002.

4. The State Government had notified the formation of SERC and accordingly appointed the Chairperson cum Member of SERC (one man commission), but he has resigned and as such the Commission is presently not functioning. The SERC need to be made functional at the earliest.

5. The T&D losses in Goa was of the order of 22.95 % in 2003-04 and it came down to 21% in 2004-05 (RE) and a target of 20% has been fixed for 2005-06.

Power demand of Goa is met basically from its share in the Central sector projects. There were no dedicated transmission lines from Central sector projects to Goa and power was wheeled through 220 KV lines of MSEB and KEB grids. Goa being at the tail end of both the systems, the quality of power received was poor with a low voltage profile resulting in higher losses in the network. However, this major bottleneck was overcome by the successful commissioning of the 400 KV transmission line from Kolhapur to Colvale, in Goa alongwith 400/220 KV sub-station at Colvale by Powergrid Corporation. However the problems at sub-transmission level and distribution level needs to be addressed by the state.

(X) *ENVIRONMENT AND FORESTS:*

Forestry & Wildlife

The area under Recorded forest in the State is presently placed at 1224 sq. km which is 33.1% of State's geographical area of 3702 sq. km. About 90 per cent of the forest area in the State is confined to Western Ghat talukas of Sattari, Sanguem and Canacona. 58.3% of the state's geographic area is under forest and tree cover. The State has six Wildlife Sanctuaries and one National Park covering 744.31 sq. km.

Considering that the forests form part of ecologically important Western Ghats, conservation oriented management is required to be pursued. About 60% of its forests are conserved as Protected Areas. Social Forestry and nature education are important components of the sector.

Participating forest management needs to be extended beyond operations of National Afforestation Programme of MoEF. As a part of employment oriented forestry, value addition to NTFP should be promoted for generating employment opportunities. .

For social forestry, local bodies and eco-clubs of schools should be involved.

The proposed allocation in the forestry & wildlife sector for the Annual Plan 2004-05 is Rs.8.69 crore which constitutes 1.21% of the total State Plan outlay. The anticipated expenditure for the Annual Plan 2004-05 under this sector is Rs.6.53 crore.

Ecology and Environment

It is suggested that the State Government should consider commissioning of studies like – status of compliance of the various provisions of the Coastal Zone Regulation, effect of tourism and mining on environment. It is important to evaluate the impact of development on ecological sustainability of the region.

The proposed allocation in the Ecology & Environment sector for the Annual Plan 2004-05 is Rs.4.50 crore which constitutes 0.63% of the total State Plan outlay. The anticipated expenditure for the Annual Plan 2003-04 under this sector is Rs. 2.34 crore.

The scheme of Environmental Upgradation – Phase I which started in 2002-03 under NRCD on 70:30 sharing basis between the center and the state was due for completion by December 2004. It is yet to be completed. Phase II of the Environmental Upgradation of the project for Panaji, Margao, & Mapusa cities was scheduled to be executed during 2003-04 but has not been included in the proposal.

The proposed revival of the Oceanarium project has not yet started. Expeditious action should be taken in this respect. Technical advice can be sought from the National Institute of Oceanography, Dona Paula.

(XI) TRANSPORT:

The year wise outlay and expenditure on Transport sector of Goa during 10th Plan and successive Annual Plans is given in the Annexure.

Roads & Bridges

The physical targets for the year 2005-06 comprise of widening and improvement of existing State highways, major and other district roads and rural roads, construction/completion of major bridges and missing links, construction of bye passes to reduce congestion and accidents. There are three major spill over bridge works and four new bridge works and outlay has been provided for these works in the budget. Besides, there are two major spill over works relating to State Highways which are proposed to be completed during the year. Besides four new works in respect of state highways are also proposed to be taken up. Outlay has been provided for the spill over works relating to major district roads, rural roads, mining roads and touristic roads. New works would be taken up depending on the availability of funds. An outlay of Rs. 59.89 crore has been proposed for roads and bridges in Annual Plan 2005-06.

PMGSY

The allocation under this Centrally Sponsored Scheme are made available annually to State Govts. for providing connectivity to habitations. An amount of approximately Rs. 5.00 crore is the share of State Govt. for the near 2005-06.

CRF

The funds under this Centrally Sponsored Scheme is made available annually to State Govts. to supplement their resources for carrying out road works (State roads, MDRs etc.). The share of Goa under this scheme for 2005-06 is approximately Rs. 4.00 crore.

Road Transport

The major schemes to be undertaken during the year 2005-06 relate to rationalization of road transport services, strengthening of Transport Deptt., computerization of the transport records and services, construction and renovation of bus stands, establishment of driver training/vehicle testing facility etc. The performance of the State Road Transport Undertaking having a 7.8% level of nationalization is not satisfactory in terms of commonly accepted performance indicators. The corporation has been incurring net losses over the past several years on account of a large number of overaged buses resulting in decline in total revenue earning kilometers. The losses being incurred by the corporation is due to the burden of salary and low productivity together with tough competition with the private operators which has adverse impact on the revenue generation of the Corporation. The load factor is also not satisfactory. The fare revision in 2004-05 is likely to yield a revenue of Rs. 4.9 crore during 2005-06. This is

likely to improve the financial position of the corporation but will not be enough to wipe out the accumulated losses. The corporation proposes to purchase 30 buses during 2005-06 through borrowing from commercial institutions. The practice of borrowing from commercial institutions has resulted in increased interest payment liability of the Corporation. The Corporation may consider to restrict the expansion of staff and fleet strength which will augment the revenue of the corporation. The State Govt. is reimbursing the Corporation on account of concessions as well as for operating buses on low density routes. An outlay of Rs. 14.35 crore is proposed into Annual Plan 2005-06.

Ports & Lighthouses

The proposals under this sector relate to development of facilities at five minor ports, renovation of lighthouses and beacons and expansion/renovation of staff quarters/office building. An outlay of Rs. 1.26 crore is proposed in Annual Plan 2005-06.

Civil Aviation

Considering the increasing air traffic mainly on account tourism, it is proposed to construct a new civilian airport in the State. The Govt. of India has conveyed approval for construction of a new airport at Mopa in Pernem taluka. For this purpose, land acquisition process to acquire an area of 4500 acres has been initiated. A special land acquisition officer has been appointed for the purpose An outlay of Rs. 5.09 crore is proposed in Annual Plan 2005-06.

Inland Water Transport

The scheme envisages development of infrastructure such as jetties, ramps, shed etc. to facilitate efficient ferry service to the public. There are 21 ferry routes and a fleet of 40 ferryboats and 1 launch. It is also proposed to take up beautification of waterways including painting and maintenance of fishing boats, barges and other vessels. It is proposed to renovate 9 ferry ramps during next year. Besides it is also proposed to undertake dredging of inland waterways, hydrographic surveys of inland waterways, construction/purchase of vessels, expansion of marine workshop at Betim and development of maritime activities in Goa. An outlay of Rs. 12.05 crore is proposed in Annual Plan 2005-06.

Railways

The Konkan Railway line passes through Goa for a length of 129 kms. Out of its total share of Rs. 48 crore, the State Govt. has already paid about Rs. 43 crore to the Konkan Railway Corporation and an amount of Rs. 3.00 crore is still outstanding against the State Govt. The Konkan Railway Corporation is pressing hard for clearing the outstanding dues by the State Govt. and communications in this regard have been received in the Planning Commission from time to time. This issue may be sorted out with the State Govt. An outlay of Rs. 1 crore is proposed in Annual Plan 2005-06.

Sky Bus Metro

A pilot project connecting Mapusa-Panaji corridor covering a distance of 10.5 km. has been sent to the Govt. of India for financial assistance. The contribution of the Govt. Of Goa will be in the form of land for workshop and grant of right of way on existing roads. An outlay of Rs. 50 lakhs has been proposed for Annual Plan 2005-06.

Annexure

Outlay and Expenditure in respect of Transport sector of Goa

(Rs. Crore)

Sub-Sectors	10th Plan Out.	2002-03 (BE)	2002-03 (RE)	2003-04 (BE)	2003-04 (RE)	2004-05 BE	2005-06 Proposed
Ports & Lighthouses	0.25	0.05	0.05	0.17	0.17	0.20	1.26
Roads & Bridges	352.40	51.37	58.62	52.19	67.30	84.96	59.89
Road Transport	10.95	3.60	5.60	3.61	3.53	7 66	14.35
IWT	8.00	1.68	1.39	1.54	1.54	2.56	12.05
Railways (KRCL)	5.24	0.00	-	2.24	5.24	2.00	1 00
Civil Aviation	11.00	0.50	-	0.63	0.63	5.08	5.09
Sky Bus Metro	5.00	1.00	-	0.50	0.50	0.50	0.50
Total (Tpt)	392.84	58.20	65.66	60.88	78.91	102.96	94.14
Overall Plan Size	3200.00	586.00	540.00	650.00	619.20	883.33	1199.09
Share of Tpt (%)	12.28	9.83	12.16	9.37	12 74	11.65	7 85

(XII) DRINKING WATER:

Annual Plan outlays: *The Tenth Plan Outlay for the Water Supply sector is Rs 594.96* crore. The approved outlay for 2004-05 was Rs 102.72 crore and anticipated expenditure is Rs 99.32 crore. The proposed outlay for 2005-06 is Rs 168.62 crore. The complete details of Annual Plan Outlays and expenditures for the first three years of Tenth Plan (2002-03, 2003-04 and 2004-05) proposed outlays for 2005-06 are shown in Annexure I and II respectively.

Rural Water Supply & Sanitation

Habitations coverage and water quality problems

As per the Rajiv Gandhi National Drinking Water Mission (RGNDWM), the status of "Not Covered"(NC),"Partially Covered"(PC) and "Fully Covered"(FC) habitations are as under.

	Not Covered (NC)	Partially Covered (PC)	Fully Covered (FC)	Total	No of Schools
As on 1.4.04 Status	3	29	363	395	-
Target 2004-05	1	1	-	100	114
Coverage (up to June 2004)	0	0	-	0	0

Although the status of NC and PC habitations as on 1.4.04 is 3&29 respectively, the targets for 2004-05 are not covering the same. The progress of coverage of habitations is nil and the State government shall take all necessary steps to achieve the targets and include the other NC and PC habitations. The State has no habitations affected with water quality aspects. The State shall target to cover the NC/PC habitations, as rural drinking water supply is one of the monitorable targets of Tenth Plan.

As per the RGNDWM, the financial progress under the centrally sponsored Accelerated Rural Water Supply Programme is as under

Central Sector

Opening balance as on 1.4.2004	Rs 551.33
Allocation during 2004-05	Rs 105.00 Lakh
Releases during 2004-05	Rs Nil
Expenditure up to June 2004	Rs 39.19 Lakh

State Sector

Provision During 2004-05	Rs 1297.68 Lakh
Expenditure upto 6/2004	Rs 218.43 Lakh
Outlay for 2005-06	Rs 2856.54 Lakh

The State Government need to accelerate their efforts for utilization of funds for the implementation of the programme failing which further releases of Central Assistance will get affected.

As per RGNDWM, the financial progress under Total Sanitation Campaign (Central Rural Sanitation Programme) are as under.

Total Projects outlay	**= Rs 717.57 lakh**
Approved Share	
(i) Central Share	= Rs 415.58 lakh
(ii) State Share	= Rs 160.75 lakh
(iii)Beneficiary's share	= Rs. 141.24 lakh
Release of funds	
(i) Central Share	= Rs 124.67 lakh
(ii) State Share	= Nil
Total Expdr reported up to Oct'2004	**=**
Central Share	= Nil
State Share	= Nil
Beneficiary Contribution	= Nil

The outlay for 2005-06 is Rs 803.04 lakh and it is not clear whether it is under CRSP or any stand alone scheme.

As per RGNDWM, the physical progress under Total Sanitation Campaign (Central Rural Sanitation Programme) is as below (up to October, 2004):

Component	**Project Objective**	**Project Performance**
Individual House hold latrines IHHLs)	15000	Nil
Sanitary Complex	150	Nil
School Toilets	283	Nil
Toilets for Balwadis	Nil	Nil
Rural Sanitation Mart(RSM)/ Production Centres(PCs)	37	Nil

State Govt. is not implementing the scheme and the reasons need to be furnished. Also the provision for funds for 2005-06 of Rs 803 lakh is proposed for construction of 9000 toilets in rural areas through Sulabh International.1978 toilets were said to have been constructed in 2004-05.

Urban Water Supply and Sanitation

The Population coverage under Urban Water Supply (UWS) and Urban Sanitation (US) as per CPHEEO as on 31.3.2000 are as under.

	UWS	US
State Coverage	100%	73%
All India Average	89%	60%

Under Accelerated Urban Water Supply Programme (AUWSP), for towns having population less than 20,000(1991 Census) the details of progress as on 31.3.2004 are as under

No of projects sanctioned	4 No
Estimated cost	Rs 352.35 Lakh
Allocation for 2004-05	Rs 150.00 Lakh
Amount released by Govt Of India	Rs 176.18 Lakh
Amount released by State	Rs 25.85 Lakh
Expenditure up to 12/97	Rs 51.41 Lakh

Under Low Cost Sanitation for the Liberation of Scavengers the details of progress as on 31.3.2004 are as under.

No of Projects	3
Estimated Cost	Rs 4546.36 Lakh
No of units for conversion/ Construction	45500
Loan Sanctioned	Rs 2380.00 Lakh
Subsidy Sanctioned	Nil
Loan Released	1460.00 lakh
Subsidy Released	Nil.
No of units completed	32500
No under Progress	Nil

The programme is not being implemented since last two years and the State needs to clarify whether they have scavenger free status.

Externally aided schemes: There are no ongoing Externally Aided Projects in the State.

Annexure I

Goa- Proposed Annual Plan 2005-06

Year	Outlays (Rs crore)
Tenth Plan	594.96
2002-03	108.97
2003-04	88.73
2004-05	99.32
2005-06	168.62*

* Urban Water Supply Rs 88.75 crore
Rural Water Supply Rs 28.57 crore
Urban Sanitation Rs 41.21 crore
Rural Sanitation Rs 8.03 crore
Direction and Administration&Human Resource Development Rs 2.06 crore

Annexure II

Kerala- Annual Plan 2005-06

Expenditures in Annual Plans 2002-03 to 2004-05

Year	Expenditure (Rs crore)
2002-03 (Actuals)	66.31
2003-04(Actuals)	88.61
2004-05(Antcpd)	99.32

Annexure III

Goa No of Districts with access to safe drinking water

Total Districts	2
100% access	Nil
80-99% access	2

(XIII) EDUCATION:

Goa is an educationally advanced State. Goa has almost reached universalisation in Education. As per the Census 2001, the literacy-rate in Goa is 82.32%, 88.88% for males and 75.51% for females. At the national level, Goa is at fourth place in literacy next to Kerala, Mizoram and Lakshadweep. As per the Report of the National Commission on Population, Goa has been ranked No.1 amongst all States/UTs in terms of 12 key indicators determining the Quality of Life.

Major Strengths:

- Goa has almost reached universalisation in Education. Obviously, Goa has Compulsory Education Act to ensure universalisation in Education, and also established primary schools at every nook and corner of the State i.e. almost all the habitations have the primary school within the distance of 1km.
- Teacher – pupil ratio in Goa is 1: 21 at primary level, which is ahead of the national average of 1:42. In addition, about 90% of the total primary schools have two or more teachers, of which more than 95% are trained teachers. Almost all the schools are having pucca building with adequate infrastructure facilities.
- It is interesting to note that in Goa while the enrolment at primary and middle is going down; the same is going up on higher secondary level and above. The former phenomenon is attributed to the success of family welfare programme in the State and the latter to the declining drop out rate at lower level resulting in more and more students going for higher studies.
- After achieving UPE, State Government has now put emphasis on quality of elementary education for which number of steps has already been initiated. The State has provided all schools with complete hardware, software and teacher facilities.
- The drop out rate at primary and upper primary level has been reported to be 2.69% and 5.54% respectively, which is quite low as compared to corresponding All India average of 34.89% and 52.79%.
- Towards improving the standard of technical education in the state, Goa has signed a Memorandum of Understanding (MOU) with the IIT, Mumbai. The MOU envisages student – teacher training, setting up of IIT, Mumbai, Goa – Campus and providing human resources support. The IIT will set up a technology programme for promoting entrepreneurship in high-tech areas and will provide e-communication facilities for e-communication and internet access.
- Goa is amongst the leading States in terms of availability of International Standard infrastructure and performance level in various sports, disciplines building, yachting and basketball etc.
- The State implements the scheme for grant of interest free loans to Goa students at under graduate and post graduate levels through Goa Education Development Corporation.

Areas of Concern:

- Literacy rates both in males and females have improved in the year 2001 considerably over 1991. However, there is not much improvement in gap in male and female literacy, which is over 13 percent.
- The drop out rate at secondary/higher secondary level is quite high around 40%.
- It is observed that there is regional disparity in literacy in 5 Talukas viz. Canacona, Sanguem, Quepem, Satari and Pernem are below the State average.
- Though the State is highly literate there is a large chunk of educated unemployment mainly with secondary level education.
- Under Mid-day-Meal Scheme, the lifting of food grains was good (95-100%) in the first two years after the commencement of the scheme in 1995-96, but subsequently in most of the years lifting of the food grains went down substantially. The State has to universalize MDMS during 2004-05. It is not clear whether the scheme has commenced in Pernem, Quepem and Sanguem.

Strategies for Improvement:

- To contain the drop out rate at Secondary/Higher Secondary level, and to channelize the dropouts towards technical courses so as to improve their employability, the number of steps need to be taken up by the State Govt.
- Special attention required to improve the literacy level in 5 Talukas where literacy level is below the State average.
- To tackle the problem of Educational unemployment, Goa requires basic change in the education pattern especially at Secondary level with due emphasis on vocationalisation, particularly in the emerging areas of Computers skills, information technology and service sector under Cyber Age Students Scheme.
- As far as reduced lifting of food grain under MDM scheme is concerned, the State Govt. may be asked to indicate the steps taken to comply with the Supreme Court directions.
- MHRD reported that the State has not been implementing SSA and project proposals have not been submitted for approval of SSA Project Approval Boards despite reminders. Latest positions needs to be ascertained. SSA could be handy for improving the quality of basic education and it is not clear why the State has been losing additional resources under SSA.

Annual Plan 2005-06 for Goa

The Annual Plan Proposals of the Government of Goa has been examined. As against the approved outlay of Rs.9469.41 lakhs for 2004-05 in respect of education sector, the reported expenditure is Rs.11134.92 lakhs, indicating a financial performance of 118%. For the year 2005-06, the proposed outlay is Rs. 12486.42 lakhs This represents a step up of 32 per cent.

On examination of the sectoral outlays for 2005-06, it is seen that the outlay for General Education has been reduced by 12.7% as compared to that of 2004-05, with a

decline in the outlay for Elementary and Secondary education by about 36%. The outlay for Sports & youth Services is higher by 111 % and that for Arts and Culture by 189% as compared to their respective outlays of 2004-05.

The financial performance under Education sector in the Tenth Plan is given below.

(Rs. In lakhs)

S.N.	EDUCATION	X Plan Outlay	AP 2002-03 Expd.	AP 2003-04 Expd.	Annual Plan 2004-05		AP 2005-06 Outlay	%age change in 2005-06 over 2004-05 outlays	%age Distribution of 2005-06 outlay
					Outla	Exp			
A	**General Education**	**20380**	**2493.21**	**4606.19**	**5727.66**	**7310.18**	**4998.04**	**-12.74**	**40.03**
1	**Elementary/ Secondary Edn.**	1975	230.99	141.56	543.00	543.00	349.00	-35.73	2.80
2	**Secondary**	13605	1301.15	2663.04	2907.00	2907.00	2907.00	0.00	23.28
2	**Vocationalisation of Education**	150	22.55	13.15	15.00	15.00	15.00	0.00	0.12
3	**Language Development**	350	108.94	91.94	183.42	183.42	145.00	-20.95	1.16
4	**Direction & Admn.**	200	72 91	33.07	32.00	32.00	35.00	9.38	0.28
6	**University & Higher Edn.**	4100	756.67	1663.43	2047.24	3629 76	1547.04	-24.43	12.39
B	**Technical Education**	6350	1053.14	1163.37	1561.37	1628.97	2018.95	29.31	16.17
C	**Sports & Youth Services**	6015	390	725.93	1073.73	1089.02	2265.93	111.03	18.15
D	**Art & Culture**	6280	480.6	503.74	1106.75	1106.75	3203.50	189.45	25.66
	TOTAL	39025	4416.95	6999.23	9469.51	11134.92	12486.42	31.86	100.00

Planning Commission may agree to the proposed outlay by the Government of Goa for the Annual Plan 2005-06. The reduction in the outlays for Elementary and Secondary Education should not hamper the achieving of the physical targets set for the Plan. The State should universalize MDMS and take advantage of SSA in improving the quality of education.

Statistical Profile of Education Indicators* – Government of Goa

Literacy Rate

	1991		2001	
Male	83.64	(64.13)	88.42	(75.85)
Female	67.09	(39.28)	75.37	(54.16)
Total	75.5	(52.21)	82.30	(65.38)

Numbers in parenthesis indicate the All India figures

* Source: Selected Educational Statistics, 2002-2003 - Abstract

Projected Child Population in the specified age group (in Thousands)

	6-11 years	11-14 years	14-18 year
Boys	55	36	49
Girls	52	35	47
Total	107	71	96

Gross Enrolment Ratio (2002-03)

	Primary		Upper Primary	
Boys	106.22	(97.32)	109.08	(65.51)
Girls	102.13	(92.87)	101.45	(56.31)
Total	104.22	(95.18)	105.34	(61.13)

Drop out rates (2002-03)

	Classes I – V		Classes I – VIII		Classes I – X	
Boys	0.08	(35.85)	2.28	(52.28)	40.18	(60.72)
Girls	5.45	(33.72)	9.01	(53.45)	39.14	(64.97)
Total	2.69	(34.89)	5.54	(52.79)	39.68	(62.58)

Pupil Teacher Ratio (2002 – 03)

	Goa	All India
Primary	21	42
Upper Primary	16	34
Secondary	25	30
Higher Secondary	23	35

Percentage of Trained Teachers (2002 – 2003)

	Goa	All India
Primary	94	86
Upper Primary	98	87
Secondary	97	89
Higher Secondary	81	90

Per Capita Expenditure on Education (2002-03)

(In Rs)

Goa	All India
2301.58	867.39

Enrolment (2002 – 03)

	Goa	All India
Primary	111926	122135797
Upper Primary	74555	46946513
Secondary	38531	21905698
Higher Secondary	21793	11396634
Higher Education	19077	9516773
Polytechnics	2280	428143

Number of Institutions (2002-03)

	Goa	All India
Primary	1037	651399
Upper Primary	75	245710
Secondary	344	91517
Higher Secondary	81	46137
Arts/Science Colleges	24	9166
Teacher Training Institutes	2	873
Polytechnics	5	1173
Engineering Colleges	4	978
Universities	1	217

(XIV) HEALTH:

Goa was the first administrative unit in the country to achieve replacement level of fertility. The small predominantly urban Goa has good health indices and the lowest fertility rates in the country.

Table - Demographic Indices

Population: 13.43 lakhs

	CBR (SRS Oct.2002)	CDR (SRS Oct.2002)	IMR (SRS Oct.2002)	Sex Ratio (Census 2001)	Sex Ratio 0-6 yrs (Census 2001)	Dec Growth rate
India	25.4	8.4	66	933	927	21.34
Goa	13.9	7.5	19	960	933	14.89

Family Welfare

The current level of fertility, mortality, contraceptive use, ante-natal care and safe delivery as well as the Tenth Plan goals for all these have been indicated in the following Table.The state should aim at meeting all the unmet need for maternal and child health and contraception. Male participation and no-scalpel vasectomy should receive due attention. Efforts should be made to achieve the goals set for the Tenth Plan, and to achieve 100% coverage under routine immunization for all vaccine preventable diseases.

Table- Current Status & Tenth Plan Goals for Family Welfare

Name of State/UT	Couple Protection Rate				Crude Birth rate		Total Fertility Rate		Infant Mortality Rate	
	Current Level (NFHS-2)		Expected Level 2007		Current level SRS 2000	Expected Level 2007	Current level SRS 1998	Expected Level 2007	Current Level SRS 2000	Expected Level 2007
	By Ster	Spacing (Modern)	Permanent	Spacing (Modern)						
INDIA	36 1	6 8	50 0	15 0	25 8	21	3.2	2 3	68	45
Goa	28 2	7 7	45 0	12 4	14 3	12	1 8	1 5	36 7	9

Name of State/UT	Neo Natal Mortality Rate		Safe Delivery		Ante Natal Care (3 ANCs)		Immunisation	
	Current level NFHS-2	Expected Level 2007	Current level NFHS-2	Expected Level 2007	Current level NFHS-2	Expected Level 2007	Current level NFHS-2	Expected Level 2007
INDIA	43 4	26	42 3	80	43 8	90	42	100
Goa	31 2	20	90 8	75	99 0	100	82 6	100

Current levels: NFHS-2

Expected level: Tenth plan goals.

Goa has 100% compulsory registration of births and deaths. State may indicate how far this data is being analyzed and used for decentralized planning and monitoring of Family Welfare Programmes.

Disease Control Programmes

State's performance under the National Disease Control Programme is satisfactory, except for the National Malaria Eradication Programme, in which there has not been a significant decline in the number of deaths during the past several years.

Primary Health Care –Infrastructure And Manpower

Table - Primary health care infrastructure

	Subcentre	PHC	CHC	Subdist Hospitals	Dispensaries
Required	138	23	6		
Existing (RHS)	172	19	5	11	27
Data provided by the state	172	19+4#	5	8+5*	27

: 4 urban heanlth centres

* : 8 general hospitals under the state government, and 5 general hospitals under DHS

Table: Primary Health Care Manpower

	Required	**In Position**
Specialists in CHCs	**24**	**9**
M.O.s in PHCs	**23**	**105**
ANMs in sub-centres	**138**	**178**
Male multi-purpose workers	**138**	**157**

Goa has surplus primary health care infrastructure and manpower. The apparent gaps in the rural primary health care institutions can be sorted out by appropriate skill up gradation and redeployment of the existing manpower. The surplus medical officers in the PHCs, for example, may be trained in the four core specialties required in the CHCs and then redeployed against the sanctioned vacant posts. In view of the small proportion of the rural population and the good communication in the state it is suggested that investment in health sector should be mainly used for repair, maintenance, and supply of drugs needed for making the institutions fully functional, and in improving referral services with the city hospitals. Focus of the state should be on achieving integrated delivery of communicable and non-communicable disease control and also family welfare services through existing health infrastructure with proper referral system.

Since each state is implementing its policies on reorganization, restructuring, training, collection and utilization of user charges, hospital infection control and waste management, disease surveillance, accident and trauma care, improving quality of medical education and health sector reforms, it is requested that a compendium on the above mentioned areas may be compiled and sent to the Planning Commission.

Review of Annual Plan Proposal Of Goa For The Year 2005-06

The Ninth Plan outlay for Health and Nutrition as well as yearly outlays upto 2005-06 are indicated in the Table below.

Table

	Total	Health	Nutrition	(Rs in lakhs)		
Ninth Plan outlay	150000	8122	400	Outlays for Health & PMGY/BMS		
%of Ninth Plan Outlay		5.4	0.27	year	Health	BMS/PMGY
sum of annual plan outlays		6572	295	1997-98	1082	188
Ninth Plan expenditure		6584	269	1998-99	772	102
Tenth Plan outlay	320000	13186	450	1999-2000	1646	106
% of tenth plan outlay		4.1	0.14	2000-01	1423	12 *
Annual Plan2002-03 outlay(BE)	58600	1895	90	2001-02	1649	12 *
% of A.P.2002-03 outlay		3.2	0.2	2002-03	1895	12 *
Annual Plan2003-04 outlay(BE)	68355	3175	420			
% of A.P.2003-04 outlay		4.6	0.6	* ACA under PMGY (Health)		
Annual Plan2004-05 outlay(BE)	88333	3521	450			
% of A.P.2004-05outlay		4 0	0 5			
Annual Plan2005-06 outlay(BE)	119909	5374	490			
% of A P 2005-06outlay		4 48	0.41			

It may be seen from the Table above that the allocation for **Health** in the State has been between 4.5% and 5.4% of the total State Plan Outlay. During the year 2005-06, this percentage is 4.48. In the case of **Nutrition,** however, the allocation in the state is lower at 0.41% during 2005-06 as compared to 0.6% during 2003-04.

It is felt that the allocation for both Health as well as Nutrition needs to be enhanced by the State Government in order to improve upon all the health related indicators.

Levels of under nutrition in the state are much lower than at all- India levels. 27.1% of women and 18.1% of children are undernourished (NFHS-2). The state should strive to achieve the Tenth Plan goals for reduction in under nutrition through:

(a) preventing under nutrition through appropriate nutrition education, appropriate infant and early childhood feeding practices and promoting appropriate intra-family distribution of food based on requirements and dietary diversification to meet the nutritional needs of the family;

(b) detecting and managing under nutrition through universal screening and detection of under nourished persons, and providing food supplements and appropriate health care to these under nourished individuals on priority.

Tenth plan has suggested mainstreaming of **ISM&H** practitioners by placing them in the same health care centres as those of modern medicine. They can then utilize the diagnostic facilities of the health care centre, and patients can choose the system of care they desire. Hence opening new dispensaries for these is not supported.

Goa is far ahead of most of the states in health and demographic transition. The focus, therefore has to shift to reorganisation and restructuring of the existing health care system to provide integrated health care for communicable and non-communicable diseases, and meeting the felt needs for women and children in the vicinity of their home at affordable cost.

(XV) TOURISM:

The Tenth Plan outlay for tourism sector for Goa is placed at Rs. 150.00 crore (4.6% of the total outlay). Annual Plan expenditure for tourism sector was Rs. 25.54 crore in 2003-04 and Rs.29.20 crore during 2004-05. For 2005-06, the proposed outlay is Rs.42.30 crore (3.52% of the Annual Plan Outlay of the State), which is higher by 45% over the allocation for 2004-05 for the tourism sector.

Tourism is a major economic activity in the State and has contributed to the economic development of the State in the form of foreign exchange earnings, employment and higher living standards of the people. The State Government has finalized the State Tourism Policy and Tourism Master Plan – Goa – 2011. The Master Plan envisages (i) higher growth for tourism industry, (ii) diversification of beach tourism to hinterland, (iii) development of monsoon tourism, adventure tourism, heritage tourism, business tourism and health tourism, and (iv) identifying infrastructure needs and management strategies. To achieve these objectives, the following schemes are proposed for 2005-06.

i) Development of road network and supporting facilities for entire tourism circuit of the State (Rs. 200.00 lakhs);
ii) Promotion of leisure tourism (Rs.50.00 lakhs);
iii) Promotion of heritage tourism (Rs.1000.00 lakhs);
iv) Promotion of hinterland tourism (Rs.230.00 lakhs);
v) Promotion of discovery and adventure tourism (Rs.25.00 lakhs);
vi) Tourism marketing and promotion (Rs.2500.00 lakhs);
vii) Development of Institutional mechanism (Rs.25.00 lakhs);
viii) Investment in Goa Tourism Development Corporation (Rs.200.00 lakhs).

The State tourism plan gives highest priority for tourism promotion and marketing with 59% of the outlay, followed by promotion heritage tourism with 24% of the total allocation for 2005-06. Priority has also been given for security of tourists by way of deployment of additional lifeguards at beaches, cleanliness, restoration, conservation and landscaping of tourists destinations. Considering the increase in tourist traffic to the State, the proposals are in the right direction and Tourism Cell supports the proposals.

(XVI) SCIENCE AND TECHNOLOGY:

The State Department of Science, Technology & Environment (DSTE) was set up with the objective of promotion and popularization of science in the State; inculcation of environmental awareness and prevention / control of environmental pollution and degradation. The major programmes relating to science and technology include: direction and administration; remote sensing applications; promotion of information systems in science and technology. The major activities of the programme direction and administration are towards the expenditure on salary and other allowances. There are only seven ministerial posts in existence in DSTE and the scientific posts are still to be filled up. Grants will be released to application oriented S&T projects, particularly related to waste disposal / treatment, recycling of waste, agriculture, watershed management, aquaculture etc. Focus will be given on implementation of projects with private partnership in the areas of biotechnology, information technology, pharmaceuticals, medical sciences, nutrition etc. A suitable area of land will be acquired for the construction and development of modern infrastructure with the state-of-the-art facilities. Under remote sensing applications, the projects pertaining to the Integrated Mission for Sustainable Development (ISD) will be identified by interacting with the concerned departments like Irrigation, Rural development, Industries, Mines etc. The state-of-the-art Geographical Information System (GIS) and Digital Image Processing (DIP) hardware and software would be used for various remote sensing applications in the State as well as for National Resource Inventory Database. For promotion of information systems in science and technology, the activities relating to science popularization will be conducted in collaboration with the State Institute of Education and NGOs. The activities would include: organizing science competitions, science workshops, science exhibitions; observance of National Science Day. Efforts would be made to establish astronomical observatories and grant-in-aid will be provided to maintain the astronomical observatories in Panaji, Margao, and Ponda. In this connection it may be mentioned that there is need of regular meeting of the State S&T Council, atleast once in a year to provide policy directives / guidelines and monitoring of the various S&T activities in the State. There is also need to identify the specific projects / plans / programmes in consultation with the various development departments of the State. A close interaction may be made with the Central Scientific Departments / Agencies like DST, DBT, CSIR for identification of the specific projects relating to the development of the State, and concerted efforts may also be made to get the sponsored projects from these departments / agencies as well as from the development departments of the State. The proposed outlay of Rs.182.00 lakh for the Annual Plan (2005-06) under Scientific Research may be agreed to.

(XVII) SOCIAL WELFARE:

Outlay & Expenditure:

(Rs. in crore)

Social Security & Social Welfare	Tenth Plan	Annual Plan 2002-03	Annual Plan 2003-04	Annual Plan 2004-05		Annual Plan 2005-06
	Agreed Outlay	Actual Expdr.	Actual Expdr.	Agreed Outlay	Antd. Expdr.	Proposed
Women & Child Development	32.50	4.91	5.59	9.51	9.51	9.71
Social Welfare	108.00	20.76	3.51	41.93	41.93	63.62
TOTAL	140.50	25.67	44.10	51.44	51.44	73.33

The Government of Goa has proposed an outlay of Rs. 73.33 crore for Social Security & Welfare including Women & Child Development for the Annual Plan 2005-06 against approved/anticipated expenditure of Rs. 51.44 crore for the Annual Plan 2004-05. This constitutes a step up of 29.85% from the last year. This increases due to "Daya Nand Social Security scheme". The SD&WP Division supports the proposed outlay.

2. It was suggested that welfare of prisoners, implementation of WAKF Act, 1995 and Scheme for Welfare of Safai Karamcharis (Pre Matric Scholarship) for the children of those engaged in unclean occupations should be transferred to their respective sectors. But these schemes are still continuing under Social Welfare. This may be highlighted.

3. There are a large number of schemes (23) in existence in Social Welfare sectors, which need rationalization/minimization. For example, there are three schemes for the similar objectives namely i) Grant of loan to disabled for Self Employment, ii) Financial Assistance to person with severe disability, and iii) Gainful employment to the persons with Disabilities. These can be clubbed/merged. The State Government may be suggested to undertake a Zero Based Budgeting (ZBB) exercise for merging, transferring and weeding out the schemes.

4. As suggested, the State Government has recast the Yashasvini Scheme for empowerment of women. One of the main objectives of the Scheme is to promote Self-Help Groups for self-employment by giving financial assistance of Rs. 1 lakh to each group. Under this Scheme, it has been proposed that financial assistance be provided to widows who do not have any earning member, to start business or any other self-employment activity. The financial assistance will be a maximum of Rs. 50,000 of which 25% will be subsidy and 75% will be interest free loan repayable in 5 years.Rs. 74.00 lakh has been proposed for the scheme. The Working Group also suggested that State Government should take care of the marketing aspect of the Scheme. Progress in this regard may be ascertained.

5. Towards economic empowerment of women, the State should also give priority to skill development training for gainful employment/self-employment, besides formulation income-generating schemes specifically for women.

6. Under ICDS Programme, the State Government has proposed to create a separate fund for Anganwadis Workers who would opt to take retirement Rs. 100.00 lakh has been kept for the proposed fund .the details of the scheme has been not given. In the absence of details, the merit of the scheme can not appreciate.

7. Rs. 140.00 lakh has been kept for the scheme " State programme of Action for Children" in Goa in 2005-06. The basic idea of the scheme to monitor the basic indicator of child development. Under this scheme, four activities related to children have been included namely I) Implementation of Children's Acts., ii) Setting up of separate Children Commission for the state Goa, iii) Setting up of Children Courts, and iv) rehabilitation of children and other displaced person from Baina prostitute Centres.

8. It has been proposed that State Commission for Children has been set up. The State Government has initiated that the action to rescue child and adult prostitutes from red area of Bain. Theproposed activities can be taken up under ICDS.

9. The State Government has proposed Rs. 23.25 lakh for the Annual Plan 2005-06 to implement the various schemes for the welfare of disabled namely i) Grant of Loan to Disabled for self-employment; ii) Scholarship and stipend to disabled students; iii) Award for marriage with the disabled persons; iv) Financial Assistance to the persons with severe disability; v) Book, stationery and uniform to disabled students; and vi) Grant of assistance to an Institution for projects concerning detection intervention and prevention of disabilities and rehabilitation of persons with disability. We may advise to merge the scheme having similar nature of activities, objectives & purpose.

10. The State Government has started a new scheme namely "Dayanand Social Security Scheme" from the 10th Five Year Plan. Under this scheme, it has been proposed to provide financial assistance to most vulnerable sections of society which includes senior citizens, single women, disabled persons and others like Toddy Tappers, coconut pluckers, agriculture labours. The financial assistance will be given @ Rs. 500/- per month, which will be increased @ 5% annually. Rs. 62.00 crore has been proposed for this Scheme, which is about 97.45% of the total outlay in the Social Welfare sector leaving only 2.55% for other schemes. This may flagged.

(XVIII) LABOUR AND EMPLOYMENT:

Table: Incidence of Unemployment*

	GOA		ALL INDIA	
	1993-94	1999-2000	1993-94	1999-2000
Rural	15.2	13.3	5.6	7.1
Urban	12.4	26.1	7.4	7.7

- On Current Daily Status Basis

It can be seen from the above table that in the State of Goa, incidence of Unemployment on current daily status basis is higher than the corresponding All India figure. In case of urban areas, it has increased sharply during the period 1993-94 to 1999-2000 in the State.

Unemployment among Youth and Educated:

Table: Incidence of Unemployment among Youth and Educated *

	Youth		Educated		All	
	1993-94	1999-2000	1993-94	1999-2000	1993-94	1999-2000
GOA						
Rural	29.4	24.8	15.4	16.6	13.9	12.2
Urban	22.1	40.6	13.9	28.7	11.2	23.8
All India						
Rural	5.4	7.2	9.3	8.4	3.0	3.8
Urban	12.8	13.1	9.0	8.2	5.8	5.9

* On Current Weekly Status basis

During the period 1993-94 to 1999-2000 at the All India level, unemployment rate among the educated has slightly declined both in rural as well as in urban areas. In Goa, however the incidence of unemployment among educated has increased both in rural and in urban areas.

Employment in Organized Sector (lakh persons as on 31st March)

Employment in Organized Sector	1984	1994	1999
GOA			
Public Sector	0.54	0.67	0.70
Private Sector	0.30	0.36	0.40
Total Organized	0.84	1.03	1.10
ALL INDIA			
Public Sector	168.69	194.45	194.15
Private Sector	73.45	79.30	86.98
Total Organized	242.15	273.75	281.13

Employment in organized sector, both in private and public sector needs to be looked into and steps to be taken to improve the employment opportunities in the both the sectors.

A very high level of educated unemployment (mostly under employment) is visible in Goa but there is no accurate figure is available on this aspect. There are over one lakh applicants on the live register of the State Employment Exchange who are either unemployed or under employed.

Employment Strategy

A three-pronged strategy for employment generation is unveiled in the Budget 2003-04. by Government of Goa It aims at:

- Retention of employment in traditional sectors such as agriculture and allied activities by making them remunerative,
- Creation of large scale employment by providing incentives to industries to employ people on a sustainable basis and
- Encouragement of self employment.

Comments on the proposal of State Govt. for Labour Employment & Training Sector:

Broad head-wise outlay and expenditure for Labour & Employment Sector is as under.

Major Heads / Minor Heads of Development	Tenth Plan 2002-07 Projected Outlay	Annual Plan 2003-04 Actual Expenditure	Annual Plan 2004-05		Annual Plan 2005-06	
			Agreed Outlay	Anticipated Outlay	Proposed Outlay	Of which capital
1	2	3	4	5	6	7
Labour & Employment	3186.00	505.98	659.65	687.67	910.60	290.00
a) Labour Welfare	450.00	60.56	128.25	151.27	192.80	30.00
b) Employment Exchange (incl. Manpower Dev.)	36.00	13.51	42.10	42.10	32.50	0.00
c) Craftsmen Training (I.T.I.s / Apprenticeship Training)	2400.00	372.89	424.60	424.60	610.30	250.00
d) Factories & Boilers	300.00	59.02	64.70	69.70	75.00	10.00

Labour Welfare:

An outlay of Rs. 192.80 lakh has been proposed for Labour Welfare programme for Annual Plan 2005-06.

In Goa, almost each and every establishment has been brought under the purview of minimum wages act. Under this Act 25 employments have been added to the schedule. The Government is also making all efforts to put an end to the suffering of children employed in various processes and employment.

As on September 2004, the number of cases and applications pending in the Industrial Tribunal cum Labour Court are 520 and 125 respectively. As such, it is proposed to set up one more additional Industrial Tribunal Court for which additional staff will be required. The Administration is also in touch with the Government of Punjab to enable this state to explore the possibility of introducing Lok Adalat System for deciding Labour Disputes. An outlay of Rs. 11.75 lakh is proposed in the Annual Plan 2005-06.

There are 19 Labour Welfare Centres in the State providing benefit to about 450 members of Industrial workers and their families . Presently, these Centres are housed in rented private buildings. During Annual Plan, it is proposed to construct welfare blocks to these centers.

As a part of welfare programme, the Goa Government has enacted Labour Welfare Act and appointed different authorities for its implementation, besides constituting a Welfare Fund Board which is formulating 16 schemes for the welfare of industrial worker. The eligibility limit to claim the benefit has been enhanced from Rs. 3000/- to Rs. 6,500/- which shall cover more beneficiaries. An outlay of Rs. 5.75 lakh is proposed in the Annual Plan 2005-06.

As per the directions of Supreme Court for each State to constitute a child welfare and rehabilitation fund, the State Govt. has created a notional Cell for women and child labour to monitor their welfare. An outlay of Rs. 2.95 lakh is proposed in the Annual Plan 2005-06 to strengthen the Child Labour Cell.

Retrenched Workers Assistance Scheme

Government of Goa has evolved the "Retrenched Workers Assistance Scheme" to help the people retrenched from employment due to unavoidable circumstances. The scheme is a major millstone in the labour welfare. The scheme provides for monitory relief to the Retrenched Workers as well as workers affected by closers. As on September 2004 159 beneficiaries have availed of the benefits of this scheme and amount disbursed is Rs. 11.08 lakh. An outlay of Rs. 90.00 lakh is proposed in the Annual Plan 2005-06.

Employment Service:

An outlay of Rs. 32.50 lakh has been proposed for Annual Plan 2005-06 for Employment Service Programme. The proposed outlay is very high as compared to the actual expenditure of Rs. 13.51 lakh during the year 2003-04

At the end of June 2004, the total number of job seekers registered with the Employment Exchanges of Goa is 80161. Out of which 50% of the job seekers are educated and without any vocational or technical qualifications, skills or training or previous work experience. For these job seekers, job openings are few. Hence, this Department has concentrated its activities on the area of placements, initiating series of vocational guidance, labour market information camps in schools colleges and also motivating job seekers to take up self-employment ventures.

The State Govt. has proposed to strengthen the inspection cell to ensure proper implementation of the Compulsory Notification of Vacancies Act,. 1959. At present, there are about 1008 establishments (Employing 25 or more persons) in both public and private sector and the Govt. is considering a proposal for covering even such establishment employing 5 or more workers. In order to identify the new establishments, which are not covered under the EMI programme, it is proposed to conduct door-to-door survey, to educate them about the provision of the said Act. An outlay of Rs. 1.00 lakh is proposed in the Annual Plan 2005-06.

The State Govt. has introduced a special scheme for registration and placement for special categories namely **"One job in a Family"** and **"Job for sons and daughters of Freedom Fighters".**

Government of Goa proposes to launch a scheme namely "**Goa Unemployed Allowance for educated Unemployed Youth**" in order to give relief and lesson the suffering of Educated Unemployed Youth to some extend. The scheme is at conceptual stage and the details are being worked out. An outlay of Rs. 5.00 lakh is proposed in the Annual Plan 2005-06.

Craftsman Training:

An outlay of Rs. 610.30 lakh is proposed in the Annual Plan 2005-06 for Craftsman Training Schemes. The proposed outlay includes Rs. 250.00 lakhs for capital expenditure. Which needs discussion on the preparedness of the Govt. for its utilization during the year 2005-06.

There are 10 ITIs and 4 I T C are functioning in the State imparting training in 31 trades. The Department has also introduced Diploma Course in Multi skill Industrial Technology and Mechanical in 2 I T I, s The objective is to make the ITI's as Centre of Excellence by imparting qualitative vocational training From Annexure II of the document showing physical progress, it is observed that Ninth Plan target for both intake capacity and persons undergoing training were not achieved during the Plan. During

Annual Plan 2004-05, the target of intake capacity was achieved and for Annual Plan 2005-06, the State Govt. has proposed to keep the target of intake capacity at 1964.

Under this sub-head, main programmes are introduction of Quality Trade Circles, ITI-Industry linkage, formation of Institute Management Committees. An innovative concept "Earn while you learn' emphasizing production oriented training have been introduced. Setting up of a new modern ITI at Porvorim in Bardez taluka is proposed.

Goa Government has approved a new scheme namely **"Grant of Financial Assistance to (BPL) I T I 's Trainees" The** scheme is for granting scholarship to 10 trainees from each I T I belonging to BPL families as declared by RDA @ Rs. 250 P.M. for the duration of the trade course. An outlay of Rs. 7.00 lakh is proposed in the Annual Plan 2005-06.

Apprenticeship Training:

Apprenticeship Training facilities are available in 31 trades and the scheme is implemented in 80 industries in Goa In all 878 seats are located both in Government and Private establishments. It is proposed to increase the number of seats ro more than 1500 by the end of the Tenth plan. During 2005-06 it is proposed to carry out special drive for survey of all the industries and hotels under the Apprenticeship Act 1961 so as to locate seats equal to the number of I T I pass out trainees. An outlay of Rs. 10.30 lakh is proposed in the Annual Plan 2005-06.

Points for discussion and issues concerned for Annual Plan 2005-06

1. Goa is the only State in the country to have Uniform Civil Code. Compulsory Education Act and has introduced a Comprehensive Dayanand School Security Scheme, covering senior citizens, single women and weaker sections of the society. There is a Mediclaim Scheme providing financial assistance to every citizen of Goa for availing super special treatment that is not available in the State Govt. Hospitals.

2. There are areas of concern like very high literate unemployment, health problems like Malaria and AIDs, environmental degradation due to tourism, mining, etc.

3. During Tenth Plan, the state Govt. has proposed to computerize the information under Employment Market Information and also the information required for vocational guidance.

4. The State Govt. is planning to conduct door to door survey to identify the new establishments which are not covered under EMI programme and to frame charge sheet against defaulters.

5. Under Apprenticeship Training, industries need to be encouraged for actively participating under the scheme by increasing the number of seats allotted and service sector should also be included in the "Industrial Establishments".

6. Industries are being involved for introduction of market driven to new trades in ITIs. State Govt. may be asked to provide information on new trades to be proposed during Tenth Plan.

7. Information of ITIs pass outs candidates (numbers) their placement and number of passed out candidates migrated to overseas and trades in demand in overseas may be obtained.

8. Details of the scheme which has been started in collaboration with UNICEF for the all round development of children and elimination of malpractices associated with employment of children.

9. Under social security programme, details of the schemes implemented by the State Govt. for the welfare of unorganized and organized workers needs to be given.

10. Details of the Special employment schemes implemented by the State Govt.

In respect of computerization of employment exchanges, what steps have been taken by the State Govt. to explore the possibilities of networking with the facility of internet

(XIX) BACKWARD CLASSES:

The state government has proposed an outlay of Rs.186.00 lakh as against the anticipated expenditure of Rs.156.35 lakh which is 19% higher. The state government has not indicated the capital content out of the proposed Annual Plan.

2. The state government has proposed 9 different schemes which are educational related. The state government has not proposed any coaching and vocational training to enable the SCs, STs and OBCs for enabling them employment opportunities.

3. Functions of state corporations have not been indicated. The state government needs to submit a status report on the functioning of the corporations with recovery position. It has been observed that recovery rate is very low. Also, the functions of the corporations may be evaluated by a reputed organizations.

4. Housing programme for SCs, STs and OBCs needs to be shifted from this sector to Rural Development Department. The state may avail the benefit of the scheme of "Indira Awas Yojana" instead of meeting the expenditure from this Sector which must be mainly utilized for economic and educational development.

5. Proposed scheme of "Welfare of Dhangar Community" needs a detailed and focused write-up with clear objectives for our comments.

6. The scheme of "Pre-matric scholarship for the children of those engaged in the unclean occupations (Safai Karamcharies) needs to be intensified to enhance the enrolment and arrest drop-out rate. The functioning of the scheme needs to be evaluated.

(XX) HOUSING AND URBAN DEVELOPMENT:

As per the 2001 Census, the population of Goa is 13.44 lakh out of which urban population (6.69 lakh) constitutes about 50% of the total population of the State.

The Housing schemes are mainly construction and improvement of Government Residential quarters, accommodation for Police personnel etc. An outlay of Rs 3.41 crore for Housing sector for the Annual Plan, 2005-06 has been proposed. It is observed that no provision is being made under housing for EWS population.

The proposed outlay for Urban Development sector for the Annual Plan, 2005-06 is Rs 50.41 crore. Major investments are proposed under Planning and Development Authorities (Rs 5.20 crore); Financial assistance to local bodies (Rs 15 crore); Integrated development of major towns (Rs 15 crore). The sectoral outlay also includes reservation of Rs 4 crore as grants to local bodies in lieu of octroi.

Centrally Sponsored scheme of IDSMT (Integrated Development of Small & Medium Towns):

As per information available, upto March, 2004 and the number of towns covered is 9. The central and State release of funds amounted to Rs 2.04 crore, Rs 28 lakhs respectively. The expenditure reported was Rs 1.31 crore. It is observed that the expenditure has been Nil since 2001-02. However, for 2005-06, Rs 28 lakhs is budgeted as the State share.

NSDP (National Slum Development Programme):

As per information available, upto March 2004, Rs. 2.82 crore was released as Additional Central Assistance (ACA) and no expenditure is reported to have been incurred. Rs 46 lakhs is proposed for 2005-06. The details of progress have to be requested for.

SJSRY (Swarna Jayanti Shahari Yojana):

As per information available, the central and State share of release upto March, 2004 amounted to Rs 84 lakhs and Rs 36 lakhs respectively, and the utilization was reported to be Rs 2.28 crore. With an unspent balance of Rs 1.13 crore, the utilization works out to 67%. For 2005-06 an outlay of Rs 8 lakhs is envisaged. The State Government have to make component wise details, the absorption of the programme, reasons for shortfall in utilistaion of funds etc available. The appointment of Project Officers, Community Organisers along with formation of Neighbourhood Groups/ Committees, Community Development Societies should be given top priority.

VAMBAY (Valmiki Ambedkar Awas Yojana):

Rs 40 lakhs is proposed for 2005-06. It is proposed to take up 200 new units for rehabilitation of slum dwellers. It is essential to link up all the slum related programmes for effective utilization of funds.

URIF (Urban Reforms Incentive Fund):

By signing an MOU with the Ministry of Urban Development in respect of urban reforms, the State Government could avail considerable financial assistance. As per records, Rs 28.75 lakhs was recommended. No information is made available regarding the initiatives likely to be taken up.

Necessary feed back on the following areas of concern need to be requested for:

- In a time bound frame, comprehensive survey to ascertain the number of houseless families should be carried out; Also, provision of credit, interest subsidy both for construction of new house or upgradation/reconstruction/ etc with emphasis on EWS/ LIG need to be taken care of; The share of beneficiary must be insisted upon;
- Carry out recovery campaign by the Housing Board or related institutions to boost repayment of advances;
- Building Material Technology Promotion Council (BMTPC), Central Building Research Institute (CBRI) and IITs may be associated in developing appropriate building material and construction technologies to suit the local conditions; Thereafter, massive campaign for their adoption should be carried out by States;
- The strategy for development of infrastructure facilities including Solid Waste Management has to take care of future demand and the interests of tourists;
- Assets created by the planned investments have to be maintained properly;
- Capacity building of ULB personnel;
- Speed up the works undertaken under NSDP and proper utilization of fund and timely submission of UCs be given priority; the schemes of NSDP, VAMBAY etc be dovetailed for effective utilization of funds;
- Need to correct under-utilisation of central funds, diversion of funds released for specific programmes;
- Poverty alleviation in urban areas needed focussed attention; Urban Poverty Eradication Cells at the Headquarter level with branches in the District/ Municipal level need to be set up;

Annual Plan (2005-06) Outlay:

The State Government of Goa has proposed an outlay of Rs 3.41 crore under Housing and Rs 50.41 crore under Urban Development.

Annexure -A

REVISED SCHEME OF FINANCING FOR ANNUAL PLAN 2004-05 OF GOA

Sl.No.				Item	Rs. Crore Annual Plan 2004-05
A.	State's Own Resources (1 to 12)				774.04
	1			Balance from Current Revenues	366.66
				(of which ARM)	0.00
	2			Contribution of Public Enterprises	-5.50
		(i)		State Electricity Board	0.00
				(of which ARM)	0.00
		(ii)		Road Transport Corporation	-5.50
				(of which ARM)	0.00
		(iii)		Other Enterprises	0.00
	3			State Provident Funds	65.00
	4			Misc Capital Receipts (Net)	-31.59
	5			Special Grants under FC	14.25
		(i)		Upgradation and Special Problems	14.25
	6			Loans against small savings	225.00
	7			Net Market Borrowings (SLR-based)	118.46
	8			Negotiated Loans and other Finances	41.00
		(i)		LIC	0.00
		(ii)		GIC	0.00
		(iii)		NABARD	15.00
		(iv)		REC	20.00
		(v)		IDBI	0.00
		(vi)		Others	6.00
	9			Debentures/Bonds (Non-SLR based)	0.00
	10			ARM agreed at Dy. Chmn.Level mtg.	0.00
	11			Adj. of opening Balance	-19.24
	12			Net Surplus from Local Bodies	0.00
B.	Central Assistance (13 to 15)				166.51
	13			**Normal Central Assistance**	72.41
	14			**Additional Central Assistance for EAPs**	0.00
	15			**Others (a) to (d)**	94.10
		(a)		**Special Central Assistance.**	
			(i)	Border Areas Development Programme	0.00
			ii)	Hill Areas/Western Ghat Development Programme	3.21
			iii)	Tribal Sub Plan	0.00
			iv)	Grants under Article 275(1)	0.00
			v)	Special Central Assistance	0.00
		(b)		**ACA for specific projects**	
			(i)	Accelerated Irrigation Benefit Programme	5.00
			ii)	Accelerated Power Development Reform Programme	69.15
			iii)	Control of Shifting Cultivation	0 00
			iv)	Rashtriya Sam Vikas Yojana	0.00
			v)	Initiative for Strengthening Urban Infrastructure	1.15
			vi)	National Social Assistance Programme & Annapurna	0.67
			vii)	Prime Minister's Gramodaya Yojana	0.72
			viii)	Rural Electrification	0.00
			ix)	Roads & Bridges	4.02
			x)	Slum Development	1.28
			xi)	Nutrition Programme for Adolescent Girls.	1.06
			xii)	Mid Day Meals	0.58
			xiii)	NEGAP	0.32
		(c)		**Special Plan Assistance**	0.00
		(d)		**One time ACA for Specific Projects**	6.94
C.	Aggregate Core Plan Resources (A+B)				940.55
D.	Revised Plan Outlay				849.94

GOA AT A GLANCE - 2001

Sl No.	ITEM	Reference period	NORTH GOA							SOUTH GOA						Total for Goa State
			Tiswadi	Bardez	Pernem	Bicholim	Satari	Ponda	North Goa (4 to 9)	Sanguem	Canacona	Quepem	Salcete	Mormugao	South Goa (11 to 15)	(10 & 16)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
I	**I. TOWNS AND VILLAGES**															
1	Total number of villages	2001(P)	26	37	27	27	72	31	220	45	7	36	41	11	140	360
	i) Number of inhabited villages	2001(P)	26	33	26	22	74	28	209	45	7	36	39	11	138	347
	ii) Number of un-inhabited villages	2001(P)	-	-	-	-	2	-	2	4	1	-	-	1	6	8
	iii) Number of submerged villages	2001(P)	-	-	-	-	2	-	2	2	-	-	-	-	2	4
	iv) Number of villages included in Urban Agglomeration	2001(P)	9	-	-	-	-	-	9	-	-	-	2	1	3	12
2	Number of towns	2001(P)	5	11	2	4	1	4	27	2	1	2	9	3	17	44
	a) Municipal towns	2001(P)	1	1	1	2	1	1	7	1	1	2	2	1	7	14
	b) Census towns other than municipal towns	2001(P)	4	10	1	2	-	3	20	1	-	-	7	2	10	30
II	**II. AREA AND POPULATION**															
1	Area (Sq Kms)	2001	213 5	264 0	251 7	238 8	495 1	292 8	1736.0	873 75	352 12	318 25	292 94	109 12	1966.0	3702.00
2	Total Population	2001(P)	159409	227010	71 986	90,766	58,606	149630	757407	64 130	43,912	73,926	259787	144836	586591	1343998
3	Density per sq km	2001(P)	747	860	286	380	118	511	436	73	125	535	887	1,327	298	363
4	Male population	2001(P)	81,020	116,139	37,092	41 726	29 876	77,263	388116	32,610	22,226	37,472	128664	76,529	297501	685617
5	Female population	2001(P)	78,389	110,871	34,894	44,040	28,730	72,367	369291	31,520	21 686	36,454	131123	68,307	289090	658381
6	Rural population	2001(P)	55,083	94,239	62,381	53,622	50,693	101,156	417174	53,140	32,012	40,044	108217	24,542	257955	675129
7	Urban Population	2001(P)	104,326	132,771	9,605	37,144	7,913	48,474	340233	10 990	11 900	33,882	151570	120,294	328636	668869
8	Number of main workers	2001(P)	53,257	72,693	20,915	28 951	16,585	50,071	242472	20,729	13,857	24,250	79,233	45,161	183230	425702
9	Main workers participation rate to total population (%)	2001(P)	33 41	32 02	29 05	31 89	28 29	33 46	32.01	32 32	31 55	32 80	30 49	31 18	31.23	31.67
	a) Male participation rate (%)	2001(P)	49 13	48 65	43 75	48 89	41 95	50 19	48.10	48 51	45 06	47 07	47 28	48 76	47.61	47.89
	b) Female participation rate (%)	2001(P)	17 15	14 59	13 42	13 86	14 10	15 59	15.10	15 57	17 71	18 12	14 02	11 47	14.38	14.78
10	Birth rate (per 1,000)	2001	32 23	13 11	3 55	10 23	9 57	12 48	16.27	6 64	11 88	16 53	19 28	13 31	15.54	15.95
11	Death rate (per 1,000)	2001	17 54	6 96	6 36	5 07	4 53	5 63	8.46	5 79	6 72	5 50	7 24	4 57	6.18	7.46
12	Infant mortality rate (per 1,000 live births)	2001	42 71	4 01	-	5 37	5 32	1 07	19.56	-	1 91	2 44	3 97	0 52	2.73	12.40
III	**III. AGRICULTURE**															
1	Total reporting area (Ha)	2000-2001	16,611	26,480	24,200	23 633	51,284	25,228	167,436	88,660	34,736	34,731	27,719	7,831	193,677	361113
2	Area under forest (Ha)	2000-2001	178	10	1,769	1,096	28,858	3,131	35,042	56 480	20,049	13,897	5	-	90,431	125,473
3	Land not available for cultivation (Ha)	2000-2001	3,394	6,100	2,188	4,200	2,238	2,399	20,519	4,540	1,383	756	5,261	4,678	16,618	37,137
4	Permanent pastures and other grazing lands (Ha)	2000-2001	-	-	-	153	233	243	629	99	-	577	-	-	676	1,305
5	Land under miscellaneous tree crops & groves not included in the net area sown (Ha)	2000-2001	143	29	-	45	4	349	570	10	-	-	-	-	10	580
6	Cultivable waste land including fallow land (Ha)	2000-2001	282	4,435	5,585	3,368	5,696	7,569	26,935	12,561	2,593	8,939	3,754	635	28,482	55,417
7	Net area sown (Ha)	2000-2001	12,614	15,906	14,658	14,771	14,255	11 537	83,741	14,970	10,711	10,562	18,699	2,518	57,460	141,201
8	Area sown more than once (Ha)	2000-2001	2,051	8,431	4,143	2,137	2,618	2,984	22,364	2,778	580	1,169	3,004	260	7,791	30,155
9	Gross cropped area (Ha)	2000-2001	14,665	24,337	18,801	16,908	16,873	14,521	106,105	17 748	11,291	11,731	21,703	2,778	65,251	171,356
10	Area under paddy (Ha)	2000-2001	7,090	7,139	4,550	4,000	430	5,666	33,985	4,412	3,320	5,400	9,230	860	23,222	57,207
11	Area under other cereals millets/pulses & oil seeds (Ha)	2000-2001	302	4,480	3,315	1020	147	285	9,549	763	1 120	345	1,308	167	3,703	13,252
12	Area under sugarcane (Ha)	2000-2001	0	0	40	10	204	5	259	750	46	195	0	0	991	1,250
13	Area under coconuts (Ha)	2000-2001	1,700	2,951	1,581	1,489	874	2,430	11,025	2 966	1,671	2 099	6,046	1,218	14,000	25,025
14	Area under Arecanuts (Ha)	2000-2001	2	2	3	72	358	950	1,387	120	43	47	0	3	213	1,600
15	Area under cashewnuts (Ha)	2000-2001	4,131	6,347	8,125	7 574	9,832	3,282	39,291	6 797	3,124	2,359	1,859	337	14,476	53,767
16	Area under Vegetables (Ha)	2000-2001	900	2,865	820	450	90	500	5,625	78	380	90	1,379	48	1,975	7,600
17	Area under Garden crops (Ha)	2000-2001	536	550	360	660	1 043	1 285	4,434	1 430	1 560	1,026	1,869	143	6,028	10,462
18	Area irrigated (Ha)	1999-2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	34,481
19	No of pumpsets used for irrigation	1999-2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
20	a) Average yield of rice per hector (In Kgs)															

	i) Kharif	2000-2001	2 781	2,210	2 033	1 951	1 662	2,807	2,321	2,265	2 769	2 277	2,309	2,283	2,341	2,331
	ii) Rabi	2000-2001	2 904	2 507	2,505	2,913	2 740	3 109	2,778	2 951	2,679	2 751	2,534	2,863	2,667	2,726
	b) Average yield of ragi per hector (in kgs)															
	i) Kharif	2000-2001	-	1,363	1,248	1,007	890	1,489	1,207	975	657	1,004	1,001	993	983	1,062
21	Normal rainfall (m m.)	-	2 767	2,819	3,081	N/A	3 714	3,557	3,188	3,825	2,934	3,452	2 875	2,480	3,110	3,149
22	Actual rainfall (m m)	2000	3 512	3,563	3,383	N/A	4,283	3,533	3,656	4,661	4,338	4,207	3,753	3,391	4076	3863
IV	**IV. ANIMAL HUSBANDRY**															
1	Number of veterinary hospitals	2000-2001	1	1	-	-	-	1	3	-	-	-	1	-	1	4
2	Number of veterinary dispensaries	2000-2001	-	3	2	1	3	3	12	4	2	1	4	1	12	24
3	Number of slaughter houses in use	1999-2000	6	5	3	4	2	4	24	4	4	5	12	4	29	53
4	Number of animals slaughtered	1999-2000	10 469	10,493	588	4,956	1,962	29 109	58,867	242	1,355	3,761	18,241	12,369	35,967	92,524
5	Total net weight of animals slaughtered (' 00 ' Kgs)	1999-2000	6,365	7,466	68	4,279	601	31,494	50,273	28	175	522	6,248	4,992	11,962	62,235
6	Value of slaughtered animals (Rs ' 000 ')	1999-2000	18,497	26 827	389	9 902	1,814	25421	80650	113	1662	431	22,634	54,956	79,156	159,846
7	Livestock and Poultry															
	i) Number of cattle	1997	2,640	8 997	10,718	7,181	10,234	7,679	47,449	12,468	9,935	11,166	5,958	1,008	40,529	87,978
	ii) Number of buffaloes	1997	2,373	4,071	5,462	4,413	3,697	4,824	24,840	5,163	1,460	2,614	4,890	1,265	15,382	40,222
	iii) Number of pigs	1997	17,343	12,625	3,724	142	59	3 642	37,535	4,368	3,674	6,804	46,171	6,860	67,867	105,402
	iv) Number of other animals	1997	10,772	18,181	6,175	4 846	2,882	8,624	49,480	5,913	3,664	5,067	22,347	5,842	42,833	92,113
	v) Number of poultry	1997	41,154	64828	27,166	36 389	58825	152967	381329	156428	22,743	121,491	93391	14,122	406175	788504
V	**V. MANUFACTURING INDUSTRIES**															
1	No of factories registered under the Factories Act, 1948	As on 31/03/01	102	120	7	51	19	200	499	5	12	34	227	114	392	891
2	No of factories in operation registered under the Factories Act,1948	As on 31/03/01	53	83	6	36	15	164	357	5	11	23	152	78	269	626
3	Estimated average number of daily workers employed in registered factories	As on 31/03/01	3 638	4,703	380	2 822	1,786	10,625	23,952	420	490	667	6,673	7,416	15,966	39,938
4	No. of small scale industries registered with Industries Department	As on 31/03/01	958	1,151	155	376	141	966	3,747	169	139	261	1,661	500	2,410	6,157
5	Estimated average number of daily workers employed in small scale industries	As on 31/03/01	6 085	6,779	784	3 354	1,232	7 025	25,229	747	836	2,057	9,538	3,905	17,083	42,312
6	No of large and medium scale industries	As on 31/03/01	10	12	2	14	3	35	76	4	1	1	47	9	62	138
7	Estimated average number of daily workers employed in large and medium scale industries	As on 31/03/01	914	1,413	388	2,533	527	4,549	10,324	806	47	858	4,735	4,180	10,626	20,950
8	No of sheds in industrial estates (GDDIDC)	As on 31/03/01	77	120	22	72	27	111	329	-	27	41	186	109	283	712
VI	**VI. POWER**															
1	No of towns electrified	2001	5	11	2	4	1	4	27	2	1	2	9	3	17	44
2	No of villages electrified	2001	26	37	27	27	72	31	220	45	7	36	41	11	140	360
3	Total energy consumed (mkwh)	2000-2001	120 360	156 741	13 302	87 828	22 418	197 993	598.643	31 524	8 720	63 427	229 191	145 588	478.449	1077.091
4	Energy consumed for domestic purposes (mkwh)	2000-2001	50 454	83 808	7 801	15 820	4 232	24 609	186.724	2 355	4 850	14 637	64 928	36 446	123.216	309.940
5	Energy consumed for com. & temp purposes (mkwh)	2000-2001	18 582	28 832	1 501	2 584	0 525	4 921	56.946	0 440	0 668	2 530	14 722	8 524	27.084	84.030
6	Energy consumed for industrial purposes (mkwh)	2000-2001	46 879	38 367	2 192	55 357	14 799	123 378	280.973	25 799	2 128	21 258	144 023	91 631	284.833	565.806
7	Energy consumed for public lighting (mkwh)	2000-2001	2 134	3 749	0 813	1 179	0 254	1 504	9.632	0 163	-	0 782	2 936	1 717	5.598	15.230
8	Energy consumed for irrigation (HT + LT) (mkwh)	2000-2001	1 359	0 857	0 857	1 422	2 237	1 777	8.508	1 766	0 805	2 895	0 617	0 188	6.272	14.780
9	Energy consumed for public water works (HT + LT) (mkwh)	2000-2001	-	0 002	-	11 797	0 115	45 161	57.075	0 725	-	23 238	-	6 522	30.485	87.560
VII	**VII. WATER SUPPLY**															
	Water consumed (' 000 ' cu mts)	2000-2001	25,546	26,102	3 270	14 000	5 004	20,917	94,839	2,720	5,539	8,719	47,664	39,326	103,968	198807
VIII	**VIII. EDUCATION**															
1	Total literacy (per cent)	2001	85 27	86 49	81 10	84 07	77 12	83 45	84.12	75 25	67 70	75 38	82 57	85 48	79.98	82.30
2	Male literacy (per cent)	2001	90 87	91 21	89 85	91 81	86 72	90 63	90.63	84 48	80 75	82 39	87 66	80 37	86.58	88.88
3	Female literacy (per cent)	2001	79 49	81 56	71 84	75 87	67 15	75 77	77.29	65 69	54 38	68 24	77 62	76 87	73.22	75.51
4	Number of primary level schools	2001	92	145	106	104	121	175	743	126	86	98	150	65	525	1,268
5	Number of middle level schools	2001	52	62	40	34	32	43	263	24	23	22	86	40	177	440
6	Number of secondary level schools	2001	43	54	28	24	22	41	212	22	15	19	61	36	153	365
7	Number of higher secondary level schools	2001	12	11	4	6	3	12	48	3	3	4	16	6	32	80
8	Number of colleges/university for general education															

	(Arts, Science and Commerce)	2001	4	3	1	2	-	3	13	-	1	1	5	1	8	21
9	Number of colleges for professional educaton.	2001	13	-	-	-	-	4	17	-	-	-	3	-	3	20
10	Number of schools for vocational & professional education (including ITI's)	2001	8	4	1	3	1	1	18	-	1	4	3	3	11	29
11	Number of students at primary stage (I to IV)	2001	11 717	14,738	4 335	6,683	5 164	9,978	52,615	4,817	2,967	5,610	19,674	11,774	44,842	97,457
12	Number of students at middle stage (V to VII)	2001	8,906	11 188	3 365	4 696	3 901	7,588	39,644	3,054	2,389	4,683	14,744	8,212	33,082	72,726
13	Number of students at secondary stage (VIII to X)	2001	8 017	10,171	3,410	4,368	2,911	6,911	35,788	2 489	2,171	3,855	13,337	6,538	28,390	64,178
14	Number of students at higher secondary stage (XI to XII)	2001	3,079	3,669	691	1 285	556	2,541	11,821	274	511	1 169	5,011	2 253	9,218	21,039
15	Number of students in colleges/university for general educati	2001	3,428	3,070	186	972	-	1,777	9,433	-	233	637	3,405	972	5,247	14,680
16	Number of students in colleges for professional education	2001	2,492	-	-	-	-	1041	3,533	-	-	-	1094	-	1094	4,627
17	Number of students in colleges for vocational & professional education including (ITI's)	2001	2,297	1089	130	547	225	658	4,946	-	108	468	1 199	584	2,360	7,306
18	Number of Libranes **	2001	12	22	16	22	7	22	101	11	7	14	26	5	83	184
19	Number of printing presses	1998-99	4	1	nil	2	nil	1	8	nil	nil	3	nil	nil	3	11
20	Number of dailies published	1998-99	7	nil	nil	nil	nil	nil	7	nil	nil	nil	2	nil	2	9
	i) English (exclusively)	1998-99	4	nil	nil	nil	nil	nil	4	nil	nil	nil	nil	nil	nil	4
	ii) Other languages	1998-99	3	nil	nil	nil	nil	nil	3	nil	nil	nil	2	nil	2	5
21	Number of newspapers and other penodicals published	1998-99	23	12	2	nil	nil	8	45	nil	nil	3	15	4	22	67
	i) English (exclusively)	1998-99	8	nil	nil	nil	nil	nil	8	nil	nil	nil	nil	nil	nil	8
	ii) Other languages	1998-99	15	12	2	nil	nil	8	37	nil	nil	3	15	4	22	59
22	Cinema talkies functioning															
	i) Number of talkies	2001-2002	3	2	1	2	1	3	12	1	1	-	4	2	8	20
	ii) Number of seats	2001-2002	2,306	1,270	N/A	1,626	30	1,684	6,916	450	N/A	-	1,826	1,035	3,311	10,227
IX	**IX. PUBLIC HEALTH**															
1	Number of specialised and general hospitals	2001	4	1	nil	nil			5	1			4	4	9	14
2	Number of community/primary health centres (including attached hospitals)	2001	nil	3	2	2	1	4	12	1	1	2	1	1	6	18
3	Number of beds in Government hospitals	2001	1,404	228	52	60	30	108	1,882	80	30	62	622	253	1,047	2,929
4	Number of private hospitals	2001	20	21	2	4	1	14	62	nil	1	5	28	10	44	106
5	Number of beds in private hospitals	2001	333	473	15	39	5	196	1,061	nil	24	91	489	271	875	1,936
6	Number of Dispensaries (R.M Ds.)	2001	4	2	4	3	3	4	20	3	3	1	2	nil	9	29
7	Number of Urban Health Centres	2001	2	1	nil	nil	nil	nil	3	nil	nil	nil	1	1	2	5
8	Number of Sub Health Centres	2001	14	26	16	14	13	20	103	17	8	12	27	5	69	172
9	Number of M.C.W./ Dai Centres	2001	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil
X	**X. BANKING (P)**															
1	Number of scheduled commercial banking offices excluding co-operative banks	As on 31/03/01	62	72	8	12	6	24	184	11	6	9	74	27	127	311
2	Number of co-operative banking offices	As on 31/03/01	27	19	7	8	4	15	80	5	6	6	22	12	51	131
XI	**XI. CO-OPERATION**															
1	Number of co-operative societies functioning	2000-2001	377	266	54	106	76	331	1,210	60	26	77	369	155	687	1,897
2	Number of service co-operative societies functioning	2000-2001	7	14	1	12	4	14	52	8	1	3	19	4	35	87
3	Number of consumer co-operative societes functioning	2000-2001	17	12	4	10	4	20	67	4	-	3	13	14	34	101
4	Number of dairy co-operative societies functioning	2000-2001	2	7	23	21	25	29	107	21	4	14	12	-	51	158
5	Number of other co-operative societies functioning	2000-2001	351	233	26	63	43	268	984	27	21	57	325	137	567	1,551
XII	**XII. TRANSPORT AND COMMUNICATION**															
1	Number of bullock carts	As on 31/03/01	70	381	145	73	2	-	671	22	16	13	34	27	112	783
2	Number of taxis plying on the road (black & yellow)	2000-2001	3	110	14	-	-	5	132	-	-	-	216	10	226	358
3	Number of post offices	2000-2001	32	48	20	20	16	22	157	13	11	19	44	15	101	260
4	Number of urban post offices	2000-2001	5	6	1	2	1	2	17	1	2	3	13	8	27	44
5	Number of rural post offices	2000-2001	27	42	19	18	15	20	141	12	9	16	31	23	91	232
6	Number of telegraph offices	2000-2001	14	15	1	1	2	5	38	2	2	2	18	7	31	69
7	Number of telephones in use	2000-2001	28,940	30,765	3 568	5,991	1871	15,542	86,677	2,018	3,191	6,315	41,670	14,478	67,672	154,349
	i) Rural	2000-2001	1,821	3,690	2 913	2,393	1 101	5 698	17,616	1,204	1,741	793	4,110	1,158	9,006	26,622
	ii) Urban	2000-2001	27 119	27 075	655	3,598	770	9 844	69,061	814	1,450	5,522	37,560	13,320	58,666	127,727

8	Number of road traffic accidents	2000-2001	476	496	55	94	50	267	1,438	171	72	144	779	264	1,430	2,868
9	Number of persons killed in road traffic accidents	2000-2001	30	41	9	11	6	25	122	11	7	5	50	27	100	222
10	Number of persons injured in road traffic accidents	2000-2001	223	424	50	71	45	43	856	105	52	176	552	136	1,021	1,677
11	Number of vehicles involved in road traffic accidents	2000-2001	884	765	83	130	65	437	2,364	235	100	218	1,028	453	2,624	4,388
XIII	XIII. POLICE															
1	Number of police stations	2000-2001	3	4	1	1	1	1	11	2	1	2	4	5	14	25
2	Number of police outposts	2000-2001	5	5	2	3	2	6	23	2	3	1	6	5	17	40
3	Number of jails including lock-ups	2000-2001	1	2	-	-	-	-	3	-	-	-	1	1	2	6
4	Number of offences reported															
	i) Cognizable	2000-2001	401	445	62	97	53	169	1,227	96	45	114	631	303	1,189	2,416
	ii) Non-cognizable	2000-2001	2,295	4,024	749	888	620	1,176	9,752	894	623	964	5,230	1,806	9,617	19,289
XIV	XIV. LOCAL BODIES															
1	Number of Village Panchayats	2000-2001	18	33	20	18	12	19	120	12	7	11	30	9	69	189
2	Number of Municipal Councils	2000-2001	1	1	1	1	1	1	6	1	1	2	2	1	7	13
3	Number of Community Development Blocks	2000-2001	1	1	1	1	1	1	6	1	1	1	1	1	6	11
XV	XV. SALES TAX AND ENTERTAINMENT TAXES															
1	Number of dealers registered under Sales Tax Act															
	i) Local	2000-2001	5,356	3,937	409	966	379	2,827	13,874	327	314	908	6,140	2,608	10,297	24,171
	ii) Central	2000-2001	4,611	2,864	191	672	118	2,223	10,679	170	197	683	5,207	1,930	8,187	18,866
2	Amount of Sales Tax collected (Rs in Lakh)															
	i) Local	2000-2001	886,099	220,408	775	7,383	111	108,293	1,223,069	1,854	298	8,591	426,406	1,917,913	2,355,062	3,578,131
	ii) Central	2000-2001	61216	22802	-	13211	-	27066	124295	201	-	417	35,804	145,334	181,756	306051
3	Receipt from Entertainment Tax (Rs in lakhs)	1999-2000	85	14	2	10	2	17	130	Neg	1	6	42	14	63	193
XVI	XVI. EXCISE															
1	Number of licenses issued for manufacture of liquors															
	i) Caju liquor	2000-2001	177	264	983	149	740	237	2550	349	132	111	21	54	667	3217
	ii) Toddy liquor	2000-2001	143	30	325	6	2	91	597	221	145	180	319	116	983	1,580
XVII	XVII. MISCELLANEOUS															
1	Number of hotels and lodging houses including paying guest houses	2001***	234	1,161	135	7	-	14	1,551	1	22	-	272	54	349	1900***

Explanations :-

P' Data is provisional

N /A' Data is not available

* Goa University

** Includes libranes run by Government village panchayats and Societies, but excludes libranes run by Municipalit

*** = cumulative figure upto 31/12/2001

Birth rate , Death rate and Infant mortality rate figures are all provisional

Districts wise and taluka wise irrigated area is not available

Number of pumpsets used for irrigation 1999-2000 is not available

H T Mixed energy consumption is included in the industrial purpose

The total area refers to the geographical area The talukawise break-up is, however, based on the land use area as derived from the figures supplied by the Directorate of

DIRECTORATE OF PLANNING, STATISTICS AND EVALUATION, PANAJI - GOA.

IMMEDIATE

No. M-13048/8/HR/2004-SP

Planning Commission
(State Plans Division)

Yojana Bhawan, Sansad Marg,
New Delhi, the 17th May, 2005

Subject: Meeting between Deputy Chairman, Planning Commission and the Chief Minister, Haryana for finalization of the Annual Plan 2005-06 of the State.

The above-mentioned Meeting is scheduled to be held **at 3.30 PM on 19th May, 2005 in the Committee Room No. 122, Yojana Bhawan, New Delhi.**

2. A copy of the **Background Note** on Haryana for reference in the Meeting is enclosed.

17/5/2005

(T.P. Biswas)
Director (SP-N)

Encl.: As Above

Planning Commission
Principal Advisers
Advisers
Joint Secretary (SP)
Heads of Divisions

PMO
Mr. Davinder PS Sandhu, Director

Ministry of Finance
Joint Secretary (PF-I), Deptt. of Exp.
North Block, New Delhi.

Member Secretary, NCR, Planning Board
Core- 4-B, First Floor, India Habitat Centre, Lodi Road, New Delhi

Copy to Private Secretary to:
Deputy Chairman/Minister of State/Members/Secretary
Copy also to: Director (SP-Coordination)/Deputy Adviser (PC Division) /Protocol Unit/Information Officer

NOTE ON HARYANA

1. Economy of Haryana

- Haryana is one of the prosperous States in India, with per capita Net State Domestic Product of Rs. 26632 (at current prices) for 2002-03.
- Annual growth rate of the State economy during the 9th Plan period was 5.1 %.
- As indicated below, in recent years the economy of Haryana has recorded a favourable transformation in terms of contribution of primary, secondary and tertiary sectors to the Gross State Domestic Product.

(%age to GSDP)

Sector	1980-81	2001-02
Primary	53.7	31.6
Secondary	19.5	28.1
Tertiary	26.8	40.3

- Some other development indicators for the State are as under :

Item	Period	Unit	Haryana	India
Net Irrg. Area/NSA	1998-99	% Share	79.8	39,2
Yield of foodgrains	2000-01	Kg/Hac	3088	1636
Field of wheat	do	do	4109	2743
Population	2001	Mln. No.	21.08	1027.02
Population Growth	'91-2001	%	28.06	21.34
Sex Ratio	2001	No/1000	861	933
Population density	do	No/SqKm	477	324
Literacy rate	do	%	68.59	65.38
Do (Male)	do	%	79.25	75.85
Do (Female)	do	%	56.31	54.16
BPL population(all)	2000	%	8.74	26.10
BPL population(Rural)	do	%	8.27	27.09
BPL population(Urban)	do	%	9.99	23.62
Villages electrified	2002	%	100.00	86.80
Per capita electricity cons.	'99-2000	Kwh	530.82	354.75
Fertiliser use	2001-2002	Kg/hac.	155.69	90.12

2. **Tenth Plan of Haryana :**

(i) Approved outlay: Rs. 10285.00 crore (at 2001-02 prices)

(ii) Tenth Plan Growth rate (envisaged) : 7.9%

(iii) Tenth Plan outlay has been projected to be **financed by** :

- SOR of Rs. 7105 crore (69%) and
- Central assistance of Rs. 3180 crore (31%)

3. **Plan Performance :**

(a) **Annual Plan outlay and expenditure (at current prices) :**

(Rs. crore)

Plan period	Outlay	Expenditure
Annual Plan 2002-03	2034.00	1776.19 (87.3% of outlay)
Annual Plan 2003-04	2091.00	1865.79 (89.2% of outlay)
Annual Plan 2004-05	2342.43	2084.45 (89% of outlay)

Distribution of outlay and expenditure by sectoral heads of development is shown as under :-

(Rs. In crore)

Major Heads / Minor Heads of Development	10th Plan Outlay	AP 2002-03		AP 2003-04		AP 2004-05	
		Outlay	Exp.	Outlay	Exp.	Outlay	Exp.
1	2	3	4	5	6	7	8
I Agri & Allied Activities	469.53 (4.57)	111.81 (5.50)	84.29 (4.75)	100.36 (4.80)	92.78 (4.97)	134.30 (5.77)	111.00 (5.32)
II Rural Development	305.85 (2.97)	74.81 (3.68)	89.33 (5.03)	77.81 (3.72)	95.13 (5.10)	96.00 (4.09)	89.99 (4.32)
III Special Area Prog.	147.37 (1.43)	32.94 (1.62)	26.55 (1.49)	34.00 (1.63)	19.91 (1.07)	17.00 (0.73)	11.56 (0.55)
IV Irrign. & Flood Control	1541.03 (14.98)	319.50 (15.71)	218.66 (12.31)	244.97 (11.72)	209.97 (11.25)	267.32 (11.41)	275.54 (13.21)
V Energy	1400.47 (13.62)	262.40 (12.90)	203.60 (11.46)	281.20 13.45)	224.49 (12.03)	473.00 (20.19)	265.58 (12.73)
VI Industry & Minerals	84.34 (0.82)	25.40 (1.25)	147.40 (8.30)	11.35 (.0.54)	98.69 (5.29)	30.35 (1.27)	104.33 (5.00)
VII Transport	1286.65 (12.51)	335.20 (16.48)	265.44 (14.94)	380.20 (18.18)	269.26 (14.43)	328.20 (14.01)	246.20 (11.79)
VIII Communications	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IX Science Tech. & Env.	8.48 (0.08)	1.90 (0.09)	2.10 (0.12)	1.92 (0.09)	3.84 (0.21)	3.25 (0.14)	2.13 (0.10)
X General Eco. Services	512.35 (4.98)	17.86 (0.88)	15.28 (0.86)	18.86 (0.90)	18.55 (0.99)	21.09 (0.89)	20.69 (0.99)
XI Social Services	4311.09 (41.92)	785.62 (38.62)	698.49 (39.33)	891.93 (42.66)	802.98 (43.04)	931.19 (39.75)	929.56 (0.45)
XII General Services	217.84 (2.12)	66.56 (3.27)	25.04 (1.41)	48.40 (2.31)	30.19 (1.62)	40.73 (1.74)	29.87 (1.43)
Grand Total	10285.00 (100.00)	2034.00 (100.00)	1776.18 (100.00)	2091.00 (100.00)	1865.79 (100.00)	2342.43 (100.00)	2086.45 (100.00)

(b) **Review of plan performance in the first two years of the Tenth Plan** :

- *Government of Haryana has reportedly achieved annual growth rate of **6.35%.***
- *Plan expenditure(at comparable prices) accounts for 33.7% of the Tenth Plan outlay (against the expected level of about 40%).*
- *Given a good performance in primary sector during 2003-04 (5%), Government of Haryana anticipates to achieve the 10th Plan envisaged rate of **4.07%** for the Sector.*
- *In the secondary sector **growth rate achieved is 6.4%** against the the10th Plan envisaged rate of **9.6%**.*
- *Average growth rate for tertiary sector **achieved (i.e. 9.6%)** is close to the 10th Plan target of **10.33%**.*
- *Shortfalls in Plan expenditure vis-à-vis the outlay is **mainly due to non-sanctioned of externally aided projects** though programmed for.*

4. State Finances :

(a) Broad financial indicators for Haryana are given below:

- Estimated Gross Fiscal Deficit (GFD) during 2004-05 is Rs. 1747 crore. As in 2001-02, GFD accounted for 4.5% of Gross State Domestic Product(GSDP).
- Estimated Revenue Deficit (RD) in the State in 2004-05 is of Rs. 893 crore. The State RD in 2001-02 accounted for 1.8% of GSDP.
- Estimated Revenue Receipts during 2004-05 is Rs. 10791 crore.
- Interest payment (Rs. 2540.00 crore) in 2004-05 accounts for 23.5% of Revenue Receipts. Wages account for 33.06% of RR.

(b) Status of funding the Annual Plans:

- Vis-à-vis the estimated resources of Rs. 2034.00 crore for the Annual Plan 2002-03, the State Government realised Rs. 1649 crore - comprising of the State's Own Resources (SOR) of Rs. 1140 crore *against the projected level of Rs. 1441.40 crore* and Central Assistance of Rs. 509 crore *against the projection of Rs. 592.60 crore.* Realised BCR of (-) Rs.292 crore fell short

of the estimated level by Rs. 31.00 crore. The State Government could not avail the EAP assistance fully due to non-sanction of new projects.

- Pre actual of available resources for financing the Annual plan outlay for 2003-04 was Rs. 2742.00 crore. It comprised of SOR of Rs. 2100 crore and Central Assistance of Rs. 642.00 crore. The main reason for the higher level of resource mobilization as compared to Annual Plan estimates has been an improvement in the BCR by Rs. 581 crore (from a negative of Rs. -231 crores to a positive figure of Rs. 350 crores). This is on account of a combination of improvement in tax revenue (due to introduction of VAT) and non-tax revenue receipts (mainly lottery Rs. 254 crores) and lower non-Plan revenue expenditure (by Rs. 290 crores) mainly on account of lower interest payments due to debt swap. As a consequence, it has drawn less from Prvident Fund and negotiated loans. This is, however, notably different from the anticipated level of plan expenditure for the year (i.e. Rs. 2086.45 crore) which is the sum of anticipated Departmental expenditure.
- As per the revised estimate of resources for AP 2005-06, the aggregate plan resources is Rs. 2237 crore comprising of the SOR of Rs. 1668 crore (against the initial estimate of Rs. 1761 crore). The RE for BCR ((-) Rs. 38 crore) is less from original estimate by Rs. 78 crore. This is due to fall in non-tax revenue from the irrigation and the power sector and higher revenue expenditure. The State has got some ACA in course of the year and the realized level of Central Assistance is Rs. 569 crore against the original estimate of Rs. 544 crore.

5. Reform Initiatives: The Government of Haryana has recently adopted some strategic measures for fiscal and structural reforms. A few such initiatives are indicated below:

- Rationalization of staffing pattern in Government Departments is being consistently reviewed. Posts lying vacant for more than 2 years have been abolished. Surplus staff of departments would be re-deployed. New posts are being sanctioned only under strict scrutiny.
- PSUs are being rationalized. A few enterprises like HSMITC, HSSI&EC, HSH&HC, and CONFED etc. have been closed and budgetary support of Rs. 101 crore has already been provided to

these PSUs to meet the severance expenditure of retrenched employee. Some agencies like INFED, HARCOFED, Haryana Minerals Limited, Weavers Apex Society, Panipat etc. have been restructured.

- State Government has constituted a 'Consolidated Sink Fund' and "Guarantee Redemption Fund" to meet the payment obligations of the State debt as well as State guarantees.
- State Government has opted for the Debt Swap Scheme of GOI under which high cost central loans of Rs. 3230.38 crore during three years (2002-05) have been swapped by low cost loans resulting in substantial reduction in interest payment liabilities. This would reduce interest burden of Rs. 200 crore approximately per year.
- The Medium Term Fiscal Reform Programme (MTFRP) submitted by the State Govt. to the Ministry of Finance, GOI has since been approved in October, 2004.
- Haryana has introduced complete transparency in its fiscal operations.
- With a view to mop-up resources, the State Govt. has adopted measures for simplification of rules and procedures for better tax compliance.
- Uniform sales tax rates have been adopted and sales tax based incentives have been phased out to achieve harmonization of inter-state taxes.
- State Govt. has opted for VAT system of taxation from April 2003. Other measures like review of users charges of public services, optimizing recoveries from existing sources and broadening of tax base etc. have also been taken.
- So far as the power sector reform is concerned, the erstwhile HSEB has been un-bundled into independent Generation, Distribution and Transmission companies. Haryana Electricity Regulatory Commission (HERC) has also been set up.
- By implementing the WB aided Water Resources Consolidation Project with expenditure of Rs. 1858.00 crore a major part of irrigation system have been rehabilitated and modernized.
- An imaginative education policy has been launched on focusing on re-orientation of the education system. It would also help encouraging private investment and self-financing in higher education.
- A new industrial policy has been formulated to augment infrastructure facilities so as to attract foreign and private

industries. This policy would help generating employment opportunities in the private sector and also encouraging self-employment opportunities.

- The State Govt. has also adopted a new Information Technology (IT) policy which would be educative as well as cost effective.

6. Annual Plan 2005-06:

Government of Haryana has proposed an outlay of **Rs. 3000.00 crore** for the AP 2005-06 of the State. **It is 44% higher than the reported plan expenditure for the year 2004-05.**

- High priority has been assigned to the programmes for improvement /extension of basic infrastructure of irrigation, power, roads & bridges and road transport with a provision of 37.5% of the proposed outlay.
- Provision for social services accounts for 46.8% of the proposed outlay. Emphasis has been laid on extending benefits to vulnerable sections of the society, development of education facilities, health services, improvement in water supply & sanitation and also urban infrastructure.
- In Agriculture & Allied Activates priority has been assigned to supportive services, extension and R&D works for increasing agricultural production, improvement in veterinary health services and afforestation.
- In the Rural Development sector emphasis has been laid on availing the benefits of Central assistance / grants for poverty alleviation programmes, rural sanitation and health care and strengthening of PRIs.
- High priority has been attached to promote application of IT in government works and encourage private sector participation in enhancing communication network in the State.

7. Sectoral Highlights:

7.1. Agriculture & Allied Activities:

7.1.1 Haryana has developed a strong base for growth of agriculture and allied activities. In sustenance of the tempo of growth in the sector, Rs. 469.53 crore has been allocated for the sector in the Tenth Plan. It accounts

for about 4.6% of total outlay. Emphasis has been laid on providing inputs and extension services for increasing agricultural production, soil conservation measures, R&D works, improvement in veterinary health services and afforestation. State government has spent Rs. 84.29 crore, Rs. 92.79 crore and Rs. 111.00 crore on the programmes for the sector in 2002-03, 2003-04 and 2004-05 respectively.

7.1.2 Up-trend in growth of cropped area, cropping intensity and use of modern inputs have resulted in increase in **production of food grains and oilseeds**. Details are as under :

(000' tonnes)

Kharif		**2002-03**	**2003-04**	**2004-05**	**2005-06 (Target)**
1.	Rice	2468	2793	3023	2828
2.	Jowar	22	30	26	30
3.	Maize	29	41	40	130
4.	Bajra	460	1005	749	945
5.	Pulses	30	67	52	80
Total Kh.Foodgrains		3009	3936	3890	4013
6.	Sugarcane	1000	972	773	990
7.	Cotton (000 bales)	1038	1405	2075	2100
8.	Kharif Oilseed	5	13	6	8
Rabi					
1.	Wheat	9134	9484	9450	9240
2.	Gram	100	112	100	150
3.	Barley	160	38	114	150
4.	Other Rabi Pulses	14	55	15	20
Total Rabi Foodgrains		9408	9689	9679	9560
Total Kh. & Rabi Foodgrains		12417	13625	13569	13573
Rabi	Oilseeds	850	957	1040	1120
5.	Sunflower	-	27	38	75

7.1.3. Though there has been a trend of linear increase in the gross production, the productivity has remained almost static for the last few years. Thrust of the plan is to evolve new technology and strengthen research programmes. For increasing the production of crops like wheat, rice, oilseeds, cotton and sugarcane, Centrally Sponsored Schemes are also in operation with sizeable allocation.

7.1.4. State government has also laid priority to production of **Horticulture crops**. Following Table shows a visible up-trend in area and production of horticulture crops.

Item	Unit	10th Plan	2002-03	2003-04	2004-05	2005-06
		Target	Achi.	Achi.	Achi.	Target
Fruit						
Addl.Area	Hects.	10,000	2563	2920	2000	3000
Prod.	Lakh Tonnes	2.90	2.36	2.57	1.82	2.10
Vegetables						
Area	Lakh Hects.	1.60	1.63	2.04	2.08	2.30
Prod.	000 Tonnes	2500	2050	2548	3050	3250
Mushroom – Prod.	Tonnes	5000	4950	5100	5500	6000
Flowers-Area	Hects.	4000	3600	4176	4592	4200

7.1.5. Animal Husbandry and Dairying: Haryana holds a very prominent place in the country for its livestock wealth. The State is proud of being the home tract of the famous breeds of Haryana Cows and Murrah Buffaloes. According to 1997 census, the total livestock population in the State is 113.92 lakh consisting of cattle, buffaloes, sheep, goats, camels, pigs, horses, ponies, donkeys, mules and others. Besides this, there is 92.26 lakh poultry population. With this livestock and poultry wealth, the State of Haryana has contributed significantly towards India attaining top position in milk production in the World and fifth top position in poultry production. 10th Plan target and achievements during 2002-03, 2003-04, 2004-05 and targets for 2005-06 for Animal Husbandry Sector have been given below:

Item	Unit	10th Plan	2002-03	2003-04	2004-05	2005-06
		Target	Achi.	Achi.	Achi.	Target
Dairy Products						
Milk	000 Tonnes	5421	5136	5301	5472	5648
Eggs	Lakh Nos.	8204	12507	13353	14198	15044
Wool	000 Kgs.	2244	2488	2574	2666	2750

7.1.6. In order to provide effective and efficient veterinary health services at the nearest point to the livestock owners, network of veterinary institutions is being strengthened in the State. Veterinary Vaccine Institute at Hisar is being strengthened to meet the requirement of essential vaccines for the prevention and control of various diseases among animals.

7.1.7. Forestry Development : Haryana has approximately 38,000 hectares of degraded forests. The State Govt. has targeted to cover additional area of 235 hectares under forest cover during 2005-06. The State Govt. is implementing the **EAP namely, Community Forestry Project** starting

from 1998 to be terminated in June,2008 with a total cost of Rs. 126.00 crore (Revised). In the Ninth Plan, Rs. 31.63 crore has been spent on the project. As against a provision of Rs. 74.16 crore for the project in the Tenth Plan, Rs. 58.31 crore has been spent in the first three years. A provision of Rs. 20.00 crore has been made for the project in the proposed AP 2005-06.

7.1.8. Govt. of Haryana has started **another EAP namely, 'Integrated Natural Resource Development and Poverty Reduction' with JBIC assistance** (82%) with an estimated cost of Rs. 285.97 crore for a period of 7 years starting from 2005-06. The project area comprises of 1000 villages spread over the inter state. Rs. 56.11 crore has been proposed for the project in the AP 2005-06.

7.1.9. Haryana State has adopted a progressive approach to development of social forestry, farm forestry and integration of forestry activities with community development.

7.1.10. Issues:

(i) Productivity of rice and wheat has approached the plateau. High yielding varieties of fine and superfine varieties of rice need to be developed. Production of pulses should also be increased.

(ii) Concrete steps need be taken to change the cropping pattern in favour of commercial crops and also for crops with less water intensity.

(iii) Recently experienced uptrend in production of fruits and vegetables in the State should be sustained by taking appropriate policy measures.

(iv) There is need to improve the health of the soil affected adversely due to alkalinity, water logging and micro-nutritional deficiencies.

(v) Increase in use of bio-fertilizers and adoption of integrated pest management approach are called for.

(vi) State Government should encourage private sector participation in production of certified seeds.

(vii) Fish seed production needs encouragement in private sector to minimize the dependence on import of fish seeds from other states. The State Govt. should opt for a suitable technology for fish culture in saline water.

(viii) Forest cover in the state is gradually shrinking. It has come down from 3.8% in 1993-94 to 2.18% in 1999.

(ix) Appropriate measures need be taken to preserve and sustain indigenous cattle breeds like Sahiwal and Murrah Buffaloes of the State.

7.2 Rural Development

7.2.1 State Government spent Rs. 291.10 crore on Rural Development activities during 9th Plan. In the terminal year of the 9th Plan, Haryana generated employment opportunity of 48.84 lakh mandays and 57.94 lakh mandays under JGSY and EAS respectively. Under SGSY, 14847 swarozgaries were assisted. By constituting 9814 dwelling units under IAY, Government of Haryana has over achieved the target.

7.2.2. In order to bring qualitative improvement in infrastructure, asset creation and employment opportunities in rural areas, Govt. of Haryana is implementing the re-designed Centrally Sponsored Schemes, namely Sampooran Grameen Rojgar Yojana (SGRY), Sarnajayanti Gram Swarojgar Yojana (SGSY), Desetr Development Programme (DDP) and Indira Awas Yojana (IAS). Government of Haryana has provided Rs. 305.85 crore in the Tenth Plan and spent Rs. 274.45 crore in the first three years of the Tenth Plan. By the end of February, 2005, 48.77 lakh mandays have been generated under SGRY, 8958 Swarozgaris have been assisted under SGSY and 5510 houses have been constructed under IAY.

7.2.3. In the AP 2005-06, emphasis has been laid on intensifying the employment generating and community development works with emphasis on improving rural health and sanitation services by means of implementing the CSSs. The State Plan allocation is mainly for providing the share contribution of the State government for the CSSs. Utilisation of **Rashtriya Sam Vikas Yojana (RSVY)** fund of Rs. 15.00 crore (100% Central Assistance) and the State's allocation of another Rs.7.50 crore for gearing up the development process in Sirsa district is another important component of the total RD allocation of Rs. 172.76 crore for the year 2005-06.

7.2.4. Issues

(a) Under SGSY, provision of credit is in area of concern. Percentage of credit disbursed is lower than the targeted credit level.

(b) Training and capacity building of the Self Help Groups need be given priority.

(c) Under SGRY, performance in lifting the foodgrains and utilization thereof is satisfactory. However, the quality of assets created and their maintenance need be given proper attention.

7.3. Special Area Programmes:

7.3.1. Govt. of Haryana has been taking special steps to accelerate the pace of development in backward regions of Mewat and Shivallik foothills in the State. These include development of infrastructure in areas of education, water supply, agriculture, animal husbandry, soil and water conservation, fisheries, health, housing and training. Mewat Development Board and Shivalik Development Board have been constituted to pay focused attention to developmental needs of these areas. During 9th Plan, Boards have spent Rs. 44.14 crore and Rs. 21.43 crore respectively. These are in addition to departmental expenditure of the State Government in those areas. Haryana is also implementing the **Externally Aided Mewat Area Development Project** with the objective to improve economic and social conditions of the Meo community. The Project with estimated cost of Rs. 70.20 crore (Revised cost Rs. 108.58 crore with IFAD aid component 70%) started in July 1995. The Project has been completed in 2004-05. Rs. 28.03 crore has been spent in the first three years of the tenth Plan. In the AP 2005-06, an outlay for Rs. 8.00 crore has been proposed for Mewat Area with emphasis on community development works, education etc. Shivalik Development Board has been provided an outlay of Rs. 8.00 crore in the proposed AP 2005-06 mainly for schemes under watershed management, health care and communication.

7.4. Irrigation and Command Area Development:

7.4.1. By the end of 9th Plan, created irrigation potential of 37.97 lakh hectares in Haryana accounts for 84.15% of ultimate potential (i.e. 45.12 lakh hectares) in the State. Utilized potential, however, is about 92.3% of created irrigation potential. As in 2000-01, net irrigated area in Haryana (29.45 lakh hectares) accounts for 83.52% of its net sown area (35.26 lakh hectares). Out of the total ground water resources of 8527.51 mcm per year in the State, about 85% is available for irrigation purpose. About 84% of available ground water for irrigation purpose has been developed / drafted.

7.4.2. Against the target of creating additional potential of 165.71 thousand hectares, irrigation potential of 150.00 thousand has been created during 9th Plan. Hathni Kund Barrage has been constructed. By implementing a large number of CSSs in the Command Area Sector, the State Government has constructed **70 lakh** running feet of water channels, **6876 hectare** area of underground pipelines and **2783** additional pump sets during 9th Plan. 1500 Water User associations have been set up in Haryana for supervising construction of lining and creating awareness among farmers and the State Government is providing functional grants.

7.4.3. Tenth Plan outlay for the Sector is Rs. 1541.04 crore (including Rs. 308.00 crore for the proposed WRCP-II which has not been cleared). By allocating about 83% of the outlay for irrigation works, it has been envisaged to create additional potential of 1.61 lakh hectares. Targets have also been laid down to construct 120 lakh running feet of field channels, 8000 hac. of underground pipelines and reclamation of 25000 hectares of waterlogged area under CAD programmes.

7.4.4. Details of outlay and expenditure on irrigation, CAD and FC are as under :

(Rs. Crore)

Sub Sector	Tenth Plan	2002-03		2003-04		2004-05	
		Outlay	Exp.	Outlay	Exp.	Outlay	Exp.
Irrigation Works	1283.91	269.50	166.93	186.97	151.14	204.32	210.71
CAD	102.85	20.00	5.54	12.00	13.97	15.00	23.51
Flood Control	154.28	30.00	46.19	46.00	44.86	48.00	41.32
Total	**1541.04**	**319.50**	**218.66**	**244.97**	**209.97**	**267.32**	**275.54**

7.4.5. State Govt. has created irrigated potential of 16.3 thousand hectares, 13.57 thousand hectares and 16.43 thousand hectares in 2002-03, 2003-04 and 2004-05 respectively.

7.4.6. Highlights on critical areas in the Sector Are presented below :

(a) Ongoing Major irrigation projects spilled over from IX Plan to X Plan.

(Rs. Crores)

S. No.	Name of Project	Plan of start	Approval Status	Estimated cost (Rs.Crore)		Cum. Exp. tillIX Plan (Rs. Crore)
				Original	Revised	
1	Gurgaon Canal(AIBP)	III	Approved	2.88	60.61	33.07
2	Rewari Lift Stage II	III	Approved	0.62	61.53	34.31
3	Loharu Lift	IV	Approved	4.13	79.63	43.77
4	JLN Lift Irrign (AIBP)	V	Approved	40.00	245.75	182.17
5	SYL Project	V	Approved	47.76	1080.00	480.00
	Total Major Projects			95.39	1527.52	773.32

(b) Accelerated Irrigation Benefit Programme (AIBP) : Details of Central Loan Assistance under AIBP for the following Projects. The details are given below.

S.No.	Name of Project	Plan of Start	CLA released in the 9th Plan	CLA 2002-03 (Ceiling Rs. 18 crore)	CLA 2003-04 (Ceiling Rs. 25 crore)	CLA 2004-05 (Ceiling Rs. 25 crore)
1	2	3	4	5	6	7
1	Gurgaon canal	Pre Fifth	2.50	0	0	0
2	WRCP	Eighth	30.00	18.00	7.735	11.135
3	JLN Lift	Fifth	12.00			
	Total		44.50	18.00	7.735	11.135

© Reform initiatives:

- **Water Rates** : The Water Rates of the State were revised in 2000 and the rates as compared to other States are as below.

(in Rs./ ha.)

State (year)	Rice	Wheat	Sugarcane
Haryana (2000)	148.20	123.50	197.60
Punjab (2002)	200.00	200.00	200.00
Gujarat (2001)	825.00	240.00	2750.00
UP (1995)	287.00	287.00	474.00
Rajasthan (1999)	197.60	148.20	286.52

- Participatory Irrigation Management (PIM) : Govt. of Haryana has not yet enacted the Participatory Irrigation management (PIM) Act in the State. A committee only has been framed for preparation of this bill. 'Jal Samitis have been framed in this State for maintaining infrastructure created by CAD under National Water Policy.

7.4.7. **Issues:**

(i) Over exploitation of ground water resources is a matter of concern. As in March, 2003, out of 108 blocks, 13 are dark (having exploitation of 85% and above) and 30 are over exploited (more than 100%).
(ii) Pace of implementation of projects with AIBP assistance is slow.
(iii) Water rates in the State are very low.

7.5. Power:

7.5.1. By the end of 9th Plan, the installed power generation capacity in the State was 1990.32 MW. Energy deficit was only 2.8% in the terminal year of the 9th Plan. Government of Haryana spent Rs. 1547.98 crore on energy sector during 9th Plan. By the end of December 2002, all the 6759 villages are electrified. As in February, 2005, 464686 (98.7%) pump sets have been energized.

7.5.2. In the Tenth Plan an allocation of Rs. 1400.47 crore has been provided for the Energy sector. The target of commissioning units 7 & 8 of Panipat Thermal Project (i.e Tau Devi Lal Thermal Power Project) with installed capacity of 250 MW each has been achieved in 2004-05. Thus, by the end of 2004-05, installed power generation capacity of the State Sector Projects is 2490.32 MW. In addition, the State received 1196 MW from the Central Sector Projects in Northern region. By the end of 2004-05, Haryana has the energy deficit of 1239 MW (5.7%).

7.5.3. Yamuna Nagar Thermal Power Project, Stage-II (2x250 MW) for which a nominal provision of Rs. 20 crore with external assistance was made in the Tenth Plan, has now been assigned top priority. An allocation of Rs. 245.00 crore has been proposed for the project is the Annual Plan 2005-06.

7.5.4. In implementation of Power Sector Reform Programmes, the Government of Haryana has converted its State electricity Board into four separate companies (viz. **Haryana Power Generation Corporation (HPGC) for generation activities** and **Haryana Vidyut Prasaran Nigam (HVPN)** for transmission works and two power distribution companies, viz., **Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL)** and **Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL)** with effect from August 1998. As a part of a re-structuring programme, the State Government has already established Haryana Electricity Regulatory Commission (HERC) and it has issued three tariff orders, 1st on 22.12.2000, 2nd on 11.08.2001 and 3rd in September, 2003.

7.5.5. Basic information regarding performance of the HSEB/HVPN is presented below :

(a) Operational performance:

By the end of Year	T&D losses(%)		PLF (%)	
	Haryana SEB/HVPN	India	Haryana SEB/HPGC	India
2001-02	38.97	31.50	60.50	69.90
2003-04	32.07	32.53	74.90	72.70
2004-05	NA	NA	69.00	74.80

(b) Financial performance:

Items	2001-02 actual	2002-03 actual	2003-04 actual	2004-05 (RE)
Average cost of supply(Paise / kwh)	393.22	403.50	368.34	368.94
Average.tariff. .(Paise/kwh	254.80	248.90	245.33	240.37
Avg. agricultural Tariff (Ps/kwh)	54.00	51.00	47.00	35.00
Share of agriculture Consumption. (%)	41.92	42.14	41.63	41.42
Net Commercial Loss (with subsidy) Rs. Cr.	+105.33	+35.95	+173.33	-430.23

7.5.6. Status of some important on-going projects:

(i) Tau Devilal Thermal power Project, Panipat (Stage-V) – Units 7 &8 (2X250 MW)): This project is under execution by HPGC. Priority was assigned to complete the Project during Tenth Plan. Rs. 357 crore has been spent in the first three years of theTenth Plan and the project has been commissioned in 2004-05.

(ii) APDRP Schemes: Tenth Plan of Haryana has kept a provision of Rs. 345 crore for implementing T&D schemes. Under the Accelerated Power Development and Reform programme (APDRP) the sanctioned / released / utilized as on 31st March, 2005 is given as under :

(Rs. Crore)

Project Cost	APDRP Cost	Released Amount	Counter-part Fund drawn	Utilization
453.41	226.71 (50%)	168.99	76.93	194.83

Under the incentive scheme of APDRP, the Government of Haryana received incentived Rs. 5.01 crore and Rs. 100.48 crore in the year 2002-03 and 2003-04.

7.5.7. **Issues:**

(i) By charging an average tariff of 240.37 paise / kwh, Haryana expects to recover 65.1% of unit cost of supply during 2004-05. Consequently, the distribution companies in the State are incurring losses.

(ii) During 2003-04, 41.42% of power consumption was for agriculture sector. But the tariff charged from the sector was as low as 47 paise/Kwh. A rational approach on the isse is called for.

(iii) PLF (69%) of HPGC, though improved over years, continues to be less than all-India figure (72%) in 2004-05. Emphasis on R&M works in generation projects and improvement in productivity are essential.

(iv) T&D loss in Haryana is very high (32%) in 2003-04. Installation of meter boxes for all categories of consumers would improve the situation.

7.6. Industry

7.6.1. Number of registered factories has increased from 3562 with employment of 1.75 lakh persons in 1980 to 8804 with employment of 5.19 lakh persons in 2001. Location advantage and good communication facilities available to the State have played contributory role. State Government adopted a new Industry Policy in November 1999 with emphasis on development of agro-based and food processing industries, electronics, IT, biotechnology, engineering, handloom, hosiery, textiles, garments manufacturing and export-oriented units.

7.6.2. Government of Haryana spent Rs. 449.00 crore on industrial activities during the 9th plan. About 91.7% of it was for development of village and small-scale industries mainly in the form of loan assistance in lieu of sales tax and infrastructure development at DICs. Infrastructure support to electronics industry and boost to IT sector have been other priority areas and an expenditure of Rs. 28 crore was incurred. As against an expenditure of Rs. 360.98 crore towards grant of interest free loans to VSI units during 9th Plan, virtually no provision for the purpose has been made in the Tenth Plan. Thus, the allocated outlay in the Tenth Plan for Industries sector is Rs. 84.33 crore only and about 94% of it is for schemes under VSI, Electronics and IT. Reported expenditure in the first three years of the Tenth Plan is Rs. 282.74 crore. Though not provided for in the Tenth plan, the State government continued to provide interest free loans in lieu of sales tax to the VSIs in the first three years of the Tenth Plan. No provision on this account, however, has been made in the AP 2005-06.

7.7. Transport:

7.7.1. Roads & Bridges: Haryana has developed good network of road infrastructure in the State. By the end of 1998-99, total road length in Haryana was 28871 km of which 91.52% were surfaced. About 97.8% of State roads are metalled. The State has road length of 147.3 km per lakh population and 65.3 km per 100 sq. km area.

7.7.2. During the 9th Plan, State Govt. spent Rs. 360.29 crore on Roads & Bridges mainly on upgradation of road networks and constructed 328 km. of link roads and widened / strengthened 4915 km of roads. With emphasis on strengthening and improving the State and District roads, the State Government has kept a provision of Rs. 1200 crore for Roads and Bridges in the Tenth Plan to be financed mainly out of loan assistance from NABARD and HUDCO. Expenditure incurred in successive three years of the Tenth Plan were Rs. 210.25 crore, Rs. 214.06 crore and Rs. 120.00 crore respectively.

7.7.3. For the Annual Plan 2005-06, the State Govt. has proposed an outlay of Rs. 260.00 crore . The main emphasis has been given to ongoing works relating to construction/ improvement of village roads, providing new bridges and bye passes as per requirement of traffic. Details in respect of important schemes are as follows :-

(i) Bridges and Railway Over Bridges :- 8 No. of Railway Over Bridges are in progress.

(ii) Improvement of Roads (Widening / Strengthening etc.) : As many as 294 Nos. of works are in progress. In addition to this,. some new works of improvement of roads and construction of bye passes are also proposed to be taken up in the year 2005-06.

(iii) Link roads : As many as 115 Nos. of new link roads are under construction. An amount of Rs. 20 crore has been proposed to complete these works.

(iv) HUDCO loan project : Under this scheme, a provision of Rs. 15 crore has been made for completion of HUDCO loan projects and the balance works of State highways and various MDRs / ODRs.

(v) Central Road Fund : This scheme funded by the Ministry of Road Transport & Highways is implemented by the State Government through Annual Plans. The status of 48 identified schemes, as on March 2004, is given below :-

(Rs. In crore)

No. of Projects	Present Status	Sanctioned Cost
34	Completed	87.32
9	Under Progress	35.99
5	Works still to be awarded	28.90
Total 48		152.21

Allocated amount of Rs. 32.09 for the Annual Plan 2004-05 has been released under the scheme. This fund will be utilized on improvement and up-gradation of state highways, MDRs. Rs. 34.68 crore has been proposed for 2005-06.

(vi) NABARD aided projects :-

An amount of Rs. 77.50 crore has been proposed for annual Plan 2005-06 under the NABARD aided project works. The details are as under:

- Under RIDF-VIII, Rs. 7.50 crore is required to complete the 15 nos. bridges. Construction of the bridges are in progress and shall be completed in 2005-06.
- Under RIDF-IX, the projects of Rs. 160 crore was approved, out of which Rs. 52.00 crore have been spent on various roads and length of 160 kms. have been improved. The balance works are in progress. An amount of Rs. 70 crore is proposed for the year 2005-06.

7.7.4. Expenditure on **Road Transport** during 9th Plan was Rs. 220.43 crore. 3815 buses have been replaced during the period. An outlay of Rs. 300.00 crore has been provided in the Tenth Plan with a target of replacing 2397 old buses. State Government has spent Rs. 54.99 crore, Rs. 55.00 crore and Rs. 56.00 crore in the first successive three years of the Tenth Plan.

7.7.5. As per the latest estimates for the year 2004-05, **Haryana State Road Transport Corporation** with performance details of 96% fleet utilization, vehicle productivity of 345 km /bus per day and staff productivity of 59.88 km/worker per day has, however, **incurred a commercial loss of Rs. 106.06 crore**. This is mainly due to unfair competition from taxi cabs / sumo operators

7.7.6. For Annual Plan 2005-06, a provision of Rs. 78 crore has been made with a target to replace 660 old buses of Haryana roadways. No expansion of fleet is proposed during 2005-06. The incremental transport demand is being met through privatization. Apart from the above the State Govt. has proposed to acquire land for construction of bus stands and workshops.

7.7.7. Issues

(i) State Roadways should improve their financial performance by streamlining the administration/ overhead expenses and fare revision. Healthy competition from private operators should be encouraged.

(ii) State's programme for upgradation of road network with institutional finances need be monitored on a regular basis to avail its desired benefits.

7.8. Tourism:

7.8.1. Haryana has acquired a prominent place on the tourist map of the country for its contribution to promotion of tourism. The Government has set up a network of 44 tourist complexes all over the State. Total availability of accommodation with Haryana Tourism in now 805 rooms. A new concept of Farm / Rural Tourism has been launched under which 13 farm houses located near Delhi have been identified. Emphasis has also been laid on modernization and upgradation of existing infrastructure.

7.8.2. The Tenth Plan outlay for tourism sector in Haryana is Rs. 15.00 crore. Expenditure incurred during the first three years of the Tenth Plan is Rs. 11.50 crore. For AP 2005-06, the proposed outlay for the sector is Rs. 7.00 crore .Emphasis has been laid on the schemes like development of tourist facilities along the main highways, promotion of tourism at places of historical importance, development of tourist facility at districts / other important towns / places, modernization of training facility at Catering Institute at Panipat and Food Craft Institute at Faridabad to provide job oriented training to educated youths.

7.9. Science & Technology :

7.9.1. Two organizations, namely, Haryana State Council for Science & Technology and Haryana Remote Sensing Application Centre are engaged for planning, implementing and monitoring of S&T works and for utilization

and application of satellite data in various economic sectors. Administrative set up of these organizations accounts for about 50% of Annual Plan allocations. Priority has been assigned to the programmes for promotion and popularisation of science and development & transfer bio-technology applications in the AP 2005-06. Emphasis has also been laid on setting up of Tissue Culture Centre in the State.

7.10. Social Services:

7.10.1. Planned efforts of the State Government have been directed towards providing institutional and infrastructure supports for better social services, improvement in operational efficiency of created institutions and direct provision of welfare services to needy groups. State Government spent of Rs. 2814.47 crore (about 35.24 of the total expenditure) in the 9th Plan on the Sector. Sustained efforts have been programmed in the Tenth Plan for providing improved social services to the people and an allocation of Rs. 4311 core has been made which accounts for about 42% of total outlay. Rs. 698.49 crore, Rs. 802.97 crore and Rs. 929.57 crore have been spent on social services in 2002-03, 2003-04 and 2004-05 respectively. In the AP 2005-06, an allocation of Rs. 1404.96 crore has been proposed for the Sectoral programmes which is 51% higher than the expenditure incurred in 2004-05.

7.10.2. Highlights on important social services are presented in following paragraphs:

(I) Education:

7.10.3. Basic information on education sector in Haryana vis.-a-vis. all India position is presented below:-

(a) Number of educational Institutes :

	State	India
Primary Schools	9640	712507
Upper Primary	2260	245710
Secondary	3442	91517
Higher Secondary Pre-degree Junior Colleges	1636	46137
Board of Intermediate Sec. Education	1	39
Colleges for General Education	315	22924
Professional Education Institutions	273	11608
Universities/Deemed Universities/INI*/RI#	7	291

* Institutions of National Importance # Research Institutions

(b) Literacy rates:

(%)

	State			India		
	Total	Male	Female	Total	Male	Female
1991	55.8	69.1	40.5	52.21	64.13	39.29
2001	68.59	79.25	56.31	65.38	75.85	54.16

© Enrolment (2002-2003)

(No. in lakhs)

Classes	State			India		
	Total	Boys	Girls	Total	Boys	Girls
I-V	21.24	11.54	9.69	1221.35	469.46	649.45
VI-VIII	10.99	6.11	4.88	469.46	263.36	206.10
IX-X	5.53	3.22	2.31	219.05	128.46	90.69
XI-XII	3.76	2.27	1.48	113.96	67.27	46.69
Higher Education	2.47	1.46	1.00	95.16	57.05	38.11

(d) Gross Enrolment Ratio (2002-03)

(%)

Classes	State			India		
	Total	Boys	Girls	Total	Boys	Girls
I-V	80.98	80.78	81.23	95 18	97.32	92.87
VI-VIII	67.33	70.28	63.97	61.13	65.51	56.31

(e) Drop Out Rates (2002-03)

(%)

Classes	State			India		
	Total	Boys	Girls	Total	Boys	Girls
I-V	6.89	3 45	10 74	34.89	35.85	33 72
I-VIII	9.90	5 70	14 82	52.79	52.28	53 45
I-X	29 14	22.31	37.05	62 72	60.72	64.97

7.10.4. Elementary Education

As a part of Tenth Plan strategy, the State Government is determined to achieve universalisation of Elementary Education in a Mission mode under the **Sarva Shiksha Abhiyan (SSA)** which provides that all children complete five years of Primary schooling by 2007 and 8 years of elementary schooling by 2010. It is a Centrally Sponsored Scheme with funding pattern of 75:25 by the Central and the State Governments respectively. This programme has been running in 16 districts in haryana from 1.4.2002. The remaining three districts Gurgaon, Bhiwani and Mahendergarh were included from 1.4.2003. State share of Rs.60.00 crore has been proposed during the year 2005-06 against the actual expenditure (State share) of Rs.42.94 crore during 2004-05.

To increase enrolment and retention of children particularly those belonging to Scheduled Castes, wide publicity is given with the help of electronic media. In the SSA framework, enrolment drive would be further strengthened during 2005-06 to ensure that all children complete five years of primary schooling and to bridge gaps in gender / social categories at primary level. Govt. of India launched **Mid Day Meal Scheme** with programmes of nutritional support on 15.8.1995 to increase enrolment, attendance and retention of children of primary school. Now in compliance of Hon'ble Supreme Court's order, cooked food is being supplied to students. For this, an outlay of Rs.57.52 crore is proposed under this Scheme for Annual Plan 2005-06 against the actual expenditure of Rs.41.24 crore during 2004-05.

7.10.5. **Secondary Education** : An outlay of Rs.70.09 crore is proposed for the year 2005-06 against the actual expenditure of Rs. 39.38 crore during 2004-05.

Projected population in the age group 11-14 years in Haryana would be 15.53 lakh by the year 2006-07. Therefore, to ensure achievement of 100% target, 244 Middle Schools have been upgraded to High School and 1 Model School has been opened in the State at Panchkula during the year 2004-05, . At present, there are about 6.24 lakh students on roll in Govt. Middle Schools whereas only 25% students have been provided Dual desks. It is proposed to cover the remaining 4.70-lakh children during 10th Five Year Plan.

In order to attract non attending children belonging to Scheduled Caste in the age group 11-14 year and weaker section to schools, incentives to the students in the form of free uniform to SC/EWS girl students, free stationery to EWS students, books through Book Bank are being provided. An outlay of Rs.2.78 crore has been proposed for Annual Plan 2005-06 under various incentive schemes.

7.10.6. Higher Education : An outlay of Rs.38.00 crore is proposed for Annual Plan 2005-06 against the actual expenditure of Rs.27.90 crore during the year 2004- 05. State does not have Government Colleges at district headquarters of Yamunanagar, Kaithal, Sonepat, Kurukshetra, Rewari and Panipat. It is, therefore, proposed to make provision for opening ten Government colleges in the State during 10th Five Year Plan and also provide funds for starting need-based courses in the existing colleges.

7.10.7. Technical Education : As per policy decision of the State Govt. to open at least one Govt. Polytechnic/Technical Institution in each district, there is a proposal to establish 7 more Govt. Polytechnics in the State during the 10th Five Year Plan. An outlay of Rs.50.00 crore is proposed for the expansion of Technical Education in the State during the year 2005-06 against the actual expenditure of Rs.29.53 crore during 2004-05. This includes an amount of Rs.12.00 crore kept for the World Bank Aided "Technician Education Project - IV". Under Technician Education Project-IV (EAP), well performing engineering institutions will be developed into excellent Institutions of World Class Standards (called Lead Institution). Each Lead Institution will be networked with 4 to 6 engineering institutions (called Network Institution). The goal of systematic reforms through Lead and Network Institutions will be achieved by undertaking three primary activities:

- Developing academic excellence,
- Providing service to community, industry and economy,
- Developing management capacity.

7.10.8. **Sports** : An amount of Rs.9.00 crore has been proposed for the Annual Plan 2005-06 against actual expenditure of Rs.4.80 crore during the Annual Plan 2004-05. The activities of Sports department increased manifold over the year and the demand of sports equipment is also increasing day by day with the increase in number of coaches. The number of coaches in Haryana is 333 and SAI has also provided 50 coaches. The department provides Sports Equipment for conducting Block, District, State and National Level tournaments free of cost. To provide sports equipment of good quality in these Centres a provision of Rs.95.00 lakh has been kept for the Annual Plan 2005-06.

7.10.9. Issues

(a) There is disparity in the literacy rate in educationally backward districts of Haryana like Ambala, Bhiwani, Faridabad, Gurgaon, Hissar, Jind, Kaithal, Mohindragarh and Sirsa.
(b) Drop out rate is higher at Secondary level (Boys: 29.86 and Girls: 42.85).
(c) In order to achieve the objective of SSA, the emphasis needs to be laid on improving retention rates at the elementary level.

(d) Due attention should be given to non-school youth in rural areas in the field of game and sports.

(e) The libraries in rural areas are not having sufficient reading room facilities.

(f) For imparting quality education, the State Government should provide necessary infrastructure in schools. Out of 8623 Government Primary Schools in Haryana, at present most of them are deficient in basic infrastructure facilities. The location-wise and district-wise schools, which are deficient, may be identified and covered under SSA.

(g) More female teachers to be recruited to meet the demands for teachers for primary classes. This is essential because at present, there are only 38% women teachers in primary schools as compared to the national average of about 46%.

(h) Timely completion of construction of schools should be ensured.

(i) Provision of infrastructure in the schools should also include blackboard, writing material, fans, safe drinking water and sanitation facilities.

(j) The technical colleges/institutes suffer for want of sufficient funds for strengthening, upgradation of their lab and teaching research infrastructure. It would be appropriate if the state govt. sets up a revolving fund for meeting the basic infrastructure needs of the technical colleges/institutes.

(II) Water Supply and Sanitation:

7.10.10 State Govt. spent Rs. 325.47 crore in the 9th Plan. State has performed well in improving water allowances for villages and towns. With the objective of upgrading the provision of these essential services, an allocation of Rs. 562.00 crore has been made in the 10th Plan. In addition to getting financial support from the Central Government for the CSSs in the sector, Government of Haryana has been availing loan assistance from NABARD. Funds under EFC are also available for the sector. Rs. 503.00 crore has been spent in the first three years of the Tenth plan.

(a) Urban Water Supply and Sewerage:

7.10.11 About 23% of the population in Haryana live in 83 towns. As on 31.3.1997, urban water supply in the State is 100% (against all-India share of 93.15%). Haryana has provided urban sanitation facilities to the

extent of 60% (against all-India figure of 49.32%). Major programmes envisaged in the 10th Plan include the improvement in water supply and development of sewerage systems. State has also taken up 28 projects with an estimated cost of Rs. 51.70 crore under the CSS of Accelerated Urban Water Supply Programme (AUWSP). In the 9th Plan, a total ACA of Rs.44.17 crore has been sanctioned for augmentation of Water Supply in Ambala, Bhiwani and Kaithal towns (including Rs. 14.17 crore allocated in 2001-02 but released in 2002-03). State Govt. has performed satisfactorily in physical and financial forms in implementing these schemes.

7.10.12 Under centrally sponsored Low Cost Sanitation Programme for Liberation of Scavengers, 85 Projects in 78 towns with estimated cost of Rs. 47.31 crore have been approved for conversion / construction of 2 lakh sanitary latrines. Up to June 1998, only 73,590 latrines were completed land 435 were under progress. Against the target of covering about 3 lakh persons under environmental improvement in urban schemes, 2.76 lakh persons have been covered.

7.10.13 In the AP 2005-06, emphasis has been laid on augmenting the drinking water supply facilities in major towns and upgrading the water supply status to 70 liters PCPD in small towns having population less than 20,000 under the CSS of Accelerated Urban Water Supply Programme. A provision of Rs. 6 crore has been made as the State Govt. contribution. Programmes for augmentation and extension of water supply and sewerage scheme in 6 towns namely Rohtak, Jhajjar, Gurgaon, Rewari, Sonepat and Hisar under the NCR Plan has also been prioritized for extension / improvement of sewerage facility in major towns. Another provision of Rs. 33 crore has been kept in the AP 2005-06.

(b) Rural Water Supply and Sanitation:

7.10.14 As on 1.4.2004, all the 6745 habitations in rural areas have been fully covered. Major programme in this sector include maintenance and upgradation of water supply by system improvement in areas with facilities of 40/55/70 litres per capita per day (LPCD). Government of Haryana is availing NABARD loan assistance for implementation of the programme. The State is also implementing the CSS of Accelerated Rural Water Supply Programme (ARWSP).

7.10.15 In the AP 2005-06, State Govt. proposed the allocation of NABARD loan assistance of Rs. 77 crore, NCR fund of Rs. 52.40 crore,

drinking water supply in Harijan bastis Rs. 6 crore and the share contribution of Rs. 4 crore for maintenance of Rural Water Supply. Rs 43 crore has been proposed for improving the water supply system in the villages.

7.10.16 Issues

(i) Under Total Sanitation Campaign, the State Govt. should step up their efforts to improve the project performance under the Campaign.

(III) Health:

7.10.17. As in 2001-02, Haryana has a total of 3073 medical institutions and about 89.0% of them are in rural areas. By types, these institutions consist of 79 hospitals, 64 CHCs, 402 PHCs, 229 dispensaries and 2299 sub-centres. As reported in Rural Health Bulletin 2002, the status of Primary Health Care Infrastructure is as under:

Primary Health Care Infrastructure					
	Subcentre	PHC	CHC	Subdist Hospitals	Dispensaries (Rural Public)
Required	2432	414	103	-	-
Existent (RHB)	2299	402	64	40	33

Status of manpower for primary health care is presented below:

Primary Health Care Manpower		
	Required	In Position
Specialists in CHCs	412	25
M.O.s in PHCs	414	935
ANMs in sub-centres	2482	1573
Male multi-purpose workers	2482	2046

Basic data on health indicators for Haryana vis-à-vis all India are as under:

	CBR SRS *	CDR SRS *	IMR SRS *	Sex ratio 2001 census	Life expectancy 1988-92	Likely year of achieving NRR of 1
State	26.5	7.0	60	861	62.5	2025
India	25.0	8.1	64	933	58.7	2026

Source: * SRS Oct 2003

7.10.18. State Government spent Rs. 218.52 crore on the Sector in the 9th Plan. In the Tenth Plan, emphasis has been laid on improvement in medical

colleges, upgradation of district hospitals, construction of PHCs/CHCs/sub-Centres and execution of disease control programmes with allocation of Rs. 1120 crore. Rs. 174.68 crore has been spent in the first three years of the Tenth Plan. AP 2005-06 proposes an outlay of Rs. 102 crore (3.4% of total outlay).

(IV) Family Welfare :

7.10.19. The current levels of fertility, mortality, contraceptive use, ante-natal care and safe delivery as well as the Tenth Plan goals for all these have been indicated in Table.

Name of State	Couple Protection Rate				Crude Birth rate		Total Fertility Rate		nt Mortality Rate	
	Current Level (NFHS -2)		Expected Level 2007		Current level RS 2000	Expected Level 2007	Current level SRS 1998	Expected Level 2007	Current Level SRS 2000	pected Level 2007
	By Ster.	Spacing Modern)	Perma nent	Spacing (Modern)						
INDIA	36.1	6.8	50.0	15.0	25.8	21	3.2	2.3	68	45
Haryana	40.8	12.5	56.3	26.0	26.9	22	3.3	2.2	67	40

Name of State	Neo Natal Mortality Rate		Safe Delivery		nte Natal Care(3 ANCs)		Immunization	
	Current level NFHS-2	Expected Level 2007	Current level NFHS-2	Expected Level 2007	Current level NFHS-2	Expected Level2007	Current Level (NFHS-2)	Expected vel 2007
All India	43.4	26	42.3	80	43.8	90	42	100
Haryana	34.9	23	42	80	37.4	95	62.7	100

7.10.20. Reported new acceptors of conventional contraceptives, sterilization and number of Oral Pill usage in the State has remained unaltered. According to the data available from the NFHS-II, contraceptive prevalence rate (any method) is 62.4%, only 40.8% of couples are sterilized. The unmet need for family planning is 7.6% as compared to All India percentage of 15.8% and the State has achieved a considerable decline in the unmet need since NFHS-I. But the natural growth rate of population in the state is comparatively high because of high birth rate (only four states have a higher birth rate than Haryana). The content, coverage and quality of antenatal care are poor; majority of deliveries still occur at home.

7.10.21. Issues :

(a) Crude Birth Rate of Haryana is far higher than the neighbouring states of Punjab and Delhi. Urgent and appropriate steps need to be taken to bring down the CBR.
(b) Sex ratio in the State is highly skewed against the female. Low sex ratio in 0-6 age group implies discrimination against female. It is a matter of serious concern.
© Priority has to be given by the State Government to filling the critical gap in order to deliver health and Family Welfare services to the population.
(d) Concerted efforts should be made towards providing appropriate care for communicable and non-communicable diseases at primary, secondary and tertiary levels
(e) The coverage and quality of Anti-natal care in the State are poor and majority of deliveries still occur at home. Urgent steps are needed to bring about visible improvement in this state of affairs.
(f) The State has to combat both under nutrition at certain places and the emerging problem of overnutrition and obesity at others.
(g) The State should endeavour to bring about a qualitative change in the health status of the people through comprehensive health care delivery system and improvement of health facilities.

(V) Urban Development

7.10.22. As per 2001 census, 28.9% of 2.11 crore population of the State live in urban areas. There are 68 municipalities in the State comprising of one municipal corporation, 21 municipal councils and 46 municipal committees.

7.10.23. In addition to implementation of the CSS namely Integrated Development of Small and Medium Towns (60:40), Swaran Jyanti Shehri Rozgar Yojana (SJSRY) (75:25), Govt. of Haryana is availing upgradation grants under Finance Commission Awards and Central Assistance for earmarked schemes for Development of Urban Infrastructure, Slum Development, etc.

7.10.24. Under 'Sarkar Aapke Dwar' works executed for development urban infrastructure including construction of community centres, drains, dharamshallas, kalaghats, pavement of streets, provision of street lights, beautification of cities, green belts cities, solid waste management, etc. are also undertaken.

7.10.25. As against a provision of Rs. 185.00 crore for urban development in the Tenth Plan, expenses incurred in the first three years in about Rs. 124.00 crore. In the AP 2005-06, an allocation of Rs. 74.75 crore has been proposed for the urban development works.

(VI) Labour & Employment

7.10.26. As in 2002, estimated number of total employment in organized sector in Haryana is 6.66 lakh against the all India figure of 272.06 lakh. Status of the growth rate of population, labour force and employment over the period from 1993-94 to 1999-2000 is presented below :-

(% per annum)

	Haryana	All India
Rate of Growth of Population	2.50	1.95
Rate of growth of labour force @	2.11	1.31
Rate of growth of Employment @	2.43	1.07

@ On Current Daily Status Basis

Incidence of **unemployment as percentage of the labour force** on current daily status basis, in 1999-2000 for Haryana as compared to all India position is as under :-

	Haryana	All India
Rural	4.85	7.21
Urban	4.58	7.64
All Areas	4.77	7.32

The following table shows the status of **incidence of unemployment among youth and educated in Haryana** and all India **on current weekly status basis** during the year 1999-2000.

(Percentage)

	Youth #	Educated#	All #
Rural	5.2	2.5	2.7
Urban	7.2	4.1	3.8
All India			
Rural	7.2	8.4	3.8
Urban	13.1	8.2	5.9

IMMEDIATE

M-13048/9/HP/2003-SP(North)
PLANNING COMMISSION
(State Plans Division)

Yojana Bhavan, Sansad Marg
New Delhi-110001.
Dated 4.2.2005.

Subject:- Background Note for discussions of Annual Plan 2005-06 of Govt. of Himachal Pradesh.

A Background Note for the meeting between Deputy Chairman, Planning Commission and Chief Minister of Himachal Pradesh to be held on **9.2.2005 in Room No. 122 (Sangam) at 3.30 P.M** Yojana Bhawan, New Delhi for finalization of Annual Plan 2005-06 is hereby circulated.

4/2/2005

(T P.Biswas)
Director (SP-N)

Encl: As above

Planning Commission

Principal Advisers
Advisers
JS(SP)
Heads of Divisions

PMO

Director (Himachal Pradesh)

Ministry of Finance
Joint Secretary (PF-I)
Department of Expenditure, North Block,
New Delhi

National Commission on Population,
Member Secretary

National Capital Region
Member Secretary

Copy to Private Secretary to:
Deputy Chairman/ Minister of State/ Members/ Secretary,

Copy also to:
Director (SP-Coordination)/Deputy Adviser (PC Division)/Protocol Unit/ Information Officer

7.10.27. Main component of the labour and labour welfare programme includes industrial training and vocational education for which a provision of Rs. 96 crore has been made in the 10th Plan. Anticipated expenditure in the first three years of the Tenth Plan on vocational training and education is Rs. 31.4 crore. In the AP 2005-06, priority has been assigned to industrial training and vocational education and a provision of Rs. 32 crore has been proposed. At present 116 such institutes are functioning in the State.

(VII) Social Welfare

7.10.28. Major programmes under implementation in this area include the welfare programmes for SCs and OBCs, pensions to handicapped persons, assistance to destitute women and widows, old age pension, welfare programmes for girl children and nutrition support. Important components of welfare programmes for SC include Schemes for educational development (viz. book grants/scholarship for higher school education), economic development (viz. tailoring training to destitute women/girls and opening of Kalyan Kendras) and marriage of daughters of widows are the important components of social welfare programmes for SCs. A number of CSS are also implemented.

7.10.29. Govt. of Haryana is getting 100% financial assistance from UNEPA for implementing **Integrated Women Improvement Project-II** from January 1999 with the aims of improving awareness and leadership among women and also of sensiting men folk to support women's activities for their overall development. Estimated cost of this Project is Rs. 15.61 crore . State Govt. spent Rs. 15.57 crore up to the end of March 2002. In the first three years of the Tenth Plan reported expenditure on the Project is Rs. 1.40 crore. AP 2005-06 proposes an outlay of Rs. 1.46 crore for the Project.Other important programmes for women &child development include construction of Anganwadi Training Centre, Apna Beti Apna Dhan scheme and departmental programmes of Haryana Women Development Corporation and ICDS. In the AP 2005-06 a provision of Rs. 26 crore has been made. For nutrition programmes, Rs. 14.26 crore has been allocated.

7.10.30. During the 9th Plan, Govt. of Haryana spent Rs. 37.79 crore for welfare of SCs/OBCs, Rs. 1076.6 crore for welfare of handicapped / old persons / women & children / destitute and Rs. 23.03 crore on nutrition programmes. Increase in number of beneficiaries as well as in the rate of financial assistance have led to substantial increase in expenditure on social welfare.

7.10.31. As in 2001-02, 9.15 lakh beneficiaries were provided old age pension, 63546 handicapped persons were provided pension and 2.46 lakh destitute/widows got pension. About 12 lakh SC/OBC students were provided stipends/other incentives during the 9th Plan.

7.10.32. In the Tenth Plan of Haryana, allocation of Rs. 100 crore, Rs. 1540 crore and Rs. 181.70 crore have been made for SC/OBC welfare, Social Justice and Empowerment and Women & Child Development programmes respectively. In the first three years of the Tenth Plan reported expenditure on the respective sectors are Rs. 44.87 crore, Rs. 966.09 crore and Rs. 48.79 crore .

7.10.33. Issues:

a. State Government should draw up an Action Plan to train the identified women and specify income-generating schemes for providing gainful employment opportunities to them.
b. State Govt. should evaluate the impact of activities of Mahila Mandals.
c. The Scheme of National Programme for rehabilitation of Persons with Disabilities (NPRPD) should be properly implemented with allocation of adequate funds.
d. Pension scheme under social welfare should be a non-plan scheme.
e. The State Government should draw family oriented schemes for economic development of the SCs below the poverty line
f. Under the new scheme of the State Government for providing free residential facilities to the meritorious rural SCs students, special attention should be given to extend the benefits to SC girls from rural areas as well.

8. State Development Report : The Institute of Development Studies, Maharishi Dayanand University, Rohtak and the Department of Economics, Kurukshetra Unversity have been engaged to prepare the State Development Report for Haryana. The Institutes have been released the first installment of the payment in April 2005. Preliminary work remains in progress.

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Planning Commission
(SP Division)

Background Note on Annual Plan 2005-06 proposals of Himachal Pradesh.

1. **State Profile**: Himachal Pradesh is a mountainous region in the lap of Himalaya ranges from 350 meters to 6975 meters above mean sea level. It is surrounded by Jammu and Kashmir in the north, Tibet on North/North-east, Uttaranchal in the East/South-east, Haryana in South and Punjab in South-west/ West. The total geographical area of Himachal Pradesh is 55,673 Sq. Kms.

The State is divided into 12 Districts, 75 Community Development Blocks, 3037 Panchayats and 16807 villages.

According to the 2001 census, total population of Himachal Pradesh was 60.77 lakhs out of which 54.82 lakh (90.21%) live in rural areas and 5.95 lakh (9.79%) in urban areas. The density of population was 109 persons per sq.km against all India figure of 324 persons. During the decade (1991-2001), the population of the State registered a growth of 17.52% against 21.35% of all India level.

Literacy percentage of the State was 77.13% (86.02 for males and 68.08% for females) as compared to the all India literacy rate of 65.38% (75.85% for males and 54.16% for females) in 2001.

The population living below the poverty line as per Planning Commission estimates for 1993-94 was 28.44% for the State of Himachal Pradesh as compared to the all India estimates of 35.97%. As per the latest estimate (1999-2000), the poverty in the State has drastically has come down from 28.44% (1993-94) to 7.63% in 1999-2000.

The sex ratio (number of females per 1000 males) is 970 females in 2001. The corresponding figure of sex ratio at all India level is 933 females. Details of Demographic Features of Himachal Pradesh are given at **Annexure-I.**

2 Economy

According to estimates, the State income during 1993-94 to 2003-04 period increased from Rs. 4250.03 crore to Rs. 9122.85 crore at constant prices and to Rs. 17845.41 crore at current prices. The compound annual growth rate of the state domestic product during this period was 7.14%. The per capita income at constant prices increased from Rs. 7870 in 1993-94 to Rs. 12700.00 in 2003-04 and it rose to Rs.24842 crore at current prices during the same period.

The quick estimates of state income for the years from 1993-94 to 2003-04 at current and constant (1993-94) prices and per capita income along with percentage changes over the previous year at 1993-94 prices are given in the following table:

The State Domestic Product And Per Capita Income.

Year	State Income		Per Capita Income		Percentage Change Over the Previous Years at 1993-94 Prices	
	At Constant Prices (Rs in crore	At current Prices (Rs. in crore)	At Constant Prices (in Rs	At Current Prices (In Rs)	Net State Domestic Product	Per Capita Income
1	2	3	4	5	6	7
1993-94	4250.03	4250.03	7870	7870	-	-
1994-95	4663.85	5192.46	8489	9451	9.7	7.9
1995-96	4920.52	5930.24	8801	10607	5.5	3.7
1996-97	5198.86	6802.87	9140	11960	5.7	3.9
1997-98	5571.01	7806.98	9625	13488	7.1	5.3
1998-99	5966.28	9507.46	10131	16144	7.1	5.3
1999-00	6621.85	10882.00	11051	18160	10.1	9.1
2000-01	6702.62	12022.66	11029	19784	1.2	4.6
2001-02	7049.88	13319.96	11402	21543	5.2	3.4
2002-03	7443.59	14202.43	11832	22576	5.6	3.7
2003-04	9122.85	17845.41	12700	24842	7.9	10.03

Above figures indicate that during 2002-03 and 2003-04, state economy achieved a growth of 5.6% and 7.9%

Percentage Contribution of Sectoral State Domestic Product at Current Prices.

Sl. No.	Scheme	1998-99	1999-2000	2000-01	2001-02	2003-04
1	Primary	27.58	26.41	25.87	27.00	27.15
2	Secondary	32.34	33.01	34.62	33.31	32.05
3	Tertiary	40.08	40.58	39.51	39.69	40.80

It is clear from the data depicted in this table that Primary Sector contributed 27.58% of the SDP in 1998-99 which declined to 27.05% in 2003-04. The secondary sector contribution to SDP was 32.34% which went up to 32.05% in the year 2003-04. Similarly, the tertiary sector contribution to State Domestic Product in 1998-99 was 40.08% which remains constant i.e 40.80% in the year 2003-04. This structural shift from Primary to Secondary and Tertiary Sectors is a healthy sign of growing economy.

3 Financial Position

- The fiscal situation of the State of Himachal Pradesh was a matter of serious concern. For the Tenth Plan (2002-07), the State's Own Resources were estimated at Rs. 4760 crore. However, these have been only of the order of Rs. 285.31 crore in 2002-03 and Rs. (-) 110.42 crore in 2003-04 (LE.)
- The development expenditure of the State will increase only if the State is able to generate higher resources on its own and in this respect the State must follow a fiscal reforms agenda.
- As both Power and Road Transport sectors were incurring heavy losses in the State, the State Government must take appropriate steps to improve the financial performance of these Sectors.
- The loan liability of the State was Rs. 15429.00 crore as on March 31, 2004.
- Since 1991, there has been growth of about 25.7 per cent in the total strength of Himachal Pradesh Government employees. In the years 1992, 1996 and 1999, the annual growth rate has been of the order of 4.92 per cent, 5.25 per cent and 5.66 per cent respectively. It is not clear why the Government of Himachal Pradesh resorted to such large recruitment which has resulted in further strain on already precarious financial position of the State.

4 . Review of the Ninth Five Year Plan 1997-2002:

The Planning Commission approved the size of the Ninth Five Year Plan for H.P. at Rs. 5700 crore at 1996-97 prices. However, the approved outlay for the period from 1997-98 to 2001-02 added up to Rs. 7150.00 crore against which the reported expenditure was Rs.7875.00 crore.

In terms of Financial Performance during the Ninth Plan, the State was to mobilize about Rs.6087.78 crore as against projected Ninth Plan aggregate

resources of Rs.5700 crore. Resource mobilization was high mainly on account of a higher State's Own Resources (SOR) which in turn was due to large borrowings. Negotiated loans taken were at a level of Rs.1148.93 crore as against projected Rs.390.91 crore. While there was no provision in the projected scheme of financing for bonds/ debentures, these issued by the State Government and the State Electricity Board were at a level of Rs.2314.71 crore. BCR was (-) Rs.3443.12 crore as against (-) Rs.3065.90 crore envisaged for the period. Contribution of public enterprises was negative but at a lower than projected level because no budgetary support was provided to HPSEB and HPSRTC since 1999-2000. State Provident Funds and loans raised against small savings at Rs.996.16 crore and Rs.1119.09 crore respectively were lower than their projected levels.

5. Tenth Plan 2002-07)

The National Development Council in its 50th meeting held on 27th December, 2002 has approved Tenth Five Year Plan 2002-2007. Himachal Pradesh Government aims at an indicative target of 8.9% of growth as envisaged for Tenth Five Year Plan but the trend has been noticed less than the targeted growth rate during last three years. The average growth rate was 5.2% in 2001-02, 5.6% in 2002-03 and 7.9% in 2003-04. Growth trend shows that Himachal Pradesh Govt. is not able to fulfill the growth targets fixed for Tenth Five Year Plan.

At an aggregate Level, it is revealed that during the first three years of the Tenth Plan, an expenditure of Rs. 4762.49 crore has been incurred which accounts for 47.62% of the total outlay of the Tenth Plan at current prices in nominal terms. The detail of sector wise outlay and expenditure of during Tenth plan is given at annexure II.

Annual Plan 2002-03

		(Rs. Crore)
Approved Outlay	-	1840.00
Revised Outlay	-	2041.78
Expenditure	-	2156.51
State's Own Resources	-	648.48
Central Assistance	-	1191.52
% Utilization of approved outlay	-	107.21

Annual Plan 2003-04

		(Rs. Crore)
Approved Outlay	-	1335.00
Revised Outlay	-	1335.00
Expenditure	-	1306.60
State's Own Resources	-	(-) 110.32

Central Assistance	-	1445.32
% Utilization of approved outlay	-	97.87

The revised approved outlay for the year 2003-04 of Himachal Pradesh was Rs. 1335.00 crore which was less comparative to the approved revised outlay for the year 2002-03. The main reason was reported that all committed liabilities on account of salaries, wages, pension, maintenance, subsidies, incentives, scholarship and social securities have been transferred to the Non-Plan.

Annual Plan 2004-05

(Rs. Crore)

Approved Outlay	-	1400.38
Expenditure(anticipated)	-	1306.60
State's Own Resources	-	(-) 85.21
Central Assistance	-	1485.59

As per the approved scheme of financing of Himachal Pradesh, the State's Own Resources during 2004-05 is Rs. (-) 85.21 crore. There is a huge gap in balance from current revenue of Rs. (-) 1956.99 crore and Miscellaneous Capital Receipt (MCR) of (-) Rs. 470.00 crore which is covered by loan against small savings of Rs. 240.00 crore, market borrowings of Rs. 366.15 crore and negotiated loan from LIC, NABARD, REC, Others of Rs. 324.00 crore and Bonds / debentures of 1195.00 crore.

During 2004-05 Central Assistance of Rs. 1485.59 crore has been provided which comprises of Normal Central Assistance of Rs. 716.74 crore EAP assistance of Rs. 32.51 crore and Other assistance of Rs. 736.34 crore.

Annual Plan 2005-06

Sector-wise break-up of the Plan Outlay for the year 2005-06 is given below. As per the sector-wise break-up indicated by the State Govt. overriding priority has been given to the Social Service sector by making an allocation of 49.15% of the approved outlay which is followed by Transport & Communication sector, Agriculture and Allied Service sector, Irrigation & Flood Control, General Economic Services and Energy which accounts for 16.43%, 10.42%, 6.38%, 3.90% and 3.56% respectively.

Sector-wise Break-up of the Annual Plan 2005-06 of Himachal Pradesh

(Rs. in crore)

Sl. No.	Sector	Proposed Outlay	Order of Priority %age
1	2	3	4
1	Agriculture and Allied Services	166.70	10.42
2	Rural Development	85.09	5.32
3	S.A.P.	4.16	0.26
4	Irrigation & Flood Control	102.08	6.38
5	Energy	57.05	3.56
6	Industry & Minerals	10.23	0.64
7	Transport & Communication	262.84	16.43
8	Science & Technology	0.28	0.02
9	General Economic Services	62.42	3.90
10	Social Services	786.47	49.15
11	General Services	62.68	3.92
	Total	**1600.00**	**100.00**

6. Sectoral Highlights :

(i) Agriculture:

The geographical area of Himachal Pradesh is mostly under forest, permanent pastures and grazing land Only 5.83 lakh hectares (about 10% of geographical area) is under cultivation. Due to hilly terrain; the economy of the state is predominantly mixed farming, agro pastoral, silvi pastoral and agro horticultural. Important crops grown in the state are Maize, Wheat, Rice, Barley, Pulses, Oilseeds, minor Millets, Potato, Ginger, Tea, Peas, Kuth, Hops and Vegetables & Fruits. The state is deficient in foodgrains production except Maize Average productivity of Wheat, Rice, Pulses and Oilseeds is lower than All India average The state has gained importance in production of vegetables. Most of the farming is rain fed. As on 31st March, 2004, 34.6% of net sown area is under assured irrigation. Cultivation is mainly on slopes. Land holdings are also small and scattered. Operation land holding is around 1 2 hectares. Land lease and tenancy regulations do not allow farming on large scale.

(a) Agriculture/Horticulture Production

Foodgrains production in the state is fluctuating over the years though the area under cultivation is almost same. Year 2000-01 had drought conditions both in Kharif and Rabi season. Himachal Pradesh produces variety of fruits. Temperate fruits cover about 64% of total area and out of this more than 40% is under apple cultivation. Other fruit crops grown are peach, plum, pears, citrus, mango and litchi. About 1/7th of fresh fruit trees are non-bearing, while in dry fruits, 178th trees are non-bearing.

(b) Fisheries

Himachal Pradesh is blessed with some of the finest rivers viz Satluj, Beas, Ravi and Chenab originating from the permanent glaciers and spring-beds. The river and their branches are bestowed with exotic trout, mahaseer, snow trout, louches, indigenous lesser barilas and minor carps. Besides, there are many natural lakes located in the higher reaches and man made impoundments harbouring more than 78 species of fish

(c) Constraints of Agriculture Development in Himachal Pradesh

The process of agricultural transformation is taking place in Himachal Pradesh wherein the traditional cereal crops based subsistence farming system is giving way to high value cash crops (fruits & vegetables). This process will further intensify, as the process of commercialization of agriculture will further spread to those areas where presently infrastructure facilities, such as rural roads, marketing and credit are lacking. The main problems which the hill agriculture is facing are small size of land holdings, lack of irrigation facilities, low consumption of chemical fertilizers, lack of road infrastructure. The road should be dependable and all weather.

Constraints in Horticulture Sector are poor quality planting material including seed and root stocks; poor layout of orchards; lack of appropriate polynizer in the orchard, lack of proper training and pruning of the fruit trees; inadequate plant nutrition and organic matters; lack of adequate use of plant protection materials; poor overall management of orchards. Post harvest quality controls are almost non-existent, thereby resulting in considerable wastage and damage. Absence of pre cooling and cold storage is major problem for horticulture produce. Processing facilities are limited. At present, only about 4% of fruits and vegetables are being processed in the State.

Most of the animals are short statured and are of non-descript types. Only 14% of total livestock population is cross bred/improved bred in the State. Cultivation of fodder crops on farms is insignificant. More than 50% of total fodder is being obtained from CPRs and rest from the owned land. Scarcity of green fodder in winter and summer seasons, poor productivity of private grass land, degradation of CPRs and waste of fodder in absence of chaffing are the major constraints. Foot and mouth disease, skin diseases, indigestion, milk fever, problems in udder and teat, cyst formation in ovary, retention of placenta are the common diseases found in the area.

The conception rate is 55% in AI. The disposal of milk through private milk traders was pre dominant. The reasons for largest share of private traders were observed to be inaccessibility of producing areas and low price offered by HP Milkfed.

(d) Agriculture Policy for the State

The future strategy for development of agriculture and for the well being of farmers has to be based on the existing agro-climatic conditions, resource base, etc. Future emerging areas in mountain states like Himachal Pradesh are : High value and low volume crops (Kalazeera, Saffron, Kuth, etc.). Off-season vegetables (Pea, Cabbage, Capsicum, Cauliflower, Tomato/French Beans). Forest-based products - medicinal and aromatic plants like Salam Panja, Patish, Karu, Rattanjot, Somlata, etc. Quality apple, Niche-based agricultural crops (Tea, Potato). Organic manure-based agriculture products.

Issues:

- Agriculture, the main occupation of the people of Himachal Pradesh, has an important role in the State's economy. In the case of maize, out of a total area of 3.10 lakh hectare only 35% is under high yielding variety. The productivity per hectare of high yielding varieties is around 35-40 quintals per hectare. The productivity in the case of other varieties is about 15-20 quintals per hectare. Thus 65% of the area under maize crop offer considerable potential for improvement of productivity and production in the State. The State Government needs to make efforts to establish backward and forward linkages to increase the maize production.
- Constraints in Horticulture Sector are poor quality planting material including seed and root stocks; poor layout of orchards; lack of appropriate polynizer in the orchard, lack of proper training and pruning of the fruit trees; inadequate plant nutrition and organic matters; lack of adequate use of plant protection materials; poor overall management of orchards. Post harvest quality controls are almost non-existent, thereby resulting in considerable wastage and damage. Absence of pre-cooling and cold storage is major problem for horticulture produce. Processing facilities are limited. At present, only about 4% of fruits and vegetables are being processed in the State.
- Himachal Pradesh has a vast base of horticulture produce & medicinal plants and herbs and has vast potential for increasing production, export and employment. Therefore, full potential of this sub-sector need to e explored. Emphasis should be laid on Upgradation, modernization and additional infrastructural facilities, supporting research and development activities for food processing for development of traditional foods, new products, value addition, packaging material, utilization of bye products. Under the scheme of setting up Food Parks of Ministry of Food Processing Industries, Rs.

4.00 crore is available as Central Assistance. Proposal for setting up Food Park at Kala Amb with private participation is in pipe line. The same may be expedited and State Govt. should avail the Central Assistance under this scheme

- State has made considerable progress in the development of vegetables and horticulture crops. Although Himachal Pradesh is an important apple producing State in the country, the productivity of apple in the State is considerably low as compared to Jammu & Kashmir. About 1/5th of the apple-bearing plantations are over aged giving low productivity. The State Government needs to make available adequate planting material to replace such old plantations and also consider improving the package of practices to increase production of orchards which cannot be immediately replaced.
- Significant improvement in the productivity of horticulture crops can be achieved through improved farming practices including improved orchards management techniques, developing water-harvesting facilities, installing drip irrigation system and providing technical support to the farmers.
- State is eminently suited for cultivation of aromatic and medicinal plants. Some varieties should be identified and contractual farming, which ensures marketing, should be encouraged.
- Development of fisheries could be made an important economic activity contributing to production of protein rich food and generating more income and employment in the State The State is blassed with many rivers and their branches like Satluj, Beas, Ravi and Chenab besides there are many natural lakes in the higher regions. The fish production target by the end of the Tenth Plan should be streamlined with specific programmes for exploitation of fisheries potential with requisite infrastructure for seed and feed development, marketing and forward and backward linkages. The State Government should derive the maximum benefits under the centrally sponsored scheme of Development of Aquaculture through implementation of Fish Farmers Development Agencies (FFDA) Programmes by extending more area under Fish farming with enhanced productivity.

(ii) Forestry & Wildlife

The total forest and tree cover constitutes 26.5% of the state's geographical area as per the FSI Report 2001. About 8,817 sq km area has been afforested in Himachal Pradesh from First Five Year Plan till March, 2004. Plantations over 4,899 sq km area has been done in post 1980 years, survival of which is about 60%. Approximately, 566 sq km area comprising of blank, scrub and village grazing lands would be available for plantation activities. In addition, the low crown density areas and field plantation areas would also require to be addressed.

The Tenth Five Year Plan size under Forestry and Wildlife Sector has been approved | at Rs.423.77 crore. The proposed outlay for Forestry & Wildlife Sector for the \\ Annual Plan 2005-06 is Rs.71.92 lakhs which constitutes 4.50% of the total State Plan outlay. The anticipated expenditure for the Annual Plan 2004-05 is Rs.49.32 crore.

The Department for International Department (DFID), govt. of UK is supporting the H.P. Forest Sector Reforms Project (HPFSRP) in partnership of GOI and Govt. of Himachal Pradesh. The duration of the project is four years (2002-06) for the development of policies, strategies and institutions and support to relevant livelihoods related micro plan activities. The total cost of project is Rs.56.08 crore. The Funding by the Govt. agency is on 100% grant basis

.Issues:

- State is eminently suited for cultivation of aromatic and medicinal plants. Some varieties should be identified and contractual farming, which ensures marketing should be encouraged.
- The State Government has launched the 'Sanjhi Van Yojana' scheme under which community land and degraded forestland adjoining the villages are to be jointly managed by the Village Forest Development Societies and the Forest Department. The success of this scheme needs to be analysed and its scope should be broadened and strengthened to cover the whole of the state.

(iii) Rural Development :

As per the Planning Commission Estimates for 1999-2000, percentage of rural population living below the poverty line has drastically come down to 7.94 for Himachal Pradesh, as compared to national figure of 27.09. The percentage of rural population living below the poverty line as per the Estimates for 1993-94 was 30.34 for the State of Himachal Pradesh as compared to the All India estimate of 37.27. Since the problem of rural poverty in the state was quite substantial, the State had laid more emphasis on bringing down rural poverty and now may aim at eradication of poverty.

(a) Swaranjayanti Gram Swa-rojgar Yojana (SGSY)

SGSY has a holistic approach and tries to integrate all beneficiary oriented poverty alleviation programmes. The objective of the SGSY is to bring the poor families above the poverty line by providing them income-generating assets through a mix of bank credit and government subsidy.

The financial and physical performance show that in the year 2001-02 108.25% of the available funds were utilized. During the year 2002-03, 110.85 per cent funds could be utilized and during 2003-04, it has further increased to

131.42 per cent. In the current year 2004-05 93.50% of available funds have been spent till September, 2004. During the last 3 years i e. 2001-02, 2002-03 and 2003-04 respectively, 9091, 5745 and 7928 families / Self Help Groups were assisted under the scheme. In the current year 3866 SHGs have been assisted till September, 2004.

(b) Sampoorna Grameen Rozgar Yojana (SGRY):

The Sampoorna Grameen Rozgar Yojana (SGRY) announced by the Prime Minister on 15.8.2001 was launched in September, 2001. The scheme focuses on generation of wage employment, creation of durable rural assets and infrastructure and provision of food security to the rural poor. The scheme of JGSY and EAS have been brought under the purview of this mega scheme However, both these schemes have been effectively merged as SGRY during 2002-03. The SGRY is a Centrally Sponsored Scheme (CSS) implemented on cost sharing basis between Centre and States in the ratio of 75:25 of the cash component of the programme.

The scheme is executed in two streams In the first stream, 50% of the funds are earmarked for distribution between Zilla Parishads and Panchayat Samitis in the ratio of 40:60 and in the second stream, 50% of the funds are earmarked for the Village Panchayats.

(c) Jawahar Gram Smridhi Yojana (JGSY):

The primary objective of JRY was creation of demand driven community infrastructure to enable the rural poor to gain sustained employment opportunities The wage employment under this Programme is given to Below Poverty Line (BPL) families

The financial and physical performance show that the progress during 2001-02 under the Scheme was quite good, as 92.07 per cent available funds had been utilized. The achievement in terms of mandays of employment generated was 13 90 lakh mandays

(d) Employment Assurance Scheme (EAS):

The primary objective of the EAS was creation of additional wage employment during the lean period for the BPL families in the rural areas The creation of durable community assets for sustained employment is the secondary objective

The financial and physical performance under the Scheme was not satisfactory in the year 2001-02, as 61 45 per cent funds had been spent and 11.91 lakh mandays of employment was generated

(e) Rural Housing:

The allocation of funds to the States / Uts under the IAY are made on the basis of revised allocation criterion based on poverty ratios and the actual State specific housing shortage in equal weights of 50:50. It may be seen that in the year 2001-02, 63.54 per cent of funds were spent. During the year 2002-03, it declined to 50.53 per cent. In the current year 74.64% of available funds have been utilized till October 2004. During the last year 2003-04, as high as 83.25% of available funds were utilized. During the year 2001-02, 2002-03 and 2003-04 respectively, 3852, 3404 and 3841 houses were constructed. In the current year 1433 houses have been constructed till October, 2004.

(iv) Energy:

Himachal Pradesh has been blessed vast hydroelectric potential in its five river basins, namely Yamuna, Satluj, Beas, Ravi and Chenab. So far a potential of 20787 MW has been identified. Out of this available hydel potential only 6042.00 MW has been exploited by various agencies, which also includes 323.80 MW by H.P. State Electricity Board.

In addition to own generation of 323.80 MW of power, HPSEB is also getting free power to the tune of 216 MW from Nathpa Jhakhri and Chamera-II alone apart from getting free share from other projects.

The State Government is committed to Power sector reforms to ensure commercial viability of the State Power Board and supply reliable and quality power to consumers at competitive rates. To this end, an MOU was signed between the State Government and the Union Ministry of Power in March, 2001. So far two tariff orders have been issued in November, 2001 and July, 2004. Based on the elements of the MOU, some milestones like setting up the SERC, universal electrification of villages and 100% metering of the supply have already been implemented. In fact, universal electrification of all the census villages was achieved way back in the year 1987-88.

The implementation of the various elements of the MOU is being constantly monitored through the prescribed milestones and the reform process as has been decided to be followed by the State is proceeding on course.

(a) Operational Performance:

Year	T&D Losses (%)	
	HPSEB	All India
End of 8th Plan (1996-97)	18.40	24.53
End of 9th Plan (2001-02)	25.55	33.98
End of Annual Plan (2002-03)	21.16	32.54
End of Annual Plan (2003-04)	22.76	32 53

(b) HPSEB's Financial Performance

The financial performance of Himachal Pradesh State Electricity Board (HPSEB) for the years 2002-03 (Actuals), 2003-04 (Actuals), 2004-05 (RE) and 2005-06 (A.P.) in terms of various related parameters as indicated during the Resources Discussion held for Annual Plan 2005-06 is indicated below :

	2002-03 (actual)	2003-04 (actual)	2004-05 (RE)	2005-06 (AP)
Average Cost of supply (paise/Kwh)	265.87	248.53	284.54	274 70
Average rate for sale of power(p/Kwh)	236.16	223.22	258 91	275.58
Percentage Recovery (%)	88.83	89.82	90.99	100 32
Net Commercial Loss (Rs. Cr) (with subsidy)	(-) 52.26	(-)46 22	(-)45.79	79.64
Net Commercial Loss (Rs. Cr.) (without subsidy)	(-) 52 26	(-) 46.22	(-)45.79	79.64
Net Internal Resources(Rs.Cr.)	(-) 199.37	(-)235 02	(-) 263 92	(-)97 38
Average agricultural Tariff (paise/Kwh)	60.01	59.99	58.00	59.00
Share of agricultural (%) Consumption	0 61	0 44	0.46	0.44

The average tariff of HPSEB for the year 2004-05 is Rs 258.91 as compared to Rs. 223.22 during the 2003-04. The State Electricity Regulatory Commission gave its first tariff award in November, 2001. The tariff charge to industrial consumers was reduced by SERC through this award. As a result of this, there is no increase in average tariff though the volume of energy sales has increased considerably in the last three years As against this, the cost of supply for 2005-06 is estimated to be Rs. 2.75 as compared to Rs 2 85 during 2004-05

(R.E.). The State Govt. has taken possible steps to minimize the commercial losses. During 2004-05 the commercial losses were estimated at Rs (-) 45.79 crore and it is estimated that during 2005-06 it would be converted into the surplus of Rs. 79.64 crore.

The T&D losses of the Board are estimated at 22.76% during 2003-04 as compared to All-India figures of 32.53%. The decline in T&D loss is due to the steps initiated by the State Govt. which include installation of electronic meters, system improvement works to augment the T&D network and metering of all 11 KV feeders.

(c) Private Sector:

Government of Himachal Pradesh has posed a number of Power Projects for private sector participation. Two projects namely Baspa St.II (300 MW) and Dhamwari Sunda HEP have been included during the Tenth Plan period. Baspa 3 units each of 10 MW have been commissioned in 2002-03 (2 units) and 203-04 (1 unit).

Issues

- The average estimated tariff of HPSEB for the year 2005-06 is Rs. 2.76 as compared to Rs. 2.59 during the 2004-05 (RE). The State Electricity Regulatory Commission gave second award in July, 2004. As against this, the cost of supply for 2005-06 is estimated to be Rs. 2.74 as compared to Rs. 2.85 during 2004-05 (RE). The board's recovery per unit cost is more than 100% for the year 2005-06 from the recovery rate per unit of about 91% in 2004-05 (RE). On account of the full recovery cost, the commercial loss of Rs. 45.79 crore for 2004-05 (RE) is projected to a commercial profit of Rs. 79.64 crore the year 2005-06. On account of this net internal resources of the Board is projected to improve from (-) Rs. 263 92 crore in 2004-05 (RE) to (-) Rs. 97.38 crore in the year 2005-06.
- The T&D loses of the Board are estimated at 16.67 per cent during 2004-05 (RE) and are projected to decline to the level of 14.26% during the year 2005-06. The decline in T&D loss is due to the steps initiated by the State Government which include installation of electronic meters, system improvement works to augment the T&D network and metering of all 11 KV feeders.
- The cost incurred by HPSEB on establishment and administrative charges is very high which is over 31% for the year 2004-05 (RE) of the total revenue expenditure. This needs to be brought down in order to improve the financial performance. It is suggested that Board should make scientific assessment of the manpower requirement and if necessary, introduce voluntary retirement scheme (VRS) for surplus staff.
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(v) Water Resources

Total Geographical area of Himachal Pradesh is 55.67 lakh Hectare. Net area sown is 5.49 lakh Hectare. The gross sown area is 9.70 lakh ha. Net Irrigated area is 1.03 lakh ha. Average size of operational holding is 1.21 ha.

The Ultimate Irrigation Potential of the State is 3.53 lakh hectare comprising of 0.50 lakh ha. & 3.03 lakh ha. from Major & Medium and Minor Irrigation schemes respectively.

Issues:

- *Shah Nahar Project* is an inter State project to irrigate 24,760 hec. In Himachal Pradesh has been taken up in pursuance of an inter-State agreement of 1983 between Punjab and Himachal Pradesh. Punjab has to deposit its share of Rs. 88.49 crore out of the total cost of Rs. 143 32 crore by way of share cost in the project on account of disruption of the existing irrigation system of H.P. due to construction of *Mukerian Hydel channel* So far Punjab has released Rs. 29.50 crore out of total expenditure of Rs 87.57 crore (by H.P. Government) upto March,2004 against its share of Rs. 54.06 crore. After adjustment of Rs. 7 crore expenditure incurred by Punjab for works in its territory on behalf of Himachal Pradesh, the net due as on 31.03.2004 was Rs. 17 56 crore. The Government of Punjab is not making timely release of its share to Himachal Pradesh.
- There is ample scope of Minor Irrigation in the State because of the hilly terrain, the schemes are of run off river schemes and river lift irrigation schemes. The schemes are being executed by NABARD and AIBP assistance.
- The level of ground water development in the State is very low i.e. 10 72% with no dark & gray blacks The State should emphasis on the development.
- State Government should provide suitable outlays for modernization of existing irrigation networks since with this much more potential can be created with corresponding less investment.

(vi) Transport:

(a) Roads & Bridges

Roads are the only means of communication in predominately hill state of Himachal Pradesh in the absence of railways and water transport Out of its 55,673 sq.kms area 36,700 sq. kms is inhabited and its 16,997 villages are scattered over slopes of hill ranges and valleys. Inaccessibility of the area is not only handicap for exploitation of its resources but had kept population isolated from progressive influences resulting in social, cultural & political backwardness as well as poverty and leaving this hilly part of the country, quite far behind in development from plains at time of independence

Till March- 2004 the state has 23992 kms. motorable roads comprising of 22066 kms. State roads and 1926 kms. Central roads. The Central roads of 1926 kms. consist of 1235 kms. National Highway and 691 kms. Border Road. The road density achieved as on March, 2004 was 43.09 kms. per 100 sq. kms.

Out of 16997 villages in the State 8077 villages have been connected upto 31.3.2004. The village connectivity in the State, therefore, works out to 47.52%. During the 10th Plan 250 census villages are proposed to be linked with motorable roads.62 villages are connected during Annual Plan 2002-03 and 105 villages during AP 2003-04. The anticipated connectivity is 35 villages against the target of 60 villages during Annual Plan 2004-05. Target of 60 villages has been fixed for Annual Plan 2005-06.

(b) Road Transport

In the State certain physical parameters of the Corporation like fleet utilization and bus staff ratio are excellent. However, performance with respect to financial parameters need to be improved. *As* per latest estimate. Corporation is likely to incur loss to the extent of Rs. 50.56 crore against Budget Estimate of Rs. 47.15 crore. The estimated loss is Rs. 48.06 crore for 2005-06. The contribution to plan is also estimated to decline to (-) Rs.44.79 crore in the year 2005-06 from Rs.(-) 46.55 crore in the Annual Plan 2004-05 (L.E.) particularly, due to liability towards non reimbursement of concessional/Tree travel facilities.

(c) Civil Aviation

During the 10th Plan period , the main emphasis would be on the construction of Airstrips and Helipads end expansion of existing Airstrips which had been proposed for execution during the previous Five Year Plans. During the Annual Plan 2005-06 it has been proposed to provide training and infrastructure support for organizing aero sports activities. An amount ofRs. 5.8 crore has been proposed for the Civil Aviation sector during the Annual Plan 2005-06.

Issues

- It is observed that the financial performance of Himachal Pradesh State Transport Corporation during the Annual Plan (2005-06) was quite unsatisfactory with the net loss being Rs. 48.06 crores. The contribution to Plan is estimated to be Rs. (-) 44.79 crores. There is a need to improve the load factor in the Corporation through proper deployment of buses. The Corporation may also be advised to ply smaller sized vehicles on uneconomic routes.

- The State Government is reimbursing to the Corporation the losses incurred due to free and concessional fares to the extent of Rs. 27 crores (out of about Rs. 33 crores of total estimated loss). The State Government may also be advised to compensate the Corporation suitable for running buses on uneconomic routes.
- Only 47.52 % villages of the State have been connected by 3/2004 with motorable roads giving a road density of 43.09 Kms./ 100 sq.kms. area against all India average density of more than 85 Kms./100 sq. kms. area. As linking of an area by modern means of communication proceeds all developmental activities, therefore the population of about 53 % o villages of the State has remained quite backward as most of the developmental programmes of the Govt. could not provide the desired satisfaction in the absence of road links to such villages.
- The State Govt. may consider reimbursing fully the losses being incurred by HRTC on account of concessional travel and operation on the economic routes. There is also need to rationalize the routes being operated by private permit holders and the Corporation

(Vii) Village & Small Industries

The State Government had announced a new Industrial Policy Statement in 1996 and several incentives, concessions and facilities have been provided under this policy to set up new industrial units. Development of infrastructure is given top priority and the objectives of the new Industrial Policy include creation of gainful employment assuring comparative advantages and creation of climate of mutual trust, competition, productivity, quality and boost export. The projected agreed outlay for the VSI sector for the 10th Plan was is Rs 89.14 crore which is 0.87% of the total projected State Plan of Rs.10300.00 crore.

The approved outlay for the Annual Plan 2002-032 was Rs.16.12 crore which was revised to Rs.15.66 crore at RE stage. The outlay for the VSE sector for 2004-05 was Rs. 6.79 crore and proposed outlay for 2005-06 is Rs. 6.66 crore.

In Himachal Pradesh, there is a lot of scope for development of wool sector. Under Khadi and Village Industries production/marketing of woollen items are also prominent. Hill Area Woollen Development Project was under implementation in Kangra, Kinnaur, Kullu, Mandi and Chamba districts. The progress and achievement need to be highlighted. The State may implement the schemes/programmes of Central Wool Development Board specially the programme of production and processing of Angora Wool for the benefit of small farmers and unemployed youths. State Govt should encourage this sector and adequate outlay need to be provided.

Under the scheme of setting up Food Parks, Ministry of Food Processing Industries, Govt. of India is providing Rs.4.00 crore as Central Assistance. Himachal Pradesh has a vast base of horticulture products & medicinal plants and herbs and has vast potential for increasing production, export and employment. Therefore, full potential of this sub-sector need to be fully explored and employment generation could be achieved. Emphasis should be laid on Upgradation, modernisation and additional infrastructural facilities, supporting research and development activities for food processing for development of traditional foods, new products, value addition, packaging material, utilisation of bye products.

State Govt. need to give special attention for creating conducive environment for attracting domestic and foreign investment in FPI/Horticulture/Bio-tech/IT/VSI areas. This has also been envisaged by the Draft National Food Processing Policy of the Ministry of Food Processing Industries.

Himachal Pradesh has a large number of Handlooms and Handicrafts artisans. The State Govt. should formulate schemes to encourage these sub-sectors and also take fully advantage of the schemes implemented by Ministry of Textiles and ensure allocation of sufficient plan funds in the Annual Plan for meeting the requirement of matching contribution for the Central Schemes.

In pursuance of industrial policy measures for promoting & strengthening tiny village enterprises, a scheme of Integrated Infrastructure Development Centre for small scale industries to facilitate location of industries in rural/backward areas and to promote stronger linkages between agriculture and industry was launched in 1994. The estimated cost to set up IIDC is Rs.5.00 crore which is shared between Govt. of India and Small Industries Development Bank in the ratio of 2:3. The share of the Central Govt. is in the form of grant and that of SIDBI as loan. So far only one project is under implementation at village *Gwalthai, distt. Vilaspur* which was sanctioned on 6.5.1997. The land has been acquired and the work is in progress. State Govt. may take more projects under this programme and expedite the completion of the above project.

Recognising the potential to generate employment opportunities for rural population, utilisation of locally available resources and potential for export, the VSI sector need to be encouraged and outlay be suitably increased for strengthening the various components of the sector

(viii) Health:

Himachal Pradesh has excess rural primary health care infrastructure (Table) compared to the national norms. As per the data available with the Planning Commission, state had a gap in specialists in CHCs whch could be

filled by redploying specialists from PPCs and sub-district hospitals against sanctioned vacant posts. State has also conducted institution-specific recruitment of doctors.

Performance under Centrally Sponsored Disease Control Programme has been satisfactory. Both the sero-positivity rate and AIDS cases have step up its efforts to strengthen the AIDS Control Programme. The NLEP should be progressively integrated with the general health system.

Himachal has been in the forefront of health infrastructure restructuring. The state has a single Health & Family Welfare Society at state and district levels to deliver the required services through a single body, as well as to ensure convergence of services between health, family welfare and nutrition service providers at village, block and district levels, and involve PRI's in decentralized district based planning and monitoring of progress. Progress in these efforts may be shared with the Planning Commission

To improve health care facilities in the state, the state government has set up a Health Systems Corporation. The function of the corporation is to arrange institutional finance for construction of buildings and for purchase of equipments. Experience gained in this may be shared with Planning Commission.

The state has a good civil registration system, and with a little more effort, may ensure universal registration of births and deaths. It is imperative that the state improves the system further, and compiles and utilizes district-wise information on births, deaths and causes of deaths both for planning and monitoring Health & Family Welfare Sector programmes.

Under the Rural Health, total allocation of Rs. 588.00 lakh has been made for 2005-06 under the Allopathy Sector. Out of this, 50% of the funds are proposed to be utilized to achieve sustainable improvement in the coverage and quality-improvement of existing Primary Health Care Institutions by procurement of drugs, essential consumables, X-ray films etc. repair of essential equipments and replacement of furniture etc. An amount of Rs.12.00 lakhs has been allocated for procurement of drugs and consumables for Ayurvedic institutions.

For implementation of Supplementary Nutrition Programme, an outlay of Rs. 1050 lakh has been provided for in the Annual Plan 2005-06.

Issues

Himachal Pradesh, a small state with difficult terrain and only moderate per capita income, has been successful in providing essential Primary Health Care to the population predominantly through government health care

infrastructures. The state has introduced several health sector reforms in order to streamline health care delivery and improve the quality of health care provided. The demographic and health indices of the state are, therefore, substantially better than the national average. The infrastructure and manpower in the state are in excess of the national norms; the state also has a large ISM&H presence in the government sector. State may have to draw up a plan for optimal utilization of this large workforce for taking communicable, non-communicable and RCH activities to all the population near the vicinity of their residence. State should optimally utilize this more than adequate manpower to further improve the health indices.

The State Government should continue to strive for expanding the health care network so as to meet the medical needs and health aspirations of the people living in hill areas. Himachal should strive for becoming a model of health development for Hill States in the country. Its ultimate objective should be to make health care and delivery system a major power house of growth and economic development in the State by giving special attention to pregnant women, children, the elderly and the adolescent. The targets of Disease Control Programmes should be achieved by concerted efforts. The focus should be on efforts to consolidate and rationalize health infrastructure, decentralize the planning and management process, develop partnerships with NGOs, make a functional integration of the health services with Indian Systems of Medicine and to make greater utilization of Information Technology in this regard.

One of the serious constraints being faced by the State is the shortage of doctors, specialists and all categories of para-medical staff. Availability of the required strength of such personnel is constrained by inadequacy of training facilities on the one hand, and general unwillingness of the doctors to go and serve the remote interiors of the State on the other. Efforts should be made to overcome both by expanding the training facilities as also by providing affirmative incentives to the personnel for serving rural areas.

(ix) Education

The State Govt. has accorded highest priority to girls education in the State. The female literacy which was 20.23 per cent in 1971 has risen to 68.08 per cent in 2001 census showing more than three fold increase in the literacy of females. This could be possible because of highest priority accorded to girls education in terms of free education to girls, incentives, scholarships to SC/ST girls, free text books etc.

The drop out rates (I-V) for Himachal Pradesh stand at 10.82 per cent for boys and 14.08 per cent for girls against the all India figure of 35.85 per cent for boys and 33.72 per cent for girls. Access to schooling has substantially been achieved by opening primary schools within a walkable distance of 1 km. To 1.5 km. Higher literacy has; been achieved by expansion of school infrastructure and a wide range of affirmative measures for retention

of children in school. The State had 3768 primary schools in 1971, which now stand 10633.

The Sarv Shiksha Abhiyan in H.P. is being launched in Eight Districts, namely; Bilaspur, Hamirpur, Kangra, Mandi, Kinnaur, Solan, Shimla and Una. Pre-Project activities are under process in these districts to assess the quantum of out of school children in the age group 6-14 years, after conducting household survey. After the completion of these activities main project will be launched.

The Govt. has already issued notification that future appointments of Anshkaleen Jal Vahaks shall be made by the concerned Gram Panchayat/Local Bodies and payment of honorarium etc. will also be made by the concerned Gram Panchayats.

With an objective to increase the enrolment ratio and reduce the drop-out rate at the Secondary level, the State Govt. has launched the following schemes/programmes:

1. Free text books to students belonging to the poor and backward sections of the society.
2. Merit scholarships for children at plus two level to enhance their ability to compete. Under the scheme, about 8250 meritorious students of class XI & XII will receive scholarships amount to Rs.8.25 Cr. during the year 2001-02.
3. Free education to girls upto Graduation level in all courses including technical and professional courses. No tuition fee is being charged from the girl students.
4. Yashwant Gurukul Awas Yojana to ensure housing facilities to teachers in rural and far-flung areas.

In order to acquaint the teachers with the latest techniques and research in the field of education, the State Govt has initiated the process of comprehensive training for teachers at all levels.

During the Tenth Five Year Plan all the above mentioned programmes will be continued and the State Govt. will continue to play major role in imparting Elementary Education. But in the field of Secondary Education and Higher Education, the State Govt. will promote Non-Governmental Agencies as is being done at the national level and in the States like Karnataka, Andhra Pradesh, Maharashtra and Uttar Pradesh. Under the new policy frame work, the role of the State Govt. will confine to only regulatory functions and wherever possible investment would be sought from the Non-Governmental sector/private sector.

In the field of Technical Education, the State Govt. has tried to expand Technical Education infrastructure and also upgrade the quality of Technical Education Under the Technical Education sector, the State Govt. will encourage the private sector to start their own institutions or to start some additional courses in the existing Govt. institutions. A step has been taken in this direction as the *Jai Prakash Sewa Sansthan* is setting up a world class institute of Information Technology at Rachhiana, Distt. Solan.

Out of 12 districts in H.P the literacy in rate is much lower than the national and State average. The gender gap is also very wide in this district. The State should make special efforts to increase the literacy rate the bridge the general gap.

The State Government is required to provide adequate funds towards its share for the *Sarva Siksha Abhiyan*. The earmarking of SSA and State's share should be clearly be made under the education component of the State Plans. The state has done this.

Issues:

- Though literacy rate are quite higher (77.13%) than the national average (65.38%(), the gender gap is wide around 18%age points.
- The percentage of trained teachers is very high at upper primary secondary and higher secondary level except primary level which is 87%. Enough focus need to be given to in service training of teachers.
- As per the latest information, the State Government is providing the cooked meal to all eligible students (5.9 lakh) under Mid Day Meal Scheme Emphasis should be on hygienic and nutritious nature of the food.
- Out of 12 districts in the State, Chamba has a lower female literacy than the national average. In the districts of Lahaul and Spiti, Kullu and Chamba, the gender gap is higher than the national average of 21.69 percentage points. The State Government should take effective steps to reduce these gaps.
- In the field of Secondary and Higher Education, the State Government need to promote non-governmental agencies as being done in the state of Karnataka, Andhra Pradesh and Maharashtra.
- The State Government should provide reasons for steep increase in the proposed outlays (for 205-06) for Technical Education, Art & Culture, Youth Affairs & Sports and Other Sports in comparison to outlays for 2004-05.

(x) Housing & Urban Development including Urban Poverty

According to 2001 census, out of a total population of 60.77 lakh of Himachal Pradesh, about 5.96 lakh population (9.79%) live in urban areas. The development of Housing & Urban infrastructure need to be in conformity with the physical features of the state. For ensuring balanced development,

the State Government needs to formulate, regional plan in regard to matters of common importance with indicative priorities of the projects / schemes. The focus of the Government must be for maximizing development outcomes, good governance, and effectiveness of urban infrastructure service delivery.

For 2005-06, it is observed that the outlay proposed for Housing is Rs. 84.42 crore, an increase of about Rs.12 crore over the corresponding provision for 2004-05. The schemes include provision of pooled Government housing, police housing, etc. besides rural housing. An essential aspect is to ensure focus on priority projects, consistency between financial and physical achievement.

The proposed outlay for Urban Development Sector for the Annual Plan, 2005-06 is Rs. 31.18 crore, indicating an increase of about Rs. 4 crore over the corresponding provision for 2004-05. The main plan schemes include grants and loan to ULBs for development work, environment improvement etc No progress details are made available vide the plan document. As per records, the financial progress of centrally assisted programmes may be seen below:

(a) Urban Reforms Incentive Fund (URIF): As per records, upto March 2004, Rs. 47.25 crore was recommended for the State.

(b) National slum development Programme (NSDP) : Upto March 2004, Rs. 5.52 crore was released as Additional Central Assistance (ACA) and the expenditure reported was Rs. 4.20 crore working out to 76% utilization. An amount of Rs. 1.32 crore remains as unspent balance under the programme.

(c)Integrated Development of Small & Medium Towns (IDSMT) ; Upto March, 2004, 22 towns had been covered. The Central and State release of funds amounted to Rs. 8.39 crore, Rs. 6.86 crore respectively and mobilization of financial assistance amounted to Rs. 10 lakh. The expenditure reported was Rs.11.41 crore.

(d) Swarna Jayanti Shahri Rozgar Yojana (SJSRY) : Upto March 2004, the central and State share of release amounted to Rs. 3 73 crore and Rs. 1.63 crore respectively, and the utilization reported was Rs. 11 23 crore. With an unspent balance of Rs. 1.12 crore, the utilization works out to 91%. The appointment of Project Officers, Community Development Societies should be given top priority.

(e) Valmiki Ambedkar Awas Yojana (VAMBAY): No information is available regarding the implementation of the programme. The programme is meant to provide affordable houses or upgrade the existing shelter to EWS, people belonging to the SC, ST and other weaker sections in urban slums as also for taking up need based projects under *Nirmal Abhiyan Yojana*

Issues:

- Need to evolve perspective urban development strategy with emphasis on preparation of Master Plans for cities;
- In a time bound frame, comprehensive survey to ascertain the number of houseless families should be carried out; Provision of credit, interest subsidy etc. need to form part of the exercise both for construction of new house or Upgradation / reconstruction/ etc with emphasis on EWS/LIG. The share of beneficiary must be insisted upon;
- Building Material Technology Promotion Council (BMTPC), Central Building Research Institute (CBRI) and IITs may be associated in developing appropriate building material and construction technologies;
- Meant to improve urban slums, the schemes of NSDP, Night Shelter and VAMBAY be dovetailed for effective utilization of funds;
- The utilization level of funds under IDSMT needs to be accelerated; Further allocations under the scheme should be in commensurate with the number of towns and the urban population in the State;
- The strategy for development of infrastructure facilities including Solid Waste Management has to take care of future demand and the interests of tourists;

The State Government has proposed an outlay of Rs. 84.42 crore for Housing and Rs. 31.18 crore for Urban Development.

(xi) Water Supply and sanitation

Issues

- State Govt. is not availing the benefit of Urban Low Cost Sanitation Programme and so far no project has been submitted to the Administrative Ministry/Agency.
- Details of overexploited/dark/total blocks in the state and the level of ground

water development in the state is given below:

Total no. blocks	= 69
No. of overexploited blocks	= 0
No. of Dark blocks	= 0

The level of ground water development in the state is 16 63 % against all India average of 37.23 %. The State should implement rain water harvesting and water shed development programmes for recharging the springs and streams as also to provide a supplementary source of water.

(xii) Social Welfare

The State Government has proposed an outlay of Rs. 53.43 crore for the Annual Plan 2005-06 for Social Welfare Sector including Women & Child Development against approved/anticipated expenditure of Rs. 36.03 crore for Annual Plan 2004-05. Out of the proposed outlay of Rs. 53.41 crore Rs. 39.53 crore for General Plan, Rs. 3.48 crore for TSP and Rs. 10.40 crore for SCP.

Issues:

- There were a large number of schemes in existence in Social Welfare sectors which need rationalization/minimization. The State Government was suggested to undertake a Zero Based Budgeting (ZBB) exercise for merging, transferring and weeding out the schemes.
- Himachal Pradesh falls in the category of higher-ranking States in crime against women. ***Kangra, Mandi*** and ***Simla*** districts have recorded high rates of crime against women in Himachal Pradesh. The prevalence of drug abuse between male and female headed household, migration of population etc. are some of the reasons of this State of affairs. These issue needs to be addressed adequately.
- As the Child Development Programme (ICDS) has been universalized in the State, all sanctioned 72 projects in the State the Government is providing necessary nutrition as per the norms To cover remote area more *anganwari* centers need to be opened.
- National Programme for Rehabilitation of Persons with Disabilities is being implemented by the Department of Labour & Employment. The Scheme should be transferred to Social Welfare Sector for implementation.
- Services provided in the mandatory institutions set up under different Acts by and large remain below the expected level. There is need for the State to ensure that minimum standard of services in institutions set up under various Acts are maintained.
- The scheme relating to Drug Addicts is partly with Social Welfare Department and partly with Health Department. In view of the increase in number of drug Addicts in States, there is need for better coordination between these two departments. The entire scheme should transfer to Social Welfare Department of proper implementation.

(xiii) Backward Classes

The State Government have proposed an outlay of Rs.16.09 crore for welfare of SCs & STs during the Annual Plan, 2005-06 against the anticipated expenditure of Rs. 20.99 crore during Annual Plan, 2004-05 which is 23.34% less than the Annual Plan 2004-05 outlay. The State Govt has not furnished any scheme-wise details regarding physical and financial targets and achievements. Neither the State Govt. has given any reason for such a drastic cut in the proposed outlay for Annual Plan 2005-06 It may be ensured

that the continuing programmes for weaker sections should not suffer due to lower outlay for annual Plan 205-06.

Tribal Development

Comparing to the 67.4% of general female literacy in the State in 2001, the literacy rate among females belonging to STs is only 53.3 %. The State Government should ensure the enrolment and retention of ST girls in the educational institutions.

As per 1999-2000 Estimate (Planning Commission), 5.73% of ST families in rural areas are living below the poverty line in the State which has the lowest ST population below poverty line in the country. As the tribal dominate areas of Hilly Region like ***Pangi Lahot, Spiti*** etc. which are covered with snow for about six moths in a year, Employment-cum-Income generation programmes suitable for these areas/tribal families need to be formulated/implemented by the State Government keeping in view the difficult winter situation.

Construction of roads and bridges to connect remote and inaccessible tribal villages should be taken up on priority basis..

Issues

- There are 2613 villages in 12 districts where the share of SC population is more than 50% and specific Area Approach Development Programme should be taken in these villages.
- As the SCs have continued to lag behind socially and economically, the State Government should take necessary steps to increase the flow of funds to SCP particularly in the relevant sectors like Agriculture, Rural Development, Animal Husbandry, Small Scale Industry, etc. for generating employment-cum-income avenues to the disadvantaged groups.
- For Special Component Plan the outlay earmarked should be in proportion to the SC population in the State. The total SC population in the State of Himachal Pradesh is 24.7% whereas the State Govt. is able to earmark only 19.84% of outlay under SCP. The State Government should see to it that SCP funds are earmarked in proportion to the SC population.
- Special focus need to be made towards welfare and development of the nomadic tribes like Gaddi through suitable programmes / schemes synchronizing with their life style.

(xiv) Labour & Employment

Issues:

- No social security scheme has been proposed for unorganized labour in the Sate to provide some relief to large number of workers engaged in forestry sector.
- State Government may consider introduction of some courses in ITIs on Travel and Tourism for better employment opportunity in the State of Himachal Pradesh.
- Regarding Child Labour, State Government had conducted survey during 1.5.1997 to 15.5.1997 and found 314 children, 83 working in hazardous areas. A fresh survey of child labour may be taken up by the State during Tenth Plan to find out the number of children at work and to rehabilitate those child labour in the State.

Annexure-I

Details of Demographic Features of Himachal Pradesh

Item	Unit	H.P.	All India
Geographical Area	Lakh Sq.Km.	0.56	32.67
Population (2001 Census)	Lakh Persons	60.77	10288
Density of Population (2001 Census)	person/ Sq. Km.	109	324
Decadal Growth Rate {1991-2001)	%	17.54	21.56
Districts	Nos.	12	466
No. of Towns	Nos.	55	3949
No. of Inhabitated Vill.(2001 Census)	Nos.	16807	557137
Birth Rate {2001)	Per 000'	23.8	26.01
Death Rate (2001)	Per 000'	7.3	8.5
Infant Mortality Rate (2001)	Per 000'	62	70
Sex Ratio (2001)	Fe. per 000' Male	970	933
LIfe Expectancy	Years	63.30	58.10
Literacy Rate {2001 Census)			
All Persons	%	77.13	65.38
Males	%	86.02	75.85
Females	%	68.08	54.16
Percentage of Population below poverty line (1999-2000)			
All Persons	%	7.63	26.10
Rural	%	7.94	27.09
Urban	%	4.63	23.62

Annexure II

The sector-wise approved/ revised outlays and Expenditure of Himachal Pradesh

(Rs in Crore)

Sl No	Sector	Tenth Plan (2002-07) Approved Outlay	2002-03		2003-04		2004-05	
			Revised Outlay	Expnd	Revised Outlay	Expnd	Revised Outlay	Expnd (Anti)
1	2	3	4	5	6	7	8	9
1	Agriculture and Allied Services	1201 69	238 81	234 16	100 22	99 17	127 44	127 44
		(11 67)	(11 70)	(11 39)	(7 51)	(7 59)	(9 10)	(9 10)
2	Rural Development	415 49	80 72	79 98	32 19	31 75	51 05	51 05
		(4 03)	(3 95)	(3 89)	(2 41)	(2 43)	(3 65)	(3 65)
3	Special Area Programme		10 98	10 98	4 96	4 16	4 16	4 16
			(0 54)	(0 54)	(0 54)	(0 54)	(0 54)	(0 54)
4	Irrigation and Flood Control	453 17	85 47	96 16	88 14	81 54	95 77	95 77
		(4 40)	(4 19)	(4 68)	(6 60)	(6 24)	(6 84)	(6 84)
5	Energy	1257 68	309 4	345 79	157 88	171 78	59 87	59 87
		(12 21)	(15 15)	(16 81)	(11 83)	(13 15)	(4 28)	(4 28)
6	Industry & Minerals	104 73	16 86	13 17	10 05	6 73	10 36	10 36
		(1 02)	(0 83)	(0 64)	(0 75)	(0 52)	(0 74)	(0 74)
7	Transport & Communication	1638 05	284 39	247 37	234 19	242 04	240 68	240 68
		(15 90)	(13 93)	(12 03)	(17 54)	(18 52)	(17 19)	(17 19)
8	Science, Technology & Environment	6 42	1 58	2 57	0 49	0 26	0 28	0 28
		(0 06)	(0 08)	(0 12)	(0 04)	(0 02)	(0 02)	(0 02)
9	General Economic Services	223 74	82 48	56 98	69 38	62 92	110 12	110 12
		(2 17)	(4 04)	(2 77)	(5 20)	(4 82)	(7 86)	(7 86)
10	Education	2732 66	461 42	491 5	127 31	128 82	150 28	150 28
		(26 53)	(22 60)	(23 90)	(9 54)	(9 86)	(10 73)	(10 73)
11	Health	787 72	131 12	128 15	201 96	180 66	182 96	182 96
		(7 65)	(6 42)	(6 23)	(15 13)	(13 83)	(13 07)	(13 07)
12	W S Sewerage, Housing & Urban Development	995 90	254 5	273 13	247 62	246 76	268 36	268 36
		(9 67)	(12 46)	(13 28)	(18 55)	(18 89)	(19 16)	(19 16)
13	Social Services	377 20	61 08	56 31	36 89	30 64	73 61	73 61
		(3 66)	(2 99)	(2 74)	(2 76)	(2 35)	(5 26)	(5 26)
14	General Services	105 55	22 97	20 26	23 72	19 37	25 44	25 44
		(1 02)	(1 12)	(0 99)	(1 78)	(1 48)	(1 82)	(1 82)
	Total	**10300.00**	**2041.78**	**2056.51**	**1335.00**	**1306.60**	**1400.38**	**1400.38**
		(100.00)	**(100.00)**	**(100.00)**	**(100.00)**	**(100.00)**	**(100.00)**	**(100.00)**

Note Figures in brackets are percentage to total

No M-13048/11(JHR)/2004-SP-East
Government of India
Planning Commission
(State Plan Division)

Yojana Bhawan
New Delhi 110001
Dated 30 12 2004

Subject - Background Note for Annual Plan 2005-06 in respect of Jharkhand

A copy of the Background note for the meeting between Deputy Chairman Planning Commission and the Chief Minister of Jharkhand for finalisation of Annual Plan 2005-06, to be held on 1 12 2004 at 3 30 P M in Room No 122, Yojana Bhavan is circulated herewith

Encl as above

A. Choudhury 30.12.2004

(Abhiram Choudhury)
Director(SP-Bihar)
Extn 2570

Planning Commission:

PS to
Deputy Chairman
Minister of State
Members
PPS to Secretary
Adviser (SP-East)

Pr Adviser/Advisers/Heads of Subject Divisions)
Adviser (FR)
Joint Secretary (SP)

PMO
Director(Jharkhand)

Ministry of Finance
Joint Secretary (PF-I), Department of Expenditure, North Block

Government of Jharkhand
Chief Secretary, Ranchi
Jharkhand

Copy also to Director(SP-Coordination)/Director(PC Division)/Protocol Officer/ Information Officer, Planning Commission

PLANNING COMMISSION
(STATE PLAN DIVISION)

ANNUAL PLAN 2005-06

Background Note - Jharkhand

Background Note for the Deputy Chairman and Chief Minister level meeting tc be held on 1.12.2004 at 3.30 PM in Room No.122, Yojana Bhavan for finalisatior of outlay for the Annual Plan 2005-06 in respect of Jharkhand.

Introduction

Jharkhand was created on in November, 2000 by bifurcating the erstwhile Bihar State. It has a geographical area of 79,714 sq. km. The State has been divided into 22 districts comprising 4 Divisions, 33 Sub-divisions and 211 Blocks and has 152 towns and 32,615 villages. It has a population of 26.91 million of which Scheduled Tribes account for 26.3% of the population. The economy of the State is characterized by high incidence of poverty, unemployment and low per capita income than the National average. The human development indicators are also very poor Some of the important developmental indicators about Jharkhand are given below :

- The Human Development Index for Jharkhand (undivided Bihar) is the lowest at 0.367 in 2001, which however is an improvement over the earlier years (1981 : 0.237, 1991 : 0.308). The national average is 0.472.
- The State's per capita income in 2002-03 is Rs.7810 at 1993-94 prices against the National average of Rs.10,964.
- Percentage of population below the poverty line in 1999-2000 is 42.60 against the National average of 26.10.
- The literacy rate of the State is 54.13% compared to the All India average of 65.38% while the female literacy rate is 39.38% (All India 54.28%) The literacy rate among tribals in the State is 17%.
- The death rate per thousand in the State is 7.9 (2002) compared to 8.1 for the country as a whole.
- The estimated Infant Mortality Rate is 58.0 per thousand in 2002 compared to the National average of 64.0.

2. Growth Rate

The average growth rate of Net State Domestic Product (NSDP) at 1993-94 prices in respect of Jharkhand was 6.7% in 2002-03 as against the growth rate of ( )5.3% in 1999-2000. The table below gives the Net State Domestic Product at 1993-94 prices and the percentage growth over the previous year during the last four years

Year	NSDP (Crore Rupees)	Percentage growth
1993-94	13,403	-
1999-2000	18,169	(-)5.3
2000-2001	19,407	6.8
2001-2002	20,664	6.5
2002-2003	22,055	6.7

3. State of Finances

The fiscal deficit of the State has been projected to come down from Rs.2187.4 crore in 2002-03 to Rs.1290.5 crore in 2003-04. The State expects to be in revenue surplus in 2003-04. Data regarding debt liabilities is not available. Own Revenue Resources account for around 85% of its Revenue Receipts. Own Tax Revenue accounts for 26% of total receipts. Sales tax is the major Own Tax which yields 55% of Own Tax Revenue.

On the expenditure side, Plan expenditure accounts for 28% of total expenditure (the all State share is 25%). But debt servicing (including interest and principal payment) accounts for a high level of 46% (the all State figure is 25% of total expenditure). The share of interest payments in total revenue receipts is around 13%.

4. Plan Performance

4.1 Ninth Five Year Plan

The State went through its first Annual Plan process during the final year of the Ninth Plan period only. The Annual Plan 2001-02 had an outlay of Rs.2650 crore About 79% of the allocated funds could be utilized while implementing its first ever Annual Plan.

4.2 Tenth Plan Outlay and Priorities

The Tenth Plan outlay (2002-07) for Jharkhand is Rs.14632.74 crore comprising State's share of Rs.10566.33 crore (72%) and Central Assistance of the remaining Rs.4066.41 crore (28%). Top priority had been given to Social Services (33.1%), Rural Development (22.4%) and Irrigation and Flood Control (14.2%), followed by Transport (8.8%), Energy and Agriculture (5.6%) each. These six sectors together take the lion's share of 90% of the Tenth Plan outlay where as during the first three years of the Tenth Plan, their overall share was 87% of the approved plan sizes. Sectoral distribution of approved outlay during the first three years of Tenth Plan with their percentage share to the total Plan size and priorities fixed by the State Government is tabulated below :

(Rs. in Crore)

Major Heads of Development	2002-07	2002-03	2003-04	2004-05	Total for Three Years
I. Agriculture and Allied Activities	**824.85 (5.6)**	**152.80 (5.8)**	**171.54 (5.9)**	**201.32 (4.9)**	**525.66 (5.4)**
II. Rural Development	**3272.33 (22.4)**	**628.92 (23.7)**	**685.00 (23.3)**	**1020.66 (24.8)**	**2334.58 (24.1)**
III. Special Area Development Programme	0.00 (0.0)	0.00 (0.0)	22.08 (0.8)	0.00 (0.0)	22.08 (0.2)
IV. Irrigation and Flood Control	**2076.70 (14.2)**	**360.00 (13.6)**	**353.00 (12.0)**	**435.18 (10.6)**	**1148.18 (11.9)**

V. Energy and Power	**814.00 (5.6)**	**150.00 (5.6)**	**204.50 (7.0)**	**380.63 (9.3)**	**735.13 (7.6)**
VI. Industry and Minerals	473.87 (3.2)	114.75 (4.3)	121.00 (4.1)	114.50 (2.8)	350.25 (3.6)
VII. Transport	**1287.64 (8.8)**	**222.04 (8.4)**	**228.05 (7.8)**	**413.42 (10.0)**	**863.51 (8.9)**
VIII. Communication	0.00 (0.0)	0.00 (0.0)	0.00 (0.00)	0.00 (0.0)	0.00 (0.0)
IX. Science, Technology and Environment	330.00 (2.3)	60.00 (2.3)	47.00 (1.6)	86.46 (2.1)	193.46 (2.0)
X. General Economic Services	189.52 (1.3)	35.72 (1.3)	50.82 (1.7)	106.53 (2.6)	193.07 (2.0)
XI. Social Services	**4847.14 (33.1)**	**833.36 (31.4)**	**843.55 (28.7)**	**1166.51 (28.4)**	**2843.42 (29.3)**
XII. General Services	516.70 (3.5)	94.35 (3.6)	209.31 (7.1)	184.98 (4.5)	488.64 (5.0)
TOTAL	14632.75 (100.0)	2651.94 (100.0)	2935.85 (100.0)	4110.19 (100.0)	9697.98 (100.0)

4.3 Plan Performance in 2002-03, 2003-04 and 2004-05

The approved Annual Plan outlay for the first three years of the Tenth Plan together accounts for 66% of the projected Tenth Plan Outlay. The expenditure during the first two and half years of the Tenth Plan was of the order of 52% of the approved outlay and 34% of the projected Tenth Plan Outlay The following table gives Outlay and Expenditure during first three years of the Tenth Plan period·

(Rs. in Crore)

Year	Approved Outlay	Expenditure	Percentage of Expenditure to the Approved Outlay
2002-03	2651.94	1902.80	72
2003-04	2935.85	2022.07	69
2004-05	4110.19	1101.06*	27
Total	9697.98 (66%)	5025.93 (34%)	52
Tenth Plan (2002-07)	14632.74	-	-

* : Expenditure upto September 2004-05

Note · Figures in parentheses give percentage to the projected Tenth Plan Outlay

4.4 Annual Plan 2004-05

The approved Annual Plan outlay of Jharkhand for the year 2004-05 is Rs.4110.19 crore against the projected scheme of financing of Rs 4554 56 crore Of the projected figure, Rs.1743 39 crore or 38% is that of Central Assistance and Rs.2811.17 crore or 62% of State's Own Resources The component of Central Assistance includes (a) Normal Central Assistance of Rs. 547 52 crore, (b) One time Additional Central Assistance for special priority schemes of Rs.31 72 crore, (c)

Backward Districts Initiatives component of the Rashtriya Sam Vikas Yojana of Rs.240.00 crore, (d) Other Special Central Assistance of Rs.481.73 crore and (e) ACA for externally aided project of Rs.442.72 crore.

4.5 Special Central Assistance

Allocation of funds for various schemes sanctioned under Special Central Assistance to Jharkhand during 2002-03, 2003-04 and 2004-05 along with expenditure is given below. Except for (a) Roads and Bridges, (b) national Social Assistance Programme and to some extent (c) Prime Minister's Gramodaya Yojana funds utilisation in other schemes are very poor in 2002-03 and 2003-04.

(Rs. in crore)

Name of the scheme	2002-03		2003-04		2004-05
	Outlay	Expenditure	Outlay	Expenditure	Outlay
1. Prime Minister's Gramodaya Yojana	74.46	70.66	74.46	32.01	74.46
2. Accelerated Irrigation Benefit Programme	35.0	9.67	31.00	10.10	31.00
3. Roads and Bridges	11.25	11 25	16.69	16.69	17.03
4. Slum Development Programme	8.47	0.00	8.47	-	9.24
5. National Social Assistance Programme	21.75	13.90	21.75	17.45	21.75
6. Accelerated Power Development and Reforms Programme	108.53	71.10	108.53	26.41	167.28
7. Initiative for Strengthening of Urban Infrastructure	10.50	0.00	10.50	0.00	10.50
8. Grant-in-aid under Article 275(1)	22.08	0 00	22.08	4.98	24.29
9. Rural Electrification	68.00	12.75	68.00	21.14	68 00
10. Tribal Sub-plan	58.70	8.48	52.83	8.02	52 85
11. Nutrition Programme for Adolescent Girls	0 00	0 00	3.37	-	4.64
Total	418.74	197.81	417.68	136 80	481.4.

4.6 One time Additional Central Assistance

Two schemes, namely, (a) Livelihood enhancement of poor tribal families through capacity building in scientific LAC Cultivation and its value addition (Rs.8.09 crore) and (b) R & D grant for Birsa Agriculture University (Rs. 3.50 crore) were approved during 2003-04 and Rs.11.59 crore was released to the State as one time Additional Central assistance. The entire amount has been revalidated in 2004-05.

The approved Annual Plan Outlay for 2004-05 includes One time Additional Central Assistance of Rs.31.72 crore for special priority schemes of the State Government.

4.7 Annual Plan 2005-06 : Proposal

The Annual Plan 2005-06 proposed by the State Government envisages an outlay of Rs.4529.00 crore. Top priority has been given to Social Services (30.3%) followed by Rural Development (23.5%), Transport (10.2%), Irrigation and Flood Control (9.9%), Power and Energy (9.2%) and Agriculture and Allied Activities

(5.2%) These six sectors together share 88% of the Annual Plan Outlay for 2005-06 The sectoral break-up is given below:

Sl. No.	Sector	Proposed Outlay (Rs. crore)	Percentage share
1.	Agriculture and Allied Activities	**236.00**	**5.2**
2.	Rural Development	**1066.90**	**23.5**
3.	Special Area Development Programme	-	0.0
4.	Irrigation and Flood Control	**450.00**	**9.9**
5.	Energy and Power	**415.00**	**9.2**
6.	Industry and Minerals	117.00	2.6
7.	Transport	**460.00**	**10.2**
	(a) Roads and Bridges	300.00	6.6
	(b) Surface Transport	125.00	2.8
8.	Communication	-	0.0
9.	Science, Technology and Environment	125.00	2.8
10.	General Economic Services	97.00	2.1
11.	Social Services	**1370.50**	**30.3**
	(a) Education	350.00	7.7
	(b) Health and Family Welfare	114.00	2.5
	(c) Urban Development	112.00	2.4
	(d) Welfare of ST/SC/OBC	305.00	6.7
12.	General Services	191 60	4.2
	Total	4529.00	100.0

5. Backward Districts Initiatives under Rashtriya Sam Vikas Yojana

The Backward Districts Initiative under the Rashtriya Sam Vikas Yojana ha been initiated with the main objective of putting in place programmes and policie with the joint efforts of the Centre and the States which would remove barriers t growth, accelerate the development process and improve the quality of life of th people. The scheme aims at focused development programmes for backward area which would help reduce imbalances and speed up development.

The identification of backward districts within a State has been made on th basis of an index of backwardness comprising three parameters with equal weights t each (i) value of output per agricultural worker, (ii) agriculture wage rate; and (ii percentage of SC/ST population of the districts. The number of districts per State ha been worked out on the basis of incidence of poverty. Six districts of Jharkhand, namely, Lohardagga, Gumla, Simdega, Saraikela, Singhbhum West and Goddha hav been covered under Backward Districts Initiative. In addition, ten districts of th State, namely, Hazaribagh, Palamu, Chatra, Garhwa, Ranchi, Latehar, Giridih Koderma, Bokaro and Dhanbad, which are affected by Left wing Extremism hav also been covered.

Funds will be released to the State Government on 100% grant basis @ Rs.45.00 crore per district during the Tenth Plan. A sum of Rs 720 crore would flo to the State on this account during the Tenth Plan. Subject to approval of Distric Plans of all 16 districts, an amount of Rs.240 crore would be released in 2004-05 an like amount in 2005-06.

6. State Plan Objectives

The main thrust and objectives of the Tenth Plan before the State are as follows:-

- To increase its irrigation potential;
- To substantially improve the infrastructure of the State with private participation;
- To improve literacy and to make technological education accessible to greater segment of the population;
- To ensure better medical and educational facilities at the village level;
- To improve the power position in the State;
- To ensure that the primitive tribal population enjoys a quality of life at par with the rest of the population;
- To bring in an era of I.T. consciousness in the State;
- To encourage small entrepreneurship in the process of industrialization;
- Better rail/ road connectivity;
- To bring in transparency in the administration procedure and people's participation in governmental programmes;
- To ensure NGOs' participation in implementation of social sector programmes.

7. Monitorable Targets

- Reduction of poverty ratio by 5 percentage points by 2007 and 15 percentage points by 2012.
- Providing gainful high quality employment to the addition to the labour force over the Tenth Plan period.
- Achieving the target of all children in school by 2003; all children to complete 5 years of schooling by 2007.
- Reduction of gender gaps in literacy and wage rates by at least 5 percent by 2007.
- Increase in literacy rates to 75% within the Plan Period
- Reduction in the decadal rate of population growth between 2001 and 2011 to 16.2 percent.
- Reduction in Infant Mortality Rate to 45 per thousand live births by 2007 and to 28 by 2012.
- Reduction in Maternal Mortality Ratio to 2 per thousand live births by 2007 and to 1 by 2012.
- Increase in forest and tree cover to 25 percent by 2007 and 33% by 2012.
- Provision to have sustained access to potable drinking water in all villages within the Plan period.
- Cleaning of all major polluted rivers by 2007 and other notified stretches by 2012.

8. Action Taken and Major Physical achievements of Monitorable Targets

Poverty : Latest figures are not available.

Employment : Requires a multi dimensional approach. Employment generation in industrial and service sectors is highly dependent upon central investment in power and coal industries. The State is focusing its efforts on irrigation potential, diversification of agriculture and developing livelihood opportunities to increase potential for rural employment. Technical education is getting special attention.

Literacy : Thirteen districts have achieved universal access status with an Education Guarantee Centre/School at every 1 km. Only 157 habitations remain uncovered as on 1.10.2004. Number of out of school children have been reduced from 11,75,123 in 2001-02 to 3,84,046. A total of 11,049 Schools/Centers have hoisted SSA Flags as mark of total enrolment in their feeder area.

Population : Population growth rate has declined from 26.2% in 2001 to 23.3% in 2004

Drinking water : All 1.96 lakh hamlets have been covered by potable water sources till March 2004. Fresh habitation survey has revealed further hamlets for fresh coverage. These will be covered next year.

Forest : Forest cover increased from 28.4% to 29.6% of the State's geographical area However, there is substantial degradation since earlier years.

9. Strategy adopted and Policy Reforms Undertaken by the State Government

9.1 Strategy

It may be seen from the following table that though the area covered has increased in respect of pulses and oil seeds, their productivity has come down during the period from 2001-02 to 2003-04. In case of paddy crops, both the area covered and the productivity have come down during this period The State Government have given top priority to increase in irrigation potential and improving agricultural productivity along with crop diversification. Special attention is also given to Horticulture, Dairy and Fisheries as these are highly labour intensive and offer huge employment potential.

(Coverage: lakh ha., Production lakh tones and Productivity: tonnes/ha)

	Paddy			Pulses			Oil Seeds		
	2001-02	2002-03	2003-04	2001-02	2002-03	2003-04	2001-02	2002-03	2003-04
Coverage	15.20	13.83	13.64	2.12	2 43	3.02	0.75	0.94	1 01
Production	27.33	20.71	23.10	1.66	1.49	1 67	0 50	0 60	0 40
Productivity	1.80	1.50	1.69	0.78	0.61	0 55	0.67	0 64	0 40

The Credit-Deposit Ratio in respect of Jharkhand (23.73) is less than the All-India average of 54.34

The T&D losses of the power system in the State is reported to be more than 42% in 2004-05. The power sector reforms will include strengthening and modernisation of T&D system through private participation, raising annual per capita consumption to the national level and rationalisation of power tariff through SERC. improving thermal hydel ratio to 60:40, establishment of coal based power station at

or near pit head, complete electrification of village by 2006-07, promoting private participation in all three area of Generation, Transmission and Distribution system.

Transport and communication are important area of activities in the service sector. The State Government's strategies in these areas are (a) Creating appropriate regulatory environment for promoting private participation, (b) Construction of quality road, double-laning and Flyovers & By-passes and (c) Introduction of efficient and effective monitoring system. The action plan and activities for the road infrastructure include connecting districts head quarters with State Capital, interconnecting district head quarters and strengthening and double-laning of all inter State highways.

The literacy rate of the State as per Census 2001 is as low as 54.13% against the national average of 65.38%. The literacy rate among the women is 39.38 and that of tribals is 17%. The State is committed to "Education for All" and has given top priority to development of human resources. The State Government has already initiated several measures for universalisation of primary education, increase in enrolment and retention of students in school, improvement of educational infrastructure at the secondary level and bringing about academic reforms in the field of higher education. Number of Primary Schools increased from 16361 to 18297 (12% increase), Middle Schools increased from 4055 to 6247 (54% increase) and EGS Centres increased from 10532 to 17830 (69% increase) during the period from April 2002 to September 2004. The increase in total number of schools and EGS Centres opened in the State during this period works out to nearly 37%. In respect of education sector, Vision 2010 document sets out the following monitorable targets :

a. All children will be in school by year 2005 and all children would have completed 5 years of schooling by 2010,

b. The gender gaps in literacy will stand reduced by at least 75% by the year 2010 and iii) increase in literacy rate from 54.13% to 85% by the year 2010. The main components of strategy are –

- Involvement of villagers and parents through PRIs in management of schools;
- Adoption of curriculum of national standards;
- Improvement in school infrastructure with public and private initiative;
- Ensuring improvement in quality education ;
- Providing high schools, +2 schools, and vocational institutions in each block;
- Computer education at all levels of schools and colleges;
- Carrying out academic reforms in the higher education etc.

In respect of health sector, the Vision – 2010 document outlines –

- Every individual in the State will have free access to primary healthcare,

- State shall ensure the availability of secondary and tertiary health care at affordable costs,
- Goals for diseases like TB, Malaria etc. would be achieved,
- Reduction of IMR from 72 to 40 per thousand live births by the year 2010 and reduction of MMR from 4 to 1 per thousand live births by the year 2010.

The strategies in respect of health sector include

- strengthening of PHCs infrastructure at block and sub-block level;
- developing secondary and tertiary health infrastructure both in public and private sector;
- improving rural health facilities including training of personnel and involvement of NGOs;
- developing existing medical colleges and promoting medical and dental colleges in private sector;
- improvement in traditional methods of healthcare system in the State, and
- drawing up schemes for control of population and bringing down the IMR and taking steps for awareness campaign including family planning measures

9.2 Policy Reforms

- New Health/Population Policy : The policy aims at achieving replacement level fertility and thereafter population stabilisation by promoting informed choice, empowering communities and women involving all stake holders from the private, public, NGOs, organised and cooperative sectors etc Ultimate goal is to reach health care to the last village
- Rehabilitation Policy for Displaced People . The State Government have formulated a fresh rehabilitation policy for displaced people. This will help in speeding up execution of irrigation projects.
- Jharkhand Industrial Policy 2001 : The Industrial Policy aims at making Jharkhand one of the most preferred destination for investment, both from inside and outside the country and to ensure accelerated implementation of infrastructure related projects, increasing employment opportunities improving productivity, ensuring homogenous and balanced development of all Geographical regions of the State with emphasis on development of small tiny and cottage industries.
- Jharkhand Industries Rehabilitation Package : The scheme envisages soft loan from the Government for revival of any viable sick, closed and weak units of the State. State Government upon being satisfied in respect of viability of the revival effort may grant by way of extending loans on suitably soft terms / or equity participation that will depend on merits in individual case to bridge the gap in means of finance. The interest rate of soft loan will be less than bank rate and repayment period will not be more than 8 years.
- Capital Investment Incentive Scheme : Mega projects with investment of more than Rs.50.00 crore is allowed special package as per mega investment incentive scheme which envisages subsidy from Rs 3 crore to Rs 15 crore

- Agriculture Income Insurance Policy 2003
- Excise Policy 2003

9.3 Institutional Reforms

- A Single Window system is established in the Industries Department to accelerate the pace of industrialisation and to facilitate expeditious clearance and approval of investment proposals.
- Setting up of Check Post : For effective collection of tax and providing service facilities, schemes for installation of 9 check posts on inter State border initiated. These check post will be made operational during 2004.
- State Electricity Regulatory Commission – SERC has been constituted and has pronounced revised power tariff.
- Jharkhand Judicial Academy 2002
- Jharkhand Public Service Commission 2002
- State Election Commission 2002
- Jharkhand Academic Council 2002
- Jharkhand Space Application Center 2002
- State Electricity Regulatory Commission 2003
- State Finance Commission 2003
- Jharkhand Rural Roads Authority 2003
- Jharkhand Reproductive Child Health Bureau 2003
- State Institute for Food and Drugs Laboratory 2004
- Jharkhand Application Center for Promotion of IT 2004

9.4 Fiscal Reforms

- Financial Sector Reforms : Tendering process has been simplified. Several measures have been initiated. To facilitate the implementation of the schemes purchase of items on DGS&D rate has been introduced For financial advice in matters relating to sanction of scheme etc., Internal Financial Advisory System has been introduced. Modernisation and rationalisation of revenue administration and reform in tax collection system are proposed in the budget for financial year 2004-05.
- Treasury Operations being Computerised on Online basis
- Tax Reforms
- Commercial Taxes rates rationalised on UFR basis
- Single Point Taxation System introduced
- TOT abolished
- Simplification of Procedures introduced
- Anti Tax evasion measures tightened
- Registration and Stamp duties Slashed from a maximum of 17.5% to uniform rate of 5%

9.5 Governance

- E-Governance Platform Initiated
- Procurement Systems Simplified
- Restructuring of JSEB Undertaken
- Integrated Automated Check Posts Scheme being Introduced
- Single Window System For Industrial Promotion
- NABCONS – A Subsidiary of NABARD appointed as Technical Consultant for all Agriculture and Allied Activities.
- Panel of Architects appointed by Building Construction Department for Public Works
- Panel of 14 Technical Consultants appointed for Road Sector
- TCIL Appointed for Computerization of Police Stations
- System of Concurrent Evaluation by Independent Technical Consultant Introduced in road sector
- M O U with Railways for Joint Projects of 6 New Railway Lines And 1 Road Overbridges
- Implementation of Medium Irrigation Projects on Turn Key Basis

10. Issues raised by the State Government in the Plan document to be addressed by the Government of India - for consideration of Planning Commission and the concerned Ministries.

Power :

- Immediate finalization and implementation of NTPC super thermal plant in Chatra district. This also requires forest and environmental clearance The State irrigation project dedicated for water supply to this project should be included as part of this project and treated as such for forest clearance
- DVC needs to expedite the implementation of 1000 MW Maithan Project taken up in joint venture with Tata Power
- A Plan for central investment for power station in Jharkhand should be prepared. This would require simultaneous development of related coal mines and railway infrastructure.

Railways:

- The Railway network in the state has been greatly neglected Jharkhand generates substantial resources for the Railways, but the latter's investment is grossly inadequate. Currently, several railway connectivity projects are under implementation. But the state government contributes 67% of the expected investment of 2000 crore. This should be funded centrally

Food Grains Supply:

- Food grains allocation to the state has increased substantially However, the Railways have to create additional capacity for these to be received and lifted at terminal points otherwise the mid day meal and food for work schemes cannot be fully implemented even with best efforts The short supply by Railways also reduces the grant resources available to the State fo

implementation of these schemes. FCI or CWC should build additional godowns immediately at all the locations where the delivery of food grains have to be made to the distribution centres in different districts.
Shortage of food grains will considerably hamper both the food for work programme and the mid day meal scheme.

Coal Royalty and related issues.

- Coal Royalty should be fixed on ad valorem basis.

Roads and Bridges:

- Sufficient resource allocation in respect of State Highways which have been declared as National Highways is no being made.
- The project for strengthening and widening of Govindpur (near Dhanbad)-Jamtara-Dumka-Sahebganj road with a bridge at a suitable location should be approved. This road should be declared as NH as it would connect the North eastern portion of Bihar with the North-Eastern part of Jharkhand and it will be a corridor to connect Mumbai via Chhattisgarh to North-Eastern States by shortest route.
- Four laning for Ranchi section of NH-33 needs to be done.
- By-pass connecting Ranchi to Jamshedpur of NH-33 should be taken on priority.

Information Technology:

- The state is very keen to expedite e-connectivity across the State and is in the process of approving a Rs.100 crore Jhar Net project to be implemented by TCIL. This needs to be approved so that the state is assured of assistance in this area.

Sports & Youth Affairs:

- Jharkhand has been selected to organise the National Games in 2007. A Mega Sports Complex along with housing facilities is to be developed. Based on experience of earlier games, this would require about Rs.300 crore Additionally, Rs.100 crore would also be required for organising the games.

Minor Irrigation

- Most areas in Jharkhand are not suitable for shallow borings and the Ministry of Agriculture & Co-operation has turned down the request of the States Steering Committee to include farm pond/RHT in the list of admissible schemes. Cost norms for dug wells and tube wells should be revised.

11. **Issues likely to be raised by Planning Commission**

- Timely submission of Utilization Certificate to get the next instalment of funds released in respect of Centrally Sponsored Schemes and Special Central Assistance given to the State.
- Completion of all on-going AIBP funded irrigation projects and full utilization of AIBP funds.
- Reforms in Power Sector and restructuring of BSEB

- Action Plan for 100% rural electrification and full utilization of APDRP fund.
- Controlling T&D losses and recurring losses of State Electricity Board.
- Universal metering and improvement in collection efficiency in distributio. system in Power Sector.
- Policy frame work for production, processing and marketing of medicina plants and herbs.
- Action taken for capacity building and development of tribals and specifi focus on tribal areas in RSVY programmes. Greater emphasis on formulatio and implementation of Tribal Sub-Plans.
- State Government's programme for crop diversification and development o integrated watershed management including rainwater harvesting.
- Exploitation of mineral resources and setting up of mineral based industrie with private sector participation.
- Election to local bodies is overdue.

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Jharkhand – Basic Information

Sl.No	Subject	Unit	Jharkhand	India
1.	Area	Sq. km.	79714	32,87,267
2.	Development Blocks	Nos.	211	6?28
3.	Districts	Nos.	22	468
4.	Population (2001)	Million	26.91	1027 02
5.	Decadal growth(1991-2001)	Percentage	23.19	21 34
6.	Literacy Rate (2001)			
	Total	Percentage	54.13	65 38
	Male	Percentage	67.94	75 96
	Female	Percentage	39.38	54.28
7.	Sex Ratio (2001)	Females per 1000 males	941	933
8.	Population density (2001)	Per sq. km.	338	324
9.	Infant Mortality Rate (2002)	Per Thousand	51	63.0
10.	Birth Rate (2002)	Per Thousand	26.4	25.0
11.	Death rate (2002)	Per Thousand	7.9	8.1
12.	Per Capita Income at current prices		9392	17978
	2001-02	Rupees	9392	17947
	2002-03	Rupees	9955	18912
13.	Per Capita Income at 1993-94 prices			
	1993-94	Rupees	5897	7690
	2001-02	Rupees	7498	10774
	2002-03	Rupees	7810	10954
14.	Population below poverty line (1999-2000)*			
	Total	Percentage	42.60	26 10
	Rural	Percentage	44.30	27 09
	Urban	Percentage	32.91	23 62
15.	Human Development Index (2001)*		0.367	0 472

* Figures pertain to undivided Bihar.

IMMEDIATE

No. M-13048/10/J&K/04-SP
Planning Commission
(State Plans Division)
Yojana Bhawan, Sansad Marg,
New Delhi, the 9th February 2005

Subject: Meeting between Deputy Chairman, Planning Commission and the Chief Minister, Jammu & Kashmir for finalization of the Annual Plan 2005-06 of the State.

The above-mentioned Meeting is scheduled to be held **at 3.30 PM on 14th February 2005 in the Committee Room No. 122, Yojana Bhawan, New Delhi.**

2. A copy of the **Background Note** on Jammu & Kashmir for reference in the Meeting is enclosed.

9/2/2005

(T.P. Biswas)
Director (SP-N)

Encl.: As Above

Planning Commission
Principal Advisers
Advisers
Joint Secretary (SP)
Heads of Divisions

PMO
Mr. Amit Aggarwal, Deputy Secretary

Ministry of Home Affairs.
Ms. Rashmi Goel, Director, Deptt. of J&K Affairs, North Block, New Delhi.

Ministry of Finance
Joint Secretary (PF-I)
Department of Expenditure, North Block, New Delhi

Copy to Private Secretary to:
Deputy Chairman/Minister of State/Members/Secretary
Copy also to: Director (SP-Coordination)/Deputy Adviser (PC Division) /Protocol Unit/Information Officer

Note on Jammu & Kashmir

1. Economy of J & K:

1.1 The State of Jammu & Kashmir with an area of 2.22 lakh sq. Kms (including 1.21 lakh sq. Kms under illegal occupation of Pakistan and China) has three regions (Jammu, Kashmir and Ladakh) with distinguishable physical and agro-climatic features. The State has **14 districts, 59 Tehsils, 121 CD Blocks, 2661 Panchayats, 6652 villages, 68 Urban Areas and 7 Urban Agglomerations.**

1.2. The State economy is mainly agrarian with about 80% of population deriving their livelihood from agriculture and related activities. Annual growth rate of the economy was 4.2% during the period from 1980-81 to 1991-92. It increased to 4.53% during the 9th Plan period. **Growth profile of the Net State Domestic Product is presented below:**

Year	NSDP at Current prices (Rs. cr.)	Per capita NSDP (Rupees)	NSDP at (1993-94 prices) (Rs. Cr.)	% share of NSDP (1993-94 prices) by sectors		
				Primary	Secondary	Tertiary
1	2	3	4	5	6	7
1993-94	5500.20	6543	5500.20	37.52	17.59	44.89
1994-95	6001.44	6915	5744.99	40.47	16 18	43 35
1995-96	6973.05	7783	6031.48	39.58	15.06	45.36
1996-97	7850.89	8767	6320.65	40.31	13.35	46.34
1997-98	8857.86	9491	6652.24	36.74	14.69	48.57
1998-99	11128.21	11591	7005.33	36.52	14.89	48 59
1999-00	12148.12	12338	7320.96	36.40	14.41	49 19
2000-01	12805.00	12781				

A select list of development indicators for the State is given in **Annexure-I**.

2. Tenth Plan (2002-2007):

2.1. Growth Rate: Consistent with the envisaged 8% growth rate for the nation, Planning Commission has estimated the Tenth Plan annual **growth rate of 6.27%** for J&K with its constituent components of 4.20%, 5.21% and 8.00% for Agriculture, Industry and Services sectors respectively.

2.2. Outlay: The outlay has been agreed at Rs. 14500 crore (at 2001-02 prices). It has been estimated to be financed by the States' Own Resources **(SOR)** of Rs. 2679.45 crore **(18.48%)** and **Central Assistance** of Rs. 11820.55 crore **(81.52%)**. As evident from the sectoral pattern of distribution of agreed outlay, shown in **Annexure- II,** high priority has been assigned to activities in the social services, energy, transport and agriculture sectors.

3. Annual Plans: Details of outlay and expenditure are presented in the following Table:

(Rs. crore)

Annual Plan	Original Outlay	Revised Outlay	Expenditure
2002-03	2200.00	2268.50	2064.32 (91% of RO)
2003-04	2500.00	2574.74	2352.10 (91% of RO)
2004-05	3008.03	NA	NA

3.1 Distribution of outlay and expenditure by sectoral heads of development is shown in **Annexure- II.**

4. Financing of Annual Plans:

4.1. During **2002-03**, though the realised level of BCR (-Rs. 550.76 crore) accounted for an improvement over the initial estimate by Rs. 153.32 crore mainly due to increase in the State's Own Tax Revenue by about Rs. 96 .00 crore and curtailment in the NP R E by about Rs. 77.00 crore, actual level available SOR (- Rs. 348.18 crore) was less than the estimated level by Rs. 111.40 crore. Realized amount of total Central Assistance (Rs. 2062.08 crore) was higher than the initial estimate due to allocation of Additional Central Assistance (ACA) subsequently.

4.2. As per latest estimates for the year **2003-04**, the BCR (- Rs. 1115.00 crore) falls short by Rs. 269 crore over the initial estimate due increase in NPRE to the same extent. The overall SOR (-Rs. 866.35 crore) has been less than the estimated figure by Rs. 266 crore. Total Central assistance availed has been Rs. 3100 crore as estimated initially.

4.3. The outlay for **2004-05** has been worked out to be funded by SOR of (-) Rs. 477.47 crore and Central Assistance of Rs. 3485.50 crore. Estimated Central Assistance includes special assistance of Rs. 1250 crore and ACA of Rs. 300 crore for the Baglihar Hydro Electric Project in the State Sector.

5. Proposed Annual Plan 2005-06:

5.1. Government of J&K **initially proposed an outlay of Rs. 4000.00 crore.** Subsequently, the Prime Minister visited the State in November 2004 and announced a **'Reconstruction Plan for J&K' and some of the Schemes / Projects contained therein are to be executed in the State sector.** The Government of J&K has to draw action plans for each of those Schemes/ Projects for approval by the Central Government before executing them. Specified parts of these Schemes/ Projects, as phased out for the year 2005-06 would be the additional components of the Annual Plan 2005-06. The State Government would implement them by getting Additional Central Assistance (ACA) from the Union Government. **A provision of such ACA of Rs. 1199.78.00 crore to the Government of J&K has been estimated for the year 2005-06.**

6. Sectoral Highlights:

6.1. Agriculture and Allied Activities:

6.1.1. Agriculture is the mainstay of J&K state. Although agriculture and horticulture have vast potential, but farming systems are by and large, of primitive and subsistence nature in all the three regions of the State. One of the limiting factors is the average size of land holding which is as low as 0.76 hactare; with .53 ha., 1.02 ha and 1.03 ha in Kashmir, Jammu and Ladakh regions respectively. About 42 per cent of the area under cultivation is irrigated with Jammu, Kashmir and Ladakh regions having net irrigated area of 26%, 57% and 94% respectively.

6.1.2. Agriculture profile of Jammu & Kashmir is as follows:

Particulars	**Year**	**Unit**	**State**	**India**
Workforce engaged in Agriculture	2001	%of population	63.85	61
Share of Agr. in GDP/State SDP	1999-2000	%	34.03	31.4
Net Sown Area	2001	000 ha	748	142598
Average Size of Holdings	2001	ha	0.76	1.55
Gross Cropped Area	2001	000 ha	1114.99	186600
Cropping Intensity	2001	000 ha	149	131.22
Net Irrigated Area	2001	000 ha	310.87	53500
Crop wise Productivity				
a) Rice	2001-02	Qtls./Ha	16.90	20.66
b) Maize	2001-02	Qtls./Ha	16.48	19.18
c) Wheat	2001-02	Qtls./Ha	13.21	28.63

6.1.3. Most of Kashmir and Ladakh has single cropping, while in the plains of Jammu, more than one crop is a common phenomenon. In Kashmir, the major crop is rice followed by maize. In Jammu, wheat, maize and rice are in descending order in terms of coverage of area. The basmati rice of R.S. Pura-Bishnah area is of very good quality. Saffron is grown in pockets of the Valley in Pulwama District and in Kishtwar of Doda District.

6.1.4. Area and production of major crops cultivated in the State is indicated below:

	Region					
	Jammu		**Kashmir**		**Ladakh**	
Crops	Area (000ha)	Qty. (000Qtls.)	Area (000ha)	Qty. (000Qtls.)	Area (000ha)	Qty (000Qtls.)
Food Crops						
Paddy/Rice	110	1828	140	2395	-	-
Maize	216	4511	110	870	-	-
Wheat	253	3365	2	29	4	36
Pulses	16	71	10	48	1	6
Fruit & Vegetables	3	-	70	-	1	-
Others	30	142	3	3	9	53
Total	628	9917	335	3345	15	95
Non-Food Crops						
Oil Seeds	19	N.A.	60	-	-	N.A.
Fodder	22	N.A.	18	-	5	N.A.
Others	-	N A.	3	-	-	N.A.
Total	41	636	81	-	5	N.A.
G. Total	**669**	**10553**	**416**	**3345**	**20**	**95**

Source: Digest of Statistics – 2001-02.

6.1.5. In the Tenth Plan, an outlay of Rs. 1507.80 crore has been provided for the sector. Emphasis has been laid on diversification of crop production by popularizing cash crops, strengthening of extension services, water conservation measures and R&D works. Total production of food grains during 2003-04 was 21.89 lakh tonnes. Area covered under HYV is 10.19 lakh hectares.

6.1.6. To improve the soil conservation measures with emphasis on those in the Shivalik hill areas in the J&K, the State Government has provided an allocation of Rs. 238.81 crore in the Tenth plan. In the revised AP 2003-04, a provision of Rs. 34.60 crore has been made including **Rs. 20.53 crore for the externally aided "Integrated Watershed Development Project Ph-II"**. During 2003-04, the State Government has, reportedly, developed micro sheds in 2250 hectares and controlled landslides in 188 hectares.

6.1.7. **Issues:**

(i) There is need to augment credit support to agriculture so that farmers can generate adequate income on sustainable basis to improve their economic status. Credit should be made available under KCC scheme for the whole year.

(ii) The State Government has not yet implemented Rashtriya Krishi Bima Yojana in the State.

(iii) In view of poor marketing facilities, the farmers are compelled to sell their produce at throwaway prices. Adequate marketing facilities should, therefore, be provided.

(iv) Extension services should strengthened in a big way with a view to educating farming community about farm friendly techniques and technologies to help augmenting production and productivity.

(v) Farmers do not have sufficient farming activities to keep them busy round the year. Members of farming families should be encouraged to take up non-farm activities. Necessary training facilities should, therefore, be provided in the vicinity of their villages.

(vi) The growth in productivity being directly linked to assured irrigation, irrigation facilities should be increased by harnessing both surface and ground water. Shallow Tube wells should be installed wherever possible. Similarly, water losses in the water channels should be plugged by repairs.

(vii) The concept of Water Harvesting Tanks should be popularized and the farmers should be encouraged to go in for WHTs with or without bank loans. Similarly, the use of water management techniques such as Drip and Sprinkler Irrigation should be promoted.

6.1.8. The **Horticulture sector** supports about 5 lakh fruit grower families with direct and indirect employment of about 25 lakh persons. While fruits are grown in the whole of the State, production on commercial scale takes place only in Kashmir and Ladakh regions. In terms of economic importance, apple is the most important. The other fruits include peach, plum, walnut, almond, mango, orange, guava and 'ber'. Apricot of Ladakh, in dried form, is now sold outside the State also. Olive has also been introduced in Jammu region and its jurisdiction is functioning. The total production of horticulture is about 11.06 lakh tones recorded in 1999-2000. Of this about 8 lakh tonnes are sold to other parts of the country. However, in order to ensure that the increase in fruit production does not lead to a fall in prices to uneconomic level, measures for expansion of markets outside the State have to be taken. Similarly 20 to 30% of apple, which cannot fetch a reasonable price, can very well be used for production of apple juice/concentrate. Government introduced the Market Intervention scheme under which Government procure the C-Grade apple and provide the same to Private enterprises for production of juice/concentrate. Till early seventies, apricot of Kargil used to sun-dried and because of loss of texture and damage to flesh, it fetched very little price. However, with scientific drying and ensuring quality, the price of dried apricots has gone up by about 10 times the price in early eighties. In Jammu region there is a great potential for improvement in quality of citrus fruit, 'ber' and mangoes.

6.1.9. Because of the climatic factors, commercial floriculture has a lot of potential especially in the Valley. Cut flowers from Kashmir can be marketed during the period such flowers are not available from elsewhere. Flowers are, however, a delicate commodity and are, therefore, prone to damage and decay if not handled properly or if not brought to the market quickly.

6.1.10. Problems and Constraints in the Horticulture development:

(i) The major fruit crop of the State is Apple comprising delicious variety to the extent of 50 to 60 per cent, which is highly sensitive to fluctuating abiotic and biotic stresses besides acute biennial bearing tendency. Moreover, it causes market glut leading to low returns besides causing packing material and transportation stress.

(ii) The State being located farthest from the terminal markets, the cost of carrying fruits to mandies is higher than that of other states.

(iii) Low productivity due to adoption of traditional methods of cultivation results in lower economic returns. Moreover, most of the orchards are 30 to 40 years old and are unplanned. Older trees grow bigger in size reducing the cropping zone every year affecting thereby the yield per unit area. Replacement of orchards should be therefore promoted in a big way.

(iv) Un-fruitfulness takes its own toll, which is due to non-flowering, spring frost, hail storm, lack of pollination or improper management of pollinators.

(v) There are deficiencies in proper and balanced nutrition of macro and micronutrients besides poor orchard soil management practices.

(vi) Location of orchards under rain fed conditions and moisture stress at critical periods of flowering.

(vii) Non-availability of adequate quality planting material.

(viii) Inadequate post-harvest facilities like cold storage and pre-cooling facilities, cool chains, corrugated fibre board boxes, packing cases/stocks etc.

6.1.11. To increase production, the State Govt. has proposed a blend of measures and strategies which include (a) bringing more irrigated area under horticultural crops – at present this is not allowed due to legal restrictions (b) better use of irrigation facilities (c) Scientific pest control measures (d) use of plastics for protected cultivation. (e) Advanced use of micronutrients (f) import and supply of genetically improved plant material and (g) promotion of High Density Plantation. New carves will be brought under Horticulture by providing drip Irrigation

6.1.12. Efforts should be made to promote private sector investment especially in development of nurseries for ornamental and fruit plants. Fruit marketing should be promoted by development of mandies with NABARD loan assistance. Efforts should be made to ensure that the Kashmir fruit reaches the destination directly rather being sent via Delhi.

6.1.13. About 13% of the State GDP is attributable to **animal/sheep husbandry sector**. Since a major part of the livestock population in the State is of local origin, priority has been assigned to improve their genetic structure through frozen semen technology and health care services. As in 2003-04, production of milk, mutton and wool are 12.65 lakh tonnes, 2.40 lakh Kgs. and 58 lakh Kgs. respectively. About half of the sheep stock in the State has been, reportedly, upgraded.

6.1.14. **Animal Husbandry:** Due to lack of availability of quality animals in the State, most of milch animals are brought from Rajasthan, Punjab and Haryana. To overcome this problem, the Government should establish more cattle and buffalo breeding farms with ETT and AI facilities. Bull Mother Farms, Yak, Mule and other Enquine Breeding Farms should also be set up to encourage professional breeders by providing them some incentive to take up this activity. Calf rearing schemes for CB cows and Murrah buffaloes should also be encouraged.

6.1.15. There are more than 2000 VIs in the State out of which about 1000 VIs are functioning as AI Frozen Semen Centres. The requirement of the State for covering total breedable population of cattle is 1280 calculated @ 1000 breedable females per AI centre for improving the local breed. Thus, about 300 more AI centres are required to be set up. For increasing mutton and wool production, additional Sheep Extension Centres (SECs) are required to be set up. At the norm of covering 4000 sheep/goat per centre, 1200 SECs are required. As the State has already 867 SECs, about 350 additional SECs are required to be set up. To achieve the level of self-sufficiency in production of vaccine, 2 Production Units are required to be upgraded and strengthened. The State Government should, therefore, make a provision for adequate funds in the Annual Plans for creation and strengthening infrastructure. Besides, the Govt. should also make arrangements for introducing Mobile Veterinary Clinics.

6.1.16. In the **Sheep Husbandry sector**, it is proposed to raise the production of wool and mutton without increasing the number of sheep. The major emphasis will be on genetic improvement by introducing Rambelo Ram and Marino Ram in Jammu, health coverage and educating the rearers about scientific methods of shearing so as to increase the value of wool.

6.1.17. Due to limited grazing land, the State Government should lay more emphasis on production of green fodder by motivating farmers to adopt new technology and package of practices. Provision of ST/MT credit by Banks for cultivation of green fodder could also help in reducing fodder shortage. Establishment of cattle/poultry feed plants under Private Sector should also be encouraged by the State Government and Banks.

6.1.18. Total forest area and tree cover in the State, as per State Forest Report 2001 is 30,454 sq. Kms. With the strategy of people's participation in forest management from 1992 onwards, the State Government has prioritized the activities towards protection of existing forest areas, rehabilitation of degraded forests in the Tenth plan. During 2003-04, an allocation of Rs. 65.33 crore was made for the sector and 24 thousand hectares has been covered under forest.

6.2. Rural Development:

6.2.1. With objectives not only to generate employment opportunities but also to create durable assets, State Government has been implementing a large number of Centrally Sponsored Schemes (CSSs) and the departmental programmes for community development. A provision of Rs. 374.10 crore has been kept for the sector in the Tenth Plan. Likely expenditure in the first two years of the Tenth Plan is Rs. 118.23 crore. During 2003-04, 20.2 lakh mandays have been generated under SGRY, 5078 new houses have been constructed and 4299 swarojgaries have been assisted.

6.2.2. Issues:

a) State Govt. should provide its share for the CSSs in time and also complete the formalities to avail he benefits of central funds fully.
b) Monitoring of the execution of the CSSs should be intensified.

6.3 Special Area Programme:

6.3.1. Almost all the developmental works in the Ladakh region comprising of Leh and Kargil districts and the Sub-Plans for Gujjars and Bakerwals, particularly through education and socio-economic up-liftmen measures are funded through the Special Area Programmes under the State Plan. In the 10th Plan a provision of Rs. 771.87 crore has been kept for Special Area Programmes. Reported expenditure on the sector was Rs. 117.43 crore and Rs. 146.53 crore in the year 2002-03 and 2003-04 respectively.

6.3.2. Under Border Area Development Programmes (BADP), Central Government provides Special Central Assistance (100%) to supplement the endavour of the Government of Jammu & Kashmir for development of 44 blocks bordering Pakistan and China. This earmarked allocation is for implementing specified programmes in education, health, water supply, roads, animal/sheep husbandry, horticulture, forests, handloom/handicraft and irrigation sectors. During the 9th Plan, a total amount of Rs. 160.08 crore was released to the State Government for the programmes. **In May 2002, the then Prime Minister announced that allocation for BADP in the State would be increased to Rs. 500 crore for a period of five years at the rate of Rs. 100 crore annually.** Accordingly, allocation and release of BADP funds to the Government of J&K were Rs. 100 crore during 2002-03 and 2003-04. **During 2003-04, the State Government has spent Rs. 87.70 crore. Out of allocation of Rs. 100.00 crore for 2004-05, Rs. 66.67 crore has been released.** The State Government has adopted systematic approach to release and utilize the funds and intensified the monitoring mechanism for effective implementation of the schemes under the Programme. Development of the 5-Km. border belt along the LOC /International Border in J&K has been assigned special priority for providing basic minimum facilities namely power and water supply, roads, education, health care etc.

6.3.3. Rastriya Sam Vikas Yojana (RSVY): For improving the conditions of most backward districts in a State the programme has been introduced from 2003-04 for providing special boost to their development process initially over a period of 3 years with annual allocation of Special Central Assistance of Rs. 15 crore. **During 2003-04, Doda** district was covered Poonch **and Kupwara districts** have been included additionally under the

Scheme with total provision of Rs. 30.00 crore. Empowered Committee in the planning Commission has concurred to the District Plans submitted by the State Government for these districts. Release of funds is under process.

6.3.4. Issues:

a) State Government should prioritize the development of facilities for higher education in Ladakh region by providing need based plan allocation;
b) Special efforts are needed for development of the 5-Km belts along the LOC/IB

6.4. Irrigation

6.4.1. Gross sown area in J&K is 10.81 lakh hectares. Estimated ultimate irrigation potential in the State is 13.58 lakh hectares. Up to the end of the 9th Five Year Plan, the State Government created irrigation potential of 5.62 lakh hectares (41.4% of ultimate irrigation potential). Utilized irrigation potential of 5.35 lakh hectares by 2001-02 accounted for 49.5% of gross sown area in the State. State Government reportedly created additional irrigation potential of 2.8 thousand hectares in 2002-03 and 5.3 thousand hectares in 2003-04.

6.4.2. In the 10th Plan Rs. 805.79 crore has been provided for the Irrigation and flood control and about 70% of it is for irrigation works. Priority has been assigned to complete the spillover projects/schemes. Reported expenditure on the sector during 2002-03 and 2003-04 are Rs. 101.54 crore and Rs. 171.16 crore respectively.

6.4.3. As in 2003-04, the Government of J&K has 14 projects under implementation with **AIBP loan assistance.** Details are as under:

Sl. No.	Name of project	Plan of start	(Rs. Crores) CLA released in the 9th Plan	CLA released 2002-03	Total Release 2003-04 (ceiling Rs.60 crore)
1	2	3	4	5	7
1	Marval Lift	Pre Fifth	0.3		
2	Lethpora lift	Pre Fifth	1.755	0.815	
3	Koil Lift	Fifth	0.5	0	
4	Mod. Ranbir canal	Seventh	10.95	5.233	5.45
5	Mod. Pratap canal	Eighth	2.55	1 06	2.88
6	Mod Kathua canal	Seventh	2.65	1.087	2.88
7	Rajpora Lift	78-80	1.965	5.193	
8	Tral Lift	78-80	1.965	10.166	
9	Igophey	Ninth	3.375	4.485	1
10	Rafiabad Lift	Ninth	0.9	4.757	
11	Zaingir Canal(Mod.)	Ninth	0.6	2 203	0.345
12	26 new SMI Sc.				1 19
13	28 OG SMI Sc				6
14	28 SMI Sc.				1.8
	TOTAL		**27.51**	**34.999**	**21.545**

6.4.4. Water Rates and O&M:

Operational Profit (+) / Loss (-) of Irrigation Projects

(Rs. in Crore)

Year	Gross receipt	Working Expense	Net Profit (+) Loss (-)
1991-92	0.20	4.37	- 4.17
1992-93	0.34	3.85	- 3.51
1993-94	0.22	5.07	- 4.85
1994-95	0.33	4.06	- 3.73
1995-96	1.00	5.02	- 4.02

Source – Pricing of Water in public system in India. (Published by Central Water Commission in December 1999).

6.4.5. The Water Rates were last revised in 2000. The prevailing water rates in few States as compared to Jammu & Kashmir are as under:

(Rs./ha)

State (Year)	Rice	Wheat	Sugar Cane
Jammu & Kashmir (2000)	49.40	24.70	49.40
Andhra Pradesh (1997)	494.00	494.00	494.00
Kerala (1974)	99.00	62.00	99.00
Karnataka (2000)	247.10	148.25	988.45
Tamil Nadu (2002)	175.00	50.00	49.42
Rajasthan (1999)	197.60	148.20	286.52
Maharashtra (2003)	320.00	320.00	4230.00

Source – CWC Report

6.4.6. Ground water Development: There are 123 blocks in 14 districts of J & K. There is no over exploited or dark block in the state (as on 31.03.2003) as reported by the CGWB. The State Govt. is examining the Draft Bill prepared by the Ministry of Water Resource, Govt. of India, to regulate and control the development of ground water resources.

6.4.7. Issues:

(i) As in 1995-96, gross receipt of the Irrigation Department was only about 20% of the working expenses.
(ii) Working expenses of the Department have been increasing over years,
(iii) the water rates in the State revised in 2000 was very low.
(iv) State Government should form Water-User's Association to improve the maintenance of Water Resources and irrigation network.
(v) Appropriate action plans should be drawn to implement the AIBP schemes.

6.5. Power

6.5.1 J&K has an identified power generation potential of 15000 MW. However, the installed generation capacity of the State Govt. by the end of March 2002 was 495.63 MW only. No capacity could be added during the following two years. J&K got its share of 815.9 MW from central sector projects located in Northern Region. As in September 2004, 6303 (97.3%) of the villages in the State are electrified and 9529 pump sets (14.2%) are energized.

6.5.2. During the Ninth Plan, Government of J&K spent Rs. 1423.66 crore (19.9% of total expenditure) on Energy sector. In the Tenth Plan, an allocation of Rs. 2885.74 crore has been made for the sector. The envisaged **capacity addition programme in the Tenth plan is 450 MW (by commissioning the State sector Baghlihar HE Project).** Due priority has been assigned to an early completion of this Project. Renovation and modernization programmes are other priority areas in the power sector. Reported expenditure on sectoral programmes during 2002-03 and 2003-04 has been Rs. 438.51 crore and Rs. 690.20 crore.

6.5.3. Reconstruction Plan for Jammu & Kashmir announced by the Prime Minister in November 2004 contains, among others, a number of schemes/projects both in the Central and the State sectors with a view to improve generation, transmission and distribution of power utilities in the State.

6.5.4. State Government implements power sector programmes through its Power Development Department (PDD), instead of SEB.

(a) **Operational performance of J&K Power Development Department (JKPDD):**

Year	T&D losses (%)	T&D losses (%) All India
1996-97	49.97	24.53
2001-02	48.85	33.98
2002-03	46.91	32.54

(b) Financial Performance of JKPDD

Items	2001-02 Actual	2002-03 Actual	2003-04 (actual)	2004-05 (RE)
Average cost of supply (Paise/Kwh)	378.29	467.62	430.40	505.11
Average tariff (Paise/Kwh)	80.79	88.29	148.00	148.00
Net Commercial Loss (with subsidy) Rs crore	(-) 885.19	(-)1261.25	(-)1291.06	(-)1707.99
Average agricultural tariff (Paise/Kwh)	220.00	255.00	255.00	255.00
Share of agricultural consumption (%)	4.12	3.28	3.17	3.18

6.5.5. Private Sector participation: No private sector project is under implementation in Jammu & Kashmir.

6.5.6. Baglihar HEP (450 MW) is a state sector Project with revised cost of Rs. 4000.00 crore. Rs. 1627.53 crore has been spent on the project up to July 2004. The State Government has proposed to meet the balance requirement of funds by raising loans of Rs. 1850.00 crore from various financial institutions and a **financial assistance of Rs. 630.00 crore from Government of India**. For an early completion of this long pending project, **Government of India has released Additional Central Assistance of Rs.300.00 crore in 2004-05. Another provision of ACA of Rs. 330 crore for the Project would be made in the Annual Plan 2005-06 for the State..**

6.5.7. Accelerated Power Development & Reform Programme (APDRP): Under the APDRP, the Central Government provides ACA to State Governments for improving power transmission on distribution systems. **The amount sanctioned/released/utilized under APDRP, as on 1st November 2004, is shown below:**

(Fig. in Rs. crore)

Project Cost	APDRP Cost	Released Amount	Counterpart fund	Utilisation
642.27	642.270 (100%)	200.50	NIL	45.26

6.5.8. Power Sector Reform: The State Government has recently set up one member State Electricity Regulatory Commission. The State power development department is to file its ARR. In this context, the State Government is consulting PFC to assist them in filing of the ARR.

6.5.9. Issues:

(a) The financial performance of the J&K PDD is very poor. The **commercial loss** for the next year (2005-06) is projected at Rs. 1833.00 crore as compared to **Rs. 1708 in 2004-05 (RE)**. The average tariff charged to the consumer currently is Rs 1.48 per unit as compared to average cost of supply of more than Rs.5 per unit. There is no proposal to hike the power tariff in the

next year The larger gap between average tariff and average cost of supply is because of the following reasons: -

i) Higher level of T&D losses in the system including theft of power.
ii) The energy billed is around 60% of the energy available. However, the revenue realized is around 70-75% of the billed amount.

(b) Transmission & Distribution losses of power in the State are projected to decline from a level of 47% in 2004-05 (RE) to 46% in 2005-06. Only 45% of the consumers have meters and most of these meters are non-functional. The State power development department has been putting all its effort to reduce the losses and bring it down to a desirable level. The initiatives taken so far include installations of meters at all 11 kV feeders and distribution transformer level. It also needs to install electronic meters at all consumers by the end of 2005-06, this way the level of distribution losses would come down considerably.

(c) Under APDRP, utilization of availability funds is very slow Appropriate steps should be taken to improve the situation.

6.6. Industry:

6.6.1. By the end of March 2002, there were 26 medium scale State Public Sector industries (employing 4919 persons), 452 functional industrial estates (with average daily employment of 4241 persons), 29578 registered Khadi and Village Industries/Co-operative Societies (employing 72309 persons), 20.43 thousand cocoon rearers (producing 7.07 thousand quintals of cocoon), handicraft production worth Rs. 765.94 crore with employment of 3.87 lakh persons, 87 handicraft training centers (imparting training to 725 persons), 443689 registered small scale industries (employing about 1.93 lakh persons). In addition, there are two Central Public Sector industries (HMT watch factory and Indian telephone Industries employing 787 and 206 persons respectively in 2000-01).

6.6.2. Industrial census of SSI in J&K (1998) revealed that out of 36510 SSIs, 13.26 % of the units were closed and 306 units (0.84%) were sick. Financial crunch, problems in marketing and availability of raw materials as well as disturbances were the main reasons for sickness. Sustenance of the

industrial growth in the State was mainly due to good performance in handicraft sector.

6.6.3. Against the expenditure of Rs. 253.16 crore in the 9th Plan, an outlay of Rs. 435.65 crore has been provided in the Tenth Plan and about 69% of it is for village and small-scale industries. Reported expenditure on industry & mineral sector during 2002-03 and 2003-04 were Rs. 62.69 crore and Rs. 74.40 crore respectively.

6.6.4. To promote industrial activities in the State, Government of India formulated a new industrial Policy with specified types of incentives and concessions in June 2002. To boost handicraft activities the State has emphasized training programmes, incentive measures, improvement in quality and design of handicraft products as well as their marketing facilities through organizing craft bazaars etc. Cluster approach is being followed for development of handicrafts. Regarding handloom development, over and above the State Programmes for training & directions, grants and promotional measures; a large number of CSS like marketing assistance, work shed-cum-housing scheme, assistance to weavers and their cooperatives are under implementation. Rehabilitation of sick units, establishment of DICs and the incentive package provided for development of small-scale industries thereunder are other important schemes.

6.6.5. Since the line of credit flow from SIDBI through SIDCO could not materialize due to poor financial health of SIDCO, the programme for revival of sick units could not take off. Opening of new SSI Unit has been slow due to conservative attitude of banks is providing credit facilities. Performance in Handloom and Handicraft sectors has been very good in recent years due mainly to the supports extended PM's package.

6.6.6. Since State has vast potential for development in the IT sector, the Government of J&K has chalked out policy measures for programmed development of the sector to boost employment opportunities for educated youth. Due support of training facilities under IT/BPO would be made available under the "Reconstruction Plan" for J&K announced by the Prime Minister recently.

6.7. Transport:

6.7.1. In the Tenth Plan, a provision of Rs. 1640.70 crore has been kept for the sector and 97.5% of it is for roads and bridges works. State Government is depending heavily on NABARD loan assistance for construction / upgradation of road works in the State. Reported expenditure during 2002-03 and 2003-04 on the sector is Rs. 241.56 crore and Rs.246.74 crore respectively. In the Annual Plan 2004-05, an outlay of Rs. 296.14 crore has been provided for the sector and about 98% is for development of Roads and Bridges.

6.7.2. Roads: By the end of Eighth Plan, total road length in the State was 21446 kilometres. As compared to all-India average of 74.9 kms., J&K has 9.7 kms of road length per 100 square kms. Road length per one lakh population in the State was 230.6 kms. as against national average of 258.3 kms. By the end of March 2003, State PWD maintained 14858 km. of road length. Under the Scheme **Central Road Fund** (100%), Ministry of Road Transport and Highways provides funds on reimbursement basis for development of State roads. Up to March 2004, 37 schemes with sanctioned cost of Rs. 111.45 crore have been taken up, out of which 6 projects have been completed and others are at various stages of completion. Allocation during 2004-05 for such projects is Rs. 27.43 crore.

6.7.3. As reported by the State Government, 2020 villages (52%) out of 3425 inhabited villages in Jammu Division and 2274 villages (80.7%) out of 2816 in Kashmir Division were connected by rural roads.

6.7.4. Out of 8774 habitations in the State, the Ministry of Rural Development has identified 2792 habitations for providing connectivity under **Pradhan Mantri Gramin Sadak Yojana (PMGRY)** and up to November 2004, 300 habitants have been covered by spending Rs.38.35 crore.

6.7.5. A large number of major and minor bridges in the Kashmir valley were damaged due to militant activities. In 1996, State Government identified 157 major and 244 minor bridges for reconstruction. Initial cost estimate for reconstruction works was assessed at Rs. 196 crore which has, reportedly, been escalated to Rs. 500 crore. So far, State Government has reconstructed 109 major and 128 minor bridges. It may be mentioned that the Government of Jammu & Kashmir has been provided earmarked ACA

through their Annual Plans for reconstruction of bridges. During the period from 1997-98 to 2001-02, Government of India has released a total amount of ACA of Rs. 263.73 crore.

6.7.6. Road Transport: As on 31-3-2001, out of total fleet of 398452 vehicles in the State, 19253 were buses / minibuses, By the end of 2003-04, the **Jammu & Kashmir State Road Transport Corporation (JKSRTC)** had a fleet of 681 buses and 33.5% of it was over-aged. With estimated load factor of 61%, bus-staff ratio of 7.25 and 84 lakh passengers carried, the **Corporation incurred commercial losses of Rs. 49.37 crore during 2003-04 (RE).**

6.7.7. Issues:

a. State Govt. should contain the revenue expenditure and stress on asset creation out of allocated plan funds for the sector.
b. Implementation of road development schemes funded through loan assistance should be strictly monitored.
c. Commercial viability of the SRTC needs to be improved by streamlining its administration and fare structure.

6.8. Tourism:

6.8.1. As estimated by the Government of J&K in its 9th Plan Document, 30% of the States' population is directly or indirectly connected with tourism activities subscribing 16% to its domestic product. Number of tourists visiting Kashmir, which was 5.04 lakh (including 0.4 lakh foreign tourists) in 1985, touched a bottom level of .085 lakh in 1995. Number increased to 0.73 lakh in 2001. **During 2002, 0.27 lakh tourist visited Kashmir Valley in addition to 1.41 lakh visited to Amarath Cave and 44.32 lakh visited to Vaishno Devi temple.**

6.8.2. Tourism in J&K has been declared an industry and special measures are being taken to revive tourism development works, which were affected adversely during the spell of militant activities. Central Government has also been extending requisite supports to the State Government. The **Jammu & Kashmir Tourism Development Corporation (JKTDC)** is increasingly gaining its strength to compete with the private enterprises. The

Cable Car Corporation at Gulmarg is also earning profit. In addition to development of tourism infrastructure, tourist spots etc. as a part of the revival programmes, Government of J&K is providing interests subsidy partially to hotel owners, shikara and houseboat owners and ponywalas. In the 10th Plan of Jammu & Kashmir, a provision of Rs. 225.00 crore has been kept for the sector. Reported expenditure on the sector during 2003-04 is Rs. 46.55 crore. Under Reconstruction Plan for J&K, special steps have been initiated to boost tourism activities.

6.8.3. Issues:

(i) Pace of Implementation of Centrally Sponsored Schemes should be geared up.

(ii) State Govt. should take up measures to enhance private sector investment in tourism related activities.

(iii) Emphasis should be laid on developing infrastructure facilities like improved transport and communication, residence and catering; development of sites for pilgrimage, adventure and rural tourism.

(iv) Appropriate Action Plans have to be drawn by the State Government for time bound execution of schemes under Reconstruction Plan.

6.9. Social Services:

6.9.1. Planned efforts of the State Government are directed onwards providing institutional / infrastructure support for improved social services, enhancement in efficiency of the available facilities and improvement in the provision of social services to the needy groups. In the Tenth Plan, an outlay of Rs. 4016.43 crore has been allocated for the sector and 34.0%, 19.8%and 25.2% of it has been provided for Education, Medical and Water supply sectors respectively. As against the expenditure of Rs. 637.12 crore in 2003-04, an outlay of **Rs. 769.17 crore has been provided for social services in 2004-05. This** includes Rs. 254.72 crore for General Education, Rs. 163.31 crore for Medical services and Rs. 165.08 crore for water supply and sanitation.

6.9.2. Pradhan Mantri Gramodaya Yojana (PMGY) is a set of programmes for sustainable human development at village level. Assured provision of primary education, primary health, rural shelter, rural drinking water and nutrition in the social services sector are the areas covered under PMGY. Rural electrification programmes have also been brought under PMGY. In the revised outlay for 2003-04 a provision of Rs. 180.00 crore has been earmarked. Annual plan 2004-05 provides Rs. 180.00 crore under PMGY.

6.9.3. Highlights of important social services are presented in the following paragraphs:

(a) Education:

6.9.4. In the Tenth Plan, a provision of Rs. 1366.12 crore has been kept for the sector including Rs. 637 crore for elementary education. Emphasis has been laid on the upgradation of schools, introduction of computer education and laboratory facilities for improving quality of education in higher classes as well as improvement in the facilities for technical education. In the Revised Annual Plan 2003-04, an allocation of Rs. 255.25 crore has been made for education programmes.

6.9.5. As per 2001 Census, **literacy rate** in Jammu & Kashmir is **54.46%** (second lowest followed by Bihar (43.57%) against the all-India rate of 65.38%. **Female literacy (41.82%)** is also lower than the national average of 54.16%. As in 2001-02, **Gross enrolment ratio in I-V** classes in J&K **was 90% (female 78%)** against the all India figure of 96% (female 87%). **Drop out rate in I-V classes was 30%** against all-India rate of 39%.

6.9.6. Other basic statistics regarding education sector in J&K as in 2002-03 are given below:

(i) Number of Institutions (2002-2003):	**J&K**	**India**
Primary Schools	10488	651399
Up. Primary	3976	245710
Secondary	1513	91517
Higher Sec. Schools / Pre-degree Junior Colleges	380	46137
Technical Industrial Arts & Crafts Schools (ITIs)	38	4647
Teacher Training Schools	14	1202
Polytechnic Institutes	12	1173
Universities	5	217
Deemed University	0	74
Institutions of National Importance	0	13
Research Institutions	0	81
Higher Education Institutions:	**125**	**13758**
Arts, Science & Commerce Colleges	73	9166
Engg, Tech. & Archtr. Colleges	4	978
Medical Colleges (allop. ayur. homeo, unani, nurs. Pharma.)	6	759
Teacher Training Colleges	8	873
Others (Law, Management, MCA/IT/Agri.)	34	1982

(ii) Number of Teachers (2002-2003):

	J&K (in Nos.)			India (in lakhs)		
	Total	Male	Female	Total	Male	Female
Primary Schools -	26339	16069	10270	19.08	11.64	7.44
Up. Pr/Middle -	36795	21272	15523	15.80	9.35	6.45
Secondary Schools -	25694	14642	11052	10.04	6.22	3.82
Higher Secondary -	10173	5934	4239	10.36	6.05	4.31
Higher Edn. Instns -	3958	-	-	4.36	-	-

(iii) Pupil Teacher Ratio (2002-2003):

Primary -	19	42
Up. Primary -	18	34
Secondary -	19	30
Higher Secondary -	25	35
Higher Education Institutions -	15	22

(iv) Percentage of Trained Teachers (2002-2003):

Primary -	61	86
Up. Primary -	69	87
Secondary -	75	89
Higher Secondary -	75	90

(v) Gross Enrolment Ratio (2002-2003)

(Classes I-V)	84.39	89.92	78.54	95.18	97.32	92.87
(Classes VI-VIII)	60.93	67.02	54.42	61.13	65.51	56.31
(Classes I-VIII)	75.25	80.97	69.17	82.43	85.36	79.24

(vi) No. of Girls enrolled per 100 boys (2002-2003):	**J&K**	**India**
(Classes I-V)	83	88
(Classes VI-VIII)	76	78
(Classes IX-X)	73	71
(Classes XI-XII)	66	69

(vii) Drop Out Rates (2002-2003):

- **Overall :**

(Classes I-V)	29.27	32.16	25.38	34.89	35.85	33.72
(Classes I-VIII)	30.14	32.25	27.30	52.79	52.28	53.45
(Classes I-X)	48.94	50.16	47.18	62.58	60.72	64.97

- **SC Students**

(Classes I-V)	25.72	35.44	11.15	41.47	41.13	41.91
(Classes I-VIII)	38.77	41.01	36.05	59.91	58.24	62.19
(Classes I-X)	70.89	72.53	68.58	71.92	69.74	74.93

- **ST Students**

(Classes I-V)	41.76	43.48	39.16	51.37	50.82	52.10
(Classes I-VIII)	76.14	73.79	79.29	68.67	66.86	71.17
(Classes I-X)	79.95	79.59	80.62	80.29	78.35	82.97

6.9.7. STRENGTHS/ACHIEVEMENTS:

(a) Elementary Education & Literacy:

Sarva Shiksha Abhiyan (SSA), a holistic National Programme for Universalisation of Elementary Education, is envisaged as a district-based programme where each district would prepare a District Elementary Education Plan (DEEP) to provide for all requirements for ensuring Universal Elementary Education by 2010 AD. State Government had submitted a project report for pre-project activities for all the 14 districts against which an amount of Rs.202.82 lakhs was released and Rs.48.08 lakhs was utilized unto March 2002. The balance amount of Rs.154.74 lakhs

was revalidated and released for survey works. During 2003-'04 as against the total allocation of Rs.77.53 crore (central 53.32; State 24.21) the State had utilized Rs.74.26 crore (96%), indicating that SSA had picked up in J&K. Under Elementary Education, 770 new primary schools are being set up; 974 primary schools are being upgraded to the level of middle school. Besides, 3300 EGS centres are also being opened. Free textbooks are distributed up to 8th Class. The admission age is reduced to 4 years from 6 years. Funds are provided for the Chief Minister's commitments for acquisition of land at Aru and Rajouri.

It has been noted in various studies conducted by Population Research Center/National Commission on Population that the birth rate among educated women is relatively lower and educated women have been availing more of antenatal health care/primary health care facilities. It has, therefore been decided that special efforts will be made to promote literacy among couples in the age group of 20-40 years. This is being promoted in Tenth Plan through non-Government of India guidelines. For all new institutions decided in District Development Board meetings held last years for institutions required for Universal Elementary Education will be provided. Reconstruction Plan for J&K provides requisite funds for specified time to enhance the standard of primary education system in the State.

(b) **Teacher Education**:

Under CSS of Restructuring and Reorganization of Teacher Education, 14 DIETs and 2 CTEs have been sanctioned to the State. Under the Scheme, non-recurring assistance amounting to Rs. 11.04 crore has been released for civil works and purchase of equipments in DIETs. An amount of Rs. 50.00 lakhs as first instalment was also released to State Govt. for strengthening of 2 State Institutes of Education (SIEs) at Srinagar and Jammu, which had been fully utilized. The release of the second installment of Rs. 50 lakhs has been requested. Besides, assistance is also provided every year for meeting recurring expenditure on staff salaries, training and extension programmes and contingencies. 14 DIETs and 2 Colleges of Teacher Education are functional in the State. Teachers for physical education are to be engaged on *Rehbar-i-Teleem* style on consolidated wages. The selection will however be at block level instead of village level.

(c) **Secondary Education & Vocationalization:**

Upgradation of schools, introduction of computer education, and laboratory facilities for improving quality of education in higher classes as well as improvement in subsidiary facilities have also been programmed. The Ministry of HRD has sanctioned an amount of Rs.971.40 lakhs for the purpose of implementation of the Vocationalization of Secondary Education Scheme in 270 Schools. Out of this, Rs.916.55 lakhs was released during 2000-2001 after adjusting the unspent balance of Rs.18.45 lakhs to introduce computer education in 232 Senior Schools against the sanction of Rs.1516.24 lakhs. 180 Upper Primary schools have been upgraded to the level of Secondary/High Schools against which staff has been created for 155 HS. Similarly, 142 High schools have been upgraded to the level of Higher Secondary Schools.

(d) **Technical Education**:

(i) Regional Engineering College (REC), Srinagar, was established in 1960 as a joint venture of the Central and the State Govts. An amount of Rs. 667.49 lakhs under the Plan and Rs. 2109.93 lakhs under non-plan has been released to the College from 1998-'99 to 2001-'02. During 2002-03, Rs. 147.50 lakhs under plan and Rs. 425.00 lakhs under non-plan has been released to the State Govt. The position of unspent balances as on 1.4.2002 is – Rs. 2445.62 lakhs under plan and Rs. 7855.72 lakhs under non-plan.

(ii) Funds are also provided for establishment of new polytechnic at Leh and Kargil. Funds for establishment of north university camp at Delina Technical Education have been provided. There is also a proposal to create 6 new ITIs. New trades are being introduced in the existing ITIs. The main thrust will be on taking care of deficiencies in infrastructure.

(e) **Higher Education:**

State Govt. has also drawn up programmes for opening new colleges and upgrading existing colleges. Programmes for opening new colleges and upgrading some colleges to meet local needs have also been drawn up. New PG courses are being introduced in various Colleges. Adequate funds have been provided for construction activity of new colleges. Under Reconstruction Plan, adequate provisions would be available fr specified times for construction activities in 14 Degree colleges in the State.

(f) **Youth Affairs & Sports and Art & Culture:**

Under YSS construction of sports stadium and play fields is provided for besides the implementation of NCC programme. Youth Hostel renovation will be completed this year. Under Art and Culture museum/monuments, libraries are maintained. It was decided that a special heritage protection-engineering cell will be created for carrying out conservation of old monuments in a proper way. An amount of Rs.13.33 crores is provided for WB aided polytechnic projects.

6.9.8. AREAS OF CONCERN:

- **Literacy & Adult Education:** State's literacy rate of 54.46% is third lowest after Bihar (47.53%) and Jharkhand (54.13%) as against all-India rate of 65.37%. Female literacy (43.00%) is also lower than national average of 53.67%. The State is still very slow in the literacy growth. The gender gap in literacy continues to be high at 23.60%. However, Total Literacy Campaign has been launched in 4 districts of Jammu, Udhampur, Rajouri and Kathua. In respect of districts Rajouri and Leh, an ad-hoc grant of Rs. 30 lakhs and Rs. 10 lakhs respectively was approved but the funds could not be released due to non-confirmation of State Govt's commitment to meet one-third share. As against Rs. 2.00 crore released by Central Government during 1996-97, Rs. 1.3 crore has been utilized.

- Literacy indices in the State are thus not satisfactory particularly regarding female literacy rate. State Govt. contemplates to improve literacy rate in the State to 62% by the terminal year of 10^{th} Plan (against 54.46% in 2001). However, the State Government should set up a more ambitious target to not only achieve the present all-India level but also to achieve the expected all-India level by 2006.

- Benefits under CS Schemes for augmentation of primary education facilities should be fully availed.

- Opting for vocational education programmes of short duration would be essential to enhance the opportunities for self-employment. State Government has programmes for introducing computer education at 10+2 level.

- **Mid-day Meal Scheme:** A quantity of 22163 metric tones of foodgrain was allocated during 2003-'04. However, the State Govt. has not reported any lifting of the foodgrain.

- Technical Education programmes in the State should be improved by providing the existing institutions with additional facilities to cater to the need of promising young students. State Government has been urged to assign priority to labour intensive activities for generating additional employment opportunities in the State.

- Private sector participation in education sector should be encouraged.

6.9.9. INTERVENTION STRATEGIES:

> **Elementary Education:** The State Government, instead of opening new schools at primary school level, should reconstruct the existing schools, which have been damaged due to militancy so that the cost on land purchase could be saved. As reported by the State Government, 111 new schools have already been opened and 41 Primary Schools have been upgraded to middle level (class VI). No upgradation from primary to middle and from middle to high is proposed. This is keeping with the policy of the government to lay emphasis on consolidation instead of expansion.

> **Secondary Education:** The State does not have regular and separate vocational streams, but offers vocational education as an optional subject. The coverage is, however, not adequate. Keeping in view the disturbed situation in the State due to militancy, this stream of education needs to be strengthened so that the youths get some sort of employment and do not indulge into anti-social/militant activities. The State has however proposed to improve the existing schools. Under secondary education, there is need for consolidation as most schools lack the basic infrastructure. It is, therefore, necessary that existing schools be improved by providing better classrooms, laboratories and libraries.

>**Technical Education:** At present the quality of technical and higher education is going down. The State Government has emphasized the need for consolidation/strengthening of the existing institutions by providing infrastructure facilities like building, staff, laboratories, etc. It has also

proposed restructuring of existing ITIs in the State. Polytechnic Institutions are proposed to be modernized by introducing new trades with the assistance from World Bank. The Polytechnics institutions in the State are modernized by way of introduction of new trades with the assistance of World Bank. There are 37 ITIs (18 in Jammu and 19 in Kashmir) in J&K: restructuring of existing ITIs shall be taken up for their consolidation.

>Other Resources: On recommendation of the 10th Finance Commission the Planning Commission granted Rs. 70.00 crore for providing facilities for upper primary schools, girls' education, and drinking water and toilet facilities. The 11th Finance Commission has not made any significant recommendation for the Education sector in the State. However, a grant of Rs. 3 crore has been recommended for Elementary Education (classes 1 to VIII) for the period 2000-05 for up-gradation and special problems.

(b) Health and Family Welfare:

6.9.10 As in 2000-01, J&K has 3738 medical institutions (comprising of 109 hospitals, 696 dispensaries, 360 PHCs, 256 sub-centres, 2 mobile medical units, 397 medical aid centers, 1729 Family Planning Centres and 189 other medical centers for control of T.B. S.T.D. and Leprosies, etc. With satisfactory level of medical infrastructure/institutional base, Jammu & Kashmir has been performing well in providing requisite health and family welfare facilities. The State has **already achieved the replacement level of fertility**. State's performance under **universal immunization programme and disease control programme is also satisfactory**. Demographic indices in respect of Jammu & Kashmir are presented below:

	CBR (SRS 2000)	CDR (SRS 2000)	IMR (SRS 2000)	SexRatio (Census 2001)	Sex Ratio 0-6 (Census 2001)	Decadal Growht Rate (Census 2001)
State	19.7	6.2	50	900	937	29.04
India	25.8	8.5	68	933	927	21.34

6.9.11. Tenth Plan Goals for Family Welfare sector in J&K is presented below:

Name of State/UT	Couple Protection Rate				Crude Birth rate		Total Fertility Rate		Infant Mortality Rate	
	Current Level NFHS-2		Expected Level 2007		Current level SRS 2000	Expected Level 2007	Current level SRS 1998	Expected Level 2007	Current Level SRS 2000	Expected Level 2007
	By Ster.	Spacing (Modern)	Perma nent	Spacing (Modern)						
India	35.5	8.0	50.0	15.0	25.8	21	3.2	2.3	68	45
State	30.7	11.1	40.0	18.5	19.7	17	NA	2.0	50	40

Name of State/UT	Neo Natal Mortality Rate		Safe Delivery		Ante Natal Care (3 ANCs)		Immunization	
	Current level NFHS-2	Expected Level 2007	Current level NFHS-2	Expected Level 2007	Current level NFHS-2	Expected Level 2007	Current Level NFHS-2	Expected Level 2007
India	43.4	26	42.3	80	43.8	90	42	100
State	40.3	30	23.4	75	66	80	56.7	100

6.9.12 National and state level goals for nutrition for the tenth plan are presented below:

State /UT	%Undernourished under age 3 years				Exclusive breastfeeding upto 6 months		Semisolid introduction at 6 months	
	Wt.for age below –3 SD		Wt.for age below -2 SD					
	Current Level	10^{th} plan goals	Current Level	10^{th} plan goals	Current Level	10^{th} plan goals	Current Level	10^{th} plan goals
INDIA	18.0	9.2	47.0	40.0	55.2	80.0	33.5	75.0
State	8.3	4.2	34.5	29.4	41.5	60.1	38.9	87.1

Source for current level: NFHS 1998-99

6.9.13. For providing this essential service on a sustainable basis through up-gradation and creation of additional infrastructure, an outlay of Rs. 796.66 crore has been provided in the Tenth Plan of J&K. In the revised Plan for 2003-04, a total provision of Rs. 156.96 crore for the sector includes Rs. 38.00 crore under PMGY.

6.9.14. Issues:

(i) Given the small size of the population, the low birth and death rates and substantial differences in the health indices between different sections of the State, it is imperative that an excellent reporting on delivery of health care services is built up along with disease surveillance and health management information system.

(ii) According to information provided in the Rural Health Bulletin, the State has a surplus of primary health care institutions but inadequate manpower. The State has 53 CHCs against a requirement of 49 but has sanctioned only 16 posts against 212; of these only 4 are in position. The State may adjust the specialists in PPCs against these vacancies. It has been reported that the State has 1700 sub-centres but only 41 ANMs. The ANMs required as per 1991 population norms is 1176 and the Department of Family Welfare will fund all 1176 ANMs.

(iii) To reduce the severe grades of under nutrition in children, it is necessary that all the children are weighed and children found to be severely under-weight are provided supplementary nutrition. The State should ensure convergence of services between health, family welfare and nutrition service providers at village, block and district levels.

(iv) State Government should emphasize the consolidation of the health infrastructure. Convergence of services of personnel in health, family welfare and nutrition sectors would be essential.

(v) It is essential that revenue expenditure on medical services is rationalized and increasing part of it is met out of additional services charges.

(vi) Sex ratio in the State is biased against women. Corrective steps need be taken.

(c) Water Supply:

6.9.15. State Government spent Rs. 487.34 crore on water supply and sanitation works during 9th Plan. In the Tenth Plan, high priority has been assigned to extension, augmentation and qualitative improvement in water supply and sanitation services and an allocation of Rs. 1011.86 crore has been made for the sector. During 2002-03, Rs. 136.75 crore has been spent. Likely expenditure during 2003-04 is Rs. 148.65 crore including PMGY fund of Rs. 82.48 crore.

6.9.16. Rural: As per the Rajiv Gandhi National Drinking Water Mission (RGNDWM) Report, the status of coverage of rural habitations with drinking water in J&K as on 1.4.2002 is as under:

Item	No. of habitations
Not covered (NC)	1709(15.28%)
Partially covered (PC)	3576(31.97%)
Fully covered (FC)	5899(52.75%)
Total	11184(100.00%)

6.9.17. Regarding implementation of the CSS of Accelerated Rural Water Supply Programme (ARWSP) the State is lagging behind.

6.9.18. Urban: By the end of 1999-2000, 94% and 47% of urban population has been covered under water supply and sanitation schemes respectively. Under Accelerated Urban Water Supply Programme **(AUWSP)** towns having population less than 20,000 (1991 Census), 4 projects with estimated cost of Rs. 7.67 crore are under implementation in J&K against which Rs. 4.51 crore has been spent up to June, 2001.

6.9.19. Issues:

(i) State Government should provide the status report on implementation of schemes under Rural Sanitation Programmes.

(ii) Govt. of J&K is not availing of the allocated Central Assistance for fully for the CSSs under the sector due mainly to under provision of the State's share and inadequacy of action plans.

(iii) State Govt. should provide regular feedback on utilization of funds for the Water Supply Schemes and the details of achievements of physical targets.

(d) Urban Development:

6.9.20. About 25 per cent of the population in the State live in urban areas of the State. Emphasis has been laid on the development of housing and infrastructure facilities like water supply sewerage, drainage, transportation facilities, generation of urban employment opportunities etc. Capital city

development projects, including development of Lakhanpur with HUDCO assistance, development of medium towns and slums, conservation of Dal Lake and implementation of Swarn Jayanti Shahri Rozgar Yojana (SJSRY) are the important schemes under implementation. State Govt. Is availing up-gradation grants for local bodies, Central Assistance for slum development as well as ACA for Dal Lake Development and share contribution for the CSS of SJSRY from the Centre.

6.9.21. State Government spent Rs. 215.72crore on the sector (including Rs. 87.75 crore for development of Dal Lake for which total ACA of Rs. 102.12 crore was sanctioned) during the 9th Plan. **In the Tenth Plan, a provision of Rs. 422.29 crore has been kept for urban development works.** As against an expenditure of Rs. 25.27 crore in 2002-03, the revised outlay for 2003-04 was Rs. 34.64 crore. This included central assistance of Rs. 21.27 crore (i.e. Rs.4.4 crore for development of urban infrastructure, Rs. 6.87 crore for slum development and ACA of Rs. 10 crore for Dal Lake conservation.

6.9.22. Issues:

(i) State Govt. should regularly monitor the implementation of the schemes financed by Central assistance.
(ii) Initiatives taken for strengthen urban infrastructure by availing the benefits of Urban Reform Incentive Fund (URIF).
(iii) State Government should intensify the pace of implementation of CSS Schemes (IDSMT), SISRY, Valmiki Ambedkar Area Yojana.
(iv) Mushrooming of ill-planned private housing colonies

(e) **Labour & Employment :**

6.9.23. Important dimensions of Employment and Unemployment situation in the State of Jammu & Kashmir are mentioned below.

- As per the 55th Round Survey of NSSO, the unemployment rate *(on CDS basis)* in the year 1999-2000 in the rural and urban areas of State of Jammu & Kashmir was 4.9% and 6.6%, which is lower than the All India average of 7.1% and 7.7% respectively.

- High incidence of unemployment among the youth and the educated is an area of concern at the national level as well as in all the States. In Jammu & Kashmir also, the unemployment among these two segments of population is high. (Annexure)

- It may be noted from the table enclosed that between 1993-94 and 1999-2000 the unemployment situation in the urban areas of the State improved. However, incidence of unemployment among the urban youth at 17.3% continues to be very high.

- There is a wide gender divide in the Work Force Participation Rate (WFPR). In the year 1999-2000, the WFPR (per 100 persons in population) among female was only 45, compared to 518 among male population. Consequently, the share of women in the work force is very low- only about 7%.

- The share of organized sector in total employment of the State is only about 7%. Almost all of organized sector employment of the State (approximately 95%) is in the public sector. Also, the rate of growth of employment in organized sector during the period of 1990s has declined significantly, both in public as well as private sector.

6.9.24. Task Force on Creation of One Lakh Employment/Self Employment Opportunities in Jammu & Kashmir : A Task Force on Creation of One Lakh Employment/Self Employment Opportunities in Jammu & Kashmir was set up under the Chairmanship of Cabinet Secretary with representatives from Central Ministries, State Government, Associations of Tourism, Trade and Industry. The Report of the Task Force was finalised in August 2003,which made sector wise recommendations for generating approximately 1.50 lakh employment opportunities over a period of two years. Sector wise employment opportunities to be created under different categories- self employment, wage employment and regular employment- were also quantified, along with distribution of additional employment across three distinct regions of the State, i.e. Jammu, Kashmir valley and Ladakh. The progress in implementation of the recommendations of the Task Force is being reviewed periodically at the level of Union Home Secretary.

(e) Social Welfare

6.9.25. Old age pension scheme, rehabilitation of victims of militant activities, scholarships to SC/ST students and implementation of Tribal Sub-Plan are some of the important social welfare programmes under implementation in the State. In the Ninth Plan, an amount of Rs. 101.57 crore has been spent on those welfare programmes. **A provision of Rs. 228 crore (including Rs. 70 crore for Nutrition programmes has been kept in the Tenth Plan of the State.** During 2002-03, Rs. 38.49 was spent. Revised outlay in the Annual Plan 2003-04 for the sector was Rs. 36.37 crore.

6.9.26. About 11% and 7.6% of the population in J&K belong to ST and SC communities respectively. There are 2.58 lakh beneficiaries under ICDS in J&K. Nutrition programme in the State is being implemented through 10325 Anganwari centers in 120 blocks in the State.

6.9.27. Issues:

(i) State Government should formulate monitorable SCP and TSP.
(ii) Education development Programmes for SCs/STs/OBCs in the State should be streamlined.
(iii) State Government should have a separate Department for effective implementation of welfare schemes for women and children;
(iv) Towards economic empowerment of women the State Government should give priority to skill development for gainful employment/self-employment;
(v) Reconstruction Plan includes a package for improving the performance of ICDS schemes. State Government should implement the package after drawing action plans;
(vi) Educational development programmes for SC/STs particularly of girls should be strengthened.

ANNEXURE- I

SELECTED GROWTH INDICATORS FOR JAMMU & KASHMIR

Item	Period	Unit	J & K	All India
1	2	3	4	5
Forest area/Total area	1999	%	9.2	19 39
Population	2001	Mln.No.	10.07	1027 02
-Decennial growth rate	1991-2001	%	29.04	21.34
- Sex ratio	2001	per thousand	900	933
-Literacy rate -total	2001	%	54 46	65.38
- Male	2001	%	65 75	75 85
- Females	2001	%	41.82	54 16
- Population Density	2001	No/Sq.Km	99	324
People below poverty line				
-- Combined	1999-2000	%	3 48	26 1
-- Rural		%	3 97	27 09
-- Urban		%	1 98	23 62
Villages electrified	Dec,2002	%	97 2	86 8

Annexure II

Sector Wise Approved Outlay & Expenditure- J&K

(Rs.crore)

Major Heads/Minor Heads of Development	10th Plan Outlay	AP 2002-03 Outlay	AP 2002-03 Expend.	AP 2003-04 Outlay	AP 2003-04 Expend.	2004-05 Outlay
1	2	3	4	5	6	7
I AGRI. & ALLIED ACTI	1507.80 (10.40)	246 75 (10.88)	215.15 (10.42)	237.12 (9.48)	241 13 (10.25)	267.26 (8.88)
II.RURAL DEVELOPMENT	374 10 (2.58)	60.89 (2.68)	56.75 (2.75)	57.76 (2.31)	60.03 (2.55)	73.09 (2.43)
III.SPECIAL AREA PROG.	771 87 (5.32)	121.20 (5.34)	117.43 (5.69)	129.88 (5.20)	125.78 (5.35)	290.66 (9.66)
IV.IRRIGN & FLOOD CONTROL	805 79 (5.56)	128.40 (5.66)	101.54 (4.92)	169.70 (6.79)	153.44 (6 52)	175.56 (5.84)
V ENERGY	2885 74 (19.90)	412.80 (18.20)	438 51 (21.24)	612.29 (24.49)	547.72 (23.29)	720.94 (23.97)
VI INDUSTRY & MINERALS	435.65 (3 00)	70.26 (3.10)	62.69 (3.04)	74.40 (2.98)	65.85 (2 80)	77.92 (2.59)
VII TRANSPORT	1640.70 (11.32)	242.30 (10.68)	241.56 (11.70)	239.48 (9.58)	246.74 (10.49)	296 14 (9.84)
VIII.COMMUNICATIONS	0.00	0.00	0.00	0 00	0.00	0 00
IX.SCIENCE,TECH & ENV.	36.19 (0.25)	5.76 (0.25)	5.71 (0 28)	6 14 (0 25)	5.42 (0 23)	6.89 (0.23)
X GENERAL ECO SERVICES	1734.91 (11.96)	314.04 (13.84)	162 03 (7.85)	225.98 (9.04)	172.98 (7.35)	292 42 (9.72)
XI.SOCIAL SERVICES	4016.43 (27 70)	604.39 (26.64)	571.96 (27 71)	686.68 (27.47)	637.12 (27 09)	769.17 (25.57)
XII.GENERAL SERVICES	290.82 (2.01)	61.71 (2.72)	90.99 (4 41)	60 57 (2.42)	95 90 (4 08)	37.98 (1.26)
GRAND TOTAL	**14500.00** (100.00)	**2268.50** (100.00)	**2064.32** (100.00)	**2500.00** (100.00)	**2352.11** (100 00)	**3008.03** (100.00)

Note : Figures in brackets are percentages to total.

IMMEDIATE

No. M-13048/13(KRL)/2004-SP(S)
PLANNING COMMISSION
(State Plans Division)

Yojana Bhavan, Sansad Marg,
New Delhi – 110 001.
Dated: December 16, 2004

Subject : Background note for discussions of Annual Plan 2005-06 of Kerala.

A background note for the meeting to be held between Deputy Chairman, Planning Commission and Chief Minister of Kerala at 3.30 PM on 20-12-2004 for finalisation of the Annual Plan 2005-06 is hereby circulated.

(B.C. Munda)
Director (SP-S)

Encl: As above

Planning Commission
Principal Advisers
Advisers
JS (SP)
Heads of Divisions

PMO
Director (Kerala)
Ministry of Finance
Joint Secretary (PF-I)
Deptt. of Expenditure,
North Block New Delhi
National Commission on Population
Member-Secretary

Copy to Private Secretary to :
Deputy Chairman/Minister of State/Members/Secretary

Copy also to :
Director (SP-Coordination)/Deputy Adviser (PC Division)/DA (MLP & Hill Areas)/
Protocol Unit/Information Officer

ISSUES LIKELY TO BE RAISED BY THE STATE

-the State is likely to seek additional allocation of market borrowings of Rs. 500 crs. As indicated by Deputy Chairman, we have indicated to Finance Ministry that we will be allocating an additional Rs. 2000 crs. of market borrowings and have made some allocation (Rs. 150 crs.) to Tamilnadu. This could be considered for Kerala too.

-the State is likely to seek one-time ACA of Rs. 250 crs. A request for Rs. 125 crs. for the current year is pending decision. A project that the State would like to promote under this head is a health mission in coastal areas covering basic minimum services for fishermen (Rs. 25crs.) This could be considered.

-since the State has promoted local bodies at the village level and is even operating RIDF through them, they find it difficult to get sanctions from NABARD on time and are seeking delegation of sanction authority to lower levels

-the State is also likely to seek extension of RSVY to more districts and inclusion within the rural health mission of GoI. This may not be justifiable as all districts of the State fall well within the 100 most advanced districts of the country.

ISSUES RAISED BY CM OF KERALA AT MEETING HELD BY DEPUTY CHAIRMAN AT BANGALORE ON 17.11.2004

EDUCATION

1) Provide Rs.400 crores to Rs.500 crores for midday meal scheme
2) Look at second generation problems like maintenance and quality

HEALTH

look at second generation problems like maintenance and quality.

AGRICULTURE AND AGRICULTURAL CREDIT

1) Cover cash crops (particularly for small and marginal farmers) in crop insurance, calamity relief and commercial bank lending.
2) Consult States before taking trade policy decisions that affect interest of their agriculturists.
3) Improve coordination among GOI commodity boards and between them and States.
4) Linkage between PRIs and commercial banks.
5) Preferential interest rates for agriculture as done earlier, since bank rates to agriculture today are higher than PLRs.
6) Make the price stabilization fund administered by the Commerce Ministry for plantation crops more effective.
7) Provide assistance for replanting in respect of plantation crops as there is a scheme today only for rubber.

SOCIAL SELCURITY

Extend assistance to 46000 applicants who are not covered but are entitled to aid under the Family Benefit scheme

URBAN INFRASTRUCTURE

Improve infrastructure in Thiruvananthapuram and Kochy.

EMPLOYMENT

1) Have a special fund for educated unemployed (for training) and promote micro-enterprises in informal sector using self help groups for marketing etc. similar to the idea now being mooted for rural business hubs covering the service sector.
2) Introduce monitoring system for employment.
3) Provide adequate funds for upgradation of ITIs

INDUSTRY

Encourage traditional industries using a cluster approach and focusing on integrated development.

GENERAL

1) Restructure CSSs with one local area program with broad departmental guidelines and an option for States on how to draw funds so that Plan Coordination division could perform its original function of providing flexibility to States (by identifying the Ministry to monitor the chosen programme) and good State ideas like widows pension and 40% of budget as untied grants to PRIs could be picked up at the Centre and by other States.
2) PRIs should be given greater role in all programmes but funds should be passed not be passed on to them directly by the Centre.
3) Restore one-time ACA for the State to last year's levels.

OTHER ISSUES SUGGESTED BY THE STATE IN SEPARATE DOCUMENTS

(1) Debt restructuring covering write off of dues on account of past Central assistance, Central assistance to be converted to grant, freedom to raise debt from market for all purposes including debt swap, reducing interest burden of loans from NABARD and FIs preferably through debt swap and modification of terms of availing of external aid.

(2) Write off of half the loan outstanding from NSSs and conversion of future assistance to 50:50 loan-grant over 5 years, starting with 10% grant in the first year; repayament liability of the Centre in excess of collection could be met through a Fund set up using principal and interest repaid by States, which could invest in high return and socially relevant projects – details could be worked out by an expert group.

(3) Restructuring the calamity relief fund.

(4) Special pattern of assistance for destitutes.

(5) Review of the identification method for BPL families by removing the ceiling fixed for States.

(6) Setting up a special fund for micro-enterprises run by the poor.

(7) A national health insurance scheme for the poor.

(8) Extension of wage employment programmes to distressed plantation workers.

(9) Expanding loan-linked housing schemes for the poor and routing them through panchayats.

(10) Low interest loans for SCs and STs.

(11) Expanding the national nutrition mission to all blocks

(12) Providing skill training for beedi workers.

(13) Support for solid waste management in rural areas.

(14) Vocational courses in technical institutions for young people.

(15) Restructuring AIBP by extending it to projects that can be completed in 2 years and releasing 75% as grant.

(16) Credit policy for homestead farms

(17) Planning from below for Eleventh Plan.

(18) Implications of the Supreme Court judgment on nutrition security.

(19) Revitalisation of the NDC and making NDC subcommittees functional

(20) Redefining the concept of backwardness.

(21) Revisiting poverty figures.

(22) Reducing duty on PCs.

(23) Setting up a special tourism zone.

STATE SPECIFIC CONCERNS

(24) Restructuring employment generation schemes to provide for educated unemployed.

(25) Revitalisation of traditional industries.

(26) Setting up a cashew board.

(27) Setting up a coordination system for commodity boards.

(28) Setting up agro-export zones for medicinal plants.

(29) Expanding the coconut technology mission to Rs.500 crores for the Tenth Plan.

(30) Setting up a national plantation development bank.

(31) Consulting States while formulating trade policies that affect them.

(32) Strengthening planning committees and upgrading the Kerala Institute of Local Administration.

(33) Strategy for revitalizing cash crops by a credit-cum-subsidy scheme for replanting through commodity boards and the Agriculture Ministry

(34) Inclusion of Kerala in Rural Employment Guarantee programme.

(35) Inclusion of districts from Kerala in RSVY.

(36) Relaxation of Planning Commission limit of two biotech parks for the country.

(37) Increase in PMGSY allocations.

(38) Incentive for institutionalizing panchayati raj.

(39) Providing support for the cultivation component of the bamboo mission in Kerala.

(40) Setting up a wing of NIFT in Kannur.

(41) Revamping NTC mills.

(42) Extending the golden quadrilateral to Kanyakumari, improving NH 17 and 49, upgrading national waterway 3, revamping Trivandrum national airport and developing an international airport there.

(43) Expanding the capital city development scheme to all capitals.

(44) Support for the following Central and State projects which will benefit the State.

- Vallarpadam international container terminal to be cleared.
- LNG terminal at Kochy for which land has been allocated and clearances obtained.
- Setting up a refinery power project at Kochy.
- Setting up an international standard ship repair facility at Kochy for which a project has been developed by Cochin Port trust.
- Setting up international bunkering terminal at Kochy.
- Opening an international convention centre in Trivandrum, declaring the Rajiv Gandhi center for biotechnology at Trivandrum as a national center of excellence, conversion of IITM Kerala into a national institute for advanced inter-disciplinary research and services in IT.

Planning Commission
(State Plans Division)

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Subject: Annual Plan (2005-06) – Kerala: Meeting between Deputy Chairman, Planning Commission and Chief Minister of Kerala.

I. BASIC INFORMATION

1.1 The southern State of Kerala has the highest Human Development Index in the country (.638 in 2001 well above the average of .472 for the country), as it is far ahead of other major States in basic health and education indices, although in terms of per capita income, it is a middle income nonspecial category State. The economy of the State is also fed through remittances from migrant skilled workers and professionals working outside the State as well as the country. Existing methods of computing GSDP on income accrual basis, therefore, are inadequate for recording trends in growth for a State like Kerala. In many ways, the State has special requirements and problems and has pursued its own growth and developmental path within the national economy.

Shares of Sectors in GDP / GSDP, per capita income & growth (2002-03)

Sector	Kerala (%)	India (%)	Anticipated growth rate of State -%	Anticipated growth rate of country -%
Primary	24.3	22	-4.38	6.8
Secondary	24.8	27.2	4.8	6.7
Tertiary	50.9	50.8	9.78	9.9
Growth in GSDP at 1993-94 prices	6.1	4		8.4
Per capita income (at 1993-94 prices)	11388	10964		
Growth in per capita income at 1993-94 prices	5.1	1.8		

A statement indicating selected basic information relating to the State of Kerala is given at Annexure I.

Kerala is a generation ahead of other Indian States as far as progress in social sectors is concerned. This has had its effect on the nature of developmental issues and problems faced by the State as well as its areas of concern. From the Plan point of view, the goals of major Centrally sponsored schemes operated by key departments and Ministries have been achieved or surpassed in Kerala and resources earmarked under these heads do not form a significant component of the State's budgetary inflows. DPEP/SSA, SGSY and SGRY and even the midday meal scheme are being operated by the State to cover the pockets if any of low development, but they do not address second generation problems confronted by the State to tackle which it is trying out several strategies and seeking its own solutions. On the rural development front, therefore, the major scheme of the State is its own women's self help group program, Kudumbashree, which is targeted at raising incomes of poorer households.

Kerala is most concerned with educated unemployment, not specifically unskilled rural unemployment. It requires schemes aimed at largescale training, support for small businesses, industrialization and service sector growth to prepare its youth for job opportunities within and outside the State and country The State has been leveraging fresh avenues opening out in areas like teaching, nursing and other care occupations. There is a case for promoting employment oriented training institutions like I.T.I.s on a large scale through external aid or other measures.

The demand for across-the-board higher education has to be fulfilled through quality institutions, but the State has not been very keen to attract private investment in technical education although the extent of private involvement at lower levels has been substantial; this needs to be discussed.

A large number of schemes in the State Plan are geared towards upgradation of existing institutions and schemes since the State has entered the

maintenance mode and demand for additional facilities has plateaued. The distinction between Plan and nonPlan is most amorphous in this State.

Given the above profile, the State would benefit most from a shift to normal Central assistance in lieu of Centrally sponsored schemes or allocation of funds under CSSs based on specific simple criteria with flexibility to use them at the State level. This could for example be done for tackling unemployment so that the State could use its allocation to fund training institutions and provide margin money support for low income individuals to take up self employment. On the agricultural front, also, there is a case to enable the State to use lumpsum amounts allocated for agricultural and horticultural development for formulating replanting or price support schemes as deemed necessary by the State.

The potential that exists for using the State as a laboratory for tackling anticipated second generation issues has not been exploited by Ministries and departments. There is a case for floating pilot projects in Kerala related to care of the aged or psychosomatic diseases, for example, so that institutional mechanisms and appropriate interventions are tried out for eventual use over the rest of the country when the need arises.

II. PLAN OUTLAY IMPLEMENTATION

Plan Outlay and Expenditure during the Tenth Five Year Plan
(Rs. crores)

Year	Approved (proposed) Outlay	Revised Outlay	Expenditure	% realisation (current prices)
Tenth Plan 2002-07	24,000.00$	-	-	
AP 2002-03	4025.00	3425.00	3982.17	98.93%
AP 2003-04	4430.00	3795.98	3657.10	82.55%
AP 2004-05	4852.03@	-	-	-
AP 2005-06 (proposed)	5300.00			

$ at 2001-02 prices.
@ resources originally identified of Rs 4929.67 crores were subsequently scaled down.

2.1 In the Tenth Plan period, so far taking approved outlay of 2004-05 into account, the State will realize only 48.3% of the Tenth Plan target, against 54% expected. The Tenth Plan estimate for the State was for growth of 6.5%, actual growth rates achieved were of the order of 4.8% in 2001-02 and 6.1% in 2002-03. Plan outlays have fallen from 4% to 5% of GSDP in the early nineties to 3% by 2001-02. The per capita Plan outlay at Rs.1393 (Rs.1160 if expenditure is taken) is higher than the all State average of Rs.1008 (Rs.896) and per capital Central assistance Rs.580 against an all State average of Rs.528.

PROPOSED OUTLAY FOR ANNUAL PLAN 2005-06

2.2 A note from FR division regarding resources for Plan financing for the current year has been sent separately. Proposed outlay for 2005-06 indicated in the draft Plan document is given in Annexure II

Developmental Agenda for 2005-06

2.3 Govt. of Kerala has specified the following priority areas for its Annual Plan for 2005-06:

- Improving production and productivity, maximum utilization of value addition opportunities and enhancing incomes in agriculture and allied sectors

- Rehabilitation of traditional industries through technology upgradation, capacity building, provision of common facilities and improved marketing through the cluster approach.

- Improving service delivery particularly in health, education, social welfare and the development of Scheduled Castes and Scheduled Tribes.

- Completion of schemes and projects that will bring benefit to the people in 2005-06 and State components of Central schemes which the State Government has taken up for clearance or approval by the Centre.

General priority areas of the Annual Plan would be:

- Generation of jobs – direct and indirect
- Reduction of poverty by full utilization of the community development society network put in place under Kudumbashree
- Upgradation and optimum utilization of assets already created
- Provision of minimum facilities in service delivery institutions
- Capacity building
- Improved governance with special focus on e-governance

Sectoral Highlights:

III. AGRICULTURE & ALLIED ACTIVITIES

3.1 Due to the high degree of urbanization and geographical conditions, net area sown is only 56.74% of the total geographical area, around half of which is sown more than once. The focus is basically on plantation crops and horticulture rather than on food crops (rice and pulses). Incomes earned from coconut, cashew, areca, pepper, tea, coffee, spices and rubber depend largely on international trends and developments. GSDP from agriculture and allied activities is also sensitive to the policies adopted at the national level vis-à-vis trade in agricultural commodities. WTO commitments and Free Trade Agreements have an impact on Kerala's plantation owners and these are matters that are of concern to the State government.

3.2 The small holdings and scattered homesteads of Kerala are suited for livestock based occupations, but fodder shortage due to pressure on land and poor breeds have constrained dairy development. Fishing continues to be a major income earner geared both to the domestic market (in the case of low value items like mackerel and sardines) as well as for export (shrimp and crabs). Development of fishing ports, equipping and upgrading fishing craft, maintenance of health and sanitary standards and marketing are important concerns.

3.3 During the Tenth Plan the strategy adopted for the development of agriculture and allied sectors laid emphasis on farming systems, watershed management, group farming, modernization of agriculture, restructuring agricultural extension, improved service delivery systems, value addition, integrated pest and disease management, promotion of credit flow to agriculture and micro enterprises, creation of disease free zone for cattle, stock upgradation, conservation and development of indigenous breeds, upgradation of infrastructure for marketing and quality control, development of inland fisheries, infrastructure development of fishing harbours, bio-diversity conservation and participatory forest management.

3.4 In the agricultural sector, even though the targeted growth rate was 3.05 per cent for the Plan period, the recorded growth rate was just 0.24 per cent in the initial two years. Farm commodity prices were at a low level in the initial years of the Plan period and are on a revival trajectory from 2003 onwards due to rise in international prices. However, prices of coffee and tea continue to be depressed. Future agricultural growth should accrue from improvements in productivity of diversified farming systems with regional specialization and sustainable management of natural resources (land and water) and effective linkages of production with marketing, agro processing and other value added activities.

3.5 The total outlay proposed for agriculture and allied sectors is Rs. 229.30 crores for the Annual Plan 2005-06 compared to Rs. 210.80 crores in 2004-05 exclusive of local body investment and RIDF. Details are given below :

Sl.No.	Sub Sector	Outlay for 2005-06
1.	Crop Husbandry	5751.00
2.	Soil and Water Conservation	666.00
3.	Animal Husbandry	4519.00
4.	Dairy Development	220.00
5.	Fisheries	2440.00
6.	Forestry and Wildlife	4084.00
7.	Food, Storage & Warehousing	75.00
8.	Agricultural Research & Education	2710.00
9.	Investment in Agril. Financial Institutions	500.00
10.	Cooperation	1500.00
11.	Marketing and Quality Control	465.00
	Total :	**22930.00**

Crop Husbandry

3.6 There are 22 schemes in the State sector (including Centrally sponsored ed schemes and 13 schemes under the macro management mode). Major schemes are included under macro management with a State share of Rs. 8 crores. There is 17% increase in outlay over the 2004-05 level. Infrastructure support for the development of paddy especially in problem areas of the State is proposed under RIDF. Thrust areas for crop husbandry are :

- Promotion of paddy production through group approach to bring fallow land under paddy cultivation through employment generation programmes with an output based incentive system in selected blocks.
- Rehabilitation of root wilt affected coconut gardens.
- Promotion of horticulture (fruits, vegetables, spices flowers and medicinal plants)
- Establishment of agri export zones for flowers and medicinal plants
- Strengthening the quality control system
- Modernisation of agriculture by establishing laboratories and restructuring old ones.
- Promotion of organic farming
- Focus on biotechnology for the production of tissue culture plants and organic inputs
- Promotion of value addition and hi tech innovative agriculture for providing employment
- Restructuring the extension system and expansion of the kisan network for disseminating information of regional relevance to enhance productivity and farm incomes
- Expanding schemes for urban agriculture in selected corporation areas with the support of residents associations
- Strengthening seed production programmes including seed authority
- Promoting micro irrigation in selected areas
- Establishing Krishi Bhavans and strengthening the functioning of those established at the Panchayat level for improved service delivery.

Soil & Water Conservation

3.7 There are 17 schemes in the following thrust areas

- Promotion of watershed development programmes in a participatory mode
- Soil and land resource inventory of paddy soils in a selected district
- Completion of delineation of agro ecological zones of all districts
- Application of space technology for the development of the State.

Animal Husbandry

3.8 There are 18 schemes. Farms under the sub-sector are proposed to be taken up for development under RIDF. Thrust areas for the Annual Plan are :

- Infrastructure development including research extension interface, application of modern technologies for dissemination of technologies, demonstration units and off campus training
- Disease free zone for cattle including infrastructure for the production of vaccines
- Promotion of conservation and development of indigenous breeds of animals
- Strengthening veterinary institutions in selected districts as model referral units
- Promotion of stock upgradation
- Expansion of special livestock development programme
- Development of farms as input supply and technology demonstration centers
- Adoption of modern technologies for disease mapping
- Strengthening laboratories for disease diagnosis
- Development of buffalos
- Promotion of backyard poultry through women's groups.

Fisheries

3.9 The total outlay for the sub-sector is Rs.24.4 crores. There are 26 schemes with 11% step up in allocation over the 2004-05 level. A major increase is proposed for the development of fishing harbours and social infrastructure under RIDF X. These projects are proposed for the first time for support under RIDF.

Thrust areas for the Annual Plan are :

- Development of inland fisheries and aquaculture through an integrated approach
- Conservation and management of fisheries resources
- Modernisation of fishing harbours and landing centers including infrastructure development.
- Development of rural infrastructure for the development of the sub-sector
- Promotion of social and livelihood security including model village development schemes
- Promotion of the income security of fisher folk through micro enterprises.

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Forestry and Wildlife

3.10 The outlay earmarked for the sector is Rs.4084 lakhs. There are 19 schemes. Schemes for the development of infrastructure are proposed under RIDF The thrust areas are :

- Management of natural forests
- Promotion of participatory forest management
- Promotion of medicinal plant conservation and development
- Conservation of mangroves and sacred groves
- Promotion of participatory habitat forestry through village panchayats
- Biodiversity conservation including conservation of birds
- Application of the Forest Management Information system and GIS for forest management.

Agricultural Research & Education

3.11 The Kerala Agricultural University started functioning in 1972 and has at present ten colleges, 26 research stations and five Krishi Vigyan Kendras spread all over the State. Support for the new Veterinary College at Pookode is included in the outlay.

Other Agricultural Programmes

3.12 Grading of agricultural commodities under Agmark is done in 10 State laboratories and 14 private laboratories. Coconut oil, gingelly oil, honey, ground spices, curry powder and ghee are the commodities brought under the purview of the scheme.

3.13 The State Government set up a Price Stabilisation Fund in 1994 as a revolving fund to advance assistance to procuring agencies for the procurement of agricultural commodities on the recommendation of the State Agricultural Prices Board.

3.14 There is also Market Intervention Support for Price Stabilisation to launch procurement operations in paddy through Primary Agricultural Credit Societies, Group Farming Samithies / Farmers Organisations during harvesting seasons by providing incentives to procuring agencies based on terms and conditions prescribed by government.

IV. RURAL DEVELOPMENT

4.1 The State draw on major CSSs and has its own programmes like Kudumbashree. Under SGSY, it is proposed to cover 30% of the rural poor in each Block Panchayat in the Tenth Plan period. It is proposed to assist 40,128 families in 2005-06. Under the scheme, assistance will be provided to the ongoing three special projects at Alappuzha, Kozhikkode and Malappuram and any special project that may

be sanctioned in the ensuing financial year for implementation through any agency or department.

4.2 Under Indira Awas Yojana (IAY), it is proposed to assist 47,000 households in 2005-2006

4.3 Under Sampoorna Gramin Rozgar Yojana (SGRY), the target fixed in 2005-06 is generation of 120 lakh mandays of employment for the rural poor.

4.4 The major programme of the State is the Kudumbashree programme for which Rs.60 crores have been provided in 2005-06. The State Poverty Eradication Mission implements this programme by organizing the poor by creating community based structures of women below the poverty line with focus on self help, demand-led convergence of available services and resources under the leadership of local governments. At present, there are 130,672 neighbourhood groups, 13,187 Area Development Societies and 991 Community Development Societies functioning throughout the rural system in the State with a coverage of 2648011 BPL families The thrift and credit societies functioning in neighbourhood groups have mobilized thrift to the tune of Rs.340.06 crores and disbursed Rs.648.36 crores as loan to members. Key components are :

- Enabling minimum infrastructure, setting up micro enterprises and capacity building.
- Providing high quality support services for the design and implementation of self employment ventures
- Setting up Challenge Fund to support pro-poor policies of local governments, a Technology Fund to support transfer of technology relevant for poverty reduction, an Innovation Fund to support path-breaking innovations in poverty reduction and a common Revolving Fund to provide seed capital for micro enterprises
- Expansion of Ashraya – a Destitute Identification, Rehabilitation & Monitoring Project which was launched in 2002-03 in 101 Village Panchayats and later expanded to 78 village panchayats in 2003-04 It is expected that the programme will be universalized in the next two years
- Generating jobs for educated youth.
- Hiring young professionals to work in district missions for one or two years on the payment of an honorarium

4 5 The policy decision taken to hand over the single village water supply scheme to Village Panchayats could not be implemented for more than five years due to certain technical reasons. Now it is proposed to effect the transfer in a phased manner through a process of planned transition to be managed by the Kerala Rural Water Supply Agency. Rs.15.10 crores have been provided for :

- Study of existing schemes
- Holding consultations with stakeholders for takeover

- Utilising the services of local organisations / local experts to assist in the transition
- Rehabilitation and rejuvenation
- O&M after takeover of schemes by Village Panchayats till handing over to beneficiary groups
- Staff support to the KRWSA to cope with additional work burden
- Preparation of a transition management plan for all single village water supply schemes in the State.

4.6 The Attappady Environmental Conservation and Wasteland Development Project (Externally Aided Project) has an outlay of Rs.38.04 crores.

4.7 The objective of the project is eco-restoration of degraded lands in Attappady, development of replicable models of participative eco-restoration and promotion of a sustainable livelihood for local people in harmony with locally available resource with special emphasis on tribal population. This project is assisted by the Japan Bank for International Cooperation. The project cost is Rs.219 crores, of which external assistance is to the tune of Rs.177 crores. Attappady Hills Area Development Society is implementing this project.

4.8 This project aims at afforestation, the production of seedlings and fencing posts, conservation of forest land and check dams, construction of counter bunds, drainage canals, pits & structures and employment generation.

V. WATER RESOURCES

5.1 Although the State receives 3000 mms.of rain (of which 60% is from the two monsoons) nearly 40% of available water resources is lost as run off. Annual fresh water withdrawals in Kerala is 71% for agriculture, 11% for industry and 18% for domestic purposes. Utilisable resources are around 42 billion cubic metres against a requirement of 49.7 bcm. The ultimate irrigation potential of the State is 25 lakh has (gross), of which 16 lakhs are through major and medium projects. Only 4.47 lakh has.of gross potential has been created (of which 2.29 lakh has.are on major and medium irrigation).

5.2 Issues mentioned in the economic survey of the State are:

- setting up river basin organizations in 5 major river basins-Chaliyar, Bharathapuzha, Periyar, Pamba and Achankovil.
- introduction of participatory irrigation management through water users' associations after taking up two pilot studies in Neyyar and Malampuzha.
- promotion of rain water harvesting
- the government has passed the Irrigation and Water Conservation Act in 2003
- setting up a dam safety organization to watch over the 18 irrigation dams.

5.3 68% of the investment made under Plans (up to first year of Tenth Plan)- Rs. 2220 crs. has been on major and medium irrigation and 18 projects (includingChimoni-Mupli, Pazhashi, Kankkankadavu and Kanjirapuzha) have been completed. Kallada, Muvattupuzha, Karapuzha and Idamalayar are among 8 projects, costing Rs. 2609 crs. with a total potential of 221000 has.that are not complete. Rs. 1357.7 crs. have been spent on them up to the Tenth Plan. Under AIBP Rs. 59.06 crs.have been sanctioned to the State for Kallada and Muvattupuzha projects. 6 projects are proposed to be completed during the Tenth Plan. The National Hydrology Project is assisted by the World Bank (Rs. 35.97 crs.) with a surface and ground water components. It was meant to be completed by March 2002. The cost has now been reduced to Rs. 29.54 crs.and completion time extended.

5.4 Minor irrigation was promoted in the Ninth Plan through local bodies, support from the EEC and Dutch and RIDF assistance from NABARD. All MI works are vested with PRIs (works benefiting an area less than 15 has.) Farmer involvement to the extent of 20% is mandatory with O&M being borne by farmers.

5.5 Net groundwater availability is 6229 million cums against a replenishable resource of 6840 mn cum. Gross draft is 2693 mn cums and net availability for future use is 3536 mn cums. 15 blocks are overexploited, critical or semi-critical and 33 show 70% and above development
- preparation of a master plan for revival and rehabilitation of local water resources.
- the Ground Water (Control and Regulation) Act of 2002 has set up an authority and a master plan has been prepared

5.6 Points relating to water resources mentioned in the discussion note prepared by the Kerala government at the meeting of southern Chief Ministers at Bangalore on 17/11/2004 are:
- the State has the least coverage of protected water supply among States (60%). A Japanese aided water supply project aims at covering 20% of the population, generally in urban areas. Full coverage would require almost Rs. 5000 crs.
- construction of medium and major irrigation projects and simplification of AIBP guidelines necessary

5 7 Flood water management and coastal zone development are other issues

Sub-sector-wise outlay for 2005-06 (Rs lakhs)

Sl.No.	Sub-sector	Outlay for 2005-06
1.	Major and medium irrigation	12667.00
2.	Minor irrigation	1110.00
3.	Command Area Development	705.00
4.	Flood control	35.00
5.	Coastal Zone management	539.00
	Total	**15056.00**

5.8 Out of the 8 major and medium projects, 2 are under AIBP. During 2002-03 and 2003-04 Rs.5.67 crores and Rs.31.00 crores were released to the State as AIBP assistance. For 2004-05, against a ceiling of Rs.20.00 crores, no amount has been released so far. The Ministry of Water Resources has assessed that Kallada and Muvattupuzha AIBP projects can be completed in the Tenth Plan.

5.9 The State has no ongoing EAPs in irrigation sector.

WATER SUPPLY

5.10 78% of the population have access to water supply and 75% to sanitation facilities as against the all India coverage of 89% and 63% respectively. Kerala has 9763 habitations of which 7651 are partially covered (1.4.2004). It has 867 habitations affected by water quality problems like fluoride, salinity, etc. These are major issues since providing drinking water is an NCMP item as well as a monitorable target of the Tenth Plan.

5.11 Urban water supply coverage of the State is below the ail India average. Service levels are also poor. With drawdown of ground water in recent drought affected years, water supply in urban areas has become a matter of concern. The State is availing of funds provided under Centrally sponsored schemes like the Accelerated Urban Water Supply Scheme and introducing water conservation and water harvesting measures.

5.12 Kerala has an ongoing EAP in the urban water supply sector, the water supply project for Trivandrum, Kozhikode, Pattuvam, Meenad, Cherthala and adjoining villages aided by JBIC at an estimated cost of Rs.901.15 crores. It began in June 1997 and is slated for completion by June 2006. In the rural sector, there are two projects, one aided by the JBIC and another by the World Bank. The World Bank aided project has an estimated cost of Rs.413 crores and is going on since January 2001 It is slated for completion by December 2006 The JBIC aided project, estimated to cost Rs.1787.45 crores has been on since September 2003. It is slated for completion by August 2007. Up to March 2004, only Rs.9.47 crores had been reimbursed

VI. POWER & ENERGY

6.1 The power sector is characterized by a high share of domestic consumers (21% of total energy consumption) who are unwilling to bear high tariff levels. Sluggish industrial growth has reduced the scope for cross subsidization of domestic and agricultural consumers through higher tariffs on commercial and industrial units The installed capacity of the State is 7979 mws but 2/3rd is from thermal sources, as exploitation of hydel potential is severely constrained by environmental concerns. T&D losses are high (33%) even though all consumers are metered The State has set up a regulatory commission in November 2002 but it has not gone in for unbundling although an MOU has been signed with the Power Ministry to undertake reforms. The State has

utilized Rs 167.54 crores out of Rs.175.18 crores of project related assistance released under APDRP so far. The revenue gap of the electricity board is estimated to be Rs 958.78 crores in 2004-05. The level of tariff recovery is estimated to be 71%. Billing and revenue collection are being computerized.

Plan outlay for 2005-06

(Rs. lakhs)

Agency	Amount
K S E B	75000.00
K S E R C	160.00
A N E R T	500.00
I R E P	500.00
E M C	85.00
Meter Testing & Standard Laboratory	35.00

VII. INDUSTRIES & MINERALS

7.1 Indusxtrial growth has been stagnant due inter-alia to organized labour and high wage and benefit demands. The State Government has been concentrating on provision of infrastructure to stimulate private sector investment. It has started modernizing and restructuring industrial enterprises guided by commercial considerations Engineering units are setting up base to produce tools, parts, cables, watches, machine parts, metal foundry and ship repair parts.

7 2 Kerala has a comparative advantage in the production of rubber, coconuts, cashew and spices Along with its long coastline and sea food, there are opportunities in the agro and food processing sectors Being the only State with twin submarine cable landings, 100 per cent digital exchanges and a large pool of skilled manpower, the State has many strengths for foreign investment

Plan outlays for 2005-06

Village & Small Industries

(Rs lakhs)

Small-scale Industries	3334 00
Handloom & Powerloom	1603.00
Handicrafts	220.00
Coir Industry	1726.00
Khadi & Village Industries	385.00
Sericulture	250 00
Cashew Industry	200.00
Total	**7718.00**

Medium and Large Industries

	(Rs. lakhs)
Kerala Financial Corporation	1300.00
Kerala State Industrial Development Corporation	2600.00
Kerala Industrial Infrastructure Development Corporation	1000.00
Investment Subsidy	550.00
Centre for Management Development	10.00
Kerala State Export Trade Development Council (Kerexil)	30.00
Management of SLPE Reforms – RIAB/ERC	50.00
MGP Schemes	5007.00
TOTAL	**10547.00**

Information Technology

	(Rs. lakhs)
Kerala State Information Technology Mission	1500.00
Indian Institute of Information Technology and Management – Kerala (IIITM-K)	300.00
Land Acquisition and Infrastructure Development under IT for Technopark / Infopark	2300.00
MGP Schemes	250.00
TOTAL	**4350.00**

7.3 Handlooms, mining, coir, sericulture and food processing are industries which have potential in Kerala apart from information technology and electronics.

VIII. TRANSPORT

8.1 Road, rail and airport development hold the key to Kerala's growth The State has developed international airports to meet the needs of migrant workers and professionals as well as of tourists. The road density of the State is 3.56 kms./sq.km. which is much higher than the all India average of .91 km. and 434 kms./1 lakh population against the all India average of 299 kms. Kerala has a total road length of 145704 kms. of which 45249 kms. (31.05%) are surfaced. A north-south high speed corridor is being planned extending over 506. 5 kms.

Sector	Annual Plan (Rs. lakhs) 2005-06
Roads and Bridges	61887.00
Road Transport	740.00
Other Transport	1005.00
Total	**63632.00**

8.2 The Kerala State Road Transport Project is a World Bank assisted project which envisages upgradation of 584 kms. of road and maintenance of 1143 kms. of State highways and major district roads. Upgradation of 93 kms. of inland canals will also be undertaken under the project.

8.3 The Kerala Road Transport Corporation is doing well in physical performancebut financial results have been affected by increase in interest rate, tax payment liability and operating expenditure. The Corporation is operating some uneconomic routes and granting concessions to students and the physically handicapped The performance of the corporation is as under:

	2001-02 (Actual)	2002-03 (LE)	2003-04 (Est.)
Net loss (Rs crores)	160.87	146.60	117.10
No. of buses at the end of the year	4155	4155	4155
Fleet utilization (%)	76.78	85.00	90
Vehicle productivity (Km) per bus per day	345.00	345.00	345
Load factor (%)	80.50	81 50	82
Bus staff ratio	7.90	5.95	5 52

Ports & Lighthouses

8.4 The State has 13 minor and 3 intermediate ports. Development of ports orts requires huge capital investment. The government has invited private investors to come forward for developing some ports. In 2005-06 it is proposed to modernize the ports deptt., acquired land for providing rail/road connection in selected ports, develop the Alappuzha port as a tourist destination and smaller ports of Baypore, Azheekal, Kayamkulam and Munambam.

Inland Water Transport

8 5 The State water transport deptt is undertaking water transport operations ons in water logged areas of the State. Boat services are operated in the inland canals of the State especially in the 4 districts of Alappuzha, Kochi, Kottayam and Ernakulam. Operation of boat services are running into loss due to high operational expenses,

outdated boats and low fares charged by the water transport deptt. The State government proposes to take up an inland canal scheme to be jointly developed as Centrally sponsored and State sector scheme.

Tourism

8.6 The State has been exploiting its natural and cultural wealth to promote tourism and increase employment and income. Medical, avian, cultural and heritage tours are being tied up with domestic and foreign operators and private and public investment has been made to provide quality accommodation and services. Eco tourism can also be encouraged in Kerala.

8.7 The Tenth Plan outlay for tourism is Rs.826 crores. Outlays for different agencies are given below :

(Rs. lakhs)

Sl.No.	Name of Agencies	Annual Plan Outlay 2005-06
1.	Deptt. of Tourism	6849.00
2.	KTDC	1.00
3.	TR(K)L	300.00
4.	BRDC	200.00
5.	KITTS	75.00
	TOTAL	**7425.00**

IX. EDUCATION

9.1 Issues facing the State in education are related to surplus teaching staff, demand for higher education, developing courses with employment potential and coverage of the few pockets with dropouts, out-of-school children and illiterate adults There is a predominance of private aided schools in the State. Due to sharp fall in the rate of growth of the population there has been reduction in the number of students in schools. Dropout rates at all levels and among all groups is very low (around 1% generally). Higher education is availed of by a large proportion of the State's population. Expenditure on education is between 3% to 4% of the GSDP of the State Educated unemployment is a major issue leading to outmigration.

9.2 About 94.39% of the rural population is served by primary schools/sections within a distance of 1 km and 97.96% within a distance of 2 kms. 96.2% of the rural population is served with an upper primary school/section within a distance of 3 kms Enrolment in schools stood at 52 lakhs in 2001. The gross enrolment ratio using the projected school age population stood at 102% for the high school age group in Kerala

9.3 Out of a total of 14 districts in the State, 6 districts are implementing the DPEP programme (Wynad, Palakkad, Idukki, Kasargod, Malappuram and

Thiruvananthapuram). The second phase of DPEP being implemented in Palakkad, Iduki and Thiruvananthapuram will come to an end by June, 2003. Teachers are almost 100% trained. The State is paying great attention to improvement in the quality of education and teachers training. All trained teachers have received two years of pre-service training; while at the block level, Block Resource Centres have developed into highly professional institutions, DIETs have remained weak. The 13th Joint Review Mission of the DPEP in its latest report has given suggestions for improvement of DIETs in the State

9.4 While the teacher pupil ratio is 1:45 for the State as a whole, in the DPEP districts it is 1:29. The State has been implementing the minimum levels of learning programme since 1992-93 In DPEP districts, it has recorded successful achievement under the Terminal Assessment Study (TAS). Under the DPEP programme, while levels of enrolment have been high, there are a significant number of out of school children Multi-grade learning centers have been set up to impart education to out of school children, especially working children. In DPEP districts, the IED Programme has been giving considerable attention to integration of children with disabilities into school. The State Government is implementing the Pratibha Sangamam Programme for quality enrichment in non-DPEP districts.

9.5 SSA is in operation in all 14 districts. Only 2077 school children are to be enrolled There are 13801 out of school children in the State, of which 11724 are enrolled in 474 multi grade learning centers. Free textbooks are being supplied to girls and SC/ST students of primary and upper primary subject to a maximum of Rs.150 per child There are 413 schools without buildings. Civil works are proposed to be undertaken on a large scale in 2004-05 The total number of children with disabilities identified by the State is 89147 (1 99% of the total child population between 6 &14 years of age).

9 6 The first district wide total literacy campaign in the country was launched in in Ernakulum district of Kerala in 1990 which was declared the first literate district in the country that year under Operation Floodlight (launched in January 1989 and completed by February 1990) This became the model emulated by the rest of the country.

9.7 The Total Literacy Campaign became a mass movement in the State, with all districts being brought under the TLC/PLCs. These campaigns have been phased out and the Continuing Education Programme is being implemented in the State. Up to December 2001, 15 65 lakhs adults have became literate. However, there is a gap of nearly 7 percentage points between male and female literacy rates, which needs to be narrowed

9.8 At present, there are 932 higher secondary schools of which 416 are in the government sector, 508 in the aided sector and 8 in the unaided sector with an annual sanctioned intake of 174150 seats. There is enormous amount of idle capacity with excess teachers and protected jobs. Action proposed to be taken on this needs to

be considered. The number of students attending secondary schools is about 1.50 iakhs.

9.9 There are 375 Vocational Higher Secondary Schools, of which 247 are in government sector and 128 in the aided sector, with a total intake capacity of 25,000. There are 45 vocational subjects under 9 disciplines offered through 100 sections. Since more and more children are going in for higher education demand for vocational education is not high. Practical training offered under professional courses is meagre. With low industrialization and lack of development of ancillary industries etc., there is no accelerator/multiplier effect in the State economy, which could have provided more employment opportunities.

9.10 The State has introduced new college courses – bio-technology, polymer chemistry, travel tourism, e-commerce, environmental science, tissue culture, seed technology etc. Efforts are being made to modernize laboratories and libraries. Most of the affiliated colleges are in the private self-financing sector. Government is providing funds to colleges to improve basic facilities to facilitate accreditation.

9.11 There are 44 engineering colleges under the Cochin University of Science and Technology and one college each under the Calicut and MG Universities, 27 self-financing engineering colleges and one Regional Engineering College at Kozikhode. Annual intake of students in engineering colleges at the graduate level stood at 11,314 in 2001. There are 56 polytechnics. The annual intake of students in polytechnics was 9630 in 2000. Kerala avail of the Technical Education Quality Improvement Programme launched recently with World Bank assistance.

X. HEALTH & FAMILY WELFARE

10.1 On the health front, Kerala's performance in terms of outcomes is far ahead that of other States. 93% of all deliveries are in institutions compared to only 42.3% at the national level. The National Family Health Survey (1998-99) indicated that the neo-natal, infant and child mortality rates of the State were 13.8, 16.3 and 2.6 against 43.4, 67.6 and 29.3 respectively for the country as a whole. Caring for an ageing population and dealing with psychosomatic illnesses are special concerns for the State.

10.2 Kerala has been in the forefront of demographic and health transition in India. It is the first State to have achieved replacement level of fertility (1989). The State has low death rate, high longevity and low fertility achieved with relatively low public and private investment in health care in the State by the literate population. Now it is facing the problem of non-communicable diseases and trauma. Increase in health care needs of the population, the rising cost of health care and increased expectations of the population are other dimensions. There is very little difference in health indices between urban and rural areas and women outnumber men.

10.3 In family welfare, there is a need to evolve standard treatment protocols for common ailments, improve the logistics of supply of drugs and consumables and establish a system of universal screening of pregnant and lactating women and pre school children for health and nutritional problems. An appropriate referral system for care has to be developed if the ambitious goals of further reduction in infant mortality and fertility have to be achieved. Evolving and implementing appropriate quality control mechanisms is essential to take care of the overuse of diagnosis and therapeutic procedures, and the increasing use of invasive processes such as Caesarian sections which increase health care costs and have adverse health consequences. There is a need to ensure 100% immunization so that the State remains free of polio, tetanus, diphtheria and pertussis. Efforts have to be made to increase acceptance of vasectomy and improve men's participation in planned parenthood.

10.4 The State has relatively good nutritional indices. It is essential to ensure convergence of services between health, family welfare and nutrition service providers at village, block and district levels. Traditional systems of medicine, health insurance and leveraging strengths in training and supply of teachers and nurses are areas with great income and employment generating potential.

XI. URBAN DEVELOPMENT

11 1 The role of the State government in direct implementation of urban development schemes has come down sharply due to the introduction of the decentralized planning process in the State. In 2005-06, Rs.114 78 crores have been set apart in the urban development sector as below:

Sl No.	Name of Scheme	Outlay 2005-06 Rs. lakhs
1	Kerala Urban Devpt. Finance Corp.	100.00
2	Development Authorities	200.00
3	Int. Devpt. of small and med. towns	548.00
4	Modernization of slaughter houses	37.00
5	Capacity building of staff and apprentices in town and country planning	10 00
6	Computerization of Deptt of urban affairs	10.00
7	Geographical information system	10.00
8	Modernization of town planning Deptt	32.00
9	SJSRY	271.00
10	Infrastructure Devpt. Cell	10 00
11	National slum dev. Programme (Central Assistance)	1000.00
12	Initiatives for strengthening Urban Infrastructure – URIF (Central Assistance)	100.00
13	Research and Development in Selected Aspects of Human Settlement Planning and Development	22 00
14	Special Packages for Planning & Development of Selected Towns	8.00

15	Valmiki Ambedkar Awas Yojana (50% SS)	1000.00
16	Clean Kerala Project	500.00
17	Capital City Development Project	3618.00
18	Kerala Sustainable Urban Development Project (Externally Aided Project)	3000.00
19	Service Delivery Improvement in LSG and MGP	1000.00
20	Support to Solid Waste Management Plans of Local Governments under MGP	1.00
21	Introduction of a new Town and Country Planning Legislation under MGP	1.00
	Total (Urban Development)	**11478.00**

XII. WELFARE OF SCs, STs and OBCs

12.1 There are about 36 schemes in this sector which could be rationalized The total outlay proposed is around Rs.112.8 crores with substantial allocations for model residential schools (Rs.8 crores), postmatric hostels (Rs.5 crores) and a corpus fund under SCP (Rs.72.83 crores)

12.2 The last item is for providing financial assistance to unforeseen incidents happenings, relief, etc. focusing on :

- Human resources development including education and training
- Provision of basic needs like housing, drinking water, sanitation, electricity, health care and
- Economic development

12.3 Rs.38.46 crores have been provided for ST development with a similar corpus fund (Rs.6.35 crores) and Rs.10 crores for resettlement of landless tribals

12.4 A State level working group consisting of experts will do the scrutiny, appraisal and approval of project proposals. Two-thirds of the outlay will be allocated district-wise based on SC population and schemes from district committees

SOCIAL SECURITY & WELFARE

12.5 Major State programmes are equity to the Women's Development Corporation (Rs.2.1 crores) and Rs.20 crores for service delivery improvement in the department.

XIII. LABOUR & LABOUR WELFARE

13.1 Unemployment in Kerala, in general, among young people and the educated is a major concern. About 44 lakh persons are on the live registers of employment exchanges. The government also has several Welfare Funds for

unorganised workers which provide social security which are worth emulation all over the country

13.2 Employment services are provided through a network of three Divisional Employment Exchanges, 14 District Employment Exchanges, one Professional and Executive Employment Office, 58 Town Employment Exchanges, 6 Special Employment Exchanges for the physically handicapped, 2 coaching-cum-guidance centers, etc.

XIV. Rastriya Sam Vikas Yojana

14 1 The Backward Districts Initiative under the Rashtriya Sam Vikas Yojana (RSVY) was initiated with the objective of putting in place programmes and policies with joint efforts by the Centre and States to remove barriers to growth, accelerate the development process and improve the quality of life of people. The scheme aims at focused development programmes for backward areas to help reduce imbalances and speed up development. Identification of backward districts within a State has been made on the basis of an index of backwardness comprising three parameters with equal weights to each : (i) value of output per agricultural worker; (ii) agricultural wage rate; and (iii) percentage of SC/ST population. The number of districts per State has been worked out on the basis of incidence of poverty. The main objectives of the scheme are to address the problems of low agricultural productivity and unemployment and fill critical gaps in physical and social infrastructure

14.2 Rs.15.00 crores per year are to be provided to each district for three years (a total of Rs.45.00 crores per district). Funds are to be released to State Governments on 100% grant basis in suitable instalments linked with satisfactory progress of the District Plan. The State Government is to release funds received under the programme to a separate head created for the purpose under the District Rural Development Agency within 15 days of receipt. Failure to do so will lead to forfeiture of subsequent instalments and the funds released earlier being treated as a loan.

14.3 There is a High Level Committee at the Government of India (GOI) level chaired by Deputy Chairman, Planning Commission with Finance Minister, Minister of State for Planning, Chief Minister, Government of Bihar, Chief Minister, Government of Orissa and Secretary, Planning Commission as members. This Committee approves policies regarding initiatives of the RSVY, sets the reform agenda for State Governments and periodically conducts a review of the progress of the programme. There is an Empowered Committee at the GOI level chaired by Secretary, Planning Commission to approve District Plans, monitor and review programmes, have evaluations and mid-term appraisals conducted and attend to other matters relating to the operation of RSVY.

14.4 Each State Government has to set up a State Level Steering Committee chaired by the Chief Secretary with about five other members. Secretaries of the Departments of Finance and Planning, the Chief Executive of the District (Deputy

Commissioner or Chief Executive Officer of the Zila Parishad), the State Level representative of NABARD and an NGO could be members. In the case of districts affected by left wing extremism, this Committee will also include the State's Home Secretary. The Committee gets detailed district plans prepared and recommends them to Planning Commission for concurrence. It is also responsible for coordinating and ensuring synergy between departments and agencies as well as monitoring schemes. For each district the district plan is prepared by a District Committee chaired by the District Magistrate / CEO Zilla Parishad / Chairperson of the District Planning Committee with the District Superintendent of Police (in the case of Extremist-affected districts), District Forest Officer, local NGOs, other stakeholders, etc as members

14.5 For the year 2003-04, two backward districts of Kerala, namely Palakkad and Wynad have been selected under this programme and a grant of Rs.15 crore for Pallakad (two installments @ Rs.7.50 crore each) and Rs.7.50 crore for Wynad has been released by Planning Commission so far.

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ANNEXURE-I

BASIC INFORMATION KERALA - INDIA

Sl. No	Item	Unit	Year	Kerala	All India
1	2	3	4		6
1	Area	sq kms	2001	38,863	3,166,414
2	No. of Districts		2001	14	593
3	No of Blocks		2001	152	5550
4	No of Towns & Cities		2001	159	5161
5	No. of Villages		2001	1364	638588
6	Rural Population		2001	23,571,484	741,660,293
7	Urban Population		2001	8,267,135	285,354,954
8	Total Population		2001	31,838,619	1027015247
9	ST Population		2001	364,189	84,326,240
10	SC Population		2001	3,123,941	166,635,700
11	Population Density (Prov)		2001	819 32	324 85
12	Sex ratio (Females)	1000 Males	2001	1058	933
13	Total Fertility Ratio	%	1999	1 8	3 2
14	Crude Birth Rate	per '000	2002	16 8	25
15	Crude Death rate	per '000	2002	6 4	8 1
16	Infant Mortality Rate	per '000	2002	10	64
17	Population per doctor		1 1 2000	8057	
18	Population below poverty line	(%)	1999-2000	12 72	26 1
19	**Distribution of Employment**		2002	**100.00**	**100.00**
20	Primary Sector	%	2002	34 67	52 43
21	Secondary Sector	%	2002	15 63	10 87
22	Tertiary Sector	%	2002	49 70	36 70
23	**Literacy Rate- Total**	%	2001	90 9	65 49
24	Literacy Rate-Male	%	2001	94 2	75 3
25	Literacy Rate-Female	%	2001	87 7	54 28
26	Pupil Teacher Ratio (school level)	Ratio	2001-02	27 53	34 15
27	Gross Enrolment Ratio (Classes I to VIII)	Ratio	2001-02	90 16	82 35
28	School Dropout Ratio (Classes I to VIII)	Ratio	2001-02	0	54 65
29	**Districts with access to safe drinking water**	No of districts	2000-01	14	
30	100% access	5	2000-01	0 00	
31	80 - 99% access	12	2000-01	0 00	
32	60 - 80% access	8	2000-01	0 00	
33	40 -60 % access	2	2000-01	7 14	
34	20-40% access	2	2000-01	28 57	
35	0-20% access	0	2000-01	64 29	
36	Foodgrain Production	million tonnes	2001-02	-	212 04
37	Oilseed Production	million tonnes	2001-02	-	21 31
38	Sugarcane Production	million tonnes	2001-02	-	299 7
39	**Average size of Operational Holding**	has	1990-91	0 27	**1.41**
40	Marginal	has	1990-91	0 15	0 4
41	Small	has	1990-91	1 34	1 42
42	Semi-Medium	has	1990-91	2 54	2 73
43	Medium	has	1990-91	5 2	5 84
44	Large	has	1990-91	3 4	17 21
45	Area operated by the size groups (all holdings)	000 has	1995-96	1712	163357
46	Marginal	000 has	1995-96	912	28121
47	Small	000 has	1995-96	350	30722

ANNEXURE-I

BASIC INFORMATION KERALA - INDIA

Sl. No	Item	Unit	Year	Kerala	All India
1	2	3	4		6
48	Semi-Medium	000 has	1995-96	244	38953
49	Medium	000 has	1995-96	104	41398
50	Large	000 has	1995-96	102	24163
51	**Coverage of area under Irrigation**				
52	Wheat	%	1999-2000	-	87 2
53	Rice	%	1999-2000	59 7	53 9
54	Sugarcane	%	1999-2000	-	92
55	Oilseeds	%	1999-2000	-	25 2
56	Rail Density	Route Kms/'000 kms	Mar-03	27 02	19 22
57	Road Density	per 100 sq kms	1999	409 4	76 8

ANNEXURE II

	ANNUAL PLAN - 2005-06 : KERALA - PROPOSED OUTLAY		
			(Rs.lakhs)
Major/Minor Heads of Development		**Proposed Outlay - 2005-06**	
	1	2	
I. AGRICULTURE & ALLIED ACTIVITIES			
Crop Husbandry		5751.00	
Soil & Water Conservation		666.00	
Animal Husbandry		4519.00	
Dairy Development		220.00	
Fisheries		2440.00	
Forestry & Wild Life		4084.00	
Food, Storage and Warehousing		75.00	
Agricultural Research & Education		2710.00	
Agricultural Financial Institutions		500.00	
Cooperation		1500.00	
Marketing & Quality Control		465.00	
TOTAL - I		**22930.00**	
II. RURAL DEVELOPMENT			
A. Special Programmes for Rural Development			
(a) Swarnjayanthi Gram Swarojgar Yojana(SGSY)		2052.00	
Others - (DRDA)		230.00	
Sub Total		**2282.00**	
B. Rural Employment			
(a) Sampoorna Grameen Rozgar Yojana		2528.00	
(b) Others (incl.Indira Awas Yojana)		1895.00	
Sub Total		**4423.00**	
C. Land Reforms		203.00	
D. Other Rural Development Programme		25256.00	
TOTAL - II		**32164.00**	
III. SPECIAL AREA PROGRAMMES		1313.00	
TOTAL III		**1313.00**	
IV. IRRIGATION & FLOOD CONTROL			
Major & Medium Irrigation		12667.00	
Minor Irrigation		1110.00	
Command Area Development		705.00	
Flood Control (incl. Anti-sea erosion etc.)		574.00	
TOTAL - IV		**15056.00**	

ANNEXURE II

	ANNUAL PLAN - 2005-06 : KERALA - PROPOSED OUTLAY		
			(Rs lakhs)
Major/Minor Heads of Development		Proposed Outlay - 2005-06	
	1	2	
V. ENERGY			
Power Development		75000 00	
Non-Conventional Sources of Energy (incl. IREP)		1280 00	
TOTAL - V		**76280.00**	
VI. INDUSTRIES & MINERALS			
Village & Small Industries		7718 00	
Industries (other than V & SI)		10547.00	
Mining		52 00	
Information Technology		4350.00	
TOTAL - VI		**22667.00**	
VII. TRANSPORT			
Ports & Light Houses		1093 00	
Roads & Bridges		61887 00	
Road Transport		740 00	
Inland Water Transport		985 00	
Other Transport Services		1005.00	
TOTAL - VII		**65710.00**	
VIII. COMMUNICATIONS			
IX.SCIENCE, TECHNOLOGY & ENVIRONMENT		5000 00	
TOTAL - IX		**5000.00**	
X.GENERAL ECONOMIC SERVICES			
Secretanat Economic Services		21668.00	
Tourism		7425 00	
Surveys & Statistics		615.00	
Civil Supplies		833 00	
Regulation of Weights & Measures		50 00	
TOTAL - X		**30591.00**	

ANNEXURE II

	ANNUAL PLAN - 2005-06 : KERALA - PROPOSED OUTLAY		
			(Rs.lakhs)
Major/Minor Heads of Development		**Proposed Outlay - 2005-06**	
	1	2	
XI. SOCIAL SERVICES			
General Education		6552.00	
(a) Elementary Education & Literacy			
(b) Secondary Education			
(c) Higher Education			
Technical Education		6790.00	
Sports & Youth Services		1230.00	
Art & Culture		1575.00	
Sub Total		**16147.00**	
Medical & Public Health		9979.00	
Water Supply & Sanitation		58216.00	
Housing (including Police Housing)		7000.00	
Urban Development		11478.00	
Information & Publicity		500.00	
Welfare of SCs, STs & OBCs		16016.00	
Labour & Employment		1136 00	
Social Security & Welfare		3506.00	
Nutrition		10 00	
TOTAL - XI		**123988.00**	
XII. GENERAL SERVICES			
Stationery & Printing		355.00	
Public Works		3250.00	
TOTAL - XII		**3605.00**	
TOTAL - I - XII		**399304.00**	
Plan Assistance to local bodies		137500.00	
GRAND TOTAL		**536804.00**	

IMMEDIATE

No. M-13048/12/KRT/2004-SP(S)
PLANNING COMMISSION
(State Plans Division)

Yojana Bhavan, Sansad Marg,
New Delhi – 110 001.
Dated: January 18, 2005

Subject : Background note for discussions of Annual Plan 2005-06 of Karnataka

A background note for the meeting to be held between Deputy Chairman, Planning Commission and Chief Minister of Karnataka at 3.30 P.M. on 19.01.2005 for finalisation of the Annual Plan 2005-06 is hereby circulated.

(B.C. Munda)
Director (SP-S)

Encl: As above

Planning Commission
Principal Advisers
Advisers
JS (SP)
Heads of Divisions

PMO
Director (Karnataka)

Ministry of Finance
Joint Secretary (PF-I)
Deptt. of Expenditure,
North Block New Delhi.

National Commission on Population
Member-Secretary

Copy to Private Secretary to :
Deputy Chairman/Minister of State/Members/Secretary

Copy also to :
Director (SP-Coordination)/Deputy Adviser (PC Division)/DA (MLP & Hill Areas)/
Protocol Unit/Information Officer

Planning Commission
(State Plans Division)

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ISSUES RAISED BY KARNATAKA

REGIONAL IMBALANCE

1) GOI or Planning Commission to meet half the funding under the special development plan of Rs. 9600 crs. to be spent over 8 years, prepared by the government for identified areas of 12 backward districts.

EXPORT PROMOTION

At least 2% of the value of software exports should be taken into account for computing eligibility of a State for assistance under the ASIDE scheme.

PETROLEUM AND NATURAL GAS

The ONGC commitment under an MoU signed with the State government to set up an LNG terminal at Mangalore to be used for a petrochemical complex and a power plant at Bidadi must be honoured.

URBAN TRANSPORT

1) Planning Commission to support the metro project for Bangalore and help to obtain clearances from Railways and urban development departments – it requires 20% of equity support from the Centre.
2) Planning Commission to clear the commuter rail project for Bangalore with a third of the cost being borne by the Railways, urban development department and the State each.

FINANCING ISSUES

1) Write-off of debt incurred on budgetary and extra-budgetary commitments
2) Reset interest rates on outstanding Central loans at 6%
3) Pass on external aid to States on back-to-back basis
4) Review of Gadgil formula.

FOOD POLICY

Allocate Rs. 250 crs. more for PDS for additional below BPL families.

EDUCATION

1) Cover children in sixth and seventh standards under midday meal scheme
2) Centre-State sharing under Sarva Shiksha Abhiyan and assistance for secondary school education

ADMINISTRATIVE REFORMS

1) E-governance

AGRICULTURE AND AGRICULTURAL CREDIT

1) Write off interest and penal interest on agricultural loans incurred in last 3 years

2) Increase coverage of crop insurance and extend last date for payment of premium by nonborrowers
3) Release Rs. 400 crs. from the Centre as onetime assistance to State's price stabilization fund set up to make advances for agricultural procurement
4) Promote watershed development by rationalizing existing schemes
5) Provide credit at viable interest rate to avoid suboptimal input use and low productivity
6) Support value addition, food processing and market infrastructure
7) GoI additional assistance to be reform linked
8) Price support for dry crops
9) Recapitalise cooperatives with interim assistance of Rs. 500 crs. pending receipt of the recommendations of the Vaidyanathan Committee

IRRIGATION

1) Extend AIBP to minor irrigation, make it a grant at least up to 50%, or reduce interest rate and cover command area development
2) Permit utilization of NABARD assistance for major irrigation projects
3) Implement the Naidu Report on micro-irrigation
4) Build micro-irrigation expenditure into new irrigation projects, design canal systems to discharge water only for light irrigated crops and punish violations of cropping pattern
5) Completion of pending irrigation projects

URBAN INFRASTRUCTURE

1) Provide assistance for infrastructure development covering flyovers, metro rail (Rs. 5000 crs.), commuter rail to feed metro rail, connecting road from international airport (Rs. 2000 crs.) etc. requiring support to the extent of Rs. 8000 crs.

INDUSTRY

1) Support for small scale industries by providing refinance facilities to credit institutions and a revolving fund to upgrade technology; cluster based assistance is required for foundries at Belgaum, jeans at Bellary, valves at Dharwar and dal processing at Gulbarga.

INFORMATION TECHNOLOGY

1) Special assistance for a follow on project for land record documentation requiring Rs. 200 crs. which can be utilized in one year; at least take up a pilot project in Maddur and Bailhongal.

BIO-TECHNOLOGY

1) Promotion of biotechnology related infrastructure-mass transport, power projects and incentives for export led growth.

DECENTRALISED PLANNING

1) Grassroots planning and physical decentralization.

1) Support for schemes aimed at rural electrification and power supply for housing and occupations of the poor.

HEALTH & FAMILY WELFARE

Central investment in health and family welfare.

SOCIAL JUSTICE

1) Social justice and equity
2) Gender sensitive planning, gender budgeting and gender audit.

EMPLOYMENT

Implementation of the employment guarantee.

Planning Commission
(State Plans Division)

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Subject: Annual Plan (2005-06) – Karnataka: Meeting between Deputy Chairman, Planning Commission and Chief Minister of Karnataka:

I. BASIC INFORMATION

1.1 In many ways, Karnataka's economic and human development situation reflects what is happening in the country as a whole. The State has median values among non-special category States on almost all important parameters. Its predominant concerns relate to regional imbalances, social justice, urban infrastructure, agricultural productivity, irrigation and water supply, employment particularly educated unemployment, decentralized governance, development of information technology and education (particularly the role of the private sector in secondary and higher education). The future progress of the State is closely bound up with policies evolved at the Central and State level to enable the private sector to complement government efforts in these areas.

Shares of Sectors in GDP / GSDP, per capita income & growth (2002-03)

Sector	Karnataka (%)	India (%)	Anticipated growth rate of State -%	Anticipated growth rate of country -%
Primary	24.4	22	-2.6	6.8
Secondary	20.3	27.2	8	6.7
Tertiary	55.3	50.8	4.2	9.9
Growth in GSDP at 1993-94 prices	4.2	4		8.4
Per capita income (at 1993-94 prices)	13354	10964		
Growth in per capita income at 1993-94 prices	2.5	1.8		

A statement indicating selected basic information relating to the State of Karnataka is given at Annexure I.

II. PLAN OUTLAY IMPLEMENTATION

Plan Outlay and Expenditure during the Tenth Five Year Plan
(Rs. crores)

Year	Approved (proposed) Outlay	Revised Outlay	Expenditure	% realisation (current prices)
Tenth Plan 2002-07	43,558.22$	-	-	
AP 2002-03	8,610.61	8,420.63	8,163.91	96.95
AP 2003-04	9,620.00	10,083.50	10,083.51(Anti.)	100.00
AP 2004-05	12,322.91	-	-	-
AP 2005-06 (proposed)	12,913.76			

$ at 2001-02 prices.

2.1 During resource discussion, the State has reported raising Plan resources of Rs.8306.71 crores in 2002-03 and Rs.9288.78 crores in 2003-04 respectively. In the Tenth Plan period, so far taking approved outlay of 2004-05 into account, the State will realize 64% of the Tenth Plan target, against 54% expected. The Tenth Plan estimate for the State was for growth of 6.5%; actual growth rates achieved were of the order of 0.9% in 2001-02 and 4.2% in 2002-03. Plan outlays have been steady at 6% of GSDP and have gone up beyond 7% by 2001-02. The per capita Plan outlay at Rs.2388 is higher than the all State average and per capita Central assistance Rs.597 against an all State average of Rs.610.

PROPOSED OUTLAY FOR ANNUAL PLAN 2005-06

2.2 A note from FR division regarding resources for Plan financing for the current year has been sent separately. The outlay proposed for Annual Plan 2005-06 is Rs.12,913.76 crores (Annexure II). The State Government has not proposed major shifts at the sectoral level for 2005-06 compared to the current year's Plan. Irrigation and flood control and energy (23.28% and 21.49%) continue to absorb almost half the Plan outlay. Social sector allocations have been stepped up – education (because of technical education from 0.08% to 0.57% of the Plan outlay), medical and public health, water supply and sanitation, welfare of SCs, STs & OBCs, women and children. Expenditure on roads and bridges has also been increased and greater allocations proposed for all the three regional development boards. The comparative picture for major Plan categories is given below :

Inter-sectoral Plan Outlays

(Rs. crores)

S.No.		Annual Plan 2004-05	% to total	Proposed for 2005-06	% to total
I	Agriculture and allied activities (with stepups for crop husbandry, horticulture, animal husbandry & agricultural research and reduction for soil conservation & forestry).	833.40	6.76	790.29	6.12
II	Rural development	541.40	4.39	572.18	4.43
II	Special area programmes (allocations to all 3 regional development boards increased)	60.00	0.49	67.00	0.52
IV	Irrigation and flood control (with increases for CADA and minor irrigation & some reduction in major and medium irrigation)	3023.95	24.54	3006.57	23.28
V	Energy	2711.89	22.01	2771.17	21.46
VI	Industry & Minerals	105.06	0.85	103.30	0.80
VII	Transport (allocation for roads & bridges increased)	1386.82	11.26	1570.48	12.16
VIII	**Social Services** (of which	**3289.68**	**26.70**	**3647.15**	**28.24**
	Education,	844.55	6.85	943.04	7.30
	Health,	180.12	1.46	265.99	2.06
	Water supply,	617.20	5.01	665.76	5.16
	Housing,	669.44	5.43	597.69	4.63
	Urban development,	582.94	4.73	740.43	5.73
	SC,ST & OBC welfare	249.56	2.03	278.30	2.16
	Women & Child Welfare)	62.57	0.51	72.42	0.56

Priorities for Annual Plan 2005-06

2.3 Outlay for 2005-06 represents an increase of 5% over the budgeted outlay for the current year. There is a doubling in the size of the District Plan from Rs.1594.95 crores to Rs.3477.22 crores as a result of improvement across all sectors in transfer of powers, functionaries and Plan (and non-Plan) funds to zilla and village panchayats.

2.4 An outlay of Rs.2043.85 crores is being proposed for externally aided projects and the size of the SCP is Rs.256.29 crores while TSP is Rs.54.23 crores.

Sectoral Highlights:

III. WATER RESOURCES

3.1 Gross irrigated area as a percentage of gross cropped area in Karnataka is among the lowest of the poor rainfall States of the country (it is second only to Maharashtra). The State also has the second largest arid zone after Rajasthan. Drought proofing remains a major concern outside the coastal and hill districts particularly in the north and the east.

3.2 The irrigation potential from all sources has been estimated at 55 lakh hectares comprising 35 lakh hectares under major & medium irrigation and 20 lakh hectares under minor irrigation, within which surface water and ground water sources are equally important. The potential created up to the end of March 2004 is 30.61 lakh hectares for flow irrigation, comprising 20.88 lakh hectares under major & medium irrigation and 9.73 lakh hectares under minor irrigation (surface water).

3.3 In 2005-06, the allocation proposed for Irrigation is Rs.2870.76 crores including an allocation of Rs.2 crores for flood control. Irrigation accounts for 23% of the State's Plan outlay with focus being on completion of the Upper Krishna Project Stages I & II. This project is being taken up outside the budget with funds raised through a special purpose vehicle which has so far raised around Rs.6007 crores, for which debt servicing is being provided for in the State budget. Benefits from the project will flow to the backward, drought prone north-eastern districts.

3.4 The Krishna Bhagya Jala Nigam Limited (KBJNL), has a programme to raise Rs.400 crores. The Karnataka Neeravari Nigam Limited (KNNL) has borrowed Rs.1357.05 crores from 1999-2000 to 2003-04 and is programmed to borrow Rs.400 crores in 2005-06. Rs.455 crores have been provided to pay interest due on loans raised by KBJNL, Rs.180 crores for KNNL and Rs.817 crores and Rs.165 crores for principal re-payment for these two agencies respectively.

3.5 Drawals under AIBP by the State have been increasing since inception and many critical pending projects are being completed. Details are given below:- Rs.250 crores were provided under AIBP in 2004-05 and this was increased to Rs.400 crores in the revised estimate.

Year-wise Drawal of AIBP Amount (Rs. crores)

1996-97	61.25
1997-98	90.50
1998-99	94.50
1999-2000	157.14
2000-01	171.00
2001-02	502 50
2002-03	620.85
2003-04	266.00

3.6 Completion of pending works, volumetric supply of water for irrigation, user participation and recovery of appropriate water rates are the major issues in the irrigation sector.

Physical targets and Achievements

Item	Unit	Tenth Plan (2002-07) Target	Annual Plan			
			2002-03 ach.	2003-04 ach.	2004-05 Target	2005-06 Target
Major & Medium Irrigation (potential created)	has.	833845	57121	129323	99700	100500
Flood Control (inc.anti-sea erosion)	meters	25000	5000	2000	3000	3000
CADA (area covered by FICs)	has.	591000	149616	95908	134492	134492
Minor Irrigation (potential created)	has.	40000	8000	7921	9739	9000

3.7 Rs. 2629.76 crores have been provided for major and medium irrigation including Rs.300 crores for KBNL, Rs.400 crores for KNNL to be raised through market borrowings, Rs. 3 crores for the World Bank assisted National Hydrology project and Rs.7 crores for NABARD projects.

3.8 6 CADAs are functioning in project areas for optimum utilisation of irrigation potential created under major and medium irrigation projects through on-farm development. Rs. 25 crores have been provided including provision for share capital in water users co-operative societies which have been set up to maintain irrigation systems.

3.9 Irrigation works with atchkat up to 2000 has. are minor irrigation works. Works with atchkat from 40 to 2000 has. are under the control of the Water Resources Department and those with less than 40 has. are with Zilla Panchayats. Lift irrigation schemes up to 2000 has. are under the Water Resources Department (Minor Irrigation). Rs.342 crores have been provided for minor irrigation (surface water) in 2005-06.

3.10 The Karnataka Jala Samvardhane Yojana Sangha is a society set up to develop participatory systems for surface and ground water. It is implementing a World Bank assisted programme.

IV. AGRICULTURE & ALLIED ACTIVITIES

4.1 Agriculture and allied activities account for about 30% of the State's income and 70% of the population of the State is engaged in these sectors.

4.2 There has been a perceptible shift from foodgrain cultivation to horticulture in Karnataka while area under crops like oilseeds and pulses has remained stagnant. Hitech areas like floriculture and tissue culture are becoming increasingly attractive. The scope for contract farming needs to be explored. Agro-processing also has great potential, but this is yet to take off. The State is reviewing the APMC Act. A national integrated produce market for fruits and vegetables and farmers' markets for direct marketing have already been set up.

4.3 Rs.385 crores have been provided for crop husbandry and Rs.205 crores for soil and water conservation. Major State schemes relate to plant protection, crop insurance, farm mechanization, drip irrigation, organic farming, raitha samparka kendras.

4.4 The State is a pioneer in the implementation of watershed development programmes under several schemes of the Centre, State and district sectors and with external aid from multilateral and bilateral agencies.

4.7 Rs 200 crores have been provided to develop 142,316 hectares of land in Kolar, Tumkur, Chitradurga, Haveri and Dharwad districts in 715 micro watersheds distributed over 3 phases. Rs.9.7 crores have been provided to develop 8178 hectares with DFID assistance. Rs.2.25 crores have been provided for watershed development under NABARD.

4.8 Horticulture covers 15.85 lakh hectares in the State with a production of about 107 tonnes Rs. 16.99 crores have been provided (Rs.6.20 crores in the State sector).

ANIMAL HUSBANDRY AND VETERINARY SERVICES

4.9 The Animal Husbandry and Veterinary Services Department provides free health care to livestock and poultry of the State through a network of 3774 veterinary institutions (including artificial insemination centers), comprising 294 veterinary hospitals, 1451 veterinary dispensaries, 1456 primary veterinary centers, 400 artificial insemination centers and 173 mobile veterinary clinics. As per the 17th livestock census conducted in 2002 the census of livestock and poultry are 2.83 crores and 2.56 crores respectively The "Karnataka Veterinary, Animal & Fisheries Sciences University" was established at Bidar in 2004.

4.10 An outlay of Rs.33.56 crores have been proposed for 2005-06 (Rs.14.90 crores for the State sector). Rs.5.00 crores have been earmarked for development of the University.

4.11 The Karnataka Milk Federation, a co-operative apex body, started in May 1984 to provide hygienic milk and milk products to consumers now handles 13 district level milk unions and 9480 dairy cooperatives covering 17.7 lakh farmers with an average procurement of 29.05 lakh kgs. per day. It runs 20 dairies and 44 chilling centers and has declared dividend to shareholders.

FISHERIES

4.12 Karnataka has rich fishery resources with 27,000 sq.kms. of ontinental shelf area, 300 kms of coastline and 5.03 lakh hectares of inland water resources comprising village ponds, irrigation tanks and multipurpose reservoirs. 8,000 has. of brackish water area provides good scope for brackish water shrimp farming which is contributing significantly to shrimp export. The fisherfolk population of the State is 7.64 lakhs comprising 2 lakh marine and 5.64 lakh inland fishermen.

4.13 Fish seed production and rearing centers are being set up in the private sector to meet the fish seed requirement of the State. Reservoir fisheries development and fish culture in waterlogged and saline areas are also being promoted. Rs.9.38 crores have been provided (Rs.5.2 crores for the State sector).

FORESTRY AND WILD LIFE

4.14 In Karnataka 20.19% of the geographical area is managed by the Forest department. Forests have been classified as reserved, protected, unclassed, village and private forests. There are 5 National Parks and 21 wild life sanctuaries. To overcome shortage of fuel wood, fodder and timber, degraded forests and wastelands are being developed. Emphasis is also being laid on conservation, protection and development of the fragile eco-system of the Western Ghats. Several wild life protection schemes are being implemented with Central assistance. The Externally Aided, Forestry and Environment Project for the Eastern Plains with JBIC assistance has resulted in village forest planning and management through the establishment of village forest committees under the concept of Joint Forest Planning and Management throughout the State. Soil conservation programmes are being implemented in the catchments of the river valleys of Tungabhadra, Nizamsagar and Nagarjunasagar areas.

4.15 The JBIC assisted Forestry and Environment Project for the Eastern Plains of Karnataka, started during 1997-98 with an outlay of Rs.598.28 crores spread over 5 years, was to end on 31st March, 2002, but it has been extended up to 2004-05. The project envisages to do 4,97,500 has. of tree planting and soil & water conservation in 141 taluks of 23 districts. Of 4,97,500 has. covered by the project, 3,00,000 has. are

private farm land and the rest is under reserved forests, ecologically sensitive and degraded forests, C & D class lands, gomal lands, tank foreshores, road and canal sides, urban areas and lands belonging to institutions.

V. RURAL DEVELOPMENT

5.1 Karnataka has 56,682 rural habitations including 27,683 inhabited revenue villages. According to the 2001 census, about 349 lakh people (66% of the population) live in rural habitations depending mainly on agriculture. The key to the development of rural areas is improving agricultural productivity, encouraging other economic activities, enhancing the availability and quality of infrastructure and improving the quality of services that contribute directly to the up-gradation of human development. Centrally sponsored schemes for alleviating poverty and area development are being implemented in Karnataka.

5.2 The Karnataka Panchayat Raj Act, 1993 was enacted to bring decentralized administration in Karnataka in line with the national pattern. A three-tier political and administrative structure with Zilla Panchayats at the district level, Taluk Panchayats at taluk level and Grama Panchayats at the village level was created. Section 309 of the Karnataka Panchayat Raj Act, 1993 provides for the preparation of development plans for Grama Panchayats, Taluk Panchayats and Zilla Panchayats. Several steps of far-reaching consequence have been initiated to improve the functioning of Panchayat raj institutions.

5.3 Elections have been held to the three tiers of PRIs, the last in February-March, 2000 for Gram Panchayats and in June 2000 for Taluk Panchayats & Zilla Panchayats. Karnataka is one of the two States that have transferred all 29 subjects listed in the Constitution under PRIs. Politically, there is a broad consensus and sincere commitment in favour of decentralisation that finds a place in the ideologies of all political parties in the State.

5.4 The following amendments to the Karnataka Panchayat Raj Act, 1993 have strengthened the PRIs:

- Empowerment of Grama Sabhas and Ward Sabhas;
- Defining powers and responsibilities of the Grama Sabha with clarity;
- Bringing in transparency and accountability in the functioning of PRIs;

These cover procedural changes in conduct of panchayat meetings and decision-making and increasing their power. Power has been given to Grama Panchayats for out-sourcing services of technical staff. It is now mandatory for officials to attend Grama Panchayat meetings.

5.5 The Minimum Statutory Developmental grant has been fixed at Rs. 5 lakhs per Grama Panchayat. The Panchayat Jamabandi - a social audit exercise, through which people have a chance to assess the works of their Grama Panchayat, has been introduced. The first Panchayat Jamabandi exercise was taken up in all districts in 2000 and is being continued since then. Grama Panchayats are required to display information on receipts and expenditure incurred under various developmental works to ensure greater transparency.

5.6 In parallel with the amendments, two initiatives have been undertaken to ensure that PRIs work effectively with greater freedom. These are: a role mapping matrix for the three PRI spheres and rationalizing and doing away with redundant and fragmented schemes. District sector Plan schemes have been reduced and simplified substantially, keeping in view the C & A G format and recommendations of the working group on decentralization.

5.7 Specific functions to be executed by each tier of PRIs have been spelt out in the Karnataka Panchayat Raj Act, 1993. To ensure further empowerment and to enable them to discharge their duties more independently, activities of different tiers of PRIs have been redefined and "activity mapping" for them prescribed.

5.8 To streamline fund flow to Grama Panchayats, a mechanism of direct release of government financial devolutions through banks has been put into place to protect them from treasury bans and make releases transparent. In future, cuts at source will not be made in the grants of Grama Panchayats, because of the faith and trust that they will pay their bills, including electricity bills, on their own. This arrangement involves six nationalized and 12 Grameen banks. Since introduction of the system in November 2004, one instalment each of untied funds and 11th Finance Commission Grants have been made through it.

5.9 To give fresh impetus to the training of Gram Panchayat members, the Abdul Nazir Sab State Institute for Rural Development (ANSSIRD) has developed a new interactive training programme to be transmitted through a satellite center.

5.10 As the total pool of untied funds increases, there is need to motivate PRIs to prepare perspective plans. For this purpose, detailed instructions have been issued which will be operationalised in the near future.

5.11 As a further impetus to fiscal decentralization, about 150 Plan programmes with a total outlay exceeding Rs. 1500 crores, which ought to be in the district sector but have been retained at the State have been identified and transferred to the PRI sector.

5.12 Section 243(ZD) of the 74th amendment to the Constitution of India provides for setting up District Planning Committees (DPCs) at the district level to consolidate the plans prepared by Panchayat Raj Institutions and urban local bodies and develop a draft development Plan for the district as a whole, having regard to

matters of common interest between Panchayats and Municipalities including spatial planning, sharing of water and other natural and physical resources, the integrated development of infrastructure and environmental conservation and the extent and type of available resources, whether financial or otherwise. To perform this task efficiently, the DPC may have to determine a strategy for the development of the district as a whole and provide guidelines to Panchayat Raj Institutions and Municipalities for formulating Plans. District Planning Committees have been constituted in 26 districts. For Bangalore Urban district, constitution of a Metropolitan Planning Committee is to be done by the Urban Development Department. Guidelines on the functioning of District Planning Committees have been issued. Their effective and pro-active functioning is a priority.

5.13 Rs.2415.39 crores (18.7% of the overall State Plan) are being transferred to districts as against 7.6% in 2004-05. The district sector outlay of Rs.3477.22 crores will consist of Rs.2415.39 crores of State sector schemes and Rs.1061.82 crores of CSSs.

5.14 An allocation of Rs. 569.98 crores is proposed from the State Plan for CSSs of rural development & the Western Ghats development programme.

5.15 Rs.282.65 crores have also been allocated for providing statutory grants to 5653 Grama Panchayats @ Rs.5 lakhs each to be utilized for income generation and asset creation.

VI. POWER & ENERGY

6.1 Karnataka was till recently the only State to have its own power generation company in the public sector. The Karnataka Power Corporation accounts for around 4700 mws of installed capacity. 2/3rds of the State's generation capacity comes from hydel power but further exploitation of hydel sources in the Western Ghats region is limited by environmental concerns. Dependence on rainfall has reduced but unit generation cost has increased with shift from hydel to thermal sources. The State has unbundled distribution and transmission functions from 2003-04 with the original electricity board functioning as a transmission company and distribution being taken over by five regional companies. A 10 year financial restructuring plan has been announced by the State government with a commitment to extend financial support of Rs.12141 crores to the power sector as a component of the medium term fiscal plan of the State (2003-04 to 2006-07) under the World Bank structural adjustment programme.

6.2 The Karnataka Electricity Regulatory Commission has passed three tariff orders in 2000, 2002 and 2003 Private power purchasers like the Tatas are also generating power under PPAs to meet the State's requirement. Under APDRP, from 2000-01, Rs.1312 crores were sanctioned (25% as grant, 25% as Central loan and 50% as loan from the REC and PFC) – Rs.435.45 crores have been released against the

investment component which is reported to be fully utilized. On 31.12.2003, KPTCL owed CPUs Rs.436.21 crores of principal and Rs.105.35 crores of interest/surcharge. Under the one-time settlement scheme of GOI, 60% of the latter was waived and power bonds issued for securitising the principal and remaining interest through a tripartite agreement between the State and Central Governments and Central PSUs.

6.3 On the whole, technical parameters of generation units are good – plant load factors of thermal units are high (between 63.5% & 96.6%). However, T&D losses have been estimated at 30.62% in 2003-04 and less than 40% of the energy distributed is metered. The medium term fiscal plan for the power sector which is a major component of the medium term strategy adopted under the structural adjustment loan of the World Bank aims at reducing T&D losses to 25% by 2005-06. The revenue shortfall of the transmission and distribution companies is estimated to be around Rs.0.92/unit (the difference between average cost of Rs.3.49 and average tariff of Rs.2.57) in 2002-03. Average subsidy is around Rs.1.67/unit. In the last 3 years, Rs.5885 crores of subsidy have been released by the State government to the power sector and Rs.4037 crores are to be provided in the next 3 years. As a part of the balance sheet restructuring plan of the transmission company, other commitments have also been made by the State Government to write off loans and service long term debt. The aim is to complete metering and embark on full scale energy audit in 3 years time so that IP set owners are charged as per actual consumption or at HP rates whichever is lower. The average tariff in paise/kwhs is 250 for the State (it is above 400 for industry and 628 for commercial lighting).

6.4 In 2003-04 against an unrestricted demand of 37235 mus, as per the Karnataka Power Transmission Corporation Limited, generation from the State grid has been 20853 mus leaving a gap of 16382 mus. After accounting for contribution of Central stations & imports from neighbouring States to the extent of 10000 mus, the State is left with an annual deficit of 6382 mus.

6.5 Karnataka is endowed with hydropower potential of about 7750 mws of which only about 3282 mws has been harnessed. Environmental issues connected with the submersion of forests, rehabilitation of displaced persons as well as delay in the settlement of inter-State disputes have affected the full utilisation of available hydel potential.

Physical Targets and Achievements

Item	Unit	Tenth Plan (2002-07) Target	Annual Plan 2002-03 ach.	2003-04 ach.	2004-05 Target	2005-06 Target
Installed capacity	mw	5949.04	210.0	15.0	165.0	110.0
Power generation	mus.	120501	20688	18247	20853	21000

The proposed outlays are :

	(Rs. crores)
Power Generation	1652.00
Power Transmission & Distribution	1119.17
Non-conventional Energy	3.37
Rural Energy	2.80

The outlay proposed under transmission and distribution for different companies is given below :

	(Rs. crores)
Karnataka Power Transmission Corporation & ESCOMs	900
Rural Electrification (PMGY)	10
Accelerated Power Development & Reforms Programme (APDRP)	208.17
Technical Assistance for Power Reforms(WBA)	1
Total	1119.17

6.6 To ensure that rural areas get power, micro controllers are being installed at all rural sub-stations. The duration of power supply (single and three phase) are pre-programmed in them. They regulate and monitor power supply and record readings every 15 minutes.

6.7 Under the Gram Jyothi scheme, 24 hour single phase power supply will be provided to rural households and commercial and industrial consumers consuming power up to 10 HP, Rural consumers requiring 3 phase power supply for irrigation pumpsets will get regulated supply Two pilots have been successfully implemented. In a phased manner the scheme will be extended to all rural areas at a cost of Rs 750 crores.

6.8 The Plan outlay for 2005-06 includes Rs.10 crores for rural electrification (PMGY), Rs.1 crore for the World Bank Programme on Technical Assistance for Power Reforms and Rs.208.17 crores for APDRP for improving distribution in Mysore, Belgaum, Bijapur, Hubli, Bangalore (South and North) Circles and 84 towns

6.9 The State has established in March 1996 the Karnataka Renewable Energy Development Limited (KREDL) to deal with renewable energy technology at the State level.

VII. INDUSTRY & MINERALS

7.1 Hitech industries have replaced large public sector undertakings as drivers of growth in Karnataka. The State contributes 35% of the country's software exports and the biotechnology sector is growing at around 28% annually. The share of Karnataka in the country's exports is around 12%, with electronics and computer software accounting for more than half the exports. Foreign investment approvals in the nineties were above $5.5 billion of which around $2.95 billion have been implemented.

7.2 In 2004-05, 11 mega projects with investment of Rs.23283 crores generating employment for 2600 people and 115 large and medium projects with investment of Rs.2600.crores generating employment for 71000 people have been approved. .

7.3 There are 310438 small scale units in the State providing employment to 17,79,160 persons. Many have developed as ancillaries to large public and private undertakings. In recent years, IT and electronics industries set up by professional / first generation entrepreneurs have also developed.

7.4 Mulberry is cultivated in about 80,000 lakh hectares to produce about 44652 mts. of silkworm cocoons. Sericulture is estimated to provide employment to about 2.5 lakh families.

7.5 Karnataka is in the forefront of silk production in the country with a production level of 5949 metric tonnes of raw silk (end March 2004), out of 14000 mts. of mulberry silk produced in the country. Production of cocoons is 44652 mts. of which bivoltine cocoons account for 2542 mts.

VIII. TRANSPORT

8.1 Karnataka is a maritime State with a coastline of 300 kms. with 10 ports. Rs.575 crores have been allocated for ports and lighthouses and Rs.1070 crores under the State sector and Rs.8297 crores under the district sector for roads and bridges.

8.2 Karnataka has formulated a road development policy covering the period 1998 to 2012 with the following objectives:

i) Progressively widening State highways to two lanes and taking up expressways and four laning in high traffic density corridors.

ii) Strengthening pavements to carry heavy loads and improving geometric to ensure better operating speeds.

iii) Prioritising improvements on routes, which provide linkages to industrial growth centres, power generation centres, ports, agricultural produce marketing centres and heritage and tourist centres.

iv) Providing all-weather linkages to unconnected settlements.

v) Enhancing safety on State highways by improving accident-prone stretches.

vi) Providing wayside amenities, conveniences and facilities.

vii) Providing bypasses around congested cities.

viii) Replacing railway level crossings by road over or under bridges.

ix) Maintaining roads at acceptable standards.

8.3 Private investors are to be permitted to collect and retain user charges during the concession period to recover investments with a reasonable rate of return. The private investor will have freedom to fix tariffs within the ambit of existing statutes for charging users of facilities as provided in the project. The completed project will revert to government at no cost at the end of the concession period in good operating condition.

8.4 The Karnataka State Highways Improvement Project with World Bank assistance is under formulation for improvement of 900 kms. and major maintenance of 1500 kms. of State highways. Rs.550 crores are proposed in 2005-06. The Karnataka Road Development Corporation set up in1999 raises loans to take up economically viable and strategically important roads with specific returns over a period of 20-30 years. Rs.100 crores of IEBR will be provided in 2005-06.

IX. EDUCATION

9.1 The State's policy has the following objectives :

- Every child should attend school and attain minimum levels of learning.
- Every teacher should be in school.
- The community should be actively involved in school betterment.

9.2 Under incentive schemes free uniforms are being distributed for school children in classes I – VII in government schools, free notebooks and school bags given to SC and ST girls in classes V – VII, free textbooks to students in classes I – VII in government schools, girls in government secondary schools and SC and ST boys in the VIII standard. Sarva Shiksha Abhiyan is being run in 27 districts.

9.3 Enrolment at the pre-university level is 6 lakhs and the number of institutions is 2083 Rs.19 crores have been provided in 2005-06 including grant-in-aid of

to aided institutions, reimbursement of government fees to girls studying in pre-university colleges, etc.

9.4 Karnataka was the first State to implement Vocational Education at the +2 stage in 1977-78. Courses are held in about 556 colleges in 29 trades.

9.5 There are 11 universities. Older universities receive grants from the University Grants Commission in addition to State Plan grants. A new university has been started in 2004-05 in Tumkur. A women's university at Bijapur has received Rs.2 crores.

9.6 There are 166 government colleges, 1 government law college, 300 private aided colleges, 532 un-aided colleges, 8 private aided law colleges and 52 private unaided law colleges. 154 government colleges have 2795 teaching and 2173 non-teaching staff but there are 6119 teaching and 5323 non-teaching staff in private colleges.

9.7 There are 112 engineering colleges, 187 polytechnics, 6 junior technical schools and three fine arts colleges. 6 engineering colleges are under the control of government or the university, 11 are aided institutions and 95 are unaided. Out of 187 polytechnics, 38 are under government, 34 aided and 115 unaided.

9.8 Five new government polytechnics were established. 17 new courses in emerging technologies like electronics and computer science were opened. Library books and laboratory equipment were provided to needy government polytechnics.

X. HEALTH & FAMILY WELFARE

10.1 in the current year, three new primary health centers have been established, all PHCs, CHCs and taluk level hospitals brought under the tele-communication network and Arogya.Raksha Samithis constituted at all hospitals to monitor the development of hospitals with user charges. All hospitals have been brought under the waste management programme. 94 PHC buildings are being constructed with NABARD assistance. Under the Prime Minister's Gramodaya Yojana repairs to PHCs, sub-centre buildings and provision of electricity and water facilities have been taken up. Tele-medicine facilities in Chamarajnagar and Bidar district hospitals are being extended to other district hospitals. 7 regional diagnostic hospitals have been established and 14 drug logistic centers set up for ensuring decentralized distribution of drugs. To encourage public-private partnership, 39 PHCs have been handed over to NGOs and private medical colleges. To provide health care to deprived classes, the new Health, Nutrition and Population Project with assistance of the World Bank at an estimated cost of Rs.790 crores is under way. Government have also set up 40 Voluntary Counselling Treatment Centres for clinical examination of HIV cases in Karnataka.

10.2 Karnataka has an extensive institutional network to provide family welfare services covering 167 PHCs, 87 urban family welfare centers, 103 post-mortem centers, 269 rural family welfare centers and 8143 sub-centers.

10.3 Important programmes under this sector include –

- Child Survival and Safe Motherhood Programme,
- Transport of Vaccine from Regional District Stores,
- The State Health Transport Organization, and the
- State Institute of Health and Family Welfare.

XI. WATER SUPPLY AND SANITATION

11.1 Water supply and sanitation are major concerns in rural and urban areas. They have been tackled through external aid from the World Bank, Netherlands and Denmark for rural areas and from ADB for urban areas. A major challenge is integration of agencies set up to implement rural water supply projects with Panchayati Raj bodies particularly in the post-project maintenance phase. Rural drinking water supply schemes are implemented through Panchayat Raj Institutions at the village, taluk and district levels.

11.2 The rural population of the State of 348 lakhs, spread over 56,682 settlements, have been provided with at least one drinking water source / habitation. Villages with a population of 1000 and above are provided with piped water supply schemes, those between 500 to 999 with one mini water supply scheme and all habitations with bore wells with hand pumps. The above criteria are relaxed where habitations lie in hard core areas and have problems like high fluoride content, high brackishness, etc.

11.3 Service levels at the end of March 2004, are as follows :

Service levels of water supply lpcd	No. of habitations
1 – 10	536
11 – 40	7,100
41 – 55	28,340
55 & above	20,706
Total :	**56,682**

11.4 Because of continued depletion of ground water over three successive years of drought, the service level in 16,008 habitations has gone down, but through watershed programmes, water supply has improved in 6,002 habitations.

11.5 Karnataka is a State with its share of urban population (34%) higher than the national average of 28%. The Bangalore Water Supply and Sewerage Board handles water supply and sewage works in Bangalore and other urban areas are catered to by the Karnataka Urban Water Supply and Drainage Board, which is implementing schemes in 208 urban areas.

Physical Targets and Achievements

Item	Tenth Plan (2002-07) Outlay	Annual Plan			
		2002-03 Ach.	2003-04 Ach.	2004-05 (B.E.)	2005-06 Target
Piped Water Supply Scheme	30	5	11	9	7
Urban Water Supply Scheme	78	21	17	9	7
U G D Schemes	16	1	2	7	6

XII. HOUSING

12.1 The Ashraya programme is implemented by the Rajiv Gandhi Rural Housing Corporation. The Department of Social Welfare implements the Ambedkar Housing Programme using pooled SCP and TSP funds and the Rural Development & Panchayat Raj department implements the Indira Awas Yojana and PMGY-Rural Housing. The Karnataka Housing Board implements the programme for LIG, MIG and rental houses and the Slum Clearance Board all slum improvement programmes Housing schemes amounting to Rs.107.81 crores have been transferred to the district sector in 2004-05.

XIII. URBAN DEVELOPMENT

13.1 Karnataka stands seventh in the country in terms of the percentage share of population (34%) living in urban areas. There are 222 Urban Local Bodies and 27 Urban Development Authorities.

13.2 The Government of Karnataka has set up a financial intermediary, (the Karnataka Urban Infrastructure Development and Finance Corporation), to formulate projects for infrastructure in urban areas and mobilize funds to implement Mega City and externally aided urban infrastructure development projects.

13.3 The Karnataka Urban Development and Coastal Environmental Management project has been prepared with assistance from the Asian Development Bank at a total cost of US $ 221.4 million, to provide integrated urban infrastructure in 10 towns in the coastal districts of Dakshina Kannada, Udupi and Uttara Kannada and optimize socio-economic development by supporting investments in urban infrastructure and services required for meeting basic human needs and facilitating policy reforms aimed at strengthening urban management. The loan agreement and project agreement have been signed and the Project Management Unit headed by a Project Director set up.

13.4 Under URIF, the State government entered into MOAs with GOI in 5 specified areas by assisting ULBs in upgrading skills to undertake reforms. An amount of Rs.9.42 crores has been released and Rs.7.85 crores recommended for release.

13.5 There is also an ADB assisted urban infrastructure development project in 25 selected towns in northern and newly constituted districts to be implemented by KUIDFC in district headquarter towns and towns with more than 50,000 population as per the 2001 census, currently estimated at around Rs.1800 crores.

13.6 It is proposed to take up the Metro Rail project in Bangalore city to be implemented by the Bangalore Mass Rapid Transit Limited (BMRTL). With equal equity from GOK and GOI, this project is under consideration of GOI and is expected to be completed by 2009.

XIV. LABOUR AND LABOUR WELFARE

14.1 There are 104 government ITIs and 29 District Employment Exchanges in addition to one Special Employment Exchange for the physically handicapped and one for Scheduled Castes and Scheduled Tribes.

XV. WOMEN AND CHILD DEVELOPMENT

15.1 The National Perspective Plan for Women aims at the economic development and integration of women into the mainstream economy, equity and social justice. The Department of Women and Child Development has changed its focus from welfare to development. To ensure that children get protection from neglect, abuse and exploitation, the department has taken up schemes and programmes to guarantee basic human rights including survival, development and full participation in social, cultural, educational and other endeavors necessary for their individual growth and well-being.

15.2 In 2005-06, it is proposed to build community buildings for the members of Stree Shakthi self help groups. Newly sanctioned schemes of Urban Stree Shakti will be implemented intensively in all districts.

Nutrition

15.3 Supplementary nutrition is provided to children below 6 years and pregnant and nursing mothers in rural areas, urban slums and tribal blocks in the existing 185 ICDS projects. Supplementary nutrition in 94 projects started prior to Sept. 89 is being met outside the Plan. Under PMGY, children in the age group of 0-3 years were provided nutrition at Rs.2/- per child per day.

XVI. WELFARE OF SCHEDULED CASTES AND SCHEDULED TRIBES & OBCS

16.1 Schemes for improving the socio-economic conditions of Scheduled Castes and Tribes are being implemented by the Directorate of Social Welfare and the Karnataka SC and ST Development Corporation as also under the budgets of development departments under the Special Component Plan and the Tribal Sub-plan. The Social Welfare Department oversees the implementation of schemes by other departments for the welfare of Scheduled Castes and Tribes.

16.2 Karnataka has about 85.64 lakh SCs (16.2% of the population). The department has been providing free hostels for pre & post matric students in government and grant-in-aid institutions and admission to reputed institutions. The department is providing pre & post matric scholarships and has schemes for their economic development.

16.3 Karnataka has about 34.64 lakh STs (6.55% of the population). It is implementing developmental programmes and education, housing and irrigation are priority sectors.

XVII. REGIONAL IMBALANCES

17.1 Since the State was formed from parts of other States existing before States' reorganisation, intra-State regional imbalances have been an abiding concern. After the first Human Development Report of the State was brought out in 1999, a High Powered Committee for Redressal of Regional Imbalances examined the issue at the taluka level. Using 35 indicators suitably weighted for relevant sectors, the committee identified 39 out of the 175 talukas as backward, of which 21 were in Gulbarga Division and 5 in Belgaum Division in north Karnataka. A substantial component of backwardness is concentrated in Gulbarga Division and Bijapur district of Belgaum division. This High Powered Committee also recommended a special development plan for backward talukas covering several sectors, under which a total investment of Rs.16000 crores was to be made over a period of 8 years. The State Government has been seeking funding for half this amount from the Government of India. The State has set up Regional Development Boards for Gulbarga Division, malnad and maidan areas and is providing specific allocations to increase investment in these regions in the Plan. The total allocation for the three boards is proposed to be increased from the current level of Rs.55 crores to Rs.63 crores in the coming year.

17.2 Under the Backward District Initiative (RSVY), 4 districts have been selected and funds released as below:

(Rs. crores)

Name of district	**District plan approved on**	**Ist instalment released**	**2nd instalment released**	**Total funds released**
Gulbarga	30 & 31.1.2003	7.50	7.50	15.00
Bidar	17.02.2004	7.50		7.50
Chitradurga	13.01.2005			
Davangere	13.01.2005			

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ANNEXURE I

BASIC INFORMATION: KARNATAKA - INDIA

Sl. No	Item	Unit	Year	Karnataka	All India
1	2	3	4	5	6
1	Area	sq kms	2001	191,791	3,166,414
2	No. of Districts		2001	27	593
3	No. of Blocks		2001	175	5550
4	No. of Towns & Cities		2001	270	5161
5	No. of Villages		2001	29,406	638588
6	Rural Population		2001	34,814,100	741,660,293
7	Urban Population		2001	17,919,858	285,354,954
8	Total Population		2001	52,733,958	1027015247
9	ST Population		2001	3,463,986	84,326,240
10	SC Population		2001	8,563,930	166,635,700
11	Population Density (Prov.)		2001	275.56	324.85
12	Sex ratio (Females)	1000 males	2001	965	933
13	Total Fertility Ratio	%	1999	3	3.2
14	Crude Birth Rate	per '000	2002	22.3	25
15	Crude Death Rate	per '000	2002	7.2	8 1
16	infant Mortality Rate	per '000	2002	56	64
17	Population per doctor		1.1.2000	11714	-
18	Population below poverty line	(%)	1999-2000	20.04	26 1
19	**Distribution of Employment**		2002	**100.00**	**100.00**
20	Primary Sector	%	2002	58 40	52.43
21	Secondary Sector	%	2002	11.52	10.87
22	Tertiary Sector	%	2002	30.08	36 70
23	**Literacy Rate- Total**	%	2001	67.04	65.49
24	Literacy Rate-Male	%	2001	76 1	75 3
25	Literacy Rate-Female	%	2001	57.45	54.28
26	Pupil Teacher Ratio (school level)	Ratio	2001-02	35.82	34 15
27	Gross Enrolment Ratio (Classes I to VIII)	Ratio	2001-02	97.53	82.35
28	School Dropout Ratio (Classes I to VIII)	Ratio	2001-02	50 99	54 65
29	**Districts with access to safe drinking water**	No of distncts	2000-01		
30	100% access	0	2000-01	0.00	
31	80 - 99% access	0	2000-01	0 00	
32	60 - 80% access	15	2000-01	55 56	
33	40 -60 % access	8	2000-01	29.63	
34	20-40% access	2	2000-01	7.41	
35	0-20% access	2	2000-01	7.41	
36	Foodgrains Production	million tonnes	2001-02	8.77	212 04
37	Oilseed Production	million tonnes	2001-02	1.06	21 31
38	Sugarcane Production	million tonnes	2001-02	33 75	299 7
39	**Average size of Operational Holding**	has	1990-91	1 95	1.41
40	Marginal	has	1990-91	0 48	0 4
41	Small	has	1990-91	1.45	1.42
42	Semi-Medium	has	1990-91	2 74	2 73
43	Medium	has	1990-91	5.87	5.84
44	Large	has	1990-91	15.03	17.21
45	Area operated by the size groups (all holdings)	000 has	1995-96	12109	163357
46	Marginal	000 has	1995-96	1248	28121
47	Small	000 has	1995-96	2480	30722
48	Semi-Medium	000 has	1995-96	3298	38953
49	Medium	000 has	1995-96	3489	41398
50	Large	000 has	1995-96	1593	24163
51	**Coverage of area under irrigation**				
52	Wheat	%	1999-2000	43 1	87 2

ANNEXURE I

BASIC INFORMATION. KARNATAKA - INDIA

Sl. No	Item	Unit	Year	Karnataka	All India
1	2	3	4	5	6
53	Rice	%	1999-2000	72	53.9
54	Sugarcane	%	1999-2000	100	92
55	Oilseeds	%	1999-2000	22.3	25.2
56	Rail Density	Route kms/'000 kms	Mar-03	15 51	19.22
57	Road Density	per 100 sq kms	1999	79 2	76.8

ANNEXURE- II

ANNUAL PLAN 2005-06 : KARNATAKA - PROPSED OUTLAY		
		(Rs. lakhs)
Major/Minor Heads of Development	2004-05 Outlay	2005-06 Proposed Outlay
1	2	3
I. AGRICULTURE & ALLIED ACTIVITIES		
Crop Husbandry / Horticulture	31494.43	38501.34
Soil & Water Conservation*	28152.05	20516.63
Animal Husbandry	2766.99	3355.56
Dairy Dwevelopment	3.25	5.00
Fisheries	889.62	938.47
Forestry & Wild Life	8967.09	3470.97
Plantations	32.61	
Food Storage & Warehousing	443.95	500.00
Agricultural Research & Education	3079.00	3700.00
Agricultural Financial Inst.	234.20	280.00
Cooperation	6876.43	7260.48
Agri-Marketing	400.50	500.50
Total - I	**83340.12**	**79028.95**
II. RURAL DEVELOPMENT		
Special Programme for R.D.		
Drought Prone Area Programme (DPAP)	483.69	
Desert Development Programme (DPP)	176.88	
Integrated Rural Energy Programme	324.24	100.00
Integrated Waste Land Dev. Project Scheme	100.00	
DRDA Administration	348.55	50.00
SGSY	2271.67	
SGRY	9916.09	
Land Reforms	115.00	120.00
Community Development & Panchayats	303.00	300.00
Others Programmes of Rural Development	37101.33	50648.05
(Grants to ZP/TP/GP, etc.)		
RSVY	3000.00	6000
Total - II	**54140.45**	**57218.05**
III. SPECIAL AREA PROGRAMMES		
Border Area Development Programme	400.00	400.00
Mainad Area Development Board	850.00	2000.00
Hyderabad - Kamataka Devp. Board	2500.00	3400.00
Maidan Development Board	500.00	900.00
Upfront Pooling	1750.00	
Total-III	**6000.00**	**6700.00**
IV. WATER RESOURCES		
Major & Medium Irrigation	284396.63	282976.00
Minor Irrigation	16787.85	34601.41
Command Area Development	1060.66	2500.00
Flood Control & Anti Sea Erosion	150.00	580.00
Total-IV	**302395.14**	**300657.41**
V. POWER & ENERGY		
Power	271189.00	277117.00

ANNEXURE- II

ANNUAL PLAN 2005-06 : KARNATAKA - PROPSED OUTLAY			
		(Rs. lakhs)	
Major/Minor Heads of Development	2004-05 Outlay	2005-06 Proposed Outlay	
1	2	3	
Non-conventional Sources of Energy	296.30	337.00	
Total - V	**271485.30**	**277454.00**	
VI. INDUSTRIES & MINERALS			
Industries (other than V&SI)	2700.72	3250.00	
Village & Small Industries	7354.86	6630.49	
Minerals	449.94	450.00	
Total - VI	10505.52	**10330.49**	
VII. TRANSPORT			
Port & Light Houses	338.81	575.00	
Roads & Bridges	105788.59	115296.59	
Other Transport Services	30.00	50.00	
Road Transport	32525.00	41126.00	
Total - VII	138682.40	**157047.59**	
VIII. COMMUNICATIONS			
IX. S & T & ENVIRONMENT			
Scientific Research	194.00	287.50	
Ecology & Environment	935.00	1070.00	
Total - IX	1129.00	**1357.50**	
X. GENERAL ECONOMIC SERVICES			
Secretariat Economic Services	99.60	152.60	
Tourism	1002.00	1150.00	
Census, Surveys & Statistics	95.00	95.00	
Weights & Measures	109.22	200 00	
Infrastructure Initiative Fund	19762.00	22258.00	
Technical Assistance for VAT	100.00		
Information Technology	2650.00	2606.00	
Infrastructure Development	7.00	15.00	
Total - X	**23824.82**	**26826.00**	***
XI. SOCIAL SERVICES			
General Education	81967.59	84975.73	
Technical Education	1002.90	7361.00	
Art & Culture	956.90	1300.6	
Sports & Youth Services	527.85	667.12	
Medical & Public Health	18011.51	26599.00	
Water Supply & Sanitation	61719.55	66575.55	
Housing	66944.36	59769.36	
Urban Development	58294.45	74043.59	
Information	260.61	280.00	
Welfare of SCs/STs & OBCs	24955.50	27829.59	
Labour & Labour Welfare	70.34	95.00	
Social Security for Labour	227.20	230.00	
Employment Training	1253.60	1270.85	
Women & Child Welfare	6257.33	7241.83	
Welfare of Handicapped	315.55	347.23	

ANNEXURE- II

ANNUAL PLAN 2005-06 : KARNATAKA - PROPSED OUTLAY		
		(Rs. lakhs)
Major/Minor Heads of Development	2004-05 Outlay	2005-06 Proposed Outlay
1	2	3
Sari-Dhoti Scheme	341.21	300.00
Consumer Welfare	113.05	90.00
Temples & Other Institutions	10.00	
Nutrition	5738.96	5738.96
Total - XI	**326966.46**	**364716.41**
XII. GENERAL SERVICES		
Jails	144.00	140.00
Stationery & Printing	73.17	200.00
Public Works	11103.46	9000.00
Training	30.00	30.00
Fire Protection	270.16	270.00
Human Resources Division	200.00	400.00
Total -XII	**11820.79**	**10040.00**
GRAND TOTAL	**1232292.00**	**1291376.00**

*** There is a discrepency of Rs. 349.40 lakhs shown in the Plan document.

IMMEDIATE

M-13048/16(MN)/2004-SP-NE
Planning Commission
(State Plans Division)

Dated : 27.12.2004

Sub.: Annual Plan-2005-06: Meeting between Deputy Chairman, Planning Commission and Chief Minister, Manipur to be held on 29th December, 2004.

A Background Note for the Meeting between Deputy Chairman, Planning Commission and Chief Minister, Manipur to be held on 29th December, 2004, is circulated herewith for kind perusal.

Encl: As above

(R.B.PRASAD)
Dy. Adviser (SP-NE)

Planning Commission
Principal Advisers/
Advisers/
JS(SP)/
Head of Divisions

PMO
J.S. (N.E.) / D.S. (N.E.)

Ministry of Finance
Joint Secretary, (PF-I),
Department of Expenditure,
North Block, New Delhi.

Ministry of Department of Development of North Eastern Region
Secretary

National Commission on Population
Member Secretary

Copy to Private Secretary to :
Deputy Chairman/Minister of State/Members/Secretary, Planning Commission

Copy also to:

Director (SP-Coordination)/Director (PC Division)/ DA (MLP & Hill Areas)/ Protocol Unit / Information Officer.

ANNUAL PLAN 2005-06

FOR THE STATE OF MANIPUR

BACKGROUND NOTE

FOR

THE DEPUTY CHAIRMAN –

CHIEF MINISTER MEETING

TO BE HELD

ON

29.12.2004

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Planning Commission
(State Plans Division)

Background note for the meeting between Deputy Chairman, Planning Commission and Chief Minister, Manipur scheduled to be held on 29th December, 2004 for finalisation of Annual Plan (2005-2006) of Manipur State.

1. INTRODUCTION

Manipur has a total area of 22,327 sq. kms., major part of which about nine-tenth consists of hills and only one-tenth valley. It has 352 kms long stretch of International boundary on the east with Myanmar. It is bounded by Nagaland on the North, Assam on the West and Mizoram on the South. The State is landlocked with no waterways and no effective railway system. The nearest railway stations are Dimapur (Nagaland) and Jiribam (Manipur), which are at a distance of 215 kms and 222 kms respectively from the State capital of Imphal. Two National Highways NH-39 and NH-53 link Imphal with Dimapur railway head in Nagaland and with Silchar in Assam. The state has a population of 23.89 lakhs as per 2001 census as against the population of 18.37 lakhs as per 1991 census registering a growth rate of 30.04 % during 1991 – 2001 as against a growth rate of 29.29% during 1981 – 91 period. Out of the total population, 59% live in the valley and the remaining 41% are thinly dispersed in the hills. Nearly 76.13% of the population lives in rural areas. State has no big industries or big projects to create employment opportunities for the increasing workforce. Other basic information in respect of the state is given at **Annexure-I.**

The per capita income of the State was Rs. 12230 (A) in 2002-03 at current prices, which was considerably less than the all India Average of Rs. 18912 (Q). 28.54% of the population in the State is living below poverty line as against the national average of 26.1%. Per capita NSDP at current and at constant prices for the State of Manipur and that of all India average since1993-94 is given at Annexure-II. It may be seen from the Annexure-II that the per capita NSDP of Manipur is rising steadily over the years.

In the Human Development Report published by the Planning Commission Manipur ranks 9th in the overall Human Development Index for 1991. Its corresponding position was 4th for the year 1981.The State has better record in respect of equality to women. Its position

is 3rd (i.e. only Andaman and Nicobar and Kerala hold higher position) in respect of gender equality. In the case of poverty the State has fairly low, 21st position, for both 1981 and 1991.

2. EMPLOYMENT TRENDS

The distribution of main workers by type of occupation as per 2001 Census show that 57.38% of the total main-workers are cultivators and agricultural labourers. 9.16% of the workers were found engaged in house-hold industries in 2001. The increased dependence of the population on the agriculture sector is not followed with the increase in the net cultivated area leading to pressure on land. The 43rd and 50th rounds of National Sample Survey also show the continued dependence on agriculture for livelihood though with slight reduction in the proportion. These rounds show about 63.49 % of the total workforce is engaged in the primary sector, while relatively small percentages of the population are employed in the secondary sector (6.33%) and the tertiary sector (30.18%). Settled form of agriculture still continues to be concentrated in the valley and jhum cultivation continues to be pre-dominant in the hill. Even after 56 years of independence, agriculture continues to depend on monsoon and the State continues to be the net importer of food grains.

Since there are no large scale projects/ industries, employment potential is restricted. As such, the unemployment problem is primarily responsible for social unrest and tension prevailing in the State. This causes a strain on the resources of the State and hampers development activity.

3. PLAN PERFORMANCE

TENTH FIVE YEAR PLAN (2002-07)- OUTLAY/EXPENDITURE

Projected outlay for the State for the Tenth Five Year Plan is Rs 2804 crores. Sector wise details of Projected outlay for the Tenth Five Year Plan, Approved Outlay / Actual expenditure for Annual Plan 2002-03,annual Plan 2003-04, and Agreed/ Proposed Outlays for the Annual Plan 2004-05 and 2005-06 are given in the table hereunder.

Sectoral Outlays Tenth Five Year Plan, Annual Plan 2002-05, and Proposed Outlays- Annual Plan 2005-06

(Rs. in Crores)

Name of the Sector	Tenth Plan 2002-07	A.P. 2002-03		A. P. 2003-04		A.P. 2004-05	A.P. 2005-06
	Projected Outlay	Agreed Outlay	Actual Exp.	Agreed Ontlay	Actual Exp.	Agreed Outlay	Proposed Outlay
Agriculture and Allied Activities	113.86	18.45	11.51	18.44	12.24	17.71	23.55
Rural Development	120.92	24.75	12.44	27.90	24.43	57.80	48.54
Special Area Programme	22.88	6.46	7.82	6.46	5.07	8.08	8.30
Irrigation & Flood Control	368.54	81.94	38.99	83.40	43.31	59.31	104.96
Energy	230.51	65.55	10.78	71.62	10.03	62.03	90.80
Industry & Mineral	332.94	70.33	3.72	51.42	46.97	56.67	60.87
Transport	223.48	38.18	24.33	31.30	21.93	88.40	46.00
Science, Tech.&Env.	17.21	10.76	2.21	6.02	2.48	6.40	6.25
General Economic Service	245 21	20.65	6.24	30.64	8 24	47.87	35.73
Social Services	1032.00	193.85	81.73	219.73	104.95	356.23	287.64
General Services	96.45	19.08	9.01	43.38	6.98	27.22	13 66
Total	**2804.00**	**550.00**	**208.78**	**590.30**	**286.62**	**787.72**	**726.30**

3.1 ANNUAL PLAN 2004-05

Resource for the Annual Plan 2004-05 for the State have been finalised at Rs. 787.72 crores which include Additional Central Assistance of Rs.200.00 crores and Special Plan Assistance of Rs.40 crores.

A restructuring plan for the State for a period of three years (2004-07) have been approved with a projected outlay of Rs.714.15 crores as part of Annual Plans. Restructuring Plan inter alia, include conversion of Manipur University into a Central University, construction of State Capital Project, Development of State/ District Roads and Special Employment Generation Programmes.

3.2 ANNUAL PLAN 2005-06 (PROPOSALS)

State Government has proposed a plan outlay of Rs.726.30 crores for Annual Plan 2005-06 with emphasis on Development of Power, Roads, Irrigation and Rural Development. Sector-wise outlays proposed are given in the Table above.

4. SECTORAL ISSUES

4.1 ECONOMIC SERVICES SECTOR

4.1.1 Agriculture

1. Despite of the fact that agriculture and allied sector include seven important sub-sectors like I) crop husbandry, II) soil & water conservation, III) horticulture, IV) animal husbandry, V) fishery, VI) rural credit and cooperation and VII) forest, there is a declining trend of investment in the agriculture & allied sectors. It was 13.16% in the 7th Plan , 9.35% in 8th Plan and 7.56% in the 9th Plan. Against the Tenth Plan approved outlay of 4.02%, the outlay in 2002-03, 2003-04, 2004-05 and 2005-06 is 3.30, 3.12, 2.25 and 3.11 (proposed) respectively in agriculture & allied sector (including forestry & wild life). Further there are numerous schemes whose outlay is less than Rs. 5 lakh. It appears that these schemes have been predominantly made to meet the routine expenditure of the corresponding departments/units. **With such low plan allocation along with thin spreading, it is unlikely that actual developmental work could happen in the agriculture and allied sector.** The State may consider enhancing the allocation for agriculture and allied sectors to about 5% of total allocation in the year 2005-06. It is also advisable that State undertakes an exercise for weeding out such non-significant schemes.

2. It appears that physical targets like total areas under productio[illegible] total production for cereals, pulses, oilseeds, sugarcane, potato, fruits, vegetables, spices etc are related to state level expected achievement and their outcome is dependent mainly on the efforts and investment made by the farmer. With this type of targets, it is very difficult to make any objective assessment of the efficacy of individual plan schemes. The state is required to fix some important key target(s) for each of the plan scheme so that it would facilitate implementation as well as evaluation of the individual scheme.

3. The State is deficit in food production, particularly in rice whose productivity remains stagnant since 9th Plan. There is need to give special emphasis on expansion of area under irrigation and bringing more areas under high yielding varieties. Despite of spending substantial amount of plan allocation (around 13 to 15%) many of the irrigation projects that were started in the earlier plans are not yet completed.

4. The information regarding the State's participation in the Centrally Sponsored Schemes are not clearly mentioned in the document and it is not possible to ascertain whether the State is in a position to effectively utilize the benefits of all the CSS particularly those where grant-in-aid is more than 75%. As the developmental activity in the agriculture and allied sectors is mostly dependent on the fund from Centrally Sponsored Schemes, the state is required to make concerted effort for the participation in all the central schemes. A state level monitoring system needs to be established for ensuring that the state is not loosing any central assistance due to laxity on part of its administrative departments in submitting project proposal/utilization certificate to the corresponding Central departments in time.

5. Soil conservation and development are very important for a state like Manipur where soil erosion and degradation are rampant. The State is implementing central schemes viz. National Watershed Development Project in Rainfed Areas (NWDPRA), (ii) Watershed Development Project in Shifting Cultivation Areas (WDPSCA) for a considerable period of time. As the schemes are being implemented through multiple agencies like Department of Horticulture & Soil Conservation, Barak Valley River Development Board and Eastern Border Area Development Agency, the efficacy of these programmes and integration between different agencies need to be evaluated by some independent agency so that mid-course correction could be taken. If needed, State may propose to use a part of ACA for evaluating the important ongoing schemes in the agriculture and allied sectors.

6. Despite the immense scope for development of horticulture growth in this sector remains lack-luster. The state allocation in this sector is also not adequate. The State has not given adequate information about its participation in the Technology Mission for Integrated Development of Horticulture Scheme. What initiatives the State has taken for marketing of the horticulture produces? Necessary preparedness needs to be initiated immediately for processing and marketing of fruits and vegetables so that producers get remunerative price.

4.1.2 Environment & Forests

Forestry & Wildlife

The recorded forest area in the State is 17,418 sq. km. which constitutes 78% of the State's geographical area. The large portion of forest are for community/private ownership and thus are managed by the communities. The total forest and tree cover comes out to be 17,021 sq. km. constituting 76.2% of State's geographic area. Shifting cultivation is widely prevalent in the State. An area of 11216 Sq.Km. is degraded and requires, improvement for survival.

Forests are a source of subsistence and livelihood to local communities and are, therefore, important for the economy. Participatory forest management as an effective means of protecting and regenerating degraded forests needs to be promoted.

In order to sustain the dependence on forests, it is imperative to increase land and forest resource productivity so that alternative avenues of employment and income are made available to the people. Similarly, the processing/value addition to the forest produce should be promoted at community level to ensure that economic benefits generated from forest produce are tapped by the communities. For this, forest based processing industries, will have to be promoted as forward linkages to these value addition enterprises at community level. This economic dependence on forest resources will ensure realization of stake in sustainability of forests..

Bamboo constitutes an important component of the forest resources which has direct linkage with the livelihood of the people. Adequately organized value addition trade and conservation of this resource will fetch more value and provide productive employment opportunities.

The fact that the communities manage major portion of land areas as forests, immense will and experience is available with communities on resource management. It will be worthwhile to work on integration of sustainability in the management of community/ private forests with government forests also. It is suggested that people's participation and sharing of benefits should be allowed in the State owned Reserve Forests as well. The scheme on Social Forestry should assist communities in sustainable management of community and private forests.

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The Ministry of Environment and Forest has launched the concept of Forest Development Agencies to augment the Joint Forest Management Committees' network and assist them to undertake forestry activities. A total of 205 Joint Forest Management Committees have been set up managing an area of 93941 hectares.

The proposed allocation in the Forestry & Wildlife sector for the Annual Plan 2005-06 is Rs.5.00 crore which constitutes 0.69% of the total State Plan outlay. The anticipated expenditure for the Annual Plan 2004-05 under this sector is Rs. 4.92 crore. The proposed outlay for the Annual Plan 2005-06 for Forest Areas under soil and water conservation is Rs.0.90 crore. Final plantation of over 385 hectares and advance work of over 665 hectares under afforestation prgoramme and rehabilitation of 24 jhumia families are proposed. The outlay in Forestry sector has been reduced. As it is the outlay in this sector is quite inadequate in view of a large area under forest cover and forest based economy of the State. It is suggested that outlay in this sector should be enhanced to at least 2% of the total Plan size of the State.

Suggestions

1. Since number of schemes under Forestry & Wildlife sector in the Plan are too many, schemes similar and with common objectives may be clubbed together.

2. Out of the total forest cover, almost two third of forests is degraded. Rehabilitation of degraded forests should be a thrust area.

3. Minor Forest Produce development, Joint Forest Management and rehabilitation of degraded forests should be integrated in a single initiative – employment generation based on processing and marketing of minor forest produce be made a part thereof

4. Utilization of bamboo resources of the State can be a very important part of the economy. Management of flowering bamboo and planned harvest will help in changing the threat to an opportunity.

5. Habitats of rare species like Manipur Antlered Deer should be conserved through special programmes

Ecology & Environment

The approved outlay for 2004-05 is Rs.1.80 crore which would be fully utilized. The proposed outlay for Annual Plan 2005-06 is Rs.1.25 crore

The important schemes being implemented by the Department are: Environmental Education/Awareness Programme, Environmental Research & Monitoring, Eco-Development Programme, Prevention & Control of Pollution, and Direction & Administration.

4.1.3 Rural Development

Proposed outlay of Manipur State for the year 2005-06 vis-à-vis allocation for 2004-05 MORD allocations (State share) are as given below :

(Rs. in Lakhs)

Sl.No.	Scheme	MORD allocations 2004-05	Proposed outlay 2005-06
1.	SGSY	160.79	248.00
2.	SGRY (JGSY+EAS)	724.14	400.00
3.	IAY (Rural Shelter)	328.28	817.00
4.	DRDA	84.58	0.00
5.	Land Reforms	NA	36.00
6.	IWDP	NA	0.00
7.	RSVY	NA	1500.00
8.	MLALADP	NA	1800.00
9.	Community Dev. & Panchayat	NA	328.00

On examining the Plan Outlays of the State share for Swarnjayanti Gram Swarozgar Yojana (SGSY), Sampoorna Grameen Rozgar Yojana (SGRY) (JGSY and EAS), Indira Awaas Yojana (IAY) for Annual Plan 2005-06 vis-à-vis Annual Plan outlays of 2004-05 (MORD allocations), these seems to be higher than MORD allocation for SGSY and IAY and lower for SGRY. No allocation has been made for DRDA for 2005-06. State Government may provide adequate State matching shares as and when MORD allocations for 2005-06 are made available, for all these schemes.

4.1.4 Multi Level Planning

Border Area Development Programme :

Manipur was included in the Border Area Development Programme in 1997-98 when the programme was extended to include Myanmar Border. An amount of Rs.4.16 crore was allocated to Government of Manipur during 2003-04 against which only first instalment of SCA of Rs.2.77 crore could be released. During 2004-05, an amount of Rs.4.16 crore has been allocated to the State Government. The first instalment of SCA has not been released so far, as the State Government is having unspent balance of Rs.1.90 crore against the releases made during 2002-03 and 2003-04 (Rs.1.10 crore for 2002-03 & Rs.0.80 crore for 2003-04). The State Government have furnished the quarterly progress reports in physical and financial terms upto 30th September, 2004. Utilisation certificates for Rs.1.90 crore are awaited from the State Government.

Rashtriya Sam Vikas Yojana (RSVY) :

Under the Backward Districts initiative Component of RSVY, Tamenlong district of Manipur is covered. The District Plan received from the State Government has already been approved in the meeting of the Empowered Committee held on 17.2.2004. First instalment of SCA was released in March, 2004. Further funds will be released during 2004-05 on receipt of progress of expenditure under the District Plan. The allocation for 2004-05 and 2005-06 is Rs.15 crore/annum.

4.1.5 Water Resources

Financial Status:

(Rs. Crore)

Sl. No.	Item	Major & Medium	Minor Irrigation	Flood Control	CAD	Total Irrg.
1.	IX Plan Actual Expdr.	171.67	30.05	32.14	6.63	240.49
2.	X Plan	221.59	101.20	23.85	21.89	368.54
3.	A.P. 2002-03 Expdr.	53.10	15.90	6.70	2.94	78.64
4.	Annual Plan 2003-04 Expdr.	51.00	16.00	11.20	5.20	83.40
5.	Annual Plan 2004-05 Antcpd. Expdr.	38.00	6.50	10.20	4.61	59.31
6.	Annual Plan 2005-06 Proposed	65.00	20.00	13.70	6.26	104.96

Physical Progress

('000 ha.)

Sl. No.	Item	Major & Medium		Minor Irrigation	
		Pot.	Utl.	Pot.	Utl.
1.	Ultimate Irrgn. Pot.	135	135	105	105
2.	Benefits to the end of 2002	28.50	20.910	47.293	27.14
3	Target X Plan	28.15	19.98	15.00	12.00

4.	Achiv. 2002-2003	0.00	0.00	3.20	2.75
5.	Achiv. 2003-2004	5.15	4.50	3.30	2.80
6.	Achiv. 2004-2005	5.25	4.00	3.50	3.47
7.	Target 2005-06	5.50	4.00	4.00	3.50

Major & Medium Projects

There are three important projects in the State namely (i) Khuga (ii) Thoubal & (iii) Dolaithabi. These three projects are covered under AIBP. The projects have been targeted for completion by the end of X Plan. The brief details are as under:

The proposed outlay for Annual Plan 2005-06 is Rs 65.00 crore including CLA (AIBP) of Rs 19.00 crore and NABARD of Rs 2.86 crore. The project wise spilled over amount to the Xth Plan, outlay for Xth Plan, expenditure for 2002-03, 2003-04 & 2004-05 and proposed outlay for 2005-06 are as follows:

(Rs. crore)

SH/Name of Scheme	Latest Cost	Spilled over to X Plan	Outlay for X Plan	Exp. (02-03 & 03-04)	Anti. Exp. (2004-05)	Annual Plan (2005-06)
1. Khuga	249.47	101.83	100.93	19.04	16.10	State- 20.00 AIBP-10.00 ------- 30.00
2. Singda	68.14		1.00	0.034	-	-
3. Thoubal	390.00	191.02	102.00	30.05	17.40	State- 20.44 AIBP- 9.00 29.44
4. Dolaithabi	63.10	43.21	8.00	6.16	2.50	State –2 70
5. Modernisation schemes	-	-	1.00	-	-	-
6. Dam safety	-	-	0.10	-	-	-
7. Water Development	-	-	8.00	-	-	-
8. New Projects	-	-	0.565		-	-
9. RIDF(NABARD)	-	-	-	-	2.00	2.86
Total:-			**221.595**	**55.28**	**38.00**	**65.00**

Minor Irrigation

The ultimate irrigation potential in M.I. is 105 th. ha. out of which the potential created by the end of IX Plan is 47.293 th. ha., mostly the schemes are of River Lift Irrigation.

Surface Flow Schemes, construction of tubewells and energisation of pump sets. The target of additional irrigation during X Plan is 15 th. ha. The M.I. schemes are being funded under AIBP and NABARD also. The additional potential creation during 2005-06 is 4 th. ha. The brief details are as under:

All the ongoing schemes will be continued during Annual Plan (2005-06). Details of scheme-wise break-ups are given below:

(Rs. in lakhs)

Sl. No.	Major Heads/ Minor Heads of development	Tenth Plan 2002-07 Approved outlay	A.P. 2003-04 Actual Expdr.	2004-05		A.P. 2005-06	
				Agreed Outlay	Antici. Expdr	Proposed outlay	Of which capital content
1	2	3	4	5	6	7	8
Minor Irrigation							
1.	River Lift Irrigation	1500	107.90	100.00	450.00	200.00	200.00
2	Surface flow scheme						
i.	Dams/Pick-up-weir	5650.00	478.19	450.00	1300.00	1300.00	1300.00
ii.	Irrigation Tank	1500.00	-	30.00	30.00	300.00	300.00
3	Energisation of Irrigation Pump sets.	400.00	8.31	20.00	20.00	50 00	50 00
4.	Construction of Tube Well	270 00	8 30	10.00	10.00	40.00	40.00
5.	Survey & Investigation	400.00	24.07	10.00	10.00	30 00	30.00
6.	Implementation of 1st Crop of paddy	400.00	16.60	30.00	30.00	80 00	80.00
	Total:	**10120.00**	**643.36**	**650.00**	**650.00**	**2000.00**	**2000.00**

Flood Control

There are 23 schemes for flood protection in the State for which an outlay of Rs. 9.70 crore has been provided, also the outlays of Loktak Development Authority of Rs. 4.00 crore has been included in it.

Command Area Development

The CAD Programme is a Centrally Sponsored Programme, meant for bridging the gap between the potential created and utilized, the emphasis is laid on completion of on-farm

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development works like construction of field channels and development field drains in the ongoing projects. The outlays proposed in the Annual Plan 2005-06 for the CAD is Rs. 6.26 crore.

Water Rates

The water rates were last revised in 1981.

The recovery of water rates is very low. The State Govt. indicated that the recovery of water rates shall be handed over to the State Panchayats and the revision of water rates shall be initiated.

Water Supply

Financial outlays in Water Supply and Sanitation sector.

Financial (Rs. crore)	
X Plan outlay	321.87
AP 2002-03 expenditure	39.08
AP 2003-04 Expenditure	56.57
AP 2004-05 Proposed outlay	62.32

Rural Drinking Water Supply:

Manipur has 2791 habitations out of which 86 are Partially Covered (PC) as on 1.4.2004.The State has no habitations affected with water quality problems The State has to make earnest attempts to augment drinking water supply to the PC habitations since providing drinking water is one of the NCMP items as well as a monitorable target of the Tenth Plan.

Urban Water Supply & Sanitation:

68% Urban population in Manipur has access to water supply and 20% to sanitation facilities as against the all India coverage of 89% and 63% respectively The water supply and sanitation coverage is below the National average and the State has to make efforts to increase the coverage.

EAP's in Drinking Water Supply and Sanitation:

Manipur has one ongoing Euro assisted "Imphal sewerage project" estimated at Rs 42.70 crore. The disbursement and completion date details are not available. There are no ongoing EAP's in rural water supply sector.

4.1.6 Power & Energy

Manipur Electricity Department is the main agency for development of Power Sector in Manipur.

Installed Capacity (I.C.)

(MW)

	Hydro	Diesel	Total
(i) As on March, 1997	2.60	9.41	12.01
(ii) Additions during Ninth Plan period	0.60	18.00	18.60
(iii) Addition during 2002-03	--	18.00	18.00
(iv) Addition during 2003-04	--	--	--
I.C. as on July, 2004	3.20	45.41	48.61

Central Sector Share

The Manipur State's share in Central Sector power stations located in the North-Eastern Region as on August 2004 is detailed below:

	Manipur's Share MW	(%)
Hydro Stations		
Loktak HEP (3x35 MW)-NHPC	30.4 MW	(28.95)
Kopili HEP (2x25+2x50 MW)-NEEPCO	8.0 MW	(5.33)
Kopili Extn. HEP (2x50 MW)- NEEPCO	7.0 MW	(7.00)
Doyang HEP (3x25 MW) -NEEPCO	5.0 MW	(6.67)
Ranganadi HEP (3x135 MW) - NEEPCO	29.0 MW	(7.16)
Kopili St.II HEP(1x25 MW)- NEEPCO	1.4 MW	(5.60)
Thermal Stations		
Kathalguri CCGT (291 MW)- NEEPCO (6x33.5 MW GT + 3x30 MW ST)	20.1 MW	(6.90)
Agartala GT (4x21 MW)	6.0 MW	(7.00)
Total	**106.9 MW**	

Number of villages Electrified as on March, 2004

Manipur	2084	(95.5 %)	
North Eastern Region	29696	(76.6 %)	
All India	494866	(84.3 %)	

Pumpsets Energisation as on March, 2004

45 Nos. pumpsets energised out of a total potential of 37600 Nos.

Operational Performance

		T & D Losses (%)	
		Manipur	All India
At the end of	1996-97	23.0	24.53
At the end of	1997-98	21.5	24.79
At the end of	1998-99	59.1	26.45
At the end of	1999-2000	61.9	30.93
At the end of	2000-01	58.0	32.86
At the end of	2001-02	62.35	33.98
At the end of	2002-03	63.66	32.54

Financial Outlays

	All Sector Outlay	Power Sector Outlay	Power Sector Outlay as %age of All Sector Outlay
Ninth Plan (1997-02)			
Approved outlay	2426.39	333.00	13.72
Actual Expdr.	1663.12	173.01	10.40
Tenth Plan (2002-07)			
Approved outlay	2804.00	228.86	8.16
2002-03			
Approved outlay	550.00	62.73	11.41
RE	550.00	62.73	11.41
2003-04			
Approved outlay	590.00	71.00	12 03
RE	590.00	71.00	12.03

Tenth Plan (1997-2002) Capacity Addition Programme

The feasible targeted capacity addition during the Tenth Plan period is 41,110 MW at All India basis. This covers only one project of Leimakhong DG unit 4 to 6 each of 6 MW for the Manipur State during the 10th Plan period as per the details given below:-

STATE SECTOR PROJECTS:

(i) Leimakhong DG U-4 to 6 18.00 MW*

* Since been commissioned in April 2002 itself.

Besides the above project, the State Government had also taken several Micro hydel projects such as Maklang , Leimakhong Stage-III, Gelnel Stage-III and Tuipaki during the Annual Plan 2004-05.

PRIVATE SECTOR PROJECTS NIL

SHARE IN CENTRAL SECTOR PROJECTS:

The Manipur State would also get its share in the Central Sector Power Stations located in the North-Eastern Region, which has been taken up during the 10th Plan period. The details of these projects are given below:

Sl. No.	Name of the Project	Organisation	Total Capacity (MW)	Share of Manipur
1.	Kopili St.II (Assam) (1x25 MW)	NEEPCO	25 #	1.4 MW
2.	Tuirial HEP (Mizoram) (2x30 MW)	NEEPCO	60)	Yet to be
3.	Tripura Gas (Tripura) (500 MW)	NEEPCO	500 *)	decided
		Total	**585 MW**	

* The aggregate capacity of Tripura GT has now been brought down to 280 MW from 500 MW by NEEPCO.

Commissioned in December 2003.

Power Supply Position

Year	Peak MW	Deficit %	Energy MU	Deficit %
1996-97 (at the end of the 8th Plan)	(-) 17.0	21.8	(-) 44.5	10.7
2001-02 (at the end of the 9th Plan)	(-) 4.0	4.1	(-) 15.9	3.5
2002-03 (beginning of 10th Plan)	0.0	0.0	(-) 4.0	0.8
2003-04 (April-March 2004)	(-) 4.0	3.5	(-) 11.0	2.3
2004-05 (April-July 2004)	0.0	0.0	(-) 5.0	3.0

Financial Performance

The financial performance of Electricity Department of Manipur in terms of various related parameters from the year 2001-02 onwards as indicated during the resources discussion held in A.P. 2005-06 is indicated below:

	2001-02 (Actual)	2002-03 (Actual)	2003-04 (Actual)	2004-05 (RE)	2005-06 (AP)
1. Net Operation Surplus (Rs. Cr.) without subsidy	-128.74	-128.39	-127.66	-124.00	-154.76
2. Av. Cost of supply (Paisa/kwh)	885.31	982.44	963.66	1011.43	911.55
3. Av. Tariff (Paisa/kwh)	107.43	212.40	172.00	172.00	172.00
4. Date of last tariff revision	12.7.2001	3.9.2002			
5. Outstanding dues to the Central Undertaking and others	as on August 2004 Rs. 100.87 crore.				
6. Revenue arrears	at the end of year 2003-04 Rs.88.99 crore (292.25 % of the sales revenue for the year)				

STATUS OF HYDRO ELECTRIC POTENTIAL
(HYDRO POTENTIAL AT 60% LOAD FACTOR IN MW)
(As on 1-09-2001)

	MANIPUR	NORTH EAST REGION	ALL-INDIA
1. Total Potential	1176.00	31857.00	84044.00
2. Potential developed (%)	73.17 (6.22)	388.50 (1.22)	14003.43 (16.66)
3. Potential under development (%)	47.83 (4.07)	309.72 (0.97)	5294.05 (6.30)
4. Total developed & under development (%)	121.00 (10.29)	698.22 (2.19)	19297.48 (22.96)
5. Balance Potential (%)	1055.00 (89.71)	31158.78 (97.81)	64746.52 (77.04)

Status of Ongoing Projects

State Sector Projects **NIL**

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Private Sector Projects **NIL**

Central Sector Projects

Loktak Downstream H.E. Project (3x30 MW)

The Project is being implemented by National Hydroelectric Power Corporation (NHPC) in the Central Sector. The project was approved in Dec., 1999 at an estimated cost of Rs. 578.62 crore. Infrastructural works like approach road, protection wall and fencing etc. were completed. No work could be taken up due to non-availability of security coverage for the project and also due to problems in non-finalisation of land/crop compensation.

Restructuring & Reforms

The reforms and restructuring in the power sector is proposed to make available quality power to the consumers at a reasonable price. The Government of India have enacted the Electricity Regulatory Commissions Bill, 1998 which provides for establishment of regulatory commissions both at the Centre and in the States. The Central Electricity Regulatory Commission (CERC) has been established on 25th July 1998. New Electricity Act, 2003 has been brought into force with effect from 10th June 2003. The Electricity Act 2003 seeks to create liberal framework of development for the power sector by distancing Government from regulation. The objective of the Act, is "to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas."

Government of Manipur is yet to decide on setting up SERC of its own or setting up of a Joint Commission of two or more States.

APDRP Scheme:

Under the Accelerated Power Development and Reform Programme (APDRP), the sanctioned/released/utilized amount for APDRP as on 31st August, 2004 is given as under:

(Rs.crore)

Project Cost	APDRP Cost	Amount released by GOI	Counter-part fund	Utilisation

10.13	10.13 (100%)	2.67	Not Applicable	2.67 (26 %) *

* Percentage of amount released by GOI.

It has been reported that 21 % - 11 kV feeder metering and 82 % of consumer metering has been completed in the State of Manipur.

Points for consideration

1. Loktak D/S Hydel project (90 MW) approved in Dec., 1999 is being implemented by NHPC in the Central Sector. No work could be taken up due to non-availability of security coverage for the project and also due to problems in land acquisition.

2. The Heavy Fuel Based Power Plant at Leimakhong (18MW) was commissioned in April 2002. Adequate transmission line was not available to evacuate power from this power plant. New 33 KV Double Current Line from Leimakhong to Iroisemba was proposed exclusively for evacuation of power from Leimakhong power plant. This transmission line is to be funded through NLCPR.

The work of said scheme was awarded in August 2003. The work of said transmission line needs to be expedited in order to optimally utilize energy from Leimakhong power plant.

3. The power supply of the state of Manipur mostly depends upon the central sector generating stations. Against a peak demand of 115 MW the maximum availability of power from all generating stations during 2003-04 was around 111 MW. Thus there has been a shortage of about 3.5% of peak power in the state.

4. The T& D Losses were 63.66 % during 2002-03. The revised estimate of T&D Losses for the year 2003-04 is 69 % and it is projected that the T&D Losses will be 69% in the year 2005-06. These losses are very high compared to the All-India average. These losses may be because of theft and pilferage. The State Government should take up the system improvement work so that the technical losses to some extent can be curbed. As regard theft and pilferage losses, which are the major component in the overall T&D Losses, it should be checked and efforts should be made to bring it down. The State Government should provide metered power supplies to all the consumers, as it would be helpful in assessing the actual T&D Losses in the system. It has been reported that 21 % of 11 kV feeder metering and 82 % of consumer metering has been completed.

5. The cost of supply for the year 2003-04 was Rs.9.63 per unit and the average tariff was Rs.1.72 per unit. The gap in cost of supply and average tariff is Rs.7.91 per unit. The net operating deficit of electricity department of Manipur was Rs.127.66 crore for the year 2003-04. The revised estimate for the net operating deficit is Rs.124.00 crore for the year 2004-05. It is projected that the net operating deficit will be Rs. 154.76 crore in the year 2005-06. The gap of cost of supply and average tariff needs to be reduced for financial viability of electricity department.

6. The State Government is yet to decide on setting up SERC of its own. However, it is understood that North Eastern States have shown willingness to constitute Joint Electricity Regulatory Commission (JERC) and for this a strategy is being worked out.

4.1.7 **Industries**

The Industrial growth of the State is limited due to non-availability of infrastructure, raw materials, mineral and transportation facilities. There is no large scale industry in the State.

Developmental efforts in Manipur, by and large, have primarily been directed towards social services sector. The Plan allocations for Industry Sector has all along been relatively low. The geographical location of the State, lack of raw material and inadequacy in infrastructure like power, roads, water and market have kept industrial development at lower level. Concurrently, the traditional cottage and village industries and various small scale units in manufacturing and service sectors which do not require large investment and sophisticated machinery, have stood the test of time because of abundance of local demand, skill, manpower and participation.

Points for consideration

- Industry growth and other statistical data to indicate the contribution of the industrial sector in the State GDP, Investment, Exports and Employment, factual performance against the targets fixed.

- The present level of and indirect subsidy to Industry Sector along with details of efforts being made to move over to non-subsidy-based support such as creation of industrial infrastructure and investor-friendly climate.
- Statistical information on structure and growth rates of industry sector in Manipur. This may include physical output of key sectors, value of output, contribution to SDP, exports and employment.
- Current status of related infrastructure such as power, water, roads, R&D, quality certification, consumer protection, etc. Physical targets / achievements in respect of providing world-class infrastructure at the doorstep of industry in the last two years may be provided.
- Information on labour reforms, land reforms, statutory, non-statutory clearances to be provided.
- List of PSUs with their status indicated action taken on disinvestments / revival / closure etc. Special efforts to be made to optimize the manpower requirements in the PSUs by introduction of Voluntary Retirement Scheme, revive viable sick units and wind up the unviable units. How many PSUs are profit-making and how many are loss-making. In case of running units, their consumption norms and energy efficiency in comparison to similar nationality and internationally best plants must be provided.
- Investment scenario of the State with details of investment in private / public sector, information on externally aided projects and FDIs to be provided.
- Making the industrial growth centre functional, setting up trade centre and building up infrastructure taking help of centrally sponsored schemes.
- Key initiatives launched / proposed to be launched for enhancing investor-friendly climate including measures for increasing competition, regulatory reforms in areas such as labour / land and re-engineering of industry-related clearances. Domestic and foreign direct investment figures may be provided.
- Incidence of local taxes / levies on industrial products and efforts for lowering their incidence to a reasonable level.
- Consumer protection information.
- General write-up on industrial policy in the State and thrust areas visualized.
- Projects commissioned / proposed to be commissioned in PPP (Public, Private Participation) mode. Policy measures to create conducive atmosphere to invite PPP in the field of industrial and infrastructure development.

- Requirement and availability of quality testing and certification and proposals in this regard.

4.1.8 Village & Small Enterprises

The projected agreed outlays for the Tenth Plan for the Village & Small Enterprises Sector and Sericulture sector were Rs.46.45 crore and Rs.268.07 crore respectively. Sericulture outlay includes Rs.237.76 crore for the Externally Aided Project. The outlays for the VSE Sector for 2002-03, 2003-04 and 2004-05 were Rs.5.51 crore, Rs.3.48 crore and Rs.3.25 crore respectively and for the Sericulture Sector the outlays were Rs.52.10 crore (Rs.51.80 crore for EAP), Rs.42.95 crore (Rs.41.90 crore for EAP) and Rs.51.10 crore (Rs.42.90 crore for EAP) for the above corresponding years.

The proposed outlay for 2005-06 for the VSE Sector other than Sericulture is Rs.6.00 crore which includes Rs.50.00 lakh for Direction & Administration, Rs.50.00 lakh for training, Rs.20.00 lakh for industrial estate, Rs.50.00 lakh for SSI, Rs.280.00 lakh for Handlooms, Rs.15.00 lakh for Handicrafts, Rs.35.00 lakh for Khadi, Rs.20.00 lakh for District Industries Centres, Rs.50.00 lakh for Food Processing Industries and Rs.30.00 lakh for building programme. The proposed outlay for the VSE Sector for 2005-06 is about 85% higher as compared to the previous year's approved outlay.

In Manipur State, there is a great potential for Handloom and Handicraft industries, utilizing cane and bamboo. Under the UNDP sponsored and assisted projects, four Common Facility Centres, two for bamboo and two for cane are being set up at Patsoi, Morang, Oinam and Churachan dpur. Four NGOs have been selected to run the centres and 100 craft persons and 50 farmers for plantation of bamboo and cane have been selected for each of the Common Facility Centres. A cane and bamboo processing project is being set up at Tamenglong. Handicrafts/Handlooms items are being sold through "Haats" which needs encouragement. Development of these both the sub-sectors will help rural population as it has a potential to generate large scale employment and sufficient revenue earning capacity.

Handlooms is a prominent activity in the Manipur State. In terms of number of weavers, amongst the different States in the country, Manipur ranks fourth. Rs.280.00 lakh is provided during 2005-06. The break up of the outlay and physical achievements during previous years and targets for 2005-06 need to be furnished.

State Govt. is undertaking training programme for SSI, Handlooms and Handicraft Industries for which a sum of Rs.50.00 lakh is proposed during 2005-06. During 2003-04, 888 persons were imparted training in various trades which includes 564 under SSI, 156 under Handlooms and 168 under Handicrafts sub-sectors. Physical targets for 2004-05 and 2005-06 have not been furnished. State Govt. may evaluate the benefits of the training and assist the entrepreneurs for setting up of SSI units and taking up Handloom and Handicraft activities to generate employment.

Sericulture is a labour intensive agro-based industry and helps in generating employment for rural people with lowest investment costs. Out of the proposed Rs.52.00 crore outlay for Sericulture Sector, Rs.42.90 crore is allocated for Manipur Sericulture Project (EAP), Rs.7.60 crore for State's matching share, Rs.10.00 lakh for State's share for CSS and Rs.1.40 crore for various activities of sericulture in the State.

During the 9th plan Manipur Sericulture project with financial assistance from Externally Aided Agency, JBIC, Japan was taken up in July, 1998. The project was to be implemented in two phases in 10 years. The total estimated cost of the project is Rs. 490.51 crore out of which Rs. 134.51 crore is for the first phase. About 68 MT of bio-voltine silk yarn is targeted to be produced at the end of the project by giving employment to about 7090 families. Upto date progress of the EAP may be furnished by the State Govt. During 2005-06, it is proposed to give employment to 37008 families by covering an area of 32486 hectares of land with a production target of 218 MT of Silk Yarn for Tasar, Muga, Eri & Mulberry sectors.

State Govt. may initiate the Central Scheme for establishment of Urban Haat and avail Central Assistance to promote Handicrafts and Handlooms Industries and avail Central Assistance for which provision of matching funds may be kept in the State Plan.

In pursuance of Industrial Policy Measures for Promoting & Strengthening Tiny Village Enterprises, a scheme of Integrated Infrastructure Development Centre for small scale industries to facilitate location of industries in rural/backward areas and to promote stronger linkages between agriculture and industry was launched in 1994. The estimated cost to set up IIDC is Rs.5.00 crore(excluding cost of land). In North-East Region, the cost is shared between Govt. of India and Small Industries Development Bank in the ratio of 4:1. The share

of the Central Govt. is in the form of grant and that of State/SIDBI as loan. So far only one project is under implementation at Moreh (distt. Chandel) which was sanctioned in May, 1997. The work is yet to be commenced. State Govt. may expedite its implementation and take up more projects.

During AP 2005-06, Rs.50 lakh is proposed for taking up various activities under Food Processing Industries Sector which includes training, infrastructure development of fish processing industry, R&D, etc.

During 10th plan, thrust is also being given to Agro-based industries like food processing industries. Under the scheme of Ministry of Food Processing Industries, Govt. of India, there is a provision of Rs.4.00 crore as Central Assistance for setting up a Food Park. Two food Parks at Lamphelpat (Manipur Food Indutries Corp. Ltd.) and Ukhrul (Rishang Keishing Foundation – a NGO) have been sanctioned during 2000-01 and 2001-02 respectively. The State Govt. may expedite the completion of these Food Parks. Rs.1.07 crore has been allocated for food parks during 2005-06. State Govt. has included food park under Industries (other than VSE). This activity is a part of VSE Sector. Therefore, it should be included under Food Processing Industries Sector under Village & Small Industries.

Since the VSE is an important sector from the point of view of having potential for employment generation, utilisation of locally available resources and potential for exports, therefore need to be encouraged. The share of allocation for VSI sector may be utilised for implementation of the development programmes and strengthening the various components of the sector as this sector has potential to generate new jobs at lower investment per job. State Govt. may make the efforts to reduce the expenditure on Direction & Administration and utilise the funds for developmental schemes of the sector.

4.1.10 Transport

Outlay /Expenditure

(Rs. crore)

Sector	10th Plan 2002-07 Outlay	2002-03 Expd.	2003-04 Ant. Exp.	2004-05 Outlay	2005-06 Proposed outlay

Roads & Bridges	222.00	24.08	31.00	86.60	45.00
Motor Vehicle Wing	0.66	0.11	0.30	0.80	0.34
City Bus Terminal (PWD)	0.82	0.14	0.00	1.00	0.00
Total	**223.48**	**24.33**	**31.30**	**88.40**	**45.34**

The State Govt. of Manipur has proposed an outlay of Rs. 45.35 crore for Transport sector for annual plan 2005-06.

As regards, physical progress the State Govt. should furnish physical targets in the prescribed format made available by this division.

As indicated in the plan material, the Prime Minister is stated to have announced widening/improvement of 16 roads during his visit to the State. The information has been given in a summarised form as follows:

S.No.	Proposal	Est. cost (Rs. cr.)
1.	Roads connecting district to sub-division	67.44
2.	Roads connecting State capital to district	24.22
3.	New roads inter-linking headquarters	55.60
4.	Double-laning of Maram-Paren road	54.00
	Total	201.26

Road mentioned at S.No. 4 above is reported by the MOSRTH to have been included in the "Special accelerated road development programme for North East" proposed by the Ministry. Details of the other roads need to be discussed during the forthcoming annual plan working group meeting.

The State Govt. has not mentioned physical and financial progress of the roads undertaken under CRF.

An amount of Rs. 20 crore is allocated to Manipur per annum under PMGSY. As per information provided by the Ministry of Rural Development, the state has 2808 number of habitations out of which 1250 habitations were unconnected in the beginning of 2000-01. 515 habitations have been identified by the Ministry for providing connectivity under PMGSY. Against this 126 habitations have been connected by 19.1.2004. Out of 28 habitation with population 1000 +, 27 habitations have been connected.

Motor Vehicle Wing

The main proposals include purchase of four sets of smoke metres and gas analyser and construction of 15 waiting sheds for passengers. This division endorse the proposal.

4.1.11 Communication & Information

There is no Deptt. of I.T. A Cell is working under the S&T head. As suggested by the Deptt. of Economic Affairs, there should be a separate head for IT and a Deptt. should be created. An allocation of Rs.2.20 crore has been proposed.

State Govt. should frame an IT policy and list out detailed IT related programmes in consultation with DIT at center and other stake holders.

Based on the IT policy, a suitable e-governance plan may be sketched and implemented. SWANs should be created in the state with the support of DIT at center.

As suggested by Planning Commission, 2-3% of the total outlay should be earmarked for the IT activities.

4.1.12 Science &Technology

The State Department of Science & Technology was set up in 1985 which acts as a nodal agency in the state for planning, coordinating and promoting Science & Technology towards meaningful application in various development programmes. The Department is also the implementing agency for non-conventional sources of energy programmes, Integrated Rural Energy Programme (IREP) and other Scientific Research Scheme. Three autonomous organizations vis i) Manipur Remote Sensing Application Centre (MARSAC), ii) Manipur Renewable Energy Development Agency (MANIREDA) and iii) Manipur Science & Technology Council (MASTEC) were created under this Department. The S&T Sector programmes being implemented by MARSAC and MASTEC, relate to Remote Sensing Application, Science Popularization, Human Resource Development and Support to Research & Development Programmes. A Science Park has been set up at the State Museum, Bal Bhavan, Imphal. The State Remote Sensing Center has taken up several projects on application of remote sensing techniques in Geological Studies in Manipur and also the Integrated Mission for Sustainable Development (IMSD) Programme in Imphal District. The Programmes proposed to be undertaken include National Children's Science Congress

and Science excursion; creation of required infrastructure like science exhibition hall, staff quarters etc. at the Manipur Science Centre, Imphal; promotion of HRD programmes like research fellowships to Ph.D. scholars, young scientists awards, financial assistance for attending international conferences, short term training in reputed institutions, seminars/training etc. The MARSAC will be taking up activities related to preparation and digitization of thematic maps of Manipur State on landuse/land cover maps, implementation of NEC projects etc. Under the Research and development programmes, R&D projects in the areas of tissue culture application, Natural Resources Data Management System will be supported.

The State Government of Manipur has proposed programmes related to State Computer Centre/Information Technology, activities under Eleventh Finance Commission Award pertaining to setting up of School computer Training Centres for students of Class VII to XII standard, and programmes relating to e-governance and electrification in remote villages through renewable energy to be funded through NABARD loan.

The State S&T Council need to establish active interaction/linkages with the Central Scientific Departments/Agencies viz. Department of Biotechnology, Department of Science and Technology, and Department of Scientific and Industrial Research for identification and implementation of location specific programmes for the development of the State. The setting up of the Biotechnology Park may be taken up in consultation with the Department of Biotechnology. The Remote Sensing Application Centre may identify various projects based on the users demand and the services provided by it, may be suitably priced, so that the Centre becomes self-sustainable. All the programmes pertaining to the S&T Sector as mentioned above may be supported.

Financial Progress:

(Rupees in Lakhs)

S. No.	Major Head/Name of the Scheme	Tenth Plan 2002-07 Outlay	Annual Plan 2004-05 BE	Annual Plan 2004-05 AE	Annual Plan 2005-06 Outlay Proposed
1	Directorate of S&T	59.90	10.00	10.00	10.00
2.	Science Centre & Science Popularisation	50.00	5.00	5.00	100.00

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3.	Human Resource Development	14.00	5.00	5.00	20.00
4.	Research & Development Programmes	50.00	5.00	5.00	25.00
5.	State remote Sensing Centre	50.00	10.00	10.00	20.00
6.	Setting up of Biotechnology Park	80.00	0.00	0.00	0.00
7	Grant-in-aid to MASTEC	25.00	6.64	6.64	5.00
	Total	328.90	41.64	41.64	180.00

4.2 SOCIAL SERVICES SECTOR

4.2.1 Education

The total population of Manipur is 23.88 lakhs (Census 2001) and 76% is rural population. The overall literacy in Manipur (68.87%) is marginally higher than the All India rate (65.36%). The male & female literacy rates are 77.87% and 59.70% respectively. The gender gap in literacy is also as wide as 18 percentage points though there has been a reasonable increase (by 12 percentage points) in female literacy when compared to the 1991 Census. Issues pertaining to education are listed below:

- Four out of nine districts, viz., Senapati, Chandal, Tamenglong and Thoubal exhibit lower female literacy rates than that of All India.

- Gross Enrolment ratio for the State at the primary level is 146.88. It could be inferred that a large number of under-age children are enrolled in primary schools. The under-age children should be in Early Child Care and Education Centres. SSA is being taken up in all the nine districts of Manipur.

- The number of habitations in the State, which do not have access to primary schools, is 1812, which accounts for about 38% of the total habitations in the State.

- More than 25% of the children in the age group 6-14 are out-of-school. The State needs to expedite the process of access, enrolment and retention to enhance participation in education.

- Ever since the Supreme Court has directed supply of cooked food to the children under the Mid Day Meal Programme, the department has selected only 20 schools. The coverage of Mid Day Meal Programme has to be in universalized and proper management and supervision structure should be in place.

- Extending educational facilities to remote areas on a priority basis. Rural schools face problems of teacher absenteeism to a greater extent. Schools operating in the hilly areas do not attract the teachers due to lack of accommodation for them.

- Only 22% of the teachers are trained at the primary level. Greater emphasis should be on systematized teacher training for improving the classroom practices and quality of basic education.

- Eight District Institute of Education and Training (DIET) has been sanctioned to the State but only five are functional. This adversely impacts on teacher training and functions of Block Resource Centre (BRC) and Cluster Resource Centre (CRC). The work relating to newly sanctioned DIETs should be expedited and made functional.

- Strengthening the existing infrastructure of educational institutions and make it easily accessible to the students across the State.

- Total literacy campaign (TLC) and Continuing Education Programme are being implemented in the state under Adult education for improving the functional literacy of the neo-literates. Improved Pace and Content Learning strategy will be adopted in the literacy course of TLC programme so as to achieve the desired level of literacy.

- SCERT has been working for the improvement in the quality of education in the elementary stage. The SCERT has also been entrusted with the implementation of the scheme of vocationalization of education at plus two level with self-employment as the main objective. Under the Centrally Sponsored Scheme of Restructuring and

Reorganization of Teacher Education, courses have been conducted for in-service teachers and diploma in elementary teacher education.

- The State is lagging in technical education. There is only one polytechnic for diploma courses in civil, electrical, mechanical and electronics. The Manipur College of Technology has been handed over to a society and provided grants-in-aid for 3 years. This will be part of Central University to be campused at Manipur University, Canchipur.

Financial Progress in Education Sector – Government of Manipur

S. No	Sub-head	Tenth Plan 2002-07 Agreed Outla	2002-03 Actual Expd.	2003 – 04 Actual Expd.	2004 – 05 Ant. Expd.	2005-06 Proposed Outlay by the State	% Chan ge
1.	Elementary Education	7435.00	704.58	1064.63	2785	3965	42.4
2.	Adult Education	748	9.70	57.57	76.36	95	24.4
3.	Secondary Education	3480	328.41	381.08	3892	504	(-)87
4.	Higher Education	6516	302.27	777	4336	2300	(-)47
5.	Teacher Education (SCERT)	1287	95.23	78.29	126.17	160	26.8
6.	Language Development	50	6.73	0.64	31	15	(-)52
7.	Others	200	3.44	38.48	247.51	16	(-)93
8.	**Total General Education (Items 1 to 7)**	**19716.00**	**1450.36**	**2397.69**	**11494.04**	**7055**	**(-)39**
9.	Technical Education	1776.50	12.10	60.48	130	170	30.8
10.	Sports & Youth Affairs	1463.00	242.71	335.35	540.34	600	11
11.	Art & Culture	3910.50	328	233.70	781.80	1065	36.2
	Total Education (Items 8 to 11)	**26866.00**	**2033.17**	**3027.22**	**12946.18**	**8890**	**(-) 31.3**

Source: Draft Annual Plan (2005-06) Proposals, Volume II, Page 2

Statistical Profile* – Government of Manipur

Literacy Rate

	1991		2001	
	Manipur	All India	Manipur	All India
Male	71.63	64 13	77.87	75.85
Female	47.60	39.28	59.70	54.16
Total	60.44	52.21	68.87	65.38

Gross Enrolment Ratio (2002-03)

	Primary		Upper Primary	
	Manipur	All India	Manipur	All India
Boys	148.83	(97.32)	80 76	(65 51)
Girls	144.85	(92.87)	80.14	(56.31)
Total	146.88	(95.18)	80 46	(61 13)

Drop out rates (2002-03)

	Classes I – V		Classes I – VIII		Classes I – X	
	Manipur	All India	Manipur	All India	Manipur	All India
Boys	25 92	(35 85)	35 43	(52 28)	61 92	(60 72)
Girls	25.24	(33.72)	30.08	(53 45)	59.01	(64.97)
Total	25 60	(34 89)	32 93	(52 79)	60 54	(62 58)

Pupil Teacher Ratio (2002-03)

	Manipur	All India
Primary	31	42
Upper Primary	17	34
Secondary	19	30
Higher Secondary	20	35

Percentage of Trained Teachers (2002 – 03)

	Manipur	All India
Primary	22	86
Upper Primary	19	87
Secondary	28	89
Higher Secondary	47	90

Per Capita Expenditure on Education (2002-03)

(In Rs)

Manipur	All India
1525 71	867.39

Enrolment (2002-03)

	Manipur	All India
Primary	356799	122135797

* Source Selected Educational Statistics, 2002-2003 - Abstract

Upper Primary	124910	46946513
Secondary	62921	21905698
Higher Secondary	37826	11396634
Higher Education	35560	9516773
Polytechnics	453	428143

Number of Institutions (2002-03)

	Manipur	All India
Primary	2552	651399
Upper Primary	794	245710
Secondary	540	91517
Higher Secondary	147	46137
Arts/Science Colleges	58	9166
Teacher Training Institutes	3	873
Polytechnics	1	1173
Universities	2	217

4.2.2 Health, Family Welfare and Nutrition

The State Health Department is fully committed to the total health care of its people in the spirit of Health for All. The Priority attention of the Department is to provide the optimum health needs of the people in general and particularly to these living in rural and tribal areas of the State.

The health system in the state of Manipur is based upon the Primary Health Care approach as envisaged in the National Health Policy of 1983 with the objective for attainment of **"Health for All"** and **"All for Health".**

The heath care delivery system in the State is organised at three levels, each level supported by a referral centre. The levels are:

a) Primary Care level comprising of Sub-centres (SC), Primary Health Centres (PHC) and Community Health Centres (CHC); Essential basic health care is provided at this level.

b) Secondary care level comprising of CHCs and District Hospital as referral centres where comparatively more complex curative services are provided with basic specialist facilities.

c) Tertiary Care level where specialist and super specialist care are provided. It includes the State level hospital (J.N. Hospital) and RIMS.

The table below gives the financial performance of the Manipur State in the Medical& Public Health and Nutrition sector.

(Rs in Lakhs)

Major Heads/ Minor Heads of Development	Tenth Plan 2002-07 Projected Outlay	Annual Plan 2003-04 Actual Expdr.	A. P. 2004-2005		A. P. 2005-2006	
			Agreed Outlay	Anticipated Expdr.	Proposed Outlay	Of which Capital Content
Sub-total: (Medical & Public Health)	8173.00	940.96	1915.91	1915.91	3000.00	1770.00
Nutrition	4488.00	240.26	930.00	930.00	1100.00	60.00

The proposal for 2005-06 for the Manipur is over emphasized on building construction.

Manipur with the population of 2.4 million has excellent demographic and health indices It has already achieved replacement level of fertility, low level of IMR and death rate. Though the sex ratio is far above the all-India level of 933, the ratio at 0-6 years is less than the adult sex ratio, and causes for these need to be looked into.

Primary Health Care Infrastructure					
	Sub Centre	PHC	CHC	Sub-District Hospitals	Dispensaries
Required	344	57	14		
Existing (RHB)	420	69	16	4	39

The state has surplus infrastructure at primary care level. Tenth Plan has suggested re-organization and restructuring of existing infrastructure so as to improve service delivery at all levels.

Mainstreaming of ISM&H institutions

Manipur has 3 ISM&H Hospitals and 39 Rural Govt Dispensaries Of Modern Medicine. It is important to mainstream these institutions along with the institutions of modern system of medicine so that there is improved access to health care and patients can benefit from being able to choose the system of their choice for management of ailments.

DISEASE CONTROL PROGRAMMES

State is endemic for malaria and has a high PF rate. The annual blood examination rates are way below the required 10% level. It is important that the state pays due attention to malaria control activities. Also Utilization of funds under malaria control progrmme is sub-optimal. Reported performance of the state in tuberculosis and control programmes have been satisfactory. Performance under Blindness Control Programme is poor. State has the highest reported number of IV drug users who are HIV seropositive; the prevalence of this infection among STD clinic population, and in many areas even among general population is high. State has substantial funding for AIDS control activities. Optimum utilization of the funds should be made in order to reduce the incidence of HIV infection; interventions aimed at drug de-addiction, counseling and care of HIV infected persons, screening of blood donated for transfusion, and hospital infection control and waste management are some of the areas that

require further improvement in order to prevent any deterioration in the current excellent health indices of the people of the state.

FAMILY WELFARE

The state has low fertility and mortality rates; in spite of poor infrastructure and difficulties in access the coverage under antenatal care and institutional delivery rates are above to all India average . The state should strive to achieve the goals set in the Tenth Plan . The unmet needs for maternal, child health and contraception have to be met through improving efficiency, ensuring referral linkages and optimal use of available infrastructure and manpower. It is imperative that 100% birth and death registration, and compilation of the data at district and state levels is ensured, so that its utilization for decentralized, area specific planning, monitoring and assessing the impact of Family Welfare and health programmes becomes possible.

IMMUNISAITON COVERAGE

Coverage under the Universal Immunization Programme has been decreasing for the last 4-5 years. State should make greater efforts to ensure that routine immunization is strengthened.

NUTRTTION

Optimum use should be made of available funds to improve nutritional status of infants and young children so as to achieve Tenth plan goals. It is essential to ensure convergence of services between health, family welfare and nutrition service providers at village, block and district levels, and involve PRI's in decentralized district based planning and monitoring of progress. The state is also requested to provide the current physical and financial performance for the PMGY(Nutrition component) and NPAG schemes.

Problems and Issues:

1. Health outlay for Manipur under Plan has been in lower side hovering below 3% of the total state plan outlay. The greatest short fall in the outlay is in the area of hospitals, Medical Directorate and Districts Head Quarters.

2. All the hospitals in the State need up-gradation of the existing equipment as well as installation of additional Diagnostic and Therapeutic equipment consistent with modern technology and concepts. Particular attention needs to be given to imaging, laboratory, labour room and OT equipment. Currently 8 (eight) out of the 16 CHC's do not have X-ray facilities. Further adequate provisions need to be earmarked for proper maintenance of critical equipment. DONER had been approached for equipment upgradation of J.N. Hospital, the District Hospitals & 5 CHCs. DONER has retained the proposal for equipping 7 District Hospitals and 5 CHCs in the State, but funds are yet to be sanctioned.

3. The outlay norms for drugs and reagents have remained unrevised since the 5th Plan and are now grossly inadequate to meet the bare essentials. Enhancement of the outlay realistically is needed.

4.2.3 **Housing and Urban Development**

As per 2001 Census, the population of Manipur is 24 lakhs, out of which 24% live in urban areas. Area-wise. nine-tenth consists of hills and the remaining one-tenth only comprises the valley. While 59% people in the State live in the valley, 41% is thinly dispersed in the hill areas. The State is land-locked and Roads constitute the most important transport system. The development of Housing & Urban infrastructure need to be in conformity with the physical features of its plains and dissected mountains.

The Housing plan programmes of Manipur caters to Rental, Police and LIG, EWS categories, re-construction/ shelter up-gradation etc. It is mentioned that the satisfaction level of housing construction of different type of quarters for Police personnel is 7.6%. The outlay proposed for 2005-06 is Rs 24.73 crore Including Rs 8.17 crore for Indira Awas Yojana.. State Government need to provide details regarding the housing satisfaction level for all plan programmes vis-à-vis shortage/ target for each of the categories. It needs to be ensured that the sectoral priorities are need based and that the financial progress matches with physical achievements.

The main objective of the Urban Development Department. is to support the Urban Local Bodies for creation of civic amenities, improvement in urban environment, up-gradation of the living conditions of Urban poor etc. In addition to the implementation of Centrally Sponsored schemes, other schemes include, State Capital Project, environment improvement of urban slums, preparation of Master Plans etc. An outlay of Rs 16.66 crore is proposed for 2005-06.

Centrally Sponsored scheme of IDSMT (Integrated Development of Small & Medium Towns):_As per information available, upto March, 2004, the number of towns covered is 22. The central and State release of funds amounted to Rs 6.33 crore, Rs 3.81 crore respectively. The expenditure reported was Rs 6.32 crore. However, it may be pointed out that the utilization since 2003-04 has been Nil and the last central release included Rs 2.07 crore during 2002-03.. Rs. 2 crore is proposed for 2005-06. The implementation of the programme requires in-depth discussion

NSDP (National Slum Development Programme): As per information available, upto March 2004, Rs. 3.72 crore was released as Additional Central Assistance (ACA) and the expenditure reported was Rs 3.67 crore working out to 98% utilisation. An amount of Rs 5.72.crore remains as unspent balance under the programme. Rs 1.04 crore is proposed for 2005-06.

SJSRY (Swarna Jayanti Shahari Yojana). As per information available, the central and State share of release upto March, 2004 amounted to Rs 3.58 crore and Rs 81 lakhs respectively, and the utilization was reported to be Rs 4.30 crore. The State Government have to make component wise details, the absorption of the programme, reasons for shortfall in utilistaion of funds etc available. The appointment of Project Officers, Community Organisers along with formation of Neighbourhood Groups/ Committees, Community Development Societies should be given top priority.

VAMBAY (Valmiki Ambedkar Awas Yojana) Upto March 2004, about Rs 2 crore was released, and 35 dwelling units had been completed and another 13 housing units in progress. Rs 1.08 crore is proposed for 2005-06. It is essential to link up all the slum related programmes for effective utilization of funds. The State Government may evolve a more focused strategy in handling the issues.

URIF (Urban Reforms Incentive Fund):Release of Additional Central Assistance for strengthening urban Infrastructure was being envisaged, in linkage with the urban reforms executed by the State Government. No information is made available on the progress. As per records, upto March 2004, Rs 40 lakhs was recommended under URIF

State Capital Project: As per State Plan document, under this construction of State Capital Complex i.e. Assembly, High Court and Secretariat Buildings relocated in the foothills of Chingmeirong, Imphal. In the first two years of the Tenth Plan, Rs 2.75 crore each was expended. For the Annual Plan 2004-05. Rs 3.22 crore under Civil Infrastructure (EFC award) and Rs 50 crore as ACA was approved.

NLCPR (Non-Lapsable Central Pool of Resources): Information on the implementation of various projects from NLCPR funds should be provided. In addition, it may be added that a number of projects are posed for central assistance entailing huge budget

estimates. The Plan document needs to explicitly incorporate the status report on the same. In addition, necessary feed back on the following areas of concern:

- In a time bound frame, comprehensive survey to ascertain the number of houseless families should be carried out before any State scheme for housing is embarked upon; The scheme may include components like provision of credit, interest subsidy both for construction of new house or upgradation/reconstruction/ etc with emphasis on EWS/ LIG; The share of beneficiary must be insisted upon;
- Suitable and environment friendly building bye-laws to suit local conditions be framed;
- To decongest the existing hilly towns, alternative sites may be identified for satellite towns with innovative land pooling/ land assembly and PPP models;
- Being geographically different, separate norms be considered in building construction activities;
- Appropriate earthquake resistant building construction models need to be developed in seismic prone areas;
- The construction costs should conform to those prevalent in the target areas;
- Building Material Technology Promotion Council (BMTPC), Central Building Research Institute (CBRI) and IITs may be associated in developing appropriate building material and construction technologies to suit the geographic conditions; Thereafter, massive campaign for their adoption should be carried by States;
- The strategy for development of infrastructure facilities including Solid Waste Management has to take care of future demand and the interests of tourists;
- The problem of urban transport network and essentially availability of space for the purpose have to be tackled;
- Assets created by the planned investments have to be maintained properly;
- Capacity building of ULB personnel;
- To explore the possibility of involving private sector in providing civic services and in turn, to generate revenue for the ULBs;
- Speed up the works undertaken under NSDP and proper utilization of fund and timely submission of UCs be given priority;
- Meant to improve urban slums, the schemes of NSDP, VAMBAY etc be dovetailed for effective utilization of funds;

Annual Plan Outlay (2005-05): The Government of Manipur has proposed an outlay of Rs 24.73 crore for Housing and Rs 16.66 crores for Urban Development sectors for the Annual Plan, 2005-06.

5.2.4 Social Justice & Women's Development

Social Justice & Women Empowerment

Literacy rate among SC and ST female in the State is 47.41% and 44.48%, respectively, which is much lower compared to male literates of 65.28% and 62.39%, respectively. Therefore, it may be suggested that a concerted effort is necessary to improve the literacy rate of SC/ST females in the State.

Recovery position of the State's Scheduled Tribe Finance & Development Corporation was as low as 24% only, which is very low. The State Government needs to indicate the initiative taken to improve the functioning and recovery position of the Corporation.

The population percentage of Scheduled Castes and Scheduled Tribes in the State is 6.32 and 34.4 respectively. Therefore, it may be recommended that the flow of funds under SCP and TSP may be corresponding to the population of SC and ST in the State. Plan documents relating to SCP and TSP for Annual Plan 2005-2006 may also be forwarded to the Planning Commission and the Ministry of Tribal Affairs and Ministry of Social Justice and Empowerment.

The State Government has proposed Rs.318 lakh for welfare and development of OBC and Minorities under different schemes.

Proposed outlay under various schemes ranges from Rs 1 lakh onward which is insufficient to implement any scheme, therefore, the representatives of the State Government may be suggested to plan meaningful to benefit the target groups.

Outlay and Expenditure

(Rs. in lakh)

Sector	Tenth Plan Approved Outlay	Annual Plan 2002-03	Annual Plan 2003-04		Annual Plan 2004-05 Approved outlay	Annual Plan 2005-06 Proposed Outlay
		Actual Expd.	Agreed Outlay	Anti. Expd.		
(1)	(2)	(3)	(4)	(5)	(6)	(8)
Social Welfare	616.00	54.72	1003.00	1003.00	1015.00	1200.00

The State Government has proposed an outlay of Rs. 1200.00 lakhs which includes Rs. 315.37 lakhs for National Social Assistance Programme (NSAP), and Rs.115.63 lakh for National Family Benefit Scheme for the Annual Plan 2005-06. The anticipated expenditure is Rs. 1015.00 lakhs in Annual Plan 2004-05. It may, however, be noted that the NSAP component has been included in Social Welfare. It would be desirable that the schemes under NSAP be transferred to the respective sectors and the total Tenth Plan outlay earmarked to Social Welfare be appropriated within the approved outlay and necessary readjustments may be carried out, if necessary.

It was suggested in the last meeting between Deputy Chairman, Planning Commission and Chief Minister of Manipur that the major continuing schemes be evaluated for better effectiveness and for developing more suitable schemes. State Government may provide details in this regard.

Social Welfare

The State Government has proposed an outlay of Rs. 157.49 lakh for the Annual Plan 2005-06 for the maintenance of the one Government Ideal Blind School, one Government Deaf and Mute School and one hostel for Disabled in the State. The scheme " Construction of Deaf and Mute School" is being constructed since 2004-05 and same has been proposed in 2005-06 also. State Govt. may provide the present status of progress of construction work.

Similarly, with help of one time Additional Central Assistance, there are two hostel are being constructed since 2004-05, one for Boys and Girls hostel for blind school and an other for Boys and girls hostel for Deaf & Mute School. This needs to be discussed.

Apart from this, there is one scheme under National Programme for Rehabilitation of Persons with Disabilities (NPRPD), which has recently been transferred to the State Sector but details on the same have not been provided.

State Coordination Committee on P.W.D. Act,1995, though has been set up in the State , but no meeting has been held since 2001. As per the section of 19 of PWD Act, the meeting should be held at least twice in a year

Under Social Defence, there are 3 schemes i.e. i) Prohibition; ii) Assistance to Voluntary Organisations and iii) A Programme for Juvenile Justice for the maintenance of Special Home/Observation Home/Juvenile Home. In the last Working Group, it was informed that the Awareness Programme for Drug Abuse Prevention and Illicit Trafficking would be continued both at State and District levels during the Tenth Plan, the status of the same is not known.

The State should also furnish information on the progress/achievement in regard to the provisions and implementation of Persons with Disabilities (Protection of Rights, Equal Opportunities, full participation) Act, 1995.

Drug abuse and AIDS are becoming major social problems in the State, which requires preventive cum-curative cum-rehabilitation strategies for those affected. These problems could possibly be addressed with a combined efforts of both Government and Non-Governmental agencies. State Government initiatives in this regard need to be discussed.

Women & Child Development Programme

The State Government has made a provision of Rs. 99.26 lakh for the Annual Plan 2005-06 to support the maintenance of one Working Women Hostel, Vocational Training-cum-Production Center for Women, Associate Women Workers Training Camp and Manipur State Development Corporation, which is higher than annual plan 2004-05. The activities of Women Development Corporation may be discussed.

State Govt. has proposed an outlay of Rs.81.02 lakh as the incentives for the Anganwadi Workers, helpers and Nutrition Programme for Adolescent girls. There is no need to provide

additional incentives by the State as Govt. of India has already enhanced the honorarium of Anganwadi workers and helpers of ICDS Project and proposed outlay may be utilized for activities empowering women.

Empowerment of the women is a National Policy of the Government of India since Ninth Five Year Plan. The approach to the Tenth Plan envisages a very distinct strategy for empowering women in terms of definite goals, targets and within timeframe. The State Government should draw up a time bound Action Plan for translating this policy into a set of concrete actions in consultation with both Governmental and Non-governmental sectors.

Towards economic empowerment of women, the State should also give priority to skill development training for gainful employment/self employment, besides formulation of income-generating schemes specifically for women.

The Manipur Government has taken steps to operationalise all 34 sanctioned ICDS Projects. The State has also to provide adequate funds for supplementary Nutrition under ICDS.

Backward Classes

Issues for discussion :

The proposal for Annual Plan 2005-06 does not have detailed scheme-wise write-up.

Literacy rate among SC and ST female in the State is 47.41% and 44.48%, respectively, which is much lower compared to male literates of 65.28% and 62.39%, respectively Therefore, it ma be suggested that a concerted effort is necessary to improve the literacy rate of SC/ST females in the State.

Recovery position of the State's Schedule Tribe Finance & Development Corporation was as low as 24% only, which is very low. The State Government needs to indicate the initiative taken to improve the functioning and recovery position of the Corporation.

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relating to SCP and TSP for Annual Plan 2005-06 may also be forwarded to the Planning Commission and the Ministry of Tribal Affairs and Ministry of Social Justice & Empowerment.

The State Government has proposed Rs.318 lakh for welfare and development of OBC and Minorities under different schemes.

Proposed outlay under various schemes ranges from Rs.1 lakh onward which is insufficient to implement any scheme, therefore, the representatives of the State Government may be suggested to plan meaningful to benefit the target groups.

4.2.5 **Labour, Employment and Manpower**

Labour & Labour Welfare

Tenth Plan and Annual Plan (2005-06) Proposal.

The Tenth Plan approved outlay for Labour and Employment Sector is Rs. 702.50 lakh. Approved outlay and anticipated expenditure for Annual Plan 2004-05 was Rs. 106.00 lakh. The outlay for 2005-06 is proposed for Rs. 125.00 lakh. There is a 17.9% increase in outlay for 2005-06. Scheme-wise details are as follows :-

Labour Welfare

The schemes proposed under Labour Welfare during 2005-06 include

(i) Labour Education, (ii) Survey on child labour & Rehabilitation; (iii) Survey on Bonded Labour & Rehabilitation; (iv) purchase of one computer; (v) Purchase of one Zerox and ; (vi) New 20 point programme. Tenth Plan outlay for 2002-07 is Rs. 35.00 lakh and agreed outlay and anticipated expenditure for Annual Plan 2004-05 was Rs. 7.00 lakh and approved outlay of Annual Plan 2005-06 is proposed for Rs. 10.00 lakh.

The rehabilitation of child labour is a continuing scheme and during 2005-06 State Govt. proposes to conduct survey on child labour below the age of 14 years engaged / employed in hazardous and non-hazardous employments and occupation process throughout the state in phased manner in four districts of the State.

The scheme on survey on Bonded labour and Rehabilitation is continuing since 2004-05 and State Govt. proposes to continue during 2005-06. State Govt. also proposes to purchase one computer and one Zerox machine.

Craftsmen Training

There are seven Govt. I.T.I.s in the State with seating capacity of 568 seats. These I.T.I.s provide training in 23 engineering and non-engineering trades. The stipend of Rs. 120/- and Rs. 150/- p.m are awarded to trainees of non-hostellers and hostellers respectively. The approved outlay for Tenth Plan 2002-07 is Rs. 408.50 lakh. The agreed outlay and anticipated expenditure for Annual Plan 2004-05 was Rs. 90.00 lakh. The outlay for Annual Plan for 2005-06 is proposed for Rs. 100.00 lakh.

Industrial Training Institutes

I.T.I.s are imparting training in various engineering trades and non-engineering trades based on local need under Craftsmen Training and Apprenticeship Training Scheme. A centrally sponsored scheme "Establishment of I.T.I.s in North eastern States & Sikkim" is continuing since 2001-02. Proposal for release of 2nd instalment for civil works in 4 new I.T.I.s is being processed and equipment order has been placed.

Employment & Unemployment situation in Manipur.

As per National Sample Survey, incidence of unemployment among youth (aged 15-29 years) on CDS basis has been increasing from 4.9% in 1993-94 to 6.2% in 1999-2000 in rural areas. Similarly, incidence of unemployment amongst youth in urban areas has been increasing from 14.5% in 1993-94 to 20.0% in 1999-2000.

Table 1. Incidence of unemployment *

	Manipur		All-India	
	1993-94	1999-2000	1993-94	1999-2000
Rural	4.9	6.2	3.0	7.1
Urban	14.5	20.0	5.8	7.7

* On Current Daily Status Basis (SPG Report)

The Incidence of unemployment on Current Weekly Status Basis amongst educated aged 15 and above has been increasing from 5.4% in 1993-94 to 7.3% in 1999-2000 in rural areas and from 9.3% in 1993-94 to 10.8% in 1999-2000 in urban areas.

Table 2 : Incidence of Unemployment among educated aged 15 and above

Educated unemployed #

Areas	1993-94	1999-2000
Rural	5.4	7.3
Urban	9.3	10.8

On Current Weekly Status Basis

Issues for discussion

(I) Allocation of Fund under one-time ACA of Rs. 161.25 crore for the year 2004-05 for Special Employment Generation Programme.

The Special Employment Generation Programme for educated / uneducated and unemployed person is a component of the State Reconstruction Plan. The objectives of the project is to launch Special Employment Generation Programme for 50,000 youth over a period of three years with an estimated cost of Rs. 500.00 crores including Bank Loan. The following comments are offered on the proposal :-

a) The proposal is to provide on an average Rs. 1.00 lakh per youth as Capital. This amount should be available under Prime Minister Rozgar Yojana (PMRY), Rural Employment Guarantee Programme (REGP), Swarn Jyanti Gram Swa Rozgar Yojana (SGSY) (for a group) and Swaran Jyanti Sampoorn Rozgar Yojana (SJSRY). Under some of the schemes. relaxation exist for North eastern States and the State may explore possibility of mobilized fund through such schemes/ programmes.

b) A detailed project report specifying (a) the modality of implementing the State Plan Scheme through State Department of SSI and State KVI Department. (b) Harmonizing the guidelines of the proposed scheme with the Central Scheme of PMRY (SSI). REGP (A&RI-KVIC) may be prepared by the State Govt. and with SGSY (State RD Department).

c) After the project report is available, Planning Commission can choose one of the two alternatives (a) increasing allocation to Manipur State under SGSY, REGP and PMRY or (b) funding through the State Plan.

State Govt. has not furnished any detailed project proposal.

(I) Due to increasing incidence of unemployment, State Govt. may be advised to create employment opportunities in the organized sector. It may be noted that in the present scenario where employment in the public sector is contracting, scope of employment opportunities in private organized sector may be explored.

(II) The details of rehabilitation of child labour and mainstreaming them is the focus of the scheme 'Child Labour'. Present status of rehabilitation & mainstreaming of child labour may be discussed.

(III) The geographical location and / or economic activities under which Bonded labour occurs / re-occurs and mechanism to weed out bonded labour in the State.

(IV) The details of fund received from the CSS scheme of Establishment of new I.T.I.s in North Eastern States and Sikkim and present status for implementation of the scheme.

(V) The details of fund received from the CSS scheme of Establishment of new I.T.I.s in North Eastern States and Sikkim and present status for implementation of the scheme

4.2.6 **Tourism**

The Tenth Plan outlay for tourism sector for Manipur is Rs.1000 lakhs. Actual expenditure for 2003-04 was only Rs.26.23 lakhs and Rs.105.00 lakhs for 2004-05. The proposed outlay for 2005-06 is Rs.200.00 lakhs. Proposals for 2005-06 are for construction of tourist centers and publicity. Tourist flow to the State has singnificantly declined during 2004-05. The Annual Plan proposals are for infrastructure development. Tourism Cell supports the proposals.

ANNEXURE–I

BASIC INFORMATION

ANNUAL PLAN 2003-04 - Manipur

ITEM	UNIT	STATE	ALL INDIA
Area	Sq. Kms	22327	32,87,263
Administrative Structure			
Districts	Nos.	9	468
Development Blocks	Nos.	39	6328
Villages	Nos.	2035	557133
Town	Nos.	32	4689
Demography			
Population (2001)	Lakhs	23.89	10270
Decennial Growth Rate (1991-01)	Per cent	30.04	21.35
Density of Population (2001).	Persons	107	324
Sex ratio (Female/1000 Male) (2001)	Persons	978	933
Crude Birth Rate (2002)	Per 000	18.3	26.1
Crude Death Rate (2002)	Per 000	5.6	8.7
Infant Mortality Rate (2002)	Per 000	23	70
Literacy Rate (Census 2001)	Per cent	68.87	65.38
Male	Per cent	77.87	75.85
Female	Per cent	59.70	54.16
Population Below Poverty Line 1999-00			
Rural	Per cent	40.04	27.09
Urban	Per cent	7.47	23.62
Both	Per cent	28.54	26.10
Primary Health Network (As on 30.6.1999)			
Sub Centre	Nos.	420	137271
Primary Health Centre	Nos.	69	22975
Community Health Centres	Nos.	16	2935
Others Factors			
Cultivated Area as percentage to total Land area (1995-96)	Per cent	10.48	61.2
Forest area as percentage of total area	Per cent	79.2	22.6
Irrigated area as percentage to total cropped area (1998)	Per cent	13.24	38.33
Road Length per 100 Sq.Km. (1999)	Km	51.2	76.8
Per Capita Consumption of Power (1998-99)	Kwh	75.0	360.0
Villages Electrified (%) (1995)		100.00	87.30

ANNEXURE-II

PER CAPITA NSDP AT CURRENT AND CONSTANT (1993-94) PRICES (IN RUPEES).

Year	At current prices (Rs.)		At constant (93-94) (Rs.)	
	Manipur	All India	Manipur	All India
1993-94	5833	7698	5833	7698
1994-95	6102	8876	5565	8088
1995-96	6875	10160	5613	8499
1996-97	7961	11601	6331	9036
1997-98	9054	12772	6773	9288
1998-99	10520	14712	7014	9733
1999-2000	11370	16047	7231	10204
2000-01(AE)	12228	17530	7451	10561

IMMEDIATE

No. M/13048/17(MG)-2004-SP-NE
Planning Commission
(State Plan Division)

Dated : 18th January, 2005

Sub.: **Annual Plan - 2005-06 : Meeting between Deputy Chairman, Planning Commission and Chief Minister, Meghalaya to be held on 20th January, 2005.**

A Background Note for the Meeting to be held between Deputy Chairman, Planning Commission and Chief Minister, Meghalaya on 20th January, 2005 at 3.30 P.M. is circulated herewith for kind perusal.

Encl: As above.

R.B.Prasad

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Planning Commission
Principal Advisers/
Advisers/
JS(SP)/
Head of Divisions

PMO
Director (Meghalaya)

Ministry of Finance
Joint Secretary, (PF-I),
Department of Expenditure,
North Block, New Delhi

Ministry of Development of North Eastern Region
Secretary

National Commission on Population
Member Secretary

Copy to Private Secretary to :
Deputy Chairman/Minister of State/Members/Secretary.

Copy also to:

Director (SP-Coordination)/Director (PC Division)/ DA (MLP & Hill Areas)/ Protocol Unit / Information Officer.

PLANNING COMMISSION
STATE PLANS DIVISION

BACKGROUND NOTE

FOR THE ANNUAL PLAN

2005-06

FOR THE STATE OF

MEGHALAYA

FOR

DEPUTY CHAIRMAN –

CHIEF MINISTER MEETING

TO BE HELD

ON

20.1.2005

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Planning Commission

(State Plans Division)

Background note for the meeting between Deputy Chairman, Planning Commission and Chief Minister, Meghalaya scheduled to be held on 20th January, 2005 for finalisation of Annual Plan (2005-2006) of Meghalaya State.

1. STATE PROFILE

Meghalaya was made a full-fledged State on 21st Jan. 1972. It has an area of 22,429sq. km., and shares 423 kms border with Bangladesh in the south and the west and is surrounded by Assam on the north-eastern side. Its surface area comprises mostly of hills and table lands with a small valley land. The State is endowed with rich natural resources, including forests, hydroelectric power potential and mineral deposits such as coal, limestone and uranium. The population of the State was 23.06 lakh persons according to 2001 census. The population is predominantly tribal (i.e. 86.42%). Meghalaya has 7 districts and 5782 villages. The population density was 103 persons per sq. km against the All-India density of 325 persons per sq. km. (2001- census). About 37.92 percent of the people in the State were below the poverty line in 1993-94 against all India level of 35.97. By 1999-00, 33.87 percent of the population was still below the poverty line whereas the situation had improved to 26.10 percent for the country as a whole. Basic information about Meghalaya is at Annexure-I.

1.1 Economy & the State of Development

According to the estimates of State Government, per capita Net State Domestic Product (NSDP) of Meghalaya at constant prices was Rs.10249 in 2002-03 (Q) as compared to the corresponding All India figure of per capita Net National Product (NNP) of Rs. 10964. In 1993-94 per capita income of State was Rs. 6894 at 1993-94 prices as against All India per capita income of Rs. 7698. The contribution of the Primary Sector to the Net State Domestic Product (NSDP) at current prices is 31.29% in 2002-03 as against 33.26% in 1994-95. The share of Secondary Sector in the State NSDP ranged from 11.89% to 12.70% during the period 1993-94 to 2002-03. Tertiary Sector has become the main contributor to the Net State Domestic Product and share of this sector in the economy ranged from 54.00% to 56.67% during the same period. Thus in the composition of the NSDP, Secondary and Tertiary Sectors are contributing about 66%, which is considered a healthy trend of economic development.

But still about 75 per cent of the State's population depend on agriculture and Meghalaya continues to be primarily an agrarian economy. The net sown area constitutes only 9.81 per cent of the total geographical area. About 23.8% of the net area sown is under irrigation and 16.85% of the area sown is under double cropping. Lack of infrastructure for socio-economic growth, difficulties in communication and predominance of old technology have been hampering the development of the state. About 50 per cent of the villages in the State are connected with fair weather roads. As on 31st March 2003, only about 50.3% of the villages are electrified in the State. The road density of 34.29 km./100 sq. km. (as on 31st March, 2004) is far below the national average of around 75 km/100 sq. kms. About 95 per cent of the existing villages are provided with potable drinking water.

Accessibility to modern health care facilities has improved substantially. Among the health indicators Infant Mortality Rate (60 per thousand) and Death Rate (7.7 per thousand) are better than the national average (64 per thousand) and (8.1 per thousand) respectively as per latest estimates of Oct, 2003. Birth Rate (25.8 per thousand) is unfavorable as compared to corresponding all India figure of (25 per thousand) on that date.

The growth target for the Gross State Domestic Product (GSDP) in the case of Meghalaya as assessed by the Planning Commission during the Tenth Plan period is 6.3 percent.

The per capita consumption of electricity according to published figures for the year 2000-01 is about 250 KWh only. As against the hydro power potential of around 35,000 MW in the North Eastern Region of India, Meghalaya have a potential of about 3000 MW of hydro electric power of which the tapped power potential is only 185.2 MW. The tapped potential constitutes only 6% of the available hydro power potential. In the recent past, Meghalaya was a power surplus State, but with the industrialization process gaining momentum especially in the Byrnihat area, the State has recently become power deficit. Though reasonable level of industrialization is necessary for boosting up the economy of the State, yet, this has to take place along with the opening up of employment opportunities to the local youth and improving the State's income by way of more revenue returns. Meghalaya has not witnessed the desired level of investment in this area mainly because of the lack of proper basic infrastructure, both physical and financial. In recent years, due to the package of incentives offered by the State Government combined with the attractive subsidies offered by the Central Government, a good number of industrial units have come up particularly at the EPIP at Byrnihat, Ri Bhoi District and as a

result, there has been tremendous pressure on the supply of power, thus making Meghalaya a power deficit State. The real economic benefits being accrued to the State of Meghalaya as a consequence of these investments in industrial units are yet to be ascertained.

1.2 Tenth Five Year Plan (2002-07)

The projected outlay for the Tenth Five Year Plan for the state is Rs. 3009.00 crore, which is 20.33 percent higher than the agreed Ninth Five Year Plan of Rs. 2500.62 crore. As compared to the actual expenditure of Rs 1824.27 crores the Tenth Plan proposed outlay represents a step-up of 65 per cent. Sector wise details of the projected outlays for the Tenth Five Year Plan may be seen at Annexure-II. Originally agreed outlay for the first three years (2002-05) of Tenth Five Year Plan viz-a-viz their financial achievements may also be seen in Annexure-II.

1.3 Annual Plan 2005-06

The State Government of Meghalaya has proposed an outlay of Rs. 765.00 crore for the Annual Plan 2005-06. Sectoral proposed outlays are also available in Annexure-II. State proposes to utilize major part of the proposed outlay for infrastructure and social services sectors. Observations on the sectoral outlays are given hereunder :

2. SECTORAL ISSUES

2.1 ECONOMIC SERVICE SECTOR

2.1.1 Agriculture

The approved outlay for the Tenth Plan (2002-07) is Rs. 299.60 crores. The actual expenditure for 2002-03 and 2003-04 is Rs. 33.07 crores and Rs.38.89 crores respectively. The approved outlay for 2004-05 is Rs.57.10 crores and the State has proposed an outlay of Rs.60.90 crores for the Annual Plan 2005-06. Major schemes are crop husbandry, animal husbandry, soil and water conservation and horticulture.

The target for the Tenth Plan period for food production has been fixed at 273.61 thousand tones and the production has been of the order of 226.51 thousand tones and 225.00 thousand tones during the Annual Plan 2002-03 and 2003-04 respectively. The target for 2004-

05 is 245.19 thousand tones and for 2005-06 it is fixed at 259.39 thousand tones. To realize the target of food production for the Tenth Plan, state needs to develop the existing rice fields for multiple cropping with irrigation facilities, increase the use of fertilizers and bring a more area under high yielding varieties. State needs to popularize cultivation of high yielding varieties of maize, wheat and pulses.

During the Annual Plan 2005-06, State proposes to implement the continuing schemes with greater vigour and renewed emphases. The state is contemplating to set up large sized seed farms in each of the seven districts for production of quality seeds.

The geo-climatic situation of Meghalaya offer an excellent scope for growing of different types of horticulture crops including fruits, vegetables, spices, plantation crops, medicinal and aromatic plants of high economic value. The state needs to take full benefit of its geo-climatic situation to change economic situation of the people of the state. Temperate fruits like plum, peach, peers, pineapple, khasi mundering orange, cut flowers, indigenous herbs and medicinal plants need focused attention.

State is spending a substantial portion of its resources for cattle and dairy development. State could have availed the 100% grant-in-aid provided by Central Government for cattle development (through NPCBB scheme) and dairy development (through IDDP programme) to the full extent. If the State utilizes these central assistance fully, the fund earmarked for cattle and dairy development could be utilized for region-specific development like piggery, goatary, rabbit farm etc.

The State is not implementing any welfare schemes for fishermen as seen from the Annual Plan Document. The Central assistance available under centrally sponsored schemes like Fish Farmers Development Agencies and Fisheries Training and Extension could be availed to the maximum extent.

Watershed Development Project in Shifting Cultivation Areas (WDPSCA)

The scheme is being implemented in this state since 1999-2000 to Special Central Assistance. The anticipated expenditure for 2004-05 is Rs.3.00 crores and the proposed outlay for 2005-06 is Rs.4 00 crores

Poultry Development

As production in the state is for below its requirement. State needs to re-orient poultry beading farms, broiler farms and duck farms.

2.1.2. **Environment & Forests**

The recorded forest area in the State is 9,496 Sq. Km. and constitutes 42,3% of the State's geographical area. The large portion of forest are for community/private ownership and thus are managed by the communities. The total forest and tree cover comes out to be 15, 724 Sq. Km. constituting 70.1% of State's geographic area. Shifting cultivation is widely prevalent in the State.

Forests are a source of subsistence and livelihood to local communities, hence, important for the economy. Participatory forest management as an effective means of protecting and regenerating degraded forests needs to be promoted.

In order to sustain the dependence on forests, it is imperative to increase land and forest resource productivity so that alternative avenues of employment and income are made available to the people. Similarly, the processing/value addition to the forest produce should be promoted at community level to ensure that economic benefits generated from forest produce are tapped by the communities. For this, forest based processing industries, will have to be promoted as forward linkages to these value addition enterprises at community level. This economic dependence on forest resources will ensure realization of stake in sustainability of forests..

Bamboo constitutes an important component of the forest resources which has direct linkage with the livelihood of the people. Adequately organized value addition trade and conservation of this resource will fetch more value and provide productive employment opportunities.

The State Government has not passed the JFM resolution as yet. However, the fact that the communities manage as much as 27% of the land area as forests, immense will and experience is available with communities on resource management. It will be worthwhile to

work on integration of sustainability in the management of community/ private forests with government forests also. It is suggested that people's participation and sharing of usufruct benefits should be allowed in the State owned Reserve Forests as well. The scheme on Social Forestry should assist communities in sustainable management of community and private forests.

The Ministry of Environment and Forest has launched the concept of Forest Development Agencies to augment the Joint Forest Management Committees' network and assist them to undertake forestry activities. The State should come forward to take full advantage of the new schemes of the Central Government.

The approved outlay for the Annual Plan 2004-05 is Rs.15.98 crores which includes Rs.9.28 crores under the Award of the 11th Finance Commission. The amount is expected to be fully utilized. The proposed outlay for the Annual Plan 2005-06 is Rs.9.48 crores which represents 1.24% of the total State Plan outlay. The outlay in Forestry sector has been reduced. As it is the outlay in this sector is quite inadequate in view of a large area under forest cover and forest-based economy of the State. It is suggested that outlay in this sector should be enhanced to at least 2% of the total Plan size of the State.

Ecology & Environment

There is no check on large-scale unsystematic coal and limestone quarrying in the State. These operations are mostly under District Councils or individually/community owned and go without any regulatory mechanism of pollution control. The pollution of rivers, lakes and land degradation are serious outcomes of unregulated quarrying.

The high level of river and lake pollution in the State is a matter of great concern. The State should also avail assistance under many Centrally Sponsored Schemes for protection of environment.

The agreed outlay for 2004-05 is Rs.55.00 lakh which is expected to be fully utilized. The proposed outlay for Annual Plan 2005-06 is Rs.70.00 lakh.

2.1.3 Rural Development

State-wise allocations under Annual Plan 2004-05 of Ministry of Rural Development(MORD) vis-à-vis proposed outlays 2005-06 are given in the table below:

(Rs. in lakhs)

Sl.No.	Schemes	Annual Plan allocation 2004-05 (MORD)	Proposed outlay 2005-06
1	SGSY	180.14	300.00
2	DRDA	68.87	Not given
3	SGRY	811.25	600.00
4	IAY	436.16	320.00
5	IWDP	NR	100.00
6	Land Reforms	--	180.00
7	CD & Panchayats	--	800.00
8	SIRD	--	40.50
9	Spl. Rural works Programmes	--	2416.50
10	RSVY	--	1500.00

On examining the Plan Outlays of the State share for Sampoorna Grameen Rozgar Yojana (SGRY) and Indira Awaas Yojana(IAY) the outlays proposed for these schemes for Annual Plan 2005-06 seems to be slightly lower than Annual Plan allocation of MORD for 2004-05. The State Govt. may be asked to make the allocations as per MORD figures for 2005-06 when become available, so as enable them to utilize fully the Central allocations for these 2 Schemes in the Centre:State ratio of 75:25. As allocations for DRDA has not been given, this matter need to be taken up with the State representatives.

2.1.4 Multi Level Planning

State level Special Area Programme (State Border Area Development Programme)

In addition to the Centrally funded Border Area Development Programme, the State has its own Border Area Development Programme which covers a 10 Kms.- belt along the border with Bangladesh and has a length of 496 Kms. The schemes/ programmes include the developmental works relating to agriculture, coordination, soil conservation and roads etc.

The State Government have proposed an outlay of Rs.181.00 lakh for 2005-06 against the approved outlay of Rs.172.00 lakh for 2004-05 for this programme.

Centrally funded Border Area Development Programme (BADP)

An amount of Rs.4.70 crore was allocated to the State Government during 2003-04 against which SCA of Rs.7.05 crore was released which includes Rs.2.35 crore released as additionality. During 2004-05, an amount of Rs.4.70 crore has been allocated against which 1st instalment of SCA of Rs.3.13 crore has been released. The State Government have furnished the quarterly progress reports in physical and financial terms till 30th September, 2004. An amount of Rs.0.78 crore is pending with the State Government against the releases made till 31st March, 2004 along with utilization certificates. The State Government have proposed an outlay of Rs.5.69 crore for 2005-06 for this programme.

Rashtriya Sam Vikas Yojana (RSVY)

Under the Backward Districts Initiative Component of RSVY, West Garo Hills district of Meghalaya is being covered during 2004-05. The State Government have been requested to get a District Plan prepared. First instalment of Rs.7.50 crore will be released after the approval of District Plan by the Empowered Committee. The allocation for 2004-05 and 2005-06 is Rs.15.00 crore per annum.

2.1.5 Water Resources

The financial status is as under:

Financial Progress

(Rs. in Lakhs)

S. No.	Plan	Major & Medium	Minor Irrigation	Flood Control	CAD	Total
1.	IX Plan Expdr.	1065.00	3421.00	1204.00	87.00	5777.00
2.	A.P. 2002-03(Actual Expdr.)	105.42	650.45	106.40	14.99	877.26
3.	X Plan outlays	2475.00	6000.00	1100.00	165.00	9740.00
4.	A. P. 2003-2004 Actual Expdr.	129.58	529.24	161.51	20.00	840.33
5.	A.P. 2004-05 Approved Outlay	187.00	850.00	145.00	22.00	1204.00
6.	A.P. 2005-06 Proposed Outlay	142.00	900.00	192.00	26.00	1260.00

Physical Progress

The status of physical development is as under.

('000 ha.)

Sl. No.	Item	Major & Medium		Minor Irrigation	
		Pot.	Utl.	Pot.	Utl.
1.	Ultimate Irrgn. Pot.	20	20	148	148
2.	Benefits to the end of March, 1997.	--	--	47.06	41.85
3.	Achievement for IX Plan	--	--	4.361	3.50
4.	Target X Plan			6.50	5.50
5.	A.P. 2002-2003 (Actual Achievement)			0.097	0.097
6.	Actual Achievement A.P. 2003-2004	--	--	0.65	0.65
7.	A.P. 2004-2005	--	--	1.88	1.88
8.	Target A.P. 2005-06			2.80	

Major & Medium Irrigation

The Rongai Valley Irrigation Project is the only medium irrigation project in the State. The latest estimated cost of the project is Rs. 60.38 crores. Only the barrage work could be completed except the installation of gates . The expenditure incurred on the project is Rs. 22 Crore . The CCA of the project is 3880 ha. and the project is also having flood cushion provision. The Planning Commission suggested CWC to know the reasons for the slow progress of the project and to assess the possibility of alternative uses as well as its timely completion, the State is yet to indicate its priority for this project. During 2005-06 an outlay of Rs. 1.42 crore provided for this project.

Minor Irrigation

Due to the topographical constraints, scope for extending more area under cultivation is limited in Meghalaya. Hence, to boost the food grain production in the State, the only possibility is through increase cropping intensity and increased productivity and for this purpose minor irrigation may be of immense help. The present level of foodgrain production in the State is hardly 2.05 lakh metric tonne. The ultimate irrigation potential of the State is of the order of 1.68 lakh hectares. The effective irrigation potential after realistic assessment by the end of IX

Plan which is expected to reach a level of 24 th. ha. which is hardly 14% of the ultimate irrigation potential, the State should give more emphasis to minor irrigation . There are 31 nos. of MI schemes with balance requirement of funds of Rs. 14.00 Cr. Most of them are surface diversion schemes out of these schemes 14 nos. are being funded under AIBP assistance. The provision of AIBP to the State during 2004-05 is Rs. 4 crore.

Command Area Development

Under the CAD programme a cluster of 10 MI projects are ongoing the balance requirement of fund is Rs. 1.77 Crore. The proposed outlay for the Tenth Plan (2002-07) and Annual Plan (2005-06) in respect of CAD is Rs. 165.00 Lakhs and Rs. 26.00 Lakhs respectively with the physical targets of 2000 Hectares and 622.29 Hectares respectively.

Flood Control

Every year during the monsoon, flood creates havoc in Meghalaya specially in Garo Hills, southern part of Jaintia Hills and in some parts of Khasi Hills. The flood damaged standing crops by inundating vast areas of the paddy fields, snaps road communication by washing away embankments and semi-permanent timber bridges. Due to this, Government has to incur huge non-plan expenditure for repairing of roads and bridges every year. To counteract the menace of flood every year permanent measures for protecting the paddy fields and habitats are essential. The State proposes to take up 20 nos. of protection works during Tenth Plan.

The State Government have been advised to adopt flood plain zoning and also to set-up a Flood Control Board for prioritisation of the schemes.

Under this programme normally construction of embankment, boulder sausage tide spurs etc., are being taken up. These protection measures are being provided mostly for villages, towns and cultivable area of hilly region.

Water Rates

At present there is no legislation for charging water rates in the State. It is suggested that the water rates should be introduced to atleast cover O&M expenses. It was mentioned last year

the State Govt. that in principle decision has been taken that the O&M cost shall be borne by WUAs. The State Govt. has made good progress on WUAs and accordingly 94 nos. of WUAs have been registered. The State Govt. is likely to transfer the O&M of the MI projects to WUAs.

National Water Policy

The State is yet to formulate its water policy as well as master plan within the framework of National Water Policy, 2002.

Ground Water

The development of groundwater in the State is negligible with no dark and grey blocks in the State. The State Govt. has been provided a copy of Model Bill by the MoWR for enactment of legislation on control and development of ground water resources in State, but so far no response received from the State.

Water Supply

Financial outlays in Water Supply and Sanitation sector.

Financial (Rs crore)	
X Plan outlay	235.00
AP 2002-03 expenditure	27.35
AP 2003-04 Expenditure	37.88
AP 2004-05 Antcpd. Exdpr.	43.37
A.P. 2005-06	47.00

Rural Drinking Water Supply

Meghayala has 8636 habitations out of which 13 are Not Covered (NC) and 419 are Partially Covered(PC) habitations as on 1.4.2004.The State has 160 habitations affected with water quality problems like excess iron. The State has to make earnest attempts to provide drinking water to the not covered , augment water supply to partially covered habitations and provide safe drinking water to quality-affected habitations since providing drinking water is one of the NCMP items as well as a monitorable target of the Tenth Plan.

Urban Water Supply & Sanitation

92% Urban population in Meghayala has access to water supply and 28% to sanitation facilities(March 1997 data) as against the all India coverage of 89% and 63% respectively. The sanitation coverage is below the National average and the State has to make efforts to increase the coverage.

EAP's in Drinking Water Supply and Sanitation

Meghayala has no ongoing EAPs in rural water supply sector. In urban sector one project namely "Preparation of Shillong urban water supply and sanitation project" estimated at Aus $18 million is ongoing and aided by Australian aid. The project commenced in May 1999 and slated for completion by Dec 2005. No details of reimbursement status available.

2.1.6 Power & Energy

Installed Capacity (I.C.)

(MW)

	Hydro	Diesel	Total
As on March, 1997	186.71	2.05	188.76
Additions during Ninth Plan period	<----------	Nil	---------->
Additions during 2002-03	<----------	Nil	---------->
Additions during 2003-04	<----------	Nil	---------->
I.C .(as on July 2004)	186.71	2.05	188.76

Central Sector Share

The Meghalaya State's Share in Central Sector power stations located in the North Eastern Region as on August 2004 is detailed below:

	Meghalaya's Share MW	(%)
Hydro Stations		
Loktak HEP (3x35 MW)-NHPC	8.1 MW	(7.7)
Kopili HEP (2x25+2x50 MW)-NEEPCO	18.0 MW	(12.0)
Kopili Extn. HEP (2x50 MW)- NEEPCO	13.0 MW	(13.0)
Doyang HEP (3x25 MW) – NEEPCO	5.0 MW	(6.6)
Ranganadi HEP (3x135 MW)-NEEPCO	27.0 MW	(6.6)
Kopili St.II HEP (1x25MW)-NEEPCO	2.2 MW	(8.8)
Thermal Stations		
Kathalguri CCGT (291 MW)- NEEPCO (6x33.5 MW GT + 3x30 MW ST)	20.0 MW	(6.9)
Agartala GT (4x21 MW)	6.0 MW	(7.1)
Total	**99.3 MW**	

Villages Electrified as on March, 2004

Meghalaya	3484	(63.5 %)
North Eastern Region	29696	(76.6 %)
All India	494866	(84.3 %)

Pumpsets Energisation as on March, 2004

65 nos. pumpsets energised out of a total potential of 14200 nos..

Operational Performance

YEAR	T&D Losses(%)	
	MeSEB	ALL INDIA
At the end of 96-97	19.05	24.53
At the end of 97-98	17.90	24.79
At the end of 98-99	20.10	26.45
At the end of 99-00	20.60	30.93
At the end of 00-01	20.60	32.86
At the end of 01-02	22.66	33.98
At the end of 02-03	21.92	32.54

Financial Outlays

	All Sector Outlay (Rs. Crore)	Power Sector Outlay (Rs. Crore)	Power Sector Outlay as % of All Sector Outlay
Ninth Plan (1997-02)			
Agreed	2500.62	312.00	12.48
Actual Expdr.	1824.54	169.37	9.28
Tenth Plan (2002-07)			
Approved	3009.00	501.37	16.66
2002-03			
Approved	545.00	135.47	24.86
RE	480.43	93.82	19.53
2003-04			
Approved	555.00	118.08	21.28
RE	536.00	109.39	20.41

Tenth Plan (1997-2002) Capacity Addition Programme

The targeted capacity addition during the Tenth Plan period is 41,110 MW at All India basis. This covers the following projects for the Meghalaya State.

STATE SECTOR PROJECTS

1. Byrnihat Thermal		24 MW
2. Mendipathar Thermal		24 MW
3. Myntdu Leishka HEP		84 MW
	Total	**132 MW**

CENTRAL SECTOR PROJECT NIL

PRIVATE SECTOR PROJECTS NIL

SHARE IN CENTRAL SECTOR PROJECTS:

The Meghalaya State would also get its share in the Central Sector Power Stations located in the North-Eastern Region, which has been taken up during the Tenth Plan period. The details of these projects are given below:

Sl. No.	Name of the Project	Organisation	Total Capacity (MW)	Share of Meghalaya
1.	Kopili St.II (Assam) (1x25 MW)	NEEPCO	25 #	2.2 MW
2.	Tuirial HEP (Mizoram) (2x30 MW)	NEEPCO	60))	Yet to be
3.	Tripura Gas (Tripura) (500 MW)	NEEPCO	500) *	decided
		Total	**585**	

Commissioned in December 2003.

* The capacity is reduced to 280 MW with the less allocation of Gas from ONGC.

Power Supply Position

Year	Peak MW	Deficit %	Energy MU	Deficit %
1996-97 (at the end of the 8th Plan)	0.0	0.0	0.0	0.0
1997-98 (beginning of the 9th Plan)	(-) 4.0	4.2	(+) 12.8	3.1
2001-02 (at the end of the 9th Plan)	(-) 5.0	3.0	(+) 4.9	0.7
2002-03 (beginning of 10th Plan)	0.0	0 0	(-) 2.0	0 2
2003-04 (April – March 2004)	(-) 51.0	20.7	(-) 75.0	6.5
2004-05 (April – July 2004)	(-) 59.0	23.1	(-) 56.0	13.2

Financial Performance

The financial performance of Meghalaya State Electricity Board in terms of various related parameters from the year 2001-02 onwards as indicated during the resources discussion held in A.P. 2005-06 is indicated below:

	2001-02 (Actual)	2002-03 (Actual)	2003-04 (Actual)	2004-05 (RE)	2005-06 (AP)
1. Net Operation Surplus (Rs. Cr) without subsidy	-30.74	-58.82	-63.88	-23.27	-6.53

2. Av. Cost of supply (Paisa/kwh)	272.81	299.90	316.82	287.09	296.07
3. Av. Tariff (Paisa/kwh)	167.20	169.94	197.14	208.44	231.87
4. Date of last tariff revision	1.9.2001	1.10.2002	1.11.2003	1.10.2004	
5. Outstanding dues to the Central Undertaking and others	as on 30.9.2004 Rs. 32.61 crore				
6. Revenue arrears	at the end of 2003-04 is Rs.214.71 crore (135 % of the sales revenue for the year)				

STATUS OF HYDRO ELECTRIC POTENTIAL
(HYDRO POTENTIAL AT 60% LOAD FACTOR IN MW)
(As on 1-09-2001)

	MEGHALAYA	NORTH EAST REGION	ALL-INDIA
1. Total Potential	1070.00	31857.00	84044.00
2. Potential developed	121.67	388.50	14003.43
(%)	(11.37)	(1.22)	(16.66)
3. Potential under development	0.00	309.72	5294.05
(%)	(0.00)	(0.97)	(6.30)
4. Total developed & under development	121.67	698.22	19297.48
(%)	(11.37)	(2.19)	(22.96)
5. Balance Potential	948.33	31158.78	64746.52
(%)	(88.63)	(97.81)	(77.04)

STATE SECTOR PROJECTS

Myntdu Leishka HEP (2x42 MW)

The Leshka Hydro Electric Project is located in the Jaintla Hills District of Meghalaya The project had been techno economically cleared by CEA in September, 1999 at an estimated cost of Rs. 363.08 crore (including IDC & FC) subject to certain conditions such as environmental clearance, timely implementation of the associated transmission scheme, compliance of the comments of CWC and submission of final financial package (FFP). The gestation period of the scheme is 5-6 years.

This project was proposed to be funded from NEC loan. Now the State Government has dropped to avail NEC loan and instead, 70% of the project cost is being availed from REC and 30% from State loan. The estimate is likely to be revised and it is being processed at an

estimated cost of Rs. 392.39 crore. The provisional outlay for 2004-05 for this scheme is Rs. 70.00 crore and the proposed outlay for 2005-06 is Rs. 80.00 crore.

Preliminary works like pre-construction, roads and buildings, payment to the Consultant etc. have already been taken up by the Board and the Cumulative expenditure incurred up to September, 2003 is Rs.10.99 crore. Concreting of Dam block wise was to be taken up by December 2004 and will continue during the year 2005-06. Open excavation of Power House will be completed by March 2005 and first stage concreting upto crane beam concreting of service bays, column and beams upto generator level of Power House will be taken up during the year and completed by February 2006.

Heavy Fuel Oil based Thermal Power Station

MeSEB had proposed implementation of the Heavy Fuel Oil based Thermal Power Plants at Byrnihat (4x6 MW) at an estimated cost of Rs. 90 crore during 10th Plan. First unit of 24 MW was to be located near Byrnihat Export Promotion Industrial Park (EPIP), mainly to cater to the need of EPIP units. Second unit of 24 MW was to bc located in Mendipathar to meet demand of power in Garo Hills. Both the schemes are included in the iist of schemes targeted for commissioning during Tenth Plan. The project authorities have dropped these Generation projects at Byrnihat and Mendipathar.

Restructuring & Reforms

Government. of Meghalaya is yet to decide on setting up SERC of its own or setting up of a Joint Commission of two or more States.

APDRP Scheme

Under the Accelerated Power Development and Reform Programme (APDRP) the sanctioned/released/utilized amount for APDRP as on 31st October 2004 is given as under:

(Rs.crore)

Project Cost	APDRP Cost	Amount released by GOI	Counter-part fund	Utilization
181.90	181.90 (100%)	21.13	Not Applicable	5.65 (26.74 %) *

* Percentage of amount released by GOI.

It has been reported that 24 % - 11 kV feeder metering and 44 % of consumer metering have been completed in the State of Meghalaya.

Points for Consideration

1. Only 63.5 % of total 5484 villages (1991 Census) have been electrified as on March, 2004 in Meghalaya State under Rural Electrification Programme. The progress is slow.

2. In the recent past, Meghalaya was a power surplus State, but with the industrialisation process in the Byrnihat area, the State has recently become power deficit. There is an immediate need to provide an additional 150 MW of power for the pending industrial connections at Byrnihat alone and as such, the State requires to purchase power from central sector projects. But, it is not practicable for the MeSEB to avail additional power from Ranganadi and Kopili projects in view of the absence of 220 kV transmission lines from Byrnihat to Misa and Khliehriat to Kopili. The State Government's proposals for these transmission lines are under consideration of the Ministry of DoNER which needs to be expedited.

3. The average tariff for the year 2004-05 (RE) is estimated at Rs. 2.08 per unit as against the cost of supply of Rs. 2.87 per unit. Gap between the cost of supply and the average tariff is the main reason for the commercial losses. The net operating deficit for 2004-05 is estimated to be Rs. 23.27 crore which is proposed to be reduced to Rs. 6.53 crore in the year 2005-06.

4. The higher cost of supply is due to the higher establishment and administration charges and Operation & Maintenance (O&M) expenditure per unit of sale. The establishment and administration charges and O&M expenditure per unit of sale alone are estimated at 76 paise and 20 paise per unit respectively during 2004-05 (RE). The establishment and administration charges indicated also include the pension and other retirement benefits given to its employees. The practice in other states is to have a separate fund for meeting the liabilities of pension and other fringe benefits of the employees. It is suggested that the MeSEB should take immediate remedial measures in this regard.

5. Revenue arrears at the end of the year 2003-04 are Rs. 214.71 crore which is 135 % of the sales revenue for the year. Major part (about Rs. 135 crore) of these arrears is from sales to other States, particularly to Assam State Electricity Board (ASEB). These mounting arrears have

been affecting the financial health of MeSEB and urgent corrective steps need to be taken to recover these arrears so as to make the MeSEB financially viable.

6. Under APDRP schemes, the Government of India has released Rs. 21.13 crore, out of this an amount of Rs. 5.65 crore has been utilised which is 26.74 % (as on 31st October 2004). The work progress is very slow. It has been reported that 24 % of 11 kV feeder metering and 44 % consumer metering has been completed.

2.1.7 **Industries**

Large and Medium Industries

The Approved Outlay for the Tenth Plan period is Rs.10000.00 Lakhs. Against the Approved Outlay of Rs.1549.00 Lakhs for 2003-04, the actual expenditure is Rs. 1548.74 Lakhs. During 2004-05, an outlay of Rs.1200.00 Lakhs is approved which is anticipated to be fully utilized. The proposal for 2005-06 is Rs. 1500.00 Lakhs. The total outlay is for continuing schemes and no new scheme has been proposed.

Programmes proposed for 2005-06 are as follows :-

1 Equity Participation: The M.I.D.C. as the State Industrial Development and Financial Corporation takes part in equity participating of Industrial project approved by the Govt. so as to ease out their cost over burden. The amount of Rs 0.25 Lakhs is proposed for this scheme during 2005-06.

2. Financial Operation: The MIDC has a dual function as a state financial as well as Industrial Development Corporation. The fund requirement for the purpose of project financing for Term Loan is Rs.762.00 Lakhs.

3 Development Of Industrial Areas: The MIDC has also been functioning as an Agency for the maintenance and repairs of the Industrial Areas and Estates located in different parts of the State. An amount of Rs30.00 Lakhs is proposed for 2005-06.

4. Entrepreneurs Development Programmes: The MIDC, along with other Promotional Agencies like the NEITCO, IIE, SISI, to conduct E.D.Ps, workshops, and Seminars from time to

time in different identified areas of the State for motivation and development of local entrepreneurship, Skill/man power. An amount of Rs.4.00 Lakhs is proposed for 2005-06.

5. Man Power Training: - The MIDC has been sponsoring local youths for pursuing some of the professional courses like Engineering, Management Studies, etc. so as to bring our local skilled Man Power. Under the Scheme, the Corporation gives stipend @ Rs.800/- per month, to the selected youths towards the cost of meeting a part of the study expenditure. An amount of Rs.6.00 Lakhs is proposed for 2005-06.

6. Feasibility Studies: The MIDC has been taking up identification and studies of viable projects so that Industrial Development of the State can be achieved at an accelerated rate. For this, a total provision of Rs.10.00 lakhs has been kept and the Annual Plan 2005-06.

7. Package Scheme Of Incentives (Large & Medium Sector): As announced in the Industrial Policy 1997, a Package Scheme of Incentives have be declared for the Large & Medium Scale Sector. An amount of Rs.648.00 Lakhs is proposed for 2005-06.

8. Publication & Publicity: MIDC is being provided with funds for publication of leaflets, brochures and other publicity materials for the rapid industrialisation of the State including the State's participation in the Trade Fairs and Industrial Exhibition from time to time. The proposed outlay for 2005-06 is Rs19.75 Lakhs.

9. E.P.I.P.: The fund requirement is for development and maintenance of the E.P.I.P. at Byrnihat. The total 10th Plan Outlay is Rs.255.00 lakhs and the Plan outlay proposed for 2005 – 2006 is Rs10.00 lakhs.

The broad schematic outlays proposed for 2005-06 are shown in the Table below :-

Sl. No	Name of Scheme/ Programme	10th Plan Outlay	Expenditure		Outlay 2004-05	Proposed Outlay 2005-06
			2002-03	2003-04		
1	2	3	4	5	6	7
1.	Equity Participation	2500.00	-	-	100.00	0.25
2.	Financial Operation	1500.00	500.00	400.00	200.00	762.00
3.	Development of Industrial Areas	550.00	-	400.00	200.00	30.00
4.	E.D.P.	25.00	4.00	4.00	4.00	4.00
5.	Manpower Training	30.00	6.00	6.00	6.00	6.00

Sl. No	Name of Scheme/ Programme	10th Plan Outlay	Expenditure		Outlay 2004-05	Proposed Outlay 2005-06
			2002-03	2003-04		
6.	Feasibility Studies	50.00	10.00	10.00	10.00	10.00
7.	Package Scheme of Incentives	1500.00	592.24	640.00	640.00	648.00
8.	Publication & Publicity	40.00	25.00	58.74	10.00	19.75
9.	E.P.I.P.	255.00	75.00	30.00	30.00	10.00
10.	Financial Assistance to Industrial Units	250.00	-	-	-	-
11.	Growth Centres	500.00	-	-	-	10.00
12.	New Schemes	2800.00	-	-	-	-
Total		**10000.00**	**1212.24**	**1548.74**	**1200.00**	**1500.00**

State Govt. may provide specific information on the following points :

(i) The present level of indirect subsidy to Industry Sector along with details of efforts being made to move over to non-subsidy-based support such as creation of industrial infrastructure and investor-friendly climate.

(ii) Statistical information on structure and growth rates of industry sector in Meghalaya. This may include physical output of key sectors, value of output, contribution to SDP, exports and employment.

(iii) Current status of related infrastructure such as power, water, roads, R&D, quality certification, consumer protection, etc. Physical targets/achievements in respect of providing world-class infrastructure at the doorstep of industry in the last two years may be provided.

(iv) Key initiatives launched/proposed to be launched for enhancing investor-friendly climate including measures for increasing competition, regulatory reforms in areas such as labour/land and re-engineering of industry-related clearances.

(v) List of State Public Sector Units, physical and financial performance during the last two years, disinvestment, revival and closure features. How many PSUs are profit-making and how many are loss-making. In case of running units, their consumption norms and energy efficiency in comparison to similar nationally and internationally best plants must be provided.

(vi) Incidence of local taxes/levies on industrial products and efforts for lowering their incidence to a reasonable level.

(vii) Latest status of ongoing projects under Central and Centrally Sponsored Schemes such as Apparel Parks, TCIDS, IIUS/MAI/ASIDE. Detailed position about achievements made through growth center scheme, integrated infrastructure development scheme, etc., including hurdles in these schemes, may be provided.

(viii) Consumer protection information.

(ix) General write-up on industrial policy in the State and thrust areas visualized.

(x) Projects commissioned/proposed to be commissioned in PPP (Public Private Participation) mode. Policy measures to create conducive atmosphere to invite PPP in the field of industrial and infrastructure development.

(xi) Requirement and availability of quality testing and certification and proposals in this regard.

2.1.8 **Mineral**

The State of Meghalaya is moderate in occurrence of minerals. Deposits of limestone, Coal, Sillimanite, Clay, Fire clay, quartz, feldspar and granite have been identified for small-scale commercial exploitation. Category wise reserves of various minerals occurring in the State of Meghalaya are as under:

Reserves/ Resources of minerals (as on 1.04.2000)
(Unit :'000 tonnes)

Mineral	Proved	Probable	Possible	Total
Barytes(t)	14800	106450	1610	122860
Chinaclay	2750	3740	80772	87262
Copper				
Ore	-	880	-	880
Metal	-	9	-	9
Felspar (t)	-		43424	43424
Fireclay	-		10999	10999
Granite(000Cu mts.)	-		286467	286467
Lead & Zinc	-			
Ore	-	880	-	880
Lead(Metal t.)	-	16.5		16.50
Zinc(Metal t.)	-	14.00		14.00
Limestone	88272	845938	12517249	13451459
Quartz/silica	-	177	6900	7077
Rock phosphate(t)	-	-	1200000	1200000
Sillimanite	-	-	55806	55806
Silver				
Ore(t)	-	880000	-	880000
Metal(t)	-	19.80	-	19.80

The Approved outlay for this Sector for the Tenth Plan (2002-07) is Rs. 800.00 Lakhs. The actual expenditure during AP2002-03 and AP2003-04 was Rs.137.60 lakh and Rs.147.85 respectively. The outlay for 2004-05 was Rs. 170.00 Lakhs and the amount is expected to be

utilised in full. The proposed outlay for the Annual Plan 2005-2006 is Rs. 200.00 Lakhs. A detailed Schematic outlay / expenditure is given in the annexure enclosed

The proposed outlays for the schemes during the Annual Plan 2005-2006 are as under:

All the existing on-going schemes will continue during 2005-06 period by creating more infrastructure facilities, employment generation, effective de-centralisation and resource mobilisation. A detailed Schematic outlays/ Expenditure for Tenth Plan and APs 2002-03, 2003-04, 2004-05 and proposals for AP 2005-06 are shown as under:

Sl.No	Name of Scheme/ Programme	10th Plan Outlay	Expenditure		Outlay 2004-05	Propose Outlay 2005-06
			2002-03	2003-04		
1	2	3	4	5	6	7
A	Direction & Administration	380.00	69.92	73.68	85.00	89.00
B	Training	1.70	-	-	0.30	0.50
C	Research & Development	69.75	10.42	11.86	14.75	17.00
D	Survey & Mapping	81.05	13.50	14.64	17.15	18.50
E	Mineral Exploration	167.50	39.31	44.67	33.80	39.00
F	Investment in Public Undertaking	50.00	-	-	10.00	25.00
G	Const. of Residential Buildings	20.00	-	3.00	4.00	5.00
H	Const.of Office Buildings	30.00	4.45	-	5.00	6.00
Total		**800.00**	**137.60**	**147.85**	**170.00**	**200.00**

1. Direction & Administration, Computerization etc : General administration, administration of mines and minerals and collection of revenue on major minerals of the State are the main objective of this scheme. Besides the on-going activities under this scheme, it is proposed to create additional infrastructures, such as, installation of additional check-gates. For this an amount of Rs.89.00 lakhs is proposed during AP2005-2006.

2. Research & Development: Chemical analysis and petrological studies of the rocks, minerals, water samples etc., is carried out through this scheme, for assessing the quality of minerals from various deposits for their possible utility. This activity will continue by creating additional infrastructure. Sophisticated machineries with trained staff would be installed in labs. A provision of Rs 17.00 lakhs is proposed for the Annual Plan 2005-2006.

3. Survey & Mapping: The scheme provides guidance to the local coal miners for taking up systematic mining. A provision of Rs. 18.50 lakhs is proposed for the Annual Plan 2005-2006.

4. Mineral Exploration: The main objectives of this scheme are (a) Intensive Mineral Investigation, (b) Preparation of Feasibility Reports on mineral based Industries, (c) Development of Mining Industries, (d) Intensive Ground Water Investigation and (e) Geo-technical studies. These activities will continue during this Plan period. A provision of Rs. 39.00 lakhs is proposed for Annual Plan 2005-2006.

5. Investment in Public Sectors: It is also proposed to continue to contribute Grant-in-aid for Development of mining industries to the Meghalaya Mineral Development Corporation (MMDC) against their proposed project on limestone, coal, clay, granite, Cutting & Polishing of stones and Coal Depot Project in Garo Hills. An amount of Rs. 25.00 lakhs is proposed for the Annual Plan 2005-2006, which also includes Installation of Weigh Bridge and Check-gates.

Points for consideration

1. Need to furnish the physical progress done during the first three years of Tenth Plan against the targets fixed.
2. Detailed mineral exploration need to be done to upgrade the probable and possible category of reserves.
3. The present status of Meghalaya Mineral Development Corporation (MMDC) need to be furnished.
4. Along with the extensive training programme, the lab facilities need to upgraded and modernised.

2.1.9 Village &Small Enterprises

The outlay for the Tenth Plan for the VSE Sector including Sericulture and Weaving was Rs.32.00 crore, i.e. 1.06% of the projected approved outlay of Rs.3009.00 crore for the State. During AP 2004-05, agreed outlay for the VSE was Rs.2.64 crore and for Sericulture and Weaving was Rs.2.86 crore which is expected to be spent entirely. The proposed outlay for 2005-06 is Rs.3.06 crore for the VSE and Rs.3.40 crore for Sericulture and Weaving, i.e increased by 15% compared to the previous year's allocation.

1. The State Government has not furnished scheme-wise detailed outlays. From the above table, it is evident that under VSE, an outlay of Rs.161.62 lakh is proposed to meet establishment costs for seven continuing schemes and Rs.32.89 lakh for meeting the cost of civil works of

industrial estates. Thus, more than 64% of the outlay is allocated for non-developmental works apart from the financial assistance to be given to Khadi and Village Industries Board to meet their establishment cost amounting to Rs.59.00 lakh. Funds allocated for non-developmental works may be charged to non plan expenditure and funds be utilised for developmental and promotional works of the Sector.

2. Sericulture and Weaving are the two important cottage industries which are practiced by rural people comprising mostly from the weaker sections of the society. For Sericulture and Weaving, Rs.259.38 lakh and Rs.80.62 lakh respectively have been proposed for AP 2005-06. Scheme-wise details have not been furnished by the State Government. As far as the physical targets are concerned, production of cocoons for mulberry and eri are fixed at 3.38 lakh kg. During 2005-06 against the target of 6.10 lakh kg. for 2004-05. The outlay for Sericulture has been increased from Rs.181.69 lakh to Rs.259.38 lakh during 2005-06. The target should be proportionately enhanced. The State Govt. may avail the maximum advantage of the schemes implemented by the Central Silk Board, especially Catalytic Development Programme for which State's share may be adequately provided. The State Government also proposes to impart training to the beneficiaries, entrepreneurs with the assistance of Central Silk Board. Due attention is proposed to be given for marketing, silk processing and seed organising to strengthen the silk industry. Appropriate matching State's share for Centrally Sponsored Schemes should be allocated to avail the Central Assistance to the full extent.

3. During Tenth Plan, State Govt. has proposed to give due attention to increase Handloom production. The State Govt. may give due attention for imparting training, replacing old and obsolete loans with more efficient loans for faster and better production. 770 handloom weavers of various categories are proposed to be trained during 2005-06. Scheme/activity wise allocation is not available.

4. There is no indication of providing any outlay for Handicraft Sub-sector. State Govt. may initiate the Central Scheme implemented by the Office of DC(handicrafts) for establishment of Urban Haat to promote handicrafts and handlooms sectors and avail central assistance for which provision of matching share may be kept in the State Plan.

5. During Tenth Plan, State Government emphasised on promotion and strengthening the small, tiny and village industries and facilitate location of industries in rural areas and also to

promote stronger linkages between agriculture and industries and proposed to take up the scheme of integrated infrastructure development for which Rs.50.00 lakh was proposed during the Tenth Plan. The State Govt. has not allocated any funds for setting up IIDC during 2005-06. The State Govt. should avail the benefit of this scheme under which Rs.4.00 crore out of the project cost of Rs.5.00 crore is available as Central Assistance and remaining Rs.1.00 crore as loan from SIDBI.

6. Observing the potential for growth and development in the area of food processing, Rs.8.00 crore were proposed during Tenth Plan. Keeping in view 85% of the population of the State depends on agriculture for livelihood, the food processing industry may play a significant role. For utilising fruit, vegetable and horticulture produce in a better way and providing opportunities for more employment which has potential for export also. The State Govt. should avail the benefit of the scheme of Ministry of Food processing Industries under which a provision of Rs.4.00 crore as Central Assistance is available for setting up a Food Park.

7. VSE is an important sector from point of view of having potential for employment generation, utilisation of local available resources, potential for exports and, therefore need to be encouraged. The share of allocation for the VSEsector may be utilised for implementation of development programmes and strengthening of various components of the sector as it has potential to generate new jobs at lower investment per job. State Govt. may make efforts to reduce the expenditure on salary and administration and the savings may be utilised for developmental schemes.

2.1.10 **Transport**

The proposed outlay for road and bridges sector during the Tenth Plan is Rs.515.00 crores and the physical targets are construction of 850 kms. of new roads, black topping of 600 km. of road and construction of 2375 Rm. of bridges. State expects to achieve the targets within the plan period. The expenditure incurred during the Annual Plan 2002-03 and 2003-04 is Rs.75.22 crores and Rs.94.46 crores respectively. The approved outlay for Annual Plan 2004-05 for the road and bridges sector is Rs.101.35 crores and the proposed outlay for Annual Plan is Rs.114.94 crores.

Pradhan Mantri Gram Sarak Yojana (PMGSY)

Out of the 5782 habitations as per the 2001 census, 2763 villages have been connected by road (as on 31.3.04) indicating 47.78% connectivity. The majority of the remaining 3019 unconnected habitations are small and isolated habitations with a population of 250 or less. Further due to the topography of the state, many of these small habitations are in accessible and require huge investment for providing with roads.

Road Transport

The state has no railway line nor the water ways transport facility and depends only on roads for its transport services. The only airport at Umroi near Shillong is not feasible for the landing of big aircrafts and as such, it is not serving the state and its people. Meghalaya Transport Corporation is providing bus transport services and the corporation gets financial assistance from the Government. The Corporation is constantly running at a loss. During 2004-05 State Government has implemented the VRS Scheme for the employees of the Meghalaya Transport Corporation and 206 employees have accepted the VRS. It is expected that after the implementation of VRS, the effectiveness of the corporation will improve.

2.1.11 **Communication & Information**

1. Out of the total outlay of Rs.76500 lakh proposed for AP 2005-06 for Meghalaya, an outlay of Rs.100 lakh only has been made available for 2005-06 for IT.

2. As suggested by Planning Commission, 2-3% of the total outlay should be earmarked for the IT activities. In the present case, it is 0.13 per cent only. The State Government needs to work out a comprehensive and concrete action plan to ensure the provision of earmarked outlay and undertake worthwhile IT projects in the State.

3 Re-engineering of the present processes for weeding out obsolete processes and procedures must be undertaken before implementing e-governance projects.

4 State Wide Area Network (SWAN) should be created in the State by extending, augmenting and upgrading the existing facilities. Keeping in view the guidelines issued by DIT on the subject, the State may formulate the project and submit the same to DIT for consideration.

2.1.12 **Science & Technology**

The State Govt. of Meghalaya has set up State Council of Science & Technology in 1985 for promotion of Science & Technology in the State. The major ongoing S&T programmes are relating to Science Popularization. Introduction of Appropriate Technology, Specific Project for development of new Technologies, S&T entrepreneurship development programme, strengthening of S&T Library, and setting up of Science Centre. During Annual Plan 2005-06 all the ongoing programmes would be continued. However, no details of the activities proposed to be taken up during the Annual Plan (2005-06), has been indicated. In this connection it may be mentioned that the S&T Council may meet regularly for monitoring, reviewing and implementation of various S&T activities and identification of gap areas, dissemination of technology etc. The State S&T Council also need to establish active interface with the Central S&T Department/ Agencies like DST, DBT, CSIR and ICAR for taking up R&D programmes to address location specific problems of the State. The proposed outlay of Rs.100 lakh of the Annual Plan (2005-06), as against the current year i.e. Annual Plan (2004-05) outlay of Rs.90 lakh, may be agreed to.

2.2. SOCIAL SERVICES SECTOR

2.2.1 **Education**

Government of Meghalaya has proposed an outlay of Rs.96 20 crore for Education Sector (including Sports & Youth Affairs and Art & Culture) for the Annual Plan 2005-06 as against an outlay of Rs.97.20 crores for Annual Plan 2004-05. Sub-head-wise outlay and expenditure for Annual Plan 2002-03, 2003-04, 2004-05 and proposed outlay for 2005-06 are given below:

(Rs. in lakhs)

S. No.	Major /Sub Head	Tenth Plan 2002-07 Project outlay	Annual Plan 2002-03 Act. Expend.	Annual Plan 2003-04 Act. Expn.	Annual Plan 2004-05		Annual Plan 2005-06 Proposed outlay
					Approved	Ant.Expn.	
1.	**General Education**	25400.00	4720.47	5132.97	5614.00	5614.00	5950.00
2.	**Technical Education**	5500.00	410.00	1088.00	2260.00	2260.00	2050.00
3.	**Sports & Youth Affairs**	3900.00	749.70	957.00	1165.00	1165.00	950.00

4.	**Art & Culture**	2000.00	321.89	260.02	681.00	681.00	670.00
	TOTAL	**36800.00**	**6201.56**	**7437.99**	**9720.00**	**9720.00**	**9620.00**

As per 2001 census, the literacy rate in Meghalaya is 63.31% slightly lower than the All India Literacy rate i.e. 65.38%. The Male and Female Literacy rate are 66.14% and 60.41%, a gender gap of 5.73% against All India gender gap of 21.68%. West Garo Hills and South Garo Hills have female literacy rates lower than the national female literacy rate. The Gross enrolment ratio in classes VI-VIII during 2002-03 was 53.08% as against All India average of 61.13%. There is a problem of high drop out rate both at primary level (56.51) and Middle level (I-VIII)- 71.67%. This further increased to 80.93% (Classes I-X) during 2002-03. This needs to be contained.

General Education

An outlay of Rs.5950 lakh has been proposed for General Education for Annual Plan 2005-06 against an approved outlay of Rs.5614.00 lakh for Annual Plan 2004-05 i.e. an increase of 5.99%. Main increase is in the Elementary Education for which the proposed outlay (2005-06) is Rs.4190 lakh. Most of the expenditure will be incurred on maintenance of Govt. and non-govt. primary school teachers, filling up vacancies for additional school sanctioned, upgradation of primary schools to upper primary schools provision for EGS/AIE Centre, provision for State share of SSA (Rs.545.57 lakh) and provision for Cooking Cost (Rs.150 lakhs), under Mid Day Meal Scheme and training of existing and new teachers through DIETs.

Under Adult Education, focus will be to make all adult literate in South Garo Hill District, the only district where TLC has not taken off. Post literacy projects for new literates will also be taken up.

Under Secondary and Higher Education during 2005-06, the proposed activities include existing liabilities like salaries to Govt. establishment and recurring maintenance grant to non-Govt Institutions, provision of basic facilities, setting up more higher secondary schools, assistance for newly permitted colleges and appointment of teachers in the colleges. As far as possible Maintenance grant should be met from non-plan.

The State Govt. has a high backlog of untrained teachers. For continuation of short term and long term training programme an outlay of Rs.47 lakhs has been proposed. The training of untrained teachers should be taken up on priority.

Technical Education

The State Govt. has proposed an outlay of Rs.2050 lakhs for Annual Plan 2005-06 under Technical Education which includes an amount of Rs.2000 lakh for World Bank Assisted Technical Education Project-III. These Polytechnics namely Shillong, Jawai and Tura are under various stages of implementation. New courses like food processing and preservation, architectural assistantship, costume design and garment technology have been started.

Youth Affairs and Sports

An outlay of Rs.950 lakhs have been proposed for Youth Affairs and Sports for Annual Plan 2005-06. Proposed outlay is mainly for ongoing programme of the Department. The State Govt. should integrate small small schemes into a composite scheme to have better result. There is need to reduce the expenditure on Direction and Administration.

Art & Culture

An outlay of Rs.670 lakhs has been proposed for Art & Culture for Annual Plan 2005-06. The main activities include preservation, conservation, protection and promotion of rich cultural heritage of the State. Various activities under the field of performing arts will be taken up.

Issues for consideration

1. The per capita expenditure of the state on education during 2002-03 (R.E) was Rs.1147.54 as against an all India average of Rs.867.39.

2. The state Govt. is providing cooked meal to all eligible students in primary classes under Mid–day Meal scheme. Efforts should me made so that the food is hygienic and nutritious.

3. The Gross Enrolment Ratio is high at the primary level (116.19) but declines steeply at the upper primary (53.08%) with girls showing a slightly higher enrolment (55.97) during 2002-03.

4 The state is actively involved in providing education to the children in villages having no schools under Education Guarantee Scheme and Alternative Innovation Scheme. .

5. Greater attention should be on enrolment in classes VI-VIII and their retention in the schools.

6. The dropout rates are very high at all levels. It is 56.51% in class I-V and 71.67% in classes I-VIII (during 2002-03). It further increased to 80.93% in classes I-X. Stringent measures should be taken to ensure the retention of students at schools.

7 The percentage of trained teachers is very low. It was 45% at the primary level and 36% at the upper primary and secondary level (2002-03) as against an all India average of 86%, 87% and 89% respectively This is affecting quality of education. Greater emphasis should be on systemized teachers training. State Govt. should prepare a long term and short term plan to fill up this backlog.

8. There is no engineering college in the State and provision should be made for setting up one such college as the students have to go to the other cities for getting engineering degrees.

9 Efforts should be for strengthening the existing colleges in terms of infrastructure, adequate faculties, quality of education, provision of libraries and opening of new branches of job-oriented fields of study.

10. Post Literacy Programme and Continuing education for adults should be taken up so that those who have become literates under the Total Literacy Campaign do not relapse into illiteracy

11 Private participation in setting up of colleges/ schools should be encouraged.

Statistical Profile of Education Indicators – Government of Meghalaya

Literacy Rate

	1991		2001	
Male	53.1	(64.13)	66.14	(75.85)
Female	44.9	(39.28)	60.41	(54 16)
Total	49.1	(52.21)	63.31	(65.38)

Numbers in () indicate the All India figures

Gross Enrolment Ratio (2002-03)

	Primary		Upper Primary	
Boys	113.59	(97.32)	50.25	(65.51)
Girls	118.85	(92.87)	55.97	(56.31)
Total	116.19	(95.18)	53.08	(61.13)

Drop out rates (2002-03)

	Classes I – V		Classes I – VIII		Classes I – X	
Boys	58 19	(35.85)	73.13	(52.28)	81.40	(60 72)
Girls	54.81	(33.72)	70.21	(53.45)	80.45	(64 97)
Total	56.51	(34.89)	71.67	(52.79)	80.93	(62 58)

Pupil Teacher Ratio (2002 – 03)

	Meghalaya	All India
Primary	22	42
Upper Primary	17	34
Secondary	18	30
Higher Secondary	23	35

Percentage of Trained Teachers (2002 – 2003)

	Meghalaya	All India
Primary	45	86
Upper Primary	36	87
Secondary	36	89
Higher Secondary	98	90

Per Capita Expenditure on Education (2002-03) –R.E

(In Rs)

Meghalaya	All India
1147 54	867.39

2 2.2 Health, Family Welfare and Nutrition

The projected outlay for Tenth Plan is Rs.180.00 crores. The achievements of the first two years and proposed outlay for 2004-05 are given thereunder

- 5 F 11 -

(Rs. crores)

	2002-03 Actual Expenditure	2003-04	2004-05 Approved Outlay	2005-06 Proposed Outlay
Medical & Public Health	32.20	37.73	38.00	43.84

At the end of 2003-04 there were seven functional hospitals with 1562 beds. The number of functional C.H.Cs is 22 with 660 beds, the number of functional P.H.Cs is 94 with 940 beds and the number of health sub-centres is 403. The thrust of the health care programmes is on the expansion, extension and consolidation of health infrastructure.

2 2.3 **Housing & Urban Development**

The total population of Meghalaya, as per 2001 census is indicated as 23 lakhs out of which urban population constitute 4.53 lakhs which is about 20% of the total population of the State The State is predominantly inhabited by tribal population, accounting for about 95% of the total population. The land surface of Meghalaya is also characterized with small patches of valley land, fresh streams and rivers and deep gorges. Shillong and Tura account for 72% of the total population. With the increase in population over the years, the incidence of inadequate infrastructural facilities, poor road communication due to hilly terrain and unemployment have been the major constraints of economic growth. Approach to reduction of deficiencies in infrastructure and new provisions for future growth will facilitate improved environmental quality and also be catalytic in enhancing the urban productivity.

The housing schemes caters to assistance to the Meghalaya State Housing Board, Rental Housing, Departmental Residential and Non-Residential Buildings, Building Centre, Cost Effective and Disaster Resistant Rural Houses, Land Acquisition and Development Scheme, Police Housing etc. Social housing has to extend to cover people living below poverty line. An outlay of Rs 11.35 crores for Housing sector for the Annual Plan, 2005-06 has been proposed The criteria/ strategies in inter-se investment priorities may have to be ascertained and the utilisation level of individual schemes may be requested for.

The proposed outlay for Urban Development sector for the Annual Plan, 2005-06 is Rs 17 crore, which, is even less than half of the anticipated expenditure of Rs 37.50 crore for 2004-05 due to sharp reduction in outlay for the programme of Satellite Township for Shillong. The main plan schemes include Environmental Improvement of Urban Slums, assistance to urban

local bodies, satellite township Shillong etc. As per records, the financial progress of centrally assisted programmes may be seen below:

IDSMT (Integrated Development of Small & Medium Towns): Upto March, 2004, the number of towns covered is 8. The central and State release of funds amounted to Rs 4.12 crore, Rs 3.08 crore respectively. The expenditure reported was Rs 5.54 crore. Rs. 55 lakhs is proposed for 2005-06. It is observed that no expenditure had been reported since 2003-04. The implementation of the programme requires in-depth discussion

NSDP (National Slum Development Programme) : Upto March 2004, Rs. 4.74 crore was released as Additional Central Assistance (ACA) and the expenditure reported was Rs 2.66 crore working out to 56% utilisation. An amount of Rs 2.08.crore remains as unspent balance under the programme. Rs 1.04 crore is proposed for 2005-06.

SJSRY (Swarna Jayanti Shahari Yojana) : The central and State share of release upto March, 2004 amounted to Rs 2.38 crore and Rs 1.14 crore respectively, and the utilization was reported to be Rs 3.82 crore. With an unspent balance of Rs 2.95 crore, the utilization works out to 56%. For 2005-06 an outlay of Rs 40 lakhs is envisaged. The appointment of Project Officers, Community Organisers along with formation of Neighbourhood Groups/ Committees, Community Development Societies should be given top priority.

URIF (Urban Reforms Incentive Fund) : Release of Additional Central Assistance for strengthening urban Infrastructure was being envisaged, in linkage with the urban reforms executed by the State Government. As per records, upto March 2004, Rs 36 lakhs was recommended under URIF. Rs 80 lakhs is proposed for 2005-06 under Initiative for Strengthening of Urban Infrastructure.

As per State Plan document, Rs 7.34 crore is budgeted for 2005-06 under, 'Satellite Township for Shillong' as against the approved outlay and anticipated expenditure of Rs 17.50 crore and Rs 29.48 crore respectively for 2004-05. It needs to be ensured that there are no duplication of efforts.

NLCPR (Non-Lapsable Central Pool of Resources) : Rs 10 lakhs has been kept as State share. implementation of various projects from NLCPR funds is required to be brought vide the

Annual State Plan document. In addition, it may be added that a number of projects are posed for central assistance entailing huge budget estimates. The Plan document needs to explicitly incorporate the status reports on the same. In addition, necessary feed back on the following areas of concern:

- In a time bound frame, comprehensive survey to ascertain the number of houseless families should be carried out; Provision of credit, interest subsidy etc need to form part of the exercise both for construction of new house or upgradation/ reconstruction/ etc with emphasis on EWS/ LIG; The share of beneficiary must be insisted upon;
- Being geographically different, suitable and environment friendly building bye-laws to suit local conditions be framed;
- To decongest the existing towns, alternative sites may be identified for satellite towns with innovative land pooling/ land assembly and PPP models;
- The construction costs should conform to those prevalent in the target areas;
- Building Material Technology Promotion Council (BMTPC), Central Building Research Institute (CBRI) and IITs may be associated in developing appropriate building material and construction technologies;
- Comprehensive and integrated Urban Poverty Eradication Cells at the Headquarter level with branches in the Districts/Municipal level need to be set up for effective implementation of SJSRY;
- Specific strategy should be adopted to access the Plan funds under IDSMT; the concept of Revolving Fund, both at the level of ULB and State, should be developed followed by constant monitoring by the State Government;
- The strategy for development of infrastructure facilities including Solid Waste Management has to take care of future demand/ interests of tourists;
- The problem of urban transport network and essentially availability of space for the purpose have to be tackled;
- Assets created by the planned investments have to be maintained properly;
- Capacity building of ULB personnel;
- Speed up the works undertaken under NSDP and proper utilization of fund and timely submission of UCs be given priority;
- Funds under VAMBAY have not been accessed; Dovetailing of NSDP, VAMBAY etc may be carried out for effectively utilizing the funds meant to improve the urban slums.

2.2.4 Social Justice & Women's Development

Outlay and Expenditure during 2002-03, 2003-04 approved outlay for 2004-05 and proposed outlay for 2005-06 for the Social Welfare including Women and Child Development Sector are given in the Table below:

(Rs. In crore)

X Plan 2002-07	Annual Plan 2002-03	Annual Plan 2003-04	Annual Plan 2003-04	Annual Plan 2004-05
Outlay	Actual Expenditure	Actual Expenditure	Approved Outlay	Proposed Outlay
15.00	**5.32**	**5.27**	**6.88**	**7.00**

Issue for Discussion

1. Out of Rs.7.00 crore proposed outlay for the Annual Plan 2005-06, Rs.4.15 crore has been proposed for Old Age Pension and National Family Benefit Schemes. The amount proposed for Women and Child Development is only Rs.54.10 lakhs and Rs.2.31 crore for Social Welfare Sector. Therefore, State Govt. may make a balance between Social Welfare and Women & Child Development in connection with outlays for both of the Sectors.

2. The combined actual expenditure, anticipated expenditure and proposed outlay for four annual plans of the Tenth Five Year Plan (Rs.5.32 crore, 5.27 crore, 6.88 crore and 7.00 crore –24.47 crore is more than approved outlay for the sector for Tenth Plan as a whole Meghalaya Government should ensure that the sector do not suffer due to constraint of funds during next annual plan.

3. It is observed that there are a large number of Schemes (about 23) in existence in the sector as a whole, which needs rationalization/minimization. The state Govt. may have to undertake zero-Based Budgeting exercises to consider merging, and weeding out of schemes.

4. The State should ensure formulation and implementation of the Women Component Plan (WCP) by earmarking adequate fund (i.e. 30% of outlay of the women related Department, at the State level) so as to ensure flow of developmental benefits from these Scheme to women for their betterment both socially and economically.

5. Sizeable portion of proposed outlay have been allocated for two schemes viz. (1) Direction and Administration Proposed outlay is Rs.57.25 lakh in which there is proposal to replace a condemned vehicle which should be part of non-plan head instead of plan head and (2) Construction of Office Building of the Directorate of Social Welfare with proposed outlay Rs. 50 lakhs In this way a sizable Rs.1.07 crore is proposed for these two schemes. The expenses of the Direction and Administration should at least be met from the Non-Plan resources.

2.2.5 Labour Employment & Manpower

Labour and Labour Welfare

The Tenth Plan projected outlay for Labour and Labour Welfare is Rs. 175.00 lakhs. An amount of Rs. 23.51 lakhs and Rs. 26.19 lakhs was utilized during 2002-03 and 2003-04 respectively. The approved outlay for 2004-05 is Rs. 33.00 lakhs and the entire amount is expected to be utilized in full. The proposed outlay for 2005-06 is Rs. 45.00 lakhs.

Employment and Training

The Tenth Plan projected outlay for the sector is Rs.750.00 lakhs. The expenditure incurred during 2002-03 2003-04 was Rs. 71.85 lakhs and Rs.84.33 lakhs respectively. The approved outlay of Rs.132.00 lakhs for 2004-2005 is expected to be utilized in full. The proposed outlay for 2005-2006 is Rs. 155.00 lakhs.

The following on going schemes will be implemented during the Annual Plan 2005-2006.

(i) Employment Service

(ii) Craftsmen Training

New Schemes included during 10th Plan 2002-07.

The following new schemes of the Tenth Plan have been taken up for implementation during 2003-04 and 2004-05 and these will be continued during 2005-06 .-

1) Construction of office building in the District Employment Exchange Ampati including Guest House and Chowkidar's shed at an estimated cost of Rs. 29.58 lakhs.

2) Construction of Boundary Fencing at District Employment Exchange, Nongstoin at an estimated cost of Rs. 2.70 lakhs.

3) Construction of Building for Industrial Training Institute (Women) Shillong at an estimated cost of Rs. 132.97 lakhs.

In addition, the three schemes viz. Physically Handicapped Cell, Computerization of Employment Exchanges and Fencing of Industrial Training Institute land at Rynjah have also been approved for implementation during the Tenth Plan. No provision is however kept for the Annual Plan 2005-06.

Centrally Sponsored Scheme : The following Centrally Sponsored Scheme will be continued during the Annual Plan 2005-06 :-

i) Setting up of Industrial Training Institute, Baghmara.
ii) Strengthening / Modernisation of existing Industrial Training Institutes by Introduction of new trades / Additional Units at Industrial Training Institutes, Shillong/ Tura/ Jowai and Women Shillong.
iii) Providing Technical Assistance for Training of sponsored candidates for undergoing Training in Govt. of India Institutes.
iv) Provoding Technical Assistance for Training of sponsored candidates for undergoing Training in Govt, of India Institute.

Employment Unemployment situation in Meghalaya

Incidence of Unemployment

The incidence of Unemployment on current daily status basis, increased during1999-2000 in both rural and urban areas. The level of incidence of unemployment in urban areas is gone higher than the all-India unemployment rate in urban areas. The comparative estimates are given in Table - 1

Table 1 Incidence of unemployment amongst youth (aged 15-29)*

	Meghalaya		All-India	
	1993-94	1999-2000	1993-94	1999-2000
Rural	0.7	1.1	3.0	7.1
Urban	7.8	14.5	5.8	7.7

* On current Daily Status Basis (SPG)

Unemployment among youth and educated

Incidence of unemployment amongst educated aged 15 years and above on Usual Status Basis, increased during 1993-94 to 1999-2000 in both rural and urban areas.

Table-2 Educated aged 15 years and above

Areas	1993-94	1999-2000
Rural	1.2	3.9
Urban	3.2	6.8

Issues for consideration in the Annual Plan 2005-06.

1. The infrastructure for Vocational education, technical education and higher education etc. are inadequate in the State. Infrastructure for Training should be created in the informal se*ctor.

2. As per National Sample Survey, incidence of unemployment amongst youth (aged 15-29) on CDS basis has been increasing in both rural and urban areas of the State. State may explore the possibilities of credit linkages entrepreneurship development and marketing to boost the self-employment in the State.

3. A Centrally Sponsored Scheme for modernization of Three existing I.T.I.s and establishment of one new I.T.I. was taken up in the State. Status of the scheme may be discussed.

2.2.6 **Tourism**

The Tenth Plan approved outlay for tourism sector for Meghalaya is Rs.1650.00 lakhs. The actual expenditure for Annual Plan 2003-04 was Rs.125.21 lakhs and approved outlay for 2004-05 is Rs.276.00 lakhs and is expected to be used fully. For 2005-06, outlay for tourism sector is proposed at Rs.236.00 lakhs.

Tourist traffic to the State has shown continuous increase from 2000 to 2003. However, a significant decline in domestic tourist traffic has been observed for 2004. There are 14 development proposals for 2005-06 for the tourism sector, touching all aspects of tourism development with small allocations barring higher expenditure of Rs.70.00 lakhs each for tourist accommodation and publicity. Considering the vast scope for eco-tourism potentiality in the State, higher allocation to the Sector deserves consideration. Tourism Cell supports the proposals.

ANNEXURE-I

MEGHALAYA : BASIC INFORMATION

ITEM	UNIT	STATE	ALL INDIA
Area (2001)	Sq. Kms	22,429	32,87,263
Administrative Structure			
Districts (1999)	Nos.	7	529
Development Blocks(1999)	Nos.	39	5435
Villages(1998)	Nos.	5780	6,34,321
Town	Nos.	12	4689
Demography:			
Population (2001)	Lakhs	23.06	10270.15
Decadal Gr. Rate (1991-2001))	Per cent	29.94	21.32
Density of Population per Sq.Km.	Persons	103	324
Sex ratio (Female/1000 Male) 2001	Persons	975	933
Crude Birth Rate (2003)	Per 000	25.8	25.0
Crude Death Rate (2003)	Per 000	7.7	8.1
Infant Mortality Rate (2003)	Per 000	60	64
Literacy Rate (2001) Combined	Per cent	63.31	65.38
Male	Per cent	66.14	75.85
Female	Per cent	60.41	54.16
Below Poverty line 1993-94 and 1999-00 (figure in brackets are for 1999-00)			
Rural	Per cent	45 01 (40.04	37.27 (27 09)
Urban	Per cent	7.73 (7.47)	32.36 (23.62)
Combined	Per cent	37.92 (33.87	35.97 (26.10)

ANNEXURE- II

Tenth Five Year Plan, Annual Plan 2002-03, 2003-04 ,2004-05 and Proposed Outlays- Annual Plan 2005-06

(Rs. in Crores)

Sl No	[illegible]	Tenth Plan 2002-07	Annual Plan 2002-03			Annual Plan 2003-04		Annual Plan 2004-05	Annual Plan 2005-06
		Projected Outlay	Original Agreed Outlay	Revised Outlay	Actual Exp.	Original Agreed Outlay	Actual Expnd	Agreed Outlay	Proposed Outlay
	[illegible]	299 60	40 50	40 77	33 07	46 60	38 89	57 10	60 90
2.	[illegible]	197 68	37 22	41 44	37 73	37 65	37 03	56 50	62 57
3.	[illegible]	44 70	7 12	6 12	5 76	6 70	6 05	12 17	7 50
4.	[illegible]	97 40	9 85	9 85	8 77	11 22	8 40	12 04	12 60
5.	[illegible]	516 27	137 22	95 57	56 99	119 58	79 95	158 77	202 08
6.	[illegible]	144 00	18 55	24 26	17 31	21 40	21 34	19 20	23 46
7	[illegible]	540 30	77 50	66 96	77 21	79 75	97 24	104 49	118 44
8	[illegible]	7 90	1 35	1 35	0 91	1 35	1 14	1 45	1 70
9.	[illegible]	59 70	10 50	10 50	3 78	11 70	6 31	18 82	16 16
10.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	248 03
11.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.56
[illegible]	Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	716 34	765 00

IMMEDIATE

No.M.13048/18/(Mizo.)/2004- SP-NE
Planning Commission
(State Plans Division)

Dated : 30 11.2004

Subject: Annual Plan - 2005-06 : Meeting between Deputy Chairman, Planning Commission and Chief Minister, Mizoram to be held on 2nd December, 2004.

A Background Note for the Meeting between Deputy Chairman, Planning Commission and Chief Minister, Mizoram to be held on 2nd December, 2004, is circulated herewith for kind perusal.

Encl: **As above**

(S.N. Brohmo Choudhury)
Director(SP-NE)

Planning Commission
Principal Advisers/
Advisers/
JS(SP)/
Head of Divisions

PMO
J.S (N.E.) / D.S. (N.E.)

Ministry of Finance
Joint Secretary, (PF-I),
Department of Expenditure,
North Block, New Delhi

Ministry of Department of Development of North Eastern Region
Secretary

National Commission on Population
Member Secretary

Copy to Private Secretary to :
Deputy Chairman/Minister of State/Members/Secretary, Planning Commission

Copy also to:

Director (SP-Coordination)/Director (PC Division)/ DA (MLP & Hill Areas)/ Protocol Unit / Information Officer.

Planning Commission
(State Plans Division)

Background Note for Meeting between Deputy Chairman, Planning Commission and the Chief Minister, Mizoram for Annual Plan, 2005-06

Mizoram, the southernmost State of North-Eastern India, is one of the youngest states in the country having attained Statehood on 20th February, 1987. It is strategically located having international boundary of 404 Kms. with Myanmar and 313 Kms. with Bangladesh. It covers an area of 21,087 Sq. Km. and a population of 8.91 lakhs (2001 census) with a density of 33 persons per sq.km. as against the All-India density of 324 persons per sq.km. The decennial growth rate (1991-2001) of population was 29.18% as against the all-India growth of 21.34%. The State is organized into 8 districts, 23 administrative sub-divisions with 22 development blocks and 701 villages. There are three Autonomous District Councils viz. Lai Autonomous District Council, Mara Autonomous District Council and Chakma Autonomous District Council covering the whole of Chhimptupui area which is the southern most backward area of the State.

1.2 The State is inhabited predominantly by tribal population, which accounts for 94.75% of the total population. The Mizos represent a little over 82 per cent of the total population. Lai, Mara and Chakmas are the other three significant ethnic groups.

1.3 Difficult and mountainous terrain, absence of mineral deposits, heavy monsoon, deforestation and poor retention capacity of soil, are the factors hindering the pace of development. The State is facing poor industrial base due to lack of infrastructure.

1.4 Mizoram is one of the 11 Special Category States receiving Central Assistance on the basis of 90% grant and 10% loan, with the dispension to use 20% of Central Assistance for meeting the Non-Plan gap. The total Central Assistance of Rs.1866.83 crores, provided in the Ninth Plan exceeds the total Plan outlay of Rs.1794.26 crores, the percentage of Central assistance being 104.06%. The Central Assistance to the state for Annual Plan 2003-04 had been Rs.600.93 crore against the revised outlay of Rs. 525.51 crore. In 2004-05 the approved outlay of Rs. 616.52 crore, comprises of Normal Central Assistance of Rs. 414.81 crores, Rs. 88.20 crores as Externally Aided Projects and Rs. 167.79 crores for others specified purposes.

ECONOMIC GROWTH

2.1 As a result of investments made in developmental activities since Fourth Five Year Plan, significant progress has been achieved in the sectors of Road Transport, Power, Education and Health. While 94.4% of the villages have been connected with approach roads, 98.6% of the villages have been electrified. According to census 2001 the literacy level of 88.49% has placed Mizoram next to Kerala.

2.2 Though agriculture is the mainstay of economic activity, shifting cultivation with shortened land use cycle and lack of thrust in the potential horticulture sector has been a major factor in stagnation of the economy. Capital formation through generation of surplus in the production of goods and services for sustainable economic growth is weak.

2.3 With the expansion of public administration and other services, the demand for various categories of workers has increased. Some sectors like transport, education and health have expanded rapidly contributing to the tertiary sector income. Data on composition of income indicates that tertiary sector is the main source of income in the state (69%) although agriculture and allied activities constitute the mainstay of the economy.

2.4 The estimates of Net State Domestic Product (NSDP) for Mizoram are available only at current prices. In the absence of a NSDP series at constant prices, it is difficult to comment upon the growth of the State's economy in real terms.

2.5 The NSDP at current prices rose from Rs.1288 crore in 1999-00 to Rs.1645 crore (Q) in 2001-02. The all India NSDP increased from Rs .1579497 crore to Rs.1873203 crore during the same period. There is no clear trend in the growth of NSDP, however from 1998-99 to 2000-01, growth rate of NSDP of the state indicates a rising trend. The per capita NSDP is much higher than the All India average. It rose from Rs. 14909 in 1999-2000 to Rs 18467 in 2001-02 as compared to All India figures, which rose from Rs. 15652 to Rs.17947 respectively.

PLAN OUTLAY AND EXPENDITURE

Tenth Plan Outlays

3 1. Mizoram Government had submitted 10th Five Year Plan outlay for Rs.2419.37 crores and the Planning Commission approved an outlay of Rs. 2300.01 crore. The

sectoral outlays for the 9th and 10th Plan are given below:

S.No.	Sector	Ninth Plan	Tenth Plan	Increase (%)
1.	Agriculture Allied Activities	153.25 (9.47)	161.98 (7.04)	5.70
2.	Rural Development	235.40 (14.54)	156.65 (6.81)	-33.45
3.	Special Area Programme	0.14 (0.01)	40.37 (1.75)	288.36
4.	Irrigation & Flood Control	18.11 (1.12)	28.28 (1.23)	56.16
5.	Energy	224.21 (13.85)	194.85 (8.47)	-13.10
6.	Industry & Minerals	68.92 (4.26)	60.38 (2.62)	-12.39
7.	Transport	272.27 (16.82)	481.90 (20.95)	77.00
8.	Science, Tech. & Env.	3.23 (0.20)	5.32 (0.23)	64.70
9.	General Economic Services	84.67 (5.23)	125.55 (5.46)	48.28
10.	Social Science	529.03 (32.69)	956.87 (41.60)	80.87
11.	General Services	29.28 (1.81)	44.58 (1.94)	79.37
12	Eleventh Finance Commission	-	43.28 (1.88)	-
	GRAND TOTAL	1618.51 (100)	2300.01 (100)	42.11

3.2 TENTH PLAN PRIORITY AREAS

I. Agriculture and allied activity and rural development with emphasis on Prime Minister's Gramin Yojana (PMGY) and rural connectivity, control of shifting cultivation, implementation of MIP to attain self sufficiency in food production.

II. Development of infrastructure – implementation of state road project and emphasis on generation of more hydel power in the power sector.

III. Education and health services to be focused on with emphasis on upgradation of technical education infrastructure and provision of nutritious food to children.In the 10th Plan proposals, major increase has been noticed from Ninth Plan outlays in the outlays for Special Area Programmes (288.36%), General Economic Services (including district councils, Secretariat, Economic Services and Tourism) (48.28%), Social Services (including Education, Health, Water Supply and Sanitation, Housing & Urban Development (80.87%), Irrigation & Flood Control (56.16%), Science, Technology & Environment (64.70%), General Services (79.37%) and

Transport sector 77%. The outlay in case of Rural Development, Energy and Industry and Minerals has been reduced by 33.45, 12.39 and 13.10 % respectively.

Annual Plan 2004-05

4.1 An outlay of Rs. 616.52 crore has been approved by the Planning Commission. Approval letter of the Planning Commission for sectoral allocation as finalized by the state government has been issued recently. The progress of implementation is yet to be reviewed.

Annual Plan 2005-06

5.1 The State Government has submitted Annual Plan 2005-06 proposal for Rs. 685 crores. No new scheme or creation of new posts has been reflected in the draft proposal. The expenditure during 2001-02, 2002-03 and 2003-04, approved outlay for 2004-05 and proposed outlay for 2005-06 is given below :

(Rs. crores)

Sector	Expd 2002-03	Expd * 2003-04	Outlay 2004-05	Proposed Outlay 2005-06
Agriculture Allied Activities	52.54	55.84	61.25	72.89
Rural Development	18.84	17.84	21.78	25.70
Special Area Programme	13.41	19.45	11.86	11.94
Irrigation & Flood Control	6.41	14.50	14.36	15.36
Energy	40.29	56.9	58.47	64.20
Industry & Minerals	16.11	13.39	18.60	20.70
Transport	38.36	93.83	102.08	116.50
Science, Tech. & Env.	1.14	0.91	1.10	1.43
General Economic Services	34.84	31.78	104.62	78.18
Social Services	189.45	235.14	211.53	265.16
General Services	9.17	11 54	10.87	12.94
GRAND TOTAL	**420.5**	**551.20**	**616.52**	**685.00**

* Provisional figures as reflected in the Annual Plan Proposal 2005-06 submitted by the state.

5.2 The State Government has proposed Rs. 685 crore for the Annual Plan 2005-06, an increase of 11% over the outlay of Rs. 616.52 crores in 2004-05. Other than the outlay for General Economic Services, which include tourism, civil supplies etc.,

increase of outlay has been proposed for all other sectors. Major increase has been proposed in Social Services Sector, General Services Agriculture and allied activities and Rural Development.

5.3 In the Social Services sector substantial increase has been proposed for the outlays on education, health, water supply and housing. In the General Services outlay, maximum increase has been suggested for public works. In the agriculture sector substantial increase in the outlay for crop husbandry has been proposed.

SECTORAL ISSUES

AGRICULTURE & ALLIED ACTIVITIES

6.1 Agriculture and allied activities constitute the mainstay of the economy. It accounted for around 28% of the State NSDP (at current prices) and 67.8% of the work force in 1999-2000. About 85.5% of the rural and 30.3% of the urban work force in Mizoram is dependent on agriculture. The state has however remained deficient in food grains production. While the cropped area is increasing marginally, the productivity and adoption of modern agricultural practices including use of high yield varieties for crops and utilisation of fertilizers have remained low.

6.2 The total gross cropped area in the State is about 1.38 lakhs ha and the net cropped area is about 1.36 lakh ha. The cropping intensity in the State is 125%. More area has been brought under irrigation, specifically minor irrigation. Scope of medium irrigation is limited. Out of the ultimate potential 70,000 ha. 16690 ha. Potential has been created. Utilisation had been 23.84 %.

6.3 Rice is the major cereal crop that is grown both under wet cultivation and jhum cultivation in the state but the increase in production of rice in the last few years has been marginal. Distribution of quality paddy seed, a prerequisite for enhancement of productivity, has been declining over the years. The state needs to enhance the use of high quality paddy seed to increase the productivity of rice. The Soil and Water Conservation Programme has to play an important role in State. The relevance of the Watershed Development approach is well recognised for conserving moisture and increasing the productivity of soil and crops. Not much attention has so far been paid to these programmes.

6.4 In order to mitigate the ill effects of jhumming, a scheme of 100% Central Assistance to the States was approved in 1994-95 for implementation in all the North Eastern States, including Mizoram. In 2004-05 Rs. 3.50 crore has been provided as

central assistance. Under the New Land Use Policy (NLUP), the State Government is providing alternative permanent settlement to the Jhumia families. Impact of these schemes is yet to be assessed.

6.5 River valley project and cooperation are not getting adequate funding under the macro-management scheme. It is desirable that State should utilize the central fund under macro-management in consultation with various concerned departments who are implementing different components of the scheme.

6.6 An amount of Rs. 20 crore as ACA has been released for Mizoram Intodelhna Project during Annual Plans 2002-03 , 2003-04 and 2004-05. MIP project is multi-disciplinary program involving land development, terracing in hill slope, rainwater harvesting, production of quality planting materials and distribution of piglets. Besides the continuation of MIP schemes, the State has also been receiving funds for similar activities under the schemes like Control of Shifting Cultivation, Soil conservation including water conservation, Land reclamation & Development, Horticulture and Vegetable development and Technology Mission on Horticulture. There is a need for close integration among the different schemes so that coordinated development could take place

HORTICULTURE

7.1 While there is considerable potential for growing fruits, vegetables and spices, the productivity of horticultural crops has been poor, compared to the All-India average. Increasing area under horticulture crops and their productivity may be encouraged through appropriate policy interventions.

7.2 The State Government is undertaking programmes in respect of plantation crops, like coffee, rubber and tea. To provide marketing support and soft loans to farmers, the State Authorities have set up a Corporation for marketing activities agncultural, horticultural and forest produce.

7.3 According to information made available by the State, emphasis is being given for the production of such crops which have good scope of marketing in and around the state such as mandarin, orange, banana etc. The farmers are being assisted by producing high quality planting materials free of cost. For improving productivity supply of macro and micro-nutrients, plant protection chemicals and equipments,

construction of rain water harvesting facility structures etc. are being done either free of cost or at 50% subsidy.

ANIMAL HUSBANDRY & DAIRYING

8.1 The State Authorities are operating several schemes relating to cattle and buffalo, poultry and piggery, feed and fodder development and dairy development. The pig-breeding programme has considerable scope in the state. The State Government needs to lay emphasis on the strengthening of the existing farms and the setting up of a modernised slaughter house. Centrally Sponsored Scheme on integrated Dairy Development has been approved for the North Eastern Region and efforts should also be made to implement the same effectively. The State government has integrated Piggery Development Project and Mobilisation and Development of Feed and Fodder Resources projects under NLCPR. The State is not availing assistance from different central schemes like Clean Milk Production, Conservation of animals etc.

FISHERIES

9.1 There is no major river system/reservoir in the Mizoram, except for a small lake. The resources available for fish culture are in the form of small ponds and paddy fields. Notwithstanding weak organisational structure, inadequate availability of suitably trained manpower and the low priority accorded to funding in this sector, the State has made good progress in fish seed production. There are three Fish Farmers Development Agencies (FFDAs) in the state. Per annum, which is considered to be fairly good. For further augmentation of fish seed production, state utilized NLCPR assistance of Rs.6.00 crore for establishment of Fish Seed Farms at Zawinuam, Zobawk, Lengpui and Phura. However, fish seed production needs to be encouraged in the Private Sector and more of Central Assistance for strengthening infrastructure and to train man power..

10.1 *The priority areas in which the state needs to focus attention in the agriculture and allied sector are*

- Land Development
- Increasing the productivity, especially of horticulture crops
- Increasing the area under irrigation
- Construction of link roads to link the farm lands with the main roads

- Commercial crops, fruit crops of high market potential which are suited to the agro-climatic conditions of the State
- Rain water harvesting
- Extension services
- Setting up of modern slaughter houses

ISSUES IN THE AGRICULTURE AND ALLIED ACTIVITIES SECTOR :

11.1 Certain land development programmes like (i) the Land Use Policy (1984-90) for development of land for plantation purpose, (ii) Jhum Control Project under SAD Program for horticulture activities, (iii) New Land Policy (199-2000) in Rural Development and (iii) Mizoram Intodelhna Project (MIP) (2002-03) has been taken up by the state. For future effective planning it is imperative to know the total land already developed under these projects.

11.2 While supporting MIP (2002-03) project Planning Commission had insisted that the state should also undertake concurrent evaluation and monitoring of the program and submit progress report. For monitoring the program the state had constitute Technical Monitoring Committees at the State level, District level and Village level. However the MIP (2003-04) proposal did not contain any information about the progress/evaluation of the last year project. This information is needed to assess the efficacy of program implementation and also to identify roadblocks if any and plan suitable remedial measures so that scarce plan fund could be effectively used for the development of the state. A major allocation of Rs. 26 crore is proposed during 20005-06 under MIP for upliftment of rural poor especially the shifting cultivators. The impact of this scheme in increasing production and productivity and in improving the socio-economic conditions of the rural poor should be studied.

VILLAGE and small INDUSTRIES SECTOR - SERICULTURE

12.1 Industnal base in the state is very poor. The outlays for the VSI, Industries and Sericulture for AP 2003-04 are were Rs.14.01 crore, Rs.0.84 crore and Rs.3.05 crore respectively. Review shows that majority of the expenditure goes for non plan expenditure.

12.2 There is a vast scope for Sericulture in Mizoram. State Govt. was suggested to implement the schemes of Central Silk Board in the State and avail Central Assistance

to the maximum extent. It was also suggested that efforts should be made to utilise silk yarn produced in the State for weaving and making value added items for uplifting the economic condition of the weavers. Dying, training, provision of design, marketing facilities etc. should be strengthened.

12.3 JBIC, Japan has already visited the State and agreed for considering EAP project for sericulture in the State. Action in this respect for preparation of preliminary reports has already been initiated by the Sericulture Department.

12.4 According to information available from the state government, the Sericulture Department has not been able to undertake systematic implementation of the schemes for sericulture for lack of funds. The schemes aim at marketing facilities for cocoon/yarn, silk processing, seed organization etc. No proper grainage, which is the main source of seed production, no proper rearing houses, technical equipments, staff quarters are available. The state govt has suggested that all plan posts (104) may be converted into non-plan so that funds are available for development purpose, poor farmers may be given financial assistance, more funds may be provided for construction/repair of grainage buildings.

RURAL DEVELOPMENT

13.1 Matching share for the schemes of Rural Development remains a problem for the state. State Government has been demanding release of Central share of funds under rural development programmes in one instalment and revision of the formula for sharing of funds between the Centre and the states from 75:25 to 90:10 along with other NE states. The matter was earlier examined and Planning Commission had expressed its reservation on the issue. This issue was again raised in the Regional Consultation meeting at Guwahati and all NE states demanded revision in the norm not only for RD programme but also for all CSS.

Pradhan Mantri Gramodaya Yojana (PMGY)

14.1 PMGY envisages allocation of additional Central Assistance (ACA) to the States and UTs for the provision of specific basic minimum services to the rural population in keeping with the priority areas identified by the Government. PMGY has six components which are Primary Health, Primary Education, Rural Shelter, Rural Drinking Water, rural electrification and Nutrition.

14.2 The progress of implementation of the scheme are monitored by the Planning Commission before installments of ACA funds are released to the States by the Ministry of Finance.

14.3 The allocation for PMGY in the Annual Plan 2003-04 was Rs. 191.20 crore which included ACA of Rs. 55.00 crore. The allocation in 2004-05 for PMGY is Rs. 144.38 crore out of which Rs.43 crore is ACA. In the review meetings it is observed that late submission of utilization certificates had created problem in release of instalments to the state. Under the Rural Shelter and Nutrition components of PMGY, expenditure was rather low. The physical progress for the of the programmes need to be reviewed .

14.4 Other poverty alleviation programme i.e. Swarnajayanti Gram Swarozgar Yojana (SGSY), fund utilisation, for this scheme has been around 70% during 2003-04.

Rural Housing

15.1 The Indira Awas Yojana (IAY) is a major scheme for construction of houses for the poor, to be given free of cost. Another component of conversion of unserviceable Kuccha houses to semi Pucca houses has been added. Under IAY the both physical and financial performance is reported to be rery good

DISTRICT LEVEL PLANNING / MICRO LEVEL PLANNING

16.1 A District Planning System was set up during the Seventh Plan period to address the schemes /projects located in the rural areas. There are three Autonomous District Councils (ADCs) in the State, namely, Lai, Mara and Chakma. A new Council, Sinlung Hill Development Council, has also been set up in 1997 in Eastern Aizawl as a result of memorandum of settlement signed in 1994. This council has been entrusted only with the development subjects and is not autonomous as are the other three Councils. Annual allocation for the council is Rs. 98 lakh. As these councils are partners to the State Government in the developmental activities and could supplement the overall effort of the State towards participative development, the State Government could consider providing adequate financial powers and funds to the District Councils.

BORDER AREA DEVELOPMENT PROGRAMME.

17.1 This programme has been transferred to Department f Border Management in the Home Ministry recently. Progress of utilization of funds under this programme had

been slow. An amount of Rs.8.32 crore had been allocated and released to the State Government for Annual Plan 2003-04 in addition to this, an amount of Rs.4.16 crore was also released as additionality. An allocation of Rs.8.32 crore has been made for Annual Plan 2004-05 against which an amount of Rs.5.55 crore as first instalment has been released. The State Government have furnished the quarterly progress reports in physical and financial terms till 30th September, 2004. An unspent balance of Rs.3.56 crore against the releases is lying with the State Government till 31st March, 2004.

RASHTRIYA SAM VIKAS YOJANA (RSVY)

18.1 Under the Backward Districts Initiative Component of RSVY, Lawngtlai district of the state is being covered during 2004-05 for which an allocation of Rs. 15 crore has been made. The state govt has submitted a District Plan. The proposal is under examination of the Planning Commission for sanction by the Empowered Committee.

INFRASTRUCTURE ISSUES

POWER

19.1 Transmission and Distribution Losses are reported to be quite high in the state as compared to all India figures. T & D Losses in 2003-04 was 44%, in 2004-05 it is 42% and it is projected to be 40% in 2005-06.

19.2 Gross Operating deficit of the Power Department has been on the rise. It has increased from Rs 29.84 crore in 2001-02 to Rs. 49.07 crore in 2003-04 and is estimated to further increase to Rs. 68.5 crore in 2004-05. The main cause of this deficit is the gap between cost of supply and average tariff realized There are 23 diesel power stations in the state (cost of supply is Rs.8/- per KW/hr) which need to be scrapped to reduce the deficit of the department.

19.3 Under EPDRP, out of the total project cost of Rs 57.91 crore, the utilization of funds by the state has been RS.26.08 crore. Only 76% 11 KV feeder metering and 52% consumer metering has been completed. This activity should be hastened. The Heavy Fuel Oil based Bairabi project has been commissioned.

IRRIGATION

20.1 The scope of medium irrigation in Mizoram is not very significant. The State Govt. is undertaking survey and investigation of Chamdur Valley Project and exploring possibilities for other medium projects.

20.2 The scope of Medium Irrigation being limited, most of the schemes taken up are under Minor Irrigation for which an ultimate potential of 70,000 ha. exists. The

Irrigation potential created was 16690 ha. By the end of the IX Plan and the anticipated utilization is 14080 ha. which accounted for 23.84% and 20.11% respectively, of the ultimate potential. The State Govt. has taken up 279 nos. of M.I. schemes with AIBP assistance so far till March 2004 the State Govt. has been provided Rs. 14.916 crore under AIBP and during 2004-05 an allocation of Rs. 5 crore has been made to State.

20.3 The Planning Commission is of the view that the farmers participation in development of minor irrigation programmes such as construction of tanks and surface diversion schemes operation and maintenance of minor irrigation schemes should be encouraged. Also the maintenance of the irrigation schemes may be transferred to non- Plan . It is also suggested that water rates should be introduced as a service charge for irrigation facility. Repayment of loan under NABARD should be treated under non-Plan activity.

ROADS

21.1 Road density in relation to area is lower than All India average but in relation to population is higher than All India average. Road capacity and rail network requires improvement.

21.2 The state govt has proposed an outlay of Rs. 116.50 crore for the transport sector for Annual Plan 2005-06 (14% higher than last year's outlay). The state govt has taken up an EAP funded by the World Bank at an estimated cost of Rs.312 crore. The project involves widening of 3 roads measuring 187 kms and maintenance of 521 kms of existing roads. It has not been indicated as to how much amount has been spent so far. A sum of Rs. 77.33 cr has been earmarked for this project during 2005-06. The state govt needs to provide information relating to financial and physical progress of the project.

21.3 Physical targets have not been indicated for the scheme of improvement of satellite towns and village roads. As per the plan document, the state govt has prepared a master plan for providing connectivity to villages with population of 100 and above by 2003 and those with population 250 by 2007 under PMGSY. As per information furnished by the MORD, 285 habitations have been identified for connectivity for PMGSY. Against this 82 habitations have been connected as on 19.1.2004. As regards habitations having population 1000 plus, 36 out of 47 habitations identified under the scheme have been provided connectivity. There is a

need to step up the connectivity program particularly for the habitations with population 1000 plus.

21.4 Physical performance of the Mizoram State Road Transport in terms of fleet utilization (52%), vehicle productivity (132)and load factor (51%)is very low. The state govt may be advised to improve upon the physical performance of the corporation.

21.5 The major schemes proposed include upgradation of central workshop, procurement of buses and purchase of POL etc. It may be mentioned that purchase of POL should be charged from the non-plan budget of the state govt.

HUMAN DEVELOPMENT INDICATORS

DEMOGRAPHIC INDICATORS

22.1 Demographic indicators serve as important benchmarks of progress achieved by a society. Some of the demographic indicators for the NE States are given in the table below. According to 2001 Census, Sex ratio has improved to 938 female per thousand males as compared to 921 in 1991, As compared to the All India ratio of 933 it is slightly better.

22.2 Although the natural growth of population is one of the lowest in Mizoram as compared to NE States and is much lower than the all India average, the decadal growth rate of population is much higher than the All India growth rate.

22.3 Though the BR & DR are much lower than all-India figures, the BR has increased in 1999 to 17.0(P) from 15.8 in 1998. The increase in fertility level is a cause for worry as the recent NFHS-2 results confirm the increasing trend. The TFR has increased between 1992-93 and 1998-99 from 2.3 to 2.9. This issue needs to be tackled by the State by improving delivery of fertility management services.

22.4 IMR in Mizoram is the second lowest in India (next only to Kerala) and the lowest in the NE Region. Human Development Indicators are given in the table below:

Demographic Indicators – North Eastern States

	All-India	A.P.	Assam	Mani-pur	Megha-laya	Mizo-ram	Naga-land	Sikkim	Tripura
SexRatio(2001)	933	901	932	978	975	938	909	875	950
Crude Birth Rate									
1997	27.2	21.4	28.2	19.7	30.2	15.0	NA	19.8	18.3
1998	26.5	22.5	27.9	19.0	29.2	15.8	NA	20.9	17.6
1999(P)	26.1	22.3	27.0	18.6	28.7	17.0	11.8	21.6	17.0
Crude death rate									
1997	8.9	5.8	9.9	5.9	8.8	4.8	NA	6.5	6.9
1998	9.0	6.1	10.0	5.3	9.0	5.6	NA	6.1	6.2
1999 (P)	8.7	6.0	9.7	5.4	9.1	5.5	2.3	5.8	5.7
Natural growt Rate									
1997	18.3	25.6	18.3	13.8	21.4	10.2	NA	13.3	11.4
1998	17.4	16.4	17.9	13.7	20.2	10.2		14.8	11.4
1999(P)	17.4	16.3	17.3	13.2	19 5	11 5	9 5	15.8	11.3
Inf. Mort. Rate									
1997 199	71	47	76	30	54	19	NA	51	51
1999(P)	72	44	76	25	52	23	NA	52	49
	70	43	76	25	56	19	NA	49	42
Total Fert. Rate									
NFHS-1(1992-93)	3.39	4.25	3.53	2.76	3.73	2.30	3.26	NA	NA
NFHS-2(1998-99)	2.85	2.52	2.31	3.04	4.57	2.89	3.77	2.75	NA

LIVING CONDITIONS

23.1 Significant progress has been achieved in the sectors of Road Transport, Power, Education and Health as a result of investments made in developmental activities since Fourth Five Year Plan. While 94.4% of the villages have been connected with approach roads, 98.6% of the villages have been electrified. With adequate health infrastructure having been made available, health indicators are also good.

23.2 Per Capita Investment figures as on 1.1.2004 for each of the North Eastern states show that Mizoram has the highest per capita investment (Rs. 29, 824).

23.3 Housing characteristics in which the population live provide pointers to reach of developmental process. Table below, from the results of NFHS-2, presents certain housing characteristics for Mizoram vis-à-vis other NE States and all-India:

Living Conditions in North Eastern States:NFHS-2 Results

Characteristics	All India	AP	Assam	Mani-pur	Megha-laya	Mizo-ram	Naga-land	Sik-kim
With Electricity	60.1	68.9	26.4	75.3	41.2	84.1	56.3	80.7
Drinking Water-Piped/hand Pump	77.9	80.7	60.1	48.9	42.1	63.2	40.5	84.6
With toilet / Latrine	35.9	73.0	53.0	92.0	52.0	97.7	74.3	72.7
Use of biomass Fuel for cooking	71.7	80.8	87.1	69.2	83.5	57.4	86.1	63.2
Living in pucca House	32.0	14.2	10.9	7.1	14.5	16.2	18 1	50.6
Mean no. of Persons per room	2.7	2.2	2.1	2.1	2.0	2.6	1.6	2.0

23.4 Mizoram scores well in many of the housing characteristics except for drinking water and pucca house. Programme for improving ground water development and drinking water facilities should be drawn up. Pucca house provision percentage is very low in NE states, probably due to the characteristic living styles. On other characteristics, Mizoram is way ahead of all-India averages. In terms of provision of piped/hand pump drinking water and provision of pucca house, the State has to improve upon its performance. On other characteristics, Mizoram is ahead of all-India averages.

HEALTH INFRASTRUCTURE

24.1 According to RHS and CBHI surveys the State has excess of primary health care institution (Sub Centres-346 against 122, PHCs-58 against 20, CHCs-9 against 5). These should be strengthened and integrated into three tier primary health care system of Sub-Centres, PHCs and CHCs/FRUs. Priority should be accorded to reorganizing these and developing appropriate referral linkages so that primary health care, emergency life saving services and services are available to all whenever required.

24.2 Population per doctor in the state is high in the region(9616), second only to Assam(12128). It is understood that it is mainly due to the fact that doctors are based

in and around the town areas. Perhaps it is owing to this reason that there are a number of medical cases referred to hospitals outside the state, which has led to an increase in medical bill reimbursement, by the state government. There is therefore a need to correct the mismatch between manpower and equipment.

EDUCATION

25.1 According to census 2001 the literacy level of 88.49% has placed Mizoram next to Kerala. Though the literacy rate is high, the drop out rate is much above the national averages. The median number of years of schooling, 6.4 for males and 5.5 for females in Mizoram (as per NFHS-2), are higher than the national averages. The problem of drop-outs at primary level is due Jhum cultivation as children move with family. Since no specific survey has been carried out to identify the factors contributing to this phenomenon and formulate innovative schemes to deal with it.

25.2 Though the teacher pupil ratio is lower than all-India average, there are a large number of untrained teachers. There is also under utilization of teachers since drop-out rates are high (71.13) and teacher-pupil ratio is low (11.64). Though, Mizoram has reasonable infrastructure for lower as well as higher education, emphasis should now be on improving the quality of education.

25.3 The proposed outlay for 2005-06 for education which represents an increase of almost 21% as against the approved outlay of 2004-05. However there is a decline in the allocation for technical education by 14% (Rs.130 lakhs). Bulk of the expenditure in the education sector is basically on the non-plan side meeting the salary component and O&M expenses. The capital expenditure accounts for only 5.6% there is hardly any plan investment for capacity building or strengthening of institutions.

OTHER ISSUES

STATE FINANCES

26.1 There has been a sharp decline in the State finances in the 1990s resulting in senous liquidity problem in the State. The State has entered into an MOU with the Ministry of Finance in April, 1999, with a view to correct the fiscal imbalance and improve their financial position. There is a need to check mounting non-plan expenditure especially expenditure on Government establishment. The State must find ways of downsizing staff and reducing committed non-plan expenditure in order to mobilize more and more resources for developmental activities.

26.2 The State's own resources as reflected in the SOF of Annual Plan 2004-05 was Rs. (-) 54.28 crore. The balance from current revenue had been Rs. (-)297.57 crore. In the regional consultation meeting held in Guwahati the state Government mentioned that despite having large number of CSS and Central schemes for long years very little impact is visible because of many procedural problems and rigidities in the guidelines. State government had suggested that state government should be given flexibility to use to allocated funds according to the thrust areas. The state has identified the agro forest based industries as thrust area for which production, processing and marketing linkages would need investment.

26.3 Since 7th plan onwards, diversion of plan fund to the non-plan side is continuing for payment of salary for the post created under plan. This has hampered developmental activities. State Government has requested the Finance Commission for non-plan grant for the same.

26.4 One of the issues highlighted by the state governments in the Regional consultation on Mid term appraisal was that ceiling for the professional tax need to be raised for mobilization of additional resource as in some states including Mizoram, the Income Tax Act does not apply.

26.5 In addition to the central assistance available to the states under Annual Plan assistances are available from NEC and NLCPR. The projects undertaken under NEC and NLCPR need to be dovetailed with the developmental projects taken up under the State's Annual Plan for effective impact. Proper utilization of these would improve that infrastructure in the state which would help in boosting the state's economy.

PROBLEM OF BAMBOO FLOWERING

28.1 The unique phenomenon of flowering of bamboo, particularly the Melocanna baccifera variety (known as Muli bamboo), which is likely to occurs in the next three to four years has been drawing attention of the Government of India. This phenomena is expected to create ecological economic and social problems in the bamboo producing area, particularly in the North East, due to destruction of large tracts rendering it vulnerable to forests fires, depletion of important bamboo resources for the artisans and industry and increase in rodent population causing further destruction and health hazard.

28.2 Planning Commission received a comprehensive action plan from Mizoram Government for Bamboo Flowering and Famine Combat Schemes(BAFFACOS)

Setting up of SSI units based on the bamboo is one of the components of the scheme. The Ministry of Environment and Forests, who are the nodal ministry for the purpose have been requested to coordinate and identify specific points for action by the various Ministries/ Departments of the central/state governments and also to suggest financing arrangements for various activities for tackling the problems of bamboo flowering. While maximum utilization of the bamboo crop is required to reduce the wastage, this event should be used as an opportunity to plant varieties of bamboo suitable for better remunerative cottage and handicrafts industry.

28.3 Planning Commission has provided an amount of Rs. 50.58 crore to Mizoram as one time Additional Central Assistance for the Annual Plan 2004-05 for the schemes of special importance to the state, including Rs.20 crore for addressing the problem of bamboo flowering.

UNEMPLOYMENT

29.1 Incidence of unemployment (UPS status), though lower than the all-India rates and favourable even among NE States, has been increasing over the decade. However, the rural unemployment rate has declined between 1993-94 & 1999-2000. Urban unemployment rates are on the increase from 1987-88. Proportion of educated among unemployed was higher in Mizoram than all-India. The State needs to specifically address the issue of worsening urban unemployment situation and educated unemployment.

29.2 As on 31.3.1998, total employment in the organised sector in Mizoram was 41000 of which 39600 was in the Public Sector including 33300 nos. of State Govt. employees. That is major source of employment in the service sector is government establishment. In the Annual Plan, the Planning Commission laid emphasis on reduction of administrative cost and downsizing of the Govt. machinery.

29.3 Government support for sustainable management of forests of community/private ownership and remunerative utilization of forest produce like bamboo, as an effective means of employment generation should be a priority keeping in view the ensuing gregarious flowering in the state.

ENVIRONMENT AND FOREST

30.1 The forest cover in the state constitutes 83% of the geographic area. A decrease of 844 square Km in the forest cover in 2001 FSI assessment compared to the 1999 assessment is a matter of concern. The loss of forest cover is mainly due to

shifting cultivation. The rehabilitation of shifting cultivation areas should be accorded priority for economic development of tribals.

30.2 JFM was initiated in 1998. A total of 249 JFM Committees are managing an area of 10980 ha with the involvement of 32241 families under the JFM program. Sustainable forestry management practices can be disseminated through JFM as an alternative to shifting cultivation.

GENERAL REMARK

31.1 In the Mid-Term Appraisal document submitted by the state government, it has been stated that " It appears that, so far, the progress of implementation of 10th Plan schemes has been more or less satisfactory and no major corrective measures will be required in achieving the targets set for the Tenth Plan Period." However, though statement furnished in the document shows that financial expenditures are impressive, in most of the sectors physical achievement/progress of different schemes and programmes have not been provided by the state government.

*****

IMMEDIATE

No. M-13048/15/MRT/03-SP-West
Planning Commission
(State Plans Division)
*****

Yojana Bhavan, Sansad Marg
New Delhi –110001
Dated 1.03.2005

Subject: Background note for discussions of Annual Plan 2005-06 of Maharashtra.

A background note for the meeting between Deputy Chairman, Planning Commission and Chief Minister of Maharashtra to be held at 11 AM on 3.03.2005 for finalisation of the Annual Plan 2005-06 is hereby circulated.

(N.D. George)
Director (SP–W)
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Encl: As above

Planning Commission
Principal Advisers
Advisers
JS(SP)
Heads of Divisions

PMO
Director (Maharashtra)
Ministry of Finance
Joint Secretary (PF-I)
Deptt. of Expenditure
North Block, New Delhi
National Commission on Population
Member-Secretary

Copy to Private Secretary to:
Deputy Chairman/Minister of State/Members/Secretary

Copy also to:
Director (SP-Coordination)/Dy. Adviser (PC Division)/Dy. Adviser (MLP & Hill Areas)/Protocol Unit/Information Officer

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INTRODUCTION:

Maharashtra is one of the developed states of the Union of India. It is spread over an area of 307.71 thousand sq. kms. As per 2001 Census, the population of the state, as on 1st March 2001, stood at 9,67,52,247, which is 9.42% of the total population of the country. Maharashtra is ranked second in the country in terms of population. The decadal growth rate of population in the state has come down from 25.73 during 1981-91 to 22.57 in 1991-2001. The sex ratio (i.e., the number of females per thousand males) has declined from 934 in 1991 to 922 in 2001. Overall literacy in the state has increased from 64.87% in 1991 to 77.27% in 2001.

Growth Performance

The Tenth Plan growth target for Maharashtra is 7.4%.

Maharashtra's NSDP at constant (1993-94) price has increased from Rs.101767 crore in 1993-94 to Rs.154466 crore in 2002-03 registering an annual average growth rate of 4.82 per cent. During this period, the State's per capita NSDP increased from Rs.12183 to Rs.15484 registering an annual average growth rate of 2.78 per cent per annum. However, the State's per capita NSDP of Rs.15484 in 2002-03 compares favourably with the all-India per capita NNP of Rs.10964. The states NSDP at 1993-94 constant prices accounted for 13.22 per cent of the all India NSDP in 2002-03.

The percentage shares of primary, secondary and tertiary sectors in the NSDP are 17 2, 30.2 and 52.6 respectively (1999-2000).

Net State Domestic Product and Per Capita NSDP – Maharashtra

Year	Constant Price (1993-94)			
	Net State Domestic Product (Rs.crores)	Percentage growth over the previous year	NSDP Per Capita (Rs.)	Percentage growth over the previous year
1993-94	101767		12183	
1994-95	103743	1.94	12158	(-) 0.21
1995-96	115188	11.03	13221	8.74
1996-97	119732	3.94	13464	1.84
1997-98	126339	5.52	13925	3.42
1998-99	130744	3.45	14132	1.49
1999-00	143201	9.53	15186	7.46
2000-01	137991	(-) 3.64	14366	(-) 5.40
2001-02	145620	5.53	14892	3.67
2002-03	154466	6.07	15484	3.98

Source: CSO

NINTH PLAN OUTLAYS AND EXPENDITURE:

An outlay of Rs. 36700 crore had been agreed to for the Ninth Five Year Plan of Maharashtra. The year wise details of approved outlays and expenditures are given in the following table.

Outlays, Revised outlay and Expenditure at current prices and constant (1996-97 prices)

(Rs. Crore)

Year	Approved outlay	Revised Outlay	**Expenditure**	
			At current prices	At constant prices (1996-97)
9th Plan	**36700.00**			
1997-98	8325.00	8393.19	7938.02	7451.44
1998-99	11600.73	11600.73	8187.48	7053.92
1999-2000	12162.00	12162.00	12066.77	10011.42
2000-2001	11500.00	11500.00	9586.00	7503.13
2001-02	10834.00	10834.00	10009.80	7426.22
Total	**54421.73**	**54489.92**	**47788.07**	**39446.13**

PATTERN OF FINANCING (NINTH PLAN):

The following table gives the State's Own Resources in funding the Plan in the Ninth Plan:

Outlay and State's Own Resources (SOR) and %age to total Annual Plan Size

(Rs. Crores)

Annual Plan	**Approved Outlay**	**State's Own Resources**	Percentage to total Annual Plan size
1997-98	8393.13	6221.60	74.13
1998-99	11600 73	9734.73	83.91
1999-00	12162.00	10660.12	87.65
2000-01	11500.00	9553.21	83.07
2001-02	10834.00	8669.95	80.03

TENTH FIVE-YEAR PLAN:

The priorities of Tenth Five Year Plan and Annual Plan 2002-03 as determined by the National Development Council (NDC) in September 2001 are as under:-

- Accelerated economic development through infrastructural development (with more private initiative in all possible sectors) ensuring high-speed industrial development and creating employment on large scale.
- Growth rate of 8% in GDP.
- Accelerated Agricultural Development Programmes and search for new opportunities in horticulture, floriculture, high tech. Agricultural and agricultural exports.

- Water to be treated as the important catalyst of development (irrigation, water shed development, drinking water supply are to be treated as the part of the water policy).
- Thrust on Privatization ensuring higher availability of funds to be allocated for priority areas i.e. social services package.
- Balanced regional growth.
- More efficient social service packages.
- Population growth rate to be brought down below the national average

Tenth Five Year Plan, Annual Plan 2002-03 and 2003-04:

(Rs. lakh)

S.No	Sector	Tenth Plan 2002-07	Annual Plan 2002-03		Annual Plan 2003-04	
		Agreed Outlay	Approved Outlays	Actual Expenditure	Approved Outlays	Actual Expenditure
(1).	(2).	(3).	(4)	(5)	(6)	(7)
1.	Agriculture & Allied Services	424862.00	84268.10	17291.95	46524.62	32223.98
2	Rural Development	691972.00	111317.52	133269.56	108817.07	143779.82
3.	Special Area Programmes	37322.00	6870.12	4856.94	40601.00	21974.33
4.	Irrigation & Flood Control	1525501.00	375913.80	18370.55	375442.34	216668.31
5.	Power Development	1016351.00	73203.38	126082.53	41472.97	33729.82
6.	Industry & Minerals	71656.00	3436.10	1644.38	4855.75	1531.63
7.	Transport	521721.00	133285.02	112345.63	129615.51	102211.59
8.	Communication	0.00	0.00	0.00	0.00	0.00
9.	Science & Technology	5525.00	150 70	121.28	270.00	269.96
10.	General Economic Services	284951.00	36040.52	30160.12	48192.88	28128.23
11.	Social & Community Services	1923321.00	310198.34	140226.42	404873.36	156400.14
12.	General Services	44058.00	2966.48	1507.72	4334.50	3842.24
13.	Other Programmes	115960.00	18549.92	16354.74	-	-
	Grand Total	**6663200.00**	**1156200.00**	**602231.82**	**1205000.00**	**740760.05**

Annual Plan 2002-03

As against the approved outlay of R.11562 crore for Annual Plan 2002-03, the actual expenditure reported by the State Government is 6022.32 crore. The State Government has given the following reasons for shortfall in expenditure.

- The various corporations/ Special Purpose Vehicles (SPV's) were unable to raise bonds as expected and therefore there is shortfall in the expenditure of water supply and irrigation sectors.
- The Government had adopted a policy that no new posts were to be created and no vacant posts were to be filled. Hence no plan schemes involving creation of posts were sanctioned. This led to a reduction in plan expenditure.

Annual Plan 2003-04

Planning Commission approved an outlay of Rs.12050 crore for Annual Plan 2003-04 of Maharashtra. Actual expenditure for Annual Plan 2003-04 was Rs.7407.60 crore. T he shortfall in expenditure is mainly due to the problems in raising resources.

Annual Plan 2004-05:

The Annual Plan 2004-05 of Maharashtra has been approved at Rs 9446.73 crore consisting of state's own resources (SOR) of Rs. 6195.80 crore and central assistance of Rs 3250.93 crore. The sectoral break-up of the approved outlays is gicven below;

(Rs.Lakh)

S.No	Sector	Approved Outlay
(1).	(2).	(3)
1.	Agriculture & Allied Services	18350.00
2.	Rural Development	21714.55
3.	Special Area Programmes	217096.00
4.	Irrigation & Flood Control	335880.00
5	Power Development	38242.53
6.	Industry & Minerals	0.00
7.	Transport	124318.00
8.	Communication	0.00
9.	Science & Technology	0.00
10.	General Economic Services	8173.00
11.	Social & Community Services	180898.92
12.	General Services	0.00
	Grand Total	**944673.00**

The state government has not yet reported the progress of expenditure. However, it is likely that the expenditure will considerably fall short of the approved outlays because of the extreme resource crunch faced by the state.

Annual Plan 2005-06 Proposed Outlays:

The state government has proposed a total outlay of Rs. 10586 crore for the Annual Plan 2005-06 with the following sectoral break-up:

(Rs. Crore)

S.No	Sector	Proposed Outlay
(1).	(2).	(3)
1.	Agriculture & Allied Services	292.72
2.	Rural Development	1282.49
3.	Special Area Programmes	68.54
4.	Irrigation & Flood Control	661.57
5.	Power	810.35
6.	Industry & Minerals	277.80
7.	Transport	1131.20
8.	Communication	0.00
9.	Science & Technology	3.00
10.	General Economic Services	375.33
11.	Social & Community Services	3307.37
12.	General Services	18.95
13.	Other Programmes	286.53
	Total	**8515.85***

* In addition to this, the state government has indicated Rs. 1707.05 crore against negotiable loans and Rs. 339.76 crore as undistributed outlay to be raised against bonds. Thus the break-up of the total outlay proposed add up to Rs. 10562.66 though the state government has proposed a total outlay of Rs. 10586 crore.

State Finances:

The state is facing extreme fiscal stress as indicated by the following fiscal ratios.

- Fiscal Deficit - 4% (2001-02)
- Revenue Deficit – 3.08% (2001-02)
- RD/GFD Ratio 66%
- Debt Ratio – 19%
- Interest payments as a percentage of revenue receipts – 28.21% (2004-05)
- High amount of state government guarantees which could add up to another 2% of GSDP to liabilities
- The share of plan expenditure in total expenditure is very low at 9% as against the all-state average of 25%.
- Non-plan expenditure accounts for 69% of total expenditure which is much higher than the all-state average of around 50%.
- Committed expenditure on the revenue side is 75.7% as against the all-state average of 75%.

- The effective interest rate of the state is 13%.
- The state government's debt has more than doubled since 1999-00 and is currently Rs.84114 crore excluding debt of SPVs.
- The state has not yet legislated on FRBM.

Rashtriya Sam Vikas Yojana (RSVY)

Nine districts in the state have been selected for assistance under RSVY. These are Gadchiroli, Bhandara, Gondia, Chandrapur, Hingoli, Nanded, Dhule, Nandurbar, and Ahmednagar. These districts are being given central assistance at the rate of Rs 15 crore per year for three years for their all-round development.

Additional Central Assistance

During Annual Plan 2003-04, an ACA of Rs.60.83 crore was sanctioned for Maharashtra for the priority schemes of the state government. The state government in tern distributed this outlay among the following schemes as indicated below:

(a) Special Action Plan for Nandurbar District	Rs.25.32 crore
(b) Action Plan for Naxalite affected District	Rs.20.00 crore
(c) Special Action Plan for Aurangabad Division	Rs.15.51 crore
Total	Rs.60.83 crore

In addition to this, an ACA of Rs.2.5 crore was also sanctioned during 2003-04 for construction of a railway over bridge at Urli near Pune.

During Annual Plan 2004-05, the state has been sanctioned a one time ACA of Rs.144.46 crore for priority schemes of the State.

Issues raised by the State Government during the Regional Consultation Meeting on the Mid-term Appraisal of Tenth Plan held on November 17, 2004 at Bangalore:

1 An amount of Rs.22160 crore is required for special needs of Mumbai in the transport sector as per the following break up.

Project	Total Cost (Rs Crore)	Required Assistance
Mass Rapid Transport System (MRTS)	12000	1800 (15 %)
Mumbai Trans Harbour Link	6600	2640 (40%)
Bandra-Nariman Point Sea Link	3560	1424 (40%)
Total	22160	5864

The required Central Assistance for this project is Rs.5864 crore.

2 Special schemes are needed for making the extensive dry land farming in the state viable

3. The Employment Guarantee Scheme (ECS) is being implemented in the state successfully. This has demonstrated that rural unemployment can be tackled by such schemes.
4. The three Regional Development Boards in the state have huge development backlogs which the state is unable to provide for. The central government may provide special allocation for meeting the regional development backlog.
5. The state is facing severe urban unemployment. Three lakh people became unemployed due to closure of industrial units. Sunrise industries which can create employment for the educated, may be encouraged.
6. There are 1076 incomplete irrigation projects in the state. The amount required to complete these projects is Rs.33749.99 crore. The irrigation potential of these projects is 29.61 lakh hectares. The projects for which 75% or more works are completed require Rs.1500 crore for completion of the remaining works.
7. During the last five years 4686 small scale units and 213 medium and large scale units were closed down. The workers affected are 29371 in the small scale sector and 51804 in the large and medium scale sector.
8. The Mumbai Urban Infrastructure Project (MUIP) formulated by the state government focuses on strengthening the mass transport system of Mumbai city at a total cost of Rs.2000 crore Government of India may share the cost on 50:50 basis.
9. The Mumbai Metro Project being formulated by the state government envisages construction of 22 km Rail corridor from World Trade Centre to Bandra-Kurla. The study cost of the project is Rs.3 crore which may be shared by the Central Government.
10. The Gadgil-Mukherjee formula may be modified to include the proportion of the BPL population instead of per capita income.

Recommendations of State Development Report Maharashtra:

- To grow at a sustainable rate of 8 to 10 per cent per annum, over the decade 2002-12, and for overall human development, the state should concentrate on manufacturing, infrastructure and services sectors. Agriculture and allied sectors, being the priority sectors in the future growth of the state, should be given due emphasis and necessary measures need to be taken for streamlining the credit flow in these sectors.

- The state should urgently initiate fiscal reforms with emphasis on enhanced resource mobilisation, expenditure restructuring and an interest cost minimising debt management policy.

- Medium term resource mobilisation effort of GoM would need to concentrate on both own tax and non-tax revenues. This would entail reforms involving areas of tax policy and tax administration and introduction of state-level VAT. Apart from increasing tax revenues through various efforts, there is sufficient scope for increasing earnings from interest, dividends and profits. The government must bring out a proper disinvestment policy for withdrawing from non-core areas. Proceeds of such disinvestments can be used to finance the high cost debts by introducing large-scale debt swap.

- Improvement in agricultural productivity and diversification of the traditional patterns of horticulture, animal husbandry etc., is required. Equally important is the need to promote rural non-farm employment so that the burden on the agricultural sector is reduced. Growth in both of these sectors will generate more rural income, stimulate consumer demand and give a boost to other economic sectors.

- In the irrigation sector, the state must plan to use water judiciously, reduce its intervention in sensitive crops like cotton and sugarcane, capitalise on its horticultural and floriculture sectors, and promote allied activities. Policies on water resource development and management should be different for water surplus and water scarce basins. The state should also study the feasibility of transfer of water from water surplus basins to water scarce basins. Watershed development is very necessary to stabilise the carrying capacity of land and water resources in rain-fed areas. The state should also seriously consider the establishment of a Water Regulatory Authority.

- Department of Industries should evolve suitable schemes and activate its district centres to adopt new management techniques for quality improvement, cost

reduction, improved productivity and operational efficiency. Sick Small-scale units and non-BIFR units should be rejuvenated. Better institutional support should be provided for industrial development in the backward regions of the state.

- Human and social capital should be strengthened to generate initiatives in governance that dovetail development with local conditions and emancipate people. Building technical capacities that equip people to create employment opportunities in their local environment is necessary. Diversification of skills enhancement is required to ensure wider employment choices and opportunities in the state. A statutorily enforceable time-bound Universal Food and Nutrition Security Action Plan should be formulated with committed resource allocation for near universal PDS.

- A comprehensive Health Assurance Programme should be implemented including a Universal Health Insurance Scheme, a special tribal health policy, strengthening and extension of Primary Health Care with assured budgetary allocations, and social audit of public and private health centres. An Education Assurance and Action Programme linked to livelihoods should be implemented with inclusion of livelihoods (vocational and entrepreneurial) streams from VIII Standard and open schools-cum-community polytechnics. The programme should also include multiple entry points in academic institutions with bridge examinations, consolidation of literacy with functional and entrepreneurial skills, and qualitative improvement in teaching methods.

- The panchayats should be endowed with adequate responsibilities and necessary powers in the area of financial administration so as to ensure their autonomy in the decision-making process at local levels. In addition to funds allotted for the centrally-sponsored schemes, financial assistance could be provided to the panchayats to undertake development programmes as per the local requirement. Efforts could be made to provide certain percentage of grants to the gram panchayats as untied grants, subject to the broad guidelines under which such untied funds could be utilised. Authorisation to panchayats to levy and collect appropriate taxes, duties, tolls and fees, making such amendments which are in consonance with the provisions of Article 243H of the constitution and recommendations of the state finance commission should be considered.

- Increasing urbanisation has generated the need for sustainable expansion of urban infrastructure facilities such as water supply, sanitation, environment planning, transport infrastructure, creating an enabling legal, financing, regulatory

framework for housing, land acquisition and development, township development, poverty alleviation, employment generation, research and training, strengthening of Urban Local Bodies (ULBs) and capacity building of ULB personnel, etc.

- To deal with the problem of environmental pollution, it is necessary to create environmental awareness and promote capacity building among all stakeholders including commons, authorities and policy makers, through media, training programmes, camps etc. Increased role of NGOs and community in sustainable environmental management is the need of hour.

(I) AGRICULTURE:

Though Maharashtra is one of the richest states in terms of per capita income, its agricultural performance is not very appreciable. Having accounted for about 12 percent of India's gross cropped area in 2001-02, the contribution of state's agriculture to the agricultural GDP of the country is only about 7.30 percent mainly due to over dependence on monsoon.

The total area under different crops is around 210.52 lakh hectares. Kharif is the main cropping season during which 135.60 lakh hectares is cultivated and remaining 74.92 lakh hectares are covered under Rabi and Summer seasons.. Only 12.82% out of the total cropped area in the State is under irrigation against national average of 25%. As per National Irrigation Commission's Report not more than 30% of the cropped area can be brought under irrigation even if all the sources are tapped.

The area and production of important crops in Maharashtra have been indicated at **Annexure-I.**

Horticulture

Considering the area under dry land farming, the State has implemented EGS linked Horticulture Scheme vigorously during the decade. Fruit crops like Mango, Cashew, Ber, Coconut, Guava, Santra, Mosambi and Tamarind are included in the scheme. Any farmer can participate in this scheme and there is no restriction on land holding. Similarly, Gram Panchyat, Trusts, Cooperative Societies, can also participate in this pogramme. The rate of subsidy given under the scheme is as follows:

(i) Small/Marginal farmers SC/ST/NTS	100% Labour and Material Cost
(ii) Other Farmers	100% Labour Cost & 75% Material Cost

At present, 5.86 lakh hectares of cultivated land is under horticulture activity. The area, production and productivity of major horticulture crops in Maharashtra are given below;

Crops	Item	1990-91	1999-2000	2000-01	2001-02
Banana	Area (00 ha)	290	613	721	721
	Prod. ('00 Tonnes)	16040	36780	43305	43313
	Productivity (Kg. /ha.)	55310	60000	60062	60074
Orange	Area (00 ha)	300	1411	1322	1542
	Prod. ('00 Tonnes	2290	13233	10776	8331
	Productivity (Kg. /ha.)	7633	9378	8151	5403
Grapes	Area (00 ha)	150	298	298	324
	Prod. ('00 Tonnes)	2450	7792	7790	9370
	Productivity (Kg. /ha.)	16333	26148	26141	28920
Mango	Area (00 ha)	776	3764	4035	4095
	Prod. ('00 Tonnes)	2444	5005	5005	5590
	Productivity (Kg. /ha.)	3149	1330	1240	1365
Cashewnut	Area (00 ha)	150	1305	1384	1533
	Prod. ('00 Tonnes)	112	955	1015	1252
	Productivity (Kg. /ha.)	747	732	733	817

Soil & Water Conservation

A comprehensive Watershed Development Programme is under implementation in the state covering different Soil Conservation Works like contour/graded bunding, terracing, nalah bunding, land shaping and grading etc. With a view to developing micro watersheds scientifically, it has been proposed to adopt integrated approach to improve rainfed farming.

The achievement for 1997-2002, 2002-03, 2003-04, 2004-05 and proposed target for 2005-06 and target for 10th Five Year Plan is given below:

Item	1997-02 Ach.	2002-07 Target	2002-03 Ach.	2003-04 Ach.	2004-05 Ach.	2005-06 Target
No. of Watersheds Completed	21000	22000	21528	22990	32139	22990
Area Covered (lakh hec.)	22854	9903	575	9500	12165	9500
Khar Land Dev. (Th.hec.)	1268	29828	-	932	1676	4502

Agriculture Education & Research

The State has four Agricultural Universities carrying out research in their respective regions to develop location specific technology for sustaining crop production. The Indian Council for Agricultural Research has identified Maharasthra into 9 National

Agricultural Research Zones for developing location specific technology. The State has been further divided into 72 Eco-units as per soils and hectares.

Animal Husbandry

The thrust area in this Sector is to convert low yielding cattle stock into high yielding cross bred animals through artificial insemination. Efforts are made to provide minimum infrastructure in the rural areas by way of establishing Veterinary Aid Centres and Dispensaries wherever possible.

The target and achievement in terms of animal products such as milk, eggs and wool are given below:

Item	Unit	1997-02 Ach.	2002-07 Target	2002-03 Ach.	2003-04 Ach.	2004-05 Ant. Ach.	2005-06 Target
Milk	000 MT	5810	6910	6251	6376	6615	6813
Eggs	Millions	3100	3650	3290	3360	3490	3600
Wool	Lakh Kgs.	16.26	17.22	16.59	16.75	16.92	17.09

Dairy Development

Maharashtra State has the distinction of being the pioneer State in the field of dairy development in the country. The present level of procurement of milk in Maharsthra has reached 44 lakh litres per day, through the network of 31,000 Primary Cooperative Socieities, 73 Taluka Unions and 28 District Federations. Besides a State level Apex Federation has been set up. Processing capacity of all the dairies put together is about 72.05 lakh litres per day and milk powder plants capacity is to the tune of 135 M.Ts./per day. Active Cooperative Federations have proved capability to market liquid milk as well as various milk products.

Fisheries

A long coastline of 720 kms. with a continental shelf area of 1,12,000 sq. kms., over 3 lakh ha. of fresh water area and 80,000 ha. of brackish water area form the major natural resources for the development of fisheries of Maharshtra State.

The marine fish production, which has a potential of producing 4.5 lakh tonnes of fish from 40 fathom depth area is the major sector of marine fish production. However, during the past few years the marine fish production seem to have reached a stage of stabilization average of 4 lakh tonnes. Fresh water and Brackish water fishery is now encouraged. The average consumption of fish, which form one of the rich sources for supply of animal proteins to the local population stands around 3 to 5 kg. of fish in the urban area and even less than 1 kg. in rural area.

9th Plan achievements, 10th Plan targets and achievements from 2002-03 to 2004-05 are given below:

Item	Unit	1997-2002 Ach.	2002-07 Target	2002-03 Ach.	2003-04 Ach.	2004-05 Ant.Ach.
1. Fish Prod. (Annual Level)						
a. Inland	000 N.T.	120	200	127	125	130
b. Marine	"	350	480	387	400	400
c. Brackish Water	"	0.20	0.50	0.25	0.50	0.50
2.a.Mechanised Fishing Boats	No.	7994	8800	8200	8284	8400
b. Out Boat Mechanised	"	254	250	30	-	-
c. In Boat Mecahnised	"	264	300	30	-	-
3. Deep Sea Fishing	"	11	30	7	7	10
4. Fish Seed Prod.	Million	114	500	180	164	160
5. Fish Seed Farms	No.	42	45	42	42	42

Cooperation

The State Government helps the Cooperatives by way of share capital contribution and by giving loan guarantees. The progress of the Cooperatives during the first four decades of formation of Maharashtra State is given below.

Item	As on 30th June, 1981	As on 30th June, 1991	As on 30th June, 2001	As on 30th June, 2002	As on 30th June, 2003
No of Cooperatives	60747	118457	158016	165789	173402
No. of Members (lakh)	48	317	417	439	465
Paid up Share Capital (Rs. Crore)	600	2464	7372	7876	12865
Of which Govt. Share (Rs. Crore)	105	465	995	1161	2037
Loans Advanced (Rs. Crore)	116	7155	72756	49181	55133
Own Funds (Rs Crore)	-	3935	14348	19262	28718

The important programmes executed under the Cooperation Sector include assistance to Credit Cooperatives, Assistance to Adivasi Cooperative Societies, Development of Cooperative Marketing, Assistance to Cooperative Sugar Factories, Agricultural Processing Units, Assistance to Consumer Stores in rural and urban areas etc.

In spite of number of initiatives taken over the years to improve the performance of agriculture, it is still lagging behind in many parameters as compared to the national average (Annexure-II). The strategies that need to be followed to improve the overall performance of the state's agriculture in the future are as follows :

1. Investment in Agriculture and Allied Activities

Adequate investment in agriculture is one of the prerequisites for increasing as well as sustaining the growth of agriculture. However, the plan expenditure on agriculture and allied activities to total plan expenditure has declined sharply from 30.87 percent in the third plan (1961-66) to 4.98 percent in the ninth plan period (1997-2000) in Maharashtra. Since the reduction in plan expenditure will affect the research and development activities pertaining to agricultural sector, it will have serious implications on the agricultural growth of Maharashtra in the future. Therefore, the state government should take necessary steps to increase the plan expenditure on agriculture and allied activities to boost the growth of agriculture in the state.

2. Rainfed Cultivation & Irrigation Development

Low irrigation facility and thereby dependence on rainfed cultivation has been one of the main reasons for the poor performance of the agricultural sector in the state. Though Maharashtra state accounted for about 17 percent of India's total irrigation investment at the end of Ninth Plan period, its irrigated area to gross cropped area is only 12.82 percent, which is the lowest among the major states in India.

In order to improve as well as to sustain the cultivation of rainfed crops, the state should focus more on watershed development programme and rainwater harvesting system. Introduction of drought resistance cum high yielding varieties, promoting balanced use of fertilisers (appropriate ratio of NPK) and well designed location specific policies/programmes can help to increase the productivity of crops appreciably.

The following four strategies can be followed to increase the irrigation facility in the state. First, adequate funds should be allotted to complete all the on-going projects. If required, no more new projects should be sanctioned till the completion of all the on-going projects. Second, in spite of water scarcity, nearly two-third of irrigation water available in the state is used only by sugarcane crop, which accounts for only 2.60 percent of GCA in the state. This improper use of water can be adjusted by manipulating output price of crops and also by introducing volumetric pricing in canal water supply.

Third, more attention should be given to improve minor-surface irrigation system wherever possible through renovation and other developmental activities.

To sustain the groundwater irrigation development, the over exploitation of groundwater should be curbed through legal, institutional and technological options. Currently, out of 30 districts, as many as 13 districts are having over 80 percent of irrigated area only through groundwater source. Drip method of irrigation, which is being increasingly adopted in the state, should be made mandatory in those regions where exploitation of groundwater is higher. To improve the water use efficiency and the overall performance of irrigation sector in the state, adequate steps should be taken to transfer the system control to Water Users' Association, as has been suggested by the National Water Policy.

3. Watershed Development Programmes (WDPs)

Maharashtra state has been implementing WDPs since 1982 to improve the performance of rainfed agriculture. As a result, area treated through WDPs has increased substantially. However, the achievements made (treated area as on March, 2002 was 3.15 mha) in this respect are not very appreciable when compared to the potential area of WDPs, which is about 20.36 mha. The average increase in treated area from 1983 to 2002 is only 0.166 mha per year. Therefore, keeping in view the importance of rainfed cultivation, necessary steps should be taken to bring all the potential areas under WDPs within 10 to 15 years by allocating more funds for the same. While selecting areas for treatment, priority should be given to those regions which are more drought prone as well as degraded area.

4. Low Value Crops

Though the cropping pattern has been changing in favour of high value crops in the state, this shift is not very impressive as compared to the national level change. During 2000-01, for instance, coarse cereals accounted for over 34 percent of GCA in Maharashtra, whereas the same was only 15 per cent of GCA at all India level. As a result of cultivation of low value crops, farmers income (per ha) from agriculture is very low in the state. Since limited availability of irrigation is considered to be the main reason for this, greater attention should be given to utilise the available irrigation potential wherever possible In those regions where utilisable irrigation potential is less, moisture availability can be increased through WDPs.

5. Cultivation of Pulses and Oilseed Crops

Pulses and oilseed crops have been predominantly cultivated (accounted for about 27 percent of GCA in TE 2001-02) in Maharashtra, mainly under rainfed condition. Productivity of these crops is relatively low in the state as compared to the national level average. Considering the importance of these crops, proper attention should be paid to increase the production and productivity of these crops by popularising the use of bio-fertilisers and bio-pesticides Special efforts should also be made to cultivate these crops

under inter-cropping method wherever possible. Proper marketing arrangements should also be made to procure the oilseeds and pulses from the farmers in order to encourage the cultivation of these crops.

6 Mono-cropping Pattern

Sugarcane, a water-intensive crop, has been repeatedly cultivated in Western Maharashtra over the last four decades. Pune and Kolhapur divisions together account for nearly 60 percent of state's sugarcane area even today. This mono-cropping has not only affected productivity of sugarcane but also deteriorated soil quality and brought certain pests and diseases in this region. Unlimited supply of canal water and continuous support to sugarcane growers by sugar industries appear to be main the reasons for this mono-cropping. Supply of canal water to sugarcane by volumetric pricing may discourage the mono-cropping pettern.

7. Use of Technological Inputs

There has been a substantial variation in the use of yield increasing inputs (fertilisers, HYVs) across regions in the state, which also acts as one of the constraints for agricultural growth. The use of fertilisers (per ha) is found to be very low in divisions like Konkan, Latur, and Amravati as compared to state's average. Besides this, wide variation in NPK ratio is also seen across regions in the state. While making efforts to improve the use of yield increasing inputs, proper mix of fertilisers should be promoted to sustain the soil fertility, through quality extension network. Clear-cut crop-specific and region-specific programmes/policies would bring desired results in this regard.

8. Horticulture Development

A significant growth has been achieved in area under horticultural crops between 1980-81 and 1997-98 in the state. In order to continue the same kind of growth in the coming years, it is essential to (a) diversify the crops to non-traditional area, (b) arrest the decelaration in area and productivity of certain crops, and (c) improve the post-harvesting infrastructure facilities.

Despite significant potential in different regions in the state, area under horticulture crops has not picked up in non-traditional areas, including Western Maharashtra. Therefore, required steps should be taken to increase the area under horticulture crops in those areas where sugarcane is predominantly cultivated so that surplus water can be transferred to other crops and other regions as well.

The growth rate of area under grapes, banana and most of the vegetable crops either declined or decelerated during the nineties as compared to the achievements made in the eighties. Similarly, productivity of crops like orange and mango has also declined between 1990-91 and 2001-02 in the state. By introducing tissue culture varieties (wherever possible) and also by replanting new varieties

where age-old crops/plants are cultivated, productivity of horticulture crops can be increased.

Further, there is also a need to improve the post harvesting infrastructure facilities (such as cold storage, cold chain, processing, packaging and marketing) to sustain as well as accelerate the present growth of horticulture sector. The state sector will have to play a larger role in establishing infrastructure facilities to promote horticulture sector in the state, as private individual farmers may not be able to create the same due to resource constraints. Involving private sector in marketing and processing activities as well as encouraging contract farming in the cultivation of horticulture crops may help to improve the availability of post harvesting infrastructure facilities.

9. Marketing Infrastructure

A well-developed marketing infrastructure is essential to reduce post harvest losses and also to ensure better return to the farmers. Though Maharashtra has relatively more number of regulated markets, farmers continue to face difficulties while selling their produce. Exploitation by middlemen of the farmers has been continuing due to inadequate marketing facilities. Therefore, as suggested by the National Agricultural Policy 2000, the weekly markets under the direct control of Panchayati Raj institutions should be promoted and strengthened. Producers' markets on the lines of "Rayatu Bazar" (as has been followed in Andhra Pradesh and Tamil Nadu) should be promoted across different districts in Maharashtra to reduce the exploitation by middlemen of the farmers. Importantly, rural road network should also be strengthened to enhance the marketing facilities in the state.

On the whole, to improve the overall performance of agriculture, the government of Maharashtra should focus mainly on three areas: (a) irrigation development, (b) watershed development programme and (c) horticulture development programme. Once irrigation availability is improved, the other problems such as predominant cultivation of low value crops, wide variation in the use of yield increasing inputs, low productivity of crops, etc., can be solved to a great extent.

10th Plan outlay and Annual Plan outlays and expenditures during 2002-03, 2003-04, 2004-05 and proposed outlays for 2005-06 are given at **Annexure-III.**

Annexure-I

Area and Production of important crops in Maharashtra

Area : Million Hectares

Production : Million Tonnes; For Cotton Million Bales of 170 Kgs. each

Crops		TE 1972-73	TE 1982-83	TE 1992-93	2000-01	2001-02	2002-03
Rice	A	1.34	1.47	1.58	1.51	1.51	1.52
	P	1 27	2.23	2.28	1.93	2.65	1 85
Jowar	A	5.74	6.51	5.90	5.09	5.14	4.80
	P	1.58	4.67	5.35	3.99	3.91	3.88
Wheat	A	0.83	1.01	0.73	0.75	0.78	0.76
	P	0.40	0.84	0.78	0.95	1.08	0 98
Bajra	A	1.59	1.59	1.92	1.80	1.40	1.55
	P	0.44	0.65	1.26	1.09	0.83	1.15
Total Cereals	A	9.91	11.02	10.57		9.76	
	P	3 89	8 72	10.14		9.43	
Tur	A	0.54	0.65	1.01	1.10	1.02	1.06
	P	0.23	0 36	0.45	0.66	0 77	0 78
Mung	A	0.43	0.54	0 75		0.66*	
	P	0.06	0.13	0.31		0.28*	
Total Pulses	A	2.32	2.66	3.24	3.56	3.39	3.55
	P	0.56	0 93	1 41	1 64	1.88	2.05
Foodgrains	A	12.23	13 68	13.81	13.38	12 80	12.79
	P	4.45	9.65	11.55	10 14	11.19	10 82
Groundnut	A	0 85	0.66	0.75	0.49	0 43	0.42
	P	0 43	0 52	0 75	0 47	0 49	0.44
Total Oilseeds	A	1 72	1 69	2 56	2 56	2.36	2.46
	P	0.43	1 00	1 58	2.10	2.23	2 33
Sugarcane	A	0 20	0.36	0 55	0 60	0 58	0 60
	P	15 06	29.25	35.24	49.59	45.14	37 02
Cotton	A	2.61	2.58	2.68	3.08	3 10	2 80
	P	0 91	1 41	1 65	1 80	2.69	2 60

***relates to TE 1997-98**

Annexure-II

Agricultural development at a glance in 2000-01: Maharashtra & India

Particulars	Maharashtra	India
Population 2001		
Total (Crore)	9.68	
Rural (Crore)	5.57	
Urban (Crore)	4.10	
Rural agricultural workers (% to total workers)		102.53
Share of agriculture and allied sector in GDP/SDP (current prices)	15.41	24.95
Rural Poverty (percent)[a]	23.72	27.09
Rural Literacy rate (percent)b	55.52	44.69
Per capita income (Rs.) (NSDP at current prices)	22179	16707
Share of Agriculture and allied activities to Total Plan Expenditure (9th Plan: 1997-2002)	4.98	4.9
Net Cropped Area (mha)	17.64	141.23[a]
Gross Cropped Area (mha)	22.26	189.74[a]
Cropping Intensity (percent)	126.19	134.35[a]
Normal rainfall (in mm)	1254.1	852
Average size of holdings (ha)[c]	1.87	1.41
Percentage of irrigated area to gross cropped area	16.39	39.22
Percent of groundwater irrigated area to GIA	52.44	43.81
Input use :		
Fertilizer (Kg./ha)	74 01	86.72
HVY coverage	85.17	77.16
Pumpsets (per 000 ha)	106.36	68.24
Tractors (per 000ha)		
Area under major crops (percent to GCA)		
Foodgrains	60.13	62.85
Pulses	15.98	10.57
Oilseeds	11.50	11.82
Sugarcane	2.67	2.24
Cotton	13.83	4.43
Horticultural crops	3.08[c]	
Productivity (kg./ha.)		
Foodgrains	757	1630
Pulses	460	544
Oilseeds	820	810
Sugarcane	83267	68580
Cotton		
Regulated Markets (number)		
Total	857	7161
Principal	266	2354
Sub-yard	591	4807
Area covered by each market (Sq.km)	398	529
Population fed by each market (lakh)		

Notes: a. 1999-2000; b. 1991; c. 1995-96; d. 1998-99; e. 1997-98

Annexure – III

(Rs Lakhs)

				Exp as			Exp as		
	10th Plan	2002-03		% of	2003-04		% of	2004-05	2005-06
	Outlay	Outlay	Exp	Outlay	Outlay	Exp	Outlay	Outlay/	Proposed
Agriculture & Allied Activities								Ant Exp	Outlay
1 Crop Husbandry (incl Horticulture)	57685	9068	6688 31	73 75728	9954	1583 07	15 90386	22439 97	9193 7
2 Soil & Water Conservation	66514	61216	6869 24	11 22131	15651	11339 08	72 44956	22740 63	12700 13
3 Animal Husbandry	13750	1280	395 43	30 89297	3047	1644 8	53 98096	1078 75	2534 92
4 Dairy Development	3000	347	155 38	44 7781	475	474 59	99 91368	426 33	259 19
5 Fisheries	7020	1086	798 52	73 52855	1231	617 24	50 14135	1259 97	1016 79
6 Forestry & Wildlife	68279	2081	1287 46	61 86737	3059	2584 41	84 48545	3911 71	1858 68
7 Agricultural Research & Education	8000	474	734 37	154 9304	1200	749 17	62 43083	1700	426
8 Cooperation	45614	8716	856 16	9 822855	1807	427 31	23 64748	9691 58	1282 52
Total	269862	84268	17784 87	21 10513	36424	19419 67	53 31559	63248 94	29271 93
Outlay as % of Expenditure									
All Sectors	6663200		773898 24			534735 59		956895 91	1058600
Agriculture as % of Total Outlay/Exp	4 050036		2 298089			3 6316397		6 6098036	2 765155

(II) RURAL DEVELOPMENT:

The percentage of rural population living below the poverty line in the State of Maharashtra has declined from 37.93 percent in 1993-94 to 23.72 percent in 1999-2000. The corresponding All India figures were 37.27 per cent in 1993-94 and 27.09 per cent in 1999-2000. In absolute term, the number of persons living below poverty line have decreased from 193.33 lakh in 1993-94 to 125.12 lakh in 1999-2000 in Maharashtra.

Rural Poverty Alleviation Programmes:

The major rural poverty alleviation programmes are:

Swaranjayanti Gram Swarozgar Yojana (SGSY): Swaranjayanti Gram Swarozgar Yojana (SGSY) is a holistic programme of micro enterprise development in rural areas with emphasis on organizing the rural poor into self help groups, capacity building, planning of activity clusters, infrastructure support, technology, credit and marketing linkages.

Sampoorna Grameen Rozgar Yojana (SGRY): The objective of the SGRY is generation of wage employment, creation of durable economic infrastructure in rural areas and provision of food and nutrition security to the poor. The works taken up under the programme are labour intensive and the workers are paid the minimum wages notified by the States.

Indira Awaas Yojana (IAY): The IAY is the core programme for providing free housing to BPL families in rural areas and targets SCs/STs households and freed bonded labourers.

Financial and Physical performance under major centrally sponsored schemes i.e. Swarnjayanti Gram Swarozgar Yojana (SGSY), Sampoorna Grameen Rozgar Yojana (SGRY) and Indira Awaas Yojana (IAY) during the Tenth Plan Period is given in Annexures I & II respectively.

The major issues under major rural poverty alleviation programmes in the State are as under:

The percentage of credit disbursed under SGSY in the State vis-a-vis the credit target set for the State was only 60.34% in 2003-04. Under the programme, Per family investment is higher than the norm of Rs. 25,000 (Rs. 26312 in 2003-04). Subsidy credit ratio is; however, lower at 1:1.66 in 2003-04 as against the norm of 1:3. 65.97% of the total swarozgaris assisted were women in 2003-04. During the same period, the percentage of SC and ST assisted in the State under the scheme are 27.68% and 20.06% respectively. Further, percentage of expenditure on training/capacity building under SGSY is quite low (3.90% in 2003-04).

In view of the above, credit mobilization needs to be given priority. Further, training and capacity building of SHGs also needs to be taken up on a larger scale. Marketing is an

important component of the programme. Steps may be taken to ensure effective market linkages are established with an emphasis on market research, upgradaton/diversification of projects, packaging, creation of marketing facilities, etc. The SHGs formed under the SGSY can play a major role in convergence with various programmes of other departments targetting the rural poor.

Apart from the financial and physical progress reported under SGRY in the table, it is observed that under SGRY-I, 98.93% of the authorized foodgrains were utilized and 90.68% of foodgrains lifted were utilized in 2003-04. During the same period under SGRY-II, 95.47% of foodgrains authorized were lifted and 89.58% of the foodgrains lifted were utilized. However, adequate attention needs to be laid on the quality and the maintenance of the assets created under the programme.

Recently, National Food for Work Programme (NFWP) has been launched in selected backward districts. 100% Central funding is being provided under the programme. The State Government may take appropriate steps for the implementation of the programme. The scheme is being implemented in 11 districts of the State.

The State Government of Maharashtra may be asked to earmark the Additional Central Assistance (ACA) of Rs. 10227.84 lakh for National Social Assistance Programme (NSAP) including Annapurna for Annual Plan 2004-05 alongwith the State Budget provision or actual expenditure whichever is higher for the schemes during 2000-01.

Impact Assessment Study of Rural Development Programmes in Ahmednagar district of Maharashtra by Tata Institute of Social Sciences, Mumbai (1999-2002)

- 12.6% of beneficiaries under SGSY crossed the poverty line.
- SGSY suffered due to lack of skill, upgradation/training in non traditional skill, infrastructure and inadequate credit mobilization.
- Village assets such as community centres, primary school/room, crematorium, shopping centre, anganwadi, covered drainage etc. were created under JGSY proving employment o to beneficiaries.
- Various community assets/infrastructure created are partly used and most of them are not properly maintained.
- 97% of funds were utilized under IAY. However, the quality of construction of many houses was found to be poor and lacking in basic amenities and 1/5th of houses remained unoccupied.
- Most of ownership of IAY houses was in the name of male members which is against the guidelines
- Due to the impact of DPAP, agricultural production increased by 60% migration reduced by 50% and water level increased from 5 meters to 8 meters.
- Reliable data on physical and financial coverage on various schemes were not systematically organized and maintained at village and district level.

- On the whole, the level of awareness of the various programmes was low among the beneficiaries as well as non beneficiaries which was largely due to lack of adequate publicity and information sharing in Gram Sabha.
- The State has adopted three tier PRI structure since 1960. Elections for all sampled gram panchayats were reported to be held regularly.

Annexure - I

Financial Performance under SGSY, SGRY and IAY during Annual Plans 2002-03, 2003-04 and 2004-05 – **Maharashtra**

(Rs lakhs)

Progs.	Opening Balance	Total Allocation	Total Releases	Total Available Funds	Total Expenditure	%age Exp. to Available Funds
2002-03						
SGSY	824.30	6106.87	7742.73	8567.03	8243.71	96.23
SGRY-I	2401.27	18811.56	19690.84	22092.11	18491.29	83.70
SGRY-II	1203.77	18525.33	21661.30	22865.07	19722.54	86.26
IAY	1492.23	14770.45	13479.60	14971.83	21137.15	141.18
2003-04						
SGSY	790.28	8436.65	7780.28	9247.27	8839.88	95.59
SGRY-I	3720.66	21785.79	20512.28	25977.78	23951.49	92.20
SGRY-II	1920.68	21525.20	20996.75	23609.35	23459.62	99.37
IAY	1765.91	16727.41	16420.84	18186.75	22767.55	125.19
2004-05						
SGSY*	657.34	10560.51	5344.40	6001.74	3183.34	53.04
SGRY$	3173.89	46229.57	28545.76	31719.65	15937.76	50.25
IAY*	1575.72	22004.62	11663.69	13239.41	9040.80	68.29

Source: Ministry of Rural Development

*upto October, 2004
$upto September, 2004

SGSY: Swaranjayanti Gram Swarozgar Yojana
SGRY: Sampoorna Grameen Rozgar Yojana
IAY: Indira Awaas Yojana,

Annexure – II

Physical Performance under SGSY, SGRY and IAY during Annual Plans 2002-03, 2003-04 and 2004-05 – **Maharashtra**

Progs	Unit	Target	Achievement	%age
2002-03				
SGSY	Total Swarozgaris Assisted (Nos)	-	55772	-
SGRY-I	Employment lakh mandays	-	239.08	-
SGRY-II	Employment lakh mandays			
IAY	Houses constructed	88625	80928	91.32
2003-04				
SGSY	Total Swarozgaris Assisted (Nos)	-	60659	-
SGRY-I	Employment lakh mandays	-	321.11	-
SGRY-II	Employment lakh mandays	-	309.85	-
IAY	Houses constructed	100365	103135	102.76
2004-05				
SGSY*	Total Swarozgaris Assisted (Nos)	-	17615	-
SGRY $	Employment lakh mandays	-	250.31	-
IAY*	Dwelling Units (Nos)	105622	38258	36.22

Source: Ministry of Rural Development (MORD)

*upto October, 2004
$upto September, 2004

SGSY: Swaranjayanti Gram Swarozgar Yojana
SGRY: Sampoorna Grameen Rozgar Yojana
IAY: Indira Awaas Yojana

(III) IRRIGATION:

Annual Plan Outlays:

The Annual Plan outlays and expenditures for the first three years of Tenth Plan (2002-03,2003-04 and 2004-05) proposed outlays for 2005-06 are shown in Annexure I and II respectively.

Annual Plan Physical Performances:

The Annual Plan performances during the first three years and proposed targets for 2005-06 are shown in Annexure III.

Major and Medium Irrigation Sector:

The outlay proposed for 2005-06 is Rs 4605.22 crore. Some of the major subcomponents are discussed below.

Inter-State Projects: The State Government is executing the Pench and Bawanthadi Projects jointly with the Government of Madhya Pradesh, the Tillari project with the Government of Goa, the Dudhganga Project jointly with the Government of Karnataka and the Lower Penganga and Lendi jointly with the Government of Andhra Pradesh. The Dudhganga roject has been taken over by M.K.V.D.C. Provisions for these projects have been made taking all relevant factors into consideration.

Accelerated Irrigation Benefit Programme (AIBP): Ministry of Water Resources has provided Central Loan Assistance Under AIBP to the following Projects. The details are given below.

Sl. No.	Name of project	Plan of start	(Rs. Crores) CLA released In the 9th Plan	CLA released in 2002-03 (Ceiling was Rs.175 crore)	CLA released in 2003-04 (Ceiling was Rs. 414 crore)	CLA released in 2004-05 (Ceiling was Rs 707 crore)
1	2	3	4	5	6	7
1	Gosikhurd	Sixth	29.48		6.87	23.4045
2	Surya	78-80	13.55			
3	Waghur	Fifth	54	8.48	17.24	
4	Bhima	Third	44.505			
5	Upper Tapi	Fourth	7.7			
6	Upper wardha	Fifth	85.31	33.706	6	15.379
7	Wan	Sixth	38.98	4.3136	9.74	2.2855
8	Jayakwadi	Fifth	23.92	4.125	15.69	
9	Vishnupuri	78-80	4			
10	Bahula	Fifth	4.41			
	TOTAL		**305.855**			
11	Krishna			14.173	25.3	
12	Kukadi			37.438	48.43	14.567
13	upper Manar			0.642	8.8	5.999
14	Hetwana			2.5155	12.98	5.32
15	Chaskaman			3.312	11.66	11.76
16	Bahula			1.544		1.75
	TOTAL					
	<u>Fast Track 2001-02</u>					
17	Khadakwasla			2.78		2.78
18	kadavi			7		7
19	Kasarsai			1.685	1.685	
20	Jawalgaon			1.365		1.365
21	Kumbhi			9.3		9.3
22	Kasari			0.755		0.755
	G. TOTAL			**133.1341**	**164.395**	**101.665**

For the Annual Plan (2003-04), an amount of Rs.414 crore was earmarked for the State under AIBP and the State can avail only Rs.164.395 crore. During Annual Plan (2004-05), Rs.707 crore is earmarked for the State under AIBP, and till date release is

101.665 crore. The State need to be impressed upon for full utilization of funds earmarked so that these projects could be completed & benefit achieved

Minor Irrigation: The outlay proposed for Minor Irrigation is Rs. 350.6867 crore.

Command Area Development: The Command Area Development Programme is a centrally sponsored plan scheme. The outlay proposed is Rs 20.1489 crore for 2005-06 including Ayacut Development.

Flood Control : Under this Rs. 1.4776 crore has been proposed for 2005-06.

Sector Reforms:

WATER RATES

The prevailing water rates in few States as compared to Maharashtra are as under:

(Rs./ha)

State (Year)	Rice	Wheat	Sugar Cane
Maharashtra (2003)	320.00	320.00	4230.00
West Bengal (1977)	37.05	49.40	370.66
Andhra Pradesh (1997)	494.00	494.00	494.00
Kerala (1974)	99.00	62.00	99.00
Karnataka (2000)	247.10	148.25	988.45
Tamil Nadu (2002)	175.00	50.00	49.42
Rajasthan (1999)	197.60	148.20	286.52

Source – CWC Report

Participatory Irrigation Management (PIM): The formation of WUAs in Command Area Development (CAD) and Non-CAD projects at the end of September, 2003 is as follows:

	No.	Area in ha.
(a) WUAs functioning	457	1,42,345
(b) Agreement executed but functioning yet to start	128	47,416
(c) WUAs Registered	759	2,63,909
(d) Proposed WUAs	503	1,45,844
TOTAL	**1847**	**5,99,514**

Policy decision regarding formation of Water Users Association and handing over Irrigation Management to WUA has been taken by Government in the month of July, 2001.

Ground Water Legislation: As per the ground water statistics of Central Ground water Bourd as on 31.03 2003, out of 2316 blocks of 29 districts, 154 nos are over exploited (more than 100%) and 72 nos are dark/critical (85% to 100%) blocks in the State Maharashtra Ground Water (Regulation for Drinking Water source) Act 1993 has been

enacted in the State from 16/08/1993 for the limited purposes of regulating the exploitation of ground water for the protection of public drinking water sources in the Stare. Maharashtra Ground Water (Control and Regulation of Development and Management) Bill 2000 has been sent for assent of Hon'ble President of India.

Annexure I

Maharashtra-Proposed Annual Plan 2005-06

(Rs crore)

Major heads/Minor heads of development	**Tenth Plan**	**2002-03**	**2003-04**	**2004-05**	**2005-06 proposed**
1	2	3	4	5	6
Irrigation and Flood Control					
1.Major and Medium irrigation	12150.10	3610.87	3527.87	601.00	4605.22
2.Minor Irrigation	2043.16	134.07	205.68	766.12	350.6867
3.Command Area Development (Including Ayacut Development)	1000.00	13.40	18.00	-	20.1489
4.Flood Control	61.75	0.80	2.87	1.00	1.4776
Total	**15255.01**	**3759.14**	**3754.42**	**1368.12**	**4977.5332**

Annexure II

Maharashtra-Annual Plan 2005-06 -Expenditure

(Rs crore)

Major heads/Minor heads of development	**Ninth Plan**	**2002-03**	**2003-04**	**2004-05 (Anticipated)**
1	2	3	4	5
Irrigation and Flood Control				
1.Major and Medium Irrigation	14807.3001	629.6899	271.6115	601.00
2.Minor Irrigation	1348.5472	102.4481	54.7564	766.12
3.Command Area Development (including Ayacut Development)	220.8912	18.2875	-	-
4.Flood Control	6.5893	1.2556	-	1.00
Total IV	**16383.3278**	**7612.6811**	**326.3679**	**1368.12**

Annexure III

Maharashtra-Annual Plan Performances-Potential Creation

(in 000 ha)

Major heads/Minor heads of development	**Tenth Plan Target**	**2002-03 Ach'ment**	**2003-04 Ach'ment**	**2004-05 Antcpd Ach'ment**	**2005-06 Target**
1					
Irrigation and Flood Control					
1.Major and Medium irrigation	1276.43	152	115	115	30.7
2 Minor Irrigation	158 00	1.60	37	46	N.F.
Total VI	**1434.43**	**153.6**	**152**	**161**	

N.F.: Not Furnished

(IV) POWER:

In Maharashtra, the Maharashtra State Electricity Board (MSEB) is the main agency for development of Power Sector. In addition, Tata Electric Co. (TEC) in private sector is generating and distributing electricity in the Bombay area and BEST and BSES are also involved in the generation of Power and Supply in some areas.

Installed Capacity (I.C.)

MW

	MSEB	TEC	BSES	Dabhol	Total
IC at the beginning of the 9th Plan (1.4.1997)	7725.00	1756.00	500.00	-	9981.00
Additions during 9th Plan	2046.00	-	135.00	740.00	2921.00
I.C. at the end of 9th Plan (31.3.2002)	9771.00	1693.00	584.00	740.00	12788.00
Additions during 2002-03	-	-	-	-	-
Additions during 2003-04	-	-	-	-	-
IC as on 31.3.2004	9771.00	1693.00	584.00	740.00	12788.00

The Maharashtra State's share in Central sector power stations located in the western region is as detailed below:

Central Sector Stations	**Maharashtra's Share As on 31.3.2004 (MW)**
Thermal Stations	
Korba STPS (3x200+3x500) - NTPC	610
Vindhyachal STPS I (6x210) - NTPC	410
Vindhyachal STPS II (2x500)-NTPC	319
Kawas CCGT (4x106+2x110) - NTPC	204
Gandhar CCGT (3x131+1x255)-NTPC	200
Nuclear Stations	
Tarapur APP (2x210) - NPC	160
Kakarapar APP (2x220)-NPC	222
Total	2125

Number of Villages Electrified as on March 2004

Maharashtra	100%
All India	84.3%

Pump Sets Energisation Programme - Potential - 2449800 Nos.

Cumulative Achievement
As on 31st March 2004

2491521 (101.7%)

Power Supply Position

Year	Peak Deficit		Energy Deficit	
	MW	%	MU	%
Beginning of 9th Plan (1997-98)	929	9.4	1786	2.9
End of 9th Plan (2001-02)	1539	12.5	7051	8.8
2002-03	2713	19.8	11680	13.4
2003-04	2635	18.2	8967	10.2

Operational Performance

	PLF (%)		T&D Losses (%)	
	MSEB	All India	MSEB	All India
2000-01(Actual)	72.8	67.7	37.55	32.86
2001-02(Actual)	74.3	69.9	39.13	33.98
2002-03 (Actual)	71.93	72.2	38.18	32.54
2003-04 (RE)	75.92	72.7	36.62	
2004-05 (AP)	76.36	-	34.62	

Financial Outlays

The details of approved outlays and actual/anticipated expenditure during 10th Plan for Maharashtra State are given below:

	All Sector Outlay (Rs. Crore)	Power Sector Outlay (Rs Crore)	Power Sector Outlay as % of All Sector outlay
Tenth Plan (Approved)	66632.00	7315.61	10.98
2003-04 Actual	5347.36	413.48	7.73
2004-05 2004-05 BE	9568.96	214.50	2.24
Anticipated	8498.01	214.50	2.52
2005-06 Proposed	10586.00	809.85	7.65

Annual Plan 2005-06

The State Government has proposed an outlay of Rs.809.85 crore for the power sector (excluding non-conventional sources of energy) for the year 2005-06. The proposed outlay for 2005-06 consists of Rs 769.76 crore for the Thermal projects

including T&D schemes of MSEB and Rs.40.09 crore for Rural Electrification. The schemes of MSEB which are being executed through their internal resources and borrowings are usually not included in the State Plan outlay. MSEB proposals and scheme-wise outlays are yet to be received from the state.

APDRP Status (As On 31st August 2004)

(Rs. Crore)

Total Project Cost	1898.54
APDRP Component	949.30
APDRP Releases	246.46
Counterpart fund sanctioned	663.30
Counterpart fund drawn	125.41
Total Utilisation	274.70

SEB Performance

The performance of Maharashtra State Electricity Board (MSEB) in terms of various related parameters during the 9th Plan period, 2002-03 (RE) and 2003-04 (AP) is indicated below :

	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 BE	2004-05 RE	2005-06 AP
Average Cost of Supply (paise/KW)	337.02	331.50	341.35	330.47	330.79	334.64
Average Tariff (Paise/KW)	296.17	297.34	307.54	306.50	303.96	306.30
Percentage Recovery (%)	87.90	89.70	90.10	92.70	91.90	91.50
Net Commercial Profit/Loss with subsidy (Rs. Crore)	-539.46	-254.69	-548.98	177.35	142.89	174.87
Net Commercial Profit/Loss without subsidy (Rs.Crore)	-1032.83	-1087.69	-1614.82	-1511.61	-1546.07	-1088.33
Net Internal Resources (Rs.Crore)	-1241.90	-1909.93	-1743.96	-135.13	-489.71	-282.81
Rate of Return (ROR) with subsidy (%)	-4.98	-2.48	-5.69	1.87	1.61	2.20
Rate of Return (ROR) without subsidy (%)	-9.53	-10.59	-16.75	-15.96	-17.45	-13.69
Average Agricultural Tariff (Paise/Kwh)	104.42	121.88	141.12	121.88	141.12	141.12
Share of Agricultural consumption (%)	26.09	26.32	25.23	23.84	26.05	26.11

Revenue Arrears as on March 2004	Rs.8750.42 crore
(Amount releasable excluding bad debt)	(70.68% of sales revenue of the year)

Tenth Plan Capacity Addition Programme

All India 41110 MW

Out of 41110 MW All India capacity addition estimated for the tenth plan, the following Maharashtra state sector projects are included.

State Sector		**MW**
On going		
i)	i) Sardar Sarovar HEP - Maharashtra share	391.5
ii)	Ghatghar PSS	250
New		
i)	Parli TPP Ex. St. I	250
	IPPs	
i)	i) Dabhol II	1444
	Total	2335.5

Status of Major Ongoing Projects

Sardar Sarovar Multi-Purpose HEP (6x200+5x50 = 1450 MW)

Original estimated Cost	:	Rs. 1551.86 crore (June 1984 estimate.)
Original Commissioning Date	:	1994 - 95
Latest Estimated cost	:	Rs. 5502.00 crore (June 2002 estimate)
Latest Commissioning Schedule	:	2004 – 07

Sardar Sarovar HEP is a joint sector project being executed by SSNNL. The costs and benefits of the power portion are to be shared by the States of Gujarat, Madhya Pradesh and Maharashtra in the ratio of 16:57:27. The share of Maharashtra is 391.5MW. The project was targeted to be commissioned during 8th Plan period. Due to various problems such as local agitation on account of rehabilitation and Resettlement, procurement of TG sets from Japan for the river bed power house (6x200MW), the project was delayed. The project was originally assisted by World Bank aid and OECF loan. However, World Bank aid was surrendered by Govt. of India in March, 1993 and OECF loan for river bed power house was suspended since March, 1990. . The Supreme Court in its final judgement gave direction for completing the dam as per the award of the NWDT. Rehabilitation and Resettlement works and environmental measures to be undertaken by the participating States of Gujarat, Maharasthra and Madhya Pradesh will be carried out pari pasu with the progress of the construction of the dam. The permission to raise the dam height up to MDDL of 110.64 mtrs. which is the obligatory minimum level to commence power generation and irrigation, was given by Narmada Control Authority (NCA) on 16 3 04 and the dam has been raised upto 110.64 mtrsThe latest

schedule of works as per the rehabilitation and resettlement action plan approved by Narmada Control Authority (NCA) and its Review Committee indicate that raising the dam height up to the obligatory level of 121 mtrs. is targeted during 2004-05.

The five units of canal head power house (5x50MW) have already been commissioned and is generating power. The work on the river bed power house is progressing and one unit (200MW) has already been commissioned. The balance units are targeted for commissioning at an interval of 4 months each and all the six units to be commissioned by May 2006.

Ghatghar PSS (2x125 MW) under execution by the Maharashtra State Irrigation Department.

Approved Cost & Date	:	Rs.191.16 crore, 11.8.1992
Revised Cost & date	:	Rs.620.78 crore , 2.8.1994
Latest Estimated Cost	:	Rs.1184.60 crore as on 15.3.2002

The project is being executed with OECF assistance. A loan of 11414 million yens from OECF has been sanctioned on 15.12.1998. The project was delayed due to clearance from environmental and forest angle. The project envisages to install two reversible units of 125 MW TG sets in an underground power house. The work on approach tunnel completed. Civil works of upper dam is completed and lower dam is in progress. Erection of TG sets is in progress. 94% supply of TG sets completed. The project is expected to be completed by 2005-06.

New Projects

The following new project are being initiated during the Tenth plan.

(i) Parli TPS Extn. (1x250MW)
(ii) Paras TPS Espansion. (1x250MW)
(iii) Uran Gas Turbine Espansion (400MW)

Private Sector

Dabhol CCGT, Phase -I (740 MW)

This project was executed by the M/s Dabhol Power Company of M/s Enron - USA. MSEB had purchased 30% equity of Phase I in Dabhol Power Co. through its special Purpose Vehicle, Maharashtra Power Development Corporation Ltd. (MPDCL). Dabhol Phase I was commissioned on 13.5.1999 and was regularly supplying power to MSEB as per Board's requirement. Since dispute had arised between MSEB and DPC regarding the power purchase agreement, MSEB stopped the purchase of power from DPC from 29.5.2001. Since MSEB stopped drawl of power from Dabhol Power Project

Phase-I, Dabhol suspended its operations. Efforts are being taken by financial institutions to restart the plant.

Dabhol CCGT, Phase - II (1444 MW)

PPA	:	Yet to be signed
Foreign investment approval	:	Available
Environment clearance	:	Available
Fuel linkage	:	Available
Fuel supply Agreement	:	Signed
Financing Status	:	Financial closure for Phase II is achieved on 6.5.1999

The 90% of the construction work is completed and various tests were started for commissioning of Phase II, but due to the dispute between MSEB and DPC the work is now in stand still.

Restructuring & Reforms

The Maharashtra State Electricity Regulatory Commission is already in position. It has issued it's first tariff order in May 2000, and the second in January 2002, and the 3rd in December 2003. Regarding reforms in the Power sector, the state had signed MOU with Ministry of Power on 16th March 2001. The state is very slow in Power Sector reforms. An appropriate model for unbundling of MSEB is yet to be finalized.

Points for Consideration

Maharashtra State Electricity Board (MSEB) was one of the few SEBs which had operated efficiently and earned cash profits. The MSEB which had a net commercial profit of Rs.160.36 crore in 1998-99 reported a net loss of Rs.1479.58 crore in 1999-2000 and Rs.2629.90 crore in 2000-01. This was mainly because of the high cost of power purchased from Dabhol Power Corporation . MSEB stopped purchase of power from Dabhol since 29.5.2001, since then the MSEB started improving its financial performances. During 2004-05 MSEB is likely to earn a profit of Rs.142.89 crore against a loss of Rs.548.98 crore in 2003-04. During 2005-06 MSEB targets a commercial profit of Rs.174.87 crore. Similarly the net internal resources of MSEB is targeted to Rs. (-) 282.81 crore compared to Rs.(-)489.71 crore in 2004-05.

Average tariff for agriculture sector has been increased from 122 paise in 2002-03 to 141 paise in 2003-04 and the same rate is considered in 2004-05(RE) and for 2005-06. The share of power consumption in the agricultural sector is around 26% of the total power consumption in the state.

T&D losses in the State has come down from 38.41% during 2003-04 to 34.49% during the year 2004-05(RE), and same is projected to a level of 31.50% during 2005-06. The T&D losses need to be further brought down to a reasonable level It is reported that

the Board has completed installation of meters at all the 11KV feeders and has taken steps to control theft of power.

Revenue arrears receivable by MSEB excluding bad debts as on March 2004 was Rs.8750 crore. State should take appropriate steps to recover the revenue arrears.

Regarding reforms in the Power sector, the state had signed MOU with Ministry of Power on 16th March 2001. The Maharashtra State Electricity Regulatory Commission is already functioning. But the state is very slow in restructuring MSEB. An appropriate model for unbundling of MSEB is yet to be finalized.

(V) VILLAGE & SMALL ENTERPRISES:

The projected agreed outlay for the 10th Plan for the VSI Sector was Rs.516.46 crore which was 0.78% of the total outlay of Rs.66632.00 crore for the State. It has been observed that out of the projected plan size of Rs.66632 crore for the Tenth Plan, about Rs.32,241 crore was the total outlay provision for the State from 2002-03 to 2005-06 i.e. during 4 years which works out to about 50%. **But in case of VSE Sector, against the projected outlay of Rs.516.46 crore for the Tenth Plan, only Rs.81.16 crore was the provision during the corresponding 4 years which is only 15.71%.** Since the VSE is an important sector from the point of view of having potential for employment generation with minimum capital investment utilising locally available material/resources and has lot of potential for exports, therefore need to be encouraged and provided with adequate outlays.

The proposed outlay for the VSE Sector for AP 2005-06 was Rs.108.00 crore which has been revised to Rs.16.98 crore. **No schematic and corresponding physical targets have been furnished for AP 2005-06 based on the revised outlay. The State Govt. may be requested to furnish the information.** Hence scheme-wise/sub- sector wise comments are not possible. The main schemes under implementation are as under:

Cooperative Industrial Estates: To encourage educated unemployed persons to take up self-employment ventures by assisting them by providing soft loan to meet a part of their margin money for availing institutional finance, seed money upto a project cost of Rs.10.00 lakh.

Industrial Cooperatives: These cooperatives are organised by village artisans. In all 6218 societies are registered which undertake multifarious activities like blacksmith, goldsmith, carpentry, bamboo industry, electronics, staionery material, match box, candles, soaps, handicrafts, etc. These societies are assisted by way of Govt. share capital contribution, loan and subsidy for tools and equipments, loan for workshed, managerial subsidy, etc.

District Industries Centres (DIC): The objective of the scheme is to provide financial assistance in the form of margin money for the promotion of small and tiny industries in semi urban and rural areas having population less than 1 lakh.

Package Scheme of Incentives: To attract investment in the developing regions of Maharashtra, the State Govt. has offered incentives to new units under package scheme of incentives 2001 which includes Special Capital Incentives, Refund of Octroi/Entry Tax, Interest Subsidy to new Textiles, Hoisery and Knitwear Industrial Units under SSI Sector, Exemption of electricity duty.

Export Promotion: The scheme aims at developing a cohesive and comprehensive strategy which includes identification of products with export potential as well as identification of markets and possible problems alongwith remedial measures.

Maharashtra Small Scale Industries Development Corporation (MSSIDC): MSSIDC was set up in 1962 performing the activities of procurement and supply of raw materials, commercial warehousing, marketing assistance to SSI units, handicrafts development and sales and export of goods from the SSI sector, etc.

Development of Handlooms: There are about 45,000 handlooms engaging about 1.3 lakh persons in the State and about 60% of handloom workers have been brought under cooperative fold having membership in nearly 689 primary handloom cooperative societies with over 77,000 members. To promote and encourage the handloom cooperative societies by way of providing grant of subsidy and loan for purchase of looms and other equipments, for sales depot of handloom cloth, interest subsidy to cooperative financing agencies, awarding prizes, etc. Maharashtra State Handlooms Corporation (MSHC) Ltd. was set up in October, 1971 to develop handloom industry in general and assist the weavers outside the cooperative fold in particular. To strengthen the Handlooms sub-sector and successful implementation of DDHPY, the State Govt. may prepare a paper on the Handlooms Industry and analyse the reason for shortfalls if any, problems in getting adequate credit from banks and financial institutions from the cooperatives and study the successful examples of cooperatives in other States like Kerala, Tamilnadu, Andhra Pradesh, West Bengal, etc.

Development of Powerlooms: For the development of powerlooms, State Govt. is implementing scheme for grant of Government share capital contribution (margin money) in ratio of 1:2 to Powerlooms Cooperative Societies with 9.25 lakh number of Powerlooms in the State. The Maharashtra State Powerloom Corporation (MSPC) was set up in February, 1972 to provide technical and marketing assistance. The Govt. is also implementing the scheme for development of powerlooms cooperative societies with NCDC assistance.

There is a large potential for **sericulture** in the State considering the number of large number of landless labourer and small marginal farmers in the rural areas. The State Govt. is providing assistance to farmers engaged in the mulberry and tussar cultivation in the form of supply of improved cuttings, quality warm seat, practical training, purchase of cocoons and all technical assistance. The State Govt. is also implementing different schemes of Central Silk Board for the development of this sub-sector. The area covered under mulberry cultivation would be 7000 acre during 2004-05.

Under the scheme of Ministry of **Food Processing Industries**, Govt. of India, a provision of Rs.4.00 crore as Central Assistance is available for setting up a Food Park. Two Food Parks were sanctioned at Butibori, Nagpur and Vinchur, Nasik during 2000-01 and 2001-02 under Maharashtra Agro Industries Development Corporation and Maharashtra Industrial Development Corpn., respectively. The State Govt. may take advantage of this scheme to utilise the horticulture and vegetable produce of the State in a better way by proposing additional food parks and expedite the completion of above Food Parks.

In pursuance of Industrial Policy Measures for Promoting & Strengthening tiny village enterprises, a scheme of setting up of **Integrated Infrastructure Development Centre** for small-scale industries to facilitate location of industries in rural/backward areas and to promote stronger linkages between agriculture and industry was launched in 1994. The estimated cost to set up an IIDC is Rs.5.00 crore which is shared between Govt. of India and Small Industries Development Bank in the ratio of 2:3. The share of the Central Govt. is in the form of grant and that of SIDBI as loan. So far one project has been sanctioned under IIDC at Ghatodi Pusad Yeotamal Distt. on 24.9.1994 and at a cost of Rs.518.00 lakh, which has been completed. The State Govt. may set up new IIDCs under this scheme.

State Govt. may initiate creating data base, undertaking diagnostic study and mapping of clusters, provision of funds for preparing feasibility reports for development of clusters, doing road shows to attract investment under the sector and formulate projects under the scheme of establishment of Apparel Park of Ministry of Textiles for value addition.

(VI) TOURISM:

The Tenth Plan outlay for tourism sector in the State Plan is Rs.2368.75 lakhs. Outlay for the Tourism Sector for 2005-06 is Rs.7071.23 lakhs, which includes Rs.5550.00 lakhs for development of Ajanta and Ellora under the Externally Aided Project, Phase-II, with the assistance of JBIC. Thus, the outlay available for 2005-06 for tourism development is only Rs.1521.23 lakhs. Out of this Rs.669.41 lakhs is for development of Shivneri Fort, Rs.350.00 lakhs for tourist infrastructure and Rs.200.00 lakhs for publicity. In addition, an outlay of Rs.446.94 lakhs towards forest tourism is indicated. However, the same has not been included in the total outlay for 2005-06 for the sector. This needs to be clarified.There is no allocation of outlay towards State share for Centrally Sponsored Schemes of tourism sector.

Keeping in view the tourism potential and its employment generation capacity in the State there is need for higher outlay for tourism sector.

(VII) TRANSPORT:

The Outlay and Expenditure in respect of transport sector of Maharashtra during Tenth Plan, Annual Plan(2002-03), Annual Plan (2003-04), Annual Plan (2004-05) and proposed outlay for 2005-06 is given below:-

(Rs. in crore)

	10th Plan	2002-03 (BE)	2003-04 (BE)	2003-04 (RE)	2004-05 (BE)	2005-06 (prop.)
Ports & Lighthouses	200.00	36.44	23.24	33.90	16.64	5.46
Civil Aviation	100.00	44.50	5.00	1.66	5.00	3.00
Road & Bridges	3021.21	643.37	852.48	1260.78	973.60	595.88
Road Transport	1809.00	600.64	4.34	2.39	1.00	0.50
IWT	10.00	1.37	408.00	408.00	1.86	3.36
Urban Transport	60.00	4.47	2.10	1.19	269.58	522.00
State's participation in Railways Projects	17.00	2 55	1296.16	1708.47	1.00	1.00
Total (Transport)	5217.21	1332.85	12050.00	10500.00	1243.18	1131.20

Roads and Bridges

Presently, the State has a total road length of 361893 kms. (as on 31-3-97) out of which 271684 kms.(75%) is surfaced. In relation to per one lakh of population and per 100 sq.km. of area, the state's road length is 409.8 kms and 117.6 kms, as against the All India average of 258.2 kms and 74.9 kms respectively. However, road sector suffers from many deficiencies like inadequate width, insufficient thickness and poor riding quality etc. Road development in the State is being done in accordance with the 1981-2001 perspective road development plan approved in 1986 and modified in 1997 which aims at identification of deficiencies in the road network and providing communication link to all villages. The State Govt. has decided to involve private sector in a big way for developing roads and bridges within certain broad parameters.

The State Govt. has proposed an outlay of Rs. 595.88 crore for this sector during the year 2005-06. The physical target for new road construction during 10th Plan is 1500 kms. However, new road construction of 2537 kms is reported to have been achieved in the first three years of 10th plan. The target for 2005-06 is 1100 kms. The State's share under Central Road Fund is expected to be approximately at the same level as in the previous year.

Private sector participation in road projects

The Maharashtra State Road Development Corporation, a Govt. owned company had been entrusted with utilizing private funds/participation to accelerate infrastructure development in the State such as roads, expressways, bridges, flyovers, etc. The State Govt. had given guarantees for raising loans. Construction of 700 kms. two lane road of NH standard from Nagpur to Mumbai via Aurangabad, 50 flyovers in Mumbai region, 16 kms. of Worli-Bandra Sea Link project are in progress. Integrated Road Development Plan for Nagpur, Pune, Aurangabad, Amravati, Solapur, Kolhapur, etc., are some of the major projects taken in hand.

Road Development under HUDCO and NABARD Loan assistance.

The State Govt. has proposed to take a loan of Rs. 1000.00 crore from HUDCO for construction of Roads & Bridges. Out of this a loan of Rs. 491.00 crore has already been sanctioned by HUDCO in first phase. The road length proposed to be improved under the first phase is 4493 km. including 4437 CD works and 669 bridges.

HUDCO has sanctioned a loan of Rs. 501.31 crore in the second phase for Roads and Bridges works. The road length proposed to be improved under the second phase is 6623 km. including 1813 CD works and 338 bridges.

NABARD

Government of Maharashtra has also taken up an ambitious programme of black topping and improvement of rural roads with loan assistance from NABARD under R.I..D.F. Nabard has so far sanctioned a loan of Rs. 1589.08 crore for these works. The

Road length proposed to be black topped under this programme is 15446 km. including CD works and Bridges.

Village connectivity

Out of 40412 villages, 37932 villages had been provided rural roads connectivity upto 31-3-2004. The 10th Plan target is to provide 600 villages with rural roads connectivity. The physical target of village connectivity has not been indicated for 2005-06 document of the State Govt. The State's share under PMGSY is expected to be approximately at the same level as in the previous year.

Road Transport

The Maharashtra State Road Transport Corporation is among the foremost SRTUs in the country in terms of all commonly accepted physical performance indicators, such as, fleet utilization, vehicle productivity (revenue earning kms. per bus per day). However, load factor, which came down to 62% (2004-05 estimate) is expected to improve to 65% (2005-06 estimate). The overall financial performance of the Corporation is not satisfactory. The losses incurred by the MSRTC are expected to go up to about Rs. 363.51 crores (2005-06 estimates). The losses incurred by MSRTC are due to infrequent tariff revision, pilferage of funds, etc. Bringing down the bus staff ratio from the present level of 6.90 persons (2005-06 estimates) to a lower side will go a long way in reducing the staff cost. The Govt of Maharashtra has allowed the undertaking to automatically increase the fare whenever there is increase in the input cost. The State Govt. has also agreed to reimburse the losses being incurred by the undertaking on concessional travel. This amount is being adjusted against the tax payable by the undertaking to the Govt. with retrospective effect from the year 1986-87. Also, decline in the net profit of the undertaking needs to be curbed through strict regulation of operation of private buses particularly contract carriages which are clandestinely operating as stage carriages This will help to improve the revenue of the State Transport undertaking The 10th Plan outlay for this sector is Rs. 1809 crore. No outlay has been proposed for the Corporation, however, only an amount of Rs. 50 lakhs is proposed for the Motor Vehicles Deptt. in the budget.

State's participation in Railway Projects – Konkan Railway Corporation (KRC)

An amount of approximately Rs. 13.00 crore is still outstanding against the State Govt. of Maharashtra as its share of equity in the KRCL. The State Govt. has been requested several times by Planning Commission to take necessary action for clearing the outstanding dues to the KRCL. A provision of Rs. 1.00 crore has been made in the State's Annual Plan for 2005-06.

Development of Ports.

For developing the potential of minor ports, the State Govt. had been making efforts to involve the private sector. However, due to inadequate traffic flow the prospective investors did not feel interested. The State Govt. has therefore decided to develop captive jetties by involving the private sector for port based industries and facilities. Already four such captive jetties have been constructed and a large number of parties have evinced keen interest in setting up captive jetties. The 10th Plan outlay for this sector is Rs. 200.00 crore. The outlay for 2005-06 is Rs. 5.46 crore.

Inland Water Transport

Maharashtra has great potential for the development of inland water transport. There are 60 creeks on the coast of which 9 are major ones. Small passenger launches and cargo vessels ply in some of these creeks. The 10th Plan outlay for this sector is Rs. 10 crore. An outlay of Rs. 3.36 crore has been proposed in the budget for 2005-06.

Urban Transport

Urban transport services in Mumbai as well as in other class-I cities of Maharashtra are under tremendous strain. In order to tackle this problem, the State Govt. has prepared a comprehensive transport project called "Mumbai Urban Transport Project-II" (MUTP-II). As per the project proposal, 65% of the total cost of the project is to be funded by the World Bank. To implement the rail component of the project after the approval of the proposal, the Ministry of Railways has set up the Mumbai Rail Vikas Corporation which has since become operational. An outlay of Rs. 522.00 crore has been proposed in the budget for 2005-06.

(VIII) SCIENCE AND TECHNOLOGY:

The Maharashtra Council for Science and Technology was established with the objectives of identifying areas where science and technology inputs are required for overall socio-economic development activities in various sectors; to contribute towards the development of scientific and technological capabilities in the State, and to undertake all such steps, which will promote science and technology in the State. During the Tenth Five Year Plan the programmes that have been included in the science and technology sector are: Financial Assistance for Research and Development, Experimental Projects, Pilot Projects, Technology Transfer etc; Financial Assistance for Strengthening Science and Technology Institutions in the State; Strengthening of Science & Technology Cell; Maharashtra Remote Sensing Application Centre, Geographical Information System. The advance techniques of remote sensing using multi-purpose satellite imageries of earth surface obtained through Indian Remote Sensing Satellite as well as foreign satellites are being widely used for generation of resources database. Realizing the potential of remote sensing techniques, the Government of Maharashtra established Remote Sensing Application Center in 1988 under the administrative control of Planning Department at Nagpur to create awareness for utilization of remote sensing techniques for preparation of plans related to development of natural resources. The Centre is fully equipped with Geographical Information System An independent cell for computerization of database generated under various projects has been created under State Resources Information System to facilitate preparation of effective developmental plans based on integration of resources database and other collateral data. During the Annual Plan (2005-06), an outlay of Rs.300.00 lakh has been envisaged for the scheme Financial Assistance for Research and Development, Experimental Projects, Pilot Projects, Technology Transfer etc, and the activities would be relating to popularization of science, various projects in the disciplines of information technology and computers, environmental engineering and technologies etc. With regard to the schemes on Financial Assistance for Strengthening Science & Technology Institutions in the State; Strengthening of Science and Technology Cell, the outlay for the Annual Plan (2005-06) has been indicated as Nil. To undertake the various remote sensing activities in the State by Remote Sensing Application Center, an outlay of Rs.200 lakh has been proposed for the year 2005-06. In this connection it may be mentioned that it would be necessary to indicate the details of the specific activities / programmes / projects to be taken up under the scheme Financial Assistance for Research and Development, Experimental Projects, Pilot Projects, Technology Transfer etc with their financial phasing. The plans and programmes relating to information technology, environment may be taken up in the respective sectors. It would also be desirable to indicate the reasons for not projecting any outlay under the schemes Financial Assistance for Strengthening Science & Technology Institutions in the State; Strengthening of Science and Technology Cell. There is need for interaction with central scientific departments like DST, DSIR / CSIR, DBT for identifying location specific projects. There is also need to charge with the user agencies for services rendered by remote sensing application so that the Centre can become self-sustained. An outlay of Rs.500.00 lakh (including Rs.200.00 lakh for Maharashtra Remote Sensing Application Centre) proposed for the Annual Plan (2005-06) may be agreed to.

(IX) BACKWARD CLASSES:

Outlay and Expenditure under welfare of Backward Classes sector.

(Rs. In Crore)

Sl.No	Heads	X Plan Outlay	2002-03 Actual	2003-04 Actual	2004-05		2005-06	
					Outlay	Anti-Exp	Outlay	Capital
1	SCs	1070.20	117.30	64.93	307.50	307.50	838.03	280.65
2	VJ.BJ, OBCs	102.20	12.08	66.94	55.02	30.50	54.55	-
	Total 1+2	1168.87	129.38	195.29	362.52	444.94	892.58	-
3	STs	420.24	56.40	86.71	197.23	197.75	318.84	15.33
	Total	1589.11	185.79	282.00*	559.75	559.75	1211.42	400.41*

* Figures do not tally

The State Govt. is implementing programmes for educational, economic and social emancipation for the welfare and development of SCs, STs and OBCs. The programme under this sector have been broadly grouped in 3 categories viz. I)Educational Programmes, ii) programmes for Economic Development and iii) Programmes for Health and Housing.

There are as many as 189 schemes for the welfare of SCs (76), OBC (53) and ST (60). State Govt. may be advised to minimise the number of the schemes through an exercise of Zero Based Budgeting either by merging similar schemes or by discontinuation of the obsolete and non-functional schemes

The State Govt. has proposed an outlay of Rs. 1211.42 Crore for Annual Plan 2005-06 which accounts for step-up of 116.0% over the outlay of Rs. 559.75 Crore for Annual Plan 2004-05. The proposal appears to be on the high side. The State Govt. has utilised an amount of Rs.1027.54 Crore during first 3 years of the Tenth Plan i.e. 2002-05. Adding to this, the proposed outlay of Rs. 1211.42 Crore for Annual Plan 2005-06 comes to Rs.2238.96 crore, whereas, the total allocation for Tenth Plan is only Rs.1589.11 crore.

The State Govt. is implementing a number of Finance & Development Corporations :namely, i) Mahatma Phule Backward Class Development Corporation (Share capital Rs. 63 cr.); ii) Leather Industry Development Corporation of Maharashtra (share capital – Rs.21 cr.); iii) Establishment of Corporation for Other Backward Classes (Rs. 5 cr.); iv) Financial Assistance to Tribal Development Corporation (Rs. 5 cr.); v) Shabri Vikas Mahamandal (Rs. 1.50 cr.); vi) Financial Assistance for share capital to TDC (Rs. 6 cr.) and vii) Financial Assistance to share capital to Shabri Corporation (Rs. 2.50 cr.). It seems that performance of the corporations have not been encouraging in terms of loan recovery rate. A quick evaluation could be undertaken to establish facts

and take appropriate action on the basis of recommendations to improve the performance of the Corporations.

There are three Primitive Tribal Groups (PTGs) namely Katkari/Kathodi (1.75 lakh), Kolam (1.18 lakh) and Madia Gonds (0.67 lakh) in the State. The conditions of the Kolam & Madia Gonds have deteriorated through the suppression of their traditional means of livelihood viz. shifting cultivation, while the Katkari are pre-dominantly landless. It has been observed that being primitive these people suffer from malnutrition, starvation and lack of basic services like health, sanitation, drinking water and housing. The Government should formulate comprehensive projects for all round development of PTGs.

A sum of Rs. 3.00 crore has been proposed for Tribal Research and Training for Annual Plan 2005-06. Tribal Research & Training Institute may also take up evaluation of State's SCs/STs/OBCs & Minorities issues and corporations as mentioned above especially in the area of Primitive Tribal Groups. A complete data profile may be collected for comprehensive plan for the overall development of PTGs.

Maharashtra State has adopted a unique outlay for the TSP popularly known as 'Maharashtra Model' since 1994-95 under which plan outlay in proportion to the percentage of Tribal population in the State of the State Plan budget is kept at the disposal of the Tribal Development Department which in turn formulates specific schemes and programmes and allocates the amount to respective line Department for its implementation. The flow of funds to TSP in the State of Maharashtra is only 5.56% whereas ST population as 8.9% which is much less. Similarly, flow of funds to SCP is only 8.25%, whereas, SC population is 10.2%. As per the guidelines, outlay earmarked for TSP & SCP should be at least in proportion to the percentage of ST & SC population in the State. As the flow of funds under TSP and SCP is quite low, the pattern of funding for the above may also be reviewed.

Other Issues

Scheduled Castes population in the State of Maharashtra is 10.2% in 2001. As per 1999-2000 estimate 33.27% of SC families in rural and 39.88% in urban areas are living below the poverty line in Maharashtra as against national average of 23.82% and 26.91% in rural and urban areas, respectively. Therefore, special efforts with focused attention are needed to implement various poverty alleviation programmes for these weaker sections.

More SC men in the rural areas and women in the urban areas work as casual labourers. Lack of access to land, availability of jobs in non-farm sectors and low literacy level prevent SCs' access to better paid secured jobs outside agriculture in rural areas.

41.8 percent of tribals in the State are landless, compared to 28% of the general population. Landlessness is even higher among the Primitive Tribal Groups (PTGs) (83% Katkaris and 63% Kolam).

There are about 64,785 scavengers and their dependents in the State (1997 estimates) to be rehabilitated. The State Government in consultation with Ministry of Urban Affairs should initiate appropriate action for conversion of wet latrines to dry latrines. Simultaneously the Scheme of Liberation and Rehabilitation of Scavengers and their Dependents should be implemented with vigour so as to eliminate the manual scavenging and rehabilitate all the identified scavengers in a time bound manner in the State.

In recent times, Malnutrition and starvation cases have been reported from the Tribal dominated district of Nandurbar, which requires special attention by the Tribal Welfare Department.

ANNEXURE

Welfare of backward Classes--Maharashtra

Basic Information

Profile of SC/ST Population (2001 Census)

		All India	State
SC%	-	16.3	10.2
ST%	-	8.0	8.9

		India	State
Literacy Rate			
SC	2001 Census	54.7	71.9
ST	2001 Census	47.1	55.2

Poverty Line Ratio - Estimate - Planning Commission (1999-2000)

All			SCs in State		STs in State	
Rural	Urban	Combined	Rural	Urban	Rural	Urban
27.09	23.62	26.10	33.27	39.88	43.56	42.98

Flow of Funds to Special Component Plan (SCP) to SCs and Tribal Sub-Plan (TSP) to STs.

		2005-06
Flow of funds to SCP to SCs	%	8.25

Flow of funds to TSP to STs	%	5.56

Workers (2001 Census)	**SC**	**ST**
Total workers (State)	41.91%	49.75%
Cultivators (State)	12.88%	30.56%
Agricultural Labourers (State)	46.08%	50.65%

(X) SOCIAL WELFARE:

Outlay & Expenditure

(Rs. in Crore)

Sector	Xth Plan (2002-07)	Annual Plan (2002-03)	Annual Plan (2003-04)		Annual Plan (2004-05)		Annual Plan (2005-06)
	Outlay	Actual Expdr.	Outlay	Exp.	Outlay	Ant. Expn.	Proposed Outlay
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	21.05	2.25	3.38	0.27	3 .21	2.33	2.25
2. Mahila & Bal-kalyan Deptt.	70.00	2.30	60.68	65.77	14.23	14.23	29.86
	2.22	0.04	0.35	0.19	0.35	1.12	-
4. Mahila & Bal Vikas Samiti	34.03	17.18	5.78	5.77	5.92	5.92	5.55
Total	**127.90**	**21.77**	**69.89**	**72.10**	**23.71**	**23.60**	**37.66**

Observation &Comments

The State Government has proposed an outlay of Rs.37.66 crore for the Annual Plan 2005-06 for Social Welfare, Women and Child Development, which is more than the outlay of Rs.23.71 crore and actual expenditure of **Rs.23.60 crore** for Annual Plan 2004-05 respectively. The State Govt. has proposed the outlay of the following schemes on the higher side for 2005-06 against the outlay for Annual Plan 2004-05 :-

Sl. No.	Name of the Scheme/ Programme	Tenth Plan (2002-07)	Annual Plan 2004-05		Annual Plan 2005-06
		Outlay	Approved Outlay	Anticipated Expenditure	Proposed Outlay
1	2	3	4	5	6
1.	Mahila Sakshamikaran Yogana	-	73.39	73.39	140.06
2.	Grant-in-aid to Mahila Mandal	264.17	50.00	50.00	70.00
3.	Individual aid under Self Employment Scheme	528.68	5.00	5.00	50.00
4.	Women's Councelling Centre	53.90	1.00	1.00	25.00
5.	Jijamata Vima Adhar Yojana	604.45	1.00	1.00	800.00
6.	Earthquake Rehabilitation a) Multipurpose center for women	215.60	40.00	40.00	100.00
7.	Non-institutional services to destitute children Grant-in-Aid to Balsadan	563.55	53.14	53.14	110.98

The major increase on outlays in comparison to previous year has been proposed on Mahila Balkalyan.

The State Govt. should furnish the justifications/reasons for increasing the outlays for year 2004-05 in respect of Women & Child Development Schemes. The outlay may be supported but it is necessary to ensure that the on-going welfare and developmental programmes are implemented effectively

There are more than 85 schemes for Welfare of Disabled, Women and Child Development implemented in the Department of Social Welfare and Women & Child Development and Social Voluntary Organisations.

The State Government should minimize the number of the schemes through an exercise of ZBB by merging, converging and weeding out of the non-functional schemes.

Empowerment of Women and Development of Children

The Mahila and Bal Vikas Samiti (Women and Child Development Committee) has been constituted in the local bodies, Zila Parishad, Panchayat Samities, Municipal Corporation and Nagarpalikas This Committee is entrusted with the supervision of all

programmes implemented for the welfare of women and children and also assists in the formulation of schemes for Women & Children on the local felt needs. Besides this, the Schemes of the State Sector are transferred to the Zila Parishad for effective implementation through these Committees in the rural areas. ***For that, the outlay for Mahila & Bal Vikas has increased, which may be proved adequate to implement the various scheme in the sector.***

The Maharashtra Women Protection Bill 2001 and the Maharashtra Devdasis System Abolition and Rehabilitation Act, 2001 have been drafted by the State Government and the same are under process. The Bill is intended to protect the women from their exploitation at various levels.

The Status of Devdasis Act, 2001 and Maharashtra Women Protection Bill 2001 may be ascertained, *emphasizing the expedite for finalisation and effective implementation of the same.*

The Mahila Arthik Vikas Mahamandal (MAVIM) is implementing the Scheme of "Self Help Group (SHG)" in the different parts of the State. The women in the Group can make small savings and the Bank gives some loan to this Group with nominal interest and this loan is given to the Members of the Group to start their own business.

As the Integrated Child Development Services (ICDS) Programme has been universalized in the state, ***there are 63 ICDS project covering 7.22 lakh beneficiaries. The State Government should take necessary steps to operationalise all the sanctioned ICDS blocks and provide adequate funds for Supplementary Nutrition under ICDS.***

Social Welfare

The Social Welfare Programmes are originally oriented mostly towards providing promotive, protective and curative services. Of late, the emphasis of these programmes is on preventative developmental and rehabilitative services developed with regard to physically handicapped persons as also backward classes people. In Maharashtra the Voluntary agencies play a major role in implementing Government schemes in addition to their own welfare programmes.

As the objective of the schemes 'Grant-in-Aid to homes for aged/ infirm and 'Matoshri Yojana' is similar, ***these schemes may be merged as one scheme.***

For the scheme of National Programme for Rehabilitation of Persons with Disabilities, adequate provision has to be provided in the State Budget from the beginning of the Tenth Plan. From the Tenth Plan onwards, adequate provision should be made in the State Sector in the Tenth Plan and Annual Plans. ***It may be ascertained whether proposed amount is adequate.***

It was brought to the notice that by the end of Ninth Five Year Plan the number of Old Age Pensioners was around 10.28 lakh. ***The last Working Group suggested that another survey be conducted to find out the exact number of Old Age Pensioners, the progress/steps taken in this regard may be stated.***

The State Government has to implement various provisions of 'Persons with Disabilities' (Protection of Rights, Equal Opportunities, Full Participation) Act, 1995. ***Action initiated by the State Government may be ascertained.***

a) The State Government may set a target that all persons with disabilities as on date are rehabilitated.

The State Government has no welfare schemes at the grass root level. **It was suggested that the State Government should set up necessary infrastructure/ mechanism so that the services reaches the BPL and rural beneficiaries.**

The State Govt. implements the following schemes through Govt. Institutions and by giving grants to the voluntary organization as per prescribed rates:

(Rs. in lakhs)

Schemes	**Proposed Outlay**
Anti Drug Addiction Campaigns	25.27
Grant-in-Aid to Homes for Aged and Infirm	21.23
Matoshri Yojana	19.92
Prisoners' Welfare	35.00

We may discuss the above schemes in details for the Annual Plan 2005-06.

Services provided in the mandatory institutions set up under different Acts, by and large, remain below the satisfactory level of performance. The State Government should, therefore, ensure maintenance of minimum standard of services in these institutions set up under various Acts, like Juvenile Justice Act, 1986: Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1998: and Immoral Traffic (Generation) Act, the Child Labour (Prohibition and Regulation Act.)

(XI) HOUSING AND URBAN DEVELOPMENT:

As per 2001 Census, the urban population (4.10 crore) constitute about 42% of the State's population covering 15 Municipal Corporations and 232 Municipal Councils. According to TCPO estimates 2001, total slum population in the State is 1.07 crore which is about 25% of the urban population. During 1999-2000, number of persons living below poverty line in urban areas was 1.02 crore or 26.81% of the Urban Population which is higher than the national average of 23.26%.

To keep pace with the high rate of urbanization, the State Government accords priority to reduce the flow of migration to big urban centers from the rural/semi-rural hinterland, reduce incidence of urban homelessness, improved the availability of basic civic amenities in the bigger urban centers etc.

Provision of shelter to the homeless is considered as one of the most essential and basic human needs. The increasing shortage of adequate housing facilities is lined to rapid growth of population, industralisation and urbanization in the State. In addition to meeting the housing shortage for EWS, LIG category of population, the objectives of housing activity in the state also includes ameliorating housing problems for the slum dwellers.

The plan documents underlines the basic need for shelter. An outlay of Rs.194.24 crore has been proposed for urban housing schemes for the Annual Plan (2005-06), which is four fold higher as compared to outlay of Rs. 46.50 crore of 2004-05.

For the Urban Development sector, an outlay of Rs.385.07crore is proposed for 2005-06 which is 100% higher than Rs.190.61 crore of Annual Plan 2004-05. Reported expenditure for 2003-04 was at Rs.275.46 crore.

National Slum Development Programme (NSDP):- During the period, 1996-2004, an amount of Rs. 315.50 crore have been released as Additional Central Assistance to the state under NSDP. The reported expenditure was Rs.237.11 crore (75%). The programme is monitored by SUDA and DUDA. Under NSDP, 54 towns have been covered. Total of 37.31 lakh beneficiaries have been assisted in 2936 slum pockets.

Integrated Development of Small & Medium Towns (IDSMT): - An outlay of Rs.15.05 crore has been provided in the Annual Plan (2005-06) which is 100% higher as compared to Annual Plan outlay of 2004-05 (Rs.7.50 crore). Under IDSMT, 141 towns have been covered since inception. Total Central Assistance released to the State to the tune of Rs. 84.28 crore against which reported expenditure was Rs.158.12 crore (including State's share).

Mega City Scheme:- An outlay proposed for Annual Plan 2005-06 is Rs.50 crore. As per the latest information, it is observed that an expenditure of Rs.579.69 crore was reported which is 78% covering 48 projects with total project cost of Rs.1015.97 crore against which 35 projects have been completed.

Swarna Jayanti Shahri Rozgar Yojana (SJSRY): - During the period, 1997-2004, an amount of Rs.51.02 crore and Rs.16.83 crore has been released as Central share and State share respectively under SJSRY. The reported expenditure was Rs.108.85 crore (93%) including unspent balance of Rs.48.60 crore from old schemes. Total of 56681 beneficiaries have been assisted under USEP and 3431 women beneficiaries under DWCUAs. As per state plan document, an outlay of Rs. 5 crore has been provided in the Annual Plan (2005-06).

Valmiki Ambedkar Awas Yojana (VAMBAY):- Against an outlay of Rs. 98.77 crore, center has released Rs.73.30 crore upto March 2004. The Government of Maharashtra has appointed MHADA as the nodal agency for this scheme. As per the plan document, an outlay of Rs.77.00 crore has been proposed for Annual Plan 2005-06.

Urban Reforms Incentive Fund (URIF):- This scheme aims for strengthening urban infrastructure and release of Additional Central Assistance for strengthening urban infrastructure was being envisaged, in linkage with the urban reforms executed by the State Government. The State Government has signed MOU with the MoUD for the implementation of all the agenda items mentioned in the scheme. Under URIF, Rs. 71.85 crore has been allocated for AP 2003-04, against which Rs.46.69 crore has been released upto March 2004.

It is observed from the state plan docuament that ' **National Urban Information System**'is a Centrally Sponsored Scheme with 70% grants as central assistance to cover 32 cities. An outlay of Rs.10 lakh has been proposed for Annual Plan 2005-06, However, NUIS has not become operational so far.

The following points relate to issues raised during last Working Group meeting needs to be discussed:

- The state government should make a time bound strategy for providing houses to the target group by the end of the plan.
- Recovery campaign should also be carried out to boost the recovery of advances made by the State Housing Board;
- State Government may fix monitorable targets with respect to all poverty alleviation schemes.
- Priority should be given to provide houses to the lower subordinates.
- In view of high percentage of urban population, higher priority should be given to Urban Development Sector.

Annual Plan (2005-06): - The State Government of Maharashtra has proposed an outlay of Rs.198.27 crore for Housing (including rural housing) and Rs.385.07 crore for Urban Development Sectors.

(XII) WATER SUPPLY AND SANITATION:

The outlay/Expenditure for Water Supply and Sanitation Sector for the Tenth Plan, AP 2002-03 and Annual Plan 2003-04, AP 2004-05 and 2005-06 are given below:

Plans/Years	Outlay/Expenditure (Rs. in crores)
Approved outlay for Tenth Plan (2002-07)	7762.76
Actual Expenditure for 2002-03	658.79
Actual Expenditure AP 2003-04	473.69 (RE)
Approved Outlay AP2004-05	1500.35
Anticipated Expdr. For AP 2004-05	753.16
Proposed Outlay for AP 2005-06	455.17

2. As per the document, breakup of expenditure and outlays between Rural Water Supply, Urban Water Supply and Sewerage & Sanitation are given below:

(Rs. in lakh)

Sl. No	Item	Tenth Plan Approved outlay	Actual Expdr. 2002-03	Actual Expdr. 2003-04	Annual Plan 2004-05		Proposed Outlay 2005-06
					Appr. Outlat	Antici. Expdr.	
1.	U.D.D.	203300	32433.56	11749.23	76500.00	41162.74	4746.00
2.	R.D.D	193500	33397.76	41480.57	73534.85	34153.61	40770.95
	Total WSS	**396800**	**65831.32**	**53229.80**	**150034.85**	**75316.35**	**45516.95**
	Rural Sanitation Programme WS. & SD *	72315.00	525.43	-	1895.87	1895.87	1928.18

* - Rural Sanitation Programme W.S. & S. D is given under Rural Development sector.

3. As per the Rajiv Gandhi National Drinking Water Mission (RGNDWM), the status of "Not Covered" (NC) and "Partially Covered" (PC) habitations are as under :

Status	Not Covered (NC)	Partially Covered (PC)	Fully Covered (FC)	Total	No. of schools
As on 1-4-2004	392	23974	61564	85930	-
Target for 2004-05	393	4607	-	5000	5939
Coverage during 2004-05 (upto Sept. '04)	46	287	-	333	422

State should step up their efforts for covering all the NC/PC habitations and primary schools within stipulated time and submit the report.

4. As per RGNDWM, the financial progress under Centrally Sponsored Accelerated Rural Water Supply Programme (ARWSP) and State sector

Under ARWSP

Opening balance as on 1. 4.2004 = Rs. 4750.52 lakh

Allocation during 2004- 2005 = Rs.15971.00 lakh

Release during 2004-05 = Rs.10075.00 lakh
Expenditure incurred Sept.'04 = Rs. 5271.00 lakh

Under State Sector

Provision during 2004-2005 = Rs.11441.53 lakh
Release during 2004-05 = Rs.11441.53 lakh
Expenditure incurred upto Sept.'04 = Rs.11441.53 lakh

The State Govt. may accelerate their efforts for utilization of funds and implementation of the programme.

5 The implementation status of Sector reforms projectrs are as under :

(Rs. Lakh)

Sl No	District	Approved Cost	GOI share	Admin approval date	Funds released	Reported Expdr	Community Contributio n
1.	Amravati	2126.00	1973.00	04-Feb-00	1184.10	1223.00	104 25
2.	Dhule	3952.78	3692.96	04-Feb-00	1763.43	1718.95	195.47
3.	Nanded	4000.00	3740.00	04-Feb-00	3477.00	2666.28	343.00
4	Raigad	3793.00	3473.80	04-Feb-00	3439.14	2687 00	379 00

6. The details of Swajal Dhara Schemes (upto 29-10-2004)

a. Swajaldhara scheme (2002-03)-
No. of projects = 782 nos
Project outlay = Rs.8261.52 lakh
GOI Share = Rs.7427.66 lakh
Total release = Rs.5273 23 lakh
Expenditure = Rs. 3020.53 lakh

b. Swajaldhara scheme (2003-04)-
Allocation = Rs.2172.13 lakh
Total release = Rs.1086.07 lakh
Expenditure = Rs.113.06 lakh

c. Swjaldhara Scheme (2004-05)
Allocation = Rs.1992.80 lakh
Total release = Rs 1494.60 lakh
Expenditure = 0

7 Population coverage as per CPHEEO — UWS — US
Status as on 31-03-2000
- State's Coverage (%) * — 99 # — 64
- All India average(%) — 89 — 60

* - The figures indicates as of 31-03-1997 since the State have not furnished the information as of 31-03-2000

- 69 34 House service connection and 29.66 Pblic stand post

8 Under Accelerated Urban Water Supply Programme (AUWSP), for towns having population less than 20,000 (1991 Census),

No of projects = 35 nos
Estimated cost approved = Rs 10266 11 lakh
Allocation for 2004-05 = Rs 914 78 lakh

Amount released by Govt. of India = Rs 4402.64 lakh
An amount released by State Govt. = Rs. 3163.00 lakh
Total expdr. incurred upto Sept.2004= Rs. 4786.54 lakh

9. Details of overexploited/dark/total blocks in the state and the level of ground water development in the state is given below:

Total no. blocks = 2316
No. of overexploited blocks = 154
No. of Dark blocks = 72

The level of ground water development in the state is 34.70% against all India average of 37.23 %. The State should implement rain water harvesting and water shed development programmes for recharging the springs and streams as also to provide a supplementary source of water.

10. Under Low Cost Sanitation programme for Liberation of Scavengers,

No.of projects	= 58 nos.
Estimated cost	= Rs.8245.34 lakh.
For conversion/construction of	= 199431 units
Sanctioned subsidy	= Rs 2204.73 lakh
Sanctioned loan	= Rs.2311.95 lakh.
No.of units completed	= 94422 units
No. of units in progress	= 1161 units

The State Govt. should expedite the progress of implementation of the schemes.

Externally Aided Projects:

11. Maharashtra Rural Water Supply & Sanitation (KFW Assisted) : This project is implemented in Ahmednagar, Aruangabad and Pune districts. The project is based on demand driven and community approach. The beneficiaries have to share 10 % cost and bear 100 % operation and maintainance expenditure of the scheme. The cost of the project is Rs.152.44 crore. KFW share is Rs. 107.17 crore of which assistance is Rs. 4.60 crore and loan Rs. 102.44 crore. The loan bears interest at 0.75 % p.a. and is repayable in 30 years from the year 2010. The project will be implemented in two stages. In first stage 25 villages from each districts will be takled. The remaining 200 villages will be tackled in second stage. 76 villages have been selected for the stage I. Out of these work of schemes of 17 villages are stated.

12. World Bank Aided 2nd Maharashtra Rural Water Supply and Sanitation Project (Jalswarajya) : The project will be implemented in 26 districts excluding districts already taken under sector reforms and KFW projects. The project aims at empowering village communities in planning, designing and implementing communityled water and sanitation facilities. To promote ownership and participation, the project would require village communities to pay 10 % contribution for capital cost and bear 100 % O & M cost of the water and sanitation scheme The project cost is Rs. 1343.00 crore. State Govt share is Rs 368.00 crore,

World Bank share is Rs. 905.00 crore and beneficiary share is Rs. 70.00 crore. Project activities have started in 9 districts.

Issues for Discussions :

(i) State Govt. should clear that as per new survey, whether the new NC/PC habitations came up this year. State should also step up their efforts for covering all the NC/PC habitations and primary schools within stipulated time and submit the report.

(ii) Under ARWSP, The State Govt. may accelerate their efforts for utilization of funds and implementation of the Rural Water Supply Programme.

(iii) The State Govt may accelerate their efforts for utilization of funds under Swajaldhara and improve their performance.

(iv) Under Total Sanitation Campaign, the State Govt should step up their efforts to improve the project performance under the Campaign.

(v) The level of Ground Water Development in the State is 34.70 % of Ultimate. Aslo 154 block are overexploited and 72 are dark blocks, out of 2316 nos of blocks. The State Govt. should cautiously develop the G.W potential.

(XIII) HEALTH AND FAMILY WELFARE:

Maharashtra has a tradition of good investment in public health programmes and building up of governmental network of centers providing primary, secondary and tertiary care. The demographic indices of the state are better than all India level. The state is likely to achieve replacement level of fertility long before the projected year of 2008. However, it is a matter of concern that the sex ratio of the population is lower than the national average and that 0-6 sex ratio is also substantially lower in the state.

The current level of fertility, mortality, contraceptive use, ante-natal care and safe delivery as well as the Tenth Plan goals for all these have been indicated in the following Table-.

Table- : Tenth Plan Goals for Family Welfare

Family Welfare

Name of State/UT	Couple Protection Rate				Crude Birth rate		Total Fertility Rate		Infant Mortality Rate	
	Current Level (NFHS- 2)		Expected Level 2007		Current level SRS 2000	Expected Level 2007	Current level SRS 1998	Expected Level 2007	Current Level SRS 2000	Expected Level 2007
	By Ster.	Spacing (Modern)	Permanent	Spacing (Modern						
INDI	35.5	8.0	50.0	15.0	25.8	21	3.2	2.3	68	45
MAH.	51.4	7.7	66.0	14.9	20.9	17	2.7	2.1	48	34

Name of State/UT	Neo Natal Mortality Rate		Safe Delivery		Ante Natal Care(3 ANCs)		Immunization	
	Current level NFHS-2	Expected Level 2007	Current level NFHS-2	Expected Level 2007	Current level NFHS-2	Expected Level2007		
All India	43.4	26	42.3	80	43.8	90	42	100
Maharashtra	32.0	20	59.49	95	65.4	98	78.4	100

Primary Health Care Infrastructure

Mahrashtra has a gap of about 800 sub-centres as per the 1991 population norms (Table). The Department of Family Welfare is currently providing funds for all ANMs as per the 1991 population norms. The state may immediately take steps to ensure that these ANMs are recruited and posted. This would ensure better coverage under Family Welfare programme. The existing gap of 88 in the number of CHCs can be filled by sub-district hospitals.

Table - Primary Health Care Infrastructure

	Subcentre	PHC	CHC	Subdist Hospitals	Dispensaries
Required	10533	1756	439	-	-
Existent	9725	1768	351	372	345

The state has sanctioned 3441 medical officers against the requirement of 1756. Of these 3160 are in position. The existing vacancies at sanctioned posts may be filled with the medical officers in Rural Family Welfare Center (428). The state has almost double the required number of doctors at PHC as per the norms. This large workforce should be utilized to improve the quality of health and family welfare services. Against the requirement of 1756 specialists in CHCs there are only 1032. There are about 120 vacant posts of specialists in CHCs. These may be filled by the specialists posted in the post partum centers (138). This reorganization and restructuring of existing manpower and infrastructure is likely to substantially improve functional status of primary health care institutions in the state and enable the state to achieve improved quality and coverage of health and family welfare services without any major additional inputs.

Nutrition

The under nutrition rates in the state are high (Table) especially taking into account the fact that per capita income-wise, the state ranks the best in the country. There are substantial regional variations within the state. The state will have to invest substantially in nutrition education to ensure exclusive breast-feeding in the 6 months and promoting appropriate intra-family distribution of food based on requirements and dietary diversification to meet the nutritional needs of the family, so that under nutrition in the critically 6-24 month of age group is reduced

Table. National and state level goals for Nutrition for the Tenth plan

State /UT	%Undernourished under age 3 years				Exclusive breastfeeding upto 6 months		Semisolid introduction at 6 months	
	Wt.for age below –3 SD		Wt.for age below -2 SD					
	Current Level	10th plan goals	Current Level	10th plan goals	Current Level	10th plan goals	Current Level	10th plan goals
INDIA	18.0	9.2	47.0	40.0	55.2	80.0	33.5	75.0
Mah.	17.6	8.8	49.6	42.2	38.5	55.8	30.8	69.0

Source for current level: NFHS 1998-99

Review of Annual Plan Proposals of Maharashtra for 2005-06

The financial scenario during the Ninth Plan, the Tenth Plan as also for subsequent years in respect of Maharashtra state is given in Table. The State has been utilizing the funds well to improve the delivery of health care services.

Table : Financial Scenario

	Total	Health	Nutrition	(Rs in lakhs)		
Ninth Plan outlay	3670000.00	91823	17892.00	Outlays for Health & PMGY/BMS		
%of Ninth Plan Outlay		2.5	0.5	Year	Health	BMS/PMGY
sum of annual plan outlays		137796.9	30015	1997-98	17391	9882
Ninth Plan expenditure		107269	23528	1998-99	22993	7142
Tenth Plan outlay	6663200.00	110666	34707	1999-2000	27798	6856.93
% of tenth plan outlay		1.7	0.5	2000-01	30485.85	1486.94
Annual Plan2002-03 outlay(BE)	1156200.00	40740	4564	2001-02	39128.91	1344.42
% of A.P.2002-03 outlay		3.5	0.4	2002-03	40740.00	1466.00
Annual Plan2003-04 outlay(BE)	1265000	76435.2	5671..6	2003-04	76435.2	1466 00
% of A.P.2003-04 outlay		6.0	0.5			
Annual Plan 2004-05	956896	36543.95	3100..6			
% of AP 2004-05 outlay		3 8	0.3			
Proposed Outlay 05-06	1058600	75465.52	10217.95			
% of AP 05-06 outlay		7 1	0 9			

Health

The percentage of allocation for health sector which was 2.5% during the 9th Plan declined to 1.7% in the 10th Plan. However, it rose to 3.5% in 2002-03 and further to 6% in 2003-04 . In the year 2004-05, however, the allocation for health in the state was down at 3.8% of the total allocation. This has, however, again risen to 7.1% during 2005-06. The state should maintain the allocation under health sector to improve the services and achieve the goals set under various disease control programmes

The state proposed in its Annual Plan 2004-05 provision of comprehensive primary health care in all its facets including population control, improvement and strengthening of health care delivery system, expansion of medical health services particularly in rural, hilly and tribal areas, sustained efforts to reduce birth rate, death rate and infant mortality rate to 18.0, 6.4 and 25 respectively by the year 2005.

Nutrition.

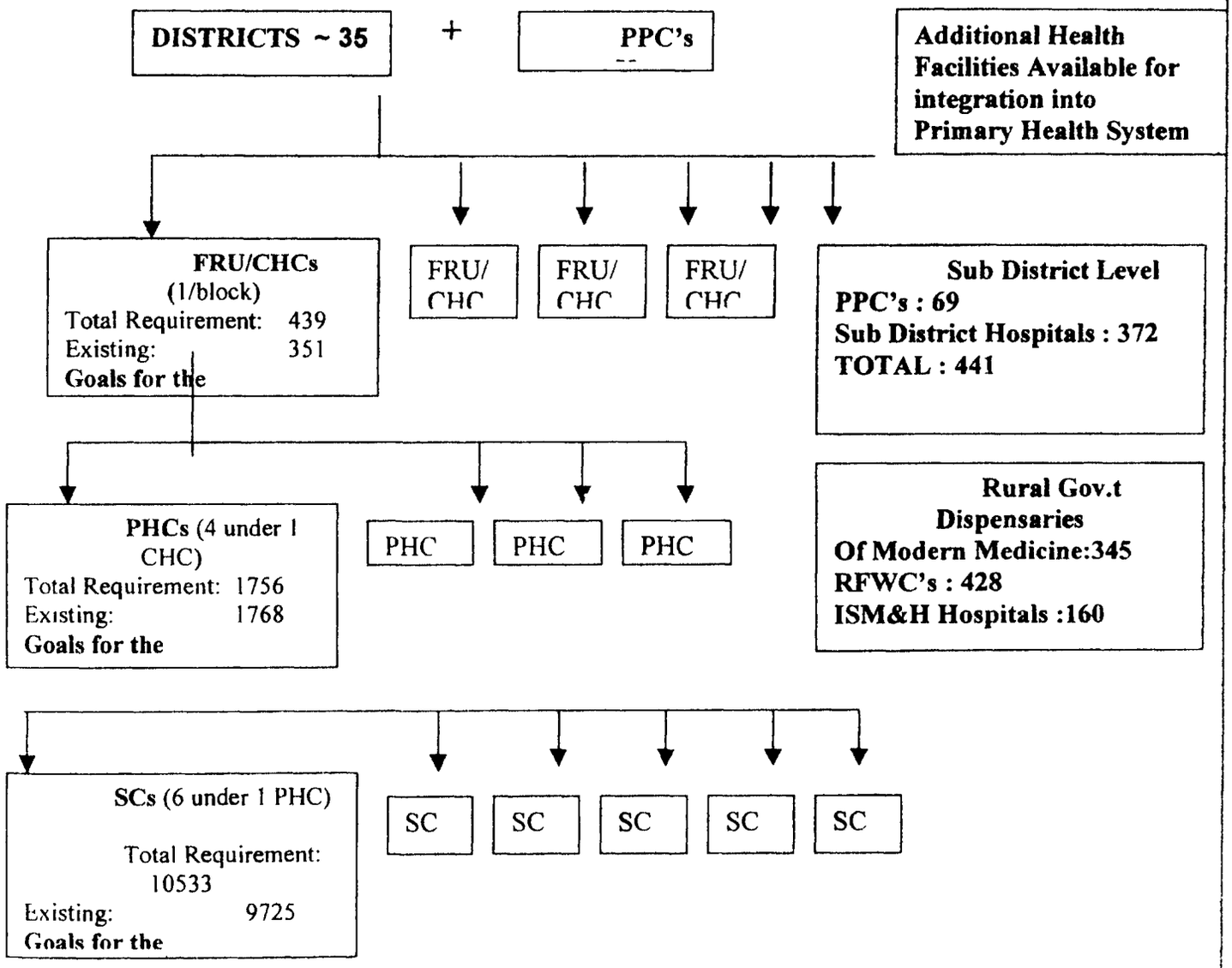
In the case of nutrition, the percentage of allocation was 0.5% in the 9th and the 10th Plan and also upto 2003-04. During 2004-05, it had come down to 0.3%. However, during 2005-06 the percentage of allocation proposed for Nutrition sector is at the higher level of 0.9%. Since undernutrition is a major problem in the state, the state may be requested to invest substantially in the sector to be able to decrease the prevalence of undernutrition and achieve the goals set for the state for the 10th Plan.

The state is expected to achieve replacement level of fertility by the end of Tenth Plan. It is therefore, imperative that steps are taken to improve content and quality of ante-natal care and achieve near 100% safe delivery so that there can be a concurrent and substantial decline in neo-natal mortality rate and infant mortality rate. .

The state has currently over 90% registration of births and 70% registration of deaths. It is important that efforts are made to obtain nearly 100% registration of birth and death and also improve ascertainment of age and cause of death. Given the substantial inter-district variation in health indices as well as health care availability only CRS can provide the database required both for decentralized district-wise planning and monitoring. Improved utilization of CRS data would also act as a stimulus for improving registration as well as quality of data provided by CRS.

APPENDIX I

DISTRICT HEALTH CARE INFRASTRUCTURE (MAHARASHTRA)



- 10th Plan goals for CHCs, PHCs, SCs have been calculated by adding state wise goals ignoring surplus in some states
- It is proposed to meet the 10th plan goals by restructuring and appropriate strengthening of suitably located available facilities utilizing GIS mapping

APPENDIX II

PRIMARY HEALTH CARE MANPOWER
(MAHARASHTRA)

EXISTING SITUATION IN THE DISTRICT

SPECIALISTS IN CHC'S
Required (R)- 1756
Sanctioned (S) 1152
In Position (P) 1032
Vacant (S-P) **120**
Gap (R-P) 724
Shortfall (R-S) 604

M.O's IN PHC'S
Required (R) 1756 Sanctioned (S) 3441 In Position (P) 3160 Vacant (S-P) 281
Excess (R-P)

ANM's IN SUBCENTRES
Required (R) 10533
Sanctioned (S) 9676
In Position (P) 8785
Vacant (S-P) 891
Gap(R-P) 1748

Lab.Tech's in PHC's &CHC's
Required (R) 2195
Sanctioned (S) 776
In Position (P) 743
Vacant (S-P) 33

Male.M.P.W. in S.C's
Required (R) 10533
Sanctioned (S) 7877
In Position (P) 6000
Vacant (S-P) 1877
Gap (R-P) 4533

Additional Health
Manpower Available at sub-district level for integration into Primary Health System

Sub-district Hosp.specialists
7 * 372 specialists : 2604
PPCs specialists
2 * 69: 138
TOTAL SPECIALISTS : 2742

Rural Dispensaries Doctors : 345
M.O.'s at RFWCs : 428
ISM&H Disp Doctors 486
ISM&H Hospital Doctors : 160
TOTAL DOCTORS : 1419

Dept. of F.W. provides for salaries of all 1.34 lakh ANM's

Lab.Tech's – malaria –737
- leprosyNA
TOTAL : NA
In addition contractual Lab Tech's are available under

M.P.W's – malaria – 4969
Leprosy - 2158
TOTAL : 7127
In addition contractual M.P.W's

(XIV) LABOUR AND EMPLOYMENT:

The population in the age group 15-59 years is considered as a predominant source of supply of the labour market. The age –group wise population based on the population census 2001 for the state is not yet available. Therefore, the ratio of population in the age group 15-59 years as estimated on the basis of the results of the state sample of 55th round of National Sample Survey (NSS) has been used by Planning Department of Government of Maharashtra to project population in this age group. The projected population in the age –group 15-59 years for the Tenth Plan period (2002-2007) is given in theTable-1.

Projected population (age 15-59) of the State (In lakh)

	Males		Females		Persons	
	Rural	Urban	Rural	Urban	Rural	Urban
Year						
2002-03	170.22	147.86	168.18	129.06	338.31	276.91
2003-04	172.75	152.30	170.45	132.91	343.13	285.20
2004-05	175.32	156.87	172.76	136.88	348.00	293.74
2005-06	177.93	161.57	175.09	140.97	352.95	302.53
2006-07	180.58	166.42	177.46	145.18	357.97	311.59

Labour force

The latest survey round under which the detailed data on employment and unemployment has been collected is 55th round of NSS. The field work of this survey round was carried out during 1st July 1999 to 30th June 2000. The provisional results of the state sample based on the quick tabulation of the survey data for Maharashtra have been utilized by Planning Department of Maharashtra in deriving the estimates of labour force and unemployment during the Tenth Plan period. The Planning Department of Mahatashtra is of the view that the current weekly status is more relevant for measurement of unemployment and employment in rural areas since the population in the rural region lacks continuous or regular type of employment due to seasonal nature of agriculture activities. While in the urban areas, the usual status is more relevant in the measurement of employment and unemployment. Therefore, the estimates of labour force and unemployment as given in Plan Document of Maharashtra are with respect to current weekly status for rural areas and usual status for urban areas of the State.

The Table –2 gives labour force participation rate, work participation rate and unemployment rate as estimated on the basis of 55th round of NSS. For the population in the age group 15-59 years.

Labour force, work participation and unemployment rates (55th round of NSS)

S.No.	Item	Rural		Urban	
		males	females	males	females
1	Percentage of labour force to population	83.53	47.82	80.51	16.38
2	Percentage of workers to population	82.26	47.45	76.59	15.29
3	Percentage of unemployed	1.88	0.77	4.51	7.22

On the assumption that above rates would be considered to hold good in the Tenth Plan, Planning Department Of Maharashtra has estimated number of labour force, number of unemployed persons and net addition to labour force for each year of Tenth plan and shown in Table –3.

Estimates of Unemployed Persons (15-59 age) including net addition to labour force in each year of the Xth plan (figures in lakh)

Year	Rural –Unemployed +Net addition to labour force each year		Urban –Unemployed +Net addition to labour force each year		Total –Unemployed +Net addition to Labour force each year
	males	females	males	females	persons
2002-03	2.68	.62	5.37	1.54	10.21
2003-04	4.80	1.71	8.45	2.17	16.63
2004-05	6.96	2.82	12.63	2.8.3	25.23
2005-06	9.15	3.93	16.41	3.50	32.99
2006-07	11.37	5.06	20.31	4.20	40.94

Note- provisional results as given in Maharashtra Plan document 2003-2004part-I chapter 12.

The estimates number of unemployed persons before 10th plan is 10.21 lakhs. Beside this there would be net addition of 30.43 lakhs persons to the labour force during the 10th Five year plan. Thus 40.59 lakhs employment will have to be provided during plan period .

Incidence of unemployment

The incidence of unemployment on current daily basis, during 1999-2000 is given in the Table-4. As per this data incidence of unemployment is highest among urban female and lowest among rural male of Maharashtra. Unemployment rate is also higher in urban areas than rural areas as compared to All India indicators. This phenomenon can be due to higher migration of labour force in urban areas of Maharashtra.

Current daily status unemployment rates 1999-2000 (per cent of labour force)

	RURAL			URBAN		
	Male	Female	Persons	Male	Female	Persons
Maharashtra	6.3	6.9	6.5	7.7	10.0	8.1
All India	7.2	7.0	7.1	7.3	9.4	7.7

Unemployment among youth

The segment of population, where the problem of unemployment, in terms of incidence of unemployment is very high is the youth. It is true at the All India level and also for the state of Maharashtra. (Table-5) In case of this group, the rate of unemployment is highest among urban female (21.1 % of labour force) and lowest among rural female (8.9 % of labour force) in Maharashra at All India level also situation is not dofferent.

Current daily status unemployment rates among youth 1999-2000 (per cent of labour force)

	RURAL			URBAN		
	Male	Female	Persons	Male	Female	Persons
Maharashtra	11.3	8.9	10.4	15.6	21.1	16.5
All India	11.1	10.6	11.0	14.7	19.1	15.4

Employment in organized sector

The distribution of employment in March 2001 in organized sector classified by broad economic activities revealed that 27.78% of the total employment is in manufacturing activity and 38.48 % in community, social and personal services, 13.77 % in transport, storage and communication, 7.77 % in electricity gas , water supply etc. and remaining were in other economic activities. Year wise no. of employees in organized sector is given below..

No . of employees in organized sector (in lakhs) at the end of						
March1996	March 1997	March1998	March1999	March2000	March2002	March2003
38.62	34.51	38.48	38.10	37.60	36.34	35.93

The table indicates that there is fall in employment in organized sector since 1998.

Unemployment amongst educated.

Year wise trends in unemployment of educated persons i.e. matriculate and above from December 1997 to 30th June 2001 can be seen from the Table-7.

s.no.	Educational level	Dec.1998	Dec.1999	Dec. 2000	Dec2001	Dec.2002	June2003
1	Matriculate & Intermediates	2509325	2702990	2828314	2934435	2804437	2753972
2	ITI trained	108957	118440	117794	129254	123528	130769
3	Eng.Diploma holders	41456	46557	55402	59924	54693	57127
4	Engineering Degree.	17257	20080	22603	23853	25218	22453
5	Post Graduates	34482	36664	38476	36520	35129	36276
6	Other Graduates	313611	340915	365603	379710	363005	361762
	total	3025098	3265646	3428192	3563696	3406010	3362359

More than 81.90 per cent of the total educated employment seekers on the Live Register of Employment Exchange as on 30th June2003 were Matriculate and Intermediates. These include sizable proportion of employment seekers nether having any professional skill nor any job experience. The number of Engineering Diploma holders and the number of trained I.T.I. employment seekers is gradually increasing which may presumably be attributed to lack of adequate experience in the trade.

Labour and labour welfare Plan

The details of provisions made during Ninth Plan 1997-2002, plan expenditure during 1997-2002, outlay and anticipated expenditure for annual plan 2003-04 , and proposed outlay for annual plan 2004-05 under Labour and Labour Welfare sector are given below

(Rs. in lakhs)

s.no.	Sector/sub sector	Ninth plan 1997-02 outlay	Actual expenditure 1997-02	Tenth Plan 2002-07 outlay	Annual plan 2004-05		Annual plan 2005-06 Outlay
					outlay	Anticipated Expenditure	
1	Labour administration	530.00	74.44	246.0	11.50	11.50	30.00
2	Rehabilitation of bonded labour	4.00	.1.60	24.00	2.20	2.20	4.00
3	Assistance to labour co-operatives	10.00	1.60	8.00	4.61	4.61	0.35
4	Vocational training programme	27000.00	15722.24	53479.00	5034 77	5034.77	13931 16
5	Employment services	2200 00	477.93	2498 00	151 59	82.00	151.06
6	Sanjay Gandhi Swavalamban Yojana.	1200.00	688.01	1707.00	189.54	1104.25	4.91
	Total	**30944.00**	**16957.40**	**57962.00**	**5239.33**	**5239.33**	**14121.48**

Labour and labour welfare sector in Maharashtra consist of six main programmes as shown in above table. During Tenth Plan 2002-07 outlay of Rs. 57962.00 lakhs has been proposed as compared to Ninth Plan outlay of Rs. 30944. 00 lakhs, and actual/anticipated expenditure of Rs.16957.40. The actual / anticipated expenditure during Ninth Plan at current prices is only 64% of Ninth Plan outlay. The proposed outlay for Tenth Plan is 87 % higher than Ninth Plan outlay . The proposed outlay for Annual Plan 2005-06 is Rs. 14121.48 lakhs as compared to Rs. 5239.33. lakhs for the year 2004-05.The Proposed outlay includes financial backlog of Rs. 6569.00 lakhs. The backlog is for construction of Administrative Building and workshops. State Government may be asked to review the plan schemes again to remove this backlog from the plan proposals.

Rehabilitation of bonded labour

At the end of March 1998, 1364 bonded laborers were identified, 1287 were rehabilitated and 77 are not required to be rehabilitated for some or other reasons but still

there is a proposal of outlay for tenth plan which is Rs. 24.00 lakhs. Out of that an outlay of Rs. 4.00 lakh is provided for Annual Plan 2005-06

Craftsman Training Programme(Industrial Training Institutes)

In the Tenth Plan proposals the share of this activity is 92.28% (Rs.53479.00 lakh). The proposed outlay for Annual plan 2005-06 is Rs. 13931.16 lakh . The plan proposals are inclusive of Rs.6569.00 lakh to remove backlog for construction of Administrative Buildings and workshops.

At present there are 347 Government I.T.Is and 269 non –Government ITIs, with intake capacity of 65704 and 30724 respectively. Thus the total number of ITIs in the State is 616 with intake capacity of 94656. In order to extend the feasibility for vocational training to the people, the state government has taken a decision to set up in phased manner, one government ITI in every taluka where no ITI exist at present. In order to take proper care of certain skill areas in the context of technological advancement as well as development in other sectors viz: Electronic Industry, creation of TV Transmission centers, Air conditioning etc. about 50000 additional seats are to be provided. For this State has provided Rs. 6835.00 lakh for tenth plan and Rs.1471.79. for Annual Plan 2005-06.

Employment services.

Employment organization deals with rendering of employment assistance to employment seekers and collection of employment market information, which is very useful for manpower planning like starting of training and technical education programme. The following Table-9 shows the position regarding number of candidates registered, vacancies notified candidates placed in employment and those remained on Live Register (L.R.) of employment Exchanges for last six years.

Table-9

year	No of registrations notified	No of vacancies notified	No. of placement	No. of applicants on the L. R. of exchanges
1997-98	6,96,780	44,442	21,381	39,23371
1998-99	7,84,882	46,372	16,047	41,52,155
1999-00	8,52,838	45,151	16,670	42,25,722
2000-01	6,68,526	31,844	17,120	43,22,086
2001-02	6,37,820	32,883	11,827	44,14,783
2002-03	6,90,972	44,416	10,119	3,978,989

The above table indicates that the job opportunities that are notified to the Employment Exchanges are far less than the inflow of registrations and therefore, the number of applications on Live Register are increasing.

Setting up of Employment Coaching-cum –Guidance Centre in Tribal Areas.

To provide employment services to schedule tribes in the state, Employment coaching-cum Guidance centers in 8 tribal districts are functioning. An outlay of Rs 282.80 lakhs for Tenth Plan is provided for this scheme.

Employment Generation Programmes.

Government of Maharashtra has launched various programmes through District Industries Centers, SICOM, MSFC, MIDC, MAIDC, MSSIDC Regional Development Corporations for promoting the Industrial activities in the State which may be able to generate additional employment. In order to improve employment in rural areas , massive investments have been proposed for filling up the gaps in the productive infrastructure of agriculture and allied activities. Besides this, special employment generation programmes viz. Employment Guarantee Scheme and Government of India sponsored Jawahar Gram Samrudi Yojana, Nehru Rojgar Yojana are also in operation.

In addition to above Govt. has launched some special programmes like Seed Money Assistance, Prime Minister 's Rojgar Yojana (PMRY), Sanjay Gandhi Swavalamban Yojana for the promotion of employment/ self employment opportunities.

Seats utilization in respect of Apprenticeship Training Schemes

The seat utilization in respect of Apprentices Training Schemes is very good in case of Maharashtra.. Seat utilization in respect of different schemes as on 30.06.2001 is given in Table –10. The seats utilization is as high as 90 % in case of Trade Apprentices training scheme, 53% in Graduate Apprentices training and 59% in respect of Technician Apprentices.

Details of Seats Utilisation in respect of Apprentices of Training Schemes (Position as on 30.06.2001)

S.No	Type of Apprentices	No. of. Seats Located		No. of .Seats Utilised		% of Seats Utilisation	
		All India	Maharashtra	All India	Maharas htra	All India	Maharashtra
1	Trade Apprentices	182332	28227	130014	25394	71	90
2	Graduate Apprentices	20263	3400	6679	1811	33	53
3	Technician Apprentices	38785	4563	21812	2712	56	59
4	Technician Vocational Apprentices	20546	4980	5109	1361	25	27

Issues

1. There is need far scheme wise discussion on new initiative to be taken during Tenth Plan Period.
2. No social security scheme has been proposed for unorganized labour in the state to provide some relief to large number of workers engaged in this sector.
3. State government may consider introduction of some courses in ITI.s on Travel and Tourism for better employment opportunity in the state of Maharashtra.
4. Results of employment programmes in the state may be discussed.

(XV) ENVIRONMENT AND FORESTS:

Forestry & Wildlife

The forest and tree cover of the state as per the FSI 2001 report is 55751 sq km which constitutes 18.1% of the geographical area. In spite of 20.1% of the land being recorded forests, forest cover is only 15.4%. Earnest efforts are required to bring more area under tree cover within as well as outside forestlands.

The proposed allocation for the Annual Plan 2005-06 is Rs.16.84 crore for Forestry & Wildlife Sector and Rs.1.75 crore for Social Forestry which together constitutes 0.17% of the total Plan size (Rs.10586.00 crore). The approved outlay for the Annual Plan 2004-05 is Rs.27.36 crore for Forestry & Wildlife and Rs.1.75 crore for Social Forestry Sector and the anticipated expenditure is Rs.38.15 crore and Rs.0.96 crore respectively. The allocation to Forestry and Wildlife Sector is too low and should be enhanced to at least 2%. Much more is required to be done in order to bring 15.43% forest area to National target and conserve large tracts of degraded forests. Specific schemes for afforestation in degraded forests and sustainable use of bamboo should be taken up.

For successful afforestation of non-forest lands, involvement of communities is crucial. The control on felling & transport should be rationalized to the extent possible to promote agro-forestry in the state. Incentives for agroforestry on par with agricultural crops could go a long way in bringing about the ecological integrity in rural areas.

The Forest Development Corporation and Tribal Development Corporation have monopoly rights of 29 NTFPs. Scientific ways of collection, value addition, processing and utilization of these produce should be promoted. Management of NTFP is linked to the livelihood of communities and should be left to them for winning reciprocal commitment for conservation. The NTFP ownership lies with the village community in schedule V areas. The institutional arrangements/modalities for handling this commodity by the village community may be worked out involving them for conservation of these resources also.

Minor Forest Produce Development, Joint Forest Management and rehabilitation of degraded forests should be integrated with a single initiative – employment generation based on processing and marketing of minor forest produce.

The State is rich in bamboo resource. Adequately organized value addition trade and conservation of this resource will fetch more value and provide productive employment opportunities. A plywood (mat board) factory called "Supernatural Plywood" has been established in Gadchiroli District, using bamboo mats as raw material. About 500 families are supplying raw material required for the factory. Government intervention for promotion of these products could lead to growth of bamboo related rural economy

Ecology & Environment

No allocation has been made for the environment sector for the Annual Plan 2005-06. For previous Plan also, there was no allocation for this sector. This is a matter of concern in view of the serious environment issues related to the industrial and commercial centres in cities like Mumbai, Nagpur, Nasik etc. which require strong action for sound environment management. The reason for not allocating any resources to this sector as the expenditure has become non-Plan.

The Department of Environment has identified the following major activities

- Pollution control and monitoring
    a. Water Pollution
    b. Air Pollution
    c. Noise Pollution
- Environmental Control and monitoring
- Conservation of Natural Resources harmoniously with the developmental activities in the State
- Eco-development
- Environmental Education and Awareness Building

NRCD

Under the National River Conservation Plan (NRCP), river pollution abatement works (i.e. Sewage Treatment Plants, Interception & Diversion of sewage, low cost sanitation etc.) are being carried out in towns of Karad, Nasik, Sangli and Trimbakeshwar. Similarly, pollution abatement works have been taken up on Powai lake under National Lake Conservation Plan (NLCP). There is no mention of these programmmes under the Annual Plan 2005-06 of the State. Government of Maharashtra should ensure Operation & Maintenance of assets created under NRCP and NLCP by providing adequate financial and physical resources for the purpose.

Despite being a progressive State, leading in industrial and financial activities, being posed as regional financial capital, Maharashtra gives no importance to environment, forestry, ecology and cleaner life. The proposed allocation is by far the lowest among the States and can hardly serve any purpose.

(XVI) INDUSTRY:

Maharashtra is one of the most industrialized states in the country having advantages of nearness to seaports and natural gas grid. There are only few issues related to other than VSI industries –

1. Development of growth centers : In addition to 5 Growth Centres under CSS, the State has undertaken a very massive plan to develop another 65 growth centers in the backward areas of the State. As per PEO study, the growth center scheme is not found very successful at most of the places. If physical limitation of a location is balanced with the pressure of subsidy, the industry created there would need spoon-feeding for all time to come – a liability which the State will not like to carry for long. There is another question related with its management. Is the State involved in the management indirectly and incurring expenses through salaries of their officers and staff or these have been left to industry to manage themselves?
2. The State has undertaken a second generation reform since 01/04/2001 which provides a fairly large number of advantages to industries specifically to improve policy environment. A few of them are mentioned below. The incentive or reform would end by end of this FY when it completes its full term of 5 years. What has been the experience of the State in providing the incentives and discharging liabilities? Are these incentives essential for survival of the industries? Would the State like to continue the same (or some of) incentives in future also?

    - Exemption for electricity duty for10/15 years.
    - Waiver of stamp duty
    - Refund of octroi
    - Scheme of specialized areas
    - CPP allowed in case of IT, cogeneration, hydro-electric and generation from other non-conventional sources
    - Gas cooperation agreement
    - Reform in labour laws and procedure

3. The State had taken a decision to close the State Textile Corporation after giving Voluntary Retirement Scheme (VRS) to 10,000 employees at an expenditure of Rs. 204 crore. Out of the total Tenth Plan outlay of Rs. 200 crore, State would incur expenses of (14.45 + 15.5 + 16.05) = 46 crore by 01/04/2006 and all of it under only one scheme, that is, State Textile Corporation. Is the Plan fund being diverted for VRS? If not, what is the source for providing VRS to the 10,000 employees of Corporation?
4. State has not indicated the status of their Public Sector Enterprises such as their performance, disinvestments efforts, sickness and schemes of revival, etc.

Points for Consideration:

1. Statistical information on structure and growth rates of industry sector in Maharashtra. This may include physical output of key sectors, value of output, contribution to SDP, exports and employment.
2. Current status of related infrastructure such as power, water, roads, R&D, quality certification, consumer protection, etc. Physical targets/achievements in respect of providing world-class infrastructure at the doorstep of industry in the last two years may be provided.
3. Key initiatives launched/proposed to be launched for enhancing investor-friendly climate including measures for increasing competition, regulatory reforms in areas such as labour/land and re-engineering of industry-related clearances. Domestic and foreign direct investment figures may be provided.
4. List of State Public Sector Units, physical and financial performance during the last two years, □isinvestments, revival and closure features. How many PSUs are profit-making and how many are loss-making. In case of running units, their consumption norms and energy efficiency in comparison to similar nationally and internationally best plants must be provided.
5. Incidence of local taxes/levies on industrial products and efforts for lowering their incidence to a reasonable level.
6. Latest status of ongoing projects under Centrally Sponsored Schemes such as Apparel Parks, TCIDS, IIUS/MAI/ASIDE.
7. Information regarding Consumer Protection.
8. The level of subsidy given/proposed to be given to industry sector in various forms.
9. Projects commissioned/proposed to be commissioned in PPP (Public Private Partnership) mode. Policy measures to create conducive atmosphere to invite PPP in the field of industrial and infrastructure development.
10. Requirement and availability of quality testing and certification and proposals in this regard.
11. A time-schedule showing the different activities connected with the progress of the growth centers and Integrated Infrastructure Development Centres must be furnished.
12. Maharashtra should make all-out efforts to boost its exports to the neighbouring countries of the products made out of the locally available resources

(XVII) EDUCATION:

Education plays pivotal role in human development and in achieving the goals /targets set by any state. Hence universalisation of education and eradication of literacy among the people are the steps towards achieving basic objectives of the Tenth Plan. The thrust areas identified by the general education by the Government of Maharashtra are : to accelerate the progress of universalisation of school education and make it accessible in rural, urban, tribal and backward areas. The targets can also be achieved by reducing the drop out rate at all levels of education by encouraging the weaker sections of the society to send their children to school and by literating adults. For the education sector, for 2005-06 an amount of Rs.37123.88 lakhs has been earmarked for school education and Rs.39022.23 lakhs for higher and technical education.

(Rs. In lakhs)

Sector		Annual Plan 2005-06 Outlay
I.	School Education Department	
1.	Elementary Education	18452.01
2.	Secondary Education	16939.99
3.	Adult Education	70.00
4.	Other Edul. Prg.	1111.88
5.	Physical Education (NCC)	50.00
	Total	37123.88
II.	Higher and Technical Education Department	
1.	University and Higher Education	1877.02
2.	Physical Education (NCC)	21.33
	Total	1898.35
	Grand Total)I + II)	39022.23

The thrust areas for Annual Plan 2005-06 are as under:

Primary Education

- Opening of primary schools in school-less villages within radius of 1 km for population pocket of 100 people. Rs.79.78 lakhs is the outlay for this.

- Providing primary education for out of school children through schools run by Zila Parishads to help the children of sugarcane factory workers. The facility of providing education through Vasti Shalas run by Gram Panchayats for the population of 200 and in un-accessible areas of population of 100 will be the focus. An outlay of Rs.20.22 lakhs is earmarked for this scheme.

- Achieving 100% enrolment in age group of 6-14 through Sarva Shiksha Abhiyan. An amount of Rs.12267.75 lakhs for SSA has been earmarked out of which Central Government assistance for this scheme is 75% in the Tenth Five Year Plan.

- Appointing primary education teachers under Shikshan Sewak scheme and allocation for 2005-06 is Rs.2184.88 lakhs

- Opening of Balbaris in Zila Parishad primary schools to achieve the objective of acquainting the children with school environment, in-culcating good and healthy habits among the children, developing senses through play way methods and reducing the drop out rate with an outlay of Rs.1.66 lakhs.

- By providing free books to the needy through Book Bank. An amount of Rs.1115.30 lakhs has been earmarked for this. Free text-books are also provided to students in 103 blocks where the female literacy rate is below the national average and an outlay for 2005-06 is Rs.140.49 lakhs

- By providing school uniform and writing material to students belonging to SC and ST category. Outlay for this scheme is TRs.856.64 lakhs.

- Free uniforms and writing material would also be provided to all students from Class I to IV in 103 blocks where female literacy rate is below the national average. An outlay of Rs.567.99 lakhs is allocated.

- Providing incentive in the form of attendance allowance to girls from weaker sections of the society. An outlay provided for this scheme is Rs.1191.03 lakhs for 2005-06.

Secondary Education

For secondary education an outlay of Rs.7514.00 lakhs has been provided for opening of new non-government secondary schools and an outlay of Rs.2384.00 lakhs for development and expansion of non-government secondary schools.

Important Points of Discussion.

- Outlay for education sector has been increased for Annual Plan 2005-06 in comparison to 2004-05 with regard to elementary education, secondary education

and also for adult education, physical education and for other educational programmes.

- The State should provide funds towards its share for SSA.

- Mid Day Meal Scheme needs to be discussed.

- The steps taken for improving the female literacy rate needs to be discussed.

- Provision of vocational training for students who drop out from school at upper primary, secondary level needs to be taken up.

- State Government has not earmarked funds for maintenance of primary schools in low literacy area of the State.

- State should avail of centrally sponsored schemes for promoting youth welfare activities.

- State should procure central funds for preserving and promoting Indian heritage and culture.

- For improving the quality of school education, in-service training of teachers plays a vital role and the same needs to be discussed.

(XVIII) SPECIAL AREA PROGRAMMES:

i) Wardha Plan: The Wardha Plan was formulated by the State Government on the basis of Gandhian principles viz. work and health for all, emphasis on village and small scale industries, utilization of local resources, bringing families above poverty line in the district, etc.

The following development works are under taken in Wardha Plan – K.T. Weirs, Rearing of Cross bred calves and upgraged Cross bred cow, distribution of Bicycle and cold boxes, Prawn seed storage programme and rehabilitation of leprosy patients. 50 per cent subsidy for farmers below poverty line and backward class for purchasing PVC pipes and grants for purchase of books for Government libraries etc.

For the Annual Plan 2005-06, the State Government has proposed an amount of Rs. 75.00 lakh for this scheme. The approved outlay for the current year 2004-05 for the programme is Rs. 20.62 lakh and the State Government anticipate to incur 100 % expenditure against the same. Though, the amount proposed by the State Government for the 2005-06 is higher than the approved outlay and anticipated expenditure for the current year, we have no objection for the same and agree to the amount proposed by the State Government.

ii) Special Action Plan for Hill Areas (P.D.) The State Government has identified certain Hill Areas which require special attention and on the recommendation made by the Cabinet Sub Committee, the State Government has declared 73 talukas (fully) and 34 talukas (partly) from 21 districts in the State as Hilly Area. Out of the total funds available for this programme, 50 % of the funds are spent on priority basis for construction of Primary School rooms and from the balance funds available, irrigation works, construction of roads, water supply works, construction of community hall and construction of S.T. Pick UP Shads are being undertaken.

For the Annual Plan 2005-06, the State Government has proposed an amount of Rs. 4673.00 lakh for this scheme. The approve outlay for the current year 2004-05 for the programme is Rs. 1711.00 lakh and the State Government anticipate to incur 100 % expenditure against the same. Though, the amount proposed by the State Government for the 2005-06 is higher than the approved outlay and anticipated expenditure for the current year, we have no objection for the same

iii) Western Ghats Development Programme (WGDP) : The Western Ghats Development Programme is a Centrally Sponsored Programme for which a separate annual plan is prepared by the State Government and approved by Planning Commission. The main objectives of the programme are eco-preservation and eco-restoration with a focus on sustainable use of bio-diversity. The programme also focuses on the needs and aspiration of local communities particularly community participation in the design and implementation of the strategies for conservation of bio-diversity and sustainable

livelihoods. The Special Central Assistance under the programme is to be used as an additive to normal State Plan flows. 63 talukas of Maharashtra are covered under the programme.

The State Government of Maharashtra has proposed an outlay of Rs. 2106.00 lakh for Annual Plan 2005-06 under WGDP. For the Annual Plan 2005-06, the quantum of Special Central Assistance under "Designated Hill Areas Development Programmes" has been finalized at current year's level. The current year's outlay under WGDP is Rs. 2106.00 lakh, as such the outlay proposed by the State Government is the same as approved for the current year 2004-05. We support the outlay of Rs. 2106.00 lakh proposed by the State Government of Maharashtra under WGDP for Annual Plan 2005-06.

iv) Rashtriya Sam Vikas Yojana (RSVY): The main objectives of the scheme are to address the problems of low agricultural productivity, unemployment, and to fill critical gaps in physical and social infrastructure. The District Administration /Panchayati Raj Institutions according are required to prepare a Three-Year master Plan with nested Annual Action Plans. The Plan is to be based on a SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis, review of ongoing schemes and identification of few lead sectors wherein state intervention would help the district overcome major bottlenecks in development. The additionality is to be used to meet local needs through schemes in these lead sectors which would make a dent on the poverty of the district in a time bound manner. A sum of Rs. 15.00 crore per year is provided to each of the districts for a period of three years i.e. a total of Rs. 45.00 crore per district. Funds are released to the State Governments on 100% grant basis in suitable instalments linked with satisfactory progress of the District Plan.

For the Annual Plan 2005-06, under the scheme the State Government has proposed an amount of Rs. 13500.00 lakh under the head 'Other programmes' 9 districts of Maharashtra namely Gadchiroli, Bhandara, Gondia, Chandrapur, Hingoli, Nanded, Dhule, Nandurbar and Ahmednagar are covered under the programme. Therefore, the amount proposed is as per the requirement for the Annual Plan 2005-06 and is supported by the MLP Division.

Annexure - I

APPROVED SCHEME OF FINANCING FOR ANNUAL PLAN 2004-05 OF MAHARASHTRA

Sl.No.				Item	Rs. Crore Annual Plan 2004-05
A.				**State's Own Resources (1 to 12)**	**6195.80**
	1			Balance from Current Revenues	-3988.78
				(of which ARM)	0.00
	2			Contribution of Public Enterprises	0.00
		(i)		State Electricity Board	0.00
				(of which ARM)	0.00
		(ii)		Road Transport Corporation	0.00
				(of which ARM)	0.00
		(iii)		Other Enterprises	0.00
	3			State Provident Funds	1652.06
	4			Misc Capital Receipts (Net)	-5798.19
	5			Special Grants under FC	154.76
		(i)		Upgradation and Special Problems	154.76
	6			Loans against small savings	6000.00
	7			Net Market Borrowings (SLR-based)	1076.90
	8			Negotiated Loans and other Finances	1607.05
		(i)		LIC	522.00
		(ii)		GIC	0.05
		(iii)		NABARD	470.00
		(iv)		REC	0.00
		(v)		IDBI	0.00
		(vi)		Others (HUDCO)	615.00
	9			Debentures/Bonds (Non-SLR based)	5492.00
	10			ARM agreed at Dy. Chmn.Level mtg.	0.00
	11			Adj. of opening Balance	0.00
	12			Net Surplus from Local Bodies.	0.00
B.				**Central Assistance (13 to 15)**	**3250.93**
	13			**Normal Central Assistance**	1108.02
	14			**Additional Central Assistance for EAPs**	680.28
	15			**Others (a) to (d)**	1462.63
		(a)		**Special Central Assistance.**	
			(i)	Border Areas Development Programme	0.00
			ii)	Hill Areas/Western Ghat Development Programme	21.06
			iii)	Tribal Sub Plan	33.51
			iv)	Grants under Article 275(1)	29.39
			v)	Special Central Assistance	0.00
		(b)		**ACA for specific projects**	
			(i)	Accelerated Irrigation Benefit Programme	337.00
			ii)	Accelerated Power Development Reform Programme	374.13
			iii)	Control of Shifting Cultivation	0.00
			iv)	Rashtriya Sam Vikas Yojana	135.00
			v)	Initiative for Strengthening Urban Infrastructure	71.85
			vi)	National Social Assistance Programme & Annapurna	49.32
			vii)	Prime Minister's Gramodaya Yojana	109.17
			viii)	Rural Electrification	0.00
			ix)	Roads & Bridges	91.60
			x)	Slum Development	50.88
			xi)	Nutrition Programme for Adolescent Girls.	15.26
		(c)		**Special Plan Assistance**	0.00
		(d)		**One time ACA for Specific Projects**	144.46
C.				**Aggregate Core Plan Resources (A+B)**	**9446.73**
D.				**Approved Plan Outlay**	**9446.73**

No. M13048/14/04-SP-Central
Planning Commission
(State Plans Division)

Yojana Bhawan, Sansad Marg
New Delhi, dated 16 December, 2004

Subject : Background Note for DCH-CM Madhya Pradesh, level meeting for finalisation of Annual Plan – 2005-06, Madhya Pradesh.

A background Note for the meeting to be held between Deputy Chairman, Planning Commission and the Chief Minister of Madhya Pradesh at Yojana Bhawan, at 3:30 PM on 21st December, 2004 for finalisation of the Annual Plan 2005-06, Madhya Pradesh, is hereby circulated.

Encl: As stated.

(Harish Chandra)
Director (SP-C)
Ph. 23096722

Planning Commission

Pr. Advisers

Advisers

JS(SP)

Heads of Divisions

PMO

Shri K.V. Pratap, Dy. Secretary

Ministry of Finance

Joint Secretary, (PF-I)
Deptt. of Expenditure, North Block
New Delhi

Copy to Private Secretary to :

Dy. Chairman / MOS

Members

Secretary

Copy also to :
Director (SP-Coord) / Deputy Adviser (PC Division)/DA(MLP&Hill Areas)/NEC Unit/Protocol Officer/Information Officer

STATE PROFILE OF MADHYA PRADESH

A.

1. Area	308 thousand sq. km
2. Population	6,03,48,023
3. Districts	45
4. Development Blocks	313
5. Villages (2001)	55393 (including un-inhabited villages)

B. COMPARATIVE FIGURES – MADHYA PRADESH VS. ALL INDIA

Sl.No.	Particulars	MADHYA PRADESH	All India
1	Per capita Income (2001-02) at current prices (in Rs.)	12027	17947
2	Population in lakh (2001)	603	10286
3	Sex Ratio (number of females per thousand males	919	933
4	Percentage of Urban Population (2001)	26.73%	27 78%
5	Annual decadal growth rate of population (1991-2001)	24.34	21.34
6	Density of population per Sq Km (2001).	196	324
7	Birth rate per thousand (2002)	30.3	25
8	Death rate per thousand (2002)	9.7	8.1
9	Infant mortality rate per thousand (2002)	85	63
10	Population below poverty line in % (1999-2000)		
	a) Rural	37.06%	27 09%
	b) Urban	38.44%	23.62%
11	Literacy rate in percent	67.3%	64.8%
	a) Male	66.1%	75.3%
	b) Female	50.3%	53 7%

Background Note
for DCH-CM level meeting for
finalization of Annual Plan 2005-06
of
Madhya Pradesh

A. Introduction

The present State of Madhya Pradesh came into existence on 1st November, 2000 as per the provisions of Madhya Pradesh Reorganisation Act, 2000. Under the existing Administrative set up, the State comprises of 9 Commissioner divisions, 48 districts, 272 tehsils and 313 community development blocks including 89 tribal development blocks. Under the three tier Panchayati Raj system the State was first to enact new Panchayati Raj Act subsequent to the 73rd and 74th Constitutional amendment. The State has 45 Zilla Panchayats 313 Janpad Panchayat and 22029 Village Panchayats. The State has at present 14 Municipal Corporations, 85 Municipalities and 235 Nagar Panchayats.

Madhya Pradesh is the second largest State in the country with 9.4 % of the total geographical area of the country. The geographical area of the State is 308 thousand Sq. K.M. The State is divided into 11 agro-climatic zones. The average annual rainfall in the State ranges from 1200 mm to 1600 mm. The forest cover of the State is 30.90%. Out of the total geographical area of 308 thousand Sq. K.M. 95.20 thousand Sq. K.M. is covered by forests. There are nine major perennial rivers flowing through the State. These are- Mahi, Narmada, Tapti, Chambal, Betwa, Sone, Wainganga, Ken and Pench. Originating in the State, these rivers flow to the five neighbouring States. The estimated run-off from the above water sheds is about 81523 million Cubic metre.

According to Census 2001, Madhya Pradesh has a population of 603.48 lakh which is 5.9% of the country's population. The population density is 196 persons per sq. km against the national average of 313 persons per Sq. K.M. The State has an urban population of 159.67 lakh whereas its rural population is 443.81 lakh. The ratio of rural population to urban population is 74:26 in the State. Out of the total population, 314.44 lakh are male while female constitute 289.04 lakh. The percentage of males and females in the State are 52.10% and 47.90% respectively. The sex ratio comes to 919 which is lower than the national level of 933. There is high concentration of Scheduled Tribe (ST) and Scheduled Caste (SC) population in the State. As per Census 2001, ST population is 122.23 lakh and the SC population is 91.55 lakh their percentages being 20.27 and 15.17 respectively. These are against the national figure of 8.2 % for ST and 16.2% for SC population. It may thus, be seen that the combined strength of ST & SC population in the State is more than a third of the State's total population. The decadal growth of population during the period 1991-2001 was 24.26% which was significantly higher than the national average of 21.23% The demographic scenario of Madhya Pradesh is still characterised by a very high birth rate, a significantly high death rate as well as a higher IMR. According to final estimates, the crude birth rate in the State is 30.4 as against the all India average of 25.0 whereas the crude death rate in the State is 9.8 against the national average of 8.1. The infant mortality rate is 85 which is higher than the all India average rate of 63. The life expectancy in the State (including Chhattisgarh) as per SRS based life table during 1993-97 is 55.6 years for male and 55.2 years for female This is against the national rates of 60.4 years for males and 61.8 years for females.

B. State Economy- A macro perspective :

(a) The State economy has grown at a compound rate of 3.69 % (divided MP) per annum during the 10 year period from 1993-94 to 2002-03. The Net State Domestic Product (NSDP) of Madhya Pradesh at current prices increased from Rs. 33937.27 crore in 1993-94 to Rs. 71386.53 crore in 2002-03 thereby recording a nearly two time increase during the ten year period and it is likely to increase upto Rs. 83696.34 crore during 2003-04. Similarly, the NSDP at constant prices (1993-94) increased to nearly 29.42 % from Rs. 33937.27 crore in 1993-94 to 43923.41 crore in 2002-03. Its likely increase during the year 2003-04 is Rs. 49537.75 crore. The annual growth rate in NSDP - both at current and constant prices of the State, is indicated below :

Year	Annual Growth Rate in Net State Domestic Products	
	At current prices	At constant (1993-94) prices
1993-94	-	-
1994-95	(+) 10.28	(+) 1.74
1995-96	(+) 12.48	(+) 6.00
1996-97	(+) 15.43	(+) 6.71
1997-98	(+) 9.37	(+) 5.23
1998-99	(+) 15.53	(+) 6.60
1999-2000	(+) 12.48	(+) 10.50
2000-01	(-) 7.15	(-) 11.65
2001-02(p)	(+) 14.61	(+) 9.97
2002-03 (Q)	(-) 2.85	(-) 6.62
2003-04 (A)	(+) 17.24	(+) 12.78

(P)-Provisional (Q)-Quick (A)- Advance.

As regards the sectoral composition of NSDP of Madhya Pradesh, it is observed that the contribution of the Primary sector (Agriculture- including Animal Husbandry) to the total NSDP has come down drastically from 45.70% in 1993-94 to 30.75% in 2002-03 Due to drought condition during 2002-03, the fall in the agriculture sector (including animal husbandry) has been estimated as 23.36% from 39.98% and in case of forestry 2.76% from 2.85% during the period. On the other hand, the contribution of the Secondary sector (Manufacturing sector) increased from 18.60% in 1993-94 to 25.99% in 2002-03. and that of the Tertiary sector from 35.7.% to 43.26% during the same period.

(b) The per capita income in the State of Madhya Pradesh at current prices increased from Rs. 6584/- in 1993-94 to Rs. 11438/- in 2002-03 (Quick). It is estimated to rise to Rs. 13141/- in 2003-04 (Advance) The per capita income level at constant prices (1993-94) has also increased from Rs. 6584/- to 7038/- (Q) and Rs. 7778/- (A) during this period. Thus, in real term, the per capita income in Madhya Pradesh increased at a compound rate of 1.50% only during the period 1993-94 to 2003-04 (A). The lower growth rate in this regard has been attributed to high rate of population growth during the period under reference.

The low per capita income is a comprehensive indicator of the State's economy. Incidentally, the per capita income level of Madhya Pradesh is comparable to the other backward economy of the States like Uttar Pradesh, Bihar and Orissa. It may be stated that the per capita income of Madhya Pradesh in 2002-03 (Q) at current prices is Rs. 11438/-

which is far below the all India per capita income of Rs. 17978/-. The estimated per capita income of Rs. 13141/- (A) of 2003-04 of the State is still classified as low. It may also be stated that the per capita income level of some of the developed States like Punjab, Haryana, Maharastra and Gujarat is more than twice than that of Madhya Pradesh. The per capita income of Andhra Pradesh, Karnataka and Tamil Nadu is higher by 50.55 %, 67.33 %and 79.00% respectively than that of the State of Madhya Pradesh.

(c) Sectoral growth rates :

The following Table shows the sectoral growth and composition of Net State Domestic Product of Madhya Pradesh from 1993-94 to 2002-03.

Table :

Primary sector	Percentage distribution of Net State Domestic Product at Current Prices									
	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02 (P)	02-03 (Q)
Primary sector (Agriculture including Animal Husbandry)	45.70	42.78	41.41	42.09	40 91	40.34	38 92	32.44	36 54	30 75
Secondary sector (Manufactur -ing Registered & Un-registered)	18.60	21.04	21.51	20 41	20.76	20.96	22.92	25 17	23 00	25.99
Tertiary Sector	35.70	36.18	37.08	37.50	38.33	38.70	38 16	42 39	40 46	43.26
Total	100	100	100	100	100	100	100	100	100	100

Source : State Plan Document 2005-06, Madhya Pradesh.

(d) Employment & Unemployment (Work force participation, gender-wise and rural/urban) :

According to Census 2001, out of State's total population of 603.48 lakh, the number of total workers was 257.94 lakh constituting 161.95 lakh males and 95 99 lakh females Of the total workers, 209.00 lakh were in rural areas and 48.94 lakh in urban areas The classification of main workers and marginal workers on the basis of the norm of minimum 183 days employment in a year brought their numbers at 191.03 lakhs and 66.91 lakhs respectively their percentages to the State's total population being 31.65 and 11.09 Of the total main workers, 42.79% constituted cultivators and 28.69% agricultural labours. Workers engaged in household industries and other industries constituted 4.01% and 24.51% respectively.

The number of persons on the live registers of State Employment Exchanges was 19.99 lakh on 31st December, 2003. Out of this the number of educated job seekers were 15.31 lakh.

The pattern of growth of population in the State has significant reflection in the labour force and employment scenario of the State of Madhya Pradesh.

(e) Poverty- trends, comparison with other States, national target and rural urban divide.

During the past five years the incidence of poverty in the State (Including Chhattisgarh) has declined from 42.52% in 1993-94 to 37.43 in 1999-2000 against the national average of 26.10%. The State was the third poorest among the 15 non-special category States in the year 1999-2000 the first being Orissa with 47.15% followed by Bihar with 42.60% Tehe incidence of poverty in the rural areas of the State is lower than the urban areas. In 1999-2000, the percentage of population living below the poverty line in rural areas was 37.06 % as against 38.44% for urban areas.

Given below is a comparative Statement on Poverty Ratio in 1973-74 and 1999-2000.:

Table: Poverty Ratio in 1973-74 and 1999-2000.

Rank *	States	1973-74			1999-2000		
		Rural	Urban	Combined	Rural	Urban	Combined
1	Jammu & Kashmir	45.51	21.32	40.83	3.97	1.98	3.48
20	India	56.44	49.01	54.88	27.09	23.62	26.10
30	Madhya Pradesh	62.66	57.65	61.78	37.06	38.44	37 43
32	Orissa	67.28	55.62	66.18	48.01	42.83	47.15

* Ranking is from least poor to poorest according to 1999-2000 data

Note For 1999-2000 the Poverty line of Himachal Pradesh and expenditure distribution of Jammu & Kashmir is used to estimate Poverty Ratio of Jammu & Kashmir.

Source : 10th Plan Document, Planning Commission. Vol. III Table 3.7

2. **Infrastructural indicators** :

Power : The total installed capacity of power of MSEB is 2990.5 MW in 2002-03 the ratio of Thermal and Hydel capacity being 72:28. The State produced 1541.83 crore kwh of power during 2002-03 against this installed capacity. The State is deficient in power position at present.

There has been a drastic change in the pattern of power consumption in the State during the past two years. The per capita power consumption has increased from 237 kwh in 2001-02 to 253 kwh in 2002-03. Use of power in the agricultural, industrial and commercial sectors is also rising.

Roads : The total road length in the State is per 100 Sq. KM was 24 km in 2002-03. This is against the all India average of 74.90 km. In case of un-surfaced roads the ' road length' is

only 4.02. Development of roads particularly when the rail communication is not sufficient in the State, bears importance. Given below is a comparative Statement on road statistics for the years from 1970-71 to 1996-97 :

Table : Road length per '000 Sq. K.M. of area

(In K.M.)

Rank	State	1970-71	1981-82	1991-92	1996-97
1	Delhi	7984	10527	14256	17924
17	India	344	466	615	749
24	Madhya Pradesh	162	242	321	451
31	Jammu & Kashmir	40	53	56	97

Note : States ranked according to 1996-97 data

Source : Basic Road Statistics, Ministry of Surface Transport, various issues from the 10th Plan Document, Vol. III, Planning Commission.

Civil Aviation : The State has five aerodromes maintained by the Air port Authority of India In the North, the aerodromes are connected with Delhi and in the West with Mumbai. However, the Eastern and Southern parts of the State have no such connections. Keeping in view the industrial and tourism requirements of the State, Peethampur (Indore), Malanpur (Gwalior), Mandideep (Bhopal), Maneri (Jabalpur) industrial towns and are served by these air-ports. Similarly, the major tourist places of the State like Gwalior, Khajoraho, Mandav, Jabalpur and Panchmari have air-ports nearby.

Postal & Telephone services : There were 5665 Post Offices in the State in 2001-02 serving a population of 10652 per Post Office. The number of telephone connection in 2002-03 was 1233 thousand giving connection to 20 per thousand population of the State.

Registered vehicle : The number of vehicles registered rose from 31 73 lakh in 2001-02 to 34.59 lakh in 2002-03. The highest increase has been in the number of motor cycles scooters and mopeds. The number of commercial vehicles also increased substantially during this period. The number of various commercial vehicles were 3.91 lakh in 2002-03 constituting about 11.30% of the total registered vehicles.

Health : In line with the national health policy of Health For All, the State has formulated strategies for development of the three tire health infrastructure facilities. At present the State has 39 District Hospitals, 227 CHCs, 1194 PHCs, 57 Urban Health Centres, 97 Civil Dispensaries, 97 Family Welfare Centres, 7 T.B. Hospitals and 8835 Sub-health Centres along with facilities of Indian System of Medicine. Besides, the National Health Programmes like Blindness eradication, Leprosy eradication etc are also being implemented. The State has 5 Medical Colleges, 1 Dental College and one Nursing College.

3. Development indicators :

Agriculture:

Agriculture is the mainstay of the State's economy as 77% of the population is still dependent on agriculture. The method of cultivation is still traditional in nature. The cultivation is mostly rain-fed and compounded by the impending factors of soil erosion due to rolling topography, practice of keeping lands fallow during Kharif and taking only one

crop in Rabi, high portion of low value crops with low productivity etc. Besides, 61% of the land holdings come under small and marginal category. There is a declining trend in the net area sown in the State. Presently, about 65 % of the gross crop area is under food crop and the balance 35% under non- food crop area. Among the food crops, 28.63% is under wheat followed by 14.23% under paddy cultivation.

Due to unsatisfactory weather conditions, the production of food grains in the State has declined from 149.06 Lakh MT in 2001-02 to 97.55 Lakh MT in 2002-03. Prominent among the non-food crops are oil seeds and soyabeans. Present production of soyabean in the State is 2576 thousand MT.

The increase in productivity of the important food crops is not very significant. During 2002-03 the production of rice was 652 Kg per hectre. In 2003-04 the per hectre production has been recorded as 1058 Kg. In case of wheat, the average yield increased from 1453 Kg in 2002-03 to 1867 Kg in 2003-04 per Kg per hectare..

Forest:

The forest cover in the divided Madhya Pradesh has come down to 25.07% from 37 % of the total geographical area of the undivided State. The State has 58.7 thousand Sq.KM of reserved forest., 35.6 thousand Sq. KM protected forest and 0.9 thousand Sq. KM unclassified forest. However, Madhya Pradesh still remains the second largest State with dense forest (44384 Sq. KM) after Arunachal Pradesh (53932 Sq. KM). A comparative Statement on the extent of forest area in some of the States including Madhya Pradesh is given in the Table below .

(Area in Sq.KM)

State	Dense forest	Open Forest	Total Forest	Percentage to State's geographical area
Arunachal Pradesh	53932	14113	68045	81.25
Chhattisgarh	37880	18568	56448	41 75
Madhya Pradesh	44384	32881	77265	25 07
Karnataka	26156	10835	36991	19.29
Maharastra	30894	16588	47482	15.45
Orissa	27972	20866	48838	31.37
Uttaranchal	19023	4915	23938	44.76
Jharkhand	11787	10850	22637	28.40
Assam	15830	11884	27714	35.33
Andhra Pradesh	25827	18810	44637	16.23
India	**416809**	**258729**	**675538**	**20.55**

Water resources :

The estimated water run-off from the ten perennial rivers of the State Madhya Pradesh is about 81523 million Cubic metre. About 70% of this water body can be harnessed for irrigation purposes. Ground water can also be utilized to the extent of 50% of its availability for irrigation. In the year 2002-03, the net irrigated area in the State was 44.94 lakh hectare which was 30.74% of the net area sown. The irrigation potential created in the State is about 21.29 lakh hectare by the end of 2002-03 out of which only 7.76 lakh hectare could be utilized.

Minerals :

The State is richly endowed with vast reserves of various minerals. The important minerals are- coal, bouxite, Menganese, lime stone, dolomite etc. Production of diamonds in Panna district still remains the monopoly of the State. The Table given below indicates the extent of extraction of the State's important minerals during 2001-02 and 2002-03 .
Table:

Production of important minerals :

Sl. No.	Minerals	Production ('000 MT)	
		2001-02.	**2002-03**
1	Coal	44156	45735
2	Bauxite	256	230
3	Copper Ore	2224	2274
4	Iron Ore	102	128
5	Manganese Ore	330	339
6	Phosphorite	77	73
7.	Dolomite	113	92
8.	Fire Clay	54	44
9.	Phyrophyllite	108	99
10.	Lime Stone	22378	23758
11.	Diamond(In carats)	81436	84407

Source : State Plan Document, Madhya Pradesh

Industry :

Registered factories = 7892 in 2002
= 8021 in 2003

Average daily employment = 3.91 lakh in 2002
= 3.93 lakh in 2003

Agro based enterprises
Non-agro based enterprises } = 20.75 lakh. Out of this 56.55 % in Rural areas

Central Govt. Undertakings (Major) = Bharat Heavy Electricals Ltd
Nepa Mills

The share of manufacturing sector to NSDP is 19.13 % in 2002- 03 at current prices In 1993-94, the contribution was 11.84%.

The State's Industrial Policy has accorded highest priority to the maximum utilization of present capacities of industries. Incentives for specialized and diversified production, improvement in working condition, utilisation of scientific techniques, measures for higher productivity and quality control etc are available. There is also a good industrial climate in the State,

Efforts made in the recent past have started bearing fruits. According to Annual Survey of Industries, 1999-2000, the per capita net value in the factory sector in Madhya

Pradesh was Rs. 932 as against Rs. 1554 for All India. Income originating from the manufacturing sector has increased by more than twice during the past five years.

4. Social indicators – trends, comparison with other States and national indicators, the human development index.

(a) Education (Literacy, gender distribution, enrolment and drop out rates, student – teacher ratio) adult education, technical and higher education etc) : The combined literacy rate of Madhya Pradesh is 64.1% as per Census 2001. While the male literacy rate is 76.80%, it is 50.3% for females. This is against the literacy rate of 75.96% for males and 54.28% for females of the country. It may thus, be observed that Madhya Pradesh has moved ahead of the national average of 75.85 in male literacy and is ahead of the two southern States of Andhra Pradesh (70.85%) and Karnataka (76.29%) in male literacy. The other highlights in the literacy front of the State are- female literacy growth rate exceeds male literacy growth rate and it goes from 29.4% in 1991 to 50.3% in 2001 registering a 20.9% growth. In 17 districts of Madhya Pradesh, the female literacy rate exceed the national average rate of 54.02%. Districts with larger SC population do better in literacy growth. Districts with larger than State share of Scheduled Tribes also do well in literacy. Given below are some of the basic statistics on the educational front of the State.

Gross Enrolment Ratio (GER)-Primary (6-11 age) :

Boys	Girls	Total
97.9	94.3	96.2

Gross Enrolment Ratio (GER)-Primary (11-14 age) :

74.6	64.6	70.3

Out of school children

Dropouts (Class I-VIII)

Boys	Girls	Total
184229	204466	388695

Never enrolled of 6-14 age

Boys	Girls	Total
420540	518266	938806

Total out of school of 6-14 age

Boys	Girls	Total
604769	722732	1327501

Literacy status as per Census 2001.

Literacy % in 2001			Literacy growth in decade 1991-2001		
Male	Female	Total	Male	Female	Total
MADHYA PRADESH					
76.80	50.28	64.11	18.26	20.93	19.44

INDIA:					
75.85	54.16	65.38	11.72	14.87	13.17

Source: HDR, Madhya Pradesh

The average drop out rate in the State has been around 3.1% in the primary and 4.2% in upper primary level. This is inspite of the Mid-day meal scheme under effective implementation through Parent-Teachers Association and Panchayats in the State.

As per envisaged policy, to provide access to secondary education in unreserved areas, 460 High schools and 244 Higher secondary schools have been established in the State during the 9th Plan period resulting increase in the number of High schools to 4789 and Higher Secondary schools to 4293 during 2002-03.

Adult education : National Literacy Mission was founded in the State in 1988 to impart functional literacy to non-literates in 15-35 age group.

Technical education: Technical education in Madhya Pradesh covers in its ambit polytechnics, Engineering Colleges and related Institutions besides courses in Pharmacy, Management and Computer applications. The State has well established net work of Institutions imparting technical education to prospective professionals.

Higher education : The Higher Education department cater to the needs of improving standard of higher education in Government and provate institutions, Open Universities, Research Institutes ans colleges/Institutes established for specific purposes. In addition supply of free books and stationary to SC/ST students and other facilities to hostellers are also ensured.

(b) Population and demographic indicators :

Total population (Census 2001)

Male	Female	Total
31456873	28928245	60385118

Decadal Growth Rate

Year	Madhya Pradesh	India
1981-91	27.24	23.86
1991-01	24.34	21.34

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Source (Census-2001)

Sex Ratio (2001)

Madhya Pradesh	Rural	Urban
920	927	899

Density (2001) Per Sq. KM

1991	2001
158	196

C. State Finances: (Rs.crore)

Particulars	1998-99	199-2000	2000-01	2001-02	2002-03
	Actual	Actual	Actual	Actual	BE
Revenue Deficit	-2871.80	-2932.26	-1319.34	-1466.50	-94.84
Fiscal deficit	-4126.72	-3911.38	-2712.11	-2182.44	-3249.02
Primary deficit	-2991.97	-1772.72	-301.33	-432.48	-830.88
Revenue deficit as% of NSDP	-3.64	-3.38	-1.56	-1.85	-0.11
Fiscal deficit as % of NSDP	-5.23	-4.50	-3.20	-2.75	-3.72
Primary deficit as % of NSDP	-2.90	-2.04	-0.36	-0.55	-0.95
Capital Expenditure	1009.83	950.07	1110.51	1454.51	2434.03
Capital Expenditure as % of NSDP	1.28	1.09	1.31	1.83	2.79

D. Plan performances :

Tenth Five Year Plan (2002-07)

The Approach Paper to the 10th Plan initiated an overall growth rate of 8% at the national level. However, looking at the State's resources, past growth rates and the manner in which nature adversely affects a primarily agricultural economy, the State Government projected a growth rate of 7% for the 10th Plan period. They expect the Primary sector constituting 40% of the State Domestic Products to grow at 4% per annum, Secondary sector constituting slightly above 20% to grow at 8% per annum and the Tertiary (service) sector constituting 40% to grow at 9% to achieve an overall growth rate of 7% per annum.

The major objectives of the 10th Plan:

To achieve an overall growth rate of 7% per annum.
To reduce poverty through income and employment generating programmes.
To increase literacy rate to 75% within the Plan period
To improve the health parameter by reducing the birth rate, death rate and IMR, to reduce the gap between the State and the national average.
To bring down population growth rate to 1.62% by 2011
To provide drinking water to all villages
To ensure social, economic and political empowerment to the weaker section
To increase agricultural production through extensive and intensive cultivation
To expand existing irrigation facilities
To improve physical infrastructure in power and road sector etc.

The outlay approved for the Tenth Plan of Madhya Pradesh is Rs. 25737.25 crore at 2001-02 prices as against the outlay of Rs. 20075.00 crore for the 9th Plan. The sectoral distribution of the Tenth Plan outlay is as below :

Sl No	Major Sector	Percentage distribution of Outlay
1	Agriculture & Allied activities	6.28
2.	Rural Development	11.19
3.	Irrigation & Flood Control	19.10
4.	Energy	21.39
5.	Industry & Mining	0.79
6.	Transport	5.26
7.	Science, Technology and Environment	0.23
8.	General Economic Services	2.81
9.	Social Services	29.68
10.	General Services	3.27

Out of the total Plan outlay the amount to be utilized for the continuing schemes would be Rs 19976.43 crore and the rest would be for new schemes

Tenth Plan (2002-07)

Approved Outlay at 2001-02 prices Rs. 25737.25 crore

Annual Plan 2002-03

Approved Outlay Rs. 4821.00 crore
State's own resources Rs. 2612.60 crore
Central Assistance Rs. 2208 40 crore

Annual Plan 2003-04

Approved Outlay Rs. ~~4821.00 crore~~ 5703.00 Crore
State's own resources Rs. ~~2612.60 crore~~ 3000.10 Crore
Central Assistance Rs. ~~2208.40 crore~~ 2702.90 Crore.

Annual Plan 2004-05

Approved Outlay Rs. 6709.96 crore
State's Own Resources Rs. 3376 60 crore
Central Assistance Rs 3333 36 crore

2. Sectoral Outlays & Expenditures for the Annual Plans 2002-03, 2003-04, 2004-05 and the Proposed outlay for Annual Plan 2005-06 are indicated in the Annexure-I.

SECTORAL ISSUES

I AGRICULTURE AND ALLIED ACTIVITIES

Agriculture is the mainstay of the State's economy, as about 77 percent of the population is still dependent upon agriculture and contributes almost 1/3rd of state domestic product. Agriculture in the state is still traditional. It is mostly rainfed, along with the impeding factors of soil erosion due to rolling topography, practice of keeping land fallow during Kharif, and taking only one crop in rabi, existence of large area of cultivable wastes and fallow lands, high portion of low value crops with low productivity, etc. Another factor is the fragmentation of agricultural holdings. According to the 1995-96 Agriculture Census, out of 66.37 lakhs operational holdings in the state, more than 61 percent come under the category of small and marginal holdings.

Land and its Use

The reorganized state has a geographical area of 308.25 lakh hectares, out of which 146.21 lakh hectares is the net area sown in 2002-03. 14.13 lakh hectares are under permanent pastures, grazing lands and under miscellaneous tree crops. Another 16.22 lakh hectares are current and old fallow land and 12.13 lakh hectares constitute cultivable waste land. The area under forests is 85.78 lakh hectares. Area, which is not available for cultivation, is 33.07 lakh hectares. It is either barren or uncultivable land, put to non-agricultural uses.

Area Under Crops

Net area sown in the state decreased from 149.62 lakh hectares in 2001-02 to 146.21 lakh hectares in 2002-03 i.e. by 2.28 per cent. During the same period, the double-cropped area declined from 41.85 lakh hectares to 35.60 lakh hectares i.e. by 14.93 per cent. The percentage of double-cropped area is 24.35 during the same period. At present, about 65 percent of the gross cropped area is under food crops, and the balance 35 percent under non-food crops. Among food crops, 28.63 percent area is covered under wheat followed by 14.23 percent area covered under Paddy.

Production of Crops

Due to the unsatisfactory weather conditions in the state, production of foodgrains in the state declined from 136.06 lakh metric tons in 2001-02 to 97.55 lakh metric tons in 2002-03, a decline by 28.30 percent during the year. The two important foodgrain crops of the state are rice and wheat, which contribute about 54.48 percent of the total foodgrain production in the state. In 2002-03 the production of rice and wheat was recorded as 9.22 and 43.93 lakh metric tons respectively. Pulses collectively contribute about 22.76 percent of the total foodgrain production in the state. Their output in 2002-03 was recorded as 22.20 lakh metric tons. Among major non-foodgrain crops, oilseeds particularly Soyabean has played a leading

role in the agriculture sector. Presently, Soyabean production was 2576 thousand metric tons in the State.

Productivity

Among major crops, the first important break-through in the productivity of rice and wheat came in the early eighties, when the yield rate of these two crops crossed the one tonne per hectare barrier. Thereafter, although the yield of wheat went on increasing (except in bad weather conditions), that of rice remained almost static. The highest average yield rate of these two crops in the state during 2002-03 was 652 Kg. per hectare and in 2003-04 it was 1058 Kg per hectare of rice. The average yield of wheat is 1453 Kg and 1867 Kg. per hectare in the year of 2002-03 and 2003-04 respectively.

The average yield per hectare of food grain in 2000-01 was 907 Kg. which increased to 1105 Kg. in 2001-02. The average yield of sugarcane and cotton in 2002-03 was 3962 Kg and 350 Kg. per hectare respectively against, 3893 Kg. and 369 Kg. per hectare in 2001-02. Similarly, the yield of soyabean is 652 Kg. per hectare in 2002-03 against 840 Kg. per hectare in 2001-02.

The average yield of principal crops is given below: -

Average Yield of Principal Crops

Year	Rice	Wheat	Jawar	Maize	Gram	Tuar	Soya-bean	Cotton	Sugar-cane (Gur)
1	2	3	4	5	6	7	8	9	10
1999-2000*	1058	1941	782	1582	986	877	1068	442	4377
2000-2001	605	1535	717	1459	820	668	767	244	3847
2001-2002	1005	1691	903	1310	944	818	840	369	3893
2002-2003	652	1453	947	1779	721	638	652	350	3962
2003-2004 (E)	1058	1867	1342	2072	932	825	1132	557	4215

E = Estimated.

Consumption of Fertilizers

The per hectare consumption of fertilizers in the State increased from 9 34 Kg. in 1980-81 to 46.3 Kg. per hectare in 1999-2000.

Coverage under High Yielding Varieties

The area covered under HYVs in the year 1969-70 was 425.6 thousand hectares. Of this, the area under paddy was 49%, wheat 36%, Jowar 8%, Maize 5% and Bajra 2%. The coverage of HYVs increased to 5372.7 thousand hectares in the year 1999-2000 for new M.P. State. The maximum coverage of HYVs was observed in wheat (62.5 %) followed by paddy (17.57%), jowar (9.95%), maize (8.15%) and bajra (1.82%).

Consumption of Pesticides

The use of pesticides can be dangerous to human and animal health. In the year 1990-91, the consumption of pesticides was 2606 tones, which got reduced to 982 metric tones in 1999-2000.

Horticulture

Horticulture is very important as the activities necessitated for its promotion generate extensive employment opportunities and income. Being perennial, these crops also help in checking soil erosion and provide high-density green cover to the soil. Being sturdy many of these crops can successfully be grown on wasteland not suitable for traditional crop cultivation. In the year 2001-02, the area covered under horticulture is 46263 hectares for fruits, 140882 hectares under vegetable, 195905 hectares under other different spices, 1435 hectares under floriculture and 18364 hectares under medicinal and aromatic plans.

Production per hectare is an important parameter for evaluating the horticultural schemes. The yield of some fruits and vegetables in MP is better than the all India average, and many other states. Mango, Orange, Mousambi, Lime, Banana, Guava, Papaya, and Grapes are the fruits whose productivity in the state is more than the national average. In vegetables, the productivity of Potato, Onion, Tomato, Brinjal, Cauliflower, Peas is more than the national averages and Madhya Pradesh enjoys the first position in the productivity of Garlic.

Out of 313 blocks of the state, 249 blocks are covered under the scheme of fruit plant nurseries for production and supply of quality saplings of the various fruits. High yielding varieties of Mango, Ber and Aamla have been successfully introduced.

Animal Husbandry and Dairy Development

Livestock are the main source of energy in agricultural operations and rural transportation. They also provide essential food of animal origin; like milk, meat and eggs etc.

The livestock wealth of Madhya Pradesh is very impressive, numerically Its contribution towards cattle and buffalo population of India is 14.29% and 9.56% respectively, where as for sheep, goat, pigs and poultry it is 1.82%, 6.54%, 0.05% and 3.4% respectively. The contribution of Madhya Pradesh towards national milk and egg production is 11.68% and 5.05% respectively.

Most of the animals of the state are of non-descript type, except 3 recognized cattle breeds namely Malvi, Nimari and Kenkatha. One poultry breed Kadaknath is the prestigious property of the state.

Fisheries

Madhya Pradesh possesses 2.93 lakh hectares of water bodies in the form of large, medium and small irrigation reservoirs, village and private ponds, out of which 2.30 lakh water area, at present is under fish culture. Besides, the State has major rivers viz Narmada, Tapti and Mahi and their tributaries forming a network of 17088 Kms. Fishing in these waters are on decline due to lack of any regulation. There is necessity for comprehensive fishing regulations for the entire water bodies in the State.

Cooperation

The government has framed a separate act for Cooperatives named as "Swayatta Sahakarita Adhiniyam, 1999" which has been made effective from February, 2000. This act allows the cooperative societies registered under its provisions to act as fully autonomous democratic unit without any sort of control of the State Government and its concerning authorities.

The sub-sector wise outlays and expenditures of Agriculture and Allied Activities during 9th Plan are indicated at **Annexure-II.** The 10th Plan outlay, Annual Plan outlays and expenditure during 2002-03 and 2003-04, approved outlay for 2004-05 and proposed outlay for 2005-06 are given at **Annexure-III.**

Now the country is looking for another green revolution that has to be evergreen i.e. sustainable. Madhya Pradesh is one of such States which has the potential and promise for witnessing ever green revolution, particularly from its large rainfed areas. Diversification of agriculture is another very vital need of the State. The change has to be from food crops to cash crops, from waste lands to raising of fruits, fodder and fuel yielding plants and from crop component alone to a mixed system including crop-animal and fodder components. The floriculture, olericulture and apiculture must receive higher priority in research and technology generation.

Special emphasis needs to be placed on harvesting and storing rain water through construction of water harvesting structures in the State. What is needed is a series of small check dams on small rivers and rivulets. This approach would provide much needed protective irrigation and also will help reduce fluctuations in agricultural production due to erratic monsoon. There is urgent need to formulate an appropriate State Water Policy providing for conjunctive use of surface water and ground water and for promoting water users' associations for ensuring judicious use of water and collection of water charges. It needs to be expanded to all potentially suitable areas in the State.

The initiatives taken up by the State Government to speed up the pace of agricultural development relates to a time bound action plan by increasing the productivity levels of paddy in eastern M.P., an action plan for increasing organic farming in selected districts of the State and two externally aided projects, namely, "Women in Agriculture" and "Waste Land Development". Further more, the Government of India guidelines for implementing the National Watershed Development Programme for Rainfed Areas (NWDPRA) have been

thoroughly revised to allow total community participation in the decision making for planning and execution.

Annual Plan 2005-06

The important strategies and thrust areas during Annual Plan 2005-06 are as under:

(i) Annapurna and Surajdhara Schemes have been launched to make the small and marginal farmers of SC/ST categories self reliant in quality seeds through seed exchange, seed self reliance and seed production programmes.

(ii) In order to mitigate the danger of pollution of water and degradation of soils due to the continuous use of chemical fertilizers, an organic farming programme has been taken up wherein the farmers are being encouraged to use organic and green manures, bio-pesticides and bio-fertilizers etc.

(iii) Groundwater is fast depleting in several areas due to erratic and scanty rains and most of the runoff water is just flowing away. To arrest this trend, a programme of groundwater recharge has been initiated by building percolation tanks and water harvesting structures. People's participation in this activity is encouraged.

(iv) National Crop Insurance Scheme has been started since the year 1999-2000 to compensate the farmer for loss of crop due to the natural calamities. The facility is available to both loanee and non-loanee farmers.

(v) Launching of "Kisanbandhu & Kisan Saheli Scheme" wherein members of agricultural committee of Gram Panchayats have been trained and linked with agricultural extension.

(vi) Private participation in Agriculture Extension work.

(vii) Food grain production of 184.50 lakhs tonnes including cereals of 146.50 lakhs tonnes and pulses of 38.00 tonnes. Oil seeds at 61.70 and Sugarcane at 2.40 lakhs tonnes. Cotton 5.50 lakhs bales are proposed. Similarly fertilizer distribution-NPK 13.12 lakhs tonnes. Under minor irrigation, 1500 tube wells and under micro-minor irrigation, construction of 246 percolation tanks is proposed.

(viii) Additional water area coverage, fish production of 71000 metric tonnes, fish seed production of 6600 lakh (st. fry) and 60000 persons Insurance Coverage to Fisherman are proposed

(ix) Intensive fruit development programme, establishment of new garden and nurseries, production of vegetable around big cities, medicinal and aromatic plants are proposed to be continued.

Issues

1. Agriculture, in the state primarily depends on rains, which although high in most parts of the state, is received in a short period between June to September. The consequences are (a) Water congestion due to impeded drainage when the plants are young; and (b) Inadequate moisture during the reproductive and maturity phase.

2. Nearly 70 per cent of cultivated area is under rainfed agriculture. The irrigation sources suggest that even after the full irrigation potential in the state is harvested, only nearly 45 per cent of the present net sown area can be irrigated while the remaining 55 per cent will continue to remain rainfed. The productivity of lead crops is low and has stagnated over the last many years.

3. Large areas are single cropped, cultivated either in Kharif or Rabi seasons.

4. Large proportion of cultivable waste and fallow land in rainfed areas.

5. High proportion of low value crops in cropping pattern e.g. coarse cereals account for 38 per cent of the gross cropped area in kharif. The proportion of low value food crops is high. The coverage under HYVs is low under major food grains. These factors result into low level of yields of crops.

6. The fertilizer consumption is relatively low with an average of 46.3 kg/ha and with wide differences across seasons-32.7 kg/ha in kharif and 62.4 kg/ha in rabi. Moreover the N:P:K consumption ratio is 10:7:1 reflecting an imbalance in nutrient use.

7. The seed replacement rate is extremely low In four major crops (wheat, soybean. gram and paddy), it works out to 4.77, 5.98 ,1.08 and 2.98 per cent respectively.

8. The high livestock population putting pressure on land for fodder results in less availability per animal leading to low productivity of animal.

9. Sixty one percent of the landholders in the state are marginal and small farmers owning 19% of the cultivable land. These land holders have low investment capacity to adopt improved technology.

10. The quality of land is getting eroded due to soil erosion, water erosion and decline in fertility status.

11. Vagaries of monsoon and frequent natural calamities increase the inability of the farmers to sustain themselves under adverse circumstances.

12. Less area under horticulture crops in comparison to available potential.

II RURAL DEVELOPMENT

The percentage of rural population living below the poverty line in the State of Madhya Pradesh has declined from 40.64 percent in 1993-94 to 37.06 percent in 1999-2000. The corresponding All India figures were 37.27 per cent in 1993-94 and 27.09 per cent in 1999-2000. In absolute term, number the persons living below poverty line have increased from 216.19 lakh in 1993-94 to 217.32 lakh in 1999-2000 in Madhya Pradesh.

The major rural poverty alleviation programmes are:

Swaranjayanti Gram Swarozgar Yojana (SGSY): Swaranjayanti Gram Swarozgar Yojana (SGSY) is a holistic programme of micro enterprise development in rural areas with emphasis on organizing the rural poor into self help groups, capacity building, planning of activity clusters, infrastructure support, technology, credit and marketing linkages.

Sampoorna Grameen Rozgar Yojana (SGRY): The objective of the SGRY is generation of wage employment, creation of durable economic infrastructure in rural areas and provision of food and nutrition security to the poor. The works taken up under the programme are labour intensive and the workers are paid the minimum wages notified by the States.

Indira Awaas Yojana (IAY): The IAY is the core programme for providing free housing to BPL families in rural areas and targets SCs/STs households and freed bonded labourers.

Rural Poverty Alleviation Programmes:

Financial and Physical performance under major centrally sponsored schemes i.e. Swarnjayanti Gram Swarozgar Yojana (SGSY), Sampoorna Grameen Rozgar Yojana (SGRY) and Indira Awaas Yojana (IAY) during the Tenth Plan Period is given in Table-A & Table – B respectively.

The major issues under major rural poverty alleviation programmes in the State are as under:

Under SGSY, provision of credit is an area of concern. The percentage of credit disbursed under SGSY in the State is lower than the credit target set for the State (74.06% in 2003-04). Subsidy credit ratio was 1:2.09 in 2003-04 as against the norm of 1:3. However, the Per family investment is quite substantial and is higher than the norm of Rs. 25,000 (Rs. 34617 in 2003-04). During 2003-04, about 85% of the total swarozgaris assisted belonged to SHGs. Further, 41.38% of the total swarozgaris assisted were women. The percentage of SC and ST assisted in the State under the scheme were 27.50% and 32.30% respectively. The percentage of expenditure on training/capacity building under SGSY is, however, quite low (5.19%). It may be emphasized that training and capacity building of SHGs needs to be given priority. Further, marketing is an important component of the programme. Steps may be taken to ensure that effective market linkages are established with an emphasis on market research, upgradaton/diversification of projects, packaging, creation of marketing facilities, etc. The SHGs formed under the SGSY can play a major role in convergence with various programmes of other departments targetting the rural poor.

Under SGRY-I, only 46.97% of the total foodgrains authorized were lifted while 93.82% of foodgrains lifted were utilized in 2003-04. During the same period under SGRY-II, 85.42% of foodgrains authorized were lifted and 92.92% of the foodgrains lifted were utilized. Evaluation studies reveal that the planning process under SGRY needs to be strengthened. Further, there is bias towards construction activities and Watersheds have not received importance. These need to be given priority as they have the potential for providing sustainable incomes to the poor in the long run. In addition, women beneficiaries constitute less than the target of 30% as envisaged under the scheme. It has also been reported that minimum wages are not being paid and also foodgrains are not being distributed in some areas of the State. There is a need to generate awareness about the scheme at the ground level and ensure that there is an active involvement of Panchayat members in the implementation of the programme.

Recently, National Food for Work Programme (NFWP) has been launched in selected backward districts with a view to intensify efforts for provision of wage employment opportunities and ensuring food security and creation of need based rural infrastructure. 100% Central funding is being provided under the programme. The State Government may take appropriate steps for the implementation of the programme.The scheme is being implemented in 15 districts of the State.

The State Government of Madhya Pradesh may be asked to earmark the Additional Central Assistance (ACA) of Rs. 7644.82 lakh for National Social Assistance Programme (NSAP) including Annapurna for Annual Plan 2004-05 alongwith the State Budget provision or actual expenditure whichever is higher for the schemes during 2000-01.

Table A: Financial Performance under SGSY, SGRY and IAY during the Annual Plans 2002-03, 2003-04 and 2004-05

(Rs lakhs)

Progs	Opening Balance	Total Allocation	Total Releases	Total Available Funds	Total Expenditure	%age Exp. to Available Funds
2002-03						
SGSY	855.54	4632.29	5689.03	6544.57	7402.90	113.12
SGRY-I	2447.06	13813.03	16653.67	19100.73	16787.11	87.89
SGRY-II	964.06	15308.41	18067.10	19031.16	16537.39	86.90
IAY	- 276.06	9603.89	9357.36	9081.30	10206.99	112 40
2003-04						
SGSY	668.95	6399.53	6014.35	6683.30	7040.11	105 34
SGRY-I	930.15	15996.96	16977.80	18604.39	18354.51	98.66
SGRY-II	834 80	17787.35	19254.98	20358.34	20390.35	100 16
IAY	606.42	10876.32	11111.39	11717.81	10734.48	91.61
2004-05 (up to June, 2004)						
SGSY	562.91	8010.55	3485.94	4081.33	573.36	14.05
SGRY	3491.42	37744.85	20361.89	24035 74	8775.85	36.51
IAY	1197.71	14307.61	7153.96	8351.67	1088.02	13.03

Source: Ministry of Rural Development (MORD)

SGSY: Swaranjayanti Gram Swarozgar Yojana
SGRY: Sampoorna Grameen Rozgar Yojana
IAY: Indira Awaas Yojana

Table B: Physical Performance under SGSY, SGRY and IAY during Annual Plans 2002-03, 2003-04 and 2004-05

Progs	Unit	Target	Achievement	%age
2002-03				
SGSY	Total Swarozgaris Assisted (Nos))	-	51907	-
SGRY - I	Employment lakh mandays	-	270.62	-
SGRY-II	Employment lakh mandays	-	N.A.	-
IAY	Houses constructed	57626	63691	110.52
2003-04				
SGSY	Total Swarozgaris Assisted (Nos)	-	41979	NA
SGRY-I	Employment lakh mandays		247.75	NA
SGRY-II	Employment lakh mandays	-	337.46	-
IAY	Houses constructed	65258	65768	100.78
2004-05 (up to June, 2004)				
SGSY	Total Swarozgaris Assisted (Nos)	-	3304	-
SGRY	Employment lakh mandays	-	109.90	-
IAY	Dwelling Units (No.)	68676	0.00	0.00

Source Ministry of Rural Development (MORD)

SGSY. Swaranjayanti Gram Swarozgar Yojana
SGRY· Sampoorna Grameen Rozgar Yojana
IAY· Indira Awaas Yojana

III POWER

In the State of Madhya Pradesh the Madhya Pradesh State Electricity Board (MPSEB) is the main agency for development of power sector. As part of the power sector reform programme, recently five new companies have been formed in the state, one for generation, one for transmission, and three for distribution. These companies will work for and on behalf of MPSEB. A brief on the performance of power sector of Madhya Pradesh State is given below.

Installed Capacity (I.C.)

MW

	Hydro	**Thermal**	**Total**
I.C. at the beginning of Tenth Plan (1.4.2002)	792.95	2147.50	2940.45
Capacity Addition during 2002-03	50.00	-	50.00
2003-04	-	-	-
I.C. as on 31.3.2004 (anti.)	842.95	2147.50	2990.45

In addition the Madhya Pradesh State has a share of 1120 MW in Central Sector thermal and nuclear power stations located in the Western Region.

Operational Performance

	PLF (%)		T&D Losses (%)	
	MPSEB	**All India**	**MPSEB**	**All India**
2000-01 (Actual)	66.70	67.7	47.18	32.86
2001-02 (Actual)	62.90	69.9	47.72	33.98
2002-03 (Actual)	73.14	72.2	44.20	32.54
2003-04 (Actual)	70.21	72.7	43.99	-
2004-05 (RE)	71.46		43.00	
2005-06 (AP)	71.96		40.00	

Number of Villages Electrified (as on 31-3-2004)

Madhya Pradesh	All India
97.4%	84.3%

Pump Sets Energisation Programme

No of pumpsets electrified as on 31 3 03 1320923

Achievement during 2002-03 **4169**
No of pumpsets electrified as on 31.3.2004 **1325092**

Power Supply Position

Year	Peak Deficit		Energy Deficit	
	MW	%	MU	%
2002-03	1712	29.2	5212	16 4
2003-04	1359	22.1	4327	13 2

*Undivided M.P.

Financial Outlays

The details of approved outlays and actual/anticipated expenditure for Power sector for Tenth Plan and Annual Plan for Madhya Pradesh State are given below .

	Power Sector Outlay (Rs.Crore)	**Power Sector Outlay as % of All sector**
Tenth Plan		
Tenth Plan (2002-07((Approved)	5336.28	20.73
2002-03 (Actual)	1481.80	27.80
2003-04 (Actual)	1145.03	22.51
2004-05 (Anti.)	916.92	13.67
2005-06 Proposed	1322.97	17 71

Annual Plan 2005-06

An outlay of Rs.1322.97 crore has been proposed for the power sector for the Annual Plan 2005-06, consisting of Rs.1203.94 crore for MPSEB, and balance Rs.119.03 crore for Narmada Vally Development Authority (NVDA) programmes. The NVDA power projects includes the joint sector projects of Indira Sagar (1000 MW) and Omkareshwar (520MW) being executed by NHDC, and the Sardar Sarovar HEP (MP's share 826.5MW). In addition to above an amount of Rs.35.82 crore is proposed to be released directly to District level under Tribal Sub Plan and Special Component Plan for electrification of SC/ST Basti and energization of pumps for SC/ST persons.

APDRP Status (As on 31st October, 2004)

Project Cost	**Rs. 679.08 crore**
APDRP Component	**Rs. 339.54 crore**
APDRP Release – Investment	Rs. 84.87 crore
Counterpart fund sanctioned	Rs. 339.54 crore
Counterpart fund drawn	Rs. 74.87 crore
Total Utilization	Rs. 86.61 crore
APDRP Release - Incentive	Nil

SEB Performance

The financial performance of Madhya Pradesh State Electricity Board (MPSEB) in terms of various related parameters is indicated below.

	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 (RE)	2005-06 (AP)
Average Cost of Supply (Paise/Kwh)	491	408	420	407	395
Average Tariff (Paise/Kwh)	267	277	303	309	316
Percentage Recovery (%)	54.4	67.9	72 1	75.9	80 0
Commercial Profit / Loss (Rs. Crore)					
(With Subsidy)	-616.98	-340.03	61.56	-45 43	143 43
(Without Subsidy)	-1159.94	-1008.03	-828.19	-781.43	--592.57
Net Internal Resources (Rs.Crore)	-2180.23	-445.43	-49.34	-51.78	-83.62
Rate of Return (ROR) (%)					
(Without Subsidy)	-23.66	-20.19	-15.86	-14.88	-10.23
(With Subsidy)	-12.59	-6.81	1.18	-0.87	2.48
Average Agricultural Tariff (Ps/Kwh)	102	86.34	99.44	99.44	99.44
Share of Agricultural Consumption(%)	24.87	31.87	33.39	30.89	28.70
Tariff increase required to					

achieve (without subsidy) (Ps/Kwh)					
0% ROR	84	67	52	45	32
3% ROR	94	76	62	54	41

Revenue Arrears as on March 2004 is Rs.2785.59 crore
(59.4% of sales revenue of 2003-04)

Tenth Plan Capacity Addition Programme

The following capacity addition has been envisaged by the state during 10th Plan.

Ongoing Schemes		**MW**
i)	Bansagar Ton (HEP)	
	Phase II (2x15 MW)	30 Commissioned
	Phase III (3x20 MW)	20 Commissioned
	Phase IV (2x10 MW)	20
ii)	Marhikheda HEP (3x20 MW)	60
iii)	Rani Awantibai Sagar HEP (Bargi LBC 2x5 MW) NVDA	10
iv)	Indira Sagar LBC (3x5 MW) – NVDA	15
v)	Other Mini/Micro	10.4
New Projects		
i)	Sanjay Gandhi TPS Extn. (1x500 MW)	500
ii)	Amarkantak TPS Extn. (200 MW)	200
Joint Sector		MW
i)	Sardar Sarovar HEP (1450 MW State Share 57%)	826.5
	NHDC Projects	
ii)	Indira Sagar HEP (8x125MW)	1000
	(750MWcommissioned till October 04)	
iii)	Omkareshwar HEP (8x65 MW)	520

Status of Major On-going Project

i) **Bansagar Tons (HEP (3x105+2x15+3x20+2x10 = 425 MW)**

Original Approved cost : Rs.343.05 crore
Original Commissioning Date : 1988-89

The first three stages totaling of 405 MW were actually commissioned between 1999-2002 at a total cost of Rs.970 crore. The balance 20 MW (Phase IV) is now expected to cost an additional Rs.133.1 crore and is expected to be commissioned by February-March 2005. The project was delayed due to the resettlement and rehabilitation of oustees. Fund constraints was also one of the factors in the slow progress of the project. The civil work of unit I & II of phase IV are in progress. Against the order for TG sets, M/s BHEL have supplied embedded parts and foundation parts and started erection works at site.

ii) **Marhikheda H.E. Project (3x20 = 60 MW)**

Original Estimated cost	:	**Rs.225.07 crore**
Date of Sanction	:	11.5.2001

The construction of dam and canal are being done by the State Water Resources Department and construction of Power House is being done by the MPSEB. Orders for supply and erection of T.G.sets have been placed on M/s BHEL. The PFC had sanctioned a loan of Rs.119 core. The fund requirement for 2004-05 is Rs.56.50 crore which is proposed to be met from PFC loan. The three generating units are proposed to be commissioned in February 05, March 05, and July 06 respectively.

New Projects

i) **Sanjay Gandhi TPS Extn. (1x500MW)**

Original Approved Cost	:	Rs.2093.75 crore
Date of Sanction	:	20.12.2002

The LOI for setting up of this project on EPC basis was awarded to BHEL on 10-3-2003. The PFC had sanctioned a loan of Rs.1560 crore. The requirement of fund for 2004-05 is Rs.617 crore, out of it Rs.552 crore is proposed to be met from PFC loan and the balance Rs. 65 crore is kept in the Plan. The project is scheduled to be commissioned by September 2006.

ii) **Amarkantak TPS Extn. (200 MW)**

This project is being taken up during at an estimated cost of Rs. 700 crore. An outlay of Rs.350 crore is proposed for this project during Tenth Plan. Orders for supply and erection of TG sets have been placed with M/s BHEL.

Joint Sector Projects

i) Sardar Sarovar Multi-Purpose HEP (6x200+5x50 = 1450 MW)

Original estimated Cost	:	Rs. 1551.86 crore (June 1984 estimate.)
Original Commissioning Date	:	1994 - 95
Latest Estimated cost	:	Rs. 5502.00 crore (June 2002 estimate)
Latest Commissioning Schedule	:	2004 – 07

Sardar Sarovar HEP is a joint sector project being executed by SSNNL. The costs and benefits of the power portion are to be shared by the States of Gujarat, Madhya Pradesh and Maharashtra in the ratio of 16:57:27. The share of Madhya Pradesh is 826.5MW. The project was targeted to be commissioned during 8th Plan period. Due to various problems such as local agitation on account of rehabilitation and Resettlement, procurement of TG sets from Japan for the river bed power house (6x200MW), the project is delayed. The project was originally assisted by World Bank aid and OECF loan. However, World Bank aid was surrendered by Govt. of India in March, 1993 and OECF loan for river bed power house was suspended since March, 1990. . The Supreme Court in its final judgement gave direction for completing the dam as per the award of the NWDT. Rehabilitation and Resettlement works and environmental measures to be undertaken by the participating States of Gujarat, Maharasthra and Madhya Pradesh will be carried out pari pasu with the progress of the

construction of the dam. The permission to raise the dam height up to MDDL of 110.64 mtrs. which is the obligatory minimum level to commence power generation and irrigation, was given by Narmada Control Authority (NCA) on 16.3.04 and the dam has been raised upto 110.64 mtrs. The erection of all the five units of canal head power house (5x50MW) is completed and generation has already been started. The latest schedule of works as per the rehabilitation and resettlement action plan, raising the dam height up to the obligatory level of 121 mtrs. is targeted during 2004-05. The work on the river bed power house (6x200MW) is progressing and the commissioning of first unit is targeted by 30th September, 2004 and thereafter at the interval of 4 months each and all the six units to be commissioned by May 2006.

ii) Indira Sagar (8x125 = 1000 MW)

Original CCEA Approved Cost	:	**Rs.4355.57 crore (Sept. 2000 Price Level)**
Original Commissioning Schedule	:	2003-06
Latest Commissioning Schedule	:	2004-05

The joint venture company namely Narmada Hydro Development Corporation (NHDC) set up between M.P. State Government and NHPC is executing this project. 6units totaling 750 MW have already been commissioned and the project is expected to be fully commissioned well before the original date of commissioning and at a cost with in the sanctioned cost. The entire power produced by this project is to be absorbed by the M.P. State. The dam height is now above MDDL (EL 243.19m). Approval to raise dam upto FRL (262.12m) so as to have full generation is yet to be received & is linked to R&R which is to be done by M.P. Government.

iii) Omkareshwar (8x65 = 520MW)

Original CCEA Approved Cost	:	Rs. 2224.73 crore (Nov. 2002 Price Level)
Commissioning Schedule	:	2006-07

The joint venture company namely Narmada Hydro Development Corporation (NHDC) set up between M.P. State Government and NHPC is executing this project. The entire power produced by this project is to be absorbed by the M.P. State. The project works have been awarded to M/s JVSC (Jai Prakash, Voith, Siemens Consortium) on turn key basis on 9.6.03 with a completion period of 4 years. Contract agreement has been signed on 18.7.2003. Works of project started w.e.f. 18.10.2003. Execution of Dam, power dam, PH, Intake HRC and TRC is in progress.

Restructuring & Reforms

The Madhya Pradesh State Electricity Regulatory Commission is functioning since August 1999. The State has signed MOU with Ministry of Power in May 2000 detailing out the milestones for the reform process. Madhya Pradesh Electricity Reform bill has been passed in the State Assembly on 20-2-2001 and notified it on 3-7-2001. First Tariff Order was issued by MPERC in September, 2001 and the tariff revision was from 5th October 2001. The next tariff revision was from 19th December, 2002.

For improving the financial position of the Board, with effect from 1st January 2001, the entitlement of free supply of electricity is restricted to SC/ST farmers having pump connection upto 5 HP and land holding upto 1 hectare. Likewise, entitlement of free supply to

single light point connection consumer is restricted to SC/ST below poverty line families that too up to 20 units per month only. However due to " Samadhan Yojana" the State Govt. had decided to pay the bills of agricultural consumers upto 5 HP from 1st January 2001 to 31st December 2003..

Regarding unbundling of MPSEB, five new companies have been formed, one for generation, one for transmission, and three for distribution in the state. MPSEB has signed Operation and Management Agreement on 1st July 2002 with all the five newly formed companies separately. The name of the companies are Madhya Pradesh Power generating Company Limited, Madhya Pradesh Power Transmission Company Limited, Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited, Madhya Pradesh Poorva Kshetra Vidyut Vitaran Company Limited and Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited. These companies are working for and on behalf of MPSEB.

Points for Consideration - Madhya Pradesh

1. T&D losses in the state during 2003-04 was around 44% and the same is estimated to come down to 43% during 2004-05(RE) against the national average of around 32%. Pilferages in T&D system need to be curtailed. Around 31% of electricity sale is consumed by the agricultural sector which get almost un metered power supply. The State Government should enhance the process of providing meters to all the agricultural consumers. At present the utilization of fund under APDRP is very slow. The fund available under APDRP which is meant for strengthening distribution system and metering, need to be utilized at a faster pace. And also appropriate vigilance/ policing should be taken up immediately to stop the large scale pilferage/theft taking place in the State.
2. The average tariff during 2003-04 was around 303 paise per unit as compared to the cost of supply of 420 paise per unit. This leaves a gap of 117 paise per unit of consumption, between the cost of supply and average tariff and it is estimated to be reduced to 98 paise in 2004-05. The high cost of supply was mainly due to high T&D losses. The State Government/MPSEB should take necessary steps to reduce T&D losses and also focus on other factors to reduce cost of supply. The average tariff for the agricultural consumption was around 99 paise per unit during 2003-04 which need to be increased. The last tariff revision was on 19.12.2002 and a tariff revision is now due.
3. The revenue arrears at the end of the year 2003-04 is Rs. 2785.59 crore compared to Rs. 2008.46 crore at the end of 2002-03. The MPSEB need to take appropriate actions to recover the arrears.
4. The power shortage in the State is of around 22.1% in the peak load and 13.2% in total energy requirement during 2003-04 which is likely to go up in the coming years. The projects envisaged in the Tenth Plan need to be expedited quickly, getting clearances from various agencies and locating resources

IV TRANSPORT

Approved outlay / expenditure during Tenth Plan and proposed outlay for 2005-06 are given as below:

(Rs. crore)

Period	Roads & Bridges	Civil Aviation	Total	State Outlay	Tpt outlay as % of State
10th Plan Outlay	1325.00	28.05	1353.05	25737.25	5.26
Annual Plan 2002-03 outlay	265.00	14.60	279.60	4821.00	5.80
Annual Plan 2002-03 Expdr.	203.49	22.34	225.84	5329.82	4.24
Annual Plan 2003-04 revised outlay	365.33	21.85	387.19	5076.04	7.63
Annual Plan 2003-04 Expdr.	337.50	20.38	357.88	5087.38	7.03
Annual Plan 2004-05 outlay aniti. Expdr.	789.52	1.33	790.85	6709.96	11.79
Annual Plan 2005-06 proposed	650.00	1.64	651.64	7470.56	8.72

Roads and Bridges

Madhya Pradesh has a road network of 203807 kms as on 31st March, 1999 The State has a road length of just 46.00 kms per 100 sq. kms of area against the national average of 76.8 kms. The State has a road length of 258.9 kms per one lakh population against the national average of 256.9 kms.

The objective of Tenth Plan is to develop efficient transport system for moving goods and people with speed for economic growth, and to open the remote tribal and scheduled caste dominated pockets, for minerals operations and marketing operations, industrialization. and rural development in general.

During 2003-04, 28 major bridges, 59 medium bridges, 1206 culverts and a road length of 412 kms were constructed. During Annual Plan 2004-05, targets are 56 major bridges, 72 medium bridges, 1954 culverts, 5 railway over bridges and a road length of 751 kms of different categories are targeted to be completed.

Village Connectivity

PMGSY envisages construction of rural roads. The financial progress is as follows:

(Rs. in crore)

Year	Allocation	Amount Released	Cumulative Expenditure
2001-02	Annual Allocation is Rs.218.00 crore	248.00	189.45
2002-03		450.39	---
2003-04		145.90	
2004-05		-	1129.35

Out of 51806 habitations, 26240 habitations were unconnected at the beginning of 2000-01. Out of 26420 habitations, 9202 habitations were decided to be covered under PMGSY. Of these habitations, 34 were connected during 2000-01 and 1331 were connected during 2001-02.

Externally Aided Road Projects

MP State Road Project is an EAP The total cost of the project is Rs. 1707 crores. The project envisages Institutional Reforms, Labour rationalization and construction of about 2322 km of State Highways and MDR. The ADB has approved a loan of Rs. 900 crores The balance amount is counter part funding of the State. This project has following two components:

a) Programme component : This is related with rationalization of PWD staff. Institutional reform, labour rehabilitation, establishment of state highways Authority and providing funds for maintenance of road. The project is to be implemented in two year i.e. 2003-04 and 2004-05. The first installment of loan has released in December, 2002.

b) Project component
This is for rehabilitation of about 2322 km of state highways and MDR in two phases. In the first Phase, total length of 332.59 kms have been taken, which confers 6 state highways The latest position need to be ascertained.

In phase II, total length of 1404 km has been identified.

Road Transport

Madhya Pradesh State Road Transport Corporation is a loss-making corporation The details are as follows:

(Rs. crore)

Year	At current fares / current prices	
	Net Profit	Contribution to plan / internal resources for the plan
2004-05 Estimate	(-) 31.93	(-) 24.53
2004-05 LE	(-) 60.00	(-) 56.00
2005-06 Estimate	(-) 53.50	(-) 49.50

MPSRTC had a very large number of over-aged fleet (45%), which resulted in poor utilization of buses and low vehicle productivity. Besides, tough competition with the private operators on economic routes also affected the revenue of the corporation.

The MPSRTC has forwarded a proposal of loan to the tune of Rs. 110.00 crore from HUDCO and other financial institutions for acquiring 200 new buses during 2004-05. This was not approved by State Govt.

Civil Aviation

During Tenth Plan, the main objective will be to maintain government aircrafts, helicopters, repair of hangers and construction of airstrips and administrative block including VIP lounge. The 10th Plan approved outlay is Rs. 28.05 crore.

Presently State fleet comprises a Bell 430 helicopter and a B-200 Aircraft. The Madhya Pradesh Flying Club Limited provides training at its two bases – Bhopal and Indore. Out of 45 districts, 26 have airstrips, while some districts have two airstrips and the airstrips in some districts are in disuse. The proposed outlay during 2005-06 is Rs. 1.65 crore for construction of air strips, maintenance of aircrafts, repair of hangars etc.

V TOURISM

The Tenth Plan outlay of tourism sector for Madhya Pradesh is Rs. 5360 lakhs constituting only 0.21% of the total Plan Outlay. Madhya Pradesh offers a wide range of tourist attractions in the form of monuments, wild life and religious places.

Out of the total outlay of Rs. 5360 lakhs for Tenth Plan, higher allocation were made to the tune of Rs 2073 and Rs. 1875 lakhs respectively for the first-two years of the Plan. The outlay for 2004-05 has significantly declined to Rs. 573.71 lakhs and for 2005-06 outlay has been placed at Rs. 442.00 lakhs only. Considering the higher tourism potential coupled with strategic position of the State in the tourism map, there is need for higher allocation for the Sector. State Government should consider expanding tourism activities and efforts to strengthen the tourism infrastructure to tap the vast employment potential in the sector. State Government need to provide infrastructure facilities for Sanchi and Bharhut included in Buddhist circuit.

VI ENVIRONMENT & FOREST

Forestry & Wildlife

Madhya Pradesh has a total geographical area of 308.24 thousand sq. km. The forest area covers 95.20 thousand sq. km. constituting 30.90 per cent of the total geographical area of the state. Forests cover 25.1 % and other trees 1.9% of the land, totaling 26.9% Approximately 44% of the existing forest cover is degraded

An outlay of Rs.141.91 crore is proposed under Forestry & Wildlife sector including Rs.0.91 crore for forestry activities under soil and water conservation for the Annual Plan 2005-06, which constitutes 1.89% of the total plan size of Rs.7470.56 crore. The approved

outlay for Annual Plan 2004-05 is Rs. 137.59 crore under forestry wildlife including 0.84 crore for soil and water conservation.

The State has taken initiative in systematic forest management based on working plans, participation of people being a part of the management strategy. Rehabilitation programme of degraded forests including bamboo may be focused to the kind of vegetation which could be linked to value addition and marketing to ensure gainful employment to the villagers on a sustainable basis. Jatropha and medicinal plants can be made a part of this programme. The plantations raised under JFM for employment generations may be allowed to be appropriate for the purpose.

Environmental forestry, Lok Vaniki and compensatory afforestation are the components directly contributing to the green cover. Participation of communities may also be sought for greening of all the available cultivable lands including those under Nistar, which have degraded due to overuse. This will augment the natural resource base available with the people for their requirements.

Lok Vaniki is an apt initiative to promote Agrofarm forestry. The trade in tree species grown by farmers may be provided market support to ensure reasonable price to them.

An area of 1,50,000 hectares for rehabilitation of degraded forest, compensatory afforestation in 2852.10 hectares and high tech. afforestation in 8619 ha is proposed. 102 buildings and 21 check posts are proposed to be constructed during the year.

Attempts so far made by the State in linking bamboo with the employment generation in local communities in context of developing cottage handicraft industry as against the usage in forest based paper/ pulp industry may be discussed.

Ecology & Environment

Pollution in air, soil degradation, deforestation, desertification, shrinking wetlands, inadequate public health and sanitation, falling ground water tables, minimum flow in rivers, over extraction of water for irrigation purposes, indoor pollution in rural areas, growing water scarcity are some of the environmental problems that need an urgent attention.

An Environmental Planning and Co-ordination Organization (EPCO) has been established by Government of Madhya Pradesh for identification of environmental issues and coordination of developmental activities and maintenance of ecological balance. Other activities relate to Disaster Management Institute and Pollution Control Board. All projects related to Biodiversity & Biotechnology, packages of incentives for establishing and developing above activities will be continued.

The proposed outlay for the Annual Plan (2005-06) is Rs.12.79 crore as detailed below:

(Rs in crore)

S.No.	Item	**Annual Plan (2005-06) Proposed Outlay**
1.	Bio-diversity and Bio-technology	4.88
2.	Environment (EPCO)	4.09
3.	Disaster Management Institute	0.61
4.	Pollution Control Board	3.21
	Total	**12.79**

VII COMMUNICATION & INFORMATION

1. The Deptt.of IT has been implementing its programme through MAP-IT since1999. Websites of Govt. Deptts and promotion of access to citizens of Bhopal by setting up of portal are the two major programmes. A provision of Rs.84 lakhs has been proposed which is only 0.001% of the total outlay.

2.State Govt. should frame an IT policy and list out detailed IT related programmes in consultation with DIT at centre and other stake holders.

3. Based on the IT policy, a suitable e-governance plan may be sketched and implemented. SWANs should be created in the State with the support of DIT at centre.

4. As suggested by Planning Commission, 2-3% of the total outlay should be earmarked for the IT activities.

VIII MINERALS

Madhya Pradesh is the only diamond producing State in the country. Important mineral occurrences in the State are : coal (Betul, chhindwara, Shahdol and Sidhi districts): bauxite (Mandla, Jabalpur, Rewa, Satna, Shahdol and Sidhi districts); diaspore (Chhatarpur, Tikamgarh and Shivpuri districts); copper ore (Malanjkhand deposits in Balaghat districts); limestone (Principally in Jabalpur, Mandsaur, Satna districts and small quantities reported from Dhar, Damoh, Morena, Rewa and Shahdol districts); Slate (Mandsaur district); steatite (Jabalpur and Dhar districts); and ochre (Satna, Shahdol, Mandla, Dhar, Jabalpur and Rewa districts). Reserves of the mineral resources are given in the enclosed Annexure

Physical Targets, Achievements during Annual Plan 2004-05 & Annual Plan 2005-06

Schemes/ Projects	Xth Plan 2002-07	Annual Plan 2004-05		Proposals AP2005-06
		Target	Achievement	
Survey and Mapping (sq.mts)	45,000.	9500	10611.44	12,000
Pitting/Trenching (cu.mts.)	300 cu mt.	60 cu mts.	62.00 cu mts.	60 cu mts.
Drilling (Mts.)	25000	5000	5383.09	5000
Chemical analysis (radicals)(nos)	22500	4500	5178	4500

The primary objective of the plan schemes of mineral development is to locate new mineral belts, improve the process of exploitation of the existing mines and to encourage setting up mineral based industries.

The following activities would be carried out by the Directorate of Geology during Annual Plan 2005-06 besides those shown in the table above.

Diamond exploration will be carried out Mandsaur and Sidhi districts and actively engaged in searching of Diamond in different parts of the state.

The programme of delineating potential deposit of cement grade lime stone will be continued in Hatta and Devendra nagar belt of Damoh and Panna districts. Exploration works of dolomite in Dewas, Harda and Seoni districts will be continued. The investigation of coal will be continued in Shahdol and Anoopur district.Officers and staff of directorate will be sent to various training institutes like the NGRI at Hyderabad, the GSI, IBM, and National Remote Sensing Agency. Construction of office building for the directorate at Bhopal and strengthening and Modernization of Laboratories with computerization is proposed.

Plan Outlays(Approved, Expenditure& Proposed)

(Rs. crores)

Tenth Plan outlay	Annual Plan 2003-04		Annual Plan 2003-04		Annual Plan 2005-06
Plan Outlay	Appr	Expn	Appr	Expn	Proposed
3215.00	579.00	369.73	583.82	---	651.00

Issues for consideration:

1. Need for formulation of new State Mineral Policy besides preparation for geological data base for the use of UNFC classification.
2. State Government should evolve a strategy for attracting private sector investment, particularly FDI in the mineral sector.
3. Need to create modern Chemical, Petrological lab. facilities including the computerization of geological data in the mineral sector.
4. For sustainable development of the mineral resources, a road map should be prepared along with the adequate trained manpower as a part of HRD programmes for taking up systematic mineral development programmes.
5. Need for projectisation the Planned work against the Annual Plan Outlays.

VIII SCIENCE & TECHNOLOGY

The Madhya Pradesh Council of Science and Technology (MAPCOST) was established in November 1981 to provide the policy guidelines and create a scientific temper in the people of the State. The main objectives of the Council are to: identify areas where science and technology inputs are required for development in various sectors (with special reference to SCs/STs and weaker sections), to contribute towards the development of scientific and technological capabilities in the State, and to take all such steps which will promote modernization in the State through S&T inputs. The on-going programmes relating to S&T in the State include: popularization of science, application of S&T for poverty alleviation and improvement of quality of life, remote sensing applications, aquaculture, patenting and intellectual property rights etc. The on-going programmes would be continued during the Annual Plan 2005-06. Establishment of Patents and IPR Centre, and Biotechnology Application, would be developed. The activities relating to nano technology would be initiated. An outlay of Rs. 219.00 lakhs has been proposed for Annual Plan 2005-06. In this connection, it may be mentioned that there is need for active interaction with Central Scientific Departments/Agencies viz., DST, DBT, DSIR/CSIR, particularly Regional Research Laboratory, Bhopal; Centre for Advanced Technology Application Centre should be taken up in close interaction with CSIR and DBT respectively. Close interaction should also be made with DST with regard to the Nano-technology activities. Further, the State of Madhya Pradesh has rich resource of minerals; therefore, greater awareness may be created on application of remote sensing in the State. Concerted efforts should be made to identify

the projects as per the demand of users so that the Centre could be made self-sustainable. The proposed outlay of Rs. 219.00 may be agreed to. The financial phasing is as follows:

Programmes/Projects	10th Plan 2002-07 Outlay	Annual Plan 2002-03		Annual Plan 2003-04		Annual Plan 2004-05		Annual Plan 2005-06
		App. Outlay	Act. Expn.	App. Outlay	Act. Expn.	App. Outlay	Act. Expn.	Prop. Outlay
Scientific Research (incl. S&T)	858.30	171.66	190.00	191.50	172.35	201.50	201.50	219.00

IX LABOUR & EMPLOYMENT

Employment and Unemployment situation- Madhya Pradesh

Employment, on current daily status basis, in the State of Madhya Pradesh grew at the average rate of 1.28% p.a. during 1993-94 to 1999-2000 compared to 1.07% for the country as a whole The labour force during the same period grew at the rate of 1.44% per annum. As a result the incidence of unemployment in Madhya Pradesh increased from 3.56% to 4.45% The following table gives the rates of growth of population, labour force and employment in Madhya Pradesh and the comparative estimates for the country as a whole.

Table 1 · Rate of Growth of Population, Labour Force and Employment (% per annum)

(1993-94 to 1999-2000)

	Madhya Pradesh	All India
Rate of growth of population	2.06	1.95
Rate of growth of labour force@	1.44 (2.90)	1.31 (2.48)
Rate of growth of Employment@	1.28 (2.76)	1.07 (2.52)

@ On Current Daily Status Basis
Figures in the parentheses show the rates of growth during 1987-88 to 1993-94

As in the case of trend at the All India level, the rate of growth of employment during 1993-94 to 1999-2000 was lower than the growth observed in the previous period i.e. 1987-88 to 1993-94. However, the decline in the rate of growth of employment has to be seen together with a decline observed in the rate of growth of labour force as well. It is, however, true the rate of growth of employment has been lower than the rate of growth of labour force. The incidence of unemployment, therefore, increased during 1993-94 to 1999-2000.

Incidence of unemployment

The incidence of unemployment on current daily status basis increased from 3.56% in 1993-94 to 4.45% in 1999-2000. The level however, continues to be much lower than the All India average unemployment rate. The comparative estimates are given in following table.

Table 2 : Incidence of unemployment*

	Madhya Pradesh		All India	
	1993-94	1999-2000	1993-94	1999-2000
Rural	2.77	3.77	5.61	7.21
Urban	6.96	7.10	7.19	7.64
All Areas	3.56	4.45	5.99	7.32

** Unemployed as percentage of labour force; on Current Daily Status Basis*

Unemployment among youth and educated

The segments of population where the problem of unemployment, in terms of incidence of unemployment, is very high, are youths and educated. It is true at the All India level and also for the state of Madhya Pradesh (Table 3).

Table 3: Incidence of Unemployment among Youth and Educated#

	Youth *		Educated @		All	
	1993-94	1999-2000	1999-94	1999-2000	1993-94	1999-2000
	MADHA PRADESH					
Rural	2.9	3.5	6.6	5.6	1.8	2.6
Urban	15.1	12.3	9.8	6.2	6.2	5.6
	ALL INDIA					
Rural	5.4	7.2	9.3	8.4	3.0	3.8
Urban	12.8	13.1	9.0	8.2	5.8	5.9

 # On Current Weekly Status Basis.
** Age group 15-29*
@ Secondary and above

In terms of incidence of unemployment, it can be seen that the Rural-Urban divide in unemployment rate in case of Madhya Pradesh is much wider than the All India average. This is true for overall unemployment rate as well as unemployment rate in specific groups such as youths and educated. The relatively very high unemployment rate in urban areas can be partly attributed to slow pace of industrialization in the State. Only about 4% and 18% of the total rural and urban employment respectively in Madhya Pradesh is engaged in manufacturing sector compared to the All India average of 7% and 23%.

Employment in Organised Sector

The share of organized sector in total employment for the country as a whole is less than 8%. The situation in Madhya Pradesh is more or less similar.

Table 4: Employment in Organised Sector

(in lakh)

Employment in Organised Sector	1983	1994	2002
	MADHYA PRADESH		
Public Sector	11.99	14.37 (1.66)	12.92 (-1.32)
Private Sector	2.18	2.40 (0.89)	2.04 (-2.01)
Total Organised	14.17	16.77 (1.54)	14.96 (-1.42)
	ALL INDIA		
Public Sector	164.56	194.45 (1.53)	187.73 (-0.44)
Private Sector	75.52	79.30 (0.44)	84.32 (0.77)
Total Organised	240.08	273.75 (1.20)	272.06 (-0.08)

Employment Estimates are as on 31st of March

Figures in parentheses give the rate of growth over previous period.

As can be seen from the table above, the rate of growth of employment in organized sector declined considerably during 1994-2002 compared to earlier period. At the All India level the decline can be completely attributed to decline in growth of employment in organized public sector. The experience in Madhya Pradesh, however, has been different. Not only the growth of employment in organized public sector declined during 1994-2002, even the organized private sector employment growth, which was above all India average during 1983-94, declined sharply and was in fact negative. As a result the overall employment growth in organized sector in Madhya Pradesh declined drastically during 1994-2002. The reasons for stagnation in employment growth in organized private sector need to be looked into as growth of employment in this segment is very crucial from the point of view of problem of unemployment among youth and educated, especially so in view of the limited scope for expansion of employment in public sector in the era of liberalization.

Annual Plan 2005-06 proposals

The Labour and Labour Welfare sector is broadly divided into three sub-sectors. The outlay and expenditure during Tenth Plan, Annual Plans (2002-03), (2003-04), (2004-05), and the proposals for Annual Plan (2005-06) are summarized in the table below.

Table 5: Outlay and Expenditure- Labour & Labour Welfare Sector

(Rs. Lakh)

	Tenth Plan	Annual Plan (2002-03)		Annual Plan (2003-04)		Annual Plan (2004-05)		Annual Plan (2005-06)
	Outlay	Outlay	Actual Expd.	Outlay	Actual Expd.	Outlay	Anti. Expd.	Proposed Outlay
Labour Welfare	770.0	140.0	75.7	133.6	19.4	109.5	109.5	119.0
Craftsmen Training*	4750.0	896.0	710.9	1105.2	1003.1	1451.0	1451.0	1710.0
Employment Service	181.0	24.6	14.0	104.6	9.7	5.00	5.00	12.0
Total	5701.0	1060.6	800.6	1343.4	1032.2	1565.5	1565.5	1841.0

* *The outlay for Apprenticeship Training in included in Craftsmen Training outlay*

The average utilization of overall outlay for Labour & Labour Welfare Sector, in the first two years of the Tenth Plan, i.e. during Annual Plan (2002-03) and (2003-04), has been about 76%. However, in sub sectors Labour Welfare and Employment Service, the utilisation of outlay has been very low- 35% in Labour Welfare and only about 11% in Employment Service. Estimates for expenditure in Annual Plan (2004-05) are not firm.

Labour Welfare

Under this subsector schemes to be implemented include Indira Krishi Shramik Durghatna Kshatipurti Yojana; Rehabilitation of Bonded Labour; Construction of Houses for Beedi workers; Modernisation of Health and Hygiene Lab; and computerization of departmental activities..

It may be mentioned here that the Tenth Plan proposals of the State included a new scheme for social security of unorganized workers, including establishment of welfare boards for workers of unorganized sector. The details and progress in implementation of the scheme are not available.

Craftsmen Training

There are 150 ITIs in the State with approximately 15,000 seats. In addition, there are 28 private ITIs with 1540 seats. Vocational Training is provided in 28 engineering and 17 non engineering trades. On-the-job training is provided in the industrial organization under Apprenticeship Training Act.

The outlays proposed in the Annual Plan (2005-06) are mainly for continuation of existing ITIs and mini ITIs.

Employment Service

Employment service in the State is being extended through a network of 64 Employment Exchanges. Outlay proposed in Annual Plan (2005-06) for Employment Service is towards continuation of existing activities.

Issues for consideration

1. Utilisation of outlay in labour welfare and employment services sub sectors are expected to be very low. Reasons for this may be ascertained.
2. Extremely low levels of utilization of outlays for the Employment Service, which is done through the network of Employment Exchanges, suggests very low level of activity through these Exchanges. State Government may be asked to give their views on how do they perceive the future role of these Exchanges in changed labour market scenario.
3. Madhya Pradesh is one of the States where population growth rate is higher than the national average. Correspondingly, growth of labour force, even at existing levels of LFPR, are likely to be much higher than the employment growth observed during the late nineties. Under such a scenario unemployment situation in the State might worsen in coming years unless employment concerns are explicitly built into thee planning exercise and employment outcomes monitored.
4. The information on coverage and scope of scheme for welfare of unorganized labour, along with progress in implementation of such schemes should be reported in the Annual Plans of the State.

X HOUSING & URBAN DEVELOPMENT

The total population of Madhya Pradesh as per 2001 census is 6.04 crore, out of which urban population is 1.61 crore constituting about 27% of the total population spread over 394 towns/ cities of the State. There is a continuous increase in the urban population of the State which has necessitated investments to develop need based physical infrastructure for economic activities in urban and semi-urban areas. The programmes and projects under Housing and Urban Development sectors pertain to provision of urban infrastructural facilities like housing, transport, poverty alleviation, slum improvement, water supply, sewerage etc.

For 2005-06, it is observed that the outlay proposed for Housing is about eleven times higher than the outlay of the previous year, 2004-05. Contrary, to this, the outlay proposed for Urban Development is half of the previous year's level. Given the overall financial progress vide the Plan Document, the balance that would be left for the terminal year of the Tenth Plan would be about Rs 466 crore for Housing. There is a likely overspending of Rs 188 crore by the end of 2005-06 in respect of Urban Development, mainly under the head, 'Urban Administration (Local Bodies)'. The reasons behind effecting such changes and the relative achievements by doing so have to be clearly brought out in the

Annual Plan document. An important aspect is to ensure focus on priority projects, consistency between financial and physical achievement.

The M.P. Housing Board is executing and implementing various housing schemes in the State for providing residential accommodation/ housing plots at reasonable rates to the economically weaker section of the society. Other housing activities include rental, for police personnel etc. There is no housing programme for people living below poverty line in urban areas. The outlay proposed for Housing sector for the Annual Plan, 2005-06 is Rs 111.91 crore, of which Rs 98.65 crore (88%) towards urban housing. Physical targets include construction of 3700 houses, development of 4200 plots.

Under Urban Department, financial assistance is extended for providing civic amenities and other essential facilities to the urban population. The local bodies are expected to provide safe drinking water, street lighting, sanitation facilities and arrangements for disposal of sewage, and ensure prevention of epidemics etc.. A new item of development work, viz., "Simnastha Fair" was proposed to be organized in Ujjain in 2004 at a huge cost but no project details furnished earlier or as of now. The present status needs to be ascertained.

The Directorate of Urban Projects is vested with the responsibility of monitoring, reviewing and management of the MP Urban Development Project Phase-I, and preparation of the proposed MP Development Phase-II. The projects were implemented in ten towns of MP at first, with the financial assistance of World Bank and HUDCO. As per the State Plan document, at present the repayment of the finances obtained from World Bank is under process. An outlay of Rs 84 lakhs is envisaged for transferring it to MP Housing Board for implementing the scheme of slum improvement.

As per information available, the Government of Madhya Pradesh had proposed a new project, " Urban Water Supply and Environmental Improvement Project in MP" at an estimated cost of 300 million US Dollars in collaboration with Asian Development Bank (ADB). The project aims to improve urban infrastructure, to be completed by 2009. The State Government had requested for providing Rs 5.49 crores as counterpart funding for the year 2004-05 out of a budget estimate of Rs 26.25 crores. The State's share for 2004-05 is estimated at Rs 20.77 crores. To be able to assess the status of externally aided projects vis-à-vis project execution, it is essential that the State plan document brings out clearly the progress details, the realization of objectives, the remaining liabilities, strategy thereof etc.

The Town & Country Planning Department prepares development plans for towns and cities having high growth rates, places of tourist and religious interest and those special areas where there is a need for channelising urban growth through City Development Authorities, Special Area Development Authorities and Local Bodies.

As per information available, under the Centrally Sponsored scheme of Integrated Development of Small & Medium Towns (IDSMT), upto March, 2004, the central and State release of funds amounted to Rs 44.37 crore, Rs 29.10 crore respectively. The expenditure reported was Rs 38.80 crore An outlay of Rs 2.89. crore is proposed for 2005-06.

The Urban Welfare Department in the State takes up schemes relating to improvement of urban slums, employment generating programmes etc. As per information available, upto March 2004, an amount of Rs. 133.95 crore was released as Additional Central Assistance (ACA) under National Slum Development Programme (NSDP) and the expenditure reported

is Rs 108.84 crore. An amount of Rs 25.11.crore remains as unspent balance under the programme

The above mentioned Department implements Swarna Jayanti Shahari Yojana (SJSRY) also. As per information available, the central and State share of release amounted to Rs 69.70 crore and Rs 18.96 crore respectively, and the utilization was reported to be Rs 107.77.crore. With an unspent balance of Rs 11.44 crore, the utilization works out to 90.41%. An outlay of Rs 11.50 crore is provided for the Annual Plan, 2005-06. The appointment of Project Officers, Community Organisers under SJSRY along with formation of Neighbourhood Groups/ Committees, Community Development Societies should be given top priority.

No information is made available vide the State Plan document regarding the progress made under the Centrally Sponsored Scheme of Valmiki Ambedkar Awas Yojana (VAMBAY). As per information available, Rs 2.46 crore was released, 523 dwelling units had been completed upto March 2004. The State Government have been suggested to link up all the slum related programmes under various schemes and utilize the funds more meaningfully. However, the progress need to be brought out separately. The State Government may evolve a more focused strategy in handling the issues.

Capital Project Administration was formed for taking up various construction works in new Bhopal for giving the State capital a planned look. The works under taken include, construction of MLA's houses in T.T. Nagar, maintenance of Old & New Vidhan Sabha Bhavan and MLAs Rest House, construction of gardens/Maintenance of parks, residential buildings for ministers employees/officers, construction of good roads, well equipped hospitals, parks, etc. Rs. 25 crore is proposed under the head. The need is to ensure that the projects executed under the head are priority ones.

Development of Gwalior is an on-going scheme as Counter Magnet area to the national capital. A development strategy was envisaged to mobilize financial resources available through the various sources i.e. the central and state Governments and financial institutions, and channelise them to regional, urban and rural growth intake points in a planned manner. The plan projects include construction of major roads, water treatment plants/ purification unit, distribution lines, construction of schools, hospitals etc. The expenditure during the previous two Annual Plans is indicated as Nil. For 2005-06, an outlay of Rs 10 lakhs has been proposed.

The Centrally Sponsored Scheme of Valmiki Ambedkar Awas Yojana (VAMBAY), is meant to provide affordable houses or upgrade the existing shelter to EWS, people belonging to the SC, ST and other weaker sections in urban slums as also for taking up need based projects under Nirmal Abhiyan Yojana. As per information available, the central subsidy released amounted to Rs 12.98 crores. There is no mention about the implementation of the programme.

As per records, Rs 21.15 crore was recommended under the URIF (Urban Reforms Incentive Fund) for the State. The utilization progress need to be obtained.

Apart from above, the Government of Madhya Pradesh may furnish feed back regarding the initiatives taken on the following important points of concern:

- Strategy to address shortfall in achievements;
- provision of land/ credit to the EWS etc in the urban areas;.
- recovery position of the State Housing Board;
- fixing of monitorable targets with respect to specific issues;
- dovetailing of NSDP with VAMBAY and Night Shelter schemes;
- development of comprehensive Urban Poverty Eradication Cells at the State HQrs with branches at the district/ municipality level in view of the high level and complex issues of urban poverty;
- carrying out of amendment to Municipal Act to give mandate of poverty alleviation to the ULBs;
- according priority to urban development sector as a whole in proportion to the percentage of urban population;
- progress in setting up of Revolving Fund under IDSMT aiming at sustainable development;
- Convergence of various urban development schemes to effectively leverage financial assistance from the market;

Annual Plan, 2005-06:

The outlays proposed by the State Government of Madhya Pradesh for Housing and Urban Development sectors are Rs 111.91 crore and Rs 75.52 crore respectively for the Annual Plan, 2005-06.

XI WATER RESOURCES

Madhya Pradesh constitutes 9.37% of the total area of the country. The State has a net sown area of 150 lakh ha. (year 2000) which is 48.79 percent of geographical area. Nine major perennial rivers of the State namely Mahi, Narmada, Tapti, Chambal, Betwa, Sone, Wainganga, Ken and Pench originate in Madhya Pradesh and flow to five bordering States. The estimated annual run-off from the above water-sheds in the State is about 81523 million cubic metres(66 MAF) as assessed in the master plan. It is estimated that about 49743 mcm (40.3 MAF) can be harnessed for irrigation purpose in M.P. The State has an ultimate irrigation potential of about 162.14 lakh ha and potential created is 36.42 lakh ha. which is 22.46% of ult. potential, national average of irrigation potential up to March 2002 was 66.90%. Also while 41% of gross cropped area is irrigated in the country, for MP this figure is only 17%. Thus considerable efforts are required for bringing Madhya Pradesh at par with the national average.

The financial details are as under:

Financial Status:

(Rs. Crore)

Sl. No.	Item	Major & Medium	Minor Irrigation	CAD	Flood Control	Total Irrg.	All Sectors
1.	IX Plan Expdr.	2203.67	746.30	17.43	3.91	2971.31	
2.	Annual Plan 2002-2003 Actual Expdr.	794.84	194.81	2.55	2.61	994.82	5329.82
3.	X Plan Apprd.	3819.03	1047.46	37.40	12.00	4915.89	25737.25

	Outlays						
4.	**Annual Plan 2003-04 Actual Expdr.**	893.44	206.33	3.43	1.16	1104.35	5087.38
5.	**Annual Plan 2004-2005 Antcpd. Expdr.**	1387.16	222.70	5.82	8.84	1624.53	6709.96
6.	**Annual Plan 2005-06 proposed**	1378.31	255.31	6.51	1.45	1641.58	7470.56

Physical Progress

The available physical details are as under: ('000 ha.)

Sl. No.	Item	Major & Medium		Minor Irrigation	
		Pot.	Utl.	Pot.	Utl.
1.	**Ultimate irrgn. Pot.**	4853.00	4853.00	11361.00	11361.00
2.	**Cumu. achiv. as on 3/02**	1386.90	875.63	2256.13	2149.48
3.	**Target for X Plan**	225.00	175.00	125.00	100.00
4.	**Achievement for Annnal Plan 2002-03**	45.00	35.00	35.00	25.00
5.	**Antcpd. Achiv. For A.P. 2003-2004**	37.00	28.00	30.00	25.00
6.	**Target for Annual Plan 2004-2005**	52.00	40.00	25.00	20.00
7.	**Target for Annual Plan 2005-06**	57.10	40.00	20.00	15.00

Major & Medium Projects :

There are 17 major & 10 medium irrigation projects in the State. The balance irrigation potential for these projects is 18.30 lakh ha. and the balance cost is Rs. 11043.31 crore. The State Plan outlays are about Rs. 1378.30 crore during 2005-06 including AIBP assistance, which indicates that the funding is too inadequate for early completion of these projects. The Central Loan Assistance under AIBP is being provided to 15 nos. of major & medium projects, most of these projects are Fifth and Sixth Plan projects. The additional potential which will be created after the completion of these projects is 5.02 lakh ha.

Minor Irrigation

There is ample scope for the development of minor irrigation in the State. The ultimate minor irrigation potential in the State is 11.36 lakh ha. and the potential created is only 2.26 lakh ha. i.e. only 19.89% of the M.I. potential. The districts like Jhabua, Kargone & Khandwa those are tribal dominated should be given emphasis for M.I. development.

Ground Water Development

The level of ground water development in the State is 18.84% which is less than the average development of the country i.e. 37.24%. The State is having only 3 nos. of over-

exploited and dark blocks out of the total of 459 blocks. The development of ground water could be accelerated in the State. The ground water legislation has not been enacted in the State as the State has already got an "M.P. Peyjal Parikshan Adhiniyam 1986".

Flood Control

The problem of flood in the State is because of flash floods in certain districts like Hoshangabad, Dewas and Gwalior. Some cities and towns are facing the problems of drainage congestion.

Command Area Development Works

There are 6 command area development authorities in the State; the works involved are bridging the gap between the potential created and utilized, efficient management of water through construction of field channels, field drains and warabandi.

PIM Legislation

The Government of Madhya Pradesh has provided legal backing for farmers' participation in Irrigation Management through the (Madhya Pradesh Sinchai Prabandhan Me Krishkon ki Bhagidari Adhiniyam) since June, 1999. Under this Act, 1470 "Water utilization committees" and 90 "Distributary Committees" have been constituted. MP Govt. is regularly publishing a quarterly magazine describing the various activities of these committees. A regular training programme is being conducted in the States' Academy of Administration for members of these water utilization committees.

Water Rates

The water rates in the State have been revised in June 1999. A comparison of the revised and previous water rates are as under:

(Rs. per ha.)

Crop	Previous Rates (Oct 92)	Current Rates(June 99)
Paddy	54.36 to 59.30	200.07 to 494.00
Wheat	61.78	200.07
Sugarcane	296.53	741.00
Pulses	44.48 to 59.31	123.5 to 247.00
Oilseeds	44.48 to 59.31	123.5 to 247.00
Cotton	59.31 to 92.67	172.9 to 370.5

Issues for discussion:

1. The development of irrigation in the State of Madhya Pradesh is 23% of the ultimate irrigation potential, however, the National average is 66.90%. The State Govt. should provide due priority to this sector.
2. The projects namely Rani Awanti Bai Sagar (Bargi) (Left Bank Canal Project), Bargi Diversion Project, Man and Jobat should be accelerated for construction.

3. The works on Indirasagar project should be expedited alongwith the rehabilitation of the project affected people.
4. Project construction in tribal areas like Khargone, Khandwa and Mandla should be expedited projects like Upper Beda should be given due priority.
5. The gap of irrigation potential creation utilization in the State is 6.18 lakh ha. This needs to be bridged up immediately. Hence, the CAD activities should be taken in full swing. Farmers participation should be encouraged in this regard.
6. It is proposed to complete the dams of Indirasagar, Omkareshwar and Maheshwar projects by the time the Sardar Sarovar Dam in Gujarat is ready for impoundment.
7. State Govt. should provide due attention for modernization of some old projects like Chambal, Harsi, Sindh, Ramowa and Tawa.

Accelerated Irrigation Benefit Programme

Under the AIBP, major irrigation projects such as Bansagar, Upper Wainganga, Rajghat Dam, Sindh Phase I and II, Bariyarpur, Urmil, Banjar and Mahi projects have been taken up, for which an outlay of Rs. 14078.00 lakhs is proposed. In the Annual Plan 2004-2005 the State Govt. of MP has been allocated a ceiling of Rs. 330 crore under AIBP while the State has requested for raising this to Rs. 850 crore.

XIII WATER SUPPLY & SANITATION

1. The Tenth Plan and A.P. 2002-03 (outlay/expdr.), Annual Plan 2003-04 (outlay/Expdr.) and AP 2004-05 (Outlay/Expdr) and Proposed Outlay for the year 2005-06 are given below :

Plans/Years	Outlay/Expenditure (Rs. In crore)
Tenth Plan outlay	894.25
Approved outlay for 2002-03	178.85
Actual Expenditure for 2002-03	152.14
Approved outlay for 2003-04	168.03
Actual Expenditure for 2003-04	148.08
Approved outlay for 2004-05	168.90
Expdr. 2004-05	168.90
Proposed outlay for 2005-06	294.92

State Govt should give the break up of Xth Plan, Annual Plan 2002-03, Annual Plans 2003-04, 2004-05 and 2005-06 in respect of RWS, RS, UWS &US.

2. The status of "Not Covered" (NC) and "Partially Covered" (PC) habitations are as under:

Status	Not Covered (NC)	Partially Covered (PC)	Fully Covered (FC)	Total	No. of schools
As per RGNDWM					
As on 1.4.2004	0	0	109489	109489	
Target for 2004-05	14353	4327	-	18680	4000
Coverage during 2004-05	928	641	-	1569	1274
As per State Govt document the new habitations identified as per latest survey. = 19225 nos and relapsed from FC to PC are 25074 nos.					

State Govt should update the figures of RGNDWM and should step up their efforts for covering all the NC/PC habitations within stipulated time.

3. As per RGNDWM, the financial progress under Centrally Sponsored Accelerated Rural Water Supply Programme (ARWSP) and State sector

Under ARWSP
Opening balance as on 1. 4.2004 = 0
Alocation during 2004- 2005 = Rs. 6728.00 lakh
Releases during 2004-2005 = Rs. 3868.50 lakh
Expenditure incurred Sept '04 = Rs. 1263.75 lakh
Under State Sector
Provision during 2004-2005 = Rs. 11880.64 lakh
Expenditure incurred upto Sept. 2004 = Rs. 3442.04 lakh
The State Govt. may accelerate their efforts for utilization of funds and implementation of the programme.

4. The implementation status of Sector reforms projectrs are as under :

(Rs. Lakh)

Sl No	District	Approved Cost	GOI share	Admin. approval date	Funds released	Reported Expdr.	Community Contribution
1.	Gwalior	2927.94	2737.62	02-Feb-00	821.29	587.19	44.68
2.	Hoshangabad	4000.00	3740.00	20-Apr-00	1122.00	1217.01	138.52
3.	Narsinghpur	4000.00	3740.00	19-Apr-00	1122.00	1509.83	199.64
4.	Raisen	4000.00	3740.00	19-Apr-00	1269.01	1367.73	149.60
5.	Sehore	1795.00	1678.15	16-Mar-00	503.44	522.58	66.22

5. The details of Swajal Dhara Schemes (upto 29-10-2004)
(a) Swajaldhara scheme (2002-03)-
No. of proposals approved = 87
Total Outlay = Rs. 563.85 lakh
GOI Share = Rs. 529.01 lakh
Amount released = Rs. 264.49 lakh

(b)Swajaldhara scheme (2003-04)-

Allocation for 2003-04	= Rs. 840.54 lakh
Amount released	= Rs. 420.27 lakh
(c)Swjaldhara Scheme (2004-05)	
Allocation for 2004-05	= Rs. 966.49 lakh
Amount released during 2004-05	= Nil.

6. As per RGNDWM, the Physical progress under Total Sanitation Campaign (Central Rural Sanitation Programme) are as below (upto Sept. 2004):

Item	**Project Objective**	**Project Performance**
Integral House hold latrines (IHHLs)	6834860	267085
Sanitary Complex	737	95
School Toilets	52053	10189
Toilets for Balwadis	6562	1013
Rural Sanitation Mart(RSM)/ Production Centres(PCs)	286	224
Total San. of villages	0	0

State Govt should step up their efforts to improve the project performance under the Campaign

7. As per RGNDWM, the financial progress under Total Sanitation Campaign (Central Rural Sanitation Programme) are as inder (upto 11-07-2003):

Total Projects outlay	**= Rs 40332.19 lakh**
Approved Share	
(i) Central Share	= Rs 26059.81 lakh
(ii) State Share	= Rs 8965.56 lakh
(iii)Beneficiary's share	= Rs. 5306.82 lakh
Release of funds	
(i) Central Share	= Rs 7822.34 lakh
(ii) State Share	= Rs.1733.29 lakh
Total Expedr. reported	= Rs.4905.73 lakh

8 Population coverage as per CPHEEO Status as on 31-03-2000	UWS	US
- State's/UT's Coverage (%)	100	80
- All India average (%)	89	63

9. Under Accelerated Urban Water Supply Programme (AUWSP), for towns having population less than 20,000 (1991 Census),

No. of projects	= 128 nos
Estimated cost approved	= Rs 13353.99 lakh
Allocation for 2004-05	= Rs. 1744.86 lakh.
Amount released by Govt. of India	= Rs 6452.60 lakh
An amount released by State Govt.	= Rs. 4687.64 lakh
Total expdr. incurred upto March 04	= Rs. 5540.26 lakh

10. As regards Under Low Cost Sanitation programme for Liberation of Scavengers,

No.of projects	= 34 nos,
Estimated cost	= Rs.6928.96 lakh.
For conversion/construction of	= 272957 units.
Loan Sanctioned	= Rs. 815.75 lakh.
Sanctioned subsidy	= Rs. 3142.78 lakh
Loan released	= NA
Subsidy released	= Rs. 1978.58 lakh
No.of units completed	= 244513 units
No.of units are in progress	= 23184 units.

The State Govt. should expedite the progress of implementation of the schemes.

11. Details of overexploited/dark/total blocks in the state and the level of ground water development in the state is given below:

Total no. blocks	= 459
No. of overexploited blocks	= 2
No. of Dark blocks	= 1

The level of ground water development in the state is 24.95% against all India average of 37.23 %. The State should implement rain water harvesting and water shed development programmes for recharging the springs and streams as also to provide a supplementary source of water.

XIV SOCIAL JUSTICE & WOMEN EMPOWERMENT

Outlay & Expenditure - Social Welfare & Women &Child Development.

(Rs.Crore)

S. No.	Sector	X th Plan (2002-07)	Annual Plan (2002-03)		Annual Plan (2003-04)		Annual Plan (2004-05)		Annual Plan (2005-06)
		Outlay	Outlay	Exp	y	Exp.	Outlay	Ant. Exp.	Outlay
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	Social Welfare	20.38	4.08	2.75	4.25	3.44	4.39	4.39	4.62
2.	Women &Child Dev.	63.47	11.54	6.35	9.85	6.52	15.43	15.43	14.00
	Total	83.85	15.62	9.10	14.10	9.96	19.82	19.82	18.42

Comments

2. Against the approved outlay of Rs.20.38 crore for Social Welfare sector and Rs.63.47 crore for Women and Child Development ,the expenditure are Rs. 10.58 crore and Rs.28.30 crore. The State Government has proposed an outlay of Rs 4.62 crore to continue the ongoing

schemes of the Departments of Social Welfare and an outlay of Rs 14.00 crore for Women & Child Development for Annual Plan 2005-06 respectively. **We may agree.**

3. State Government has not provided the scheme–wise details of outlays, expenditure of the previous years. In the absence of details, it is not possible to appriciate the programmes to comment upon the programmes. **The State Government should furnish the details of the schemes bifurcating the programmes under Social Welfare Sector into different Heads of Development viz., i) Direction and Administration; ii) Child Welfare; iii) Women Welfare; iv) Welfare of the Disabled; v) Social Defence Services; vi) Social Security Measures; vii) Other Services, etc.**

II. Women & Child Development

4. The physical anticipated achievement for 2004-05 and targets for Annual Plan 2005-06 have been given below:-

Physical achievement for the year 2004-05.

i. To organize 712 women awareness camps to educate 69800 women for their social and financial rights.
ii. Grant to child welfare organizations will be given to benefit 30 institutions with 900 beneficiaries.
iii. Grant to 350 voluntary organizations engaged in Child and Women Welfare for 7000 women beneficiaries. 1445 anganwadi buildings to be constructed.
iv. Under the Gramya Scheme, small loan to 3670 women is proposed for self-employment.
v. For women Self Help Groups, 1500 women and Apna-ghar scheme 20 to be benefited.
vi. The proposed targets will be in the year 2004-05 are likely to be achieved fully.

Physical targets for the year 2005-06 are as below:

i) To organize 712 women awareness camps to educate 69800 women for their social and financial rights.
ii) Grant to child welfare organizations will be given to 30 institutions with 900 beneficiaries.
iii) Grant to 264 voluntary organizations engaged in women welfare for 5280 women beneficiaries. 1445 anganwadi buildings to be constructed.
iv) Under the "Gramya Scheme", small loan for 3670 nos. of women is proposed for self-employment.
v) For women Self Help Groups, 1500 women benefited.
vi) Grant to NGOs for rehabilitating children of women involved in prostitutes and to prevent prostitution in 7 institutions and 700 beneficiaries would be benefited.

The Directorate of Women and Child Development has proposed an outlay of Rs.14.00 crore for continuing the above schemes during the year 2005-06 which is 9.2 % lower than the outlay of Rs. 15.43 crore for 2004-05. **We may agree**

5. The Status of State Policy for Empowerment of Women and the formulation of an Action Plan for Girl Child by State Govt may be intimated.

6. The State Government should ensure coordination between the Department of Social Welfare and the concerned line-departments for effective implementation of programmes for the empowerment of women and development of children.

7. As per the National Crime Bureau (NCRB) 2001 Report, Madhya Pradesh ranks 2nd in the Country in terms of crimes committed against women. Although there has been some improvement in this regard **the State Government may be advised to take more effective measures to prevent crime against women and ensure their rehabilitation.**

8. As the Integrated Child Development Services (ICDS) Programme has been universalized, the State Government is requested to take necessary steps to operationalise all the ICDS blocks sanctioned in the state. Despite adequate allocation by the Planning Commission, it has been observed that sufficient outlays have not provided towards Nutrition under ICDS. **The State Government may be requested to provide adequate funds for Supplementary Nutrition under ICDS**

Social Welfare

9. The Department of Social Welfare will continue various on-going programmes for welfare of disabled, Juveniles, older persons etc. The proposed outlay of Rs. 4.62 crore for Annual Plan 2005-06 **may be agreed to which is higher than the outlay of the Annual Plan 2004-05.**

10. The State Government has to implement various provisions of 'Persons with Disabilities' (Protection of Rights, Equal Opportunities, Full Participation) Act, 1995 and action initiated in this regard may be intimated.

11. Under National Programme for Rehabilitation of Persons with Disabilities (NPRPD), the State Government has set up State Resource Centres. **The present position regarding utilization of funds as well as progress in this regard may be ascertained.**

12. **We may ascertain** about the State Policy of the older persons and progress on distribution of identity card for the Sr. Citizens. **The State Government should review the existing old age pension and actual number of old and destitute persons being benefited under this scheme.**

XV MULTI LEVEL PLANNING (MLP)

MLP Division deals with Special Area Programmes. In Madhya Pradesh, only one programme, namely, Rashtriya Sam Vikas Yojana (RSVY) is being implemented. It is seen from the Annual Plan 2005-06 document of Madhya Pradesh that they have not shown any outlay in respect of this programme in 2003-04 and 2004-05. They have shown an outlay of Rs. 265 crore in 2005-06 for this programme.

Under the Backward Districts Initiative of the Rashtriya Sam Vikas Yojana, 10 districts of Madhya Pradesh are covered. The District Plans of three districts were approved in 2003-04 and first instalment of funds amounting to Rs. 22.50 crore (Rs. 7.50 crore for

each of the three districts) was released. This amount should have been shown in 2003-04. In the year 2004-05, the District Plans of the remaining seven districts have also been approved and first instalment of funds amounting to Rs. 52.50 crore (Rs. 7.50 crore for each of the seven districts) has been released. The State Government may lift the second instalment of funds amounting to Rs. 75 crore (Rs. 7.50 crore for each of the 10 districts) in the current year. Thus, outlay for RSVY for 2004-05 should be Rs. 127.50 crore. The outlay for 2005-06 for RSVY should be Rs. 150 crore (@ Rs. 15 crore for each of the 10 districts) as against Rs. 265 crore shown in the document.

The position relating to the outlays for RSVY in Madhya Pradesh should be as under :

(Rs. in crore)

Year	Outlay shown in the document	Outlay as per MLP Division's assessment
2003-04	0.00	22.50
2004-05	0.00	127.50
2005-06	265.00	150.00

XVI HEALTH

The present State of Madhya Pradesh came into being on November 1, 2000 when the state of Chattisgarh was carved out of the old MP state.

Data from SRS and Census 2001 regarding health and demographic indices is given in the Table.

Health & Demographic Indices

	CBR (SRS Oct 2003)	CDR (SRS Oct 2003)	IMR (SRS Oct 2003)	Sex Ratio (Census 2001)	Sex ratio 0-6 (Census 2001)	Decadal Growth Rate	Likely year of achieving NRR of 1
State	30.3	9.7	85	920	929	24.34	Beyond 2060
India	25.0	8.1	64	933	927	21.34	2026

The health and demographic indices of the State still remain well below the national level. It has one of the highest death rates in the country, with only Orissa having a death rate greater than the state. It also is one of the four states (Bihar, Rajasthan, and Uttar Pradesh being the other three) that have a birth rate more than 30. The sex ratio is lower than the all-India level, and is a cause of concern. It is noteworthy that the top ten districts in the state with the highest sex ratio (Balaghat's sex ratio is 1022) are tribal districts, and the five districts with the lowest sex ratio are relatively more prosperous ones (State Development Report).

Infrastructure- rural

The primary health care infrastructure of the state is shown in Table.

Primary health care infrastructure

	Subcentre	PHC	CHC	Subdist Hospitals	Dispensaries (Rural Public)
Required	7430	1316	329		
Existent	8835	1196	229	312	452
Data provided by state	12559	1705	343	-	-

The State has a good primary health infrastructure, even in tribal areas. The State has more than the required number of subcentres and PHCs and CHCs. In addition to these, the state also has 269 Rural Family Welfare Centres, 97 Urban Family Welfare Centres, 96 Post Partum Centres, and 129 other health centres. There are substantial gaps in essential requirements in terms of manpower, equipment, drugs and consumables in the primary health care institutions. Priority has been given to filling these critical gaps so that these institutions become fully functional and deliver integrated health and family welfare services to the population.

Strengthening these centers, especially in the poorly performing districts, with drugs, diagnostics and consumables, and ensuring that the manpower posted there stays there and delivers timely quality service will go a long way in improving the functional status of these health care centres, and the health indices of the local population. The focus should be to improve availability of emergency services and also establish referral care.

Health Manpower

Manpower position at rural Primary Health Care institutions given in Rural Health Bulletin 2002 is given in Table below.

Primary Health Care Manpower		
	Required	In Position
Specialists in CHCs	1316	100
M.O.s in PHCs	1316	1469
ANMs in sub-centres	7430	9233
Male multi-purpose workers	7430	11230

The aggregate available manpower in critical posts in primary health care appears to be more than adequate (Table). The major problem is that the personnel are not available in the remote rural and tribal areas; there are mismatches between availability of equipment and skilled manpower to use it. Many CHCs/ FRUs are poorly functional in spite of adequate infrastructure because specialists are not available. Vacancies in the posts of specialists in CHC/ FRUs may be filled by redeploying specialists from post partum centers, and by skill up gradation and redeployment of the surplus medical officers in the PHCs, so that CHCs/ FRUs become fully functional. Paraprofessionals in RFWCs and PPCs can be adjusted against the vacancies in appropriate posts of para professionals in primary health care institutions. This would reduce the financial burden due to transfer of staff in RFWCs and PPCs to the states, and also improve the functional status of these institutions. The Department of Family Welfare has taken over the responsibility of funding all the sub-centres as per the 1991 norms. As per these norms, the State requires 7430 sub-centres. Against this the State has 9233 ANMs in position. As the centre will fund only 7430 ANMs, the State may provide ANMs on contractual basis in the remaining centres.

ISM&H

The state has 36 Ayurvedic, 29 Homoeopathic and 2 Unani hospitals; it also has 2086 Ayurvedic, 202 homoeopathic and 56 dispensaries in Unani medicine (Deptt of ISM&H, Ministry of Health & Family Welfare). Madhya Pradesh also has a dispensary in the Tibetan System of medicine. Tenth Plan envisaged the integration of these with primary health care. Training these practitioners in implementation of National Disease Control Programmes, and

emergency management, and placing them in the PHCs along side the MBBS doctors should mainstream this system into the general health care system, while at the same time providing the patient with the alternative system of care.

FAMILY WELFARE PROGRAMME

The current level and goals of some of the process and impact indicators for Family Welfare Programme are given in Table.

Tenth Plan Goals for Family Welfare

Name of State	Couple Protection Rate				Crude Birth rate		Total Fertility Rate		Infant Mortality Rate	
	Current Level NFHS -2*		Expected Level 2007		Current level SRS 2000	Expected Level 2007	Current level SRS 1998	Expected Level 2007	Current Level SRS 2000	Expected Level 2007
	By Ster.	Spacing (Modern)	Perma nent	Spacing (Modern)						
INDIA	35.5	8.0	50.0	15.0	25.8	21	3.2	2.3	68	45
State	37.9	4.7	55.0	17.0	21.5	18	2.6	2.1	52	35

Name of State	Neo Natal Mortality Rate		Safe Delivery		Ante Natal Care (3 ANCs)		Immunisation	
	Current Level NFHS-2*	Expected Level 2007	Current level	Expected Level 2007	Current level	Expected Level 2007	Current level	Expected Level 2007
INDIA	43.4	26	42.3*	80	43.8*	90	42*	100
State	34.3	15	29.5^	90	20.2	95	47.3^	100

Source: *: NFHS-2 (data for undivided state); ^:RHS 1999 (data for divided state); Expected level : Tenth Plan

The state has a Population Policy and has set a goal of TFR of 2.1 by 2010. a steep reduction in IMR is also envisaged. There is large unmet need for contraception both for spacing and for terminal methods; it is imperative that these are met fully in the next few years in order to achieve the goals set in the Tenth Plan . Improvement in antenatal care , safe delivery and child care are also essential . It is noteworthy that the state has achieved substantial improvement in routine immunisation over the last few years. This should be sustained ; when coupled with good coverage under the pulse polio programme it will be possible for the state to achieve the goals of elimination of polio and tetanus by the end of the Tenth Plan .

Nutrition

Madhya Pradesh is a state with very low per capita income (much lower than the national average) and very high poverty ratio. But it has relatively higher dietary intake of more than 2600 Kcals. Under nutrition is a major problem in the state with 38.2% of women having a BMI of less than 18.5kg/m^2 (higher than the national level). This is perhaps due to poor access to health care and large family size.

Nutrition status of women in reproductive(15-45) age group						
	Height		Weight For Height			
State	Mean Height (cm)	% below 145 cm	Mean Body mass index (BMI)	% with BMI below 18.5Kg/m2	% with BMI below 25.0Kg/m2 or more	% with BMI below 30.0Kg/m2 or more
India	151.2	13.2	20.3	35.8	10.6	2.2
Madhya Pradesh	151.7	10.8	19.8	38.2	6.1	1.2

In Madhya Pradesh, about 64.2% of children less than four months of age are exclusively breast-fed (much higher than the national average of 55%); children receiving semi solid foods at the age of six months are lower (27.3%). As a result delay in introduction of complementary feeding prevalence of undernutrition (more than 50%) (75%) in children is much higher than the national level.

Current status and Tenth Plan Goals				
State /UT	Exclusive breastfeeding upto 6 months		Semisolid introduction at 6 months	
	Current Level	10th plan goals	Current Level	10th plan goals
India	55.2	80.0	33.5	75.0
Madhya Pradesh	64.2	93.0	27.3	61.1
Source for current level :NFHS 1998 and 1999				

Nutrition status of children below 3 years									
State /UT	Height for age		Weight for height		Anaemia in children<11 g /dl	%Undernourished under age 3 years			
						Wt.for age below -3 SD		Wt.for age below -2 SD	
	% below 3 sd	% below 2 sd	% below 3 sd	% below 2 sd		Current Level	10th plan goals	Current Level	10th plan goals
India	23.0	45.5	2.8	15.5	74.3	18.0	9.2	47.0	40.0
Madhya Pradesh	28.3	51.0	4.3	19.8	75.0	24.3	12.2	55.1	46.9
Source: NFHS-2									

The delay in introduction of semi solid complementary feeds to infants more than 6 months of age, and poor intra familial distribution of food based on needs , poor access to health care and large family size are factors that might be responsible for the high under nutrition rate among children. Three fourth of the children are anaemic. Nutrition education to improve timely introduction of complementary foods, improving access to health care and contraceptive care are some of the interventions for improving maternal and child nutritional status. In addition, efforts should be made to ensure universal screening of CED, anemia in pre-school children, pregnant and lactating women to detect those with severe under nutrition and deliver well-targeted health and nutritional services to them on priority basis so that the goals for reduction in severe

Nutrition Component of PMGY (Rs in lakhs)														
	1997-98		1998-99		1999-2000		2000-01			2001-02			2002-03	
State	State Plan Outlay	Expend-iture	State Plan Outlay	Expend-iture	State Plan Outlay	Expend-iture	State Plan Outlay	PMGY	Expend-iture	State Plan Outlay	PMGY	Expend-iture	State Plan Outlay	PMGY

under nutrition in the Tenth Plan are achieved.

The state has increased the outlay and expenditure for nutrition over the years but outlays have not been fully utilized. The state has been substituting the funds provided under the nutrition component of PMGY for the state's own provision of ongoing food supplementation under ICDS. Optimum use should be made of the ACA under PMGY to provide take home food supplements to improve nutritional status of infants and young children. It is essential to ensure convergence of services between health, family welfare and nutrition service providers at village, block and district levels, and involve PRI's in decentralized district based planning and monitoring of progress.

DISEASE CONTROL PROGRAMMES

Considering the availability of infrastructure, the performance of the State in Disease Control Programmes indicates that there are lacunae in implementation of the National Disease Control Programmes. To ensure convergence of services at below district level it is suggested that the state may try to form state and district health and family welfare societies and also ensure that all the ongoing National Disease Control and Family Welfare programmes are implemented through it.

Review of Annual Plan Proposals of Madhya Pradesh for the year 2005-06

Outlays & Expenditure						
	Total	Health	Nutrition	(Rs. in lakhs)		
Ninth Plan outlay	2007500	56787	12617	State Plan Outlays for Health & Allocation under PMGY/BMS		
%of Ninth Plan Outlay		2.83	0.63	year	Health	BMS/PMGY
sum of annual plan outlays		64886.6	23124	1997-98	9331	5604
Ninth Plan expenditure		59711	20663	1998-99	17351	4357
Tenth Plan outlay	2618993	71533	32852	1999-2000	13524	4056
% of tenth plan outlay in health and nutrition		2.73	1.25	2000-01	11217.6	1235.6.0#
Annual Plan 2002-03 outlay(BE)	482100	14016	5973	2001-02	13462.5	1460.6#
% allocation of A.P.2002-03 outlay in health and nutrition		2.91	1.24	2002-03	14016	1460.6#
Annual Plan 2002-03 Exp		14529.93	8648.61	2003-04	18105.11	1460.6 #
% allocation spent in AP 2002-03		104%	150%			
Annual Plan 2003-04 (BE)	570300	18105.11	8342.49			
		3.17%	1.5%			
Annual Plan 2003-04(RE)	507603.54	13088.15	11096.48			
RE as % of revised allocation of the state		2.6%	2.1%			
% of allocation spent in AP 2003-04(RE)		72.3%	133%			
Annual Plan 2004-05 (BE)	556394.66	17751.86	9123.38			
% of AP 2004-05(BE)		3.2%	1.6%			
AP 2005-06			233951.27	16902.00	10003.00	
% of AP 2005-06(BE)				7.2	4.3	

It may be seen from the table that the percentage of outlay on Health and Nutrition to the total which was 2.73% and 1.25% of the Tenth Plan outlay, increase to 3.2% and 1.6%

respectively during 2004-05. This percentage has further increased to 7.2 in the case of health and 4.3 in the case of nutrition during 2005-06. This needs to be maintained in order to bridge the gap between the state and the national averages of all health -related indicators.

Preventive and promotive health services should be the priorities with goal to reduce CBR and IMR as neonatal death account for nearly 50% of IMR, the state must give the highest priority to its reduction. Another priority area has to be to eradicate diseases like leprosy, polio etc.

Under **medical education,** an amount of Rs.1954.00 lakhs has been proposed during 2005-06.

The Commission supports Rs.85.00 lakhs for **Food and Drug Control** during 2005-06. However, the break up of Rs. 435.00 lakhs under ISM&H during 2005-06 has not been provided. The rationale for establishing a Unani Mahavidyalay has not been given. It is also not clear as to how the state proposes to mainstream ISM&H infrastructure into rural primary health care infrastructure.

The state has taken commendable steps to tackle the problem of malnutrition bringing down prevalence of severe malnutrition from 5% to 2%. The Department is currently engaged in mapping the level of malnutrition which is a good exercise. The Commission supports the outlay under nutrition. This may be further improved upon. It would be useful if the state can provide reports on changes in nutritional status over the Tenth Plan in vulnerable groups like (1) tribal people (2) pregnant and lactating women (3) children under the age of 5 years.

The State Development Report states that only 22.4% of the children receive their entire dosage of vaccines. This is responsible for high infant and under 5 child mortality. However this percentage has improved to 47% now which is a good achievement. Reproductive health services in the state are in a bad shape.The report also states that the Jan Swasthya Rakshak Yojana has essentially failed in its objectives of providing basic health care in every village of the state

XVII EDUCATION

LITERACY AND SCHOOL EDUCATION

DECADAL ACHIEVEMENT:

The literacy rate of Madhya Pradesh has increased by 19.91 points during the last decade (1991-2001) which has recorded the second highest increase in the literacy rate among the States and UTs. The state of Madhya Pradesh alongwith Chattisgarh received a Decadal Achievement Award for Female Literacy on International Literacy Day. The female literacy rate of MP has increased by 21.33 percent and Chattisgarh by 24.88 percent during the last decade.

Elementary Education:

Enrolment in Primary Schools:

Gross Enrolment Ratio (GER) has risen from 76.48 in 1996 to 95.02 in 2002-03 . Out of this, nearly 14% is contributed by the EGS.

In the state presently 82.67 lakh children (as per the State Government's Annual Plan document) are enrolled at primary level. Out of these 37.80 lakh are girls which is 45.6% of the total enrolment.

There are 11.47 lakh children enrolled in EGS Schools out of these 5.35 lakhs are girls, which is 47% to the total children enrolled in EGS Schools.

By August 1998, Madhya Pradesh has achieved universal access to primary education. Now every habitation in the state has a schooling facility within a kilometer.

236 Block Resource Centres(Teachers' Training Centres) have been constructed in 33 DPEP districts to facilitate teachers' training at the block level. 4458 additional classrooms have been constructed. There is an increase in the government schools with pucca building from 21946 in 1997 to 27091 in 2000 in DPEP districts.

School Type	1997	2000
Schools with pucca building	21946	27091
Schools with kucha buildings	8786	8605
Buildingless schools	6102	5750
Schools with drinking water facility	21283	27609
Schools with common toilets	3859	10514
Schools with toilets for girls	1837	5208

Teacher Education

There are three main types of teachers i.e. the traditional assistant teachers, teachers appointed by local bodies comprising of Shiksha Karmi and the Contract teachers, and the Gurujis of EGS Schools. This variety of teachers poses challenges for training.

Learner Evaluation

The State Government had the policy of no detention in classes I-II at primary level. This policy was changed in the year 2000-01, wherein an annual examination has to be cleared for promotion to the next higher class.

Decentralisation of Academic support:

Each block resource center (now designated as Jan Shiksha Kentra) located within primary or middle schools, serves groups of 10-15 schools in DPEP districts.

Mid Day Meal

Out of 313 blocks in the State cooked meal is being provided in 89 tribal blocks while food grains are provided in the remaining 224 blocks.

Incentive programme

During the current year nearly 12.18 lakh girls received free uniforms and 66.2 lakh primary school students received free textbooks.

Enrollment in Upper Primary Schools

GER at upper primary level is 59.27, the enrolment at upper primary level is 22.87 lakhs out of which 8.93 lakhs are girls.

Approved Outlay for AP 2003-04 and 2004-05 and Proposed Outlay for AP 2005-06

(Rs. in Crore)

	Department	AP-2003-04	AP-2004-05	AP-2005-06 (Proposed)
A	**Elementary Education**			
	School Education	127.64	201.21	416.56
	ST Department	194.48	227.70	158.17
	SC Department	93.84	98.09	50.05
	Total Elementary Education	415.97	526.99	624.78
B	**Secondary Education**			
	School Education	60.07	4.89	183.44
	ST Department	98.20	99.70	103.17
	SC Department	69.91	72.79	76.39
	Total Secondary Education	228.19	177.38	363.00
	Total A & B	**644.16**	**704.38**	**987.78**

Technical Education

An outlay of Rs.54.70 crore is proposed for continuing of all the activities under Technical Education. The proposed outlay includes an amount of Rs.15.00 crore for the Externally Assisted Programme.

Higher Education:

An outlay of Rs.39.03 crore is proposed for the year 2005-06 under Higher Education (Non-Technical). All ongoing activities like running of Govt. colleges, grants to universities, grants to private colleges, and Bhoj Open university, National Law Institute and providing free text books and stationery to SC/ST students will be continued.

Sports and Youth Affairs

An outlay of Rs.6.92 crore is proposed.

Coaching to 28000 players, organization of 7000 rural sports meets, a sports meet for 3500 women players, grant to SPDA centers, grant for sports hostels and for infrastructure development is proposed.

Art & Culture (New Schemes)

Kala Choupal Yojana – Under this scheme Kala Choupals are proposed to be established at Janpad level.

Exhibition cum sale of Painting and Craft items – Selected works of identified painters and craft persons will be market, through exhibition cum sale.

Grant in aid to various institutes and the parishads are proposed. The construction of open air theatre at Rabindra Bhavan and construction of Manas Bhavan would be continued. Various functions are proposed to be organized to honour the eminent artist and literator by various awards and Sawaraj Bhavan activities will be continued.

An outlay of Rs.4.57 crores is proposed for Annual Plan 2005-06 including Rs.0.67 crore for Swaraj Bhavan..

Archaeology, Museum and Archives

Activities under Archaeology and Museum sector include archaeological survey of the State, excavation and preservation of protected monuments, establishment and maintenance of Museums. In the State Archives, documents of historical importance are preserved. The present activities relate to the preparation of books for preserving the memories of freedom fighters, surveying the records of the district, preserving documents of historical importance in a scientific manner, and organizing exhibitions, and providing research facilities to scholars. One of the important activities of the department is micro filming of old records for safe preservation. An outlay of Rs.2.07 crore is proposed.

MAIN STRENGTHS

1) Adoption of holistic approach, means, to achieve total literacy in the state - literacy programme, formal education, mid-day meal programme (in tribal areas), early childhood programmes are being implemented simultaneously in the same areas.
2) The state government has taken up a number of new initiatives like the programme of **EGS**, the programme of **Head Start**, the **Padna Badna Andalon** & Mahila Padna Badna Andalon, and **Sponsorship programme** (for construction work). Lok Sampark & Mahila Sampark Abhiyan has a comprehensive village based information.
3) PRIs in the state are active in educational activities such as shiksha panchayats are being organized and they undertake social audit of village education; organize gram sampark abhiyan; VEC and PRIs have been assigned important roles in networking of educational activities; involved in opening of EGS centers and have joint account of local panch, sarpanch with EGS guruji and CAC, etc.
4) Quality of teaching in EGS centers is better as compared to normal schools. Main reasons are centers are monitored by the community, guru jis are regular and they are not involved in other non-teaching activities of the government, they are young and easily adopt new technologies, and flexibility in center timings.
5) Besides other incentives like free text books and mid day meal, girls get free uniform also. 'Maa-beti' associations are also active in the state.

WEAKNESSES:

1) Though the holistic approach has been adopted but there is not much coordination among the programmes for example, early detection and prevention of disability is the responsibility of the AWW, she carries survey in the community. Whether the children with disabilities are going for formal education after they leave the AWC or not, is not known to the anganwadi worker.

2) Although the gross enrolment ratio has risen from 76.48% in 1996 to 96% in 2000, thus, presently 82.67 lakh children are enrolled at the primary level but the document does not show how many children are still out of school in the State.
3) Data is not available for no. of disabled children; children of migratory population not attending schools, etc. The break-up of data of out of school children is required to prepare specific strategies.
4) No system to verify the uniformity in reporting of data of enrollment /drop-outs / retention/access.
5) Workload on CRCs has increased due to opening of new EGSs. Each CRC has to look after 35-40 PSs/EGSs (against the norm of 20-25 schools), plus literacy programme.
6) EGS centers have no toilet and drinking water facilities.
7) PTAs have not been well established. Gram Sabhas are active every where but education related matters are not discussed seriously in their quarterly meetings.
8) Teachers are involved in various other programmes of the government, affects teaching in school. Some teachers are involved more than 60 days in non teaching activities in a year.
9) Although meetings are held regularly at all levels but proper training of VECs/Members, their proper monitoring and effective meetings are required;
10) No proper linkages between BRCs, CRCs and Teachers for academic activities.
11) Libraries and Labs have not been properly established in the DIETs. Moreover, whatever available in the library or in the lab, are not being utilized.
12) No system of assessing trainers competency in teaching. There is no monitoring and supervision of DIETs by any organization/ SCERT on regular basis
13) Health check-ups of children in schools are done not regularly.
14) There is not much role of NGOs in SSA at the field level.
15) Schools received grant under the scheme of "Improvement of science education in schools" is not being utilized properly. The available science teaching equipments /materials, science books in the many schools were lying without being used.
16) Vocational education in the State is not successful.

COMMENTS/ SUGGESTIONS:

i) Physical achievements under various important programmes like Sarva Shiksha Abhiyan, Teacher Education, Access to Secondary Education, have not been given in the proposal.
ii) The State Government has proposed the same activities of the Annual Plan 2004-05 for the year 2005-06 under all the programmes of Elementary Education, Secondary Education, Higher and Technical Education, Art & Culture and Sports & Youth Affairs.
iii) The division's following comments made on the AP proposals for the year 2004-05 are still valid.
iv) It appears from the proposals that most of the figures given for development in primary schools in the state relates to DPEP districts. Figures have also been not updated. Progress of SSA in the states mainly in non-DPEP districts needs to be ascertained
v) It is not clear from the proposal how many EGS- centers buildings have been constructed so far.
vi) GER as per LSA for boys is 98.28 percent. This includes over and under age children. What is the ultimate target of GER which is to be achieved in the state. This needs to be ascertained.

vii) Nearly 82.67 lakh children are enrolled in the primary classes. How many children are still out of school . Disaggregated data on different categories of children such as children of migrant population, children belonging to families below poverty line, disabled children, children never enrolled, etc. This data is required for preparing focused programmes for such children.

viii) As per the Supreme Court order-all children in primary classes would get hot cooked meal. It is appears that the state government is providing cooked meal only in Tribal Block. This needs to be discussed.

ix) For achieving total literacy in the State, develop better coordination among different programmes like Padna Badna Andalon, Formal Education, MDM Programme, CCE Programme etc. Motivational strategies for community to realize the importance of education and parents to send their children to schools, are required.

x) Facilitate cross district learning and support and development capabilities in utilizing the available village and school based information for programme planning, monitoring and supervision. Should initiate need based actions.

xi) Community especially VECs and PRIs must be made responsible for monitoring teachers activities in schools especially their attendance, etc.

xii) Need for more rigorous monitoring and support in terms of how the grants given in schools are being utilized.

xiii) The state government may encourage formation of voluntary organizations for taking up educational activities; the state government should also identify the existing NGOs and give them orientation training on 'the role of NGOs in SSA'. They can take up educational activities like distribution of note-books on 'no profit no loss basis', coaching to children who are weak in studies, computer training, etc.

xiv) Better teaching methodologies need to be adopted in DIETs.

xv) Diets need to evolve such training methodology by which the available books in the library could be fully utilised, books should be in local language.

xvi) The scheme of 'Improvement of Science Education' needs to be evaluated in the State.

Financial Allocations

The State Government has proposed an outlay of Rs.1095.07 crore under the Education Sector for the Annual Plan 2005-06 against the outlay of Rs.781.69 crores for the year 2004-05(Table C). Under Elementary Education, an enhanced outlay (Rs.624.78 crore) has been proposed for the year 2005-06 against the outlay of Rs.526.99 crore for the year 2004-05. Since there is no cut under Elementary Education which is a priority area, the Education Division therefore, supports the proposals relating to Education Sector of Madhya Pradesh for the Annual Plan 2005-06.

Table C: Financial Allocations (10th Plan) & Expenditure for AP 2003-04, Outlay for 2004-05 and Proposed outlay for AP 2005-06 for Education in Madhya Pradesh

in lakh

S. No	Education Sub-Sector	10th Plan proposal Outlay	AP (03-04) Actual Expen.	AP(04-05) Approved outlay	AP(05-06) Proposed outlay
1.	**General Edn. (Total)**	319463	34529	73905	102681
	a) Elementary Edn.	208931	22975	52699	62478
	b) Secondary	7500	7741	17738	36300
	c) Higher Edn.	85907	3814	3467	3903
	d) Rajbhasha	17125	-	-	-
2.	Technical Edn.	12860	2123	3106	5470*
3.	Y.A.& S.	2750	537	496	692
4.	Art & Culture	4339	1664	662	664
	GRAND TOTAL	339412	38853	78169	109507

* Includes Rs.1500 lakh as Externally Assisted Programme.

EDUCATION PROFILE OF MADHYA PRADESH

Sl. No	Items	Total	Male	Female	India Total	Male	Female
1.	**Population (1991-2001: in crores)**						
	1991						
	2001	6.04	3.15	2.89	102.70	53.12	49.57
2.	**Literacy (1991-2001: Ranking among states../35)**						
	1991	44.20	58.42	28.85	52.2	64.1	39.3
	2001	64.11 (25)	76.80 (20)	50.28 (28)	65.37	75.85	54.16
3.	**Projected Child Population (2002-03(in lakhs)**	**Total**	**Boys**	**Girls**	Total	Boys	Girls
	6-11 Year Age Group	81	42	39	1283	667	616
	11-14 Year Age Group	48	25	23	768	402	366
4.	**4-A. Enrolment (2002-03: in lakhs):**						
	(Class I to V)	77.10	41.40	35.70	1221.36	649.46	571.90
	(Class VI to VIII)	30.68	18.56	12.12	469.46	263.36	206.10
	(Class IX to X)	11.22	7.33	3.89	219.06	128.46	90.59
	(Class X to XX: 10+2)	4.94	3.21	1.73	113.97	62.27	46.69
	(Higher Education)	4.72	2.97	1.75	95.17	57.05	38.11
	4-B Gross Enrolment Ratio (2002-2003)						
	(Class I to V)	95 02	98.62	91.15	95.18	97.32	92.87
	(Class VI to VIII)	63.50	72.94	53.01	61.13	65.51	56.31
5.	**Drop Out Rates (2002-2003):**						
	(Class I to V)	31.43	29.87	32.66	34.89	35.85	33.72
	(Class I to VIII)	46.94	43.29	51.78	52.79	52.28	53.45
6.	**Number of Institutions:**						
	Primary /Junior Basic	64090			651399		
	School	27193			245710		
	Up. Primary	9082			137654		
	Sec /Higher Secondary /Pre-Degree Jr. College	513			9166		
	Colleges for Gen. Edn.	287			4492		
	Professional Edn. Inst.						
	Universities/Deemed Univ./NI* (*Institutions of National Importance)	17			291		

7.	**Number of Teachers (lakh)** Primary Schools Up. Primary Secondary] Higher Secondary]	 1:76 0.99 0.82	 1.21. 0.65 0.52	 0.55 0.34 0.29	 19.19 12.97 9.70		
8.	**No. of Trained Teachers:** Primary Schools Up. Primary Secondary Higher Secondary	 65 67 68 75			 86 87 89 90		
9.	Per Capita Expenditure on Education Rs 521.89 during 2002-03 against the national average of Rs.867.39 during the same period.						
10.	Percentage of Budgeted Expenditure on Education (revenue account) to total budget:20.07 % during 2002-03 against the national average of 12.74% during the same period.						

Note· Data for Madhya Pradesh is of the years before (2000) its bifurcation.

XVIII VILLAGE AND SMALL INDUSTRIES

With reference to State Plan Division's OM No.M-13048/14(MP)/ 2004-SP-C, dated 3rd December, 2004 on the subject cited above, the information/material with respect to VSE Sector is given below:

1. Madhya Pradesh is one of the States in the country having large population of tribal people. The percentage of Scheduled Tribes population to total population of the State is 19.9 as against 8.1% at the all-India level. The State Govt. announced a "New Economic Development Policy 2001" which includes the main thrust to connect industry to markets and suppliers, to infrastructure to technology, to Government and to skilled man power, as an integrated effort towards economic development. During Tenth Plan, under VSE Sector, Rs.136.65 crore has been allocated which includes Rs.53.35 crore for SSI, Rs.29.35 crore for Handlooms, Rs.17.00 crore for Khadi and Gramudyog, Rs.22.33 crore for Handicrafts and Rs.14.06 crore for Sericulture sub-sector which amounts to 0.53% of the total State Plan outlay of Rs.25737.25 crore for the Tenth Plan. Emphasis will be given to the areas which includes development of clusters of those group of industries which provide a strategic advantage to MP such as food and agro processing, textiles and garments, information technology, etc., providing facilitative environment for the development of small/medium/tiny enterprises, access to world class infrastructure to investors, ensure facilitative regime through decentralisation, deregularisation and self-certification, development of special economic zone.
2. The approved outlay for the VSE Sector for 2002-03, 2003-04 and 2004-05 were Rs.27.66 crore, Rs.43.05 crore and Rs.34.01 crore respectively. The proposed outlay for 2005-06 is Rs.36.36 crore which has an increase of 6.9% compared to the previous

year's allocation. The expenditures during 2002-03 and 2003-04 are reported at Rs.29.00 crore and Rs.29.03 crore respectively.

3. Sericulture is an important activity in Madhya Pradesh which is labour intensive agro industry which fits in the socio-economic structure of rural/tribal areas. An outlay of Rs.4.38 crore is proposed for the year 2005-06 which is 79% more as compared to the allocation of previous year for this sector. During 2004-05, 160 lakh tasar cocoon are expected to be produced giving employment to 3950 families under tasar and mulberry extension and development programme. **There is an urgent need to formulate proper policies to help the farmers/tribals to encourage them to adopt better silk worm races and good rearing practices to enable them to produce raw silk of good quality to meet the demands of silk weaving industry of the State.**
4. State Govt. was also proposing Integrated Tasar Development Project with external assistance having an estimated cost of Rs.25.00 crore. The project is approved in principle by the Review Committee of Planning Commission's Project Preparation Facility. **The State Govt. should expedite the formulation of this project and the status of the project be highlighted.**

5. The outlays for Handlooms and Handicrafts for 2005-06 have been marginally increase. The State Government may encourage Handlooms, Handicrafts and Khadi & Village Industries which have a large potential of generating employment and provide supplementary occupation to the rural population as well as the urban unemployed. **Activities like development, provision of design inputs, technical guidance and help, raw material availability, training, marketing, etc. need strengthening and be taken up more vigorously.**
6. Madhya Pradesh Khadi and Gramudyog Board should give attention to increase production of leather products by providing financial assistance for modern tools, wet-blue tannery and village level flaying centres along with the other on-going programmes.
7. Under SSI Sector, Rs.15.93 crore has been proposed which is reduced by 4.2% compared to previous year's outlay for the sector. **The status of the SSI sector, activities/schemes undertaken need to be highlighted.**
8. A scheme of setting up of Integrated Infrastructure Development Centre for small scale industries to facilitate location of industries in rural/backward areas and to promote stronger linkages between agriculture and industry was launched in 1994. The estimated cost to set up an IIDC is Rs.5.00 crore which is to be shared between Govt. of India and Small Industries Development Bank in the ratio of 2:3 as grant and loan. Eight IIDCs have been sanctioned at Satna, Mandsaur, Khargone, Katni, Sagar, Neemuch, Tikamgarh, Morena, districts which are at different stages of execution. The **State Govt. may expedite the completion of these IIDCs before taking up more centres under this scheme.**
9. Keeping in view the potential for food processing industries, the State Govt. may take the advantage of the scheme of Ministry of Food Processing Industries, Govt. of India for setting up food parks under which Rs.4.00 crore as Central Assistance is available. State Govt. may propose to set up Food Parks and utilise Horticulture and Vegetable produce in a better way.
10. The State Govt. should make extensive efforts to provide funds under **the Centrally Sponsored Schemes so as to avail maximum possible central assistance** for these schemes. This would help the State in increasing coverage of these schemes.

11. The proposed outlay of Rs.36.36 crore for the VSE Sector for the year 2005-06 is only 0.49% of the total proposed State Plan size of Rs.7470.56 crore. Adequate outlay for the VSE Sector may be provided so as to maintain developmental/promotional pace of the State Government for this **sector which has got potential to generate additional employment opportunities for rural/tribal population as well as for the unemployed youth in urban areas.**

XIX BACKWARD CLASSES AND TRIBAL DEVELOPMENT

Scheduled Castes

Scheduled Caste population in the state is about 91.55 lakhs constituting about 15.2% of the state population as per the 2001 census. As per the 1999-2000 data about 41.29% of the SC population in rural areas are in Below Poverty Line (BPL). The literacy rate among the SCs as per the 2001 census is 72.3% among Males and 43.3% among the females.

Scheduled Tribes

Scheduled Tribe population in the state is about 122.33 lakhs constituting about 20.3% of the state population as per the 2001 census. As per the 1999-2000 data about 56.26% of the ST population in rural areas are in Below Poverty Line (BPL). The literacy rate among the STs as per the 2001 census is 53.5% among males and 28.4% among the females. There are 3 Primitive Tribal Groups (PTGs) namely, Baiga (1,34,357), Bharia (2,012) and Seharia (4,17,171).

Other Backward Classes

The State Government has notified nearly 182 castes/groups belonging to Backward Classes in the undivided Madhya Pradesh as Other Backward Classes whose population is estimated to be about 2,43,44,848 (1991 census). The main occupational category of OBCs are agriculturists and agricultural labourers besides other artisan groups.

Important Issues

i) The State Government need to indicate Central and Centrally Sponsored Schemes separately.

ii) There are 80072 identified scavengers. The State Government has to furnish detailed information with regard to the total number of trained and rehabilitated scavengers under the National Scheme of Liberation & Rehabilitation of Scavengers.

iii) Although, there are number of educational schemes but the State Government has not formulated specific schemes for economic development of Scheduled Castes, Scheduled Tribes and Other Backward Classes. The State Government need to formulate schemes for the economic development of these communities.

iv) Land alienation is a serious issue in the State. As on 1999, out of 53806 cases of land alienation (158398 acres), only 1707 cases have been disposed off. If necessary, the State Government may suitably amend the Madhya Pradesh Land Revenue Code, 1959 and Madhya Pradesh Land Distribution Regulation Act, 1964 in this regard.

v) Ashram Schools and construction of hostels for both Scheduled Castes and Scheduled Tribes are Centrally Sponsored Schemes and the State Government has also similar schemes in the State Plan sector. It may be suggested to avoid duplication of Central and Centrally Sponsored Schemes by the State Government.

vi) The State Government has to adopt Maharashtra model of Tribal Sub Plan for tribal development.

vii) Schemes like school uniform distribution, scholarships to students of secondary education, State scholarships to Bimukta Jatis and reimbursement of Board examination fees may be merged into a single scheme to reduce the number of schemes for efficient management/implementation.

viii) There are 29 districts dominated by Scheduled Castes and the State Government need to prepare a comprehensive/specific scheme for the overall development of Scheduled Castes in these districts.

ix) Centrally Sponsored Scheme of Village Grain Bank may be availed and Village Grain Banks set up for nutritional supplement and to prevent starvation deaths among the tribals in the remote and inaccessible tribal areas.

EXTERNALLY AIDED PROJECTS (EAPs)

The Government of Madhya Pradesh is presently implementing thirteen projects in the area of water resources, energy, urban development, road sector, rural development, health care, agriculture and technical education & training. Three projects are funded by World Bank, four projects by Asian Development Bank, one by JBIC, two by DFID, one by IDA and two by DANIDA.

1. The Working Group assessed the requirement of Central assistance for the EAPs of Madhya Pradesh for the year 2005-06 would be Rs. 711.07 crore.
2. The project-wise Additional Central Assistance recommended in the Annual Plan 2005-06, for Madhya Pradesh is indicated in the Table given below.

Additional Central Assistance in the Annual Plan 2005-06 (Rs. in crore)

Sl. No.	Name of the Projects	ACA required
1	**MP Water Sector Restructuring	87.50
2	MP Power Sector Development Project	110.25
3	**Urban Water Supply & Environment Improvement	59.40
4	MP State Road Sector Development Project	142.50
5	MP Distt. Poverty Initiative Project (DPIP)	142.50
6	Rajghat Canal Project	33.60
7	MP State Road Sector Development Project	0.00
8	Decreasing of Health Care & Strength Community Health Action in MP	88.89
9	MP Rural Livelihoods Projects	30.00
10	Tech. Education Quality Improvement Project	12.00
11	MP Farm Women in Agriculture Ph-II	1.61
12	Comprehensive Watershed Development Project Ph.-II	1.82
13	*National Hydrology Project Ph-II	1.00
	Grand Total	**711.07**

*Likely to commence in 2005-06

** Likely to commence during the current financial year

FINDINGS OF SER STUDIES

Impact of Various Schemes related to Elementary Education : A Comparative Study of Girls' Literacy in Maharashtra and Madhya Pradesh

This study was conducted in Ratlam district of Madhya Pradesh. The findings relating to Madhya Pradesh as perceived by teachers are given below:

Reasons of girl child absenteeism are mainly - household activities/care of siblings (76.00 %), they remain busy with works related to agriculture and labour (62.00 %), lack of attention from parents/lack of self interest (14.00%) (viii) Reasons of non-enrolment of girl child are mainly - lack of awareness among parents/illiteracy of parents (60.00 %), low socio-economic status which leads to labour work (20.00 %),household activities keep them away (18.00 %).

Reasons for dropout of girl child are - involvement in labour and agriculture work keeps them occupied (56.00%), works related to household activities/care of sibling (42.00%), engagement/marriage (24.00 %), repeated failure in one class (16.00 %) , eve teasing keeps them away (10.00 %).

The level of interest shown by parents for girl child education is moderate (70.00 %)

90.00 % teachers have approached the parents of those children who are often absent or dropped out.

The government schemes related to elementary education known to teachers are - Scholarship (76.00 %), Mid day meal scheme (48.00%) , Book bank scheme (32.00%), School Uniform (26.00%), Free education (8.00%), Don't know about any scheme (20.00%).

74.00 % teachers perceive the schemes to be useful/beneficial.

Reasons of low educational status in Madhya Pradesh given by the teachers are : lack of education among parents (44.00 %), education level at grassroots is not upto the mark/ lack of facilities (26.00%), conservative attitude of parents (22.00%), involvement in agriculture (18.00%), child marriage (4.00%).

The suggestive measures for the betterment of the girl child education are - parents, specially women should be made aware (30.00%), female teachers should be appointed (20.00%), schools upto middle and above should be opened in villages (20.00%), schools should be fully equipped (20.00%), involvement of teachers in extra educational activities should be minimized (16.00%), there should be separate schools for girls (12.00%), education should be made compulsory (12.00%), more schemes should be operated (10.00%), social evils like child marriage etc. should be strictly prohibited (10.00%).

Research Study proposals from SEPARD, New Delhi on Development Schemes and their Effectiveness in the States of Madhya Pradesh

This study was conducted in Hosangabad district which has a large population of Scheduled Tribes.

Out of 14 development schemes being implemented in the district, not more than 6 schemes are known, whether it is a village functionary or beneficiary. It follows that more effective publicity of different development schemes needs to be done than what is at present. Towards this

a. communication and publicity costs should be built into the project design of rural development schemes, and
b. there should be greater involvement of NGOs or Voluntary Organizations in awareness and sensitization programmes.

People's participation in the development process is found to be generally low. Even a better known and in demand scheme like IAY has been availed of only by 42 per cent of respondents. This kind of target ceiling needs to be increased in accordance to their relative demand in particular areas. Similar is the case with RBP, RPSY and MSY. To overcome the limitation of financial resources funds from schemes of doubtful utility and performance (that is unsuccessful ones) like IRDP and JD could be diverted to the schemes more in demand (like IAY and RBP).

More women need to be involved through awareness and sensitization programmes in schemes relating to land and other natural resources in the village. This is likely to produce manifold effective and sustainable outcome. On the other hand, none of the women knew about JD, the third relatively better known scheme among all the schemes studied.

Corruption at all levels, namely, district, block and village needs to be curbed for making schemes truly successful.

Gram Panchayats should have more financial and administrative authority to take decisions. Even after greater delegation of power to Panchayati Raj institutions, Gram Panchayats still depend on block or Janapad for 1) final approval of beneficiary selection and 2) guidelines for spending money. A clear-cut division of powers between Gram Panchayat and Janapad Panchayat is called for.

Concerning the functioning of Panchayati Raj institutions, we have divided opinion: Some people feel that Panchayat elections are not altogether free from lacunae; and yet others think that the system is ineffective. In contrast, there is a group of people who believes that, despite shortcomings, Panchayati Raj is better than the previous system — as it is less corrupt and more transparent, with functionaries more approachable.

Even if money disbursement is now Gram Panchayat's responsibility, Panchayat Secretaries at the village level, act as middlemen, manipulate beneficiaries, and take the money (as bribe) back for block officials. In a few cases, even Sarpanch is equally corrupt. However, if we have educated, strong and honest Sarpanch who help fellow villagers, problem can be solved.

Effective Sarpanch and efficient secretary have a positive role in making: 1) development schemes work and 2) the environment in villages conducive for development. A programme for making Sarpanch and members of Panchayat educated, informed, active and dedicated would be highly rewarding.

Since the launch of Panchayati Raj in Madhya Pradesh, in 1994, district officials have a feeling that their powers have been clipped. Their attitude tends to be hostile towards Panchayati Raj institutions (PRI). To counter this, orientation and sensitization of officials towards the role and relevance of P.R.I. is urgently required.

Bottlenecks

In all the schemes, there are points, which are sort of bottlenecks. For instance, BPL census and the selection of beneficiaries is done at Gram Panchayat level, yet block has the final authority. This adversely affects the quality of implementation of development programmes. Delay in the release of grants, clash of personal or sectarian interests and lack of right perspectives are other important bottlenecks. A check on vested interests acting at these points could be of help in making development schemes do what these are expected to do.

ANNEXURE I

PLAN PERFORMANCE

(Rs. in lakh)

Sl. No.	Sector	Tenth Plan 2002-07	Annual Plan 2002-03		Annual Plan 2003-04		Annual Plan 2004-05		Annual Plan 2005-06
		Agreed Outlay	Approved Outlay	Actual Expenditure	Approved Outlay	Actual Expenditure	Approved Outlay	Anticipated Expenditure**	Proposed Outlay
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Agriculture & Allied Activities	161793.80	30590.57	27154.67	45346.27	35912.06	37194.48	37194.48	37471.00
2	Rural Development	288116.00	57532.40	56688.36	70529.32	57091.42	94730.31	94730.31	92348.00
3	Special Area Programmes	$	$	$	3536.00	$	3890.00	3890.00	$
4	Irrigation & Flood Control	491589.00	84852.33	99481.81	122119.55	110435.07	162452.57	162452.57	164158.00
5	Power & Energy	550620.00	91482.67	149406.08	81844.27	118008.58	95821.96	95821.96	136511.00
6	Industry & Minerals	20238.00	4118.60	4462.00	5502.22	3688.49	4385.45	4385.45	4922.06
7	Transport	135305.00	27960.00	22583.50	41309.39	35787.73	79085.28	79085.28	65164.00
8	Communication	--	--	--	--	--	--	--	--
9	Science, Technology & Environment	5970.30	1080.66	5421.36	3623.00	2096.10	3890.55	3890.55	1581.50
10	Gen. Economic Services	72323.50	15414.50	14802.99	15921.56	14030.49	14180.34	14180.34	14753.09
11	Social Services	763496.88	160757.10	144751.07	175767.32	131447.29	173131.25	173131.25	219429.74
12	General Services	84272.52	8311.17	8230.33	4801.10	240.72	2233.81	2233.81	10717.61
	Grand Total	**2573725.00**	**482100.00**	**532982.17**	**570300.00**	**508737.95**	**670996.00**	**670996.00**	**747056.00**

$ include in "Social Services"

** Source : Draft Annual Plan 2004-05, Government of Madhya Pradesh

Annexure-II

MADHYA PRADESH

(Rs. Lakhs)

Major Heads/Minor Heads of Development	1997-98		1998-99		1999-2000		2000-01		2001-02	
	Outlay	Exp.	Outlay	Exp.	Outlay	Exp.	Outlay	Exp	Outlay	Exp.
Agriculture & Alleid Activities										
Crop Husbandry	4807	6863	7079	7219	4174	4053	8837	8209	10904	10867
Soil and Water Conservation	871	524	950	853	1085	1092	964	1045	3201	942
Animal Husbandry	1812	1772	1819	2376	1969	2068	3325	2453	0	2805
Dairy Development	1612	348	757	321	400	336		343	921	0
Fisheries	660	620	822	538	284	312	543	466	589	337
Forestry & Wild Life	12974	11438	12107	12232	8711	8700	5057	3092	6055	6352
Plantations	1588	0	0	0	0	0	0	0	0	0
Food,Storage & Warehousing	1446	1941	250	180	0	0	0	71	100	53
Agricultural Research & Education	1000	1455	2253	2282	1895	1952	2015	1865	1316	1154
Agricultural Financial Institutions	0	0	0	0	112	63	0	0	0	0
Other Agricultural Programmes :										
(a) Marketing & Quality Control	4723	2573	0	0	1118	621	0	0	0	0
(b) Others	0	0	0	0	6	9	0	0	0	0
Cooperation	2300	13905	5242	8588	450	310	5080	3557	4333	1186
Total - (I)	**33793**	**41439**	31279	34589	20204	19516	25821	**21101**	**27419**	**23696**

Annexure-III

Madhya Pradesh

(Rs. Lakhs)

10th Plan Outlay	**2002-03** Outlay	Exp.	**Exp. as % of Outlay**	**2003-04** Outlay	Ant.Exp.	**Exp. as % of Outlay**	2004-05 Outlay	**2005-06** Proposed Outlay
70309.8	12512	9121.73	**72.90**	14247	15875.88	**111.43**	12649.18	12987
4667	920	903.20	**98.17**	873	725.46	**83.10**	1005.28	975
16244	3201	2531.77	**79.09**	3260	2461.44	**75.51**	3439.47	3348
2989	589	445.32	**75.61**	610	598.07	**98.11**	598.97	639
35275	7055	9847.53	**139.58**	12442	11441.53	**91.96**	13758.58	14100
3642	842	897.51	**106.59**	748	147.74	**19.75**	173.15	841
6678	1316	1423.14	**108.14**	1423	1346.00	**94.59**	1523.00	1653
21989	4155	1984.47	**47.76**	11744	7409.45	**63.09**	4046.85	2928
161793.8	**30590**	**27154.67**	**88.77**	**45347**	**40005.57**	**88.22**	**37194.48**	**37471**

IMMEDIATE

No. M.13048/19 (NL)/2004/SP.
Planning Commission
(State Plans Division)

Dated 7.12.2004

Sub.: Annual Plan - 2005-06 : Meeting between Deputy Chairman, Planning Commission and Chief Minister, Nagaland to be held on 8th December, 2004.

A Background Note for the Meeting between Deputy Chairman, Planning Commission and Chief Minister, Nagaland to be held on 8th December, 2004, is circulated herewith for kind perusal.

Encl: As above

(S.N. Brohmo Choudhury)
Director(SP-NE)

Planning Commission
Principal Advisers/
Advisers/
JS(SP)/
Head of Divisions

PMO
J.S. (N.E.) / D.S. (N.E.)

Ministry of Finance
Joint Secretary, (PF-I),
Department of Expenditure,
North Block, New Delhi.

Ministry of Department of Development of North Eastern Region
Secretary

National Commission on Population
Member Secretary

Copy to Private Secretary to :
Deputy Chairman/Minister of State/Members/Secretary, Planning Commission.

Copy also to:

Director (SP-Coordination)/Director (PC Division)/ DA (MLP & Hill Areas)/ Protocol Unit / Information Officer.

Planning Commission
(State Plans Division)

Subject: **Background Note for discussion in the Meeting between Deputy Chairman, Planning Commission and Chief Minister of Nagaland to be held on 8.12.2004 for Annual Plan, 2005-06.**

Nagaland attained Statehood in 1963 It is surrounded by Assam in the North and West, by Arunachal Pradesh in the East and by Manipur in the South. It shares international borders with Myanmar According to Census 2001, the population of the State is 19 89 lakh 88 % of the population is tribal and 83 % of the total population lives in rural areas The State covers an area of 16579 sq kms There are 8 districts and 1225 villages The density of population, as per 2001 census, is estimated at 120 persons per sq km The main occupation of the people of the State is agriculture, which accounts for 73% of the Work Force

Economic Development

Sustained efforts and investment in developmental activities, since Third Five Year Plan, achieved significant progress particularly in the sectors of Road, Transport, Water Supply, Power, Education and Health Most of the villages are connected with fair weather roads and 98% of them have electricity Every village has a primary school and a cluster of 4-5 villages has a middle schools within the walkable distances of 5-7 kms Literacy rate has increased from 61 60 % in 1991 to 67% in 2001 Health indicators are also good as almost every village is now provided with either a dispensary, PHC, sub-centre or subsidiary health centre However, in many areas basic and vital infrastructure is deficient Development planning process, hitherto followed, had concentrated on expansion of schematic programmes under different sectors This has resulted in creating of a huge bureaucracy whose upkeep and sustenance absorbs most of the resources leaving very little for developmental activities Resources problem has reduced the State's plan exercise to compilation of schematic programmes of the various Departments The State has reached such a stage that there is no resources to maintain the assets already created in the earlier Plan periods

Net State Domestic Product (NSDP)

The estimates of Net State Domestic Product (NSDP), both at current and constant (1993-94) prices are available for the period 1993-99 An increasing trend is observed in the NSDP at current prices, as it has increased from Rs 1251 crore in 1993-94 to Rs 3427 crore in 2000-01 The NSDP at constant price also maintaining an increasing trend, rose from

Rs.1251 crore in 1993-94 to Rs.2230 crore in 2000-01. Likewise, per capita NSDP at current price, rose from Rs.9129 in 1993-94 to Rs.17692 in 2000-2001 whereas at constant prices, it rose from Rs.9129 in 1993-94 to Rs.10287 in 1997-98 and to Rs.11473 in 2000-01.

Central Assistance

Nagaland is one of the 11 Special Category States, which receive Central Assistance on the basis of 90% grant and 10% loan, with the dispensation to use 20% of Central Assistance for meeting the Non-Plan gap. Financial situation of the state is a matter of concern. State's Own Resources(SOR) had been negative during the Ninth and also first two years of the Tenth Plan Central Assistance to State has been increasing over the years. Central assistance constitutes the major source of plan fund. A statement indicating the Annual Plan allocation during the Ninth and Tenth Plan(two years), state's own resources, central assistance and the percentage utilization is at annexure-I.

Tenth Five Year Plan

Tenth Plan places emphasis on tangible and sustainable economic growth leading to increased productivity and income generation programmes. Rationalization and rightsizing of Government; disinvestments and privatization of Public Sector Undertakings, utilities and services; shift of responsibilities from Government to people in sectors such as education and health; and project approach to schemes and plans of different departments. The Government also decided to decentralize by devolution of powers to local bodies It also proposed to handover the management of Government institutions and services specially Social Service sectors like education, healthcare, transport and communication, distribution of power and water etc. to community.

Agriculture and allied activities form the core of the tenth Plan with emphasis on production and productivity. Potential for utilizing the forest resources is also another area of emphasis. Tenth Five Year Plan an outlay of Rs. 2227.65 crore has been projected

The Tenth Plan outlay of Nagaland is higher by 11% than the Ninth Five Year Plan with development priority on, Energy sector, industry and minerals services

Annual Plan 2004-05

An outlay of Rs 538 79 crore has been approved by the Planning Commission. Approval letter of the Planning Commission for sectoral allocation as finalized by the state government is under issue The progress of Implementation is yet to be reviewed.

Annual Plan 2005-06

The State Government has submitted Annual Plan 2005-06 proposal for Rs.591.00 crore. The expenditure during, 2002-03 and 2003-04, outlay for 2004-05 and proposed outlay for 2005-06 is given at Annexure-II.

The State Government has proposed Rs.591.00 crore for the Annual Plan 2005-06, an increase of 9.69% over the outlay of Rs. 538.79 crores in 2004-05. Increase proposed in the industry sector has been as high as 59%, increase proposed on the Rural Development is 21%, in irrigation and flood control 8%. In the Social Services sector only marginal increase has been proposed. It may be mentioned that the plan proposal of the state government does not contain much detail on the schemes and also schematic performance during the first two years. However with the available information the Planning Commission a sector wise status note is prepared.

REVIEW OF MAJOR SECTORS AND PROPOSALOF 2005-06

AGRICULTURE & ALLIED ACTIVITIES

Crop Husbandry

Nagaland is traditionally a rice growing State which occupies 70% of the total area and is the main occupation of about 73% of the population. Rice constitutes 75% of the total foodgrain production. Besides, maize and small millets, oilseeds, pulses, fruit and vegetables are also grown. Plantation crops like cardamom, tea, coffee, spices, rubber and sugarcane are also grown. The net cropped area accounts for 20% of total geographical area. Tenth Plan priority in the agriculture sector was to increase production and productivity as agriculture is the only avenue to accelerate GSDP through proper development the sector. Agriculture sector contributes only 27 % to the GSDP despite 73% of the main workers is engaged in agriculture. It is primarily because of continuance of primitive method of cultivation, lack of governmental support to the farmers. The allocation under agriculture sector remained less than 5% of the total plan allocation. The proposed allocation for agriculture in 2005-06 is 5.8% of the proposed outlay which is just 2% more than the allocation in 2004-05. The expenditure level during the first two years of the Tenth plan had also been low at 76%.

In the review done in the Planning Commission suggested for improvement in the performance. In the Centrally Sponsored Scheme, the State is unable to utilize the fund provided. Under Macro-management Scheme, the major source of central fund, the

implementation of the scheme was not satisfactory Similarly, the Oilseed Production Programme did not perform well. The State needs to take corrective measures immediately. It was also observed that there are a good number(40) of schemes in which allocation is Rs. 5 lakh or less. Convergence of plan schemes will help to undertake developmental works in few important schemes in an integrated way.

To make jhum cultivation more eco-friendly, Nagaland is implementing a programme Nagaland Environment Protection and Economic Development through people's action (NEPED) by interposing a agro-forestry (fast growing economic timber) with inter-cropping of horticulture products like cardamon, ginger, turmeric etc. There is need for integration of different schemes operated for watershed development programme, wasteland development programme and National Horticulture Mission Project. The State needs to fix year-wise target for bringing new areas under agro-forestry and a suitable system for monitoring the targets should be put in place. An integrated approach for both backward and forward linkages should be taken up immediately so that marketing infrastructure could be developed through construction of rural roads and establishment of cold storages and processing plants.

HORTICULTURE :

The congenial climatic conditions provide good potential for the development of horticulture and plantation crops like tea, coffee, rubber and spices like cardamom. In case of the horticulture crops like pineapples, mandarin orange and passion fruit, the production is proposed to be doubled in the Tenth Plan from its present level. However, there is complete lack of marketing infrastructure and the produce is largely sold in unorganized sector. The state has proposed to concentrated on cultivation of vegetables and fruits which have unique advantage over other States and have the potential of producing at a commercial scale unlike in the past practice of taking up numerous varieties of fruits and vegetables. The state need to introduce modern and scientific method of farming and also concentrate on post harvest management activities of all horticultural crops, as well as, marketing of the produces. The Agro-base industries need be strengthened/modernized.

Animal Husbandry

To some extent the State has performed in the animal husbandry products. However, it is able to meet only about 1/3rd of the annual demand for meat, milk and eggs. The State has attempted restructuring of its programmes with the objective of revival of all its farms by replacing the old stocks with improved breeds and adoption of improved practices. Besides,

efforts were directed towards development of poultry and pig farms. Attention needs to be paid to grow enough feed, especially, to increase maize production, to sustain piggery and poultry development.

Strategy proposed to be adopted in the Tenth Plan includes self-sufficiency in meat and milk and to produce at least 75% of the egg requirements of the State; to restructure and consolidate the achievement of earlier plans. The following table presents production targets set for the Tenth Plan and achievement during the first two years of the plan:-

Product	Unit	Tenth Plan Target	Achievement during 03 and 2003-04
Milk	'000' tonnes	148.37	121
Eggs	Lakhs Nos.	1250	1410
Meat	'000' tonnes	48.27	7.75
Pig breeding farm	Nos.	10	1
Producers co op society	Nos.	400	115

The State Government intends to involve rural masses (education unemployed youth, entrepreneur and farmers) by providing training health care in livestock and poultry. Quality medicine minerals, vitamins, vaccines and quality feed will need to be provided in large quantity. This sector has been identified by the state government as high potential area for self-employment. Integration of inputs, processing infrastructure, distribution network and manpower development need to be taken up.

RURAL DEVELOPMENT :

The State Government continued with the following major schemes viz.: (1) Grants-in-Aid to VDBs, (2) Matching Cash Grants (fixed deposit) and Centrally Sponsored Schemes such as (3) Swaranjayanti Gram Sworozgar Yojana (SGY) (4) Sampoorna Grameen Rozgar Yojana (SGRY) I&II (5) Indira Awas Yojana (IAY) and (6) Pradhan Mantri Gramodaya Yojana. (Housing for the Shelterless). In order to sustain the tempo of rural development activities and alleviation of rural poverty the State continues to accord priority to Poverty Alleviation programmes. Thrust areas under Rural Development Programmes are creation of rural assets through creation of community efforts, poverty alleviation, generation of employment, integrated aforestation etc. Emphasis has been given for training of personnel involved at various levels.

The achievements during the first two years of the Tenth Plan are given as under:-

	Unit	Tenth Plan Target	Achievement up to 2003-04
Rural housing	No. of houses	25000	9800
IAY	No. of houses	3000	12664
SGSY	No. of Swarojgari	9000	2855
SGRY	Lakh mandays.	300.00	98.78

State Government need to ensure matching State share as per Central allocation to be able to utilize Central share fully

IRRIGATION AND FLOOD CONTROL:

There is no medium or large irrigation project in the state . One project has been surveyed and detailed project report has been prepared for constructin of medium irrigation project at Dzuza but could not be taken up for implementation due to lack of resources. By the end of 2003-04 a total area of 63800 Ha. has been brought under irrigation against the total potential of 165000 Ha. Creation of additional irrigation system is essential if diversification in agriculture is to take place in the State. However with deficient allocation in the agriculture as well as irrigation sector it will be difficult to achieve any improvement. The State Government may consider levying of water charges and transfer operation and maintenance of minor irrigation projects to the farmers/Village Development Boards.

During the first two years of the Tenth Plan it is anticipated to achieve the following targets:

Programme	Unit	Achievement up to 2003-04
1 Minor irrigation	'000Ha.	4.10
2. Command Area Dev.	Ha.	193
3 Flood Control	Km.2.46	

FORESTRY

As per Forest Report (1999), Nagaland has 14164 sq. kms (85%) area under forest, out of which only 5137 Sq. kms (31%) area is under dense forest and 9027 sq. kms (54%) open forest. The objective of Forestry development in the Tenth Plan is to rehabilitate the degraded forests and enhance the area under effective tree cover to 66% of the total geographical area of the State as envisaged in the National Forest Policy 1988. By the end of the Annual Plan, 2004 – 2005 it is anticipated that the dense forest area will be increased to 5549 Sq. Km or 41.44% of the State's geographical area of forests. The total forests area has now increased to 13,345 Sq. Km. or 89.69 % of the State's Geographical area. Because of the high forest coverage achieved by the state , the state Government has been asking for a compensatory mechanism for loss of revenue on forest produce due to Supreme Court ban and for preserving the ecology.

POWER DEVELOPMENT :

The objective and strategies for increasing generation of electricity power, reduction in transmission losses and rural electrification continued in the Tenth Plan. The document has reported that to get priority out of the total number of 1225 villages in the State, 1212 villages have been electrified which works out to 98.98 % coverage. There are 10 HEP out of which are spilled over from previous Five Year Plans period out of which 4 nos. of projects are completed and ready for commission and remaining are in progress. The expenditure during the first two years of Tenth Plan was Rs. 66.09 crore.

The scheme of communitisation of Public Institutions and services and introduced communitisation of electricity Management in 234 villages and in 2 urban areas through "Single Point Metering" and the actual involvement of the public as stated by the state government has been quite successful.

TRANSPORT :

The only mode of transportation in Nagaland is road communication. Improvement of roads deserves top priority for economic development of the State. The present road length under State PWD is 10,130 Kms. under the following categories:

National Highway	- 474 Km.
State Highway	- 974 Km.
Major District Road	- 856 Km.
Other District Road	- 2407 Km.
Village Road	- 5419 Km.

Out of the total no of 1225 villages 1092 villages have been connected with roads.(476 villages with all weather roads and 616 villages with fair weather roads.

The focus of road development in the State is on consolidation, strengthening and up-gradation of the existing road networks and construction of bridges. Fund availability has become the major problem in the implementation of road development programme.

The objectives of the 10th Plan for the State road transport department is improvement of fleet utilisation and increase revenue earnings. Right sizing of the Department was also given concerted attention. As reported by the state government the Percentage of Fleet utilisation has improved to 62% as against 52% in 2002 and anticipated revenue earnings estimated at Rs.7.25 crore an improvement from Rs.4.15 crore in 2002-03 and anticipated for further improvement to 9 54 crore by the end 2004-05.

TOURISM :

The outlay in the sector is for implementation of ongoing works for development of Tourism infrastructure. Apart from continuation for implementation of ongoing projects, the State Government initiated various activities and organized workshop for "Sustainable Tourism Development Plan for Nagaland" in collaboration with WTO and UNDP". The State has initiated the communitisation of Rural Tourism.

EDUCATION :

The State has 1374 Primary Schools, 266 Middle Schools, 116 High Schools and 9 Higher Secondary Schools. The percentage of enrolment in the age-group of 6 - 11 Yrs. has reached the level of 90% and 6-14 years 95%. At the Higher level of Education, besides one University, there are 8 Government Colleges, 2 Law College, 1 Agriculture College and 1 College of Education. The emphasis under the Education Sector during the Plan is for consolidation, strengthening and qualitative improvements through communitisation effort.

The State has communitised 402 Govt. Primary Schools in 216 villages under the State Programme.

At present there are 8 No. of Government Colleges and 36 Nos. of Private Colleges, the State Government is maintaining the existing 8 Government Colleges and also provides financial support to the selected Private colleges in form of Grant-in-Aid.

At present there are only 2 Government colleges which are having Science stream To meet the pressing demands of the student community the Govt. has introduced Science stream in 2 more Government colleges namely Phek College and Sao Chang College.

During the first two years of the Tenth Plan the actual expenditure was Rs 11.48 crore and Rs. 6.83 crore is anticipated to spend during 2004-05.

Presently implementation of the World Bank assisted Technical Education projects (Polytechnics) under Externally Aided Projects is under progress. This project includes Strengthening and Modernisation of the existing Keloshe Polytechnic Atoizu in Zunheboto District, woman Polytechnic at Kohima, establishment of New Institute of Communication & IT at Mokokchung and establishment of Technical wing/State Project Implementation (SIPG) at Kohima.

HEALTH AND FAMILY WELFARE :

The table below shows some of the Health Infrastructures at the end of the 9th Plan and at the end of the 2003-04 of Tenth Plan.

Programme	Unit	As on 3/2003	As on 3/2004
1. No. of Hospitals (Urban & Rural)	No.	8	10
2. Divisional Hospital	No.	1	1
34 No. of Sub-Centres	No.	330	394
5. No.of PHC	No.	55	94
6. No.of T.B. Hospital	No	2 (20 bedded)	2(100 bedded)
7. Regional Diagnostic Centre	No.	-	2(in progress)
8. Nursing School	No.	3	3
9. No. of CHC.	No.	12	21
10. RFW Centre	No	15	15
11. CHC	No.	12	14
12. Communitisation of HCs	No..	-	358

In the review exercise it was observed that the State Government is redeploying doctors so that all primary health services and CHCs are properly manned. The State Government also propose to post adequate number of specialists in district hospitals. The state is also re-designating pharmacists working in the sub centers as male multi purpose workers and retraining them. The State is also trying to integrate malaria, leprosy workers

and lab technicians with the existing primary health care manpower so that existing gaps are filled.

OTHER ISSUES:

Proposal of the state government to increase CD ration by utilizing VDBs as financial intermediaries:

Government of Nagaland channelises developmental funds under grant in aid through Village Development Boards (VDB). It is considered to be a successful experiment in the grass root devolution of funds and Planning & Implementation. The government has also initiated the communitisation of public institution and services by which primary education, rural health centers, and power tarrif collection in rural areas also in certain urban areas have been communitised. VDBs being experienced in the implementation of para-banking 25 VDBs have been selected on a pilot project basis to act as Financial Intermediaries along with the participation of GOI, State Government and NABARD in this venture. The number of VDBs to serve as banking intermediaries has been proposed to increased to 500 VDBs with the contribution to the State's share amounting to Rs.5.00 crs. for 500 VDBs. The State Government has been requesting for the central assistance for the same earlier.

NON-LAPSABLE CENTRAL POOL OF RESOURCES (NLCPR)

For project specific funding NLCPR funds are available to the North Eastern States which are over and above the Central Assistance, provided to finance their Annual Plans. Since inception, a total of 69 projects have been approved for Nagaland at a cost of Rs 458.91 crore. A total amount of Rs.311.27 crore has been released for these projects as on 1.8.2004.

NEC

The North Eastern Council take up projects/ schemes primarily of inter state nature and of regional importance are implemented through state government departments or central government agencies. During 2003-04 an amount of Rs 32.45 crore was released to the state government

Prime Minister's Package for Nagaland.

On October 29th 2003 the then Prime Minister made a Press Statement at Kohima announcing projects/schemes for accelerating the process of socio-economic development in

Nagaland. The estimated amount for this package is around Rs. 1050 crore. These projects /programmes cover creation of employment and self employment opportunities, four-lanning of Kohima - Dimapur section, roads within the state(in Tuensang, Mon, Kiphire and Wokha districts), 23MW Thermal Power Project, development of infrastructure of Nagaland University at Lumami, new Sainik School at Kohima, Regional institute for Information Technology, upgrading of higher and high schools for science education and facilities for girl's education, upgradation of district hospitals at all district headquarters including Mon and Tuensang, referral hospital at Dimapur, control Jhum/development of horticulture, projects under Bamboo mission, Tourism development, completion of Indira Gandhi Stadium at Kohima, revival of Nagaland Paper and Pulp Company etc.DoNER is the coordinating ministry for monitoring the implementation of the package. The projects are at various stages of consultation/finalisation. However, implementations of certain projects are not progressing.

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Annexure-I

Nagaland

Year	Annual Plan Agreed Outlay	State's own Resources	Central Assistance For Plan	Revised Outlay	Annual Plan Actual Expenditure	Expenditure As %age of Revised Outlay
Ninth Plan						
1997-98	220.00	-59.72	350.72	258.00	232.33	90.05
1998-99	300.00	-47.40	347.40	300.00	245 97	81.99
1999-00	315.00	-73.76	394.76	320.50	306.17	95.53
2000-01	326.00	-98.59	424.59	326.16	317.70	97 41
2001-02	405.00	-66.72	471.72	411.47	400.08	97.23
Total	1546.00	-346.19	1989.19	1616.13	1460.04	90.34
Tenth Plan						
2002-03	424.00	-64.71	492.59	427.30	378.51	88.58
2003-04	500.00	-46.34	546.34	504.00	504.00 (Anti.Exp.)	

ANNUAL PLAN PROPOSAL FOR 2005-06- OUTLAY AND EXP. -
THE FIRST 2(TWO) YEARS OF THE 10TH PLAN, 2002-07.

(Rs in lakhs)

Sl NO	Major/Minor Heads of Development	10th Plan Approved Outlay, 2002-07	Annual Plan 2002-03		Annual Plan 2003-04		Annual Plan 2004-05	Annual Plan 2005-06
			Approved Outlay	Actual Expendr	Approved Outlay	Actual Expendr	Approved Outlay	Proposed
1	2	3	4	5	6	7	8	9
1	AGRI. & ALLIED ACTIVITIES	25550 00	3452 15	2582 82	3737 49	2875 03	3409 45	3479 00
2	RURAL DEVELOPMENT	16380 00	3139 17	3121 94	3547 00	3646 95	3609 00	4389 00
3	SPECIAL AREA PROGRAME	19455 00	4214 00	4214 00	4941 00	4887 44	6491 00	6491 00
4	IRRIGATION & FLOOD CONTROL	4100 00	1025 00	463 00	1628 00	1623 00	1304 67	1413 00
5	ENERGY	24845 00	3545.00	2441 07	4720 00	4168 72	6557 74	6621 00
6	INDUSTRIES & MINERALS	19205 00	3210 31	2913 30	3476 50	3388 88	2399 44	3832 00
7	TRANSPORT	17035 00	4072 60	4458 07	5237 50	5469 43	4829 30	5915 00
8	SCIENCE & TECHNOLOGY	450 00	63 55	25 00	299 00	296 94	187 00	188 00
9	GENERAL ECONOMICS SERVICES	7803 00	1183 38	811 38	1897 64	1817 77	3593 40	3631 00
10	SOCIAL SERVICES	75395 00	15970 56	13325 24	16891 12	15591 19	17515 35	18463 00
11	GENERAL SERVICES	4350 00	479 00	441 40	1189 00	1011 51	4092 65	2525 00
	GRAND TOTAL	222765 00	42730 00	36842 37	50400 00	47906 00	53879 00	59100 00

No. M-13048/20/OR/04-SP-East
PLANNING COMMISSION
(State Plans Division)

Yojana Bhavan, Sansad Marg,
New Delhi 110001
Dated: 14.2.2005

Subject: Background Note for discussions of Annual Plan 2005-06 of Orissa

A Background Note for the Meeting to be held between Deputy Chairman, Planning Commission and Chief Minister of Orissa at 3.30 P.M. on 16.2.2005 for finalisation of the Annual Plan 2005-06 is hereby circulated.

Indu Patnaik

(INDU PATNAIK)
Deputy Adviser (SP)
Room No. 304
Tel. No. /2303

Encl: as above

Planning Commissio
Principal Advisers

Advisers
JS(SP)
Heads of Divisions

PMO
Dy. Secretary (Orissa)

Ministry of Finance
Joint Secretary (PF-I)
Deptt of Expenditure, North Block,N.Delhi

National Commission on Populatio
Member-Secretary

Copy to Private Secretary to:

Deputy Chairman / Minister of State / Members / Secretary

Copy also to:

Director (SP-Coordination)/ Deputy Adviser (PC Division) / Protocol Unit / Information Officer

PLANNING COMMISSION
(State Plans Division)

Subject: Government of Orissa-Annual Plan 2005-06 Background Note for the meeting between Deputy Chairman, Planning Commission and the Chief Minister of Orissa

Introduction

Orissa is a resource rich but economically poor State. The State is mineral rich with about a quarter of the country's iron ore and coal deposits and 98% of chrome, 95% of nickel and 70% of bauxite. The forest cover is estimated at 37% and the water resources account for about 11% of the total water resources of the country. However, 47% of the total population lives below the poverty line and the debt burden is overwhelming as it accounts for 63% of the GSDP.

The State has 4.74% of the country's land mass and a population of 36.81 million. The level of urbanization is the lowest in the country at 15%.

Some of the important developmental indicators are given below :

- The State's per capita income in 2002-03 was Rs. 5,836.00 at 1993-94 prices which was lower than all other major States of the country, except Bihar (Rs. 4,048.00), while the national average was Rs. 10,964.00.

- Percentage of population below poverty line in the State during 1999-2000 was 47.2% which was highest among the major States on the country while the all India average was 26.1%.

- The work force participation rate in the State during 2001 was 38.89% against 39.3% at all India level.

- Per capita consumption of electricity in the State was 334 KWH in 1999-2000, which is lower than the national average of 360 KWH.

- The per-capita value added by manufacture was Rs. 811.90 in 1998-99 in case of Orissa as against all India average of Rs. 1,789.30.

- The estimated Infant Mortality Rate in the State is the highest in the country i.e. 87 in 2002 against the all India average of 64.

- The Crude Birth Rate and Crude Death Rate in the State during 2002 were 23.1 and 9.8 respectively against corresponding all India average of 25.0 and 8.1.

- The productivity of food grains at 13.93 qtl/ha. in the State during 2001-02 was lowest in the country excepting Maharashtra (8.74), Madhya Pradesh (11.49), Jharkhand (10.94), Chhatisgarh (11.5) and Rajasthan (10.99) while the highest of 40.40 qtl./ha. was for Punjab. This is also far below the national average of 17.40 qtl./ha.

Growth Rate

The average growth rate of Net State Domestic Product (NSDP) at 1993-94 prices has varied considerably during the last four years as can be seen from the table below:

Year	NSDP (Rs. Crore)	Percentage growth
1999-2000	20693	6.2
2000-2001	20319	-(1.8)
2001-2002	21911	7.8
2002-2003	21862	-(0.2)
2003-04	24385	11.5

State of Finances

The State is in a debt trap and the debt stock constituted 63% of GSDP (as on 31.3.2004) and 342% of total revenue receipt of the State. Though the revenue deficit was of the order of 6.5% of GSDP and fiscal deficit 9.2% of GSDP at the end of the Ninth Plan, these ratios have been brought down to 2.8% and 4.8% respectively in 2003-04 but these are still unsustainable levels. The contribution of the State's own resources for the Tenth Plan has been deteriorating over the years. For 2004-05, the State's own receipt has been estimated at a negative value of Rs. 1192.91 crore. This is due to the high negative value of BCR and MCR owing to the insufficiency of the State's total revenue to meet the expenditure on salary , pension and interest payment.

Plan Performance

The agreed outlay for the Ninth Plan was Rs. 15,000 crore; the expenditure was Rs. 12,082 crore. The agreed outlay for the Tenth Plan is Rs. 19,000 crore but this is not likely to be achieved as the expenditure has been roughly of the order of Rs. 2500 crore per year : (Rs. Crore)

Year	Approved Outlay	Expenditure
2002-03	3100	2493
2003-04	3200	2436
2004-05	2500	924 *

* Upto 30th September, 2004

Proposed Outlay for 2005-06

The State Government have proposed an outlay of Rs. 2800 crore.

Tenth Plan Outlay and Priorities

Sectoral distribution of approved outlay during the Tenth Plan period and the percentage share to the total plan size are given below:

Major Heads of development	Tenth Plan(2002-07)	
	Agreed Outlay	% to Total
Agriculture & Allied Activities	797.65	4.20
Rural Development	897.91	4.73
Special Area Programmes	1691.77	8.90
Irrigation & Flood Control	3991.52	21.00
Energy	2864.88	15.08
Industry & Minerals	95.75	0.50
Transport	1729.86	9.11
Communications	-	-
Science, Technology and Environment	43.11	0.23
General Economic Services	1966.19	10.35
Social Services, Education, Sports & Culture	4421.84	23.27
General Services	499.52	2.63
Grant Total	**19,000.00**	**100.00**

The approved sectoral outlays alongwith the expenditure incurred are given in the table below:

(Rs. Crore)

Sector	Annual Plan 2002-03			Annual Plan 2003-04			Annual Plan 2004-05	Annual Plan 2005-06
	Outlay	Expnd.	% to outlay	Outlay	Expnd	% to outlay	Outlay	Prop. Outlay
Agri. & allied	135.71 (4.38)	102.09	75.23	181.33 (5.67)	50.44	27.82	31.62 (1.26)	62.87 (2.24)
Rural Dev.	115.35 (3.72)	183.81	159.35	104.71 (3.27)	162.05	154.76	124.52 (4.98)	124.54 (4.45)
Area Prog.	-	-	-	-	324.94	-	383.27 (15.33)	383.27 (13.69)
Irrigation	607.78 (19.61)	583.71	96.04	565.31 (17.66)	448.70	79.37	357.99 (14.32)	299.75 (10.71)
Energy	1003.54 (32.37)	323.04	32.19	671.71 (20.99)	429.62	63.96	502.75 (20.11)	852.61 (30.45)
Industry & Min.	4.94 (0.16)	18.79	380.36	10.25 (0.32)	20.83	203.21	6.12 (0.24)	7.17 (0.25)
Transport	303.30 (9.78)	206.76	68.17	380.71 (11.90)	158.76	41.70	167.98 (6.72)	130.26 (4.65)
S & T	14.81 (0.48)	17.48	118.02	11.32 (0.35)	7.54	66.61	2.12 (0.08)	4.12 (0.15)
Gen. Eco.	95.32 (3.07)	155.43	163.06	147.45 (4.61)	85.04	57.67	120.75 (4.83)	174.07 (6.22)
Social Services & Education	651.49 (21.01)	784.62	120.43	927.84 (28.99)	588.51	63.43	657.65 (26.31)	654.17 (23.36)
Gen. Services	167.74 (5.41)	98.37	58.64	199.35 (6.23)	160.13	80.33	145.23 (5.81)	107.16 (3.83)
Grand Total	**3100.00**	**2474.10**	**79.81**	**3200.00**	**2436.56**	**76.14**	**2500.00**	**2800.00**

State Plan Objectives

The monitorable targets set by the State Government for the Tenth Plan and the Action taken are as follows:

1. Reduction of Poverty Ratio by 5 percentage points by 2007 and by 15 percentage points by 2012

Orissa has the highest proportion of population below the poverty line at 47%. The State Government have constituted a poverty task force to devise suitable multi-pronged strategies to bring a significant dent in the poverty levels in the State. Efforts are being made to implement SGSY, SGRY and other poverty alleviation schemes effectively so that poverty amelioration and wage employment schemes benefit the urban and rural poor. Against a target of covering 2.25 lakh BPL households under SGSY, 1.16 households have been assisted during the first three years of the Plan period. Further, 599 lakh mandays have been generated under SGRY in 2002-03 and 618 lakh mandays in 2003-04.

2. Providing gainful high quality employment to the labour force over the Tenth Plan period

The labour force in Orissa has been growing at the rate of 1.06% while employment has been growing at the rate of 1.06%. The incidence of unemployment has marginally increased from 7.30% in 1993-94 to 7.34% in 1999-2000 (current daily status basis). The incidence of unemployment amongst the educated is very high at 18.3% in rural areas and 15.8% in urban areas compared to 8.4% and 8.2% respectively at the All India level. To contain the growing unemployment, the State Government is contemplating the formulation of a State Employment Policy and an employment mission. The employment mission will facilitate generation of self employment through mobilization of institutional credit. As against the target of 6.31 lakh person years during the Tenth Plan period, 3.63 lakh person years of employment generation have been achieved.

3. All children in school by 2003 and all children to complete five years of schooling by 2007

In order to secure 100% enrolment by the year 2006-07, the State Government will have to take steps to cover 32.63 lakh child population in 6-11 age group and 15.88 lakh child population in the 11-13 age group through the district primary education programme and Sarva Shiksha Abhiyaan. Programmes such as go to school campaign – door to door appeal, Gyan Rath, education guarantee scheme / alternative and innovative education centres have increased the enrolment by over 5 lakh children in 2003-04 over that in 2002-03. The State Government needs to put in place policies for decreasing the drop out rate which is about 10 percentage points higher than the national average for all classes and is 46.13% for classes I to V against the all India average of 34.89%.

4. Increase literacy to 75% within the Plan period

Currently, the literacy level is 63.08%. For achieving a level of 75%, the State aims at increasing the enrolment of children at the base level as well as vigorous implementation of all the existing literacy programmes. Special projects such as Accelerated Female Literacy project is also being undertaken. The main bottleneck in implementing the Sarva Shiksha Abhiyaan is the paucity of resources for providing the State's matching share.

5. Removal of gender disparity in wage rate by ensuring equal wage to males and females

The State labour machinery has been constantly watching to prevent discrimination under the Equal Renumeration Act 1976.

6. Sustained access to save drinking water

All the 114099 habitations identified in 1996-97 had been provided with potable drinking water by 31.3.2002. Subsequently, another 22,300 habitations have been identified and 10,487 have been covered by the end of March, 2004.

7. Increase in forest and tree cover to 25% by 2007

As per the 2001 status, the recorded forest area of the State is 37.3%. In order to increase tree cover outside the reserve areas of forest, Gram Panchayats have been given the authority for collection and trade of 68 minor forest produce. Through rehabilitation of degraded forest and afforestation of scrub forest areas, 65,721 ha. of forest area have been covered during 2002-03 and 2003-04. Effective forest and tree cover is 34.2% . The forest cover (above 10% of crown density) increased from 47,205 sq. kms. in 1991 to 48,838 sq. kms. in 2001.

8. Reduction of Infant Mortality Rate to 60 by 2005 and 45 by 2007

The strategies for reducing IMR include improved quality of ante-natal and delivery care, improved routine immunization, provision of drugs at sub-centre levels, improved quality of care at PHCs and FRUs and improvement in water and sanitation facilities.

9. Reduction in MMR from 3.67 to below 2.00 per thousand live births by 2016

The following steps have been taken to reduce the MMR: increase in ante-natal check-ups to at least three, 100% ante-natal registration and increase institutional delivery to 80% and delivery by trained personnel to 100%.

10. Cleaning of major polluted rivers by 2007

Five towns in Orissa, namely, Cuttack, Talcher, Chandbali, Dharamsala and Puri have been included under the National River Conservation Plan. The schemes are now at various stages of execution.

Policy Initiatives

1. Industrial Policy Resolution 2001

The mission of this policy is to create a conducive climate for business, accelerate in investment in industry and infrastructure and utilize natural resources of the State in a prudent manner. Two contact points, namely Shilpa Jyoti and Shilpa Sathi will be used for facilitating expeditious clearance of proposals.

2. Empowerment of Women

The State Government have launched Mission Shakti from 2000-01 which aims at capacity building through the formation of Self-Help Groups. Further, the proportion of women employees in the organized sector has increased from 8.7% in 1990 to 13.8% in 2003 largely because of the reservation of 1/3rd vacancies in all categories of posts of the State Government.

3. GRAMSAT

This project links the State's headquarters with all 30 district headquarters, 314 blocks and 800 Gram Panchayats of KBK districts in an interactive mode.

4. Infocity

An Information Technology Park, 'Infocity' has been set up in Bhubaneswar. Further, a policy has also been enunciated by the State Government to introduce E-governance in day to day administration and to facilitate easy access to different services offered by the Government.

5. Disaster mitigation and management

The Orissa State Disaster Mitigation Authority has been set up to ensure better preparedness to face calamities and attend to rehabilitation work more effectively.

Reform Measures

Fiscal Reforms

The Government of Orissa have signed a MOU with the Government of India and have taken a number of revenue generation and expenditure compression measures. The revenue generation measures include withdrawal of sales tax incentives, introduction of professional tax, levy of electricity duty, rationalization of stamp duty and registration fees, revision of water rates regularly, enhancement of fees in medical and engineering colleges, introduction of user charges in hospitals, increase in rate of royalty on minor

minerals and a large number of other fees. Expenditure compression measures include abolition of 24,220 posts, ban on creation of new posts, introduction of VRS for State Government employees, reduction in subsidy to State run corporations, etc. The ratio of salary to State's own revenue has been reduced from 116% in 1999-2000 to 95.19% in 2003-04.

Participatory Approach

- For effective participation of people in water management " Pani Panchayats" or Water Users' Associations have been established and Orissa Pani Panchayat Act has been enacted.
- Village Education Committees have been constituted and entrusted with the powers to appoint Para-teachers. Gram Panchayats have been given greater role and responsibilities in this regard. Besides ensuring saving in expenditure in the salary and pension on regular teachers, this would ensure accountability.
- The Forest & Environment Department have taken up restructuring of the existing 104 establishments into 98 viable establishments, thereby abolishing redundant offices and redeploying the employees more rationally. Protection and preservation of forests has been entrusted to Joint Forest Management Societies at the village level.
- Higher Education Department has undertaken rationalization and restructuring of the existing teaching and non-teaching posts of the Orissa Education Service (OES) in different Colleges under them. The Department have also undertaken rationalization and restructuring of non-teaching posts in different Colleges and junior colleges.
- A participatory and community led drinking water programme called 'Swajaldhara" launched by Government of India has been introduced in the State to empower the village community to sort out problems in the supply of drinking water to habitations and schools.
- The State Government sincerely endeavour to increase community participation in watershed development projects. Emphasis is being laid on convergence of Agriculture and Horticulture activities in the watershed areas.

Rashtriya Sam Vikas Yojana

Orissa is covered under two components of the Rashtriya Sam Vikas Yojana, namely, (i) the Special Plan for the undivided Kalahandi-Bolangir-Koraput (KBK) districts of Orissa and (ii) the Backward Districts Initiative which covers five districts, namely, Mayurbhanj, Ganjam, Gajapati, Keonjhar and Sundargarh.

Special Plan for the undivided Kalahandi-Bolangir-Koraput (KBK) Districts of Orissa

The allocation for the Special Plan is Rs. 250 crore per annum. The status of releases made earlier to the KBK districts and the expenditure position is as follows:

(Rs. in crore)

Year	ACA/SCA Sanctioned	Expenditure Reported
1998-99	46.00	13.17
1999-2000	57.60	55.91
2000-01	40.35	57.14
2001-02	100.00	61.37
2002-03	200.00	131.99
2003-04	250.00 *	318.54
2004-05	166.66 **	
Total	**860.61**	**638.12**

* Out of this, Rs. 25 crore was released in April, 2004

** Total allocation - Rs. 250 crore. Amount released on 1.12.2004

Backward Districts Initiative

The District Plans for Mayurbhanj and Ganjam were approved in 2003-04 and an amount of Rs. 7.5 crore each was released as first instalment. The District Plans for Gajapati, Sundargarh and Keonjhar are yet to be received.

Sector-wise Briefs

Rural Development

- Under SGSY, provision of credit is an area of concern. The percentage of credit disbursed under SGSY in the State is lower than the credit target set for the State (70.04% in 2003-04). Per family investment is also less than the norm of Rs. 25,000 (Rs. 18926 in 2003-04). Subsidy credit ratio is also low at 1:2.27 in 2003-04 as against the norm of 1:3. The percentage of expenditure on training / capacity building under SGSY is quite low (2.88% in 2003-04). 69% of swarozgaris assisted belong to SHGs.
- Special emphasis has to be laid on skill development of the swarozgaris through well designed training courses tailored to the activities selected and matching with the requirements of the groups. Efforts also need to be made to design scientific training models for the groups, as well as for the functionaries at the grassroot level with the help of institutions possessing expertise in this area, with the impact being closely monitored over a period of time. Attention should be laid on the technological and marketing needs of the swarozgaris. Adequate technical assistance would help add value to the local resources including processing of the locally available materials from natural and other resources for the local as well as non local markets. Steps may be taken to ensure effective market linkages are established with emphasis on market research, upgradation / diversification of projects, packaging, creation of marketing facilities, etc. The SHGs formed under the SGSY can play a major role in convergence with various programmes of other departments targeting the rural poor.
- Under SGRY –I, 94.16% of foodgrains authorized were lifted while 95.57% of foodgrains lifted were utilized in 2003-04. During the same period under SGRY-II, 89.09% of foodgrains authorized were lifted while 97.16% of the foodgrains lifted were utilized. As such, the process of lifting of foodgrains needs to be streamlined.
- Watersheds have not received importance. These need to be given priority as they have the potential for providing sustainable incomes to the poor in the long run. The quality of assets created and their maintenance also needs to be focused upon.

- Recently, National Food for Work Programme (NFWP) has been launched in selected backward districts. 100% Central funding is being provided under the programme. The State Government may take appropriate steps for the implementation of the programme. The scheme is being implemented in 18 districts of the State.
- The State Government of Orissa may be asked to earmark the Additional Central Assistance (ACA) of Rs. 5896.20 lakh for National Social Assistance Programme (NSAP) including Annapurna for Annual Plan 2004-05 along with the State Budget provision or actual expenditure whichever is higher for the schemes during 2000-01.

Agriculture Sector

- Although the State Government has mounted a watershed mission to ensure synergy between various watershed development programmes an assessment is required regarding the total number of watersheds which require treatment, the number which have been saturated and the number yet to be treated along with Plans for allocating these watersheds between different watershed development programmes.
- The allocation to the Agriculture sector in percentage terms has been declining during the Tenth Plan period. Since agriculture sustains a large proportion of the work force, adequate attention needs to be given to this sector.
- The State is not taking full advantage of the Centrally Sponsored Scheme of On-Farm Water Management implemented by Department of Agriculture and Cooperation for Eastern States including Orissa. Against the target of 4033 shallow tubewells, only 198 have been installed. No lift irrigation points or pumpsets have been taken up under the scheme. Instead of booking expenditure under State Plan outlay, this CSS should be utilized.
- While proposing a higher allocation for horticulture, the scope for integrated development of horticulture with backward and forward linkages through area expansion under fruits, vegetables, spices, tuber crops and floriculture should be suitably explored especially in KBK and backward districts under RSVY where about 72% of the families are below poverty line.

- More emphasis should be given for implementation of programmes for livestock and fisheries development for increased production of milk, egg, meat and fish by implementing centrally sponsored schemes like National Project for Cattle and Buffalo breeding, Integrated Dairy Development Project, Development of Inland Fisheries and Aquaculture etc. especially for development of backward areas.
- Strengthening of cooperatives in agriculture and allied sectors should also be given due priority to help the farmers to get the maximum prices for their produce with better processing and marketing facilities.

Irrigation

- For the Annual Plan (2003-04), an amount of Rs.250 crore was earmarked for the State under AIBP, but the State could avail only Rs.154.685 crore. During Annual Plan (2004-05), Rs.280 crore is earmarked for the State under AIBP, but there has been no release till now.
- The State Government had given its major focus on formation of Pani Panchayats (Water Users' Association) for operation and maintenance of the irrigation systems. It is targeted to hand over all Irrigation projects to the Pani Panchayats during next five years. In Anuli Irrigation Project, there is a Pani Panchayat entirely managed by women farmers, and this is unique in the entire country. By the end of 2003-04, 10,303 Pani Panchayats had been registered involving an area of 9.38 lakh ha. Out of this 5.31 lakh ha. has been handed over to 7,590 Pani Panchayats.
- Ground Water Legislation: Out of 314 blocks in 30 districts, no block is over exploited or in dark or critical stage with respect to ground water development (as on 31.03.2003) as reported by the CGWB. The Draft Bill for regulating and controlling the development of ground water resources in the state is under consideration.

Power Sector

Orissa was the first State to initiate the Reform and Restructuring Programme in the Power sector. The Reform and Restructuring process started w.e.f. 1st April, 1996 vide Orissa Electricity Reforms Act, 1995. Under this the erstwhile Orissa SEB has been

split into three entities viz. Orissa Power Generation Corporation (OPGC for thermal power), Orissa Hydro Power Corporation (OHPC for hydro power) and Grid Corporation of Orissa (GRIDCO for T & D network). The OPGC has been further disinvested to the extent of 49%.

Distribution has been privatized and entrusted to four DISTCOMS namely Western (WESCO), North Eastern (NESCO) and Southern (SOUTHCO) and Central (CESCO) . The first three companies are managed by BSES, which in turn has acquired 51% share as on 1-04-1999. AES Corporation , a USA based company had taken over the management of the fourth one , Central (CESCO) by acquiring 51% share in Sept. 1999 . However, Subsequently AES Corporation terminated its contract and now the administrator appointed by the Orissa State Electricity Regulatory Commission is managing CESCO.

The reform and restructuring of OSEB was initiated with the financial assistance from the World Bank . The World Bank had agreed to lend $ 350 million. The disbursement of the loan was however suspened by the World Bank in July 2001 owing to the delay on the part of the State Government in disbursement of loan to GRIDCO and the distribution companies. The suspension was lifted in 2002 bu the loan was curtailed by $ 60 million. The loan disbursement period was extended upto January 2004 .

Financial Performance

Information relating to the distribution companies is not available . The financial parameters of GRIDCO show that average cost of supply is 159.99 paise per Kwh while the average tariff is 154. 58 paise per Kwh ; recovery is thus 96.61%. This needs to be explained as it is projected that GRIDCO is to generate a surplus of Rs.95.75 crore.

T&D losses

T&D losses in Orissa State before introduction of the reforms programme was 23.8% in 1994-95 and stepped up to 50.4% in 1996-97, i.e. at the end of first year of reform. The T&D losses for the year 2003-04 as reported by the CEA are more than 50%.

Though Orissa is a power surplus state, only 79% of the villages are electrified and the level of household electrification is only 27%.

Scheduled Tribes

The State has 13 primitive tribal groups who live in extreme backwardness and isolation. The State has implemented 17 micro projects but the condition of PTGs has not changed as desired owing to ineffective implementation and magnitude of the problems. The State Government needs to undertake concurrent monitoring so that corrective measures can be taken.

The externally aided Orissa Tribal Empowerment and Livelihood Project is being jointly funded by IFAD, DFID and WFP. Details regarding this project need to be furnished. The provision for Annual Plan 2005-06 is Rs. 60.22 crore.

The State Government is advised to take up schemes that support agricultural activities of SCs / STs by initiating schemes such as rain water harvesting / check dams which will boost agricultural production.

Social Welfare

The amount proposed for women and child development is only Rs. 2.89 crore and that for other social activities only Rs. 1.34 crore. The remaining amount is to be spent on National Old Age Pension Scheme and National Family Benefit Scheme. These schemes should be shown in the rural department sector. The State Government is not providing adequate funds for the supplementary nutrition programme under ICDS. The total additional requirement for this programme is Rs. 50 crore per annum while the budgetary allocation is Rs. 29.55 crore.

Housing and Urban Development

The State Government has signed the MOA for the Urban Reform Incentive Fund on 17.3.2003. The following reform measures are to be undertaken: (i) Repeal of the Urban Land Ceiling and Regulation Act - This already been repealed; (ii) Reduction of

Stamp Duty - The Indian Stamp (Orissa Amendment) Act, 2001 has come into force w.e.f. 20.1.2003 to rationalize the rate of stamp duty and to encourage better voluntary collection of revenue. The rate of duty is 8% against the target of 5 % and the State Government has expressed its inability to reduce it further at this stage owing to its financial situation; (iii) Reform of Rent Control Act - This has already repealed and there is no proposal for re-introduction; (iv) Reform of Property Tax - The Orissa Municipal Act, 1950 is being redrafted for the purpose; (v) Adoption of Double Entry System of Accounting in Municipalities – Necessary training programmes have already been taken up and some of the ULBs have already adopted this system and the remaining ULBs would be doing so in the current year; (vi) Introduction of computerized registration - Measures have been taken in this regard by the Department of Revenue; (vii) Levy of reasonable Users' charges – In the enacted Orissa Municipality Corporation Act, 2003 provisions have already been made to levy users' fees and Bhubaneswar Municipal Corporation and Cuttack Municipal Corporation are collecting fees at the rate of 10% from water users.

State Capital Project : The State Government has included provision for housing of Government employees under the State Capital Project which includes almost the entire provision for the scheme. For other on-going schemes, namely road development, land acquisition, etc. only a token provision of Rs. 1000 of each has been made. Housing activity should normally have formed a part of rental housing and featured under the housing sector.

Swaranjayanti Shahari Rozgar Yojana :The utilization under this programme was about 97%. The appointment of project officers, community organizers along with the formation neighbourhood groups, community development societies should be top priority.

The issues of concern include:

- The State Government should make a time bound strategy for providing houses to the target groups by the end of the Tenth Plan;
- Recovery campaign should also be carried out to boost the recovery of advances made by the State Housing Board; State Government may fix monitorable targets with respect to specific issues;

- Priority to urban development sector as a whole to be accorded in proportion to the percentage of urban population;
- Dovetailing of NSDP and VAMBAY and Night Shelter schemes to be carried out;
- Urban Poverty being highly complex, an Urban Poverty Eradication Cell may be set up at the State headquarters with branches at the district / municipality level;
- Focussed attention to be taken in the implementation of SJSRY and successful innovative experiments carried out by the State Governments of Kerala, Tamil Nadu, Andhra Pradesh need to be studied for replication;
- The concept of Revolving Fund should be developed followed by constant monitoring of various development programmes pertaining to Housing and Urban Development;
- Convergence of various urban development schemes to effectively leverage financial assistance from the market;
- The State Government need to provide land / credit to the EWS etc. in the urban areas. Amendment to Municipal Act to give mandate of poverty alleviation to the ULBs should also be carried out.
- The completed / dropped schemes may be segregated including externally aided projects, if any, and the progress details be made available to facilitate basic assessment of progress of projects.

Labour and Employment

- Steps to be taken to improve the training conducted by ITIs by involving industries, opening of market driven new trades; etc.
- New initiatives in the area of social security for unorganized labour.
- Measures taken for health, safety and social security of agricultural and construction workers.
- Monitoring of conditions of child workers and placing them in special schools.

Health

- The State has good rural health infrastructure with more than the required number of PHCs and the shortfall in subcentres is only 447. There are however, substantial gaps in essential requirements in terms of manpower, equipment, drugs and consumables in the primary health care institutions.
- A large number of posts of specialists at CHCs are vacant. The Department of family welfare has taken over the responsibility of funding all sub-centre ANMs as per the 1991 norms. Filling all vacancies and ensuring that the ANMs stay in the areas where they are posted, will improve coverage under FW programme.
- The State has 30 districts and 226 sub-district hospitals. These should be strengthened on priority, especially in areas where there are no sub-district hospitals / CHCs, so that they can provide emergency care to the population in the area. All district hospitals should have blood-banking facilities. Orissa is implementing the secondary health system project with World Bank Assistance. With this project the CHC/FRU should be made fully operational and linked to the PHCs and district hospitals with appropriate referral linkages.
- The State Government has taken various steps to reduce infant mortality such as reimbursement of transport charges for institutional deliveries in government institutions; protection from malaria during pregnancy by choloroquin prophylactics; free institutional deliveries including drugs; training of dais; appointment of 35 additional ANMs on a contractual basis in urban slums and improving IEC.
- As per the evaluation survey conducted by Rapid House Hold Survey (2002-03), immunization coverage has improved substantially since NFHS-1, and 55.3% of children in this age group have received all the vaccinations. The low figures for full vaccinations are mainly due to the low coverage of measles vaccine. State should ensure that routine immunization is strengthened, and the Tenth Plan goal of universal coverage and elimination of polio and neonatal tetanus is achieved.
- Efforts should be made to ensure universal screening for early detection and appropriate management of anaemia.

- Nutrition education to improve timely introduction of complementary food and improving access to health care are some of the interventions for improving maternal and child nutritional status. Another area of focus should be on universal screening of pre-school children, pregnant and lactating women to detect those that have severe under nutrition and deliver well-targeted health and nutritional services to these persons on priority basis so that the goals for reduction in under nutrition in the Tenth Plan are achieved.
- Inspite of high undernutrition in the State, the funds provided under the nutrition component of PMGY have been used as a substitute for States' own Plan funds for nutrition and not as additionality; the expenditure is also lower than the outlay. It is essential to ensure convergence of services between health, family welfare and nutrition service providers at village, block and district levels, and involve PRIs in decentralized district based planning and monitoring of progress.
- The pilot project to provide food grains to under nourished pregnant and lactating women (less than 40 kg. body weight) and adolescent girls (less than 35 kg. body weight) is being implemented in Koraput and Kalahandi districts. An amount of Rs. 4.86 crore has been released by Planning Commission under this project to the State.

Education

- Out of 30 districts in the State of Orissa, female literacy rate in 16 districts is lower than National average female literacy rate.
- High drop-out at primary level as compared to National average. Special emphasis should be laid down to curtail high drop-out especially among girl children.
- Lower Gross enrolment rate among upper primary level. Efforts are to be made to enroll out of school children at this level.
- Lack of minimum school facilities in tribal / remote areas.
- Lack of quality education at all levels.

Transport

- Need to prepare a long term plan keeping in view the deficiencies in the existing road network and traffic requirements.
- Over 44% of the outlay for roads and bridges sector is for rural roads which are being constructed by various agencies/departments of the State Government. A Master Plan needs to be prepared showing the dovetailing with PMGSY so that the total picture is available.
- The proposed outlay for the roads & bridges sector needs to be divided between spill over and new works.
- As the externally State road projects are in the pipeline, the outlay may not be spent.
- Private sector participation in the development of roads and bridges may be encouraged.
- The Orissa State Road Transport Corporation is making a net commercial profit from 2002-03 owing to the implementation of a restructuring programme which included VRS.
- For the inland water transport sector, the allocation should be increased (current level Rs. 1.39 lakh) so that the Centrally Sponsored Scheme may be taken advantage of
- The State has 11 minor ports. Gopalpur port is to be converted to an all-weather major port and RITES has been appointed as Consultant for selection of a developer. M/s ISP Ltd. Singapore have been selected for the Dhamara Port Project and a MOU has been signed in this regard. Maintenance of ports should not be proposed under the Plan.

Tourism

The thrust for the tourism sector is to project Orissa as a major destination in the domestic and overseas tourism market. The State Government proposes to develop two tourism circuits and one destination. Orissa with its ancient heritage sites, beaches and forests offers immense opportunities for tourism development and employment generation. The tourism sector has not received due attention in the State compared to States which have similar natural resources. Hence higher allocation for the sector is required.

Industry

New Industrial Policy – 2001 highlights:

(i) Creation of business climate conducive for accelerating investment in industry and infrastructure projects

(ii) Raising income, employment and economic growth in the State

(iii) Reducing regional disparities in economic development;

(iv) Balanced utilization of the natural resources for sustainable development

(v) Enhancing the efficiency and technological strength of the State's industry and services, thereby improving their competitive strength while generating new employment opportunities and to encourage the attainment of internationally accepted standards of quality.

A number of very large industrial projects in sectors like steel, alumina / aluminium, oil refining, fertilizer etc. involving huge investment are in the pipeline. The emphasis during 2005-06 would be on sustaining the momentum already generated and providing all necessary support to facilitate early grounding of these projects.

During the period 2001-02 to 2003-04, 24 projects were completed in the State at a cost of Rs. 7243 crore. The total investment in the State was 6.11% of the investment in the country.

Foreign direct investment was however very small and only about Rs. 4 crore have materialized during the last three years (2001-02 to 2003-04). The recent steps taken by the State Government should help to bridge this gap but concerted efforts need to be taken to ensure that interest shown and MOAs convert themselves into actual investments.

Strategies to be adopted by State Government during 2005-06

(i) Strengthening of physical & social infrastructure through prioritization of public investment and by attracting substantial Private investment

(ii) Facilitating large investment in resources based industries like power, steel, alumina, etc.

(iii) Providing support to export oriented industries and agri based food processing industries

(iv) To lay emphasis on quality productivity and skill development

(v) Making special efforts for rehabilitation of viable sick industries

(vi) Organisational reform to facilitate unhindered growth of industry & trade

(vii) Providing escort services, fast & transparent decision making & quick clearance of the proposal

The State Government may also consider the following aspects, which have large impact on the industrial development directly or indirectly;

(i) Adequate Consumer Protection

(ii) Need for stimulating demand by rationalization of local taxes / levies

(iii) Rationalise the procedures / policies for early clearance of investment proposals and streamlining procedures specially from the angle of environment & forests

(iv) Enforcing provision of Electricity Act, 2003 expeditiously, especially of Captive Power and Open Access to Grid / Transmission & Distribution (T&D) System

(v) The detailed progress of Centrally Sponsored Schemes to be provided like TCIDS, ASIDE and Apparel Parks, Growth Centres etc. and their activities should be monitored through PERT / CPM Charts with prescribed dates and deadlines for major milestones, such as acquisition of land, position of water supply, power supply, road linkages with access to ports, airports, rail heads and approach roads to parks sewerage and drainage and telecommunication, etc.

(vi) While taking up new projects, the partially developed and existing under utilized industrial parks, growth centre schemes etc. may be considered and integrated as per the requirement of the new proposals

Minerals

The plan outlay needs to be commensurate with royalty collected from minerals. The current low level of outlay will not be able to support the proposed exploration programme with multi-disciplinary inputs aided by air borne mineral survey.

- The State Government should make every effort to create a conducive environment for private investors including FDIs to invest in this sector, particularly in exploring low volume high value minerals and opening up of new mines.
- The outlay for execution of mineral development programmes to add more economic deposits particularly in Keonjhar, Mayurbhanj, Balasore and Bhadrak districts. This may directly be helpful for upliftment of tribals of the area.

Environment & Forests

Forestry

Although, 37.3% of the State's geographical area is recorded forest area, about 45% of forests are degraded which calls for intensive efforts to improve and sustain existing forests.

The forests are rich in non-timber forest produce. The collection, processing and marketing of NTFP needs to be systematically worked out. Mere transfer of ownership right to Panchayat bodies in scheduled areas would not benefit the poor unless a systematic arrangement for its management is put in place. This must include participation of communities in the management of NTFP as well as seeking reciprocal commitment of communities for conservation along with the right to use the resource.

Bamboo constitutes an important component of the forest resources and has direct linkage with the livelihood of the people. Adequately organized value addition at community level, trade and conservation of this resource will fetch more value and provide employment opportunities.

The State has a long coast line and mangrove forests. A scheme for coastal plantation and mangrove development must be undertaken for ecological security for coasts and hinterland.

Ecology and Environment

The overall environment legislation in the State is weak. The pollution scenario in the industrial areas of the State especially Talcher – Angul and Sambalpur-Rourkela is alarming and requires the immediate attention of the State's Pollution Control Board.

The Chilka lake is facing the challenge of silting and extinction of rare avifauna species. The Chilka Development Authority is not able to address these problems owing to lack of Plan funds.

The expenditure under the National River Conservation Plan is not satisfactory as only Rs. 6.64 crore has been spent against Rs. 14.89 crore released by GOI. Out of the 15 projects sanctioned only one project has been commissioned.

Information Technology

- The State needs to work out a comprehensive and concrete action plan to use the earmarked outlay for IT activities based on a suitable E-governance Plan for the State.
- State Wide Area Network (SWAN) should be created in the State by extending, augmenting and upgrading the existing facilities. Keeping in view the guidelines issued by DIT on the subject, a project may be submitted to the Department for consideration.
- Re-engineering of the present processes for weeding out obsolete processes and procedures must be undertaken before implementing E-governance Projects.
- A separate head for IT should be opened as per the notification of the Department of Economic Affairs dated 9.7.2003 so that all expenditure on IT is booked under one head.

Science & Technology

The State Government has initiated several schemes for sustainable socio-economic development of the State with S&T inputs. The major objectives of the S&T programmes are promotion of science and technology through application oriented research, popularization of science, training, entrepreneurship development and human resource development. Thrust has been on bio-technology and remote sensing applications.

Various on-going schemes undertaken during the Tenth Five Year Plan include Orissa Bigyan Academy; Pathani Samanta Planetarium; Remote Sensing Application Programme; Gramsat development programme, Support to Institute of Material Sciences and Institute of Mathematics and its applications, Popularisation of Science & Technology, Development of Biotechnology, etc.

The State Council of Science and Technology undertakes programme on popularization of science, funding of research projects, support to scientists for participation in overseas seminars and entrepreneurship development. The Orissa Bigyan Academy also promotes popularization of science and technology activities in the State through the use of audio visual presentation, mobile exhibitions, publication of science magazine, besides organizing science lectures, quiz and popular science programmes. The Pathani Samantha Planetarium is a prestigious institution which is also contributing significantly to promote scientific awareness amongst public in the areas of astronomy, astrophysics and space science. The Orissa Remote Sensing Application Center (ORSAC) undertakes activities in the areas of land survey, mapping of natural resources, wasteland management, land use patterns and spotting of forest fires. The centre also supports research in the field of Atmospheric science and disaster Mitigation. GRAMSAT Pilot project scheme has been introduced in consultation with Department of Space to train and upgrade the skills of field level developmental functionaries of different departments like Panchayati Raj and Woman and Child Development. The State Science & Technology Department also provide financial support to the Institute of Material Sciences and Institute of Mathematics and its Application for undertaking research in the field of frontier areas of material science and mathematics. The State Government has prepared a perspective plan for biotechnology based socio-economic development for the State for Tenth Plan in consultation with Department of Biotechnology at the Center. The thrust areas in biotechnology have been identified and include (i) Bio-resources; inventorisation, conservations and characterization (ii) Plan Bio-technology, (iii) Environment & Bio-diversity conservation, (iv) Fisheries & Aquaculture, (v) Medical Research , (vi) Disaster Management with Bio- technological Intervention, (vii) Human Resources Development, (viii) Food and Nutrition Supply, (ix) Institutional Framework and Networking, and (x) Industrial Biotechnology, Biotechnology Park. A State Biotechnology Board headed by Hon'ble Chief Minister of Orissa has been constituted in 2001 in order to plan and implement measures for (i) encouraging Biotechnological research and applications, (ii) promoting industrial activities pertaining to Biotechnology in the State, (iii) setting up of Bio-technology parks to provide desired thrust for developing human resource in the field of Biotechnology, and (iv) establishing centres of excellence.

Externally Aided Projects

There are 14 externally aided projects which include six on-going projects and eight pipeline projects. The on-going projects include the Orissa Tribal Empowerment and Livelhood Programme, Orissa Post-Cyclone Reconstruction of Primary Schools, Orissa Multi-Purpose Cyclone Shelter Programme, Orissa Minor Irrigation Project, National Hydrology Project-Phase II and Rengali Irrigation Project. Most of the pipeline projects are at a very early stage and very little expenditure is expected to be incurred for these projects in 2005-06. The State Government have reported that they have taken a number of steps to ensure successful implementation of EAPs such as release of LCs in time, higher powers to engineering departments for according administrative and technical approvals and regular monitoring. However, the State Government are yet to take steps to set up a separate cell for externally aided projects under the aegis of which proposals can be professionally prepared. Although, the State Government were advised to set up this Cell over a year ago, no action has been taken and the State has reached a stage where most of the on-going projects are nearing completion and no new project has been sanctioned.

IMMEDIATE

M-13048/21/PN/2004-SP(North)
PLANNING COMMISSION
(State Plans Division)

Yojana Bhavan, Sansad Marg
New Delhi-110001.
Dated 27.1.2005.

Subject:- Background Note for discussions of Annual Plan 2005-06 of Govt. of Punjab.

A Background Note for the meeting between Deputy Chairman, Planning Commission and Chief Minister of Punjab to be held on **1.2.2005 in Room No. 122 (Sangam) at 3.30 P.M** Yojana Bhawan, New Delhi for finalization of Annual Plan 2005-06 is hereby circulated.

(J P Vijay)
Dy Adviser (SP-N)
Room No. 448
Tel.No. 23096524

Encl: As above

Planning Commission

Principal Advisers
Advisers
JS(SP)
Heads of Divisions

PMO

Director (Punjab)

Ministry of Finance
Joint Secretary (PF-I)
Department of Expenditure, North Block,
New Delhi.

National Commission on Population
Member Secretary

National Capital Region
Member Secretary

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Planning Commission
(SP Division)

Background Note on the Annual Plan (2005-06) Proposals of Punjab

Planning Commission
(State Plans Division)

Background Note on the Annual Plan Proposals for the year 2005-06 of Punjab

1. State Profile

Geographically Punjab is located in the North-western part of the subcontinent. Bordering Pakistan on its west, Punjab occupies a position of great strategic importance. It is bounded on the north by Jammu & Kashmir, Himachal Pradesh on the northeast and east, and Haryana on the south east and south, and Rajasthan on the southwest. Total Geographical area of Punjab is 50,362 square Kilometers which is 1.5 percent of the total area of the country. The recorded forest area in the State is 2901 sq.km. Constitutes 6.1% of the State's geographical area.

According to the 2001 census total population of Punjab is 2.43 crore which is 2.4% of the total population of the country. Punjab is the 5th major urbanized state in India. The urban population of Punjab is increased by 33.95% against 27.78% of the country as a whole. The density of population is 482 sq Km as against the national average of 324 persons per sq. Km.

The literacy rate in Punjab which was 58.51 in 1991 went up to 69.95% as compared to the all India average of 65.38 % in 2001. Similarly, the female literacy rate in Punjab which was 50.41 in 1991, increased to 63.55% as compared to the national average of 54.16% in 2001.

The sex ratio is 874 per thousand male in 2001 against the all India figure of 933 female in the same year. It has been revealed that the sex ratio in Punjab compared to the all India figure is very low.

The number of person below poverty line in 1999-2000 was 6.16% of the total population of Punjab.

Some of the important development indicators for Punjab is given at **Annexure-I.**

2. Economy of Punjab

- Average annual growth rate during the 9th Five year Plan = 4.1%
- NSDP (at current prices) for 2002-03 =Rs. 64621 crore
- Per capita NSDP (at current prices) for 2002-03 = Rs. 25855
- Sectoral composition of Gross State Domestic Product:

(% share)

Year	Sectors		
	Primary	Secondary	Tertiary
1980-81	49.13	20.01	30.86
2002-03	38.23	24.02	37.75

- Table indicating GSDP/ NSDP at current price and constant price of Punjab from 1993-94 to 2002-03.

(Rs. crore)

Year	Gross State Domestic Product		Net State Domestic Product	
	Current Prices	Constant Prices	Current Prices	Constant Prices
1993-94	30248.14	30248.14	27067.56	27067.56
1997-98	48704.19	35864.70	43098.99	31726.21
1998-99	55735.69	37869.77	49612.02	33552.10
1999-2000	61067.83	40002.99	54257.35	35326.80
2000-01	66254.07	41704.07	59031.31	36819.00
2001-02	69797.27	42283.72	61975.77	37335.85
2002-03	73109.53	43042.89	64621.09	37066.14

- Tenth Plan Growth rate (envisaged): 6.42 %
  with constituent sectoral components of
  - Agriculture : 4.07%
  - Industry : 8.06%
  - Services : 8.00 %

From the above figures, it has been revealed that Punjab is one of the prosperous states in India. The per capita Net State Domestic Product (NSDP) of Rs. 25855 (at current prices) for the year 2002-03 was next only to that of Goa and Delhi. Punjab recorded an annual growth rate of 4.1% during the 9th Plan. Structurally, Punjab's economy has undergone changes overtime. Contribution of primary sector to the GSDP has declined from 49.13% in 1980-81 to 38.23% in

2002-03. Over the referred period, contribution of secondary & tertiary sectors have gone up from 20.01% to 24.02% and 30.86% to 37.75% respectively.

3. Financial Performance:

- Resources available for financing Annual Plan 2004-05 was Rs. 3479.80 crore which includes States' Own Resources of Rs. 2726.19 crore and Central Assistance of Rs. 753.61 crore.
- BCR of the State has deteriorated substantially from Rs. (-) 2681.35 crore (in 2003-04) to Rs. (-) 3380.49 crore in 2004-05.
- Realized level of States' Own Resources (Rs. 942.54 crore) was much less than the estimates (1926.57 crore) during Annual Plan 2003-04.
- Revenue deficit of the State during 2003-04 was estimated at Rs. 3563 crore (4.3% of GSDP).
- Outstanding debt of the State in 2003-04 was Rs. 42057 crore.
- In 2003-04, interest payment accounts for 30.8% of total revenue receipt of the State.

4. Plan Performance:

(i) Ninth Plan

(a) Performance

The size of the 9th Five Year Plan (1997-2002) was approved at Rs. 14300 crore at current prices by the Planning Commission which worked out to be Rs. 11500 crore at 1993-94 constant prices. Against the final outlay of Rs. 12753 crore (sum of AP outlays) of 9th Five Year Plan, an expenditure of Rs. 10028.53 core was incurred. Thus financial performance of the State works out to be 80%. The year-wise break up of 9th Plan performance is as under:

(Rs. Crore)

Year	Approved Outlay	Revised Outlay	Actual Exp.	%age Performance with Co. 3.
1	2	3	4	5
1997-98	2100.00	1940.00	2021.24	104.19
1998-99	2500.00	2500.00	2007.04	80.28
1999-2000	2680.00	2680.00	1748.86	65.26
2000-01	2448.00	2045.75	2045.25	100.00
2001-02	3025.00	3357.00	2206.14	65.72
Total	**12753.00**	**12522.75**	**10028.53**	**80.08**

(b) Major Achievements during 9th Five Year Plan.

- During 9th Five Year Plan a new programme, "Mission for Second Push in Punjab Agriculture" was started in 2000-01 with a view to substantially replace the wheat-paddy rotation and to facilitate diversification, especially the promotion of cultivation of fruits and vegetables, floriculture, maize, summer moong, sugarcane and through allied occupations such as dairy, poultry, piggery, bee-keeping and mushroom cultivation.
- Under "Indira Awaas Yozana", 16384 houses were constructed and 3876 houses were upgraded in the State.
- In order to improve the access and participation of children in the elementary education as well as improving the quality of education in primary schools, a centrally sponsored scheme (85:15) namely "Sarv Shiksha Abhiyan" was started in the State during 2000-01.
- In the Power Sector, with the Commissioning of Guru Hargobind Thermal Project (GHTP), Lehra Mohabat State-I (2x210MW) and Ranjit Sagar Dam (4x150MW), it was possible to add 1145 MW of installed capacity. With this Per capita power consumption of the State had increased to 20,000 MUS at the end of 9th Plan from 17320 MUS in the 8th Plan. The total installed capacity which was 4538 MW in the 8th Plan had been increased to 5686 MW at the end of 9th Five Year Plan. All 12428 inhabited villages in the State of Punjab have already been electrified.
- Under Urban Water Supply & Sewerage programme at present 75% urban population has access to protected piped water supply and 52% population have sewerage facilities in the urban areas of the state.
- Under Rural Water Supply &Sewerage sector, out of a total of 11849 problem villages. 7543 villages have already been covered with safe drinking water supply upto 31.3.2002.
- Under Social Security and Welfare programme, 57,167 disabled persons, 58188 orphan children, 1,51,860 widows and destitute women were provided financial assistance during 1997-2000. In addition to 12,88,985 persons were given Old Age Pensions during this period.

(ii) Tenth Plan (2002-07):

(a) Performance

The size of the 10th Five Year Plan for the State has been approved at Rs. 18657.00 crore, at constant (1993-94) prices, against an outlay of Rs. 11500.00 crore for 9th Plan at constant prices (Rs. 14300.00 crore at current prices), which shows an increase of 62.23%.

(b) The major thrust areas of the Tenth Plan :

- Uninterrupted availability of power to Agriculture, Industry and Commerce and revitalization of the irrigation network;

- Greater access to potable drinking water, better roads, better education, development of infrastructure particularly primary education and extension of quality health services;

- Generation of additional employment opportunities in the private sectors by promoting investment, improving marketable vocational skills with wide spread use of information technology;

- Upliftment of Dalits, Backward Classes and Economically weaker sections by enhancing beneficiary oriented social security programmes and as well as specific employment generating programmes to increase their income and improve the quality of life;

- Restructuring of agriculture in view of the challenges posed by WTO through introduction of a programme "Second Push to Agriculture and Allied Sectors' with emphasis on agriculture research, promotion of food processing for value addition, providing marketing infrastructure and support for agriculture including agri-exports;

The sector-wise outlay for 10th Plan, outlay and expenditure for the Annual Plans 2002-03, 2003-04, 2004-05 and proposed outlay for the Annual Plan 2005-06 are given in the following table.

Sector Wise Outlay & Expenditure - Punjab

(Rs. crore)

Major Heads/Minor Heads of Development	10th Plan Outlay	2002-03 Outlay	2002-03 Expend.	2003-04 Outlay	2003-04 Expend.	2004-05 Outlay	AP 2005-06 Outlay (Proposed)
1	2	3	4	5	6	7	8
I.AGRI. & ALLIED ACTIVITIES	635.41	123.84	76.55	120.81	65.42	141.86	120.75
	(3.41)	(4.43)	(3.76)	(4.28)	(4.28)	(4.08)	(4.03)
II RURAL DEVELOPMENT	1276 50	278.76	65.72	386.55	137 98	258.63	208.60
	(6.84)	(9 98)	(3.23)	(13.70)	(13.70)	(7.43)	(6.95)
III SPECIAL AREA PROG	134 37	36.29	34.91	60.12	27.09	49.01	26.60
	(0.72)	(1.30)	(1.72)	(2.13)	(2.13)	(1.41)	(0.89)
IV IRRIGN.& FLOOD CONTROL	2611.51	321.85	230.25	265.85	105.26	154.35	154.35
	(14.00)	(11.52)	(11.32)	(9 42)	(9.42)	(4.44)	(5.15)
V ENERGY	5982.73	785.90	756.98	580.7	528.76	1106.37	928.16
	(32.07)	(28.14)	(37.22)	(20.58)	(20.58)	(31.79)	(30.94)
VI INDUSTRY & MINERALS	55.88	1.00	0.22	52.65	0 08	12.94	8.06
	(0.30)	(0.04)	(0.01)	(1.87)	(1.87)	(0 37)	(0.27)
VII TRANSPORT	2711.50	520.43	311.34	537 75	285.71	661.91	724.26
	(14.53)	(18.63)	(15.31)	(19 06)	(19.06)	(19.02)	(24.14)
VIII.SCIENCE,TECH. & ENV	38.75	2.86	0.73	2.50	0.20	8.39	5.60
	(0.21)	(0.10)	(0.04)	(0.09)	(0.09)	(0.24)	(0.19)
IX GENERAL ECO SERVICES	150.15	35 17	34.78	48.47	28.04	46 34	41 97
	(0.80)	(1 26)	(1 71)	(1.72)	(1.72)	(1 33)	(1 40)
X.SOCIAL SERVICES	4858.36	662.96	504.40	740.29	384.80	995 17	741.26
	(26.04)	(23.74)	(24 80)	(26.23)	(26.23)	(28.60)	(24 71)
XI GENERAL SERVICES	201.84	23.94	17.91	26.31	27.31	44.83	40 39
	(1.08)	(0.86)	(0.88)	(0.93)	(0.93)	(1.29)	(1.35)
GRAND TOTAL	18657.00	2793.00	2033.79	2822.00	1590.65	3479.80	3000.00
	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100 00)	(100.00)

Note Figures in brackets are percentages to total.

(iii) Annual Plan Performance :-

Annual Plan Performance, State's Own Resources and Central Assistance provided during the year 2002-03, 2003-04 & 2004-05 is given in the following paragraphs:

(a) Annual Plan 2002-03

(Rs. Crore)

Approved Outlay	-	2793.00
Expenditure	-	2033.79
Percentage Utilisation -	-	72.82
State's Own Resources	-	1828.38
Central Assistance	-	964.62

(b) Annual Plan 2003-04

(Rs. Crore)

Approved Outlay	-	2822.00
Expenditure	-	1590.65
Percentage Utilisation	-	56.37
State's Own Resources -	-	1926.57
Central Assistance	-	895.43

(c) Annual Plan 2004-05

(Rs. Crore)

Approved Outlay	-	3479.80
State's Own Resources	-	2726.19
Central Assistance	-	753. 61

(iv) Annual Plan 2005-06

The State Government has proposed an amount of Rs. 3000 crore for AP 2005-06. Envisaged Plan priorities for the Annual Plan 2005-06 are as under:

- To provide new orientation and to bring diversification in the agriculture sector in the light of tough challenges of the fast changing world order through updating the quality of inputs,

focusing on Agricultural Research and providing necessary pre & post harvesting, marketing and export infrastructure.

- To raise the standard of Animal Health care through timely prevention of outbreaks of diseases epidemics and improving livestock productivity through quality of feed & fodder as well as improvement in breeds.
- To upgrade and strengthen the infrastructural facilities in the rural areas through improvement of village sanitation pavements of streets, construction of drains, disposal of sullage water, shelter to poor, wage/self employment.
- To strengthen the existing irrigation facilities/ completing the ongoing works and to ensure the water supply at the tail ends. Top priority will be accorded to the maintenance of canal network in the State.
- To reform the Power sector to provide universal access to reliable power supply at competitive and affordable price and through ensuring better performance of the existing Hydro as well as Thermal Power Plants alongwith T&D System.
- To provide greater push to Industrial growth and development of Industrial infrastructure through modernization of industries for making them cost effective and quality oriented to face the challenges of World market;
- To ensure faster and safe traffic movements by widening/ strengthening and four-laning the State and National Highways; and
- To construct bridges, over-bridges and fly overs under Built Operate Transfer (BOT) plan with the support of NABARD and World Bank;
- To ensure proper education by strengthening the existing infrastructural facilities particularly in the rural area and poorer habitations and special concession for Scheduled Castes and girl students at school level with the assistance of Govt. of India;
- To further strengthen the health & Medical Education infrastructure by providing latest equipment in the medical institutions and thereby updating the standard of health service/ Medicare in the State.
- To augment waster supply distribution, sewerage and treatment of solid waste facilities in 22 towns having population between 20,000 to 1.00 lac and above of Punjab through Assistance from World Bank and GOI.

- To accord priority to drinking water supply in rural areas and coverage of all remaining, uncovered and partially covered habitations, and to augment water supply & Sewerage facilities in the historical/ specific terms of the State.
- To uplift Scheduled Castes, Backward Classes and Economically weaker sections by enhancing beneficiary oriented social security programmes as well as specific employment generating programmes to increase their income and quality of life.
- To encourage social audit, evaluation and monitoring of plan performance through Universities and educational institutions.

5. Sectoral Highlights:

(i) Agriculture & Allied Activities:

(a) Agriculture

Punjab's economy is mainly agriculture oriented and enjoys an enviable position among States in yield per hectare, irrigation intensity, consumption of fertilizers and power etc. Although Punjab encompasses only 1.5% of the geographical area of the country, it produces 21% of wheat, 10% of rice and 8% of cotton of the total production of these crops in the country. The State has contributed 59% & 52% in the central pool of wheat & rice respectively during 2002-2003. But as a result of the adoption of intensive inputs use technology, Punjab is now facing the problems of degradation of soil health, fast developing micro nutrient deficiencies, alarming depletion of water table in the central districts and alkalinity, salinity and waterlogging in the South Western districts. Consequently, Punjab Agriculture productivity has now reached a plateau beyond which further growth appears to be limited. New orientation to the agriculture sector is now required to meet the challenges of the changing scenario of World Order. In order to provide a shift from wheat paddy rotation, a new programme 'Mission for a Second Push in Punjab Agriculture' was included in the Annual Plan 2000-01 to facilitate diversification and value addition through expanding area under fruits and vegetables, floriculture, maize, summer moong, sugarcane and also to make the allied occupations of dairy, poultry, piggery, mushroom cultivation and bee keeping etc. a practical and viable proposition by creating a sound infrastructural network for research, marketing, processing & export of agricultural commodities.

(b) Soil & Water Conservation

Out of the total geographical area of 50.33 lakh hectares of the State, 42.33 lakh hectares are under agricultural use and there is very little scope bringing more area under cultivation. Thus, various soil conservation measures like land development, water harvesting, water management, conservation irrigation, field drainage, improvement of handicapped area, utilization of sullage water, improvement of sub soiling etc. are essential to obtain the maximum return from the limited and highly valuable material resource i.e. land, for sustaining agricultural growth/productivity.

(c) Animal Husbandry

Due to the limited scope of further addition to the net area sown in the state, diversification of state agriculture through allied activities comprising animal husbandry, commercial dairying, fisheries has acquired added significance in the reduction of income disparities between rural and urban population. Livestock enterprises like dairy and poultry farming and rearing of meat producing animals are also being contemplated as an important constituent of diversification of agriculture in Punjab. Besides, the green revolution initiated in Punjab State during the late sixties has reached a saturation point with only marginal increase in the agricultural production being achieved during the last few years. Livestock production by the rural poor could supplement income and provide a large scope of self-employment in rural areas.

(d) Fisheries

After the green revolution, Punjab is now on the threshold of "Blue Revolution". A trend has already been set in favour of diversification of agricultural land to fish farming. The farmers are adopting intensive fish culture in ponds and tanks on modern scientific lines through composite fish culture of fast growing species. Fisheries resources of Punjab comprise 868 kilometers of rivers, 11200 kilometers of canals, 5084 hectares of small water reservoirs and lakes. In addition to this, there are 7135 village ponds covering an area of 4378 hectares which can be utilised for fish culture after minor renovation. Another 5228 village ponds covering an area of 2668 hectares which requires major renovation work can also be developed for fish culture.

For making fish culture more lucrative and attractive to farmers and for bringing more area under fish culture, the main thrust during the 10th Plan would be on providing quality fish seed, adopting more suitable village ponds under fish

farming; providing opportunities for gainful self-employment in rural areas providing better extension services at pond site; providing facilities of short term training in fish farming, arranging visits of fish farmers to other States and developing saline/brackish water.

(e) Forestry & Wildlife

The recorded forest area in the State is 2901 sq.km. and constitutes 6.1% of the State's geographical area.

The externally aided Forestry Development Project being implemented in the State with the assistance of JBIC from 1997-98 to 2004-05, has now been extended up to 31-3-07. The original budget cost was Rs.408.10 crore against which an amount of Rs.250.81 crore has been spent during the first phase (upto 30-11-2002) of the project covering 58481 ha. of land. The second phase of the project has commenced from 1-12-2002 with an estimated cost ofRs.262.61 crore covering an area of 20,900 ha.

The proposed allocation in the Forestry & Wildlife sector for the Annual Plan 2005-06 is Rs.81.21 crore which constitutes 2.71% of the total State Plan outlay. This is inclusive of Rs.77.13 crore proposed for JBIC Aided Forestry Development Project. The approved outlay for the Annual Plan 2004-05 is Rs. 78.33 crore which is anticipated to be fully utilized.

Issues

- Degradation of soil health has seriously affected the sustainability of the growth in agricultural productivity in the State. High use of chemical fertilizers is largely responsible for degradation of the soil in the state. Effective use of bio-fertilizers including vermin compost, phosphates and re-cycling of farm biomass are required for restoration of soil health and soil productivity. Integrated pest-management and water management technologies need to be disseminated to the farmers.

- Punjab is also facing problem of ground water depletion. Groundwater resources of the State are over exploited. The State Government needs to take up programmes for water conservation/harvesting and cropping pattern shift to less water intensive crops.

- Export of agricultural commodities is an untapped area with potential for increasing the farmers income. Diversification for export, value addition are essential for farmers to get better prices and new employment opportunities

in rural areas. The State Government should identify the crops that can be grown in the State and identify the constraints to give a major push to the agricultural exports.

- There is need for preparation of action plans for improving the native animal breeds by involving farmers/NGOs having Goshalas. Further more, the State should take steps for preparation and implementation of action plan for immunization/vaccination of animal's diseases in a specified time frame.
- Fishery resources of Punjab include 868 Kilometers of rivers, 11200 kilometers of canals and 5084 hectares of small water reservoirs and lakes. In addition there are village ponds, which can be used for fish culture. Efforts for a blue revolution by adopting intensive fish culture needs to be taken up.

(ii) Rural Development:

Traditionally rural areas have had limited access for infrastructural development, as a result of which the vicious cycle of poverty continues to haunt the country side. In order to remove rural backwardness, to bring the rural poor to a higher level of economic activity and to control migration to the towns/cities, suitable infrastructure needs to be developed in an integrated manner, along with employment opportunities in the villages. There are 12443 Gram Panchayats, 141 Panchayat Samities and 17 Zila Parishads in the State. The population living in the rural areas constitutes 66% of the total population of the State.

An outlay of Rs. 600.00 crore has been provided for 10^{th} Five Year Plan and Rs. 87.60 crore has been proposed for the Annual Plan 2005-06 under the head of 'Rural Development against the anticipated expenditure of Rs,. 138.63 crore during the year 2004-05, the main emphasis for the consolidated development of villages in Punjab, improvement of village sanitation through pavement of streets, construction of drains, shelter to the poor and wage/self-employment etc. The District Rural Development Agencies provide financial assistance to yellow card holders in rural areas for setting up their own independent/self employment ventures.

Issues:

- Census to assess the housing shortage in the rural areas in the State is due.
- Pace of implementation of the CSSs is not satisfactory.
- Rural development schemes need to be evaluated.
- PRIs should be organized and empowered as per requirements.

(iii) Special Area Programmes:

(a) To mitigate the problem of degradation of natural environment, depletion of ground water level and fertility of land in vast areas in Kandi foothills, the State Govt. implemented the WB aided first phase of Kandi Watershed and Areas Development Project Currently, the WB aided IWDP (Hills)- Phase II is being implemented in Patiala, Ropar, Nawanshahar and Gurdaspur districts, to develop 17 sub-watersheds (94,000 hectares), soil conservation works, animal husbandry, horticulture, forestry and establishment.

The State Government have proposed an outlay of Rs.2660.00 lakh for 2005-06 against the agreed outlay of Rs.4900.58 lakh for 2004-05.

(b) **Border Area Development Programme:**

An amount of Rs. 10.08 crore was allocated and released to Government of Punjab during 2003-04. The same allocation has been made during 2004-05 against which the first installment of SCA of Rs.6.72 crore has been released. An amount of Rs. 3.38 crore is pending unspent with the State Government against the releases made till 31st March, 2004. The outlay proposed by the State Government for Annual Plan 2005-06 is Rs. 10.08 crore.

(c) Rashtn'va Sam Vikas YoJana (RSVY):

Under the Backward Districts Initiative Component of RSVY, Hoshiarpur district of Punjab is being covered during 2004-05 for which an allocation of Rs.15 crore has been made. The allocation for 2004-05 and 2005-06 is Rs. 15.00 crore. No outlay has been proposed by the State Government for 2005-06.

(iv) Irrigation:

Punjab an agrarian State, high priority has been attached to its development by providing maximum possible facilities to the farmers. An amount of Rs. 2611.51 crore stands approved for irrigation in the 10th Plan and a sum of Rs. 154.35 crore has been proposed for the Annual Plan 2005-06 against the outlay of Rs. 184.62 crore during 2004-05. Main thrust during the year 2005-06 would be for completing or the ongoing projects, rehabilitation/ remodeling of channels/ construction of field channels, installation of deep-tubewells in Kandi area, replacement/ renovation of existing tube wells, construction and strengthening of flood protection works along rivers and choes, construction of new link drains, Pucca works and desilting/ resectioning of existing drains to tackle the water logging problem.

Punjab has a large network of canals/minors and distributories spread over 14500 KMs. The GOI has been providing funds on sharing basis for construction of field channels for command areas of the various canals to avoid the wastage of water under command area development programme. Due to lack of adequate maintenance over a long period of time, farmers at the tail-end of canals are not getting adequate water supply. To ensure the water supply at the tail-end of canals is a priority. To achieve this objective, effective measures are to be taken for water conservation and optimal utilization of the surface and ground water resources by taking adequate measures including maintenance and operation.

Inter- State Projects:

Raising lining of Bhakra Main Line(BML) Canal: BML canal is an inter-state canal. The sharing pattern amongst Haryana, Rajasthan and Punjab are 57.27%, 32.80% and 9.93% respectively. The latest project cost is Rs. 2699 lakh. The State of Punjab share works to Rs. 268 lakh. Rs. 50.00 lakh has been provided during the 10th Plan and Rs. 0.50 lakh has been proposed for 2005-06.

Shah Nahar Project: This is an inter state project. The project is entirely meant for Himachal Pradesh. Punjab has to deposit its share of Rs.8849.00 lakh out of the total cost of Rs. 14332.00 lakh by way of compensation on account of disruption of the existing irrigation system of H.P. due to construction of Mukerian Hydel channel. So far Punjab has released Rs.29.50 crore out of total expenditure of Rs. 87.57 crore (by H.P. Government) up to March, 2004 against its share of Rs.54.06 crore. After adjustment of Rs.7 crore expenditure incurred by Punjab for works in its territory on behalf or Himachal Pradesh, the net due as on 31.03.2004 was Rs. 17,56 crores. The government of Punjab is not making timely release of its share to Himachal Pradesh

Issues:

- Steps should be taken to avail AIBP loan assistance fully for time bound execution of identified schemes.
- Staff component in the O&M cost in the irrigation Projects is very high, the State Government was advised to cut their staff, in principle State Government was agreed too. The detail are awaited from the State government.
- The State Govt. not yet introduced irrigation water rates which is essential to stop/reduce financial losses and wasteful use of water.

(v) Power:

By achieving the 9th Plan target of capacity addition 1020 MW (GHTP – Bhatinda 2x210 MW) + (Ranjit Sagar Dam 4x150 MW) in full, installed power generation capacity in the State from its own projects has gone up to 4528.94 Mw by March 2004. Punjab also received 1334.7 MW of power from Central Sector Projects. As on September, 2004, all the villages (12428) in Punjab have been electrified. There are 889519 energized pump sets in the state.

In the Tenth Plan, a provision of Rs. 5982.72 crore has been kept for the sector. During the Annual Plan 2005-06 an amount of Rs. 928.16 Crore has been proposed against the anticipated expenditure (AP 2004-05) of Rs. 1106.37 crore for the sector.

Performance of Punjab State Electricity Board (PSEB):

(a) Operational Performance:

Year	T&D losses (%)		PLF (%)	
	Punjab SEB	India	Punjab SEB	India
8th Plan (1996-97)	18.90	24.53	65.70	64.40
9thPlan (1997-98)	25.10	31.30	79.10	69.90
2002-03	24.42	32.54	73.50	72.20
2003-04	25.96	32.53	76.50	72.70
2004-05	NA	NA	79.90	73.40

(b) Financial performance of PSEB:

Items	2002-03 (actual)	2003-04 (actual)	2004-05 (RE)	2005-06 (AP)
Average cost of Supply (Paise / kwh)	316.31	302.27	342.39	352.40
Average tariff. .(Paise/kwh)	237.68	255.33	292.77	291.75
Avg. agricultural Tariff (Paise/kwh)	0.00	53.00	178.00	178.00
Share of agriculture Consumption. (%)	26.55	26.87	36.01	47.14
Net Commercial Loss (without subsidy) Rs. Crore	(-)1445.03	(-)719.06	(-)872.67	(-)1186.20

Status of priority projects/programmes:

(a) **Shahpur Kandi Hydel Power Project (4x40+1x8 MW):** The project located at 112 km down stream of R.S. Dam is under execution by Punjab Irrigation Department and Punjab State Electricity Board. As in July 1993, cost of the Project was Rs. 895.08 crore (latest estimate is Rs. 1700.00 crore). Up to March 2004, Rs. 94.41 crore has been spent. The State Govt. has not proposed any amount for Annual Plan 2004-05. The project is likely to be slipping to the 11th Plan period.

(b) **Govindwal Sahib TPP (2x250 MW)**: In December, 1998, approved cost of the Project was Rs. 1790.00 crore (latest estimate is Rs. 1987.00 crore). The reported expenditure up to March 2004, Rs. 109.04 crore. An amount of Rs. 200.00 crore has been kept during the year 2004-05.

EPC contract has awarded to BHEL on 30.04.2004. The work on the project is progressing well and the unit likely to be commissioned by December, 2006 and March, 2007 respectively.

(c) Power Sector Reform: Government of Punjab has set up its Electricity Regulatory Commission (PERC) and has become functional since September, 2001. The State Regulatory Commission has issued two tariff orders, the first tariff order in August 2002 and the second tariff in May, 2003 which became effective from 1-05-2003. .The hike in the tariff order by SERC in May, 2003 was with an average rise of 6% to 13% over the first tariff order.

(d) **APDRP Scheme:** Under the Accelerated Power Development and Reform Programme (APDRP) information in respect of sanctioned/released/utilized as on 1st December, 2004 is given as under-.

(Fig. In Rs.crore)

Project Cost	APDRP Cost	Released Amount	Counter-part Fund drawn	Utilisation
741.18	370.59 (50%)	178.74	83.43	154.09

Issues

- Punjab State Electricity Board is a loss making concern. During 2004-05 the likely net commercial loss of the PSEB would be at Rs. 872.67 crore. The

average tariff for the year 2004-05 was estimated at Rs.2.93 per unit against the cost of supply per unit is Rs. 3.42. PSEB is making losses because of this gap.

- The agriculture consumers are not metered and are required to be charged on a flat rate of Rs. 205 per BHP per month as per SERC norms. Further as directed by the SERC, the loss is being compensated by the State Government. The effective tariff rate to agriculture consumers with this arrangement works out to Rs. 1.78 per Kwh.

- Punjab Electricity Regulatory Commission set up in September, 2001, has so far, issued two tariff orders.

- It is a matter of satisfaction that all the villages (12428) in Punjab have been electrified.

(vi) Industry:

Industry is mainly concentrated in the small scale sector. The promotion of small industries has been regarded as an important element of the development strategy underlying five year plans. Many programmes and policies have been formulated overtime to protect and promote small industry in the State. The main emphasis of the various industrial policies have been the grant of "subsidies" to various industrial units.

The thrust of the Annual Plan 2005-06 would be on the implementation of New Industrial Policy 2003, which envisages the creation of Industry friendly climate through reduced regulation, general facilitation and infrastructure creation. The New Industrial Policy offers several incentives to Industry particularly in the small scale sectors to enhance their competitiveness, promotion of exports and their development in particularly border areas. This domestic support structure will enable the industry to face the challenges posed by WTO regime.

To achieve the target of rapid industrial growth, an outlay of Rs. 5588.00 lakh has been provided for the 10th Five Year Plan (2002-07). An expenditure of Rs. 22.32 lakh and Rs. 7.58 lakh was incurred during 2002-03 and 2003-04 respectively. Am amount of Rs. 1294.00 lakh is likely to be incurred during 2004-05 under the sub-head 'Industry & Minerals'. An outlay of Rs. 806.23 lakh has been proposed for the Annual Plan 2005-06.

Issues:

- Instead of relying heavily on subsidy mechanism, Govt. of Punjab should provide appropriate infrastructure support to encourage private investment in industrial development with the special attention to newly emerging areas like IT, Biotechnology, etc.
- Progress in the Growth Centre scheme has been slow in respect of Pathankot center. The State should take necessary steps to expedite completion of this project.
- Development of agro-processing industries needs to be encouraged. Emphasis on R&D works in small industries sector is essential.
- State should take advantage of Central Schemes like ASIDE, MAI, Approved parks scheme, TCIDS scheme, Industrial Infrastructure Upgradation Scheme etc. so as to catalyse industrial development of the State.

(vii) Transport:

Punjab has good road infrastructure. The length of road per 100 sq. kms. of area in the State was 127.7 kms. as on 31.3.1999 as compared to All India average of 74.8 kms. The length of road per lakh population in Punjab was 278.4 kms. as against 253.1 kms. in the country.

The State Govt. has proposed an outlay of Rs.724.25 crore for Annual Plan 2005-06 for transport sector. The share of transport sector viz a viz all sectors in the annual plans including annual plan 2005-06 has been higher compared to that in the Tenth Plan outlay.

(a) Roads & Bridges

An outlay of Rs. 323.04 crore has been proposed for the Annual Plan 2005-06 against outlay of Rs. 260.66 crore during the year 2004-05. In the year 2005-06 the share of road sector in the total outlay is 45 % which is 13% higher than the level of Tenth Five Year Plan (32%).The State Govt. has not mentioned the physical targets for the year 2005-06.

The main emphasis has been given on the improvement and expansion of the existing road infrastructure and further development in the capacity/quality of the roads in the State. To keep the existing highway network operational. It has been divided into three sectors i.e. widening, strengthening & raising of existing district roads and State highways. A provision of Rs. 50 crore has been made for the 10th Five Year Plan an expenditure of Rs. 9.41 crore has been incurred during the year 2003-04 and no provision was made in the year 2004-05.

(b) Central Road Fund (CRF)

The scheme is operated by MORTH and 100 % cost is born by G.O.I. As per the Ministry of MOSRTH status of these schemes as on March 2004 is given below:

(Rs. crore)

No. of Projects	Present Status	Sanctioned Cost
54	Completed	84.72
19	Under progress	63.67
1	Still to be sanctioned	0.71
2	Statues not mention	2.21
Total 76		151.31

An amount of Rs. 37.36 crore has been allocated under the scheme for the year 2004-05. An amount of Rs. 40 crore has been projected for the year 2005-06.

(c) Road transport

Over the years, the share of the road transport in the total traffic both for passengers and goods have increased. The goods transport is mainly operated in the private sector and passenger traffic is shared by Govt. sector and private sector. Punjab roadways is a purely Govt. undertaking having sanctioned fleet strength of 1591 buses.

Punjab roadways is a loss making department. The total loss in the year 2005-06 is estimated to Rs.48.23 crore due to over aged fleet. In the last five years roadways has not acquired any new bus. The roadways is likely to purchase 200 new buses in the year 2004-05. The physical performance is poor. Therefore, there is a need to improve the physical productivity. There is urgent need of rationalization of routes and maintenance practices need to be revised to improve the fleet and vehicles productivity. The position of physical & financial parameters is given below:-

Punjab roadways

Item	2003-04(Actual)	2004-05(L.E.)	2005-06 (Estimates)
Net profit/loss (Rs. In crore)	-77.33	-100.48	-48.23
Fleet utilization (%)	83.6	87.4	92.0
Vehicle Productivity (revenue earning kms. per bus)	225	216	293
Fleet staff ratio (on fleet operated)	6.1	5.8	5.2
Staff productivity (Kms. per worker per day)	39.7	39.7	64.0

For annual plan 2005-06 a provision of Rs. 70 lakh has been made against anticipated expenditure of Rs. 70 lakh during the year 2004-05.

Issues:

- Punjab roadways is a Govt. undertaking having sanctioned fleet strength of 1591 buses, it has been incurring losses. During 2004-05 the total losses have been estimated at Rs.100.48 crore due to low productivity of large fleet of over aged buses.

- In order to meet the requirement of effective passenger traffic and better Co-ordination of Public & Private operators, there is a need to improve the regulatory mechanism.

- State Government should strictly monitor implementation of the schemes/projects funded with loan assistance and CR Funds.

Social Services:

Govt. of Punjab spent Rs. 2761.58 crore during the 9th Plan. Major parts of it were on general education, medical & public health, social security and welfare. To maintain / augment these services on a sustainable basis, a provision of Rs.4858.36 crore has been allocated for the sector in the Tenth Plan of the State. Reported expenditure on the sector during 2003-04 is Rs.384.79 crore. In the AP 2005-06, outlay of Rs.741.26 crore has been proposed.

Highlights on important social services are given in the following paragraphs:

(a) Education

Punjab is an educationally forward Stale. The literacy rate of the Punjab is 69.95% as compared to All India average of 65.38% as per census 2001. Although Female literacy in the State is much higher than the All India Average, Male literacy is marginally less than All India Average .

Gross enrolment ratios at primary level as well as at upper primary level are well below the All India averages. However, the gross enrolment ratio of girls both at primary and upper primary levels is marginally higher than the boys in the State. Similarly, the drop out rates of girls at primary and upper primary is marginally lower than the boys.

Under the Sarva Shiksha Abhiyan (SSA) Programme all the 17 districts of the State had already been covered for Universalisation of Elementary Education. The programme will ensure the retention of all children in the school up to 2010 by providing a minimum of eight years school. To achieve community involvement in the education system in the State, 19,329 Village Education Development Committees (VEDCs) have been set up in schools and all the funds meant for school under SSA are being routed through these VEDCs. Under the programme free text books to all non-SC girls from 1st to 8th class are being provided from 2003-04. Rs.60.00 crore has been provided during 2005-06 being the share of the State Government.

The State having low dropout rates, especially at primary level, However, the gross enrolment ratios at primary level are well below the all India figures, meaning a lot of children in age group 6-11 years are not being enrolled and remain out of school system.

The main thrust during 10th Plan is consolidation of existing resources and improvement of quality of education along with upgradation and modernization of Vocational Training facilities. Major programmes initiated under Technical Education are funding New Institutes of Emerging Technologies and Existing Engineering Colleges. State has also implementing World Bank Funded Project to improve the quality of Technical Education and Vocational Education in the State.

The State Govt. has proposed to establish four Govt. Polytechnics at Khunimajra, Lehragaga, Anandpur Sahib and Jabowal. The proposed outlay for the sector is Rs. 5.00 crore for 2005-06.

Issues:

- Performance of the State during the last three years of Tenth Plan clearly shows that the state government is not able to mobilize targeted financial resources for Education Sector. Though government has initiated some innovative methods to mobilize financial resources, efforts in this direction needs to be intensified.

- The gross enrolment ratios at primary level are well below the all India figures, indicates children in age group 6-11 years are not being enrolled or remain out of school system Proper attention must be given by the State Government to improve the situation.

- As per the latest information available with the Ministry of Human Resources Development, the State has lifted only 74.17 per cent of food grains (wheat) allotted to the State under Mid Day Meal Programme by the MHRD. As per the recent directions of the Supreme Court, State Government is bound to provide hot cooked meal to the target group of the children during Tenth Plan Period. The State Govt. may look in to the matter and implement the scheme affectively.

(b)Water Supply and Sanitation:

In the 10th Plan, high priority has been assigned to the provision of this essential services and allocated Rs. 588.52 crore in the 10th Plan. Priority has been laid on implementation of the CSSs for prevention of pollution in Ghaggar river, NABARD aided rural water supply schemes and PMGY schemes.

The State Govt. has spent Rs. 70.40 crore during 2003-04 for commissioning/ augmenting/ executing of rural water supply schemes. In the Annual Plan 2004-05, Rs. 127.24 crore is likely to be expanded to expedite the coverage of scarcity villages. There are 12,402 inhabitated villages in the state out of which 11,849 are identified as problem villages. Water supply has already been provided in 8,073 villages upto 31.3.2004 and Govt. intends to cover 953 un-covered villages and 1002 partially covered villages by 31.3.2006. Total sanitation campaign will be implemented in 14 districts to provide individual household latrines in BPL houses, sanitary complexes for women and migrant labourers and for rural schools. Assistance from NABARD will also be availed for the execution of sanitation works in villages. The Govt. also intends to augument drinking water and sewerage facilities to the historical/ specific towns of the state for which Rs. 2.00 crore is being proposed for the Annual Plan 2005-06.

Provision of safe and potable drinking water to urban population and disposal of waste water in a safe and satisfactory manner is of paramount importance. As per 2001 census 75% population is covered with water supply and 52% with sewerage facilities in the urban areas of the state. The state proposes 100% coverage of the total population with safe drinking water supply and 85% with sewerage system during 10th plan period. A sum of Rs. 292.14 crore has been provided in 10th Plan for this purpose. Priority is being accorded to smaller towns having population less than 20000 persons and between population 20,000 to one lakh. An outlay of Rs. 3993.00 lakh has been proposed under the sub-head "Urban Water Supply" for the Annual Plan 2005-06 as against the likely expenditure of Rs. 6393.00 lakh for 2004-05. The State has proposed to complete

prestigious projects of prevention of pollution of rivers Satluj, West Bein and Ghaggar during the 10thPlan period.

Issues:

- There are 12,402 inhabitated villages in the state out of which 11,849 are identified as problem villages. Water supply has already been provided in 8,073 villages upto 31.3.2004 and State Govt. intends to cover 953 un-covered villages and 1002 partially covered villages by 31.3.2006.

- As many as 1547 habitations continued to have the water quality problems of which 67 is affected by fluoride, 1291 by salinity and 189 by iron. Corrective steps by establishing adequate number of testing laboratories should be taken.

- Town / cities in the State do not have proper sewerage treatment facility. Discharge of untreated sewage into streams / rivers keeps on posing problems of

(c) Medical & Public Health

Access to quality health care is the prime need of the State. An outlay of Rs. 530.81 crore has been provided for the 10th Five Year Plan and Rs. 63.62 crore has been proposed in the Annual Plan 2005-06 to improve the provision of preventive and curative services in the State through a net-work of 2858 sub-centers, 1336 subsidiary health centers (dispensaries), 484 primary health centers, 117 community health centers, 3 medical & 2 dental colleges (attached hospitals). For the promotion of Indian Systems of Medicine & Homoeopathy, 507 Ayurvedic/ Unani dispensaries, 17 Ayurvedic Swasth Kendras, 5 Ayurvedic Hospitals, one Govt. Ayurvedic college at Patiala and 107 Homoeopathic dispensaries are functioning in the State.

Two World Bank/ Externally Aided Projects to strengthen the "Primary Health Care" and Management of Bio-medical waste have been taken up with an outlay of Rs. 35.80 crore in the Annual Plan 2005-06. In order to provide quality health services at par with private services, a new scheme "Construction of private rooms in the Secondary/ Tertiary level hospitals" have been taken up through raising institutional finance.

Issues:

- The level of ante-natal care, immunization and safe delivery in Punjab are not commensurate with the health infrastructure and manpower available in the state.
- The sex ratio in the State is alarmingly adverse to the girl child. The sex ratio in the state as a whole is only 874 and that for children below 6 years it is only 793against all-India ratio of 927. This trend will have serious consequences for the society unless it is reversed early. The State Government may chalk out an action plan including an awareness campaign to arrest the declining female to male ratio.
- To prevent under nutrition, there is a need to focus on nutrition, education and appropriate feeding practices. In addition to the assistance under the PMGY, the state needs to increase provision for supplementary nutrition.
- To improve the efficiency and effectiveness of the existing health/family welfare system, the National Health Policy and National Population Policy need to be implemented.
- Immediate steps or required to control the growing menace of HIV/AIDs in the State.

(d) Social Welfare

Social welfare programmes encompass a large number of schemes with objectives to provide basic facilities, incentives and direct financial benefits to the vulnerable sections of the society. In the Tenth plan, priority has been laid on provision of social security (Kanya Jagrit Jyoti scheme for girl children, assistance to disabled, dependent and destitute women and Old Age Pension), grants in aid to institutions/ organizations engaged in welfare activities for defence service beneficiaries and housing facilities to homeless persons belonging to SC, educational facilities and incentives for SC students and marriage fund (Shagun) for SC girls for poor parents. The State Govt. has proposed Rs. 178.94 crore for Social securities and social welfare programmes and Rs. 42.17 crore for welfare of SCs/BCs in the Annual Plan 2005-06.

As per the guidelines, outlay earmarked for SCP, pooling from the outlay of different sectors of the State Plan, should be at least in proportion to the SC population in the State and exclusively for the development of SCs. As against 28.9% of SC population in the State, the State Govt. is able to earmark only 14.05 percent of outlay under Special Component Plan, which is half of the SC population in the State of Punjab.

Issues:

- State Govt. should ensure adequate allocation of funds for welfare of SCs and delivery of benefits to SCs in the State.
- The State Govt. should ensure the enrolment and retention of SC girl students in the educational institutions.

(e) Housing & Urban Development

Housing is one of the important basic needs of people. Major plan schemes include, housing for EWS, rental housing, maintenance of houses of Police personnel; construction of WIP guest houses etc. For the Annual Plan 2005-06, Rs 9.72 crore has been proposed under Housing.

As per plan document, the State Government had set up a separate Urban Planning & Development Authority for the development of Patiala Town as Counter Magnet to NCR Delhi. Two projects namely (i) Development of Integrated Township (estimated cost of Rs.66.24 crore) and (ii) Extension & Augmentation of Water Supply, Sewerage and Solid Waste Management at Patiala (estimated cost to Rs. 59.93 crore) were sanctioned by the NCR Planning Board, New Delhi during 2002-03. An amount of Rs 12.50 crore was released by the State Government under the scheme as margin money against which NCRPB had sanctioned loan of Rs 411.48 crore upto March, 2004 and Rs 12.50 as State share and Rs 31.66 crore as NCR's share had been utilised. In the same order, the likely expenditure during 2004-05 are Rs 5.73 crore and Rs 17.18 crore.

Rs 45.16 crore is proposed for 2005-06 under Urban Development. The on-going schemes include, grants to Local Bodies for the maintenance of civic services; creation of data base;

The proposed outlay under Urban Development includes Rs 25 crore as Grant-in-Aid (devolution of Taxes and Duties recommended by Punjab Finance Commission) to Local bodies for capital projects such as drinking water supply, surface drains & sewerage, brick paving of streets, reconditioning and repair of roads, street lightening, development of slum areas, storm water drains, community toilets etc. The local bodies are not supposed to incur expenditure out of grant-in-aid on salaries of staff & establishment expenditure; machinery, equipment & vehicles of all types; laying out of parks & gardens; construction of swimming pools/ tanks; new buildings, hospitals, dispensaries, schools and libraries. Thus this grant-in-aid is basically meant to supplement the resources of Local Bodies to provide basic civic amenities.

ID&MT (Integrated Development of Small & Medium Towns); upto March, 2004, 37 towns had been covered. The central and State release of funds amounted to Rs 18.13 crore, Rs 12.55 crore respectively and mobilization of financial assistance amounted to Rs 1.11 crore. The expenditure reported was Rs 32.54 crore. Rs 2 crore is proposed for 2005-06.

SJSRY (Swarna Jayanti Shahari Rozgar Yojana): Upto March 2004, the central and State share of release amounted to Rs 4.73 crore and Rs 1 .22 crore respectively, and the utilization reported was Rs 20.44.crore. With an unspent balance of Rs 93 lakh, the utilization works out to 93%. The appointment of Project Officers, Community Organisers along with formation of Neighbourhood Groups, Community Development Societies should be given top priority. Rs 2.75 crore is proposed for 2005-06.

NSDP (National Slum Development Programme): Upto March 2004, Rs. 36.7 9 crore was released as Additional Central Assistance (ACA) and the expenditure reported was Rs 14.13 crore working out to 38% utilisation. An amount of Rs 22.66.crore remains as unspent balance under the programme. Rs 10.36 crore is proposed for 2005-06.

VAMBAY (Valmiki Ambedkar Awas Yojana): No information is available regarding the implementation of the programme.

URBF (Urban Reforms Incentive fund): As per plan document, no outlay has been budgeted, for 2005-05 against the likely expenditure of Rs 14.45 crore as no funds had been released by Government of India.

(f) **Labour & Employment**:

Employment, on current daily status basis, in the State of Punjab grew at the average rate of 1.96% p.a. during 1993-94 to 1999-2000 compared to 1.07% for the country as whole. The labour force during the same period grew at the rate of 2.12% per annum. As a result the incidence of unemployment in Punjab increased from 3.10% to 4.03%.

The State Government is implementing a number of schemes/ programmes which are aimed at promoting growth and employment in certain activities and also promoting self employment. These can be broadly classified into two groups - I) schemes aimed at promoting employment in specific sectors such as soil & water conservation, fisheries, transport, village & small industries and (ii) schemes aimed at specific target groups such as ex-servicemen, backward classes, SCs and STs.

The benefits are offered mainly in the form of capital subsidy, or margin money, skill training and interest subsidy.

Issues

- The Status of vocational training in the State needs to be discussed, especially in view of the fact that a major reduction has been proposed in the outlay for this sub sector. Also, during the Tenth Five Year Plan. no expenditure has been incurred in the Annual Plans 2002-03 and 2003-04 on many of the schemes under vocational training.

- The plan document of the State has been mentioning about Vocational Training Project Phase -II at an estimated cost of Rs. 108.83 crore, as an externally aided project. The details and status of this scheme needs to be discussed.

Annexure-I

BASIC FACTS ABOUT PUNJAB

A BASIC STATISTICS

1.	Area in Sq. Km.	50362
2	Population in lakh (2001)	242.89
3	Number of Districts	17
4	No.of Development Blocks	141
5	No. of Villages (2001)	12413

B COMPARATIVE FIGURES PUNJAB AND ALL INDIA

S.No.	Particulars	Punjab	All India
1	Per Capita NSDP(2002-03) in Rs. at current prices	25855	18912
2	Growth rate of per capita income in 2002-03 at current prices over the previous year (%)	1.5	5.4
3	Population in lakh (2001)	242.89	10286
4	Percentage of Urban Population (2001)	20.76	27.78
5	Decadal Growth Rate during 1991-2001	19.76	21.34
6	Density of population per Sq. Km. (2001)	482	324
7	Sex ratio (No. of females per thousand males (2001)	874	933
8	Birth rate per thousand (2002)	21.2	25.8
9	Death rate per thousand (2002)	7.0	8.5
10	Infant mortality rate (2002)	51	58
11	Population below poverty line in percentage (1999-2000) (A. Rural (B. Female	 6.35 5.75	 27.09 23.62
12	Literacy rate in per cent (2001) (A. Male (B. Female	69.95 75.63 63.53	65.38 75.85 54.16
13	Electrified villages in %. (2002-03)	100	

IMMEDIATE

No. M-13048/35/PY/2004-SP(S)
PLANNING COMMISSION
(State Plans Division)

Yojana Bhavan, Sansad Marg,
New Delhi – 110 001.
Dated: December 23, 2004

Subject: Background note for discussions of Annual Plan 2005-06 of Pondicherry

A background note for the meeting to be held between Deputy Chairman, Planning Commission and Chief Minister of Pondicherry at 3.30 PM on 27-12-2004 for finalisation of the Annual Plan 2005-06 is hereby circulated.

(B.C. Munda)
Director (SP-S)

Encl: As above

Planning Commission
Principal Advisers
Advisers
JS (SP)
Heads of Divisions

PMO
Director (Pondicherry)
Ministry of Finance
Joint Secretary (PF-I)
Deptt. of Expenditure,
North Block New Delhi.
Ministry of Home Affairs
Joint Secretary (UTs)
Financial Adviser
National Commission on Population
Member-Secretary

Copy to Private Secretary to :
Deputy Chairman/Minister of State/Members/Secretary

Copy also to :
Director (SP-Coordination)/Deputy Adviser (PC Division)/DA (MLP & Hill Areas)/
Protocol Unit/Information Officer

ISSUES RAISED BY CM OF PONDICHERRY AT MEETING HELD BY DY CHAIRMAN AT BANGALORE ON 17.11.2004

AGRICULTURE AND AGRICULTURAL CREDIT

Subsidy for buying seeds, fertilizer and tractors;

URBAN INFRASTRUCTURE

Assistance may be provided to develop roads, bridges, airport and port ;

GENERAL

1) Bundle together projects that can be posed for external aid in different sectors and also seek bilateral aid from small donors;
2) Include port development in the list of projects posed for external aid;
3) Explore possibilities of private investment and consult agencies like IDFC for funds required for building an additional jetty;
4) Seek assistance from external investors like those in Singapore for developing Pondicherry;
5) Increase Central assistance for Pondicherry to at least 60% of their Plan outlay;
6) Consider extension of runway for Pondicherry airport consulting Airports Authority of India;
7) Develop hotels in Pondicherry seeking if necessary private investment and working through tour operators;
8) Develop the temple town of Karaikal town for purposes of tourism (Rs. 210 crs.);

OTHER ISSUES OF CONCERN RAISED BY THE STATE EARLIER

- reduction in Central assistance
- delay in Plan finalization leading to non-provision of required budget by the Home Ministry
- improved access to external aid and Planning Commission's assistance in preparation of common aid proposals for UTs where required (particularly support for extending the tank rehabilitation project)
- joint forum with Tamilnadu for implementing ground water control legislation
- relaxation of norms for PMGSY
- assistance for infrastructure development
- water supply related assistance in terms of large water storage structures – inclusion of pipeline to Karaikal in the Tamilnadu project for pipeline from Coleroon river for Nagapattinam district
- Nagore-Karaikal broad guage line up to Mayiladuthurai
- Improvement of road stretch from Sirkazhi to Thirukadaiyur
- Airport improvement
- Urban unemployment

		ANNEXURE II
ANNUAL PLAN 2005-06 - PONDICHERRY : Proposed Outlay		
		(Rs.lakhs)
Major/Minor Heads of Development	Proposed Outlay Annual Plan 2005-06	Approved Outlay 2004-05
1	2	3
I. AGRICULTURE & ALLIED ACTIVITIES		
Crop Husbandry	962.00	943.00
Horticulture	388.00	313.00
Agri. Research & Education	1000.00	634.00
Soil & Water Conservation	-	-
Animal Husbandry	2596.50	1220.00
Dairy Development	178.64	125.00
Fisheries	906.01	835.00
Forestry and Wild life	180.00	125.00
Cooperation	2710.00	1530.00
Other Agricultural Programmes :		
(a) Marketing & Quality Control	419.00	250.00
(b) Others (to be specified)	-	-
TOTAL - I	**9342.15**	**5975.00**
II. RURAL DEVELOPMENT		
Spl. Programme for Rural Development :		
Integrated Rural Energy Programme	55.00	10.00
Land Reforms	68.21	45.00
Other Rural Development Programmes :		
Community Development and Panchayats	3771.77	1332.00
TOTAL - II	**3894.98**	**1387.00**
III. SPECIAL AREA PROGRAMME	-	-
IV. WATER RESOURCES		
Major & Medium Irrigation	-	-
Minor Irrigation	2340.00	2029.00
Flood Control incl. Anti-sea Erosion	2885.00	1468.00
TOTAL - IV	**5225.00**	**3497.00**
V. POWER & ENERGY		
Power	3660.80	2800.00
Non-Conventional Sources of Energy	15.00	15.00
TOTAL - V	**3675.80**	**2815.00**
VI. INDUSTRY & MINERALS		
Village & Small Industries	626.00	398.00
Handlooms	2994.00	1390.00
Industries (other than V&SI)	6986.00	2252.00
TOTAL - VI	**10606.00**	**4040.00**
VII. TRANSPORT		
Ports & Lighthouses	4323.65	1000.00
Roads & Bridges	8886.65	3878.00
Road Transport	812.00	275.00
TOTAL - VII	**14022.30**	**5153.00**
VIII. COMMUNICATIONS	-	-
IX.SCIENCE, TECHNOLOGY & ENVIRONMENT		
Scientific Research (including S&T)	60.00	35 00
Ecology & Environment	50.00	45 00
TOTAL - IX	**110.00**	**80.00**

ii

		ANNEXURE II
ANNUAL PLAN 2005-06 - PONDICHERRY : Proposed Outlay		
		(Rs.lakhs)
Major/Minor Heads of Development	Proposed Outlay	Approved
	Annual Plan	Outlay
	2005-06	2004-05
1	2	3
X.GENERAL ECONOMIC SERVICES		
Secretariat Economic Services	30.00	29.00
Tourism	1491.22	1300.00
Survey & Statistics	16.00	10.00
Civil Supplies	1226.04	510.00
Other General Eco. Services		
Computerisation	1450.00	470.00
Weights & Measures	5.00	5.00
TOTAL - X	**4218.26**	**2324.00**
XI. SOCIAL SERVICES		
General Education		
(a) Elementary Education & Literacy	2841.63	2513.55
(b) Secondary Education	3271.64	2005.22
(c) Higher Education	2272.15	1216.31
Technical Education	2288.50	1431.15
Sports & Youth Services	388.11	223.77
Arts & Culture	457.73	520.00
Medical & Public Health	7369.05	4160.00
Water Supply & Sanitation	9126.00	4088.00
Housing incl. Police Housing	8600.39	6275.00
Urban Development (incl. State Capital Projects)	6247.00	3108.00
Information & Publicity	108.93	90.00
Welfare of SCs, STs & OBCs	1683.65	1487.00
Labour & Labour Welfare	727.00	450.00
Social security and Welfare		4360.00
Women & Child Development	3418.32	
Welfare & Development of Disabled	1290.23	
Social Defence Programme	466.97	
Other Social Services	261.80	
Nutrition	2063.70	1940.00
TOTAL - XI	**52863.00**	**33868.00**
XII. GENERAL SERVICES		
Stationery & Printing	310.81	110.00
Public Works	3407.00	1275 00
Other Administrative Services		
i) Training	-	-
ii) Others	2324 70	976.00
TOTAL - XII	6042.51	2361.00
GRAND TOTAL	110000.00	61500.00

PLANNING COMMISSION
(State Plans Division)

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Subject: Annual Plan 2005-06 - Pondicherry : Meeting between Deputy Chairman, Planning Commission and Chief Minister of Pondicherry

I. BASIC INFORMATION

1.1 Consisting of the 4 regions of Pondicherry, Karaikal, Yanam and Mahe, the Union Territory has high human development indicators and an impressive growth performance. The Tenth Plan growth rate projected for the State is 10.7% and the State has achieved a growth rate of 5.5% in 2001-02. The sex ratio is positive, decadal population growth down to 20.56% and literacy 81.5% (female literacy is as high as 74%). Largely urbanized, agriculture accounts only for 5.4% of the NSDP. Industry at 50% and services at 44.6% dominate the economy.

1.2 A statement indicating selected basic information relating to the Union Territory of Pondicherry is given at Annexure I.

Shares of Sectors in GDP / GSDP (2002-03)

Sector	Pondicherry(%)	India (%)
Primary	5.31	22
Secondary	51.39	27.2
Tertiary	43.30	50.8
Growth in GSDP at 1993-94 prices	6.65	4

II. PLAN IMPLEMENTATION

Plan Outlay and Expenditure during the Tenth Five Year Plan
(Rs. crores)

Year	Approved (proposed) outlay	Revised Outlay	Expenditure	% Realisation (current prices)
Tenth Plan 2002-07	1906.49$	-	-	-
AP 2002-03	400.00	412.25	412.00	103.00
AP 2003-04	452.77	468.63	469.00	103.58
AP 2004-05	615.00	-	-	-
AP 2005-06 (proposed)	**1100.00**			

$ at 2001-02 prices ;

2.1 The Tenth Plan target was Rs.1906.49 crores of which 43% has been achieved In the first two years (this is very commendable since 37% is normally expected to be done. In 2003-04, the UT has raised Rs.469 crores for Plan financing, which is higher than the expected level of Rs.453 crores. During 2004-05, a scheme of financing of Rs.470 crores was initially approved, but the UT had received refund of Central tax collected in the UT Plan from the Central government. Hence its own resources have gone up to Rs.420 crores and Plan size was finalized at Rs.615 crores. **The step up now sought is far too high and there are inadequate resources to fund it.**

PROPOSED OUTLAY FOR ANNUAL PLAN 2005-06

2.2 A note from FR Division regarding resources for Plan financing for the current year has been sent separately. Proposed outlay for 2005-06 as indicated in the draft Plan document for 2005-06 is given in Annexure II.

Sectoral Highlights:

III. AGRICULTURE & ALLIED SERVICES

Agriculture

3.1 Since independence, the Union Territory of Pondicherry has made significant strides in the field of agriculture by increasing productivity, achieving crop diversification, exploiting irrigation potential, building infrastructure & creating a well-knit input and marketing network. Problems include dwindling land availability, depleting ground water table and fragmentation of land holdings. Competing demands on land resources by urbanization and industrial development has reduced net area cultivated.

3.2 To increase income and dependence on declining ground water for farm operations, the Union Territory is promoting horticulture (vegetables, fruits, flowers, coconut etc.) The target is to increase area under horticultural crops to 20% from the present level of 9.5% to diversify the cropping pattern. An outlay of Rs.27.69 crores has been proposed for 14 schemes for 2005-06 under agriculture & horticulture as under:

(Rs. lakhs)

Sl. No.	Name of the scheme	Proposed outlay for 2005-06
1	Crop production technology(training)	446.00
2	Inte. programme for seed production and certification	109.00
3	Promotion of agricultural mechanization	217.00
4	Infrastructure development for infrastructure marketing	70.00

5	Group insuranc e for agricultural labourers	-
6	Promotion of post harvest technologies	20.00
7	Training and capacity building to develop human resources	2.00
8	Introduction of e-governance	20.00
9	Monitoring and evaluation	3.00
10	Welfare board for agricultural labourers	50.00
11	Soil resources management & inputs quality control	25.00
12	Development of horticultural crops	388.00
13	Agricultural college and Krishi Vigyan Kendras	1000.00
14	Development of infrastructure for agricultural marketing (godowns)	419.00
Total		2769.00

Animal Husbandry

3.3 To safeguard the health of farm animals and improve productivity, it is proposed to do preventive vaccinations and artificial insemination of crossbred cows. Rs. 26 croress will be spent mainly on cattle breeding, (Rs. 10.51 crores) veterinary college facilities, (Rs. 6.50 crores) and subsidised supply of animals and other inputs (Rs. 3.57 crores).

Dairy Development

3.4 Under dairy development, it is proposed to assist the Pondicherry Cooperative Milk Producers Union for setting up 2 chilling centers and grant share capital of Rs.50 lakhs to strengthen its working capital.

Fisheries

3.5 The UT of Pondicherry with 4 maritime regions has a 45 km. coastline with 675 sq.kms. of in-shore waters, 1400 hectares of water area and 800 hectares of brackish water area. It is proposed to assist mechanized boat owners with a sum of Rs.10,000 for reactivating boats during the period of ban on fishing. It is proposed to increase marine and inland fish production from 44,500 mts. to 57,000 mts. by the end of the Tenth Plan.

3.6 Environmental clearance has been obtained for setting up a fishing harbour at Karaikal. Studies have been conducted by the National Institute of Ocean Technology, Chennai and the Harbour Engineering Department, Trivandrum for setting up a fishing harbour at Mahe. Model studies have been conducted by the Central Institute of Coastal Engineering for Fishing, Bangalore for setting up a fishing harbour at Yanam. The newly established Fishing Harbour Management Society will look after the maintenance and management of fishing harbour projects at Pondicherry. It is proposed to provide information kiosks at Pondicherry and Karaikal.

3.7 Ice plant and cold storage and processing units will be established by the private sector and co-operative societies with subsidy from government. Formation of fisherwomen's co-operative societies, grant-in-aid to the Pondicherry State Fishermen's Co-operative Federation, assistance to fishermen's families in times of distress, subsidies of different kinds etc. will be provided under the allocation of Rs. 9 crores.

Co-operation

3.8 Rs.27.10 crores are proposed mainly for working capital to various credit, consumer and marketing cooperatives – (Rs. 14.19 crores) and cooperative sugar mills (Rs. 11.10 crores).

IV. RURAL DEVELOPMENT

4.1 A major component is the MLA's Local Area Development Scheme. During 2005-2006, it is proposed to take up 250 works under this programme. Amenities are also to be provided under the scheme for integrated development of villages of religious importance scheme (Rs. 20.20 crores),

The outlay proposed under rural development for 2005-06 is Rs.37.72 crores for various schemes as under:

(Rs. lakhs)

Sl. No	Name of the scheme	Proposed outlay for 2005-06
1	Strengthening Dte. of Rural Devpt.	40.01
2	Strengthening vital statistical cell	6.20
3	MLA's local area development scheme	910.00
4	Construction of staff quarters for commune panchayat employees	10.00
5	Composite scheme for basic civic amenities in the under developed areas	40.00
6	Operational cost of water supply system & rural electrification Facilities	35.00
7	Construction of panchayat building, community center and market	133.78
8	Integrated development of villages of religious importance	2020.00
9	Village panchayat offices	35.00
10	Revival of burial and cremation grounds	30.00
11	Loans to commune panchayats for remunerative enterprises	0.01
12	Develop. of villages under under Perunthalaivar Kamarajar	195.00

	Renaissance scheme	
13	E- governance initiative	0.01
14	Community development programme	160.30
15	Promotion and strengthening of Mahila and Yuvak Mandals	76.70
16	Swarna Jayanti Gram Swarozgar Yojana	50.00
17	Total sanitation campaign	29.76
Total		**3771.77**

V. WATER RESOURCES

Minor Irrigation

5.1 Before 1987, irrigation was carried out in Pondicherry from 84 tanks and ground water sources. Neglect of surface water bodies and dependence on ground water has led to decline in water levels to 15-35 mts. There is also sea water intrusion in north-western parts of Pondicherry. To regulate the exploitation of ground water in the UT, the Pondicherry Groundwater (Control & Regulation) Act, 2002 was enacted and the Pondicherry Groundwater Authority established

5.2 A tank rehabilitation programme with assistance from the European Union costing Rs.34.73 crores is under way to rehabilitate 84 tanks and standardize the existing ayacut of 6456 hectares. Water Users Associations have been formed. Works in 25 tanks have been taken up and the remaining tanks will be covered in due course. Out of the current year's allocation of Rs. 23.40 crores, Rs. 6.22 crores are for this EAP. Rs. 11.23 crores are being allocated for ground water recharge.

Flood Control

5.3 Rs. 28.85 crores have been provided, out of which Rs. 11.55 crores are for drains and Rs. 13.69 crores for embankments.

Water Supply & Sanitation

5.4 Rs. 91.26 crores have been provided, of which Rs. 63.35 crores are for Urban Water Supply, Rs. 21.56 crores for Rural Water Supply and Rs. 5.30 crores for Urban Sanitation.

VI. POWER

6.1 The State draws power from the southern grid under allocations made de from Central generating stations and through TNEB and KSEB. Per capita power consumption is as high as 1607 kwh. and all villages have been electrified. A combined cycle gas power plant is being run at Karaikal by the Stateowned PPCL (set up in 1999) with a capacity of 32.5 mws. Addition of another 100 mws. of

capacity is awaiting clearance from GAIL. Farmers are charged at a flat rate of Rs. 75/hp, with small farmers getting free power. Computerised bill collection and metering have been undertaken. Distribution is done by a departmental undertaking which has a low T & D loss level of 15.5% . The generation company and distribution undertaking are expected to generate surpluses of Rs. 14.57 crores next year. Tariffs were raised in April, 2002. The State seeks setting up a separate regulating commission by empowering the LG but MHA would like UTs (other than Delhi) to have a common regulatory commission.

6.2 In 2005-06, it is proposed to establish a 110/22 kv sub-station at Thondamatham and a gas insulated sub-station in Pondicherry town area. The work of setting up a 110/22 kv sub-station at Korkadu village has been awarded to Power Grid Corporation of India Limited (PGCIL) and this is programmed to be commissioned by the end of March 2005. It is also proposed to augment the existing capacity of 110/22 kv sub-stations at Sedarapet and Marapalam. To further improve the voltage situation, erection of 11 kv / 22 kv capacitor banks is under progress at various sub-stations in Pondicherry region. To stabilize the HT distribution network in Yanam region, it is proposed to energise a 33/11 kv sub-station at Yanam.

6.3 In 2005-06, it is proposed to commission 62 new distribution transformers of various capacities and enhance the capacity of 54 existing distribution transformers. The allocation for the sector is Rs. 36.61 crores.

VII. INDUSTRIES & MINERALS

7.1 The Union Territory of Pondicherry is an industrially backward area, classified as a category A, special district. Due to its pro-active investment policies, hassle free environment and tax concessions it has made rapid strides in industrialization. There are 55 large scale, 137 medium scale and 6876 small scale industries providing employment to 82,790 persons as on March 2004.

7.2 During 2005-2006, it is envisaged that 5 large scale, 5 medium scale and 200 small scale industries will be set up giving employment to 1600 persons. Technology business incubators will be established in association with technical institutions and consultancy and research studies taken up for product development and to enable small entrepreneurs in this area.

7.3 Infrastructural projects (Growth Centre at Polagam, Karaikal, Electronic Industrial Estate and Software Technology Park (STP) in Pondicherry, Integrated Infrastructure Development project, Export Processing Zone/Special Economic Zone at Sedarapet and formation of a venture capital fund) are at various stages of implementation through PIPDIC. The Pondicherry Textile Corporation, a State owned Corporation, provides employment to about 4020 workers, besides generating indirect employment to more than 25,000 people. It proposes to implement a comprehensive modernization programme at a cost of

Rs.104 crores over a period of 3½ years. The Corporation has also proposed a voluntary retirement scheme at a cost of Rs.25 crores to further reduce surplus manpower.

7.4 Rs. 76.12 crores are being provided, of which Rs. 49.60 crores are for industrial estates and Rs. 14 crores for modernizing the Anglo-French Textiles Mills. Rs. 29.94 crores are being provided for the handloom sectors of which Rs. 23.23 crores are for various subsidies to handloom societies.

VIII. TRANSPORT & TOURISM

Ports

8.1 All-round development of the Pondicherry port should give a fillip to the growth of the Union Territory. At present, under the port sector a few activities are being taken up for repair, dredging and maintenance of the lighthouses at Pondicherry, Karaikal and Mahe. Port development was a major item raised by State government at the meeting held by Deputy Chairman, Planning Commission at Bangalore on 17.11.2004, where it was suggested that the whole issue of integrated port development should be posed for external aid and possibilities of private investment and the use of a consulting agency like IDFC for raising funds for an additional jetty should be considered. Deputy Chairman also suggested that the scope for seeking assistance from external sources like Singapore should be explored. For the next year, a total outlay of Rs. 43.24 crores has been proposed of which Rs. 34.39 crores are for improvement to Pondicherry port.

Roads & Bridges

8.4 Under the programme implemented by the Public Works Department, important major works are construction of a high level bridge across Sankarabarani river at Sellipet (Rs.4.93 crores), a bridge across river Ariankuppam at Murugapakkam in N.H. 45-A (Rs.13.02 crores), irrigation head works and bridge works at Pathukannu (Rs.4 crores).

8.5 In Karaikal region, a major work is the construction of a bridge across Arasalar river (Rs.2.15 crores).

8.6 Under the programmes implemented by the Local Administration Department, it is proposed to connect villages and habitations with link roads. It is also proposed to provide concrete roads to town limits. Rs. 88.86 crores are being provided - Rs. 39.21 crores for State Highways, Rs. 27.54 crores for district roads and Rs. 16.86 crores for rural roads.

Tourism

8.7 Rs. 14.91 crores are proposed to be spent, of which Rs. 4.36 crores are for promotional activity.

8.8 A media plan has been prepared for advertisements, hoardings, publicity campaigns and participation in travel and tourism marts. Beautification of the beach and port at Pondicherry are proposed. Development of water sports in the four regions, eco-tourism in Yanam, renovation of the fort in Mahe and establishment of an arts & crafts village at Pondicherry are other important programmes. On the infrastructural side, construction of an additional block at the Govt. tourist home, Yanam, shore cottages at Karaikal Beach Resort, expansion of jetty at Arasalar river Karaikal and acquisition of land and construction of a tourist home at Mahe will be undertaken. Share capital assistance will be provided to the Tourism and Transport Development Corporation and grant-in-aid released to the hotel management institute. The department will organize cultural festivals

IX. EDUCATION

School Education

9.1 The State is well on its way to achieving 100% literacy. Gross enrolment ratios are encouraging (105% at the primary and 112% at the upper primary levels).

9.2 As per the 2001 census, the literacy rate in the Union Territory of Pondicherry is 81.49% against the national average of 65.38% , The UT has been placed under category IV with a literacy rate of 75% and above. The task before the UT is to achieve 90% literacy by the end of the Tenth Plan and 100% by 2012. To ensure universal access to primary education, a Compulsory Education Bill has been passed in the winter session of the Legislative Assembly and forwarded to the Govt. of India for obtaining Presidential assent.

9.3 There is substantial focus in the Union Territory on secondary and higher education. The fees of professional colleges are being raised every year and these are being managed through registered societies. Following the French tradition the Union Territory offers free education to the high school level and education in general arts and science colleges is offered free.

9.4 There are six Govt. Arts & Science Colleges in the UT of Pondicherry. The Kanchi Mamunivar Centre for Post Graduate Studies is exclusively meant for conducting PG courses. There are 3 Arts & Science Colleges under the Union Territory of Pondicherry Arts, Science & Technology Colleges Society. These colleges are mainly promoted to offer job oriented

courses. As far as professional colleges are concerned, Pondicherry Engineering College offers B.Tech., B.D.S., B.V.Sc. & AH.., B.Sc. (Agri), B. Phamm B.Sc. (Nursing), B.P.T., B.Sc. (MLT) and M.B.B.S. degree courses under Pondicherry quota.

9.5 Rs. 115 crores have been proposed for the sector as a whole, but substantial increase has been proposed (Rs. 6 crores) for developing the Pondicherry Engineering College, the Arts and Science College (Rs. 1.3 crores additionality) and the general education college (Rs. 13.5 crores additionality) as well as for high school improvement (almost Rs. 2 crores more).

X. HEALTH & FAMILY WELFARE

10.1 The birth rate is at around 37.3% , the death rate 7.8% and IMR 29.8. The total outlay proposed under the health sector in 2005-06 is Rs.73.69 crores, of which Rs. 26.24 crores are for general hospitals, Rs. 20 crores for a women and children's hospital and Rs. 1.13 crores for PHCs and CHCs.

10.2 There is a separate Department of Indian Systems of Medicine & Homoeopathy with an allocation of Rs. 1.97 crores.

Nutrition

10.3 To ensure maximum enrolment in schools and reduce the dropout rate, midday meals are freely served to students studying in the Xth standards in all government and government aided schools. The scheme has been extended to the students in XI & XII standard during the current financial year.

10.4 In 2005-06, it is proposed that 130,000 students will be benefited separately under the mid-day meal and breakfast schemes.

10.5 Under the ICDS programme, supplementary nutritious food will be provided to 35,000 children and 11,000 mothers in 2005-06. Under the new scheme "pilot project to provide foodgrains to undernourished pregnant/lactating mothers and adolescent girls" rice @ 6 kg per month to each beneficiary will be provided free of cost. Through this programme 5284 beneficiaries in Karaikal region will be benefited in 2005-06. The outlay of Rs. 20.64 crores is mainly for mid-day meal (Rs. 6.41 crores) and the breakfast scheme for poor students (Rs. 11.8 crores).

XI. HOUSING & URBAN DEVELOPMENT

11.1 Of the total allocation proposed of Rs. 86 crores, Rs. 36.6 crores are for shelter for the houseless poor and Rs. 9 crores for slum upgradation.

11.2 Under the Perunthalaivar Kamarajar Housing Scheme for the houseless, 7500 BPL families will be given assistance at the rate of Rs.40,000/-. Matching grant for the VAMBAY scheme will be provided for taking up of construction of 800 houses and toilet blocks in urban slums. A subsidy of Rs.10,000/- will be provided to the beneficiaries of the Perunthalaivar Kamarajar Housing Scheme for the construction of 3000 toilets.

Urban Development

11.3 Urban development is a major sector for the UT, given its vast urban area and the spin-off in terms of facilities to citizens and the tourist population that can raise the incomes of the people as well as revenues of government. The State is proposing a step-up from Rs. 46.04 crores in the current year to Rs. 62.47 crores next year. The main step-up is around Rs. 6 crores for extension of sewage facilities in the urbanizable area of Pondicherry.

XII. LABOUR AND LABOUR WELFARE

Of the allocation of Rs. 7.27 crores proposed with a step-up of Rs. 2.22 crores, most of the additionality is for setting up ITI in Mahe, Yanam and Nettapakam and a rural ITI in Pondicherry (Rs. 1.49 crores).

XIII. WELFARE OF BACKWARD CLASSES

Rs. 16.83 crores have been provided for various schemes covering hostels and subsidies

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ANNEXURE I

BASIC INFORMATION: PONDICHERRY - INDIA

Sl. No	Item	Unit	Year	Pondicherry
1	2	3	4	5
1	Area	sq kms	2001	492
2	No. of Districts		2001	4
3	No. of Blocks		2001	3
4	No. of Towns & Cities		2001	6
5	No. of Villages		2001	92
6	Rural Population		2001	325,596
7	Urban Population		2001	648,233
8	Total Population		2001	973,829
9	ST Population		2001	-
10	SC Population		2001	157,771
11	Population Density (Prov.)		2001	1980.38
12	Sex ratio (Females)	1000 males	2001	1001
13	Total Fertility Ratio	%	1999	-
14	Crude Birth Rate	per '000	2002	17.7
15	Crude Death Rate	per '000	2002	6.9
16	Infant Mortality Rate	per '000	2002	22
17	Population per doctor		1.1.2000	2415
18	Population below poverty line	(%)	1999-2000	21.67
19	**Distribution of Employment**		2002	**100.00**
20	Primary Sector	%	2002	23.68
21	Secondary Sector	%	2002	26.65
22	Tertiary Sector	%	2002	49.67
23	**Literacy Rate- Total**	%	2001	81.2
24	Literacy Rate-Male	%	2001	88.6
25	Literacy Rate-Female	%	2001	73.9
26	Pupil Teacher Ratio (school level)	Ratio	2001-02	
27	Gross Enrolment Ratio (Classes I to VIII)	Ratio	2001-02	81.76
28	School Dropout Ratio (Classes I to VIII)	Ratio	2001-02	2.92
29	Districts with access to safe drinking water	No.of districts	2000-01	
30	100% access	0	2000-01	0.00
31	80 - 99% access	0	2000-01	0.00
32	60 - 80% access	0	2000-01	0.00
33	40 -60 % access	3	2000-01	75.00
34	20-40% access	0	2000-01	0.00
35	0-20% access	1	2000-01	25.00
36	Foodgrains Production	million tonnes	2001-02	-
37	Oilseed Production	million tonnes	2001-02	-
38	Sugarcane Production	million tonnes	2001-02	-
39	**Average size of Operational Holding**	has	1990-91	-
40	Marginal	has	1990-91	-
41	Small	has	1990-91	-
42	Semi-Medium	has	1990-91	-
43	Medium	has	1990-91	-
44	Large	has	1990-91	-
45	Area operated by the size groups (all holdings)	000 has	1995-96	-
46	Marginal	000 has	1995-96	-
47	Small	000 has	1995-96	-

ANNEXURE I

BASIC INFORMATION· PONDICHERRY - INDIA

Sl. No	Item	Unit	Year	Pondicherry
1	2	3	4	5
48	Semi-Medium	000 has	1995-96	-
49	Medium	000 has	1995-96	-
50	Large	000 has	1995-96	-
51	**Coverage of area under irrigation**			-
52	Wheat	%	1999-2000	-
53	Rice	%	1999-2000	-
54	Sugarcane	%	1999-2000	-
55	Oilseeds	%	1999-2000	-
56	Rail Density	Route kms/'000 kms	Mar-03	22.56
57	Road Density	per 100 sq kms	1999	511 4

IMMEDIATE

No. M-13048/22/RJ/2004-SP- West
Planning Commission
(State Plans Division)
*****

Yojana Bhavan, Sansad Marg
New Delhi –110001
Dated 29.12.2004

Subject: Background Note for Discussions of Annual Plan 2005-06 of Rajasthan.

A background note for the meeting between Deputy Chairman, Planning Commission and Chief Minister of Rajasthan to be held at 3 P.M. on 4.01.2005 for finalisation of the Annual Plan 2005-06 is hereby circulated.

(N.D. George)
Director (SP-W)
Tel: 23096719

Encl: As above

Planning Commission
Principal Advisers
Advisers
JS (SP)s of Divisions

PMO
Director (Rajasthan)
Ministry of Finance
Joint Secretary (PF-I)
Deptt. of Expenditure
North Block, New Delhi
National Commission on Population
Member-Secretary

Copy to Private Secretary to:
Deputy Chairman/Minister of State/Members/Secretary

Copy also to:
Director (SP-Coordination)/Dy. Adviser (PC Division)/Dy. Adviser (MLP & Hill Areas)/Protocol Unit/Information Officer

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Annual Plan 2005-06 of Rajasthan- Background Note

INTRODUCTION:

Rajasthan is divided into 32 districts, which are further sub-divided into 241 tehsils and 237 development blocks. An area of 3.42 lakh sq. kms. of Rajasthan makes it today the largest State in the country. According to 2001 Census (Provisional), the population of Rajasthan stands at 5.65 crore which constitute 5.5% of the country's population. The density of population in Rajasthan is 165 persons per sq. km as against the national average of 324 persons. The decadal growth rate of population declined from 28.44% during 1981-91 to 28.33% during 1991-2001 which is higher than the national average of 21.34%. The literacy rate at 61.03% is lower as compared to national average of 65.38% Female literacy rate is also lower at 44.34% as against the national average of 54.16%. Death rate in Rajasthan at 8.4 is slightly lower than All India level of 8.7. Birth rate and Infant Mortality Rate at 31.1 and 81 for Rajasthan are higher than All India averages of 26.1 and 70 respectively. Rajasthan has about 1% of the water resources of the country though the State accounts for 10.4% of country's area and 10.6% of the area under cultivation. Based on the latest estimates of percentage of population below poverty line for the year 1999-2000 (30-day Recall period) the percentage of population living below poverty line in Rajasthan is only 15.28% compared to the All India average of 26.10%. 13.74% of the rural population and 19.85% of the urban population of the State are reported to be below poverty line.

Growth Performance

State Domestic Product (SDP) and per capita income are conventionally taken as indicators of development. The estimate of Net State Domestic Product (NSDP) since 1993-94 is given below:

Net State Domestic Product (1993-94 Prices)				
Year	Net State Domestic Product (Rs.crores)	Percentage growth over the previous year	NSDP Per Capita (Rs.)	Percentage growth over the previous year
1993-94	28977	-	6182	-
1994-95	34269	18.3	7134	15.4
1995-96	35530	3.7	7216	1.1
1996-97	39682	11.7	7862	9.0
1997-98	44509	12.2	8601	9.4
1998-99	45946	3.2	8657	0.7
1999-00	46545	1.3	8550	-1.2
2000-01	45610	-2.0	8165	-4.5
2001-02	50563	10.9	8819	8.0
2002-03	46666	-7.7	7930	-10.1

Source: CSO

Net State Domestic Product (NSDP) at constant prices (1993-94) has increased from Rs. 28, 977 crores in 1993-94 to Rs. 46, 666 crores in 2002-03 registering an annual average growth rate of 6.10 for the period.

Rajasthan's per capita NSDP of Rs.7, 930 in 2002-03 is much lower compared to the All-India per capita NNP of Rs.10, 964 in 2002-03.

A characteristic feature of the State Domestic Product in Rajasthan has been its year-to-year fluctuation, which is determined entirely by the behaviour of the monsoon

The percentage shares of the primary, secondary and tertiary sectors in the NSDP were 29.72, 26.12 and 44.12 respectively during 2000-01.

Review of Ninth Plan – Performance

As against the approved outlay of Rs.22525.83 crore at 1996-97 prices, the expenditure was Rs.16319 74 crore. The expenditure was only 72.5 percent of the approved outlay. There was shortfall in the projected resource mobilization as well The achievement in this regard was only 67 percent of its projected level. There was increased reliance on borrowings to finance the Plan. Borrowings stood at 162 percent of the total resource mobilization during the Ninth Plan and BCR deteriorated from the plan projection of (-) Rs.345.2 crore at 1996-97 prices to (-) Rs.9193.1 crore.

The State's performance in respect to poverty reduction, afforestation, literacy etc. has been satisfactory. The percentage of rural population living below the poverty line in the State during 1999-2000 was 13 7 percent compared to the all India estimate of 27 1 percent. During 1997-1999 the forest cover increased by 518 Sq. Kms Literacy rate increased from 38.6 percent in 1991 to 61 percent in 2001, even though it was still less compared to the all-India average of 65.4 percent. The progress made by the State in respect of gross enrolment ratio and dropout rates was better than the national level Gross enrolment ratio from Classes VI to VIII was higher at 78 9 percent as against the national ratio of 58.7 percent. The drop out rate at 48.9 percent for Classes I to VIII was lower compared to the national average of 54.5 percent.

The health indicators of the State were lagging behind the national average The State's birth rate was 31.1 percent per 1000 and infant mortality rate was 81 per 1000 compared to national figures of 26.1 and 70 respectively. There was a shortfall of 49 Community Health Centers (CHCs) and existing ones were not working as first referral units due to shortage of specialists.

Food grain productivity in Rajasthan was low at 976 Kg per hectare as against all India average of 1697 Kg per hectare. The milk production at 72 lakh tones compared to the livestock population of 5.43 million was also on the lower side. The ground water situation in the State worsened with the decline in the water table. There is an urgent need for recharging the ground water and for implementation of Watershed Development Programmes in rain- fed areas.

There was a gap between the irrigation potential created and its utilization during the Ninth Plan. The utilization in respect of major and medium irrigation works stood at 1 lakh hectare as against the potential of 1.78 lakh hectares. In respect of minor irrigation works, the utilization stood at 0.20 lakh hectares as against the potential of 0.33 lakh hectares. There are a number of on-going projects which were started in the pre-ninth plan period but are yet to be completed.

Tenth Plan and Annual Plan 2002-2003

During the discussions to finalize the Tenth Plan and Annual Plan 2002-03 of Rajasthan the State Government made a presentation highlighting the thrust areas of the Tenth Plan which are summarized below:

- Fiscal Reforms
- Drought Proofing
- Infrastructure Development (Power, Road, Irrigation, Drinking Water, Mining and Tourism)
- Social Sector (Education, Medical & Health, Women and Child Development, Social Security Schemes) and
- Good governance.

Fiscal Management envisages increase in tax and non-tax revenue and reduction in expenditure.

The reforms in power sector relate to unbundling of State Electricity Board into 5 Companies and formation of Power Regulatory Commission. The expected increase in generation of power from 1998 to 2003 is 1980 MW which is 50% of the preceding 50 years.
Reduction in transmission and distribution losses and revenue gap are indicated at 3.75% and Rs.500 crore respectively.
Sanctioning of 36 roads worth over Rs.850 crore and new project of RUP with support from NABARD which envisaged total length of 24,000 Kms at a cost of Rs.600 crore are also planned.

Infrastructure projects undertaken in the irrigation sector are Bisalpur (20,000 hectare additional potential), Siddhmukh Nohar (84,000 hectare), Gang Canal-Modernisation (Rs.446 crore) and Rajasthan Water Resources Consolidation Project (RWRCP) (Rs.733.59 crore World Bank funded).

E-Governance projects relating to 100% lands records computerization by July 2003. Lok Mitra – Integrated Citizen Service centres for Urban Areas and Jan Mitra Integrated Citizen Service Centres for Rural Areas are also envisaged..

A Single Window Clearing Scheme to make **investment easier** and constitution of an Economic Development Board to provide suggestions on infrastructure. The higher provision by Government of Rajasthan in respect of social security schemes such as National Old Age Pension, State Old Age Pension, Widow Pension and Handicapped Pension were brought to our notice. The other social security measures such as Medicare

Relief Cards which covered 23.5 lakh families living below the poverty line for free medical treatment and Chief Minister's Jeevan Raksha Kosh which provided financial assistance to BPL persons suffering from serious diseases were also mentioned.

Tenth Plan and Annual Plans 2002-03 and 2003-04 – Sectoral Outlays :

(Rs. lakh)

S.No	Sector	Tenth Plan 2002-07 (2001-02 prices)	Annual Plan 2002-03		Annual Plan 2003-04	
		Agreed Outlay	Approved Outlay	Actual Expenditure	Approved Outlay	Actual Expenditure
(1)	(2).	(3).	(4)	(5)	(6)	(7)
1	Agriculture & Allied Services	164948.02	22411.36	7388.27	5190.55	8987.46
2	Rural Development	229884.47	50195.37	47270.68	37157.77	50858.29
3.	Special Area Programmes	16921.56	3282.01	4207.00	5282.01	3282.00
4.	Irrigation & Flood Control	276788.35	57057.22	37022.77	41734.59	91675.50
5.	Power Development	726074.32	122791.03	124038.08	120507.00	50634.20
6.	Industry & Minerals	95565.92	29701.43	86[illegible]7	7466[illegible]	8944.60
7.	Transport	303979.25	59691[illegible].00	61395.61	789.00	50234.59
8	Communication	0.00	267.11	0.00	0.00	0.00
9.	Science & Technology	1216.50	8883.41	96.86 [illegible].58	89.21 5582.54	74.61 12674.18
10.	General Social & Community Services	799676.74	158533.[illegible]3	28622.40	154452.44	162518.59
12.	General Services	8755.34	3186.43	2259.57	2559.51	4527.87
	Grand Total	**2731800.12**	**516000.0**	**441107.19**	**425800.00**	**604437.98**

The Tenth plan projected outlay is Rs.[illegible] 831.75 crore at current prices.

The actual expenditure during the first two years of the Tenth plan is Rs.10, 475.45 crore which is 32.9 percent of the projected outlay of Rs.31, 831.75 crore (at current prices). In order to achieve the Tenth plan projected expenditure, the actual expenditure during the

remaining three years of the Tenth plan should be about Rs.7118.76 crore per year over the next three years. Going by the present trends, it appears that the state may be able to achieve at least 90 percent of the Tenth plan projected expenditure. But this will further push up the debt burden of the state as it has to resort to increased borrowings for financing plan and non-plan expenditure.

Annual Plan 2004-05

The Annual Plan 2004-05 of the state has been fixed at Rs.6797.50 crore. The state government has proposed the following sectoral break up of the outlays. The state government has reported an expenditure of Rs.1793 crore upto August 2004. The projected Scheme of Financing of Annual Plan 2004-05 is annexed. The allocation for AIBP has subsequently been enhanced by Rs 125 crore to Rs 400 crore. The total allocation for Annual Plan 2004-05 has thus gone upto Rs 6922.50 crore.

(Rs.lakh)

S.No	Sector	AP-2004-05. Approved Outlays	Sector wise Share in Total Outlay (%)
(1).	(2).	(3)	(4)
1.	Agriculture & Allied Services	14222.69	2.09
2.	Rural Development	49115.28	7.23
3.	Special Area Programmes	3294.01	0.48
4.	Irrigation & Flood Control	86477.02	12.7
5.	Power Development	191437.30	28.2
6.	Industry & Minerals	8277.57	1.22
7.	Transport	53179.19	7.82
8.	Communication	0.00	0.00
9.	Science & Technology	102.21	0.02
10.	General Economic Services	26162.67	3.85
11.	Social & Community Services	243393.11	35.8
12.	General Services	4088.95	0.60
	Grand Total	**679750.00**	**100.00**

STATE FINANCES

The fiscal deficit of the state as a percentage of State Domestic Product went up from 4% in 1997-98 to 7% in 1998-99 after the implementation of the Fifth Pay Commission's recommendations. It has not come down since then. The revenue deficit rose from .9% of the State Domestic Product in the same year to 4.6% by 1999-00 and is still at the same level. The all State GFD/GDP and RD/GDP levels are 4 2% and 1 8%. The RD/GFD ratio of Rajasthan is as high as 63%. The debt ratio of the state is 41% which is higher than the all state average of 28.7% Total outstanding liabilities as on 31.03.2004 are estimated atRs. 48714 crore (BE 2003-04) as against Rs 38573 crore in

2001-02. Debt/GSDP ratio is estimated to be 48.34% in 2003-04 (BE) as against 33.1% in 1998-99.

Rajasthan is a low income non-special category state. Own revenues account for around 85% of its revenue receipts. Own tax revenue accounts for 31% of total receipts while capital receipts account for 35%. Sales tax is the major own tax which yields 55% of own tax revenue. Buoyancies of receipts continue to be encouraging for own tax revenue in the second half of the 90s.

On the expenditure side, Plan expenditure accounts for 28% of total expenditure (all state share is 25%). But debt servicing (including interest and principal payment) accounts for a high level of 46% (the all state figure is 25% of total expenditure). The state's plan has been at around 5% of GSDP since the nineties and it has succeeded in protecting and achieving planned outlays. The share of interest payments in total revenue receipts has reached a high level of 31% (against the all state average of 25%). With salaries and pension payments, the share of committed expenditure in total revenue is now 83 5% (it is 75% for all states). The effective interest rate of the state is 11.35%

The debt burden and debt servicing are becoming critical. Whether there is scope for swapping liabilities to banks and institutions could be considered. The extent of extra-budgetary liabilities and guarantees and how these have been disclosed in a risk weighted fashion in budget documents could be discussed. Whether the state proposes to introduce a fiscal responsibility act and measures (statutory and administrative) used for controlling debt and guarantees could be discussed. The effects of the MTFRP and workable methods of controlling and managing debt liability should be on the agenda

Plan Financing:

The state has achieved in the first two years of the Tenth Plan 34% of the Tenth Plan outlay at constant prices, it is normally expected that around 37% should have been achieved by this time. Per capita plan oputlay is high Rs. 754 (Rs 1070 if expenditures are considered). Per capita Central Assistance is Rs. 444 (Rs. 449 on expenditure) which is lower than the all state average of Rs. 528/Rs.577.

Tenth Plan (2002-03 to 2006-07):

- The resources projected for the Tenth Plan amount to Rs. 27318 crore at 2001-02 prices against the Ninth Plan projections and realizations of Rs 30362.57 crore and Rs. 19322.67 crore respectively at 2001-02 prices.
- A comparative statement showing the structure of financing the Ninth Plan and the projected Tenth Plan is given below:

Financing Pattern – Ninth Plan (Projection and Realisation) vs. Tenth Plan (Projection)

Items	Ninth Plan 1997-2002		Tenth Plan 2002-2007
	Projections at 1996-97 prices	Realization at 1996-97 prices	Projections at 2001-02 prices
1. State's Own Funds	1283 95 (5 70)	-13513 91 (-94 27)	-11901 72 (-43 57)
2. Borrowings of the State	11479 13 (50.96)	23159 52 (161 55)	29579 16 (108 28)
3. Central Assistance	9762.75 (43.34)	4689.78 (32.72)	9640 56 (35 29)
4. Aggregate Plan Resources (1 to 3)	22525.83 (100)	14335 39 (100)	27318 (100)

Issues Raised by the State Government:

- The Government of Rajasthan has requested for granting Special Category status to the State so that it gets central plan assistance as 90% grant and 10% loan instead of 30% grant and 70% loan at present.

- The issues relating to reduction of interest on loan by 0.5%, re-introduction of support for IGNP (Indira Gandhi Nahar Proejct) under BADP, additional support for Mid-day Meal Scheme, increase in assistance under AIBP, APDP and RIDP, increase in Central Plan Assistance by 20% over the previous year level and introduction of scheme for water harvesting of lines of PMGSY have been raised by the state government.

- New centrally sponsored schemes should be initiated with 100% central funds.

- The MTFRP borrowing limits may be revised upward for 2004-05and for the subsequent years.

- At present, the grants are transferred from Centre to State on the basis of Gadgil-Mukherjee Formula, which gives weightage to different factors. In addition to the above, due weightage needs to be given to the geographical area as the cost of delivery of services is more due to larger area and low density of population. Special category status may be given to Rajasthan as 60% of its area is desert. Similarly Index of Infrastructure Development and Percentage of SC/ST population too should be taken into account.

- During last 11 months the State has made serious efforts towards debt swap in order to reduce the interest payment burden. The facility of debt swap of Small Savings Loan has been maximized and approximately Rs. 4500 cr of Small Savings Loan carrying interest rate more than 13.5% has already been swapped. The State Government, on its own initiative, approached the financial institutions from whom it had borrowed in past. Since the cost of borrowing of the Capital was very high (as high as 17% in certain cases), it was of crucial importance to retire / replace these high cost borrowings. Efforts of the State resulted in re-pricing of HDFC loan of Rs. 314 cr at 7.5% and prepayment of costly loans of HUDCO, NCDC and NABARD of approx Rs.1000 cr.

In spite of reduction in interest payment liabilities, the debt stock continues to be very high. The State is working on all available options of debt swap, but its efforts should be supplemented by the Centre in the form of debt relief as follows:

(a) Write off balance of Central Block loans on 31st March 2005 of loans taken upto 31st March 1995

(b) Reschedule the block loans taken in the period from 1-4-1995 to 31-3-2005 at 6% interest.

(c) Reschedule all Small Saving Loan to 8% interest

(d) Amount equivalent of net collection of Small Savings may be given to the States as open market borrowing and the total net collection may be used for debt swap.

- The proposed Employment Guarantee Scheme should be formulated on the line of SSA. The state's share should not be more than 10%.

- **Some of the suggestions made by the state government regarding the agriculture sector are as follows;**

a) Present MSP regime distorts production system in favour of high water consuming crops like wheat and paddy. Crop diversification to oilseeds, pulses and horticultural and medicinal crops calls for wider and rational MSP coverage.
b) Investment in subsidising water saving devices such as drip systems may alead to a larger irrigated area than any new medium or minor irrigation scheme, with a large engineering component. Therefore, an integrated view needs to be taken with regard to allocations made towards water – across the departments of Irrigation, Rural Development and Agriculture.
c) The crop insurance scheme, suffer from two serious dangers: Firstly, the likely liability, in a famine year in Rajasthan, is likely to cripple the state's finances irretrievably. Secondly, relief to the farmers is likely to be limited. It may be preferable to move to privately offered weather insurance products; cheaper to subsidize them than to carry the risk that state governments are being asked to carry.
d) Rural Credit is too expensive; the current rate are 3-4% higher than even housing loans. NABARD's basic lending rates of 6.5% is too high
e) Quality of cattle, and its productivity, are serious causes for concern At an average production rate of 2 liter per day, these animals clearly have a negative economic rate of return. Investments in improving germplasm need to be dramatically hiked-up, and the delivery system completely overhauled.
f) Health and nutrition coverage for live-stock is in a pitiable state. The public-servant based system is for too expensive with limited reach A structural change is required to enable private service providers to come in the field.
g) The budget speech of the Finance Minister stated the government's commitment to provide insurance cover to livestock This is a step in the right direction, and needs to be concretized early
h) While collection of milk through the cooperative network has had some success, this is limited to less than 10% of the surplus milk. Structures for marketing other products such as wool, or meat are absent.
i) The green revolution was based on a significant break-through in seed technology, which increased yields by 6-8 times. For similar break-throughs in other crops, including horticulture crops and milk/wool/meat yields, calls for earmarked funds for research and extension

j) Rajasthan has a precarious rainfall and ground water regime. More than 70% cultivation is rainfed. There is a critical need of special research on rainfed Agri. system w.r.t. short duration and drought resistant varieties, efficient water use technology, etc. ICAR, National Level Research Institutions and State Agriculture Universities should be mandated with earmarked budget allocation for research on rainfed condition with the close co-ordination with the state.

k) More than two third of irrigation potential is dependant on ground water (wells and tubewells). This is a costly system for farmers. With depletion of water table there is an acute need to promote efficient use of available ground water. Rajasthan has about 12 lakh wells and tubewells in the state. So far about 2.5 lac wells have been covered by sprinkler & drip systems. Thus, there is an urgent need to cover remaining wells with water saving devices. A special project to cover 50% of remaining wells i.e. 5 lac wells should be covered during remaining period of X^{th} Five Year Plan.

l) A comprehensive project to assist about one lac farmers in the state in constructing on farm compost making facilities could be initiated during remaining part of X^{th} Five Year Plan. The project cost would be around Rs.20 crores.

m) Enhancing allocation under macro management of agriculture work plan: Rajasthan is the largest state in the country. Keeping 10 diverse agro-climatic zones, allocated amount Rs. 68 crores in 04-05 seems to be meagre. Allocation under macro management of agri. work plan should be at least 4 times of the present allocation.

n) Flexibility - under all CSS schemes, state government should be fully empowered to make diversions as per the need of the state. State may also be empowered to take more new initiatives as per local conditions. Present ceiling is 10%.

- As far as cooperative sector is concerned, the State Government may not be able to contribute its share of 40% which as on 31.3.2001 was Rs.198.35 crores out of the total assistance of Rs. 495.89 crores required for cleansing the balance sheets of the Cooperative Credit Structure. The Government of India may, therefore, consider providing 100 percent assistance.
- There are five irrigation projects namely; IGNP, Narmada, Gang Canal, Mahi and Chauli, which are attracting Central Loan Assistance under Accelerated Irrigation Benefit Programme. Out of which IGNP, Narmada, Mahi and Gang Canal are major projects, on which huge investment have to be made in the next few years. The Mahi project will be completed during 2004-05 and Chauli medium irrigation project will be completed by 2005-06. The CLA under AIBP will be essential to complete these projects as per their existing scheduled period. Whereas the early completion of IGNP, Narmada project and Modernization of Gang Canal project will depend upon the additional central assistance to be provided by Government of India.

The IGNP was started in the year 1958 and the project is not yet completed despite 46 years having elapsed. If the work on IGNP is not accelerated, it would take another 7-8 years to get completed. Therefore, the State Government has proposed to complete the Indira Gandhi Nahar Project and Narmada project by the year 2008-09 for which funds to the tune of Rs 1394 crores for IGNP and Rs. 853 crores for Narmada Project will be required in which CLA under AIBP from Govt. of India is expected to be Rs. 898 crores and 682 crores respectively. Both the projects are crucial for the State in terms of economics and ecological development as well as catering to critical requirement of drinking water.

- Planning Commission may agree to fund upto 90% through Central funding, under the SSA.

- There is pressing need for a broad consensus on electric tariffs, especially as the "open - access" dispensation will wean away opportunities for cross subsidization The States cannot find the resources to finance the expansion of the rural electrification without adequate central funding support. Rajasthan is already encouraging entry of new providers of rural electricity services, as provided under the Electricity Act 2003, such as user associations, cooperative societies, NGO's and franchisees. The Government of India must support this expansion of rural access in Rajasthan, where energy consumption rates are low

- Rajasthan still has 5027 unconnected habitations having population 500 and above for which Rs. 3000 crores would be required to connect them. Moreover State is also having desert and tribal area where in the connectivity for habitations population 250 and more is to be achieved by the year 2007 which requires 870 crores for 805 tribal and 1245 desert habitations.

- The State Government has created a State Road Development Fund on the lines of CRF.

- Jaipur & Udaipur Airports should be developed as International Airport alongwith strengthening of the existing airports and setting up of new tiny airports atleast for the tourist attractions and locations.

- For Accelerated Rural Water Supply Programme budget of State for the year 2004-05 is Rs. 490.00 crores, which includes Rs. 251.55 crores for the rural part of major projects. The State has been getting following shares under Accelerates Rural Water Supply Programme in recent years.

(Rs in crores)

1997-98	1998-99	99-2000	2000-01	2001-02	2002-03	2003-04
137.83	165.06	156.54	205.12	207.14	235.96	218.69

The Government of India should provide the full budget of Rs. 490 crores under the scheme during current year.

- The state government is implementing special area programmes namely Mewat Regiona Development Programme for the selected panchayat samites area of Alwar and Bharatpur district with the state plan fund support. The Border Area Development Programme(BADP) covering four districts of the state namely Bikaner, Barmer, Ganganagar and Jaisalmer is also being implemented in the State with the financial support of Government of India. There is a felt need to initiate such special area development programme for the Dang Areas of the state for accelerating the pace of development specially relating to the basic amenities and infrastructures for the identified areas of the Sawai Madhopur, Kaurali, Dholpur, Bharatpur and Jhalawar district of the state. The state government took a decision to provide additional funds support for this purpose under the approach of Dang Area Development Programme from the current financial year. Keeping in view the regional disparities vis-à-vis nature of the area falling in the Rajasthan state, the Government of India should provide fund support for bridging the regional imbalances.

Additional Central Assistance (ACA):

The following are the schemewise break up of the ACA sanctioned for Rajasthan during Annual Plan 2003-04 (Rs.)

1)	Mid day Meal scheme	Rs. 30 crore
2)	Gang canal	Rs. 10 crore
3)	Khadi and Village industry	Rs. 5 crore
4)	Sanskrit University	Rs. 5 crore

During Annual Plan 2004-05, the state has been sanctioned as ACA Rs 59.23 crore for the special priority schemes of the state government.

Rashtriya Sam Vikas Yojana (RSVY):

The following three districts have been included under RSVY

a) Banswara
b) Dungarpur
c) Jhalawar

Main Findings and Recommendations of the State Development Report (SDR) - Rajasthan:

Agriculture:

Rajasthan has made substantial improvement in crop production, especially after the Green Revolution. The area and production of crops like wheat, rapeseed and mustard, rabi pulses, and cotton have increased. There has been negative growth in coarse cereals and kharif pulses whereas rabi crops like wheat, rapeseed and mustard have recorded positive growth. Although the total quantity of seeds distributed has increased, crop wise figures of seeds distributed show some distortions. The consumption of fertilizers (N+P+K) is nearly half of the national average. The indiscriminate use of fertilizers and that too in wrong proportions is a cause of concern. The use of organic manure is very poor.

Horticulture development and agro-processing in the state are very weak and reliable information on the production of fruits and vegetables is also not available

The subsistence type of agriculture prevalent in the state puts extra burden on natural resources like land, water and vegetation. It has been observed that since 1974-75, 22 lakh hectares (ha) area has been treated under watershed development programmes of Drought-Prone Area Programme (DPAP), Desert Development Programme (DDP), National Watershed Development Programme for Rain fed Agriculture (NWDPRA), externally aided watershed projects etc. However, the sustainability of work done is an issue. Agricultural mechanisation, which can benefit both rainfed and irrigated areas, is also a neglected area

For irrigated areas, 'on-farm' water management is an area of great concern and needs to be given attention to improve water use efficiency Ground water is mainly used for irrigation purposes and this results in over exploitation of this resource, the regeneration of which is dependent on rains. There are large areas in the state where water has been seriously over exploited.

Rajasthan is rich in animal wealth and has the distinction of having the largest population of cattle, sheep and camels. The state produces 10 per cent of the country's milk, 30 per cent meat and has the highest share of wool production

Industries And Minerals:

Industrial development in Rajasthan has suffered from a number of flaws:

- heavy concentration in only eight districts;
- predominance of small-scale units;
- high proportion of sick units;
- low value addition per worker;
- comparatively small scale of operations, which affects the competitiveness of industrial units in the national and international markets; and
- overall indifference of bureaucrats towards encouraging new entrepreneurs.

Mineral development in Rajasthan has also remained confined to only few districts, although the state has virtual monopoly in respect of some minerals such as felspar, limestone, marble, gypsum, marble and granite.

Agro-processing industries have not received the warranted attention in Rajasthan. Inspite of Rajasthan being a milk-surplus state, the processing of milk is still accorded low priority.

Handloom, Khadi And Handicrafts:

The handloom and khadi units in Rajasthan are very small in size. Further, more than 34 per cent of handloom and khadi production is concentrated only in three districts. At the same time, it would be difficult for these units to survive if subsidies are with 'rawn. Further, even though handicrafts of Rajasthan, especially gems and jewellery are good foreign exchange earners, a major part of value added in this sector is appropriated by middlemen.

Roads:

Almost 50 per cent of villages in Rajasthan still do not have any connectivity, although in quite a few districts not only are road conditions good, but the average length of roads is very high. Against the all-India average of 67 km. of roads per 100 km^2, the corresponding road length in Rajasthan is less than 27 km. Further, the state government does not have adequate resources for the maintenance of roads, and such work is done only on ad hoc basis.

The state has very low capacity of high-density corridors. The ratio of four lane national highways (NH) and two lane state highways (SH) to total road length continues to be extremely low, though 90 per cent of road traffic moves on these roads.

Power:

Against a bare 13 MW of power generation in 1951, the present generation capacity in the state has reached 3900 MW. However, there are wide inter-district variations in the consumption of power. Most of the power generated in Rajasthan is based on coal and the cost of generation is high because of the low calorific value of coal from the Jharia coalfields. Yet, the vast lignite reserves available in western districts continue to remain unused for power generation.

Since 1998, the transmission and distribution (T & D) losses have risen from 35 per cent to 42 per cent. It is ironical that in spite of power sector reforms, no private investment has been made in power sector.

Demography And Urban Development:

The growth rate of population in the state has been higher than the national average. Further, the pace of urbanisation has also been high which resulted in the mushrooming growth of *kutchi bastis* (shanty towns), problems related to sanitation and sewerage, and stress on ground water resources due to spurt in the demand for water

Since 1993, the annual demand for water for various purposes has increased from 621.4 cubic mm to 1017.5 cubic mm. The ground water levels in 200 out of the 247 blocks in the state have become very critical. This problem is likely to assume more serious dimensions in the coming decades.

Sewerage, sanitation, wastewater disposal and management of solid waste in Rajasthan's cities are dismal. Hopefully these problems will be solved through the Rajasthan Urban Infrastructure Development Project, at least in six largest cities However, due to lack of resources, other cities and towns will continue to face these problems.

Tourism:

In spite of numerous forts, fortresses, monuments and heritage sites dotting Rajasthan, tourist arrivals in the state have not increased significantly Programmes and

policies framed to woo domestic and international tourists were not demand oriented. Foreign tourists have experienced harassment and a sense of insecurity, and thus hesitate to visit Rajasthan for the second time.

Finances:

Owing to low tax buoyancy, tax receipts in Rajasthan are approaching a saturation level, while the state government has not been able to increase non-tax revenues. When these trends are juxtaposed with revenue expenditure, it presents a very dismal picture of mounting revenue and fiscal deficits. However, the capital account has persistently shown a surplus.

The state-level public sector undertakings have not been able to earn profit. As a result, they are not able to contribute to the state's development plans. Yet, there is no disinvestment policy even for units whose net worth has turned negative. The state had to rely on public borrowings to finance its Eighth Plan. The percentage of public borrowings to plan expenditure was more than 161 per cent during the Ninth Five Year Plan.

Governance:

With the state taking on developmental tasks, the size of the government as well as the number of channels for processing official files registered an increase, which resulted in a phenomenal increase in public expenditure on salaries and inordinate delay in taking even important decisions.

Women:

Rajasthan ranks low on the Gender Development Index and Gender Empowerment Index. Women continue to have a lower status than men, resulting in frequent atrocities against them. Female work participation rate in Rajasthan is low in both rural as well as urban areas. The level of female literacy and also enrolment of girls in primary and upper primary schools is very low and dropout rates are high. The average age at marriage in Rajasthan is around 15 years.

Environment:

The major environmental problems confronting the state are related to growing soil salinity and alkalinity and mixture of fluoride and other hazardous toxic chemicals in

water. In some areas mining activities have created serious ecological hazards. All major cities have developed a problem of mounting solid waste. Traditional methods of conservation of rainwater have been neglected in the state, in spite of the water scarcity.

Human Development:

Rajasthan also ranks lower on the Human Development Index than many other states. Inspite of an impressive increase in level of literacy and number of hospitals and educational institutions both in the public and private sector, a sizeable section of the population remains deprived of these facilities. Paradoxically, in recent years, institutions providing higher (general) and technical education have registered a huge increase without assessing the present and future demand. Further, the increasing strain on public finances has jeopardised the programme for improvement in the quality of education and health.

Regional Inequality:

Like many other States, Rajasthan also exhibits considerable intra-state inequalities in various development indicators. While districts such as Jaipur, Ajmer, Jhunjhunu, Ganganagar, Jodhpur and Kota are relatively developed, other districts such as Jaisalmer, Dholpur, Karauli, Sawai Madhopur, Jhalor, Banswara, Dungarpur and Bundi rank much below. A recent study commissioned by Planning Commission has shown that the developed districts get a much higher share of plan allocation compared to the backward districts. There is a need to look into such self-perpetuating regional imbalances and to take corrective steps to achieve a more balanced development of the State.

REVIEW OF THE MAJOR SECTORS

(I) AGRICULTURE AND ALLIED ACTIVITIES

Agriculture plays an important role in the economic development of the State and about 70 per cent of the population depends on agriculture as source of livelihood.

The geographical feature of the State is dominated by the Aravalli range which divides the State into two distinct zones. The region to the west and the nort-west comprising of 12 districts zones and nearly 61 percent of the total area of the State is known as the great Indian Thar Desert where the soil type is sandy, poor in nitrogen and water holding capacity is low. The southeast and eastern part of the Aravalli range is productive for agriculture purposes having clay loam soil type. The rainfall fluctuates from 200-550 mm in western and semi arid parts to 550-1000 mm per annum in southeastern and eastern part of the Aravalli range.

Major crops of the State are bajra, Jowar, maize, moth, kharif pulses, guar, groundnut, cotton, soyabeen and paddy in kharif and wheat, gram, mustard in rabi. The area, production and yield of important crops in Rajasthan during 2001-02 and 2002-03 are given at Annexure-I.

Some features that act as constraints to development of agriculture in the State are as under:

- Agriculture is rainfed.
- Rainfall is highly inadequate and aberrant in nature. Period of monsoon is short with onset late and withdrawal early.
- 61 percent area lies in arid and semi arid tracts where soil has poor fertility, low water holding capacity and high infiltration rate.
- Higher growth rate of population with low level of literacy, particularly female literacy, and high percentage (30%) of population belonging to SC/ST, most of whom live below poverty line and unable to absorb new technology.
- Inadequate spread of retail outlets for agriculture inputs, poor banking facilities, inadequate supply of power and lack of post-harvest marketing and processing infrastructure support.

Looking to the above salient features and constraints, special attention needs to be given for accelerated development and stabilization of agriculture production through increased emphasis on dry land farming and communication of improved technologies and increased consumption of inputs to bring about improvement in yields in existing crops. Better utilisation of the existing irrigation potential, reduction in water losses during conveyance, popularisation of water saving devices and practices and on farm development will be necessary to reduce dependency of agriculture on monsoon and maximising output per unit of water.

Due attention has been given in the Tenth Plan to land management, water management, crop diversification and development of infrastructural and institutional support in rural areas. The thrust areas adopted for accelerated development of agriculture production are:

Thrust Areas

- Utilisation of wastelands and un-utilised/under-utilised lands.
- Reclamation/development of problem soils/lands.
- Rainwater harvesting and conservation for the development of rainfed areas.
- Diversification to high value crops/activities.
- Increasing cropping intensity.
- Strengthening of marketing, processing/value addition infrastructure.
- Bridging the gap between research and farmer's yields.
- Cost-effectiveness while increasing productivity.
- Conservation of threatened breeds of livestock and improvement of breeds used for draught and pack.
- Adequate availability of fodder seeds and improvement of pasture lands.
- Continued emphasis on progressive institutionalisation for providing timely and adequate credit support to farmers.

Animal Husbandry

The total animal population of the state as per 1997 livestock census was 543.48 lakh. Rajasthan has about 7% of the country's cattle population. It contributes 19% of the state GDP. Animal Husbandry sector faces problems of low productivity across all the species in spite of large number of livestock. Almost 60% of all cattle and about 80% of buffaloes are non-descript and have very low milk yield. Growth in milk production is very slow. The other constraints of the sector are as follows:

- Small size of land holding, shrinkage in grazing and pasture lands over a period of time.
- Widening gap between demand and supply in respect of fodder.
- Increasing population of unproductive cattle.
- Lack of scientific and organized breeding programme of cattle

Fisheries

Rajsthan possesses a large area of inland water bodies, which offer good potential for development of both semi-intensive and extensive system of cultural based fisheries During the years of good rainfall available fresh water resources are about 3.30 lakh hectare collected in tanks, ponds, and rivers. Besides, there exists 0.04 lakh hectare brackish water bodies and perennial flowing system, 214 Km. Long Indira Gandhi Feeder Canal and about 500 Km. Under I.G.N.P. in the North West part of the state. The fish production varies between 12000 to 14500 tonnes in the state depending on the availability of the fresh water.

The State Government should make a plan to utilize number of water bodies for production of sweet water fish, which fetches very high price in the market in metro cities as well as in big cities of Rajasthan. The State Government should exploit this sector, and support fish farmers by providing them input assistance, storage with provision of ice, transport and market support.

10th Plan outlay, Annual Plan outlays and expenditures during 2002-03 and 2003-04, approved outlay for 2004-05 and proposed outlay for 2005-06 for Agriculture & Allied Activities are given at **Annexure-II.**

Issues

1. Depletion of ground water, degradation of quality of land and soil and fragmentation of land holdings due to increase in population are major challenges facing agriculture development in Rajasthan. There is immediate need for long term planning to reduce the biotech pressure on the land and reverse the trend of mining of ground water resources. There is a huge gap between irrigation potential created and its utilization. This has resulted in expenditure being incurred and infrastructure being created without any meaningful returns in terms of agriculture and fodder development. This needs special attention.

2. There is need for value addition and processing of horticulture crops.

3. Livestock is the mainstay of large number of people. Huge tracks of Gochar Lands (common pasture lands) are completely degraded and unable to sustain grasses for grazing of cattle and are lying unutilized in the State. In addition to providing more resources for this sector, an integrated programme for pasture development and the programme on sheep and goat, are necessary.

4. Central Government has now initiated a new Centrally Sponsored Scheme "Livestock Health and Disease Control" which would greatly help the State for immunization of animals against the most common diseases This scheme should be fully implemented.

5. Rajasthan has outstanding indigenous breeds of cattle, sheep and goat. The state should lay emphasis on speedy implementation of this scheme so that it could avail the benefits of this Centrally Sponsored Scheme. National Project on Cattle and Buffalo Development, if implemented fully well and on a larger scale, will help faster development of cattle. The State should also take suitable measure for more progressive marketing of milk.

6. There is large number of credit linked subsidy schemes such as rural godowns, cold storage, onion storage and commercial horticulture schemes. Efforts need to be made to ensure that benefits of these schemes are availed.

7. Self Help Group (SHG) funding through NABARD has been an important input in development in a large number of States There is need to ensure setting up of similar effective groups for agriculture development.

Annexure-I

Area, Production & Yield of Major Crops in Rajasthan							
	(Area-Million Ha.), (Prod. - Million Tonnes), (Yield- Kg./Ha.)						
		2001-02			2002-03		% Coverage under Irrigation
	Area	Production	Yield	Area	Production	Yield	(2000-01)
Food grains	12.74	14.00	1099	8.66	7.57	874	28.9
	(10.38)	(6.58)	(1734)	(7.77)	(4.35)	(1562)	(43.4)
Wheat	2.29	6.39	2793	1.8	4.88	2709	98.8
	(8.69)	(8.78)	(2762)	(7.24)	(7.50)	(2618)	(88.1)
Coarse Cereals	6.95	6.01	864	4.98	2.14	430	7.9
	(23.54)	(18.00)	(1131)	(18.93)	(8.46)	(962)	(12.5)
Jowar	0.61	0.25	414	0.58	0.1	177	0.7
	(6.22)	(3.31)	(771)	(6.30	(1.41)	(769)	(7.9)
Bajra	5.13	3.82	745	3.2	0.72	224	4.7
	(53.83)	(46.14)	(869)	(42.11)	(15.55)	(610)	(8.0)
Maize	1.02	1.48	1454	0.98	0.87	885	7.8
	(15.50)	(11.25)	(2000)	(15.58)	(8.45)	(1642)	(22 4)
Total Pulses	3.36	1.43	425	1.8	0.48	269	16.1
	(15.27)	(10.70)	(607)	(8.98)	(4.31)	(556)	(12 5)
Gram	0.97	0.74	759	0.45	0.34	757	50 8
	(15.11)	(13.53)	(853)	(7.94)	(8.23)	(728)	(30.9)
Lentil (Masur)	0.02	0.02	906	0.01	0.01	966	N.A.
	(1.36)	(2.06)	(664)	(0.76)	(1.14)	(663)	N.A.
Nine Oilseeds	3.11	3 13	1008	2.45	1.75	716	49 5
	(13.74)	(15.15)	(913)	(11.55)	(11.62)	(710)	(23 0)
Groundnut	0.24	0.3	1227	0.24	0.17	687	42
	(3.85)	(4.27)	(1127)	(4.03)	(3.90)	(733)	(17 6)
Rapseed & Mustard	1.84	1.94	1056	1.52	1.32	868	80 5
	(36.29)	(38.19)	(1002)	(33.63)	(33.67)	(866)	(66 1)
Note:	Figures in brackets in respect of Yield and % coverage under irrigation are All India levels.						

Annexure-II

Annexure-II

(Rs. Lakhs)

	10th Plan	2002-03			2003-04			2004-05	2005-06
	Outlay	Outlay	Exp.	Exp. as % of Outlay	Outlay	Exp.	Exp. as % of Outlay	Outlay	Proposed Outlay
1. Crop Husbandry (incl. Horticulture)	10580.58	2267	1316.59	58.08	1828	1589.42	86.96	2479.75	5528.32
2. Soil & Water Conservation	26226.89	125	23	18.40	46	43.74	94.55	48.42	45.06
3. Animal Husbandry	5463.90	784	442.03	56.38	512	568.85	111.06	794.19	2068.42
4. Dairy Development	0.01	0	0	0.00	0	483.00	0.00	0.01	0.01
5. Fisheries	302.89	64	38.16	59.63	36	19.62	53.98	39.15	42.53
6. Forestry & Wildlife	114570.43	17352	427.82	2.47	1500	3697.99	246.53	9525	11915.87
7. Food, Storage & Warehousing	1032.46	210	350.05	166.69	225	194.84	86.60	240	255
8 Agricultural Research & Education	1815.23	322	321.72	99.91	343	342.57	100.00	366.93	578.42
9. Agricultural Financial Institutions	2615.63	552	550	99.64	551	1949.00	353.71	550.61	650.02
10. Cooperation	1856.93	735	3918.9	533.18	149	98.43	65.91	178.63	915.74
Total	164464.95	22411	7388.3	32.97	5191	8987.46	173.15	14222.7	21999.39

(II) RURAL DEVELOPMENT

The percentage of rural population living below the poverty line in the State of Rajasthan has declined from 26.46 percent in 1993-94 to 13.74 percent in 1999-2000. The corresponding All India figures were 37.27 per cent in 1993-94 and 27.09 per cent in 1999-2000. In absolute term, number the persons living below poverty line have decreased from 94.68 lakh in 1993-94 to 55.06 lakh in 1999-2000 in Rajasthan.

Rural Poverty Alleviation Programmes:

The major rural poverty alleviation programmes are:

Swaranjayanti Gram Swarozgar Yojana (SGSY): Swaranjayanti Gram Swarozgar Yojana (SGSY) is a holistic programme of micro enterprise development in rural areas with emphasis on organizing the rural poor into self help groups, capacity building, planning of activity clusters, infrastructure support, technology, credit and marketing linkages.

Sampoorna Grameen Rozgar Yojana (SGRY): The objective of the SGRY is generation of wage employment, creation of durable economic infrastructure in rural areas and provision of food and nutrition security to the poor. The works taken up under the programme are labour intensive and the workers are paid the minimum wages notified by the States.

Indira Awaas Yojana (IAY): The IAY is the core programme for providing free housing to BPL families in rural areas and targets SCs/STs households and freed bonded labourers.

Financial and Physical performance under major centrally sponsored schemes i.e. Swarnjayanti Gram Swarozgar Yojana (SGSY), Sampoorna Grameen Rozgar Yojana (SGRY) and Indira Awaas Yojana (IAY) during the Tenth Plan Period is given in Annexure I & II respectively.

The major issues under major rural poverty alleviation programmes in the State are as under:

The percentage of credit disbursed under SGSY in the State vis-a-vis the credit target set for the State was 97.05% in 2003-04. Under the programme, Per family investment is higher than the norm of Rs. 25,000 (Rs. 36221 in 2003-04). Subsidy credit ratio is also higher at 1:3.32 in 2003-04 as against the norm of 1:3. 47.64% of the total swarozgaris assisted were women in 2003-04. During the same period, the percentage of SC and ST assisted in the State under the scheme are 31.93% and 17.30% respectively. However, the SHG movement has not picked up in the State and assistance is mainly confined to individuals. Further, percentage of expenditure on training/capacity building under SGSY is quite low (1.88% in 2003-04). As such, formation, training and capacity building of SHGs needs to be given priority. Marketing is an important component of the programme. Steps may be taken to ensure effective market linkages are established with an emphasis on market research, upgradaton/diversification of projects, packaging, creation of marketing facilities, etc. The SHGs formed under the SGSY can play a major role in convergence with various programmes of other departments targetting the rural poor.

Apart from the financial and physical progress reported under SGRY in the table, it is observed that under SGRY-I, 87.41% of the authorized foodgrains were utilized, 97.08% of foodgrains lifted were utilized in 2003-04. During the same period under SGRY-II, 82.90% of foodgrains authorized were lifted and 92.76% of the foodgrains lifted were utilized.

Recently, National Food for Work Programme (NFWP) has been launched in selected backward districts. 100% Central funding is being provided under the programme. The State Government may take appropriate steps for the implementation of the programme. The scheme is being implemented in 5 districts of the State.

The State Government of Rajasthan may be asked to earmark the Additional Central Assistance (ACA) of Rs. 3771.19 lakh for National Social Assistance Programme (NSAP) including Annapurna for Annual Plan 2004-05 alongwith the State Budget provision or actual expenditure whichever is higher for the schemes during 2000-01.

Major findings of the Impact Assessment Study on Rural Development Programmes in Sriganganagar District in Rajasthan (1998-2001)

- The major assets created under the rural development programmes are drains, roads, culverts, ponds and rooms for the panchayat building.
- The assets created for collective benefits were maintained by the respective village panchayats.
- The assets created through rural development programmes were in use and beneficiaries reported these to be durable and sustainable.
- There has been an under utilization of available funds in most of the rural development programmes. This was mainly due to the late receipt of the funds from Centre and State Governments and the inadequacy of staff to implement the scheme.
- No grounds were formed under SGSY during 2000-01. The benefits were given to individuals and after a basic orientation. No formal training on occupational skill, marketing strategies, etc. was imparted.
- Guidelines and norms under IAY regarding construction of sanitary latrines and installation of smokeless chullahas were not followed.
- Under JRY and EAS, according to guidelines, employment should be provided to local needful community, but in practice intermediaries were involved in the construction of assets and management of labour.
- Survey responses revealed that shelter is the most important need of the area followed by wage employment.
- On the one hand, beneficiaries are not completely aware of the details of each of these schemes, on the other, the officials at district or village levels also do not follow proper procedure of monitoring to ensure whether the scheme is being followed as planned.
- There was poor accounts maintenance at the DRDA level. There is a need for validation of the process of information keeping at DRDA.
- The participation of women in panchayat activities is limited. Women representatives are not aware of their rights and responsibilities and act on the advice of male members of their family.

- Only four obligatory meetings of the Gram Sabha are organized in a year where some dominant people, Sarpanch and the Secretary participate in decision making as such the people's participation is weak. Lack of awareness was also responsible for low participation of the people in the process of development. It appeared that beneficiaries are passive recipients.
- Other problems identified include forging of BPL certificates, payment of lower wage rates and absence of training for the implementation staff.
- Majority (90%) of the beneficiaries mentioned improved social status after getting the assistance under rural development programmes. A positive impact was also noticed on improved capabilities. For example, their ability to repay debt, to get credit, starts a business, spend on children's education fee or the doctor's fee has improved. However, only 20% felt that there had been a sustained improvement in employment.
- It was noticed that rural development programmes have impacted on poverty decline and 34.5% beneficiaries had crossed the poverty line. However, once the amount of assistance is used up, the beneficiaries fall back to their earlier status. Thus, these schemes help them to overcome some crisis only in the short term. A long-term solution to their basic question of poverty is not provided by these schemes.

(III) MINERALS

Rajasthan is one of the most important mineral producing states of India. It has wide variety of minerals including copper, zinc, lead, and tungsten. The state is a leading producer of rock phosphate, granite, gypsum, limestone, asbestos, feldspar, quartz, silica sand and lignite etc. The reserve position of various minerals as on 1.4.2002 is given in Annexure- I.

Plan outlay

Scheme wise Plan outlay for Tenth Plan, Expenditure incurred during AP 2002-03, A.P. 2003-04, Approved plan outlay & anticipated expenditure in AP 2004-05 and proposed Plan outlay for 2005-06 are given at Annexure –II.

A brief account of schemes is given as under:

A. **Directorate of Mines & Geology**

The Directorate of Mines and Geology is responsible for intensive prospecting and mineral survey, detailed exploration, organization of mineral administration by granting mineral concession, providing technical guidance to leases, collection of revenue, checking of unauthorized mining and evasion of royalty.

A provision of Rs. 1182.39 lakhs was made for the Tenth Five Year Plan for continuing the above-mentioned scheme. An expenditure of Rs. 62.04 lakhs has been incurred during 2003-04. Rs. 144.92 lakhs would be the anticipated expenditure in the year 2004-05. A sum of Rs. 361.40 lakhs is proposed for AP 2005-06. Schemes wise details are given as under:

1. Intensive Prospecting & Mineral Survey and Reorganization & Expansion of the mines & Geology Department

Mineral survey and prospecting in the State is to be continued for the discovery and systematic exploration of new mineral deposits. A sum of Rs. 71.70 lakhs has been provided under this scheme of which Rs. 42.45 lakhs is for meeting committed liability of machinery, equipment, tools and plants (METP) and Rs. 29.25 lakhs for new items under capital head.

2. Research, Development and Training

A sum of Rs. 1.25 lakhs has been proposed for training and seminars and sample analysis of Gold and Platinum in National Laboratories.

3. Construction of Mine's Approach Road and Department's Building

A sum of Rs. 267.45 lakhs has been proposed for construction of remaining mines approach roads.

4. Environment Restoration Scheme

For environmental degradation studies, a sum of Rs.0.50 lakhs has been proposed for purchasing water quality testing and air quality testing equipments for AP 2005-06.

5. Mines Safety, Safety Education and Training - Mines

Under this scheme an amount of Rs. 0.50 lakhs has been proposed to carry out mass awareness programme among mine workers in different mine cluster areas.

6. Building E-Business Infrastructure in Mineral Sector of Rajasthan

Under this scheme, various subordinates offices of the department will be covered under e-business infrastructure by installing Pentium based computers, laser printer, UPS, Modem with accessories. Rs.20.00 lakhs has been proposed for building e-busisness infrastructure in the state during Annual Plan 2005-06.

B. Rajasthan State Mineral Development Corporation Ltd. (RSMDC)

The RSMDC has been merged since 20th Feb., 2003 with RSMML. Hence no provision has been kept for 2005-06.

C. Rajasthan State Mines and Minerals Ltd. (RSMM)

Rajasthan State Mines and Mineral Ltd. is engaged in mining of rock phosphate and its beneficiation at Jhamar Kotra Mines in Udaipur, gypsum in Bikaner, steel grade limestone at Sanu in Jaisalmer and green marble at Kesariajee in Udaipur

A sum of Rs. 68196.78 lakh, generated through internal resources, will be spent on various projects during Tenth Five Year Plan. Against this Rs. 4100.00 lakh has been generated through internal resources during 2004-05. For A.P.2005-06, a sum of Rs. 4529.00 lakh is proposed to be generated and invested through internal resources.

D. Directorate of Petroleum

Petroleum is an emerging sector in the State. The revenue earned from oil and gas sector was of the order of Rs. 25.00 lakhs in 1996-97 which is increased to Rs. 392.00 lakh during 2003-04. Significant revenue is likely to be generated in the coming years from various projects. In order to expedite the exploration and development of Oil and Natural Gas in the State, a provision of Rs. 235.74 lakhs was made in the Tenth Five Year Plan. Rs. 40.40 lakhs would be the anticipated expenditure during 2004-05 An outlay of Rs.52.00 lakh has been proposed for AP 2005-06.

Issues for consideration

1. Scheme wise physical and financial performance of the mineral sector for the year 2004-05 need to be given in the plan document.

2. The multiplicity of legislation in respect of forest cover over mineral wealth, environment, mining and labour needs to be looked in for attracting private investors including FDI.

3.Need to bring the competitiveness in the areas of marble and granite mining and actions should be taken for value addition products.

4.Information need to be given on exploratory work and the level of investment made by the multi-National companies (MNC's) like De Beers, Rio Tinto, BHP, Phelps Dodge and Anglo American etc. in the State.

5. The reasons for merging Rajasthan Mineral Development Corporation (RSMDC) with Rajasthan State Mines and Minerals Ltd. need to be given indicating the use of allocated funds (Rs.2089.61 lakhs) in Tenth Plan to upgrade directorate M&G (EAP) in which RSMDC was included.

Annexure II

PLAN OUTLAY

Scheme	**Tenth Plan Outlay**	**AP 2002-03 Actual Exp.**	**AP2003-04 Actual Exp.**	**AP2004-05 Outlay**	**Ant.Exp**	**AP 2005-06 Proposed Prop Outlay**	**Of which Capital**
A. Mines & Geology	1182.39	66.50	62.04	144.92	144.92	361.40	359.65
B. Up gradation-Directorate M&G (EAP)*	2089.61	-	-	0.01	0.01	-	-
C .Raj. State Mines & Minerals Ltd	68196.78	5879.18	3555.99	4100.00	4100.00	4529.00	4529.00
D. .Petroleum	235.74	33.02	29.99	40.40	40.40	52.00	7.60
Total	71704.53	5978.70	3648.02	4285.33	4285.33	4942.40	4896.25

* Rajasthan Mineral Development Corporation merged with Raj. State Mines Minerals Ltd. since Feb. 2003.

Annexure-I

Reserves/Resources of Minerals (As on 1-4-2002): Rajasthan

(in '000 tonnes)

Mineral	Proved	Probable	Possible	Total
In situ Reserves				
Apatite(t)	5684	30,000	-	35684
Asbestos(t)	3065378.52	3485056	5660225.48	12210660
Ballclay(t)	5527001.69	5622345.88	13293858.50	24443206.07
Barytes(t)	484435	1506382	1151237.75	3142054.75
Bauxite	-	-	528	528
Bentonite(t)	35771987	105980650	136116400	277869037
Calcite(t)	1394041	2034694	3360245	6788980
China clay	40947.6	33128.65	262501.63	336577.88
Copper				
Ore	37519	53778	103776	195073
Metal	470	698	1383	2551
Corundum(t)	-	-	11925	11925
Diatomite	792	-	1440	2232
Dolomite	69640.43	56744.54	72058.53	198443.5
Emerald	----------	----------	Not Estimated	----------
Feldspar(t)	14227550.18	1099548.26	23816839.02	48243937.46
Fireclay	9903.64	5025.49	39992.46	54921.59
Fluorite(t)	1188617	965593	293034	2447244
Fuller's earth(t)	-	350000	189709080	190059080
Garnet(t)	19639.25	64459.17	66804.30	150902.72
Granite('000 cu.m.)	-	22500	8456908	8479408
Graphite(t)	59878	207967	446589	714434
Gypsum	70079.81	36869.08	58858.63	165807.52
Iron Ore				
Haematite	2070.94	12682.11	5577.22	20330.27
Magnetite	15	60	464	539
Kyanite(t)	8062	14020	31620	53702
Lead & zinc				
Ore	75364	45350	79494	200208
Lead (metal)	1487.25	1015.03	1794.58	4296.86
Zinc (metal)	6599.15	3807.20	5135.99	15542.34

Limestone	190065	60526.19	10786807	18829490
Magnesite	1863.47	1808.21	48799.25	52470.93
Marble	2591	215683	925826	1144100
Mica(kg)	9668	5636	1991521	2006825
Managanese ore	646.80	323.40	1003.5	1973.5
Ochre(t)	8161270	8683065	16,973,781	33,818,116
Pyrite	15184	25462	4022	44668
Pyrophyllite(t)	397074	213987	198929	809990
Quartz/Silica Sand	35344	66362	50246	1511952
Quartzite	39	31	103	173
Silimanite(t)	-	-	1734	1734
Silver				
Ore (t)	63070000	41442000	55283000	159795000
Metal (t)	3478.53	2993.83	2799.63	9271.99
Talc/steatite/ Soapstone	76271.9	21849.77	65617.18	163738.86
Tungsten				
Ore(t)	-	963666	17000628	17964294
WO3 (t)	-	1421	90172	91593
Vermuculite(t)	3555	13000	11100	27655
Wollastonite(t)	1934402	8189447	1355280	11479129

(IV) LABOUR AND EMPLOYMENT

Population

The states population has been growing at a rate much faster than the national average as would be evident from the following table.

Year	Population (in lakhs)		Variation over previous decade (%)	
	Rajasthan	India	Rajasthan	India
1981	343	6852	+32.97	+25.00
1991	440	8463	+28.44	+23.56
2001	565	10270	+28.33	+21.34

The above table revels that decadal growth rate has declined during 1981-91 from 32.97 to 28.44 % and 1991-2001 by 28.44 % to 28.33 %. Despite this deceleration, there are social, economic and traditional reasons for such a high growth rate, which need to be dealt with. The rapid pace of population growth is exerting pressure in the labour market; on social institution like schools, hospitals etc.

Labour force and unemployment estimates.

With a view to assessing the extent of the problem of unemployment, it is necessary to estimate the number of persons expected to become available for employment and the employment opportunities likely to be generated during the Annual Plan 2004-05. In Chapter 13 "Manpower and Employment", of Annual plan 2005-06 Government of Rajasthan has estimated and provided information on total number of employment opportunities required to be generated, backlog of unemployed persons at the beginning of the plan and addition to the labour force during 2005-06 on the basis of field survey of the 55th round of N.S.S O conduced in Rajasthan. Planning department is of the view that usual activity status is determined with reference to a longer period than a day or week. Therefore, adoption of usual status is considered to be more appropriate for estimation of labour force and backlog of unemployment. It is estimated that on the

bases of usual status the Annual Plan 2005-06 is going to start with the back log of about 2.53 lakhs persons.

Based on the Central Sample Results of 55th round of NSS (usual status) labour force projections worked out by Planning Department are as under

Projection of Labour Force

(In lakh)

Age group	Total population as on 1st March		Labour force as on 1st March		Addition to Labour Force during
	2005	**2006**	**2005**	**2006**	**2005-2006**
5+	535.07	547.35	231.32	236.59	**5.27**
15+	366.69	375.13	220.07	225.09	**5.02**
15-59	325.95	333.46	205.26	209.96	**4.70**

As per the estimates presented in the above table by planning department of Rajasthan, the addition to labour force in the age group 5 and above during annual plan 2005-06 in Rajasthan is estimated at 5.27 lakh persons.

Increase in population and expansion off education facilities has resulted into corresponding increase in the labour force and educated job seekers respectively. According to plan document 8.10lakh persons registered on the live register of Employment Exchanges as on 31-08-2004. There are a significant number of unemployed persons registered in employment exchanges possessing technical and professional qualification. Apart from accelerating the pace of investment under employment potential sectors special measures are necessary to tackle the problem of educated unemployment.

Annual Plan 2005-06 Proposed Outlay

The important elements of labour and labour welfare are improvement in the quality of labour and its productivity, skill and working conditions and provision for welfare and social security measures. The programmes in labour and labour welfare sector include skill formation and development strengthening of employment services promotion of industrial safety rehabilitation of bonded labour and enforcement of labour laws etc. The plan outlay for the labour and labour welfare sector as per details is given below.

(Rs. Lakh)

S.No.	Departments	Tenth Plan (2002-07)	Annual Plan 2003-04 Likely Expenditure	Annual Plan 2004-05 Likely Expenditure	Proposed Outlay (2005-06)
1	Craftsman Training	2122.10	84.80	110.00	115.50
2	Employment	256.75	20.25	171.22	90
3	Labour Commissioner Office	37.39	9.98	17.40	35.03
4	Factories and Boilers	114.81		19.51	22.20
5	Bonded labour	4.74	1.00	1.00	1.00
6	Man Power and Gazetteers	40.28	1.92	5 20	10.50
	Total	**2576.07**	**117.95**	**324.33**	**274.23**

The likely expenditure during 2004-05 is Rs.324.33lakh. In the light of this proposed outlay for the year 2005-06 is very low i.e. Rs.274.23 lakh

Craftsman Training (Industrial Training Institute)

In view of the limited scope for wage employment due to financial constraints. the thrust is now on self- employment. The facilities for vocational guidance and assistance for self-employment to the educated persons are, therefore being given emphasis. In the State, Technical training facilities will be improved and be imparted in emerging areas to cater to the changing needs.

During A.P. 2005-06 the State will give emphasis on strengthening of the existing I.T.I's. State has proposed an amount of Rs.115.50lakh for this activity for the year 2005-06 out of this 108.70 lakhs is for meeting committed liabilities and Rs.6.80 for new item.

Employment Services.

There are about 8 lakh persons on the live register of 40 employment exchanges in the State. In view of the limited scope of the wage employment through the employment exchanges, there is need to reorient their functioning. The existing over emphasis on registration and placement need to be replaced by focus on career counseling and vocational guidance. An amount of Rs.90.00lakh has been proposed for the year 2005-06 for assisting unemployed persons through employment exchanges Out of the proposed outlay an amount of Rs.16.87.lakh has been kept for computerization of Directorate and exchanges.

Industrial Safety and Health

There is a separate Factories and Boilers Inspection Department in the State. For various activities of this department a provision of Rs.114.81 lakh has been made in Tenth Plan. For Annual Plan 2005-06 Rs.22.20 has been proposed for new items.

Bonded Labour

This is a centrally sponsored scheme on 50:50 sharing basis. For the rehabilitation of bonded labourers , an amount of Rs. 1.00 lakh has been kept for the year 2005-06

Man Power and Gazetteers

For manpower and gazetteers department, an outlay of Rs.10.50 lakh has been proposed in Annual Plan 2005-06. The activities of this department relates to suggesting linkages between investment and employment, in determining sectoral priority / allocation and identification of employment potential areas and special measures necessary for providing employment to women and SC/ST persons and quantify their impact. Directorate of gazetteers has been preparing and publishing District Gazetteers of the State.

Tenth Plan Strategy for generation of employment opportunities in Rajasthan.

The State Government has adopted the following strategy for providing employment opportunities in the State.

- Labour intensive programmes are being taken up on priority.
- Special wage employment oriented programmes viz. Sampooran Gramin Rojger Yojana , etc. are being implemented with increase emphasis.
- Poverty alleviation and employment generation is being attempted in urban areas through programmes like PMRY, NRY, PMIUP, and UBS etc.
- Considerable expansion in the formal and non-formal educational network through various schemes including technical education with stress on vocational education.
- Step up in coverage under various schemes of self - employment.
- For enhancing employment opportunities through rural development the priority has been given to the development of basic infrastructure facilities in the rural area.

Important Issues.

i) Ground level situation about the employment and unemployment situation in the state should be discussed in greater details in the Plan Document. In this regard it would be useful if State sample results of the NSSO surveys are analyzed and presented by the State Government

ii) In addition to this, progress of the schemes in terms of utilization of resources, physical performance of the Plan schemes should also be discussed.

iii) The availability of the infrastructure for vocational training in terms of seating capacity in I T I s of the state is insufficient and need expansion.

iv) The seat utilization in respect of Apprentices of Training Schemes is very low in Rajasthan state (between 36 % in case of trade Apprentices and 5% in case of Technician Apprentices) as compared to all India (please see Table given below)

Details of Seats Utilisation in respect of Apprentices of Training Schemes (Position as on 30.06.2000)

S.No	Type of Apprentices	No. of. Seats Located		No. of .Seats Utilised		% of Seats Utilisation	
		All India	Rajasthan	All India	Rajasthan	All India	Rajasthan
1	Trade Apprentices	18690	6865	133034	2492	71	36
2	Graduate Apprentices	20316	642	7671	37	38	6
3	Technician Apprentices	38874	1146	21070	56	54	5
4	Technician Vocational Apprentices	20546	444	5109	35	25	8

(V) POWER:

The Rajasthan State Electricity Board (RSEB), which was established under Section 5 of the Electricity (Supply) Act, 1948 on 1.7.1957 was the main agency for development of power sector in the State till January 2000. Under the State Government Reforms Act, 1999, the electricity sector has been restructured and the following five companies have come into being, in place of erstwhile RSEB:-

A) Rajasthan Rajya Vidyut Utpadan Nigam Ltd. - for Generation
B) Rajasthan Rajya Vidut Prasaran Nigam Ltd. - for Transmission
C) Jaipur Vidyut Vitaran Nigam Ltd.)
D) Ajmer Vidyut Vitaran Nigam Ltd.) → for Distribution
E) Jodhpur Vidyut Vitaran Nigam Ltd)

Installed Capacity (I.C)

(MW)

	Hydro	Steam	Gas	Wind	TOTAL
(i) As on March, 2002	971.62	1975.00	38.50	16.10	3001.22
(ii) Addition during					
2002-03	-	-	75.30	-	75.30
2003-04	-	445.00	-	44.60	489.60
I.C.(31.03.2004)	**971.62**	**2420.00**	**113.80**	**60.70**	**3566.12**

The Rajasthan State's share in Central Sector Power located in the Northern region is detailed below:-

Central Sector Share	**Rajasthan's Share**	
	(MW)	
HYDRO (NHPC)		
1. Tanakpur (91 MW)	11.0	(12.09%)
2. Salal II (3x115 MW)	29.6	(8.58 %)
3. Chamera - I (3x180 MW)	46.4	(8.59 %)
4. Uri HEP (4x120 MW)	43.0	(8.96 %)

5. Nathpajhakri HEP (6x250 MW)	112.0	(7.47 %)
6. Chamera II HEP (3x100 MW)	29.0	(9.67%)

THERMAL (NTPC)

1. Singrauli STPS (5x200 + 2x500 MW)	300.0	(15.00 %)
2. Rihand STPS (2x500 MW)	95.0	(9.50 %)
3. Unchahar I (2x210 MW)	20.0	(4.76 %)
4. Unchahar II (2x210 MW)	38.0	(9.05%)
5. Anta CCGT (3x88 + 1x155 MW)	83.0	(19.81%)
6. Auriya CCGT (4x112 +2x107.5 MW)	61.0	(9.20 %)
7. Dadri Gas (4x131 +2x146.5 MW)	77.0	(9.28 %)

NUCLEAR (NPC)

1. RAPP I (2x220 MWe)	300.0	(100.00%)
2. RAPP Extn (2x220 MWe)	87.0	(20.00%)
3. Narora APP I (1x235 + 1x220 MWe)	44.0	(10.00%)
TOTAL	1376.00	

Villages Electrified and Pumpsets Energised

		Cumulative Achievement As on 10/2004
Villages electrified	(No.)	37272 (98.4%)
Pumpsets energised	(No.)	713596 (113.2%)

Operational Performance

YEAR	PLF (%)		T&D Losses(%)	
	RRVUNL	ALL INDIA	RRVPNL	ALL INDIA
End of 8th Plan (1996-97)	75.60	64.40	25.88	24.53
End of 9th Plan (2001-02)	85.20	69.00	40.02	29.90
2002-03	88.40	72.20	42.61	32.54
2003-04	82.70	72.70	N.A	N.A
2004-05 (April to Nov.,2004)	80.80	72.90	N.A	N.A

Financial Outlays

	All Sector (Rs. Cr.)	Power Sector (Rs. Cr.)	Power Sector Outlay as % of All Sector Outlay
Tenth Plan			
Projected outlay -	27318.00	6674.22	24.43
2002-03			
Approved -	5160.00	1114.00	21.59
Actual -	4431.07	1220.07	27.53
2003-04			
Approved -	4258.00	1186.00	27.85
R.E -	5504.52	1653.71	30.04
2004-05			
Approved -	6797.50	1816.18	26.72

Tenth Plan (2002-2007) - Capacity Addition Programme

The feasible capacity addition during the Tenth Plan period is 41,110 MW at All India basis. This covers the following power projects under the State and Private Sector for the Tenth Plan period:-

STATE SECTOR PROJECTS:

i.	Ramgarh GT-2	75.32 MW (Commissioned)
ii.	Matahania CCPP	140.00 MW (On-going)
iii.	Kota TPS ST IV	195.00 MW (Commissioned)
iv.	Suratgarh - III	250.00 MW (Commissioned)
	Total (State Sector)	660.32 MW

PRIVATE SECTOR PROJECTS:

- NIL -

SHARE IN CENTRAL SECTOR PROJECTS:

The Rajasthan State would also get its share in the Central Sector hydro, thermal and nuclear Power Stations located in the Northern region which have been taken up tentatively during the 10th Plan period. The details of these projects are given below:

Sl. No.	Name of the Project	Organisation	Total Capacity (MW)	Share of Rajasthan
1.	Chamera II (HP)	NHPC	300	29.0 (9.67%)
2.	Nathpajhakri (HP)	NJPC	1500	112.0 (7.47%)
3.	Dulhasti (J&K)	NHPC	390)	
4.	Tehri St. I (UP)	THDC	1000)	
5.	Chamera II (HP)	NHPC	300)	Yet to be
6.	Dhauliganga (Uttranchal)	NHPC	280)	decided
7.	Sewa II (J&K)	NHPC	120)	
8.	Koteshwar (Uttranchal)	THDC	400)	
9.	Tehri PSS (Uttranchal)	THDC	1000)	
10.	Rampur (HP)	NJPC	400)	
11.	Rihand II (UP)	NTPC	1000)	
12.	Unchahar III (UP)	NTPC	210)	
13.	Dadri II (UP)	NTPC	490)	
14.	Barsingsar lignite (Raj.)	NLC	250)	
	TOTAL		7340	

Power Supply Position

Year	Peak MW	Deficit %	Energy MU	Deficit %
1996-97 (at the end of the 8th Plan)*	(-)174	5.6	(-) 1485	7.4
1997-98 (beginning of the 9th Plan)	(-) 29	0.9	(-) 367	1.8
2001-02 (at the end of the 9th Plan)	(-) 43	1.2	(-) 250	1.0
2003-04 (at the end of March, 2004)	0	0.0	(-) 125	0 5
2004-05 (April-Nov.,2004)	0	0.0	(-) 76	0.4

STATUS OF HYDRO ELECTRIC POTENTIAL
(HYDRO POTENTIAL AT 60% LOAD FACTOR IN MW)

	RAJASTHAN	NORTHERN REGION	ALL-INDIA
1. Total Potential	291.00	30155.00	84044.00
2. Potential developed	192.67	4591.07	14003.43
(%)	(66.21)	(15.22)	(16.66)
3. Potential under development	8.00	2513.50	5294.05
(%)	(2.75)	(8.34)	(6.30)
4. Total developed & under development	200.67	7104.57	19297.48
(%)	(68.96)	(23.56)	(22.96)
5. Balance Potential	90.33	23050.43	64746.52
(%)	(31.04)	(76.44)	(77.04)

RVPN (including Discom.) Financial Performance

The financial performance of Rajasthan Rajya Vidut Prasaran Nigam Ltd. and three distribution companies for the year 2002-03 (Actuals), 2003-04 (Actuals), 2004-05 (RE) and 2005-06 (A.P) as indicated during the Resources Discussion held for Annual Plan 2005-06 is indicated below :

	2002-03 (actual)	2003-04 (actual)	2004-05 (RE)	2005-06 (AP)
Average Cost of supply (paise/Kwh)	449.65	466.22	421.17	413.55
Average Tariff (paise/Kwh)	307.32	315.88	316.28	318.06
Percentage Recovery (%)	68.35	67.75	75.10	76.91
Net Commercial Loss (Rs. Cr.)	(-)699.91	(-)627.82	(-)1051.86	(-) 890.79
(with subsidy)				
Net Commercial Loss (Rs. Cr.)	(-)1140.50	(-)1455.46	(-) 2090.86	(-)2174.02
(without subsidy)				
Net Internal Resources(Rs.Cr.)	(-)1108.01	(-)1181.28	(-) 2214 17	(-) 2185 63
Rate of Return (ROR) (%)	(-) 14.11	(-) 11.39	(-) 17.30	(-) 12.36
(with subsidy)				
Rate of Return (ROR) (%)	(-) 22.99	(-) 26.41	(-) 34.39	(-) 30.17

(without subsidy)

Average agricultural (paise/Kwh) Tariff	114.97	131.66	129.25	129.25
Share of agricultural consumption	28.39	27.61	27.71	26.27
Tariff increased required (paise/kwh) to achieve				
0 % ROR	74.98	96.34	124.00	119.66
3 % ROR	84.76	107.28	134.82	131.56

Restructuring & Reforms

Power Sector Reform Bill has been passed by the State Government and the Bill received the assent of the President and has been published in the official gazette in January, 2000. As stated above , erstwhile RSEB has been unbundled and corporatised. Five Corporations viz. Rajasthan Rajya Vidyut Utpadan Nigam Ltd., Rajasthan Rajya Vidut Prasaran Nigam Ltd. Jaipur Vidyut Vitaran Nigam Ltd., Ajmer Vidyut Vitaran Nigam Ltd. and Jodhpur Vidyut Vitaran Nigam Ltd have been incorporated World Bank has indicated a credit support of US $ 880 - 1000 million over the next 7-10 years for the Rajasthan Power Sector Reforms. This loan would consist of several investment loans for strengthening of the transmission and distribution system in the State, sector adjustment loans to the States Governments as well as financing from the International Finance Corporation for the privatized distribution companies. Against this, a loan agreement for US $ 180 million has been executed with the World Bank on February 27, 2001 as investment loan -I. This loan will be utilized for strengthening of transmission and distribution system, installing LT less distribution system, capacitor installation, improving metering system etc. The loan was declared effective on 12th March, 2001 and it is understood that the State Government has utilised full funding received from the World Bank.

Further, as a part of reform process the Rajasthan Electricity Regulatory Commission (RERC) has been constituted under the Electricity Regulatory Commission Act, 1998 with a provision of its recognition under the State Act. RERC has become functional from 2nd January, 2000. It has issued so far only one tariff order in March, 2001. Since then no tariff has been issued by RERC.

APDRP Scheme

Under the Accelerated Power Development and Reform Programme (APDRP) the sanctioned/released/utilized amount as on 1st November, 2004 is given as under:

(Fig. In Rs.crore)

Project Cost	APDRP Cost	Released Amount	Counter-part Fund drawn	Utilisation
1238.19	619.10 (50%)	345.34	182.49	405.68

Under the incentive scheme of APDRP, the State Government was provided an amount of Rs. 137.71 crore during the year 2003-04 for reduction of losses during the year 2002-03.

ISSUES

1. System losses of the three distribution companies namely Jaipur Vidyut Vitaran Nigam Ltd., Jodhpur Vidyut Vitaran Nigam Ltd.and Ajmer Vidyut Vitaran Nigam Ltd. are projected to decline from a level of 40.40% in 2004-05 (RE) to 38.16% in 2005-06. This is only the rough estimate and the actual losses of the distribution companies may be higher because a large number of agricultural consumers are not metered and power supply to these consumers is at a flat rate based on horse power. State Government is taking suitable initiatives to install meters at all the consumers as envisaged in the Act, which would facilitate reduction of T&D losses. State should also take policy decision to provide meter supply to all the consumers including agriculture consumers.

2. The average rate of sale of energy to consumers for 2004-05 and 2005-06 by the three distribution companies is estimated to increase marginally from Rs.3.16 to Rs.3.18 per unit. As compared to this, the cost of power supply works to Rs.4.21 and Rs.4.14 per unit for 2004-05 & 2005-06 respectively. The gap between the cost of supply and average tariff is mainly due to higher level of aggregate technical and commercial losses (AT&C). Suitable policy measures need to be taken by the distribution companies to bring down the level of losses to an acceptable level.

3. The total commercial losses (without subsidy) of the Rajasthan Vidyut Prasaran Nigam Ltd. and three distribution companies are estimated at Rs.2090.86 crore for 2004-05 (RE) and Rs.2174.02 crore during 2005-06. The State Government proposes to provide a subsidy of Rs.1039 crore during 2004-05 and Rs.1283.23 crore during 2005-06 With this, the aggregate commercial losses of transmission and distribution utilities for 2004-05 and 2005-06 are likely to be Rs.1051.86 crore and Rs.890.79 crore respectively The net internal resources of the power utilities including generation company for 2004 05 and 2005-06 are estimated at Rs. (-) 2214.17 crore and Rs. (-) 2185.63 crore respectively.

(VI) ENVIRONMENT AND FOREST

Forest & Wildlife

The recorded forest area in the State is 32494 sq.km. and constitutes 9.5% of the State's geographical area. The total forest and tree cover is 21653 sq.km. constituting 6.3% of State's geographic area. There is an urgent need to augment the forest resources of the State by bringing all the available land under the tree cover.

Significant areas in the state are in arid region and water shortage is a critical environmental factor. Afforestation in the state should be undertaken for soil and moisture conservation and to combat desertification in the arid region.

For ensuring effective participation of people in conservation of existing forests and social forestry activities, the forest resources are needed to be effectively linked to gainful employment. Thus value addition of Minor Forest Produce and other produce in these resources and marketing should be organized in a thoughtful manner.

Keoladeo Ghana Bird Sanctuary, Bharatpur and Ranthambore Tiger Reserves in Rajasthan are of international importance. Development and management of these spots should be ensured with community participation. This will help in resolving conflicts of conservation and livelihood issues.

The herbivore population in the State has increased manifold and due to lack of a sustainable management practice, the plight of farmers due to crop raiding is serious. An effort towards sustainable wildlife management is essential for maintaining man-animal harmony.

Rajasthan Forestry and Bio-diversity Project, an Externally Aided Project costing Rs.442.00 crore has been sanctioned by JBIC, Japan. This project will be implemented in 18 districts of the State. A provision of Rs.110 crore has been made for this project in the Annual Plan 2005-06. Various other activities such as plantation in 29767 ha,raising of 40 lakh plants, development of Eco-tourism in 100 ha., and development of Biological Parks at 2 destinations will be undertaken during the year 2005-06.

The proposed allocation in the Forestry & Wildlife sector for the Annual Plan 2005-06 is Rs 1195.84 crore which includes Rs110 crore under the EAP and Rs.39.97 lakh for Soil Conservation. This constitutes 1.53 % of the total Plan outlay proposed for the year 2005-06.

A provision of Rs.35.97 lakh for Soil Conservation in Hilly & Ravine Areas and Rs.4.00 lakh for Corpus Fund for the maintenance of assets created in the Centrally Sponsored Schemes of Soil Conservation in the catchments of rivers of Chambal, Mahi, Dantiwara and Sahibi have been proposed. The allocation for the forestry activities under Soil Conservation sector seems to be very small.

Ecology and Environment

The proposed outlay in the Ecology & Environment Sector for the Annual Plan 2005-06 is Rs.12.20 lakh. The expenditure during the Annual Plan 2003-04 is Rs.10.27 lakh.

The allocation for Rajasthan State Pollution Control Board, which has been proposed at Rs.0.01 lakh, has not been included in the total proposed outlay.

Although, there has been considerable improvement in air quality in capital city Jaipur, in the other part of the State, the level of SO_2 and NO_X are showing rising trends Moreover, the Ambient Air Quality is constantly deteriorating in the cities like Udaipur, Jodhpur and Kota. The Ground Water Quality is also found to be contaminated in many cities/ towns of Rajasthan. It is unfortunate that the sewage treatment facilities in most of the towns of Rajasthan are not available. There are also over 300 hazardous waste units in the State, which needs the immediate attention of State Pollution Control Board for initiating the process of necessary inventorisation, collection, transportation and disposal of these wastes.

NRCP

The allocation of Rs.0.20 lakh allocated for National River Conservation Plan and National Lake Conservation Plan is too meager. State Government should propose feasible proposals for consideration of water resources under the CSS.

(VII) TOURISM

Rajasthan is one of the attractive tourist destinations in the country and also finds a prominent place in the world tourism map. Tourist arrivals, both domestic and foreign, are on the increase in the State. Domestic tourist arrival has increased by 62% in 2003 over 2001 and foreign tourist arrivals by 3.4% over the same period, after a sharp decline in 2002.

Tourism outlay for the Tenth Plan of the State is Rs.147.50 crore. The State has taken steps to improve infrastructure at tourist spots and organizing fairs and festivals through out the year. The Plan expenditure has increased from Rs.9.00 crore in 2002-03 to Rs.10.10 crore in 2003-04, and to Rs.22.50 crore in 2004-05. The proposed outlay for 2005-06 is Rs.24.40 crore. Thus, the total allocation during the first four years of the Tenth Plan is only Rs.66.1 crore leaving a balance of Rs.81.4 crore for the last year of the Plan. In view of the above facts, there is need for higher allocation during 2005-06 and 2006-07 to fully utilize the plan funds and also to reap the benefit of growing tourism demand in the State. Higher investment in tourism sector also provides higher employment opportunities at urban and rural levels.

(VIII) TRANSPORT

The Plan outlay and expenditure during 10th Plan and Annual Plan 2002-03, 2003-04 and proposed outlay for 2004-05 and 2005-06 are as under:

(Rs. in crore)

	10th Plan	2002-03 (BE)	2002-03 (RE)	2003-04 (BE)	2003-04 (RE)	2004-05 Proposed	2005-06 Proposed
Roads & Bridges	2293.71	442.99	328.29	294.64	251.66	356.38	265.86
Road Transport	231.16	53.92	51.95	53.25	74.15	81.72	80.80
Rajasthan Agri Marketing Board	514.92	100.00	100.00	110.00	110.00	120.00	130.00
Air Infrastructure	-	-	-	-	-	-	-
Total	3039.79	596.91	480.24	457.89	435.81	558.10	476,66

The State Govt. has proposed an outlay of Rs. 476.66 crore for the next year 2005-06.

Roads & Bridges

Rajasthan has a total road length of 129674 kms. as on 31-3-97, out of which 76813 kms., were surfaced. The road length per 100 sq.km.of area and per one lakh of population in Rajasthan is only 37.9 kms. and 254.3 kms. as against the all India average of 76.80 kms. and 258.2 kms. respectively. Recognizing the importance of good communication network, a policy on road development has been adopted. Under this policy concerted efforts for widening, strengthening and new road construction, improvement and construction of bridges are to be undertaken. Funds available under various schemes will be dovetailed for this purpose. The funds made available under various schemes are, however, not sufficient to achieve the targets. Therefore, the State Govt. has taken initiative to involve the private sector/institutional finances such as NABARD for road development projects.

The State Govt. has proposed an outlay of Rs. 265.86 crore during 2005-06 for this sector. The proposed amount is to be invested on various road development programmes in the State such as strengthening and improvement of State highways and MDRs, construction of missing links, roads of economic and tourism importance and rural roads.

Private sector participation

The State Govt. informed that due to constraints of resources the private sector has been involved in a big way in the road development projects. It has been informed that during 10th plan, 28 projects with investment of Rs. 838.44 crore are proposed to be undertaken by the private sector under BOT. The cost would be recovered by the private investors by levy toll changes. The Nasirabad-Kekari road (25 kms.) has a toll system.

Village connectivity

The State has 37889 villages as per the 1991 census of which 18450 (48%) have been connected with rural roads by the end of 2002-03. The State is yet to achieve 100% connectivity even for villages with population of 1000 and above. Keeping this in view connecting villages with all weather road communication is being given a special thrust. The position of village connectivity of roads is as follows:

Population (1991 census)	Total number of villages	Connected as on 31-3-2004	%	Target for 2004-05
1000 and above	10766	10174	94.50	10616
500-1000	10125	5210	51.45	5730
Below 500	16998	4250	25.00	4350
Total	37889	18450	51.82	20696

During the next year 2005-06 the State is likely to get an amount of Rs. 130 crore as its share of the funds under PMGSY.

Central Road Fund

The State's share as per assessment of MORT&H for 2005-06 is tentatively placed at Rs. 68 crore, which is to be used for strengthening and renewal of State highways and major district roads. The physical target for 2005-06 shown against this item is 1500 kms.

Agricultural marketing

Some of the main purposes for which the Board was set up are: (i) construction of market yards and sub-yards for transfer to Market Committees and (ii) construction of Market roads and approach roads to markets. The source of fund is NABARD and other financial institutions. During 9th Plan the work relating to providing rural link roads of 5737 kms. (BT) was completed. During 10th Plan the target is for providing 2600 kms. of rural link roads at a cost of Rs. 600 crore. For annual plan 2005-06 an amount of Rs. 130 crore has been proposed for construction of 520 kms. of BT roads.

Road Transport

The physical performance of the Rajasthan State Transport Corporation is satisfactory. Some of the indicators of physical performance are given below:

	2002-03 Actual	2003-04 (Latest Est.)	2004-05 (Estimated)
Net loss (Rs. Crore)	40.77	27.50	20.00
No. of Buses at the end of the year	4371	4371	4371
Fleet utilization(%)	93	94	94
Vehicle productivity (km.) per bus per day	319	321	323
Load factor(%)	64.50	66.00	66.00
Bus staff ratio	5.68	5.61	5.61

However, it is not doing well in terms of financial performance. In spite of the fare revisions during the 9th Plan which yielded a gross revenue of Rs. 411 crore and Rs. 20.20 crore in 2002-03(LE) the corporation is not likely to wipe out its accumulated losses. The main reasons of losses of the SRTU are (i) clandestine operation of transport services which adversely affects the load factor, (ii) concessional travel allowed to various categories of passengers, and (iii) lack of control over avoidable expenditure.

The corporation is taking measures to control avoidable expenditure to improve its revenue position and some schemes have been introduced by the SRTU to attract the traveling public towards the corporation buses and also some measures have been implemented to minimize expenditure. The State Govt. may also like to consider reimbursement of the losses being incurred on concessional travel in respect of certain categories of commuters. An outlay of Rs. 80.80 crore is proposed for this sector during 2005-06 which includes a sum of Rs. 22.75 for Rajasthan State Road Development & Construction Corporation (RSRDCC) and Rs. 55 lakhs for transport department.

(IX) EDUCATION

(A) LITERACY AND SCHOOL EDUCATION

Decadal Achievement

The literacy rate of Rajasthan has increased by 22.48 percent points during the last decade i.e. 1991-2001 which has recorded the highest increase in the literacy rate among the States and UTs. The decadal increase in the literacy rates of Rajasthan is much higher than the national average decadal increase of 13.17 percent points. The female literacy rate of Rajasthan has increased by 23.90 percent points which is higher than the decadal increase of male literacy i.e. 21.47 percentage points.

The general literacy rate of Rajasthan has increased from 38.55% in 1991-91 to 61.03% in 2001 census. Despite this increase, literacy is still below the national average of 65.38%. There is also a wide gender gap, with male literacy at 76.46% and female literacy at 44.34%.

Elementary Education

Progress of Enrolment in Primary Schools

In the State, presently 79.32 lakh children are enrolled at primary level. Out of these, 28.33 lakh are girls which is above 35% of the total enrolments.

Gross enrolment ratios at primary stage for the State is 112.24% which is higher than the national average rate of 96.30%. However, gross enrolment ratio of girls is 83.17% which is slightly less than the national average of 86.91%. Significant progress in terms of enrolment is being diluted by high drop out rate of 63.20% as against the national average drop out rate of 39.03%.

Status of Schools and Strategy

Efforts are being made by the State Government to achieve the goal of universalisation of elementary education. At present, there are 18,886 Education Guarantee Centers, 35449 primary schools, 25057 upper primary schools are working in the State. To provide access, state government is ensuring primary schools within the radius of 1 km. And upper primary schools within 3 kms.

New schools

State Government has proposed that 1236 pathshalayas will be converted into regular primary schools. 1661 new primary schools will be opened and 715 primary schools will be upgraded to upper primary schools during the current financial year.

Sarva Shiksha Abhiyan:

The programme was launched in Rajasthan in the year 2001-02. The main objective of the scheme is to provide educational facilities to all children of 6-11 age group in the State. Under the scheme. conversion of Education Guarantee Schools into primary schools, up-gradation of primary schools to upper primary schools, repairing and maintenance of primary and upper primary school buildings, payment of salary to para teachers etc will be taken up. The project is being implemented in all 32 districts of Rajasthan.

Informal Education for Girls

"Jeevan Koushal" based 450 residential bridge courses will be started for benefiting the girls of age group 9-14 years who have not taken formal education.

Externally Aided projects

The State Government has been implementing three major programmes namely, District Primary Education Projecat, Lok Jumbish and Shiksha Karmi to improve the access and quality of primary education in the State. Out of three, District Primary Education Project (DPEP) is a major programme being implemented for more than five years. It is funded by the World Bank. The expenditure is shared between Centre and State in the ratio 85:15. First phase of the project covers total ten districts and continues upto December, 2005. In the second phase, the project covers total nine districts and continues upto December, 2006.

Centrally Sponsored Schemes

There are several Centrally Sponsored Schemes including three Externally Aided Programmes under which the State Govt. has been availing financial assistance from the Central Government to improve the quality of primary and upper primary education in the State.

Financial Progress of General Education:

State Government has proposed an outlay of Rs.493.98 crore for all the levels of general education for Annual Plan 2005-06 as against outlay and anticipated expenditure of Rs.448.82 crore for the previous year 2004-05. Details are given in the following table

Table

(Rs..crore)

Sub-head	Actual Expenditure 2003-04	Anticipated Expenditure 2004-05	Proposed Outlay 2005-06
Elementary Education	208.23	305.98	344.16
Secondary Education	22.47	123.11	124.08
University & Higher Education	9.18	7.23	11.64
Adult Education	0.34	11.28	11.84
Physical Education	0.07	0.10	0.10
Sanskrit Education	0.00	1.13	2.16
Total General Education	**240.29**	**448.82**	**493.98**

Mid Day Meal Programme

So far as Mid-Day Meal Programme is concerned, State Government issilent and has made no allocation in the Annual Plan 2005-06. The State Govt. has made required provisions for all Centrally Sponsored Schemes, except Mid-Day Meal Programme. Thus, there is a need to ascertain actual position of Mid-Day Meal Programme in the State during Plan discussions and to provide funds for the scheme.

Mid-Day Meal Scheme is a strategic programme designed to curtail drop outs and to improve the enrolments in primary schools. Such an important programme has no mention in the Plan document. The State Government has to make required provision for its share under Centrally Sponsored Schemes to avail central assistance from Min. of Human Resource Development during the current year ss also to provide its own outlay in state sector, in view of Supreme Court's directions

(B) SECONDARY EDUCATION

Vocational Education:

Under Secondary & Higher Secondary Education, Vocational Education is a high priority programme. However, State Government has made token provision of Rs.1.00 lakh as its share for the Centrally Sponsored Scheme of Vocational Education. This needs to be increased since the Department of Secondary & Higher Education would launch revised scheme of Vocational Education in the year i.e. 2005-06.

Incentives

State Government has been providing free text books to all girls and boys of class IX to Class XII (except boys of general category whose parents are income-tax payers). Rajasthan is the first State in the country which is providing free text books to the students of class I to class XII from the State Budget.

To promote girls education at secondary and senior secondary stage, cash incentive of Rs.1000 is being provided to the girls who secure more than 75% at class X Board Examination.

© UNIVERSITY AND HIGHER EDUCATION

The State Government is giving emphasis to the development of basic infrastructure in the colleges, introduction of new employment oriented courses, expansion of science laboratories, coaching classing for SC/ST students etc.

The State Government has proposed setting up of two new universities – one is at Kota and the other at Bikaner and o open three new colleges in Kherwara (Udaipur), Jhunjhunu and Thangaji (Alwar).

An outlay of Rs.1164 lakhs for the Annual Plan 2005-06 is proposed.

(D) TECHNICAL EDUCATION

To ensure availability of trained personnel, engineering education facilities both at degree and diploma level and also craftsman training are being expanded by the State Government. An outlay of Rs.602 lakhs for the Annual Plan 2005-06 is proposed as against the outlay of Rs.513 lakhs for the previous year.

One of the thrust areas of Technical Education in Rajasthan is strengthening the technical education system at Polytechnics level. There are about 24 polytechnics and 7 engineering colleges in the State.

Total intake capacity in the Polytechnic colleges which was 2140 at the end of Ninth Plan has increased to 2350.

Overall Financial Progress of Education:

The State Government has proposed total outlay of Rs.512.47 crore for Education Sector including Sports & Youth Affairs and Art and Culture for Annual Plan 2005-06 as against previous year outlay and expenditure of Rs.478.18 crore. The increase is less than ten per cent of previous year outlay and expenditure. More than 95 per cent of total outlay on Education has been earmarked for General Education including elementary education, secondary education, college and university education, etc. of which more than 67 per cent of total outlay has been earmarked for elementary education alone

Table

(Rs.Core)

Sub-head	Tenth Plan Outlay 2002-07	Annual Plan .2002-03 Actual Exp.	Annual Planning Comm. 2003-04 Act.Exp.	Annual Plan 2004-05 Proposed Outlay	Annual Planning Comm. 2005-06 Proposed outlay
General Education	1701.09	141.42	240.28	448.83	493.98
Technical Education	47.26	2.25	3.03	5.13	6.02
Sports & Youth Affairs	5.98	0.84	2.13	8.26	5.33
Art & Culture	27.74	2.09	4.39	15.96	7 14
Total.....	1782.07	146.60	249.83	478.18	512.47

(E) ART AND CULTURE

The State Government has proposed an outlay of Rs.714 lakhs for the Annual Plan 2005-06 as against the approved outlay of Rs.[illegible]96 lakhs for the previous year. The major programmes are Fine Arts Education, Archaeology and Museums, Heritage protection, Archives, Oriental Research Institute, Arabic and Persian Research Institute.

(F) SPORTS AND YOUTH AFFAIRS

An outlay of Rs.533 lakhs is proposed for the Annual Plan 2005-06 as against the approved outlay of Rs. 826 lakhs for the previous year to meet the requirement of NCC, Scouts and Guides, Rajasthan Sports Council.

STRENGTHS:

High Growth Rate of Literacy: Although Rajsthan has traditionally been considered an educationally backward state, it is heartening to note that the general literacy saw an increase from 38.55% in 1991 to 61.03 % in 2001census.

Strong base for primary education: Gross enrolment ratios at primary stage for the state is 112.24 per cent which is higher than the national average rate of 96.30 per cent.

Keen to implement all centrally sponsored programmes: State government has been implementing all centrally sponsored programmes viz. Sarva Siksha Abhiyan, DPEP, Vocational education, Modernisation of Madrasas, etc.

Keen to initiate new programmes: State Government has been providing free text books to all girls and boys of class IX to Class XII (except boys of general category whose parents are income-tax payers). Rajasthan is the first State in the country which is providing free text books to the students of class I to class XII from the State Budget.

To promote girls education at secondary and senior secondary stage, cash incentive of Rs.1000 is being provided to the girls who secures more than 75% at class X Board Examination.

Govt. of Rajasthan has proposed setting up 2 new universities during 10th plan. One is at Kota and the other is at Bikaner. There are already 9 universities in the State. Also expanding of facilities for distance education and technical education in Polytechnics.

WEAKNESSES:

Wide Gender Disparity in Literacy: In Rajasthan the male literacy is 76.46% and the female literacy is 44.34% as per 2001 Census. There is a wide gender disparity in the literacy rates of male and female in the State.

High Drop-out rates: The State has a problem of high drop out rate of 63.20% at primary stage as against the national average drop out rate of 39.03%.

Mid-Day Meal Programme – State Government appears to have not given the importance to Mid-Day Meal Programme since there is no mention of it in the proposals for Annual Plan 2005-06.

SUGGESTIONS:

- The state government has to focus on upper primary level in terms of increasing enrolments and reducing dropouts, particularly among girls. Wide gender disparity in the literacy rates of male and female in the State also calls for greater emphasis on girls' education.

- Mid-Day Meal Scheme is a strategic programme designed to curtail drop outs and to improve the enrolments in primary schools. Such an important programme has no mention in the Plan document. The State Government has to make required provision as its share under Centrally Sponsored Schemes to avail central assistance from Min. of Human Resource Development during the current year and also provide its own share to augment central resources.

- The State has a problem of high drop out rate. The drop out rate of the State at primary stage is 63.20% as against the national average drop out rate of 39.03%. Moreover drop out rate of girls (70.50%) is much higher than the National Average of 39.88%. Drop out rate is a big drain for the huge amount spent on primary education. This needs to be arrested..

- Under Secondary & Higher Secondary Education, Vocational Education is a high priority programme. However, State Government has only made token provision of Rs.1.00 lakh as its share for the Central Sponsored Scheme of Vocational Education. This needs to be increased since the Department of Secondary & Higher Education would launch revised scheme of Vocational Education and to release funds to States in the 2005-06.

- State Government should also propose monitorable physical targets for above programmes.

(X) HEALTH AND FAMILY WELFARE

Rajasthan has high CBR, TFR and high decadal population growth. IMR is high and sex ratio is lower than national levels, both in the adult population and in the 0-6 years' age group (Table). This is a cause of concern, and causes of this need to be looked into. There is urgent need to improve access to health care and improve health and nutritional status and to meet all unmet needs to contraception (Table-2). The outlays, expenditure and performance under various diseases control programme are given in the annexure.

Table-: Demographic Indices
Population size: 56.47 million

	SRS Oct 2002			Census 2001			Likely yr of achieving NRR of 1
	Birth Rate 2002	Death Rate 2002	IMR 2002	Dec. gr, rate 1991-01	Sex Ratio	Sex ratio 2001 (0-6 yrs)	
State	30.6	7.7	78	28.33	922	909	2048
India	25.0	8.1	64	21.34	933	927	2026

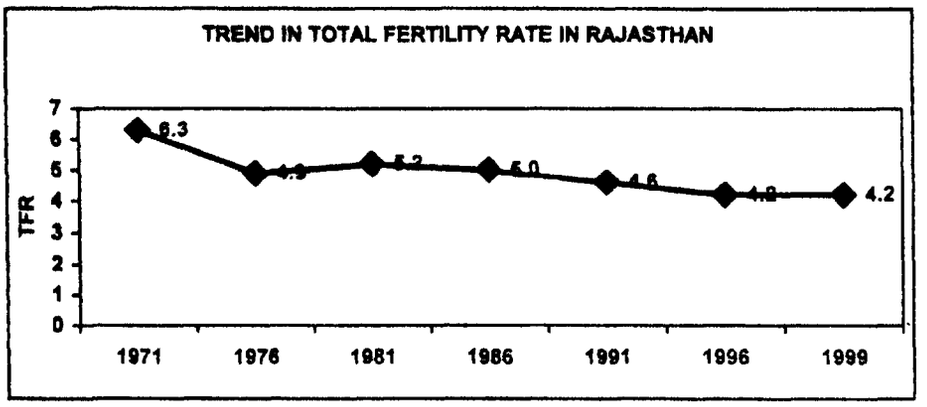
FAMILY WELFARE

Table: Tenth Plan Goals for Family Welfare

Name of State/UT	Couple Protection Rate				Crude Birth rate		Total Fertility Rate		Infant Mortality Rate	
	Current Level (NFHS-2)		Expected Level 2007		Current level SRS 2002	Expected Level 2007	Current level SRS 1999	Expected Level 2007	Current Level SRS 2002	Expected Level 2007
	By Ster.	Spacing (Modern)	Permanent	Spacing (Modern)						
INDIA	36.1	6.8	50.0	15.0	30.6	21	3.1	2.3	64	45
Rajasthan	32.3	27.7	45.0	15.5	25.0	22	4.2	2.7	78	50

Name of State/UT	Neo Natal Mortality Rate		Safe Delivery		Ante Natal Care (3 ANCs)		Immunization	
	Current level NFHS-2	Expected Level 2007	Current level NFHS-2	Expected Level 2007	Current level NFHS-2	Expected Level 2007	Current level (NFHS-2)	Expected Level 2007
All India	43.4	26	42.3	80	43.8	90	42	100
Rajasthan	49.5	30	35.8	70	22.9	80	17.3	100

The population of Rajasthan was 5.65 crores in 2001. During the decade 1991-2001 there was only a slight fall of 0.11 per cent in the population growth rate of Rajasthan. The decadal population growth at 28.33 per cent and the natural growth rate at 22.9 per cent both remain very high in the case of Rajasthan. The TFR level at 4.2 in 1999 is also very high. After 1996 there has been practically no decline in fertility rates in Rajasthan.



The high rate of unmet needs at 28.2 per cent and the comparatively low level of couple protection rate in Rajasthan at 22.7 per cent are indicators of the unsatisfactory implementation of family planning measures in the State.

Rajasthan - social and demographic indicators

Item	Rajasthan	India
Decadal Population growth - 1991-2001	28.33	21.34
Annual Growth Rate-1991-2001	2.49	1.93
Total Fertility Rate - 1999	4.2	3.1
Birth Rate,2002	30.6	25.0
Death Rate,2002	7.7	8.1
Natural Growth Rate - 2002	22.9	16.9
Couple Protection Rate - 2001	22.7	44.8
Unmet Need for Contraception	28.2	25.3
% of Girls marrying below 18 yrs	57.1	36.9
Infant Mortality Rate - 2002	78	64
Sex Ratio	922	933
Literacy Rate	61.03	65.49
Female Literacy Rate	44.34	50.28

It seems the increase in the number of couples in the reproductive age group has neutralized the modest increase in contraception rate in the State. Rajasthan's primary health system has to serve remote and difficult terrain involving long distances. The State's efforts to mobilize Mahila Shakti mainly through WSHGs seems to be producing positive impact in the rural areas. However, unless the rate of contraception is substantially increased, the State's objective of achieving TFR level 2.1 by 2016 seems

difficult to achieve. As per present trends, Rajasthan may take many more years beyond 2010 to reach replacement level fertility.

PRIMARY HEALTH CARE INFRASTRUCTURE

1. As per the information available in RHS Bulletin, The state has a good rural health infrastructure. The State has the required number of Sub-centres & PHCs as per the 1991 population norms. As regards community health centers, there is a shortfall of 49. Against this the State has 100 subdistrict level Post Partum centres and 281 sub-district hospitals. These can be integrated into the primary health system and used to fill the gap in CHCs.

2. Lack of manpower (specialists, ANMS etc.) in the primary health care institutions has been one of the major reasons for the poor functional status of these institutions. The Ninth Plan emphasized the need to fill these gaps in manpower and make these institutions fully functional through appropriate reorganization of the existing manpower into the three tier -primary health care institutions; however, very little progress has been achieved during the Ninth Plan. Efforts should be made to correct these by appropriate skill up gradation and redeployment of existing manpower and correcting the mismatch between manpower and infrastructure. Many CHC/FRU are poorly functional in spite of adequate infrastructure because specialists are not available. Vacancies in the posts of specialists in CHC/ FRUs are to be filled by adjusting the two specialists in post partum centres so that CHCs/ FRUs become fully functional. Vacancies in the posts of doctors in PHC are to be filled by doctors in the rural family welfare centres. Paraprofessionals in RFWC and PPCs can be adjusted against the vacancies in appropriate posts of para professionals in primary health care institutions.

3. The Ninth Plan envisaged that efforts would be made to integrate all the existing vertical programmes at the district level, and ensure that the primary health care institutions will provide comprehensive health and family welfare services to the population (including public health activities) at a decentralized level, irrespective of whether these activities relate to the national programmes or public health activities initiated by the state/PRI. Attempts should be made to integrate the vertical programmes at district level and ensure that primary health care institutions provide comprehensive health and family welfare services to the population.

PMGY

PMGY allocation under health sector is Rs. 1061.00 lakhs and Rs. 5306.00 lakhs for 2003-04. State should follow the guidelines given by RD division for allocating funds for nutrition and health under PMGY. State is advised to earmark 15% of the funds under PMGY for health to improve functional status of primary health care institutions by providing drugs and diagnostics.

Review of Annual Plan Proposals of Rajasthan for 2005-06 - Financial Scenario

				Rs. Lakhs	
Health				**BMS/PMGY**	
Year	**State Plan (Total)**	**Outlay**	**% Of State Plan**	**Outlay**	**% of Health**
9th PLAN OUTLAY	2252583	77060	3.4		
9th PLAN EXPD.	1311465.2	57311	4.4		
		(74.4)			
1997-98(BE)	351442	13919	4.0	7005.1	50.3
1997-98 (Act. Expd.)	425939	12339	2.9	7005.1	56.8
1998-99(BE)	430000	15289	3.6	8830	57.8
1998-99 (Act. Expd.)	383283	10991	2.9	6600	60.1
1999-2000(BE)	475000	17262	3.6	9656	55.9
1999-2000 (Expd.)	257014.4	9962	3.9	6500	65.3
2000-2001(BE)	414600.3	9914.9	2.4	1446	14.6
2000-2001 (Expd.)	279795.1	10852	3.9		
2001-2002	503100.1	12366.3	2.5	1446	11.7
2001-2002 (Expd.)	359678.2	13167	3.7	1208.9	9.2
10th Plan	3183175.1	73961.72	2.1		
2002-03	516000	12777.9	2.5	1061	8.3
2002-03 (Anti Expd.)	437078.3	5831.1	1.3	2073	35.6
		(45.6)			
2003-04(RE)	587861.8	7458.98	2	1061	9.0
2003-04(Exp.)		5434.80			
		(72.8)			
2004-05(Outlay)	73961.72	10811.56	14.6		
2004-05(Exp.)		10811.56			
		(100.0)			
2005-06(Outlay)	73961.72	16818.52	22.7		

Note: Figures in brackets show percentage of Plan Outlay for Health.

The above table gives the financial scenario in Rajasthan during the Ninth Plan, Tenth Plan as also for subsequent years based on the information available with the Planning Commission.

HEALTH

The percentage of allocation for Health Sector in Rajasthan, which was 3.4% during the Ninth Plan, declined to 2.1% during the Tenth Plan. However, during 2004-05 and 2005-06, this percentage has substantially increased to 14.6% and 22.7%

respectively. The state should maintain the allocation under the Health sector to improve the services and achieve the goals set under various disease control programmes.

The State Government has to make consistent efforts to improve the delivery of health care and preventive, promotive, rehabilitated and curative services by creating infrastructure conducive for both urban and rural population. The current health policy in the state should be based on the primary health care approach with due support of an effective network of referral system and inter-sectoral coordination. Despite some achievements, the health status of the people in the state is still not satisfactory. This position is more glaring in the rural areas. The State Governments' approach, therefore, should be to treat all health services such as health hygiene, education, prevention and control of diseases, curative and rehabilitated facilities, thereby making health services a part of the comprehensive programme. During 2005-06, the State Government has proposed a sum of Rs.138.43 lakhs for opening and strengthening of CHCs Rs.78.50 lakhs for the buildings of CHCs and Sub Centres, Rs.30.00 lakhs for purchasing of X-Ray machines, Rs.38.35 lakhs for purchase of ambulances for CHCs, Rs.375.03 lakhs for opening and strengthening of PHCs and Rs.200.21 lakhs for strengthening Sub Centres by providing additional multi purpose workers. While the Planning Commission may support these efforts, the experience gained and the expenditure incurred may also be shared with the Commission.

FAMILY WELFARE ANDPOPULATION CONTROL:

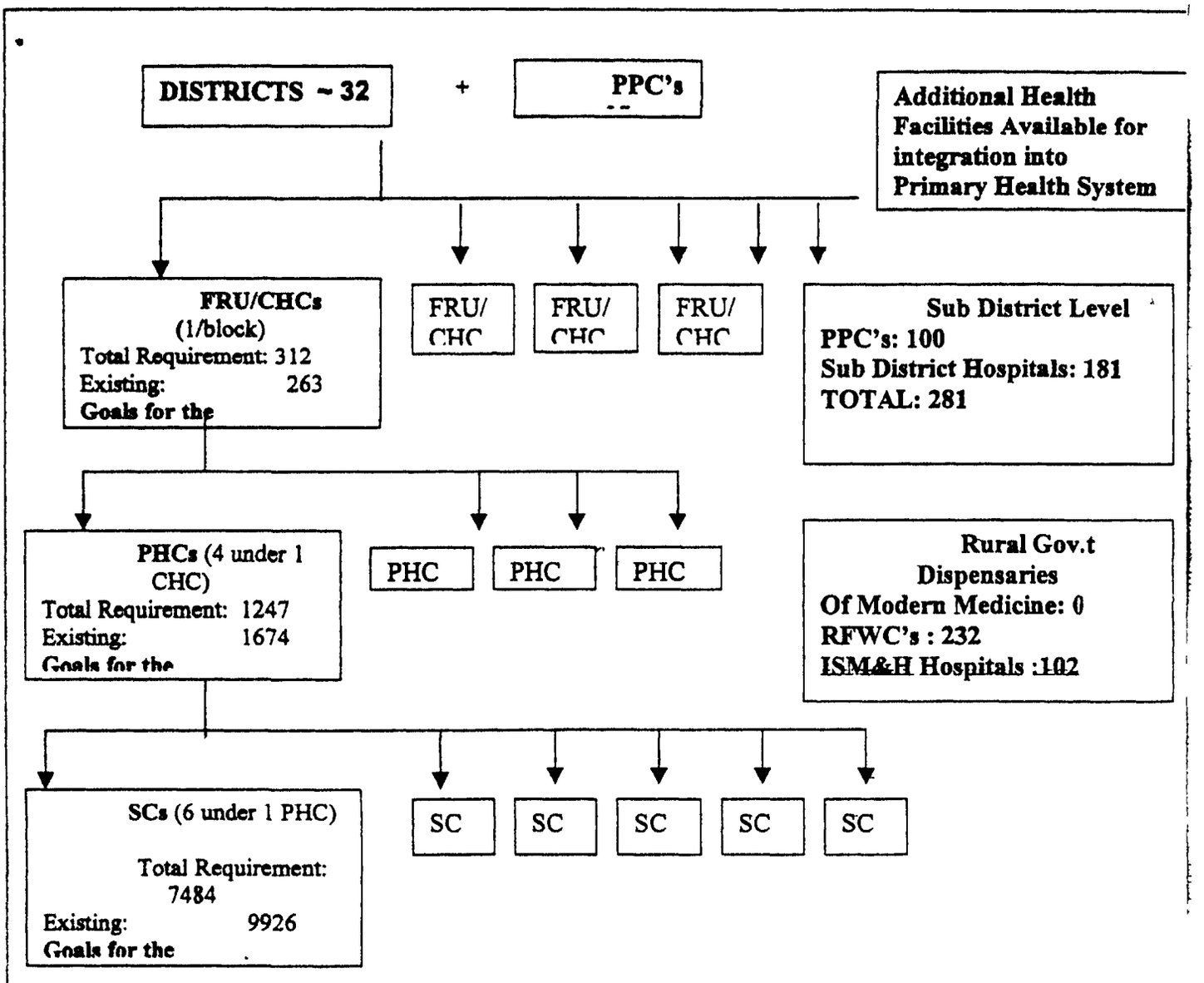
In order to achieve population stabilization and reduction in maternal and child deaths, the State Government has proposed a sum of Rs.1094.25 lakhs for the **Family Welfare Programme** in its Annual Plan 2005-06. Out of this, Rs.543.00 lakhs is proposed for Population Mission. Besides, a prominent scheme namely, 'Jan Mangal' is being implemented under which pairs are identified and persuaded to go in for family planning. A sum of Rs.337.00 lakhs has been proposed under this scheme in the Annual Plan 2005-06. With a view to providing medical and surgical facilities to rural masses in remote areas by organizing camps with the help of voluntary agencies and the local administration, a sum of Rs.30.00 lakhs has been provided for organizing 32 mobile surgical camps during the current year.

In the field of **Medical Education**, efforts are underway to ensure that the medical students of 6 medical colleges in the state are given enough exposure to the issues of public health and management of PHCs with a view to improve the level of services. An amount of Rs.93.00 lakhs has been proposed for the development of a new Dental College at Jaipur during 2005-06. The total proposed allocation for Medical Education in the state for 2005-06 is Rs.2711.83 lakhs.

The **Ayurvedic System** of medicines is widely practiced in the state. With a view to giving special thrust to strengthen Directorate of Ayurved, an outlay of Rs.456.43 lakhs has been proposed during 2005-06. In addition, a sum of Rs.200.00 lakhs has been proposed separately for the Ayurved University that is being established in Jodhpur.

Annexure 1

DISTRICT HEALTH CARE INFRASTRUCTURE (RAJASTHAN)



- 10th Plan goals for CHCs, PHCs, SCs have been calculated by adding state wise goals ignoring surplus in some states
- It is proposed to meet the 10th plan goals by restructuring and appropriate strengthening of suitably located available facilities utilizing GIS mapping

Annexure II

Primary Health Care Manpower

(Rajasthan)

Additional Health Manpower Available at sub-district level for integration into Primary Health System

EXISTING SITUATION IN THE DISTRICT

SPECIALISTS IN CHC'S
Required (R) 1248
Sanctioned (S) 754
In Position (P) 555
Vacant (S-P) 199
Gap (R-P) 693
Shortfall (R-S) 494

Sub- district Hosp. Specialists
7* 181 specialists : 1267
PPC specialists
2* 100 :200
TOTAL SPECIALISTS : 1467

M.O's IN PHC'S
Required (R) 1247
Sanctioned (S) 1639
In Position (P) 1537
Vacant (S-P) 102
Excess (R-P) 290
Excess(R-S) 392

Rural dispensaries doctors :0
MO s at RFWCs : 232
ISM& H Disp Doctors : 3689
ISM&H Hospital Doctors : 102
Total doctors:4023

ANM's IN SUBCENTRES
Required (R) 7484
Sanctioned (S) 11024
In Position (P) 10117
Vacant (S-P) 907
Excess (R-P) 2633
Exces (R-S) 3540

Dept. of FW provides for Salaries of all 1.34 lakh ANMs

Lab.Tech's in PHC's &CHC's
Required (R) 1559
Sanctioned (S) 2153
In Position (P) 1718
Vacant (S-P) 435
Excess (R-P) 159
Excess (R-S) 594

SS Paramedical staff- National disease Control prog.

Lab techs- malaria-217
Leprosy-7
TOTAL : 224
In addition contractual Lab Techs are available under Malaria,

Male.M.P.W. in S.C's
Required (R) 7484
Sanctioned (S) 4301
In Position (P) 3374
Vacant (S-P) 927
Gap (R-P) 4110
Shortfall (R-S) 3183

SS

MPWs malaria – 3997
Leprosy-68
Total :4065
In addition contractual MPWs are available under Malaria , Leprosy, T.B. & RCH progs.

(XI) WATER RESOURCES

The financial details are as under:

Financial Position

(Rs. in Crore)

S.No.	M&M	Minor	CAD	Flood	Total	All Sectors
1. X Plan proposed	2894.84	332.58	225.48	22.55	3475.44	31831.75
2. Annual Plan 2003-04 Actual Expdr.	819.09	56.07	37.53	4.05	916.76	6044.37
3. Annual Plan 2004-05 Antcpd. Expdr.	644.12	218.70	52.75	10.04	925.61	7113.15
4. Annual Plan 2005-06 Proposed Outlay	707.50	150.55	71.56	10.15	939.77	7826.85

Physical Progress:

The details of physical achievements are as under.

(000 Ha.)

S.No. Item	Major & Medium		Minor Irrigation	
	Pot.	Utl.	Pot.	Utl.
1. Ultimate Potential	2750	2750	2400.00	2400.00
2. Benefits to the end of March, 2003.	2527	2343	2451.00	2365.00
3. Target during 8th Plan	288.61	232.13	300.00	280.00
4. Target X Plan	413.80	268.97	50.00	40.00
5. Annual Plan 2002-03	44.80	29.12	4.00	3.20
6. Annual Plan 2003-04	68.85	44.75	1.80	1.44
7. Annual Plan 2004-05	92.00	92.00	5.00	4.00
8. Annual Plan 2005-06	139.55	100.00	5.00	5.00

1. Major and Medium irrigation:

Rajasthan has 5 major and 4 medium ongoing irrigation projects which have spilled over from IX Plan to X Plan with a balance cost of Rs 3010 crore and balance

potential of 705 th. ha as on 1.4.2003. The State Government proposes to complete Indira Gandhi Nehar Project by 2008 by availing AIBP funds.

2. Accelerated Irrigation Benefit Programme

Out of the 9 major and medium projects, 7 are under AIBP. Rajasthan is a reforming State and they get AIBP assistance in the ratio of 3:1.During 2003-03 and 2003-04 Rs 174.39 crore and Rs 499.85 crore was released to the State as AIBP assistance. For 2004-05, against a ceiling of Rs 275 crore, Rs 69.80 crore has been released so far. The ceiling for this year is proposed to be raised to Rs 400 crore from out of additional Rs 870 crore under AIBP.

3. Ground Water:

Out of the 237 blocks in the State, 86 are over exploited blocks and 80 are dark/critical. The State has to under take artificial recharge measures and regulate the ground development to arrest the alarming ground water depletion.

4. Externally Aided Projects:

One World Bank aided Water Resources Consolidation Project is ongoing in the State since March 2002 to be completed by March 2008.Against the loan amount of Rs 506 crore, the disbursement upto March 2004 is only Rs 49.45 crore. The State has to accelerate the pace of implementation for availing the full assistance from the Bank.

5. Flood Control

The problem of floods exist in the districts of Ganga Nagar , Hanumangarh , Bharatpur , Alwar & Jaipur . The reasons for the problem are the flash floods in the area as well as drainage congestion in the towns. It was suggested that the State Govt. should prepare a comprehensive Master Plan for the drainage and should take up channelisation of river work with other controlled structures on vulnerable stretches.

6. Minor Irrigation

It was suggested that traditional water conservation structures like dugwells in the farms, bawaries in the town and tanks should be rejuvenated for better water conservation and recharge. The ground water table has got a depleting trend in the State and out of 32 districts, 29 districts are experiencing sharp decline of water table, in the range of 1 to 10 meters, the spread over is in 220 blocks out of total 237 blocks.

7. CAD Programme

The command area development activities should be initiated in the State in a targeted manner and the Agriculture extension Programmes like mandies etc may be dropped from this programme in view of restructured CAD programme.

8. Water Rates

The water rates in the State have been revised in May 1999. A comparison of the revised and previous water rates is as under:

(Rs. per ha.)

Crop	Previous Rates (Mar 82)	Current Rates (May 99)
Paddy	24.71 to 98.84	49.40 to 197.60
Wheat	32.12 to 74.13	64.22 to 148.20
Sugarcane	51.89 to 143.32	103.74 to 286.52
Pulses	24.71 to 51.89	49.40 to 79.04
Oilseeds	32.12 to 56.84	64.22 to 113.62
Cotton	44.48 to 88.96	88.92 to 177.84

B.Water Supply

Financial outlays in Water Supply and Sanitation sector.

Financial (Rs crore)	
X Plan outlay	1080.82
AP 2002-03 expenditure	234.99
AP 2003-04 Expenditure	260.74
AP 2004-05 Proposed outlay	482.91

1.Rural Drinking Water Supply:

Rajasthan has 93946 habitations out of which 2974 number are "Not Covered"(NC) habitations as on 1.4.2004.The State also has 41072 habitations affected with water quality problems such as fluoride, salinity etc. The State has to make earnest attempts to cover all the spilled over NC and newly emerged NC/PC habitations as well as provide safe water to the quality affected habitations since this is one of the NCMP item as well as a monitorable target of the Tenth Plan.

2. Urban Water Supply & Sanitation:

100% urban population in Rajasthan has access to water supply and 79% to sanitation facilities as against the all India coverage of 89% and 63% respectively. However the service level is very poor and inadequate in many towns requiring augmentation and better management.

3. EAP's in Drinking Water Supply and Sanitation:

Rajasthan has one Rural Water Supply and Sanitation Project Phase I costing Rs 402.57 crore aided by Kfw Germany and is getting completed by December 2004.Rs 284 crore has been reimbursed upto March 2004 Phase II of this project costing Rs 405 crore is under negotiation with Kfw Germany funds for seriously addressing the concerns of rural water supply and sanitation sector. In Urban sector, Bisalpur water supply project aided by JBIC has just started.

(XII) HOUSING & URBAN DEVELOPMENT

The urban population constitutes 1.32 crore forming about 23.38% of the total population of 5.65 crores of Rajasthan as per 2001 census. Owing to the rapid growth of population in urban areas, urban upgradation encompassing housing, social, physical, economic environment, amenities and services including sanitation, drainage, sewerage, integrated transport system etc has to be recognised as part of State Development process.

Housing is one of the important basic needs of people. Financial assistance through loan from Life Insurance Corporation is being provided to the needy persons in the form of 'Long Term Loan' for helping them to construct houses with their own efforts is being provided under social housing programme covering houses for EWS, LIG, MIGs. Housing activity also include residential houses for Government employees, judicial staff, police personnel etc. In addition, the Rajasthan Housing Board has been mainly engaged in providing constructed houses in the urban areas to different classes of society. For the Annual Plan 2005-06, Rs 150.62 crore, including Rs 12.52 crore Pradhan Mantri Gramodaya Yojana has been proposed. The satisfaction level of individual schemes has to be requested for. Also, it is important to ensure consistency between financial and physical performance.

Further, Government of Rajasthan implement housing for Police personnel through HUDCO loan assistance. It was noted that although the project had been completed during Ninth Plan period, a token provision of Rs. 5,000 was made for the Tenth Plan for absorbing the committed works of the project. However, the likely expenditure during 2004-05 is indicated as Rs 52.50 lakhs. A provision of Rs 55 lakhs is made for 2005-06

Feedback on the contemplated thrust areas like preparation of master plans, generation of reliable and comprehensive database through compulsory self-assessment by landlord/ occupant, reconciled by the Municipal officials, setting up of Management Information System and training programme to make the Urban Local Bodies (ULBs) more service oriented, introduction of improvements to overcome structural deficiencies in the way of generation of revenue from conventional and from other sources (like street tax, change of land use, municipal bonds) etc., concentration on development of towns experiencing the most rapid population growth and where municipal structures and institutions are not strong enough to cope with the challenges, and also those towns and cities which receive a large number of transient visitors, usually for religious or cultural purposes, may be requested for. Rs 985 crore has been proposed for 2005-06 for schemes under Urban Development.

Urban Infrastructure Incentive Fund: As per Plan document, on the basis of the action taken by the State for implementation of First Generation Reforms, an amount of Rs. 11.57 were admissible to the State for year 2003-04 and out of this Rs. 5.79 crore was

released as first installment, second installment of Rs. 11.57 crore is expected to be received during 2005-06. A provision of Rs. 27.32 cror is proposed for the purpose.

As per information available, under the Centrally Sponsored scheme of Integrated Development of Small & Medium Towns (IDSMT), upto March, 2004, the central and State release of funds amounted to Rs 33.77 crore, Rs 19.03 crore respectively. The expenditure reported was Rs 58.07 crore The State Government had mobilized an institutional finance of Rs 94 lakhs. As mentioned in the State plan document, keeping in view the paucity of state plan resources, the concerned local bodies have been asked to bear the burden of State share out of their own income and in cases where the body is not in a position to bear the State share, budgetary support is being provided to them. The State Government may be requested to highlight on the ways and means adopted by such Local Bodies and problems faced by other ULBs. Rs. 6.50 crore is proposed for 2005-06.

As per information available, upto March 2004, Rs. 97.67 crore was released as Additional Central Assistance (ACA) under National Slum Development Programme (NSDP) and the expenditure reported was Rs 76.41 crore. An amount of Rs 21.28.crore remains as unspent balance under the programme. As part of shelter upgradation, the State Government had framed, 'Apna Ghar Yojana' in the year 2000-01 comprising loan, subsidy and individual beneficiaries share for constructing a dwelling unit having two rooms, kitchen, lavatory and bathroom along with provision for open space to construct additional room in future. The total cost of a dwelling unit is Rs. 40,000 which includes Rs. 25,000 as loan, Rs. 10,000 as subsidy from NSDP and Rs. 5,000 as the individual beneficiary share. Rs 16.54 crore is proposed for 2005-06.

SJSRY (Swarna Jayanti Shahari Yojana). The central and State share of release upto March 2004 amounted to Rs 22.15 crore and Rs 5.90 crore respectively, and the utilization was reported to be Rs 48.53 crore. With an unspent balance of Rs 11.13 crore, the utilization works out to 81.35%. For 2005-06 an outlay of Rs 1.67 crore is envisaged. The appointment of Project Officers, Community Organisers along with formation of Neighbourhood Groups/ Committees, Community Development Societies should be given top priority.

Valmiki Ambedkar Awas Yojana (VAMBAY). Upto March 2004, Rs 3 crore was released, and 1500 dwelling units had been completed. It is essential to link up all the slum related programmes for effective utilization of funds. The State Government may evolve a more focused strategy in handling the issues.

National Capital Region: For the development of the region/ counter-magnet towns, provision of basic infrastructure facilities like power, roads, water supply, telecommunications etc are taken up. The State Government was requested to take serious note of the concept envisaged under the programme. Considering the financial

level of plan proposals made in the first two years of the Tenth Plan, the State Government may be requested to bring in the details regarding the progress status of schemes taken up so far as well as the strategy contemplated for future plan in their Annual Plan document. The results of an impact assessment of the programme may be added to facilitate appropriate review. It is observed that only a paltry sum of Rs 1,000 is provided under the programme;

The State Government has abolished octroi from 1st August 1998. To compensate the ULBs, a provision of Rs. 2240.70 crore has been indicated for the Tenth Plan. Against the approved/anticipated expenditure of Rs. 449.16 crore for 2004-05, a provision of Rs. 494.07 crores has been made for 2005-06. In this context, it may be pertinent to point out that Octroi is a high yielding and rather a dependable source of Municipal Finance. A pertinent issue may be to analyse, how appropriate, it would be to reserve a huge amount (50% of the proposed plan outlay for 2005-06) from the plan funds for Housing and Urban Development sectors, as an alternative source of revenue to that extent.

Externally Aided Project: Rajasthan Urban Infrastructure Development Programme (RUIDP): As per Plan document, at an estimated cost of Rs 1529 crore, the project has been sanctioned with 69% loan assistance from the Asian Development Bank for development of urban infrstructure like, water supply rehabilitation and expansion, waste water/solid waste management, sewerage, drainage, slum improvement, fire services, spot development, urban transportation and management etc. in six principal towns of Rajasthan namely, Jaipur, Jodhpur, Kota, Ajmer, Bikaner and Udaipur. But due to considerable appreciation in the value of US $, there has been an increase in the value of loan amount from Rs. 1055 crore to Rs. 1225 crore and similarly the matching provision of committed State share has risen from Rs. 474 crore to Rs. 550 crore, making the total value of the Project as Rs. 1775 crore. The share of Local Bodies has not been increased as the increased amount of the project is proposed to be utilised on Jaipur Bisalpur Water Supply Project. Keeping in view the financial constraints of the state and necessity of taking the Jaipur Bisalpur Water Supply Project, the State Government has decided to take up the transmission part of the Jaipur Bisalpur Water Supply Project from out of the savings under RUIDP. An amount of Rs. 270 crore is expected to be obtained from ADB for the purpose. Rs 405crores is envisaged for 2005-06. A provision of Rs 1 lakh has been indicated under RUDIP phase-II. Timely completion of the projects needs to be ensured.

In addition, feed back on the following areas of concern may be requested for

- Fixing monitorable targets for the Tenth Plan with respect to specific issues;
- Need to carry out a demand estimate of shelterless families and chalk out a comprehensive strategy to provide shelter within a time bound frame and also devise a policy for provisioning of land and credit to the urban poor;

- Carry out recovery campaign by the Housing Board or related institutions to boost repayment of advances;
- For effective utilization of funds, dovetail schemes of NSDP, Night Shelter and VAMBAY which are meant to improve urban slums;
- Poverty alleviation in urban areas needed focussed attention; Urban Poverty Eradication Cells at the Headquarter level with branches in the District/ Municipal level need to be set up;
- Allocations under IDSMT should be in commensurate with the number of towns and urban population for better utilization of funds for priority projects; The concept of National Capital Region has to be studied in detail for effective coordination with the NCR Planning Board, and other participating States;

Annual Plan (2005-06): The State Government of Rajasthan has proposed an outlay of Rs 150.62 crore for Housing and Rs 985 crore for Urban Development sectors.

(XIII) SPECIAL AREA PROGRAMMES:

There are two State funded Special Area Programmes in operation in the State :

a) Mewat Regional Development Programme:

In order to expedite the social & economic development of Mewat area, the Rajasthan Government constituted a Mewat area Development Board under the Chairmanship of Hon'ble CM in 1987. The Board was reconstituted in 1995 under the Chairmanship of Hon'ble Minister of Rural Development Department. For effective monitoring of the programme, an executive committee has also been constituted under Chairmanship of Chief Secretary of Rajasthan.

Mewat Regional Development Programme is being implemented in 8 blocks of Alwar district – Tijara, Ramgarh, Kishangarhbas, Laxmangarh, Mandawar, Kothasim, Umrain & Kathoomar and three blocks of Bharatpur district - Kama, Nagar and Deeg. The programme of Mewat area development is implemented by the District Rural Development Agencies in Alwar and Bharatpur. At the State level, Secretary, Rural Development, is the incharge for administration, supervision and monitoring of the Programme. The works taken up under the programme are mainly construction of approach roads, C.D. works in approach ways of villages, construction of *kharanja / nali* in abadi of villages, construction of additional rooms in school buildings, building for health center, building for veterinary hospital, drinking water facilities, etc. The State Government have proposed an outlay of Rs.275 lakh for the year 2005-06 against the approved outlay of Rs. 262 lakh for the Annual Plan - 2004-05 for this scheme.

b) Innovative Schemes:

The programme of Innovative Schemes was started in 1994-95 with the objective to strengthen the Revenue Administration, Panchayat Raj Institutions, Local bodies etc. Subsequently, such schemes for which there was no existing programme support and were not included in any Central or State Scheme, with the main thrust on innovations, experimentation and adoption of effective unconventional solution to people's problems, were also included under the programme. For Annual Plan, 2004-05, an outlay of Rs. 0.01 lakh has been approved. The same amount has been proposed for the year 2005-06.

Centrally funded Border Area Development Programme (BADP) :

An amount of Rs.30.32 crore was allocated and released to the Government of Rajasthan during 2003-04. The same amount has been allocated during 2004-05. The first instalment of Rs.20.21 crore has been released to the State Government. The State Government have furnished the quarterly progress reports, in physical and financial terms, upto 30th September, 2004. An amount of Rs.22.02 crore is pending with the State Government upto 31.10.2004.

Rashtriya Sam Vikas Yojana (RSVY):

Under the Backward Districts Initiative Component of RSVY, three districts namely Banswara, Dungarpur and Jhalawar districts of Rajasthan have been covered. The District Plan of all these three districts have been approved by the Empowered Committee. Two instalments of Rs. 7.50 crore each for Banswara and Dungarpur districts and one instalment of Rs. 7.50 crore for Jhalawar district have so far been released. Further funds will be released on receipt of progress reports on financial and physical achievements made under the District Plans.

(XIV) INDUSTRY

Rajasthan continues to be one of the industrially backward states, though the state has abundance of natural resources. The factors mainly responsible for its industrial backwardness are paucity of power, water, rail and road network and low level of industrial climate.

Keeping in view state's potential for growth in Industry sector and bottlenecks in infrastructure, emphasis is required to improve the infrastructure as well as investment climate. Following objectives are sought to be achieved for rapid industrialization:

- To create an environment for attracting industries/investment by improing competitive position of Rajasthan.
- To maximize value addition to facilitate greater generation of input and wealth for State.
- To promote technological upgradation of industries to make them globally competitive.
- To harness the local potential in the rural non-farm sector.
- To focus on human resource development.

In addition to the 'Industrial Policy' of 1998, an Investment Policy 2003 has been introduced for encouraging industrial growth and investments in different sectors like infrastructure and social sector. The same aims not only to provide a major boost to the economy of the State, but also it has objective to have all round impact leading to creation of additional employment opportunities and ultimately better quality of life for the people.

The principle object of the new policy is to make Rajasthan the most preferred state for investment in various sectors and to provide SMART (Simple, Moral, Accountable Responsive and Transparent) system of incentives and clearances to investors leading to better industrial growth, increased employment opportunities, sustainable development and investment in social infrastructure.

Plan Outlay/ expenditure :

An outlay of Rs 127.85 crore has been kept for Tenth Plan (2002-07) in respect of industry (large& medium)sector. Actual expenditure during Annual Plan 2002-03and Annual Plan 2003-04 were Rs.17.18 crore and Rs.33.17 crore respectively. Against outlay of Rs.23.41 crore crore during Annual Plan 2004-05 the anticipated expenditure is stated to be the same amount. Proposed outlay in respect of industrial sector during Annual Plan 2005-06 has been placed at Rs.30.96 crore. Scheme-wise allocation are given in the following table.

(Rs. in lakhs)

Scheme	Tenth Plan (2002-07)	Annual Plan 2002-03	Annual Plan 2003-04	Annual Plan 2004-05		Annual Plan 2005-06
		Actual Expd.	Actual Expd.	Agreed outlay	Anti. Expd.	Pr Proposed outlay
RFC	0.01	-	-	110. 0.01	0.01 0.01	0.01 0.01
RIICO	11247.50	1559.00	3186.83	3186 2170.0	31862170. 00	1559 2878.27
State Enterprises	850.00	30.00	30.00	30.3 31.50	31.5 31.50	31.5 33.00
Bureau of Investment Promotion	687.50	128.50	100.00	11 1 139.00	1331 139.00	185. 185.00
Total	**12785.01**	**1717.50**	**3316.83**	**2340.51**	**2340.51**	**3096.28**

Rajasthan State Industrial Development and Investment Corporation (RIICO) has been providing infrastructure facilities for industries by developing industrial areas in the state. It plays a key promotional role in granting/ providing a package of financial assistance by way of term loans equipment financing under ERS, and direct participation in share capital of projects. The Corporation is the prime agency for identification and establishment of Growth Centres, Integrated Infrastructure Development Centres and Export Promotion Industrial Park.

Growth Centres :

To promote industrialisation of the backward areas in the country, Growth Centre scheme was announced in June,1988. The Government of India had approved 5 Growth Centres in the State of Rajasthan which are located at Abu-Road (Sirohi), Bhilwara (Bhilwara), Khara (Bikaner), Dholpur (Dholpur) and Jhalawar (Jhalawar). Out of these 4 Growth Centres are in operation. Position regarding physical progress as on 30.9.2004 and financial progress as on 30.6.2004 in res0pect of these growth centers as received from the Deptt. of Industrial Policy and Promotion are given in the following table :

(Rs. lakhs)

	Abu-Road (Sirohi)	Bhilwara (Bhilwar)	Khara (Bikaner)	Dholpur (Dholpur)	Jhalawar (Jhalawa)
Date of Approval	31.3.1992	18.12.97	31.3.92	23.03.93	23.07.92
Approved Project cost	3000.00	3407.00	2750.00	3000.00	3000.00
	Physical progress as on 30.09.2004				
Land acquired	914.00 acres	1159 Bigwas, 65 Biswa	1162 Bighas 21 Biswa	332.22 acres	438 acres
No. of Plots/sheds Developed	297	4	461	211	238
No. of Plots/sheds alloted	53	4	260	104	118
No. of Units established	27	-	75	53	78
Capital invested by Units	1000.00	-	948	1500.00	900.00
Employment generated	300	-	680	240	450
	Financial progress as on 30.06.2004				
Amount of Central Release	1000.00	300.00	620.00	1000.00	300.00
Amount released by States & its Agencies	2153.80	520.49	571.49	525.35	606.54
Total expenditure	3153.80	820.49	1191.49	1525.35	906.54
Functional Status	Yes	-	Yes	Yes	Yes

Issues for consideraqtion :

The following issues may appear relevant for the discussions:

i. Industry growth and other statistical data to indicate the contribution of the industrial sector in the State GDP, Investment, Exports and Employment, factual performance against the targets fixed.
ii. State of the infrastructure sector like power, road, industrial climate indicating the tariff rate etc. critical to the industry to be provided.
iii. Information on labour reforms, land reforms, statutory, non-statutory clearances to be provided.

iv. List of PSUs with their status including action taken on disinvestments/revival/closure etc.

v. Investment scenario of the States with details of investment in private/public sector. Information on externally aided projects and FDIs to be provided.

vi. The following aspects may also be considered by the State Government which have large impact on the industrial development directly or indirectly:

a. Adequate Consumer Protection.
b. Need for stimulating demand by rationalization of local taxes / levies.
c. Reorganising the State process / policies for early clearance of investment proposals and streamlining procedures specially from the angle of environment & forests.
d. The detailed progress of Centrally Sponsored Schemes to be provided, like CIDS, ASIDE and Apparel Parks, Growth Centers etc. and their activities should be monitored through PERT/CPM Charts with prescribed dates and deadlines for major milestones, such as acquisition of land, position of water supply, power supply, road linkages with access to ports, airports, rail heads and approach roads to parks sewerage and drainage and telecommunication, etc.

Specific issues requiring clarifications:

(a) The plan document does not provide; Scheme-wise details in respect of large and medium sector and VSI sector separately. It is required to provide the scheme separate to analyze the physical and financial performance of various schemes.

(b) The State has vast potential for development of marble and mineral based industries. State Government should consider encouragement of developing mineral based industries in the State for realization of value addition and employment generation. A Marble cluster is recently approved under IIUS of DIPP for implementation in PPP mode. The effort should be replicated to realize the full potential of the State in this field.

(c) Rajasthan has also a vast source of raw material for leather and leather goods industry. The development of leather industry in the state is very important from

the viewpoint of export markets and employment generation. Therefore, it needs special focus. The Government should device proper and proactive strategy so that local units can take benefits of the 'Integrated Leather Development Programme' being launched by Department of Industrial Policy and Promotion.

(d) The Growth Centre at Bhilwara is not functional despite passage of 7 years time since its approval in December, 1997 and total expenditure of Rs.8.21 crore. Reasons for delay would have to be identified and steps taken by the State Government for its expeditious operationalization. Performance of the other Growth Centre at Jhalawar, which is stated to be already functional, would be required.

(e) Industrial development in the State is extremely slow. Special endavour on the part of State Government would have to be devised to create enabling conditions including upgrading infrastructure support so as to induce fresh investments in the areas of relevance/ importance.

Scheme of Financing for Annual Plan 2004-05 Rajasthan

Annexure - I

(Rs. Crore)

	Item	Allocation
I	**State's Own Resources (1 to 12)**	**4146.80**
1	Balance from Current Revenues	-1488.70
	of which ARM	60.5
2	**Contribution from State PSUs**	**200.40**
2.1	State Electricity Board	0.00
2.2	Road Transport Corporation	-28.00
	of which ARM	0.00
2.3	Others	228.40
3	**State Provident Funds (Net)**	**932.40**
4	**Misc. Capital Receipts (Net)**	**-616.10**
5	**Plan Grants under Finance Commission**	**78.60**
5.1	Upgradation & Special Problems	78.60
5.2	Local Bodies	0.00
6	**Net Small Savings**	**3120.00**
7	**Net SLR based Market Borrowings**	**903.90**
8	**Negotiated Loans & Other Finances**	**816.40**
8.1	LIC	105.00
8.2	GIC	0.00
8.3	IDBI	0.00
8.4	NABARD	295.00
8.5	REC	232.00
8.6	HUDCO	0.00
8.7	Others	184.40
9	**Debentures/Bonds (Non SLR based)**	**100.00**
10	**ARM**	**100.00**
11	**Adjustment of Opening Balance**	**0.00**
12	**Net Surplus from Local Bodies**	**0.00**
II	**Central Assistance (13 to 15)**	**2650.70**
13	Normal Central Assistance	901.70
14	ACA for Externally Aided Projects	962.90
15	Others*	786.10
III	**Aggregate Plan Resources (I+II)**	**6797.50**

*** Allocation under Central Assistance 'Others' – Rajasthan**

Sl. No.	Item	Allocation for 2004-05
1	NSAP	18.2626
2	SCA – Article 275 (1)	22.00
3	SCA-TSP	32.846
4	NPAG	6.15
5	AIBP	275.00
6	CRF	67.87
7	NSDP	14.96
8	URIF	23.15
9	PMGY	106.11
10	RSVY	45.00
11	BADP	30.32
12	APDRP	85.18
13	One Time ACA @	59.23
	Total	**786.08**

@ The state government has earmarked the One Time ACA of Rs. 59.23 crore sanctioned for specific projects, for the Dhopur Gas Project, Stage-I

			RAJASTHAN KEY INDICATORS		
Sl.No.	Items	Year	Unit	Rajasthan	India
1	Geographical Area	1991	Lakh Sq.Km.	3.42	32.87
2	Population	2001(P)	In lakhs	564.73	10270.15
3	Density of Population	2001(P)	Per Sq.Km.	165	324
4	Urban Population to total	2001(P)	Percentage	23.38	27.78
	Population				
5	Decadal Growth	2001(P)	Percentage	28.33	21.35
6	SC Population to total Population	1991	Percentage	17.29	16.48
7	ST Population to total Population	1991	Percentage	12.44	8.08
8	Literacy				
	Total	2001	Percentage	61.03	65.38
	Female	2001	Percentage	44.34	54.16
	Male	2001	Percentage	76.46	75.85
9	Birth Rate	2001(P)	Per'000	31.2	25.8
10	Death Rate	2001(P)	Per'000	8.4	8.5
11	Infant Mortality Rate	2001	Per'000	83	71
12	Sex Ratio	2001(P)	Per'000 of Male	922	933
13	BPL Population				
	Total	1999-00	Percentage	15.28	26.10
	Rural	1999-00	Percentage	13.74	27.09
	Urban	1999-00	Percentage	19.85	23.62
14	Gross Domestic Product at	2000-01	000 Crores Rs.	50.66(Q)	1193.92(Q.)
	constant prices(Base Year 1993-				
	94)				
15	Per Capita income at constant	2000-01	Rs.	7932(Q)	10254(Q)
	prices(base year 1993-94)				
16	Life Expectancy at Birth	1993-97	Av.yearly	60.00	61.10
	Male	2001-06	Projected Level	62.17	64.11
	Female	2001-06	Projected Level	62.80	65.43
17	Human Dev.Index	2001	Value	0.424	0.472
18	Total Livestock	1992	Lakh No.	484.41	4708.60
19	No.of Bank Offices	Dec.,2001	Per lakh of Popul.	5.89	6.45
20	Per Capita Bank Deposit	Dec.,2001	Rs.	5218	9942
21	Per capita Bank Credit	Dec.,2001	Rs.	2522	5688
22	Credit Deposit Ratio	Sept.,2001	Percentage	45.62	56.13
23	Road Length	March,97	000 km.	130	2466
24	Railway Route Length	2000-01	Km.	5928	63028
25	Net Irrigated Area	1997-98	000 hect.	5421	54563
26	Gross Fiscal Deficit*	2001-02	Crores Rs.	5354.49	116314
	P -- Provisional	Q-Quick Estimates		* Budget Estimates	

IMMEDIATE

No.M.13048/23 (Sikkim)/2004/SP.
Planning Commission
(State Plans Division)

Dated 4.1.2005

Sub.: Annual Plan - 2005-06 : Meeting between Deputy Chairman, Planning Commission and Chief Minister, Sikkim to be held on 5th January, 2005.

A Background Note for the Meeting between Deputy Chairman, Planning Commission and Chief Minister, Sikkim to be held on 5th January, 2005, is circulated herewith for kind perusal.

Encl: As above

(S.N. Brohmo Choudhury)
Director(SP-NE)

Planning Commission
Principal Advisers/
Advisers/
JS(SP)/
Head of Divisions

PMO
J.S. (N.E.) / D.S. (N.E.)

Ministry of Finance
Joint Secretary, (PF-I),
Department of Expenditure,
North Block, New Delhi.

Ministry of Department of Development of North Eastern Region
Secretary

National Commission on Population
Member Secretary

Copy to Private Secretary to :
Deputy Chairman/Minister of State/Members/Secretary, Planning Commission

Copy also to:

Director (SP-Coordination)/Director (PC Division)/ DA (MLP & Hill Areas)/ Protocol Unit / Information Officer

PLANNING COMMISSION
(State Plans Division)

BACKGROUND NOTE FOR THE MEETING BETWEEN THE DEPUTY CHAIRMAN, PLANNING COMMISSION AND THE CHIEF MINISTER, SIKKIM FOR THE ANNUAL PLAN, 2005-06.

Sikkim is the Northern most Indian State with a population of 5.40 lakhs (2001 census) and a geographical area of 70976 sq.km. The State joined the democratic mainstream of Indian Union in 1975. The State is one of the eleven Special Category States. The State has 4 districts, 8 Sub-Divisions, 8 Towns and 453 villages. The State is inhabited predominantly by three ethnic groups - the Lepchas, the Bhutias and the Nepalese. The State has lofty mountains, perennial glaciers, lush green hills valleys and rich bio diversity. The growth rate of population for the decade (1991-2001) has been 32.98% which is much higher than the rate of 28.47% in the previous decade. The State has density of population of 76 persons per sq.km. against 327 for the country. In the State 91 per cent villages are electrified and 84.5 per cent families of rural areas have supply of potable water. Sikkim has international borders with Nepal in the west, Bhutan in the south-east and China in the north and north-east. The only Indian State bordering Sikkim is West Bengal.

Economic Growth

The Agriculture is the main stay of economic activity. The low productivity and lack of thrust in the potential horticulture sector has been major factor in the stagnation of the economy. Capital formation through generation of surplus in the production of goods and services for sustainable economic growth is pretty weak. The expansion of public administration and other services in the sectors like Transport, Education, Health etc. has created the demand for various categories of personal and employment opportunities in the Government Sector. This has also contributed to tertiary sectors income. Investment in developmental activities has resulted in significant progress in some sectors such as road transport, power, education and health. Of the total villages 95% are connected with approach roads and 91% have electricity.

During 2003-04, the GSDP at current price has been recorded as Rs.1358.18 Crores as against base year GSDP of Rs.377.43 Crores in 1993-94. The NSDP Per Capita Income rose from Rs.7550 in 1993-94(base year) to Rs.21,586 in the year 2003-04. The comparative Per Capita Income for the year 2001-02 for Sikkim and All

India is Rs.20,672 and Rs.20,193, better than the National average. Per capita investment (Public-private-Jan-2004) in the state is Rs.116951.

Other Socio-economic Indicators

Health indicators are also good due to adequate health infrastructure. The Health indicators for the State reveal that these are much better than the All India level. The CBR is 21.6, CDR 5.8 and IMR 49 per thousand against the All India figures of 26.1, 8.7 and 68 respectively. According to 2001 census, the sex ratio for the State is 875 against the All India level of 933 per thousand which is a matter of concern.

The literacy level in the State is higher at 69.68% (census 2001) against the All India average of 65.38%. However, the literacy rate in case of males (76.73%) and females (61.46%) is marginally higher than the All India average. Though the State has made significant progress in literacy levels since its joining the main stream, the quality of education needs to be improved. The drop out rate at the primary and upper primary level are as high as 60% and need to be addressed. Although there are inter-district disparities, the overall literacy rate has witnessed a significant rise from 34.05% in 1981 to 56.94% in 1991 and further to 69.68% in 2001. The female literacy has also risen from 22.20% in 1981 to 46.69% in 1991 and 61.46% in 2001 crossing the All-India average of 54.16% for 2001. The male literacy rate in the State is 76.73% in 2001 against 75.85% at national level. The high salary component (90% of allocation) has adversely affected the State education programme.

In Sikkim, dependence of workers on tertiary sector is one of the highest at 29.3%. against the all India average of 12.4%. The workers dependant on primary sector in rural areas is very low compared to other North Eastern States. About 52.2% of the workforce of the state is engaged in agriculture, about 17.0% in mining and quarrying and manufacturing, 4.0% in construction, 8.3% in trade,2.02% in transport and about 25.7% of the workforce is engaged in the service sector.

Tenth Five Year Plan

The Tenth Plan objective of the state is to provide a firm foundation for good governance and empower people politically, economically and socially by democratic decentralization. The broad objective of the Tenth Plan is to enhance GSDP growth

to 10% lay priority on core sectors of agriculture and infrastructure with greater synergy among other economic and social sectors to promote coordinated development programmes for generating employment opportunities, alleviation of poverty by giving more attention to housing, water supply, nutrition, primary health and primary education. Focus is on providing village connectivity and power to every village. The Government of Sikkim also proposes to promote Tourism industry in the State which will provide an opportunity for unemployed youth to work and increase the income of the State and the people.

The Planning Commission approved the Tenth Plan of the state for Rs.1655.74 crores.

The Annual Plan 2005-06 document of the state does not contain much information. A note on the sectoral issues is made bassed on the available information in the NE Division.

Agriculture & Allied Activities

Crop Husbandry

In Sikkim, 11.3% of the geographical area is available for cultivation and 15% of the cultivable area is irrigated. Agriculture in the State is largely rain-fed. Climatic conditions are often erratic. The State has emphasized on increasing the production of cereals, pulses and oilseeds, with more coverage under the high-yielding (HYV) and improved varieties.

The targets in the Tenth Plan for rice, wheat and maize had been fixed at 7 th. Ha., 8.60 th. Ha. And 16.40 th. Ha. The target for cereals, pulses and oil seeds has been fixed at 0.18 th Ha.,0,03 th. Ha. And 0.04 th. Ha. respectively. Similarly, the production targets of rice, wheat , maize, cereals , pulses and oil seeds had been fixed at 24.96 lakd tones,19 lakh tones, 64.98 lakh tones,117.19 lakh tones, 8 lakh tones and 8.75 lakh tones. However, achievement figures during the last three years have not been indicated by the state government.

Horticulture

Sikkim is an important producer of large-size cardamom and good quality ginger. Sikkim's tea fetches a good price abroad. There is considerable potential for increasing the productivity of horticultural crops in the State through modern technology and management practices. There is considerable scope for expanding

the area under tea plantations in the State. Orange, banana, mango and guava are some of the promising crops. There is scope to explore commercial cultivation of medicinal and aromatic plants, floriculture, fruits and vegetable etc. by developing high yielding and better quality planting material and creating vital linkages of post harvest management. During the annual plan 2005-06 the outlay proposed for Agriculture and allied sector is Rs 40.80 crore. The State has proposed to go in for organic farming with introduction of organic inputs effective microorganism technology, organic fertilizers, vermi compost organic manures and soil conditioners. Increase in the production of vegetables and fruits will be undertaken with introduction of good variety of seedlings and the activities under Agriculture Export Zone will be continued.

Animal Husbandry & Dairy Development

Livestock rearing is a way of life in the state. In order to increase the productivity of various types of livestock a sound network of veterinary hospitals, dispensaries and centres to monitor and control different types of diseases is available in the State. These activities are commercially viable and employment oriented. The state needs to avail assistance under several Centrally Sponsored Schemes in the Animal Husbandary sector. The temperate climate and vegetation are favourable for livestock development.

Soil & Water Conservation

Sikkim lies along the lower Himalayan belt made up of geologically young mountains with extreme susceptibility to soil disturbances due to seismic factors. The region also experiences torrential rainfall. All these underline the importance of soil and water conservation and ecology and environment programmes.

The vulnerable areas in all the identified watersheds have been identified in the entire State and these areas need to be treated with a package of measures involving afforestation, land management, protective works, vegetative propagation ,natural regeneration and other biological measures. The programme of soil and water conservation is to have a proper and suitable combination of both engineering and vegetative measures within the identified watersheds and equal importance has to be accorded to tackle erosion problems and minimize ecological disturbances

outside the watershed areas. Water conservation and harvesting techniques need to be encouraged in areas with scanty rainfall.

Forestry & Wildlife

Of a geographical area of 7096 sq. km., the recorded forest area is 2650 sq. kms. which constitutes 37.34% of the total geographical area. This is much below the national target of 60% envisaged in the National Forest Policy. The scheme of Joint Forest Management (JFM) should be implemented effectively for promoting people's participation in management of forests.

Irrigation & flood control

Sikkim being a hill State, the topographical conditions are not favourable to the development of medium or major irrigation schemes. The target set for the Tenth Plan is to create potential of 50,00 Ha. The State could create total potential of 29891 ha by the end of Ninth Plan with the potential utilization of 21630 ha.. Against the target of 5000 ha. only 712.15 Ha could be achieved during 2002-03 and 2003-04. There is a considerable lag between the potential created and its utilization in respect of minor irrigation

There are no water rates in Sikkim. These should be introduced to recover the operation and maintenance expenses.

Power & energy

At present power supply to the entire state is from the state's own generating stations and from central sector generating stations through 66 KV and 11 KV lines. The existing generating stations have their limitations because during the monsoon, power supply gets disrupted due to land slides and torrential rain. The operational losses for Transmission and Distribution in the state are 20.60%. The area which contributes the maximum T&D losses are rural electrification schemes.The per capita power consumption in the State is 173 units, as compared to 193 units in the Eastern Region. 91% villages in Sikkim are electrified.

Two hydro power generation schemes namely Lachungchu Stage –II(3MW) and Mangley(2MW) are spill over schemes from the Ninth Plan. These projects are under support from MNES in the form of capital subsidy. Number of small, mini and micro-hydel Schemes in the State under the Capital Subsidy Scheme of MNES are

under implementation during the Tenth Plan. These are namely; Rellichu (Khola) HEP(6 MW)- DPR has been prepared, Ronglichu(Khola) HEP – I(2x2.5 MW),Ringyangchyu HEP (2x500 KW) and Chhattenchu HEP (2x 1 MW). Action is required for the renovation and modernization of the existing power stations and for extension of transmission & distribution network to meet the system requirements.

During the annual plan 2005-06 the outlay proposed is Rs 183.18 crore. It is proposed to complete the ongoing hydel generation schemes and work on the transmission and distribution network under APDRP will be continued in order to further improve the revenue generation and check leakages. The identified new projects will be implemented through private investors by the Power Development Corporation.

Transport

Sikkim is a land-locked State and its lifeline is NH 31-A with no alternative means of communication. Disruptions on NH-31A cause distress. There is need for a proper drainage system to avoid damage to the road formation. Road length per 100 sq km area is 26.1 Km against the national average of 76.8 km.The road length in the state is 1834 kms, of which about 83% is surfaced. The state at present provides only about 20% of the maintenance requirement of the State roads. Large number of roads are is in bad shape due to lack of proper attention to maintenance. In addition, torrential rain causing landslides causes havoc to the communication network.

The State Road Transport Department has been incurring losses over the last several years. According to the available information the estimated of loss of SNT is Rs 5.55 crores. The vehicle productivity per km. per bus per day on the average fleet held is 61 kms. Of the existing fleet of 180 vehicles as on the 1st of September 2004, 95 of the present fleet are over aged and unfit for economic operations.

Industries

The geographical location of the State is not conducive to the development of large or medium industries. Limited resources of industrial raw materials and skilled manpower, lack of entrepreneurship, high marketing and transportation costs have hampered the industrialisation. Agro-based industries have considerable potential, as Sikkim produces 80% of India's large cardamom. The traditional cottage

Industries and handicrafts have a good market. The State has identified agro-based industries , floriculture, animal husbandry and dairy products, forest based products, handloom, handicrafts and village Industries as thrust areas.

Health & family welfare

In spite of difficulty in accessing Primary Health Care Services, health indices of the State are better than national average except sex-ratio which is lower than the All-India level. The State has a surplus of Health Care Centres at all levels. The existing three tier primary health care system of sub–centres, PHCs and CHCs should be strengthened, redesigned and integrated so that appropriate referral linkages are available whenever required.

Morbidity indicators place Sikkim in an unfavourable position compared to all India averages. It appears Asthma and Tuberculosis is emerging as a major health problem because of their highest rate in Sikkim. Another area of concern is the low ratio of medically treated tuberculosis especially in the urban areas.

Tourism

Sikkim has become a destination for domestic and overseas tourists. It has become a major revenue earning and employment generating sector. The State Government has, accorded high priority to the promotion of tourism in the State. The mission of Sikkim Tourism is to develop Sikkim as the premium eco-tourism destination in the country. The average annual growth rate of domestic tourist traffic to Sikkim in the last three years is about 17% and that of foreign tourist traffic about 8%. The Tourism Department has taken the initiative to create infrastructure facilities in the tourist areas such as as hotels, lodges, wayside amenities, trekkers' huts, etc. However, allocation under tourism sector is quite low and infrastructure is required to be strengthened. The Department of Tourism has offices in New Delhi, Kolkata, Siliguri and Tourist Information Centres at NJP, Jorethang, Namchi, Geyzing, Melli, Lachen. There is a proposal to open outstation offices in other metropolitan cities like Bangalore, Hyderabad, Ahmedabad, Mumbai. The State has already prepared a 15 year Tourism master plan with eco-tourism as the focus. Accordingly, many projects and programmes have been initiated by the Tourism Department but in order to further promote tourism, the improvement in the infrastructure sectors like Power, Roads & Bridges, Urban Development etc. are essential.

Tenth Plan 2002-07 outlay and percentage distribution

The projected outlay for the Tenth Plan 2002-07, was fixed at Rs.1655.74 crore. The broad sectorwise details with their percentage distribution is presented in the table below :

(Rs. in Crore)

Broad Sectors	10th FYP Projected outlay	2002-07 % Distribution
Agriculture & Allied	174.99	10.57
Rural Development	124.00	7.49
Special Area Programme	30.00	1.81
Irrigation & Flood Control	31.00	1.87
Energy	242.90	14.67
Industries & Minerals	62.00	3.74
Transport	255.00	15.40
Communication	0.00	0.00
Science & technology	11.00	0.66
General Economic Services	40.40	2.44
Social Services	626.25	37.82
General Services	58.20	3.53
TOTAL	**1655.74**	**100.00**

The approved outlays for the last three years along with percentage distribution amongst the sectors is given in the Table below:

(Rs. in crore)

Broad Sectors	Annual Plan 2002-03		Annual Plan 2003-04		Annual Plan 2004-05	
	Approved	% Distr.	Approved	% Distr.	Approved	% Distri
Agriculture & Allied	27.64	7.47	21.68	5.35	24.19	4.93
Rural Development	39.40	10.65	60.71	14.99	67.79	13 82
Special Area Programme	5.72	1.55	5.72	1.41	20.72	4.22
Irrigation & Flood Control	7.70	2.08	9.55	2.36	8.05	1.64
Energy	42.55	11.50	40.00	9.88	91.05	18.57
Industries & Minerals	22.75	6.15	20.93	5.17	13.44	2.74
Transport	48.18	13.02	45.90	11.33	43.24	8.82
Communication						0.00
Science & technology	1.05	0.28	1.10	0.27	1.05	0.21
General Economic Serv.	11.70	3.16	26.30	6.49	20.23	4.12
Social Services	141.65	38.27	154.55	38.16	185.26	37.78
General Services	21.77	5.88	18.55	4.58	15.40	3.14
TOTAL 10th FYP	**370.12**	**100.00**	**405.00**	**100.00**	**491.07**	**100.00**

Annual Plan 2005- 06 proposal

The state has proposed an outlay of Rs. 1156.98 crore for 2005-06 against the outlay of Rs. 491.07 crore in 2004-05. The distribution amongst the various sectors proposed are indicated below:

(Rs. in crore)

Broad Sectors	Annual Plan 2005-06 (Porposed)	Plan 2005-06 % Distribution
Agriculture & Allied	40.80	3.53
Rural Development	52.12	4.51
Special Area Programme	20.72	1.79
Irrigation & Flood Control	13.14	1.14
Energy	183.18	15.83
Industries & Minerals	339.54	29.35
Transport	92.61	8.00
Communication	0.00	0.00
Science & Technology	4.08	0.35
General Economic Serv.	33.21	2.87
Social Services	337.37	29.16
General Services	40.18	3.47
TOTAL	1156.98	100.00

The proposed outlay for 2005-06 is a 135% increase over the outlay for 2004-05.

****

IMMEDIATE

M-13048/25(TP)/2004-SP-NE
Planning Commission
(State Plans Division)

Dated : 29.11.2004

Sub.: Annual Plan - 2005-06 : Meeting between Deputy Chairman, Planning Commission and Chief Minister, Tripura to be held on 1st December, 2004.

A Background Note for the Meeting between Deputy Chairman, Planning Commission and Chief Minister, Tripura to be held on 1st December, 2004, is circulated herewith for kind perusal.

Encl: As above

29.11.04
(V.P.Ahuja)
S.R.O. (SP-NE)

Planning Commission
Principal Advisers/
Advisers/
JS(SP)/
Head of Divisions

PMO
J.S. (N.E.) / D.S. (N.E.)

Ministry of Finance
Joint Secretary, (PF-I),
Department of Expenditure,
North Block, New Delhi.

Ministry of Department of Development of North Eastern Region
Secretary

National Commission on Population
Member Secretary

Copy to Private Secretary to :
Deputy Chairman/Minister of State/Members/Secretary, Planning Commission.

Copy also to:

Director (SP-Coordination)/Director (PC Division)/ DA (MLP & Hill Areas)/ Protocol Unit / Information Officer.

ANNUAL PLAN 2005-06

FOR THE STATE OF TRIPURA

BACKGROUND NOTE

FOR ·

THE DEPUTY CHAIRMAN –

CHIEF MINISTER MEETING

TO BE HELD

ON

1.12.2004

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Planning Commission
(State Plans Division)

Background note for the meeting between Deputy Chairman, Planning Commission and Chief Minister, Tripura scheduled to be held on 1st December, 2004 for finalisation of Annual Plan (2005-2006) of Tripura State.

1. INTRODUCTION

1.1 Tripura, situated in the extreme south-west corner of NE region, having a total geographical land area of 10,492 Sq Kms., is the smallest state of the North-Eastern Region. Tripura with more than 850 Kms. long border is surrounded by Bangladesh on 3 sides.

It has nearly 70% of its area as hilly, about 59% classified as forest under the Forest Conservation Act. With 27% of its net sown area, which is approximately 280 thousand hectares and it has a cropping intensity of 171%.

1.2 Although the smallest state of the N-E Region, Tripura with its total population of 31.91 lakhs (as per the 2001 Census-provisional) is the second largest populated State (only next to Assam) of this region. It has the population density of 304 persons per Sq Km. Percentage of SC & ST population was 16% and 31% respectively. The decennial population growth in the State was consistently higher than the national average up to 1991 census, but during the last decade, it has sharply declined to 15.74% as against the All-India average of 21.34%.

1.3 Vital rates (Birth rate and Death rate) of Tripura when compared to India as a whole are better which indicate a better quality of life in Tripura, despite several constraints and its backwardness. This is because of rising literacy rate as a result of wide-spread free school education and mass literacy campaign through direct involvement of the people in the local decision making process through the Panchayat / Panchayat Samiti / Zila Parishad. Over and above, effective coverage of health and family welfare services in the State is another responsible factor for attaining better quality of life.

2. ECONOMIC DEVELOPMENT

2.1 After partition and independence, the access of Tripura people to well developed markets and trading centers through a well planned system of Railways and the Chitagong Port (now in Bangla Desh) has been broken which has pushed the economy of Tripura back by about

25 years as in the new set up, important market/trading centers such as, Calcutta, which was only about 400 Kms. away from Agartala by the shortest route, is now far away from Tripura with a distance of 1645 kms. All this has had its impact on the economy of the region and its people.

2.2 The economy of the state is primarily agrarian with agriculture sector contributing 42% of the SDP and 64% of employment generation in the state. The small and marginal farmers constitute 90% of the total number of farmers in the state. While there has been a steady rise in the contribution of tertiary sector to the SDP, growth of secondary sector has remained slow. Due to high population density, average size of operational holding (0.97 ha) is much smaller than the all India figure (1.68 ha).

2.3 The State has no significant Public Sector or Private Sector investment. Credit – Deposit (CD) Ratio is significantly lower at only 27.28% as on March 31, 2001. This is a serious constraint to the increase of labour productivity in the State.

2.4 The per capita State Domestic Product (SDP) of Tripura state during the year 2000-01 was Rs.14348 at current prices against the all India average of Rs. 16487.

2.5 Basic Statistics of the State may be seen at **Annexure-I**

3. PLAN PERFORMANCE

3.1 The State Annual Plan is primarily financed out of Central Assistance for the State Plan and Centre's share of Centrally Sponsored Schemes.

3.2 The State has been able to spend 93.39% of the Original Approved Outlay from 1997-98 to 2001-02 (Ninth Five Year Plan). The details of amount of Original Approved Outlays, Actual Expenditure and the Central Assistance provided from Fourth Five Year Plan onwards are available in **Annexure-II**.

3.3 Tenth Five Year Plan (2002-07)

Tenth Five Year Plan for the States has been projected at Rs. 4500.00crores. Emphasis has been laid on the progressive industrialization of the state particularly in the small/cottage industries, Rural Development, Transport Services, Agriculture & Allied Activities, Irrigation & Flood

Control and Special Programmes. Percentage outlay projected for the Tenth Plan for these sectors is 30%, 12%, 11%, 10%, 8% and 7% respectively. Sector wise projected outlay for the Tenth Five Year Plan for the State is given in **Annexure-III.**

3.4 Annual Plan 2003-04

Outlay for the Annual Plan 2003-04 for the State was agreed at Rs.650.00 crores. Sector wise agreed outlay for the Annual Plan 2003-04 are given in the **Annexure-III**. Social Services Sector comprising of General & Technical Education, Medical & Public Health, Water Supply & Sanitation, Housing & Urban Development, Welfare of SC/ST and OBCs, Labour & Labour Welfare and Social Welfares sub- sectors accounted for the major chunk of outlays i.e. about 40.5% of the agreed outlay for the Annual Plan. Rural Development was the other area which received thrust in the Annual Plan 2003-04 with 12.91% of the total agreed outlay for the Annual Plan. Sectors like Industry Minerals, Communication, Science Technology & Environment received only 5.11% of the allocation of total agreed outlay for the Annual Plan 2003-04.

Performance of the Annual Plan 2003-04 has been reviewed wherein it has emerged that the State has achieved expenditure level of about 87% and 91% respectively of the originally agreed size and revised outlay of the Annual Plan 2003-04.

3.5 Annual Plan 2004-05

Outlay for the Annual Plan 2004-05 for the State has been agreed at Rs.700.27 crores which includes Rs.43.00 crores as Additional Central Assistance. Allocations for the major sectors of the Annual Plan 2004-05 are given in Annexure-III. Social Services, Rural Development, Transport, Energy, Special Area Programme and Irrigation & Flood Control Sectors account for the major outlay for the Annual Plan 2004-05 at over 80%.

4. PROPOSED ANNUAL PLAN 2005-2006

The State Government has submitted the draft Plan proposal of Rs.804.53 crores for the year 2005-2006. A comparative position of the proposed sectoral outlays of Annual Plan of 2005-2006 vis-a-vis approved outlay for 2004-2005 and Projected Outlay for Tenth Five Year Plan is given in **Annexure III**.

5. SECTORAL ISSUES

5.1 ECONOMIC SERVICES SECTOR

5.1.1 Agriculture

The projected outlay for Agriculture & Allied activities (excluding Forestry) during the Tenth Plan is 8.9% of the total allocation, but while allocating the fund in the annual plan, this important sector is being neglected. The expenditure in the year 2002-03, 2003-04 and 2004-05 is only 5.2%, 4.2% and 5.55% (anticipated) of the total annual expenditure. The percentage of allocation in the fourth year of the Tenth Plan (4.8%) is also very low. Notwithstanding the fact that this sector contributes immensely in State GDP as well as provide employment to the vast people in rural areas, the agriculture & allied sector is not getting its due priority while allocating fund for the annual plan. The State is required to provide at least 10% of the total fund to this sector during 2005-06.

In all the major sub-sectors, a significant chunk of plan allocation (2005-06) would be used for 'Direction & Administration' which includes salary of staff, wages of labours, stipend, scholarship, maintenance of building, quarter, input stores, farm machination etc.

(Rs. in Lakh)

Head	Total allocation	Direction & Administration	Percentage
Crop Husbandry (Agriculture)	1410.00	823.00	58
Crop Husbandry (Horticulture)	202	85	42
Animal Husbandry	482	185	38

The state should ensure that the plan allocation is being spent primarily for developmental works.

There are schemes with small allocation (Rs. 10 lakh or below) in the crop husbandry (1 out of 8 schemes), horticulture (9 out of 11 schemes) and animal husbandry (5 out of 10 schemes). Such thin spreading of plan allocation will not benefit the people.

It appears that physical target fixed are not linked with the corresponding scheme. For example, the target (2005-06) for food grain production like rice (8.75 lakh MT), wheat (0.32 lakh MT), Nitrogen fertilizer use (0.21 lakh MT) could be the state target but it would be very

difficult to correlate them with the individual scheme. Under this circumstance, no effective appraisal as well as future monitoring of the plan schemes could be done.

5.1.2 Environment & Forests

Forestry & Wildlife

The recorded forest area is 0.63 million ha which constitutes 60.01% of the State's total geographic area. The forest and tree cover of the State is 7133 sq km which is 68.0% of the State's geographic area.

The proposed outlay for 2005-06 is Rs. 9.64 crore constituting 1.20 % of the total plan size of Rs.804.53 crore. The anticipated expenditure for Annual Plan 2004-05 is Rs. 7.12 crore.

The programme of Joint Forest Management has been very successful in the State considering that the State has 67.4% forest cover with nearly half of it degraded, extension of JFM and attempt of bringing sustainability to these efforts is required.

The State is rich in bamboo resources. The gregarious flowering of bamboo is expected in next two years. The State Government has an action plan for management of the bamboo flowered areas and also to utilize the raw material so obtained in large quantities. At present, majority of bamboo raw material is going to paper and pulp industry. Alternative uses of bamboo such as bamboo board, handicrafts etc. should be promoted. Linking this resource to employment generation in value addition for use in industry will go a long way in ensuring community participation in meaningful management of forests.

It is estimated that the contribution of forestry sector to rural economy is 5.5% of State Domestic Product (SDP). It is suggested that the outlay in the forestry sector should be appropriately enhanced for sustainable economic development. Protection of forests from organized illicit removal, inter-state smuggling, over-exploitation etc are to be tackled on priority. Centrally sponsored scheme on Integrated Forest Protection may be availed of for higher investment in management planning and creating infrastructure for effective protection of forest resources.

Ecology & Environment

The approved outlay for the sub-sector is Rs.12.00 lakhs for the Annual Plan 2004-05. For the year 2005-06, the proposed outlay suggested is Rs. 1.11 crore.

5.1.3 **Rural Development**

The proposed outlay for 2005-06 vis-à-vis agree outlay for Annual Plan 2004-05 and Ministry of Rural Development(MORD) allocations (State share) for 2004-05 are given below:

(Rs. in lakhs)

Sl. No.	Programmes	Annual Plan 2004-05		Annual Plan 2005-06
		Approved outlay	MORD allocations (State share)	Proposed outlay
1	Special Programmes for Rural Development			
	a) SGSY (incl. M. Cell)	598.36	290.31	708.81
	b) DRDA	59.06	43.65	45.93
	c) IAY	478.69	636.83	568.76
2	Rural Employment			
	a) SGRY(JGSY+EAS)	1624.12	1307.59	1900.00
	b) Rural Employment Cell	5.13	NA	3.68
3	Land Reforms	352.90	NA	388.47
4	Other RD Programmes			
	a) CD & Panchayats	6406.73	NA	5212.18
	Total	9534.99	---	8827.83

The State-wise allocations of funds by MORD for Centrally Sponsored Schemes(CSS) of SGSY, SGRY and IAY for Annual Plan 2005-06 are not available at this stage however, the State Government has to ensure their State matching share in the ratio of 75:25 under these schemes as and when MORD allocations are made available.

A sum of Rs. 754.05 lakhs has been provided as Additional Central Assistance(ACA) for National Social Assistance Programme(NSAP) and Annapurna schemes for 2004-05. A similar provision of ACA is likely to be provided for NSAP and Annapurna for 2005-06. The ACA along with State budget provision or actual expenditure whichever is higher for these schemes during 2000-01 need to be earmarked as Mandatory Minimum Provision(MMP) for NSAP - Annapurna for 2005-06. The State Government may provide MMP figures at the time of Adviser level discussions.

5.1.4 **Multi-level Planning**

The MLP Division deals with Special Area Programmes under which three sectors namely Tripura Tribal Areas Autonomous District Council (TTAADC), Centrally funded Border

Area Development Programme (recently the programme has been transferred to Department of Border Management, Ministry of Home Affairs) and Rashtriya Sam Vikas Yojana (RSVY) are covered. The details are as under:

Special Area Programmes

Tripura Tribal Areas Autonomous District Council (TTAADC):

With a view to safeguard interest of the Scheduled Tribe population and give them a sense of security, the Tripura Tribal Areas Autonomous District Council (TTAADC) was set up under the 7th Schedule to the Constitution of India in the year 1979. Subsequently, the Council came under 6th Schedule the of Constitution of India, following the 49th Amendment. The District Council covers 68% of the total area of the State which is mainly inhabited by the tribals. As per 1991 Census, the Council has a total population of 8,87,300 including 6,62,703 belonging to Scheduled Tribe and 57,045 belonging to Scheduled Castes.

The Council has been set up with the main objectives of removing the disparities between the Scheduled Tribes and general category, strengthening the relations between the tribals and the non-tribals and removing injustice and exploitation in the council area.

The scheme covers a wide range of sectors such as agriculture, health, roads & bridges, irrigation, education, sports, etc.

The State Government have proposed an outlay of Rs 4563.56 lakh for Annual Plan (2005-06). The outlays are given at annexure.

Border Area Development Programme (BADP):

An amount of Rs. 12.96 crore had been allocated and released to Government of Tripura during 2003-04. The same amount has been allocated for 2004-05 also against which Rs. 8.64 crore have been released as first instalment to the Government of Tripura. The State Government have furnished the Quarterly Progress Reports in physical and financial terms till 30th June, 2004. The State Government have an unspent balance of Rs. 3.02 crore against the releases made till 31st March, 2004. The State Government have not furnished the UCs against the releases made during 2003-04.

Rashtriya Sam Vikas Yojana (RSVY)

Under the Backward Districts Initiative Component of RSVY, Dhalai district of Tripura is covered. The District Plan received from the State Government has been approved in the meeting of the Empowered Committee on RSVY held on 17.2.2004. First instalment of SCA (Rs.7.50 crore) was released in March, 2004. Further funds will be released during 2004-05 on receipt of progress of expenditure under the District Plan. An allocation of Rs.15 crore has been made for the current year.

5.1.5 Water Resources

The details of the Water Resources sector – Tripura are as under.

Financial Status

(Rs. Crore)

Sl. No.	Item	Major & Medium	Minor Irrigation	CAD	Flood Control	Total Irrg.
1	IX Plan Actual Expdr.	32.44	75.27	0.04	26.73	134.48
2.	A.P. – 2002-03 Antcpd. Expenditure	7.46	32.93	0.03	4.05	44.47
3.	X Plan Apprd. Outlays	44.17	219.25	0.00	96.57	360.00
4.	Annual Plan 2003-2004 Actual Expdr.	6.45	28.30	0.00	11.17	45.92
5.	Annual Plan 2004-05 Antcptd.expdr.	5 55	26.80	0.00	7.96	40.31
6	Annual Plan 2005-06 Proposed	20.45	27.50	0.65	6.40	55.00

Physical Progress

('000 ha.)

Sl. No.	**Item**	**Major & Medium**		**Minor Irrigation**	
		Pot.	**Utl.**	**Pot.**	**Utl.**
1.	Ultimate Irrgn. Pot.	100	100	115	115
2.	Benefits to the end of March, 2002	4.90	4.50	109.65	96.09
3.	X Plan Target	--	--	32.40	25.92
4.	A.P. 2002-03	--	--	7.30	5.84
5.	Annual Plan 2003-04	--	--	7.06	5.65
6.	Annual Plan 2004-05	2.40	--	6.47	5.00
7	Annual Plan 2005-06	4.30		5.92	4.50

Major & Medium Irrigation

The cultivable land in the State is 2.18 lakh ha. about 1.17 lakh ha of land may be brought under assured irrigation with 200% crop intensity. There are three medium irrigation project in the State namely (i) Manu (ii) Khowai(iii) Gumti. These projects are Fifth and Sixth Plan projects. The AIBP assistance released to these three projects during IX Plan is Rs. 26.056 crore. The AIBP ceiling for the State during the A.P. 04-05 is Rs. 20 crore. It is targeted to complete all the three medium irrigation projects within X Five Year Plan period.

Minor Irrigation Project

The scope of M.I. development in the State is tremendous and the State is undertaking the schemes of lift irrigation (1178 nos.), deep tube well(10 nos.), diversion scheme/pick-up weir(10 nos.), artesian wells/shallow tube wells/small pumps(500 nos.). Also the State Govt. proposed to improve some of the worn out M.I. schemes. The State Govt. has proposed an outlay of Rs. 27.50 crore including AIBP during 2005-06.

Flood Control

The State Govt. of Tripura has protected so far 25,134 ha. of land and substantial population. The State Govt. constructed 134.10 k.m. length of embankment and 45.22 k.m. of bank protection. During 2004-05 the State has an anticipated expdr. of Rs. 14.00 crore for the construction of 2.2 k.m. long embankment, 5.79 k.m. of improvement of existing embankment 4.3 k.m. of anti-erosion works. The Planning Commission provided an ACA of Rs. 4.00 crore for this sector during 2003-2004, the State has to indicate the details of these works.During 2005-06 it is proposed to achieve the target of const. of embankment for 2 Km, improvement of existing embankment for 17.05 Km., anti-erosion works 5.35 Km. and improvement of anti-erosion works of 4.6 Kms. proposed with an outlay of Rs.6.40 crores. State is also expecting the approval of Externally Aided Project of Rs.191.50 crores in this sub-sector.

Command Area Development

The State is trying to bridge the gap between potential created and utilized by the command area development programme and thus one project has been sanctioned recently at a cost of Rs.123.68 lakhs, for development of Command Area of Kachigang-Cherra, Noacherra, Bikhoracherra and Chagalnaiyacherra diversion scheme.

Water Rates

The State Govt. of Tripura has introduced water rates for farmers recently. The rate is Rs. 312.50 per ha. crop to meet the O&M of the irrigation schemes.

Water Users Associations:

The State has no WUA's and the State should encourage formation of such associations which may be handed over the O&M of the irrigation schemes, as well as water equity among farmers.

Ground Water Development

The level of ground water development in the State is 33% and there is still ample potential for development. The State has been provided a model bill for regulation of ground water development in the State. However, the State is of the view that legislation for regulation of ground water at this stage is not required.

Issues for Discussion:

(i) There are three medium irrigation projects in the State i.e. Manu, Gumti and Khowai. The projects are ongoing since V & VI Plan and should be completed at the earliest by dove-tailing the AIBP assistance.

(ii) The development of ground water in the State is 33.33% as compared to ultimate ground water potential. State should develop irrigation potential through ground water development.

(iii) The State Govt. has proposed flood control measures in the form of construction of embankments , anti-erosion works and the improvement of existing works . The State Govt. is taking up majority of unapproved works and thus the technical quality of the schemes are being compromised.

(iv) The Command Area Development Programme is the CSS of the MOWR where the State Govt. can avail 50% of matching fund. However, the State Govt. has not provided sufficient outlay for this purpose.

(v) The State is yet to formulate its State Water Policy as well as a Master Plan within the framework of National Water Policy, 2002.

(vi) The State Government has been advised to opt for flood plain zoning to save valuable assets and lives. Delimitation of flood risk maps with respect to 5,10,25,50,100 years flood frequencies should immediately be taken up so that economic activities may be regulated with respect to the risk involved in the respective areas.

5.1.6 Power & Energy

Power Department, Government of Tripura, is the main agency for development of Power Sector in Tripura.

Installed Capacity (I.C.)

(MW)

	Hydro	Gas	Diesel	Total
As on March,1997	16.01	56.50	3.85	76.36
Additions during 9th Plan (1997-2002)	-	8.00	1.00	9.00
Additions during (2002-03)	-	42.00	-	42.00
Additions during (2003-04)	-	-	-	-
I.C. as on July, 2004	**16.01**	**106.50**	**4.85**	**127.36**

Central Sector Share

The Tripura State's share in Central Sector power stations located in the North Eastern Region as on August 2004 is detailed below :

	Tripura's Share	
	MW	**(%)**
Hydro Stations		
Loktak HEP (3x35 MW)-NHPC	12.1 MW	(11.52)
Kopili HEP (2x25+2x50 MW)-NEEPCO	8.0 MW	(5.33)
Kopili Extn. HEP (2x50 MW)- NEEPCO	6.0 MW	(6.00)
Doyang HEP (3x75 MW) – NEEPCO	5.0 MW	(6.13)
Rangandi HEP (3x135 MW)- NEEPCO	29.0 MW	(7.16)
Kopili St. II HEP (1x25 MW) – NEEPCO	2.3 MW	(9.20)
Thermal Stations		
Kathalguri CCGT (291 MW)- NEEPCO (6x33.5 MW GT + 3x30 MW ST)	19.0 MW	(6.55)
Agartala GT (4x21 MW)	14.0 MW	(17.0)
Total	**95.4 MW**	

Number of villages Electrified as on March, 2004(As per 1991 Census)

Tripura	820	(95.9 %)
North Eastern Region	29696	(76.6 %)
All India	494866	(84.3 %)

Pumpsets Energisation as on March, 2004

18.6 % (2757 nos. pumpsets energised out of total potential of 14800 Nos.).

Operational Performance

	T & D Losses (%)	
	Tripura	**All India**
At the beginning of 8th Plan (91-92)	31.00	22.83
At the end of 8th Plan (96-97)	28.80	24.53
At the end of (97-98)	29.33	24.79
At the end of (98-99)	39.90	26.45
At the end of (99-2000)	28.49	30.80
At the end of (2000-01)	45.00	33.80
At the end of (2001-02)	40.38	33.98
At the end of (2002-03)	40.64	32.54

Source : C.E.A.

Financial Outlays

	All Sector Outlay (Rs. Crore)	**Power Sector Outlay (Rs. Crore)**	**Power Sector Outlay as % of All Sector Outlay**
Ninth Plan (1997-02)			
Agreed	2577.39	171.79	6.67
Actual Expdr.	1848.48	96.62	5.23
Tenth Plan (2002-07)			
Approved	4500.00	223.30	4.96
2002-03			
Approved	625.00	44.43	7.11
RE	625.00	44.43	7.11
2003-04			
Approved	650.00	53.87	8.29
RE	622.03	34.96	5.62
2004-05			
Approved	700.27	43.99	6.28

Tenth Plan (2002-07) Capacity Addition Programme

The All India targeted capacity addition during the .Tenth Plan is 41,110 MW. This covers the following projects of Tripura State.

STATE SECTOR PROJECTS

1. Rokhia Gas Turbine Extn. 21 MW
2. Baramura Gas Turbine Extn. 21 MW

Total : 42 MW

Rokhia Gas Turbine Extn. and Baramura Gas Turbine Extn. have been commissioned in 2002-03.

CENTRAL SECTOR PROJECTS

1. Monarchak Gas 500 MW *

* The capacity is likely to be reduced to half around 280 MW with the less allocation of Gas from ONGC.

PRIVATE SECTOR PROJECTS NIL

SHARE OF TRIPURA FROM CENTRAL SECTOR PROJECTS IN THE REGION DURING TENTH PLAN

Sl. No.	Name of the Project (Capacity in MW)	Organisation	Benefits in Tenth Plan	Share of Tripura
1.	Kopili St.II Extn (25 MW)	NEEPCO	25 MW #	2.3 MW
2.	Monarchak Gas (280 MW)	NEEPCO	280 MW)	Yet to be
3.	Tuirial HEP (60 MW)	NEEPCO	60 MW)	Decided
		Total	**365 MW**	

Commissioned in December 2003

Annual Plan Capacity Addition

Annual Plan	Target (MW)	Achievement / Likely Achievement (MW)	
1997-98	8.00	8.00	
1998-99	NIL	NIL	
1999-2000	NIL	NIL	
2000-2001		NIL	NIL
2001-2002	21	NIL	
2002-2003	42	42	
2003-2004	NIL	NIL	
2004-2005	NIL	-	

Power Supply Position

Year	Peak Surplus/Deficit (MW)	(%)	Energy Surplus/Deficit (MU)	(%)
1996-97 (End of 8th Plan)	(-) 20	22.7	(-) 114.9	23.8
1997-98(Beginning of 9th Plan)	(-) 4	3.6	(-) 72.3	14.1

2001-02(at the end of 9th Plan)	(-) 25	21.7	(-) 31.6	5.4
2002-03 Beginning of 10th Plan)	(-) 26	14.3	(-) 36.0	5.1
2003-04 (April-March)	(-) 25	13.2	(-) 45.0	6.3
2004-05 (April-July)	(-) 28	17.4	(-) 21.0	8.9

Financial Performance

The financial performance of Tripura Electricity Department in terms of various related parameters from the year 2001-02 onwards as indicated during the resources discussion held for the A.P. 2005-06 is indicated below:

	2001-02 (Actual)	2002-03 (Actual)	2003-04 (Actual)	2004-05 (RE)	2005-06 (AP)
1. Net Operation Surplus (Rs. Cr.) without subsidy	-102.42	-93.50	-5.21	-40.80	-36.17
2. Av. Cost of supply (Paisa/kwh)	391.88	382.50	269.89	275.85	275.29
3.Av. Tariff (Paisa/kwh)	122.00	149.00	151.00	199.00	210.00
4. Date of last tariff revision	1.8.2001		1.7.2003		
5. Outstanding dues to the Central Undertaking and others	utilities as on 31.9.2004 Rs. 133.37 crore				
6. Revenue arrears	at the end of 2003-04 Rs. 15.81 crore (13.21 % of the sales revenue for the year)				

Status of Hydroelectric Potential

(Hydro Potential at 60% Load Factor in MW)

		Tripura	N.E.Region	All India
1.	Total Potential	9.00	31857.00	84044.00
2.	Potential developed	8.50	388.50	14003.40
	(%)	(94.44)	(1.22)	(16.66)
3.	Potential under development	0.00	309.72	5294.05
	(%)	(0.00)	(0.97)	(6.30)
4.	Total developed & Under development	8.50	698.22	19297.45
	(%)	(94.44)	(2.19)	(22.96)
5.	CEA cleared schemes	0.00	417.75	2292.35
	(%)	(0.00)	(1.31)	(2.73)
6.	Total developed + Under development + CEA cleared.	8.50	1115.97	21589.80
	(%)	(94.44)	(3.50)	(25.69)

Status of Approved / Ongoing Projects

Private Sector Projects NIL

2001-02(at the end of 9th Plan)	(-) 25	21.7	(-) 31.6	5.4
2002-03 Beginning of 10th Plan)	(-) 26	14.3	(-) 36.0	5.1
2003-04 (April-March)	(-) 25	13.2	(-) 45.0	6.3
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	(%)	(94.44)	(3.50)	(25.69)

Status of Approved / Ongoing Projects

Private Sector Projects **NIL**

New Schemes

1. Monarchak Gas Project – (280 MW) – Central Sector

The Monarchak Gas Project (280 MW) has been identified to be commissioned during the Tenth Plan period, which is to be implemented by NEEPCO in the Central Sector. PIB has approved this project and recommended for CCEA clearance. The process of CCEA clearance is under process with the Ministry of Power.

2. Baramura GT Extn. (5th Unit-1x21 MW) – State Sector

The proposal for setting up of a Baramura Gas Based Power Project (1x21) MW) in Tripura at an estimated cost of Rs.95.36 crore was submitted by the NEC for inclusion in the 10th Plan. During the Working Group meeting on power it was observed that a 500 MW Gas Based Combined cycle Thermal Power Project in Tripura is under implementation by NEEPCO in the Central Sector to utilize the natural gas available in Tripura as such there is no need for taking up 21 MW project in NEC Plan and therefore no outlay was recommended for Annual Plan 2002-03 as well as for 10th Plan.

On the request of Department of Development for North Eastern Region (DoNER), the proposal was reconsidered and supported for inclusion under North Eastern Council (NEC) Plan subject to the following conditions:

- Before taking up the works investment approval may be obtained from the competent authority.
- The power generated from the project would be shared among Tripura, Manipur and Mizoram in the ration of 50:25:25 as per the existing formula.
- The funds will be obtained by making adjustments within the overall allocation of NEC for the 10th Plan and additional funds will not be sought.

Restructuring & Reforms

The reforms and restructuring in the power sector is proposed to make available quality power to the consumers at a reasonable price. The Government of India have enacted the Electricity Regulatory Commissions Bill, 1998 which provides for establishment of regulatory

commissions both at the Centre and in the States. The Central Electricity Regulatory Commission (CERC) has been established on 25th July 1998. New Electricity Act, 2003 has been brought into force with effect from 10th June 2003. The Electricity Act 2003 seeks to create liberal framework of development for the power sector by distancing Government from regulation. The objective of the Act, are "to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas."

Tripura Electricity Regulatory Commission has been set up and started functioning since 31.5.2004. The State Government has signed memorandum of agreement with Ministry of Power on 28.8.2003 and as follow up action State Level Distribution Reform Committee and District Level Reform Committee has been set up. 'Tripura State Electricity Corporation Ltd.' a newly formed company has been registered under Companies Act, 1956 as a step towards corporatisation on 10.6.2004.

APDRP Scheme

Under the Accelerated Power Development and Reform Programme (APDRP), the sanctioned/released/utilised amount for APDRP as on 31st August 2004 is given as under:

(Rs. Crore)

Project Cost	APDRP Cost	Fund released by GOI	Counter-part fund	Utilisation
27.54	27.54 (100 %)	8.77	Not applicable	6.33 (72.18 %) *

* Percentage of amount released by GOI.

It has been reported that 100 % - 11 kV feeder metering and 81 % of consumer metering has been completed in the State of Tripura.

Points for consideration

1. The average tariff is projected to be 210 paise per unit during 2005-06 as against this, the cost of supply for the year 2005-06 is estimated at 275.29 paise per unit, which leaves a gap of 65 paise between cost of supply and the average tariff. The factors contributing to higher cost of supply are:

   (a) Higher cost of fuel

   (b) Higher O&M and Administrative cost

(c) Higher T&D losses in the power system

The O&M cost and Administrative cost per unit of sale in the State is estimated at 13 paise and 71 paise per unit during the year 2005-06. The department is suggested to take necessary steps in this regard.

2. Because of the large gap between the average tariff and cost of supply per unit, the net operating deficit of the department is estimated at Rs. 36.17 crore during 2005-06 as compared to Rs. 40.80 crore (RE) during the current year. It is reported that the State Government has set up the Tripura Electricity Regulatory Commission. This may facilitate the rationalization tariff to various consumers and reduce the gap between the average tariff and cost of supply.

3. The revenue arrears of the department towards the sale of electricity are estimated at Rs. 15.81 crore by the end of 2003-04 which works out to 13.21 % of sales revenue of the year. This has been affecting the financial performance of the Tripura Electricity Department.

4. The Transmission and Distribution losses (T&D losses) of the Tripura power system are estimated at 29 % during the current year as compared to 30 % in 2003-04. The projected T&D Losses for the year 2005-06 are 30 %.

It has been reported that 81 % consumers are metered and the State Government has been making all efforts to bill the energy sold and improve the revenue collection. All the 11 KV feeders have been provided with meters and energy audit is done regularly. However, the state has a number of consumers directly hooked to the distribution lines, besides about 37000 Kutir Jyoti consumers. It is stated that Government of Tripura has set up Vigilance Squads to curb theft of electricity and with such efforts; the Electricity Department has been able to disconnect 37,607 hook lines during 2002-03 and 30,344 hook lines during 2003-04. These efforts are likely to improve the revenue collection from the consumers.

5. **Utilisation of Natural Gas**

ONGC is the main gas producing company in Tripura Region. During the Ninth Plan, against the production target of 1489.95 Million Standard Cubic Meters (MMSCM), the

actual production was 1647.25 MMSCM. In the Tenth Plan, the gas production target for Tripura region has been fixed at 2764.21 MMSCM. During the Annual Plan 2002-03, gas production has been estimated at 431 MMSCM (i.e. 1.2 MMSCMD).

Current production based on consumer demand/offtake in the state is 1.5 MMSCMD. However, the total production potential of the field has been estimated about 1460 MMSCM annually (i.e. about 4 MMSCMD), for a plateau period of 9-10 years, which may require additional facilities to be put up. But this could not be achieved because of inadequate demand of gas in the State.

The major gas-consuming in this region had been the Power Sector. The production of natural gas can be increased, if there are enough downstream industrial units to utilize the gas. Therefore action for setting up downstream industrial unit should preceed the further exploitation of Natural Gas in Tripura.

5.1.7 Industries

Tripura is basically an industrially backward state, despite its rich natural resources potential. Its economy is primarily agricultural contributing 42% of the SDP and 64 % of employment. This smallest NER state is flanked by Bangladesh on all three sides with a small corridor bordering Assam and Mizoram. Inadequate infrastructural facilities, poor road and rail communication due to hilly terrain and locational disadvantages of the state requiring over 1000 KM travel to reach the main land have been the major constraints of economic growth.

To provide direction and strategy for rapid and systematic industrialization through optimum utilization of local resources, manpower, talents and skills with appropriate technical and financial assistance, the small scale sector has been given priority. However, with the huge finding of natural gas in the State, efforts have been laid to create an integrated and comprehensive base for industrialization. Lack of capital and enterpreneurship among the local people had forced the State to seek the help of PSUs for the development of medium industry earlier. The State will continue to depend upon the PSUs in the 10th Plan also for the same. Private participation in Large and Medium Industry sector is now becoming a reality. Availability of cheap natural gas is expected to boost industrialization process in the State in spite of the fact that route through Bangladesh is not an immediate reality. The following strategies were adopted during the 10th Plan to enhance industrial growth in the State.

- Optimum utilization of public sector corporations.
- Revamping of the State Public Sector Undertakings (PSUs) by introduction of Memorandum of Understandings (MOUs).
- Provision of suitable physical & financial incentives offset the peculiar locational disadvantages for attracting investment.
- Provision/arrangement of the necessary supporting infrastructure in terms of land, building, power, road, etc. through the Industrial Estates, industrial area and Growth Centre, IIDC, etc.
- Provision of the financial support through State Promotional Corporation, working capital through Banks, etc.

The Financial achievement during Annual Plan (2003-04) and outlays proposed for the Annual Plan (2005-06) is briefly shown below :-

Head of Development	Tenth Plan (2002-07) Projected Outlay	Annual Plan (2002-03)		Annual Plan (2003-04)		Annual Plan (2004-05)		Annual Plan (2005-06)
		Agreed Outlay	Actual Exp.	Revised Outlay	Actual Exp.	Proposed Outlay	Antcd. Exp.	Proposed Outlay
Large & Medium Ind.	60.35	15.24	11.64	12.551	12.3531	11.04	11.04	13.60

Public Sector Undertakings (PSUs) :

There are 4 PSUs under the administrative control of Industries & Commerce Department. These are Tripura Industrial Development Corporation (TIDC) Ltd., Tripura Small Industries Corporation (TSIC) Ltd., Tripura Tea Development Corporation (TTDC) Ltd. and Tripura Jute Mills Ltd. (TJML). The State Government is providing share capital assistance to these PSUs. To improve the performance of PSUs by clearly laying down their objectives and also the corresponding responsibilities of the Govt. and thereafter evaluating the performance of the PSUs against the specific criteria, the Govt. of India, Deptt. of Public Enterprise had earlier suggested for introduction of the system of signing Memorandum of Understanding (MOU) with the PSUs. Accordingly, MOUs are being signed each year with a view to evaluating their performance.

Growth Centre & Export Promotion Industrial Park :

(Financial progress of Growth Centre as on 31.03.2003)

(Rs. in Crores)

Schemes	Date of Approval	Approved Project Cost	Amount of Central Release	Amount Released by State	Total Expenditure
Growth Centre Bodhjungnagar (West Tripura)	07.11.1997	15.00	10.70	0.5849	7.25

A Growth Centre is set up at Bodhjungnagar, Tripura (w) under Centrally Sponsored Scheme covering an area of about 240 acres. The center will offer industrial plots to large, medium and small-scale industries. The growth center is equipped with gas pipeline and dedicated power supply. Other common facilities like water, telecommunication etc. will also be made available to the industrial units. Total project cost is Rs. 15.00 crores and this is a 100% Centrally Sponsored Scheme. The Export Promotion Industrial Park (EPIP) in Tripura is being established at Bodhjungnagar, West Tripura covering an area of 126.12 acres. The site is just adjacent to the growth center. Total project cost is Rs. 10 lakhs and it is a 100% C.S.S. The Ministry has already sanctioned an amount of Rs. 3.00 crores during the 9th Plan. Tripura Industrial Development Corporation is the Nodal Agency for implementation of the scheme. An amount of Rs. 7.00 crores is expected to be released during the 10th Plan.

Food Processing Park :

The Ministry of Food Processing Industries, Govt. of India has sanctioned an amount of Rs. 4.00 crores under this scheme for creation of common facilities. The Park will be set up at Bodhjungnagar, West Tripura covering an area of 30 acres. Total project cost is Rs. 7.00 crores. Balance will be provided by the State Government. Ministry has already released an amount of Rs. 2.00 crores during the 9th Plan. During 10th Plan, an amount of Rs. 2.00 crores is expected to be received from the Ministry.

Points for Consideration :

To promote industrialization of backward areas, one Growth Centre has been allocated to Tripura. The proposed Growth Centre, to be set up at Bodhjungnagar, was approved in November, 1997 and, subsequently, the Govt. of India provided Rs. 10.70 crores (as on

31.03.2003). However, the progress of the said Centre has been slow. The State Government needs to expedite the progress of the Centre to encourage private investment and generate employment opportunities.

- The strategy to be adopted by the State Govt. was to include the optimum utilization of public sector corporations which had been set up to play a significant promotional and developmental role in specific sub-sectors of the economy. Steps taken by the State to revamp/privatize/disinvest the PSUs are to be detailed by the State Government.
- The Central Govt. had announced a new industrial policy in 1997 for the states of North-East to promote industrialization by way of schemes like Capital Investment Subsidy, Interest Subsidy and comprehensive insurance scheme. The State Govt. may provide the details of the investment made through these schemes and physical performance the schemes undertaken in view of the new industrial policy.
- State Government may provide a brief on the industrial situation in the State and industrialization of the backward areas along with anticipated targets annual industry growth rate for the next two years and explain how they plan to achieve it. Conducive policy environment needs to be created for attracting domestic and foreign investment. Labour, Land, Taxation regime should be considered to encourage specific industrial activities appropriate for the State.
- Policy bottlenecks including those relating to labour and land sectors need to be addressed in a pro-active manner. The present locational disadvantage of the State can be converted into a geographical advantage by establishing communication and trade links to increase the comparative advantage of products produced in the region.
- The State needs to provide special attention to attract development on software/IT knowledge-based industries and consider setting up of software/hardware technology parks. The State govt. may elaborate steps taken in this regard.

5.1.8 Village & Small Enterprises

During Tenth Plan, the projected outlay for VSE Sector was Rs.67.98 crore which was 1.5% of the total Projected outlays of Rs.4,500.00 crore for the total Tenth Plan for the State. The agreed outlay for 2003-04 for the VSE Sector was Rs.13.39 crore (2.06%) of the plan size and the expenditure reported as Rs.12.13 crore. The outlay for 2004-05 for the VSE Sector was Rs.12.98 crore (1.8%) of the total plan size of Rs.700.27 crore. Proposed outlay for VSE Sector for 2005-06 is Rs.18.30 crore which is 2.28% of the total plan size of Rs.804.83 crore which is 41% more than that of the previous year's allocation.

The Directorate of Handlooms, Handicrafts and Sericulture has been set up in the year 1989 with a view to provide better scope and technical guidance to the Handloom weavers, handicraft artisans and sericulture rearers. At present in Handloom Sector out of 29 clusters, there are 24 number of clusters having all sorts of infrastructure facilities, accommodating 13,000 weavers of which 9333 weavers have been benefited for construction of workshed-cum-housing, purchase of new looms and accessories and provided training for production of value added handloom fabrics.

In Handicraft Sector, 10 cooperative societies have been formed with 2,700 handicraft artisans of which 850 artisans were given training and other benefits. The cane and bamboo handicrafts of Tripura have a lot of potential for generating employment at a minimum investment level. Emphasis should be given on production of items which could be easily packed and transported. Products from utility and decorative point of view should be produced on large scale. Specific emphasis should be laid on introduction of designs, proper finishing and packing to make it popular and increase sale potential. Private entrepreneurs should be encouraged to take up production and marketing. Bamboo & Cane Craft Development Institute of the Ministry of Textile has been set up at Agartala. The State Govt. should take maximum support of this Institute in the promotion of cane and bamboo handicrafts.

Setting up of Urban Haat Project in Agartala have been approved by the Govt. of India and the implementation is in progress. Updated progress need to be furnished.

In Sericulture sector, 10 cooperative societies have been formed in the sericulture cluster areas. 5002 rearers have been provided benefits of various schemes and 2501 acre of land have been brought under mulberry cultivation. Rs.68.00 lakh have been provided for 2005-06 including Rs.30.00 lakh as State's share for CSS.

Sericulture sub-sector should be given due priority by the State Government. State Government is participating in the various Catalytic Development Projects (CDP) of Central Silk Board. Due attention need to be given for marketing, processing and seed organising to strengthen the silk industry.

The development of silk varieties like Eri and Muga other than prevailing Mulbury should be developed in the State. In the State printing facility is not available and is done in the neighbouring States, especially in Kolkota. Efforts should be made to develop the printing facilities in the State itself.

As far as Small Industries are concerned, the State Government is undertaking entrepreneurs development including training programme, State package of incentives, publicity and fair for which an outlay of Rs.547.70 lakh is proposed for 2005-06. Share capital contribution to Tripura Small Industries Corpn. Ltd., has been proposed at Rs.287.00 lakh for 2005-06. TSIC is undertaking trading in various items, brick manufacturing, fruit canning pharma products, etc.

Tripura Khadi and Village Industries Board is engaged in production and marketing of KVI products, promotion of khadi and village industries through providing assistance in the form of loan/margin money under KVIC schemes. The Board has set up new model charkha/muslin spinning units, three khadi sales outlets, production units, etc. During 2005-06, provision of Rs.250 lakh as grant to TKVIB is proposed. The potential of KVI Sector need to be explored fully.

Setting up of Food Park is under implementation in an area of 30 acre with a project cost of Rs.7.07 crore at Bodhjungnagar. Ministry of Food Processing Industries has approved Rs.4.00 crore as assistance. TIDC has executed agreement for implementation of the project on turn key basis. State has also lot of potential for food processing industries due to availability of number of varieties of fruits and vegetables. Food processing industries should be encouraged by inviting private investors to utilise the buffer stock and give benefit to the farmers.

In the State, three Integrated Infrastructure Development Centres (IIDCs) will be set up in North Tripura, South Tripura and Dhalai districts. In respect of each IIDC, Rs.4.00 crore out of the project cost of Rs.5 crore will be the Central Assistance and the remaining Rs.1.00 crore is to be taken as loan from SIDBI/TIDC for implementation. Tripura Industrial Development Corporation is implementing the scheme. There is need to monitor the progress of these IIDCs to promote the SSI units in the State.

5.1.9 Coal & Minerals

The major mineral resources of the State are oil and natural gas. Minor mineral resources include small quantity of glass and plastic clay, shale and sand for building / construction.

The value of the total mineral production in the year 2002-03 was at Rs.82.00 crores including Rs.157 lakh for minor mineral production. Natural gas (utilised) was the only major mineral items produced in the State.

Mineral based industry

Mineral based industry include a 3000 tpy lime-pozzolona mizture factory is reported at Kumarghat in North Tripura district. A 150 tpy glazed pottery unit of Tripura Khadi and Village Industrial Board was in operation at Anandnagar in Tripura West district.

Geological & Mining Activities

With a view to explore the availability of minerals in the State and to have liaison with the ONGC and the Govt. of India, the Geological Cell will continue its activities. The Geological Cell is also engaged in respect of realisation of Petroleum Exploration License (PEL) and Renewal fee as well as Royalty of Natural Gas, etc.

Plan Outlay

An outlay of Rs.667.74 lakhs was approved for the 10th Plan (2002-07). The entire amount was required to meet the salaries of staff which have already been transferred to Non-Plan, therefore the plan outlay for Annual Plan 2005-06 would be nil as of Annual Plan 2004-05.

Issues for consideration

- The State needs to put more efforts in preparing of a road map for sustainable and scientific development of minor mineral resources with adequate trained man power for their domestic and industrial use.
- The State Government need to mention the progress done for various schemes during Annual Plan 2004-05 and activities proposed for Annual Plan 2005-06.

- Infrastructure development for small mines and quarries is required to be developed to facilitate the transport of mineral commodity interalia attracting the private investment.

5.1.10 **Transport**

Outlay/Expenditure

(Rs. crore)

Sector	10th Plan 2002-07 Outlay	2002-03 Exp.	2003-04 Exp.	2004-05 Outlay/RE	2005-06 Proposed
Roads & Bridges	242.30	46.00	68.91	65.38	80.00
Road Transport	29.78	0.79	0.74	0.80	1.50
Other Transport	2.64	0.49	2.48	1.39	2.92
Village Connectivity	220.28	0.00	0.00	0.00	0.00
Total	495.00	47.28	72.13	67.58	84.42

The State Govt. has proposed an outlay of Rs. 84.42 crore for Transport sector for annual plan 2005-06 which is significantly higher than the approved outlay for annual plan 2004-05, which is Rs.67.58 crores. In terms of share in the 10th plan, the same works out to 17%.

Roads & Bridges

Rs. 80 crore proposed for roads and bridges includes an amount of Rs. 22 crore proposed for schemes already sanctioned under NABARD loan. Although the targets for different RIDF schemes have been given but the same for 2005-06 against the proposed outlay of Rs. 22 crore has not been given.

The State Govt. has mentioned in the proposals that Rs. 8 crore has been kept for construction of four RCC bridges (234 mtrs.) and improvement of 1.80 km. of roads under E&I scheme. In this connection it may be mentioned that roads undertaken in the E&I scheme are not part of State Plan. This should have been made clear in the plan document.

An amount of Rs. 7 crore has been proposed as ACA for construction of three RCC bridges. It is not clear as to how this amount has been proposed without ACA having been sanctioned.

Rs. 25 crore has been provided for improvement of 115 km. of roads and 320 mtrs. of culvert/bailey bridges under rural roads other than PMGSY. However, there is no mention about the progress of PMGSY scheme. As per information provided by the MORD, against 2091 habitation identified for connectivity under PMGSY, only 298 habitations have been connected as on 31.3.2004. As regards, habitations with population 1000+, only 44 villages have been connected against 203 (as on 31.3.2004). There is a need to step up progress of rural connectivity under PMGSY particularly for habitations with populations 1000+.

Road Transport

Financial and physical performance of the Tripura State Road Transport Corporation (TSRTC) is as follows:

Item	2001-02 (Act)	2002-03 (Act)	2003-04 (LE)	2004-05 (E)
Operating loss (Rs.cr.)	8.82	7.78	8.60	10.45
No. of Buses/Trucks at the end of the year	89 (22)	98 (22)	100 (22)	100 (22)
Fleet utilization (%)	56 (55)	61 (50)	61 (60)	64 (60)
Vehicle productivity on average fleet on road (kms).	138 (46)	124 (43)	135 (43)	137 (46)
Load factor (%)	77	74	77	80

The net operating loss of the TSRTC is estimated to increase from Rs. 8.82 crore in 2001-02 to 10.45 crore in 2004-05. The main factors contributing towards this loss are low fleet utilization and poor vehicle productivity. The State Govt. need to be advised to improve upon physical performance of the corporation in order to reduce loses.

The TSRTC is tied up with the several Govt. Departments including food & supply department and Army for movement of Govt. Cargo as and when required. The Resource Working Group was informed that the corporation also acts as an agency of the Railways and Indian Airlines for booking of cargo/Tickets etc. against agency charges of 4% The estimated revenue from this works out to Rs. 80 lakhs (during 2003-04).

The main schemes proposed during Annual Plan 2005-06 relate to acquisition of 5 new buses, 2 deluxe buses, 1 AC super deluxe bus and 2 trucks, repair of bus station and workshops and renovation of 10 buses operating on long routes. Reasons for acquiring 2 new deluxe buses

need to be discussed with the State Govt. during the forthcoming working group meeting on transport sector.

The State Govt. has mentioned in the proposal that in order to reduce the existing bus operation the corporation has proposed to introduce VRS in TRTC. However, no details have been given for the scheme.

Other transport (P&D cell)

The main objective of the cell is to collect information on existing traffic and assess future requirements for both passenger and goods traffic. The major schemes proposed for 2005-06 relate to development works, training and road safety measures. Details in respect of development works and training etc. need to be discussed with the State Govt. during the working group meeting on transport sector.

5.1.11 Communication & Information

The projects contain many segments of dissemination of various information on State Policy and development and assimilation of people's reaction on the govt. policy utilising print, audio video media including modernisation through digital computerized technology which the State is required to promote. However, Ministry of Information & Broadcasting is also engaged in dissemination of social and economic development information through its various media unit in the North East States. It is therefore, felt that suitable action may be taken to avoid duplication of similar activities by both Central and State media units.

5.1.12 Science & Technology

The Tripura State Council of Science and Technology was created for the promotion and popularization of science and technology in the State and disseminate the knowledge of modern science and technology among the young generation. A Directorate of Bio-technology has been created under the State Department of Science, Technology and Environment to harness the potential of biotechnology for generation of bio products, process and technology in agriculture, healthcare, environment, industry, etc. The important S&T activities in the State are related to : promote popularization of science and spread scientific temper, develop human resources in the field of science and technology particularly biotechnology; develop infrastructure for promoting biotechnology based programmes and entrepreneurship development in the field of aquaculture,

horticulture, animal husbandry etc. The other ongoing activities are relating to remote sensing applications. During the Annual Plan 2005-06 the ongoing activities relating to promotion and popularization of science in the State would be continued. In this connection, it may be mentioned that there is need to hold the regular meeting of the S&T Council, at least once in a year for providing the policy directives / guidelines and monitoring the various ongoing S&T plans and programmes. Concerted efforts should be made to identify the location specific programmes for the development of State in close interaction with the central scientific departments / agencies like Department of Science and Technology, Department of Biotechnology, Council of Scientific and Industrial Research, etc. Efforts should also be made to get the sponsored projects from these central scientific departments / agencies relevant to the State. The proposed outlay of Rs.100.00 lakhs under Scientific Research (including S&T) for the year 2005-06 may be agreed to. The financial phasing is as follows :

(Rs. in Lakhs)

Tenth Plan Outlay (2002-07)	**Annual Plan (2002-03**		**Annual Plan (2003-04)**		**Annual Plan (2004-05)**	**Annual Plan (2005-06)**
	Outlay	**Act. Exp.**	**Revised Outlay**	**Act. Exp.**	**Prop. Outlay**	**Proposed**
904.00	20.00	12.48	57.71	5.46	16.38	100.00

5.2 SOCIAL SERVICES SECTOR

5.2.1 Education

The financial achievement during 2003-04 and proposed outlay for 2005-06 is given below :

(Rs In Lakhs)

Tenth Plan Outlay 2002-07	Annual Plan 2002-03	Annual Plan 2003-04		Annual Plan 2004-05 Outlay	Annual Plan 2005-06 Proposed
56993	7578	7885		9104	9312

The State of Tripura is the second most populous state in the north eastern region The literacy rate of Tripura (73.66%) is higher than the All India literacy rate (65.36%). Although there has been a considerable increase in literacy rates among females, the gender gap has come down from 21 to 16 percentage points only during 1990s.

Strengths

- The per capita expenditure on education by the State of Tripura (Rs. 1456.53) is much higher than that of All India (Rs. 819.65).

- Enrolment in the primary stage is slightly higher than the All India ratio. The projected child population in the age group of 6-11 shows full enrolment in the primary stage.

- There are around 2095 primary schools already functioning in the State. There is a proposal for setting up of 400 new primary schools in the Plan Period (2002-2007).

- The pupil – teacher ratio is much lower than the All India ratio. At primary level, it is 31:1. However, at the upper primary level, the PTR drops down to 18:1 indicating very high dropout rates and sub-optimal utilization of teachers' services.

- The Adult Education programme in Tripura was introduced in the name of Social Education which gained impetus in the Fifth Five Year Plan. The Total Literacy Campaign was launched in 1994 in the State and the Adult Education Programme has been taken up by the Saksharta Samities set up in the Districts. However, the Department continues to be the nodal agency and extends logistic support as well.

- Strengthening of inspection and supervision in adult education at the State, District and Block level has been taken up in the 10th Five Year Plan under the National Literacy Mission. Due emphasis is also given to provision of functional literacy in the 15-45 age group.

- The number of higher education institutions in the State is 18 (barring medical and engineering colleges). There are 14 Arts, Science and Commerce colleges in the State. Besides this, there is only one Teacher Training College and five other colleges offering law, management and agriculture streams. In total, 22 subjects are offered at the under graduate level by different colleges with a roll strength of about 20,555 students out of which 40.6% are girls.

- There is a proposal for provision of a new building for the Tripura State Kala Academy, which is one of the thrust area in the 10th Plan. Artistes should be encouraged and given

proper training. Exhibitions should be organized periodically to provide an insight to the rich cultural heritage of the State.

- The State is not providing the mandatory 25% share under SSA. However, the overall financial performance under SSA is satisfactory

Weaknesses

- More than half of chidren enrolled gets dropped out at primary and more than two thirds at middle school levels.

- There is a dearth of trained teachers at all levels of education. The percentage of trained teachers (around one-third of All India rates) is much below the All India figures. Training the existing core of non-trained teachers should be considered on a priority basis.
- Currently, there are about 402 secondary schools out of which 95% are run by Government. There is a proposal for setting up of 200 new secondary schools in the State during the Plan period (2002-2007). Private participation in setting up of schools should be encouraged.
- Introducing vocational education at the secondary level would prove beneficial. There has been more thrust on the secondary education in the 10^{th} Plan which is evident from its agreed outlay (52593.58 lakhs).
- There is a gender gap of nearly 16 percentage points in the literacy rates. This gap needs to be narrowed down.
- The coverage for distance education also is to be increased both in terms of area and courses offered. The number of female teachers in this mode is 19 against a total of 45
- There is only one Polytechnic institute near Agartala in the State with an annual intake of around 288 students; it should be given the necessary impetus. Infrastructure facilities like equipment, machinery should be strengthened.
- At present the one and only engineering college at Agartala, offers civil, mechanical, electrical and computer science. Introduction of other streams of engineering will provide more opportunity and avenues to the students.

Issues of Concern

1. Lack of trained teachers in the remote areas due to non-filling up of vacancies or unwillingness to join.
2. Falling standards of quality of education at all levels.
3. Though there is high level of enrolment in the primary stage, the dropout rate is very high.
4. Lack of minimum essential facilities in the school.
5. Special emphasis should be given to formal teacher training as it lays the foundation for sound education among the students.
6. The reforms to be taken up should include improvement in the working of the University and introduction of modular courses and applied courses (that help in providing employment) rather than traditional and conventional courses. Private and self-financing institutions should be encouraged especially in management studies.
7. There should be greater emphasis on information technology and allied fields of study because of its growing importance in every area. Upgradation of, and creating laboratories and workshop should be given due importance with the prime focus on availability of trained faculties to improve quality of education.
8. Improvement and development of sport activities in the State is to be given due importance in view of the availability of persons exhibiting exceptional talent in various sports.

Statistical Profile of Education Indicators* – Government of Tripura

Literacy Rate

	1991		2001	
Male	70.58	(64 13)	81.47	(75.85)
Female	49.65	(39.28)	65.41	(54.16)
Total	60.44	(52.21)	73.66	(65.38)

Numbers in () indicate the All India figures

Gross Enrolment Ratio (2001-02)

	Primary		Upper Primary	
Boys	111.20	(105.29)	72.22	(67.77)
Girls	93.28	(86.91)	62.99	(52.09)
Total	101.88	(96.30)	35.91	(60.20)

Drop out rates (2001-02)

	Classes I – V		Classes I – VIII		Classes I – X	
Boys	50 14	(38 36)	68.84	(52 91)	76 32	(64 16)
Girls	50 95	(39.88)	69 23	(56 92)	77 62	(68 59)
Total	50 53	(39 03)	69.02	(54 65)	76 92	(66 04)

Pupil Teacher Ratio (2001 – 02)

	Tripura	All India
Primary	31	43
Upper Primary	18	34
Secondary	23	33
Higher Secondary	22	36

Percentage of Trained Teachers (2001 – 2002)

	Tripura	All India
Primary	28	86
Upper Primary	20	87
Secondary	25	89
Higher Secondary	34	90

Per Capita Expenditure on Education (2001-02)

(In Rs)

Tripura	All India
1456 53	819 65

Enrolment (2001 – 02)

	Tripura	All India
Primary	460507	113883060
Upper Primary	165591	44828235
Secondary	76559	20053986
Higher Secondary	27583	10453229
Higher Education	20555	8821095
BE/B Arch	573	526476
Medicine	193	148309
Polytechnics	288	415901
Ph D/D Sc	8	53119

Number of Institutions (2001-02)

	Tripura	All India
Primary	2095	664041
Upper Primary	432	219626
Secondary	402	91435
Higher Secondary	234	42057
Arts/Science Colleges	14	8737
Teacher Training Institutes	1	846
Polytechnics	1	1160

Engineering Colleges	1	838
Medical Colleges	1	725
Universities	1	208

* Source: Selected Educational Statistics, 2001-2002

5.2.2 Health, Family Welfare and Nutrition

The state has proposed an outlay of Rs.4000 lakhs for medical and public health and an amount of Rs.1450.00 lakhs. for nutrition.

Table I (Rs. In lakhs)

	Approved Tenth Plan 2002-07	2002-03Act. Expnd.	2003-04(Act. Expnd)	2004-05 Outlay	2005-06 Proposed Outlay
Medical & Public Health	25072.22	1407.34	2243.86	2535.36	4000.00
Nutrition	7456.14	900.00	3047.56	900.00	2884.58

The Table 1 shows that there is a gradual increase in the expenditure by the state in the medical and public health sector. However, the state could utilize only 27% of the Tenth Plan projected outlay. State may be requested to furnish reasons for gross under utilization of the funds. State also receives funds from the Non-Lapsable Pool and the NEC. It is suggested that all the proposals are consolidated and brought for discussion at the time of the Working Group meetings, to enable the Working Group to ensure that priority areas do get funded and duplication is avoided.

Table 2 – Primary health care infrastructure

	Subcentre	PHC	CHC	Subdist Hospitals	Dispensaries
Required	579	96	24	-	-
Existent	539	58	11	28	606
Data provided by the state	539	72	9	13	620

The state has a plethora of primary health care institutions at all levels of primary health care (Table-2). Strengthening, redesignating and integrating these within the existing three tier primary health care system of Sub-centres, PHCs and CHCs (sub-district hospitals may be strengthened and redesignate into CHCs) can make up the apparent gaps at these levels. The

Tenth Plan has suggested re-organization and restructuring of existing infrastructure and manpower so as to improve service delivery at all levels.

Table-3: Primary Health Care Manpower

	Sanctioned	In Position
Specialists in CHCs	-	-
M.O.s in PHCs	161	120
ANMs in sub-centres	603	603

Although the state has achieved replacement level of fertility, there is substantial unmet need for maternal and child health and contraception that has to be met through improving efficiency, ensuring referral linkages and optimal use of available infrastructure and manpower. In view of the fact that the population of the state is only 3.2 million, the state has to utilize its own service reporting and data from civil registration system to monitor progress in process and impact indicators. It is therefore, essential to strengthen both these and ensure that district-wise information on baseline, and progress is monitored at the state level and brought to the Planning Commission during the Annual Plan/QPR discussions. Performance under the Family Welfare Programmes has shown a declining trend since 2000. State should ensure that efforts are made to improve its performance under these programmes if its excellent health indices are to be maintained.. However, high maternal mortality rate (4/1000) for the state is a cause of concern. The state's proposals for establishment of rural health care services are supported.

The state is requested to provide physical/financial targets/achievements for the various disease control programmes in the state.

The state is also requested to provide the information regarding progress achieved in health sector reforms in terms of reorganization, restructuring, collection and utilization of user charges, hospital infection control and waste management, disease surveillance, accident and trauma care, and improving quality of medical education.

A pilot project to provide food grains to pregnant and lactating women and adolescent girls was initiated in 2002-03. The project, initially for a period of two years, is taken up in West Tripura. The funds for 2002-03 is given as additional central assistance so that they can provide food grains through TPDS totally free of cost to the families of identified under-nourished persons. Rs.90.57 lakhs was released towards first instalment. In the year 2003-04 an amount of Rs 75 Lakhs was released. The State may indicate the current status of this project.

5.2.3 Housing & Urban Development

As per 2001 Census, the urban population 5.67 lakh constitutes about 17.76% of the State population. Further, about 17.58% of urban population are living in slums. Further, persons, living below poverty line in urban areas of the State is about 7.5%.

Provision of shelter to the homeless is considered as one of the most essential and basic human needs. As per the State Plan document, the housing programmes of Tripura caters to Rental, Police and LIG, MIG categories, re-construction/shelter up-gradation etc. It is mentioned that the satisfaction level of housing construction of different type of quarters for Police personnel is 70%. Out of approved outlay of Rs.31.96 crore for Annual Plan 2004-05, the States is anticipating 100% utilisation. An outlay of Rs.48.26 crore has been proposed for various housing schemes for the Annual Plan (2005-06).

The main objective of the Urban Development Department, is to support the Urban Local Bodies for creation of civic amenities, improvement in urban environment, up-gradation of the living conditions of Urban poor etc. Due to pressure on availability of land, the State Government need to prepare Master Plan incorporating the existing status, future requirements etc. The schemes covered for the Annual Plan 2004-05 include Assistance to Statutory Bodies, Environment Improvement of Urban Slums, contribution towards Urban Development Fund etc. For the Urban Development sector, an outlay of Rs.20 crore has been proposed for Annual Plan 2005-06, against approved outlay of Rs.12.82 crore for the Annual Plan 2004-05.

National Lake Conservation Plan (NLCP) : Following the guidelines of National Lake Conservation Plan received from National River Conservation Directorate of Ministry of Environment and Forests, Urban Development Department, Government of Tripura has taken initiative to conserve some identified lakes of Agartala and Udaipur. The objective of the scheme is to restore and conserve the polluted and degraded urban lakes of the State. National River Conservation Directorate, Govt. of India shall bear 70% of the project cost and State and local bodies shall bear 30% of the project cost of which the share of the public would be a minimum of 10% to ensure public participation in the project.

Five lakes of Udaipur, namely Jagannath Lake, Amar Sagar, Mahadev Lake, Dhani Sagar Lake and Kalyan Sagar Lake with a total project cost of Rs.810.03 lakh has been sent to Govt. of

India for funding. The State Govt. has agreed in principle to provide the State share to the tune of 30% for the year 2004-05 & 2005-06. Proposed State share under National Lake Conservation Plan (NLCP) during 2005-06 – Rs.125 lakh.

National Slum Development Programme (NSDP): During the period, 1996-2004, an amount of Rs.7.65 crore has been released as Additional Central Assistance to the State under NSDP. For the Annual Plan 2005-06, State has proposed Rs.1.10 crore under NSDP as counter part funding.

Valmiki Ambedkar Awas Yojana (VAMBAY): Against an outlay of Rs.2.57 Crore for 2003-04, central assistance released was Rs.2.20 crore covering 796 dwelling units. Releases are demand driven, as such releases during 2004-05 under this head would be available by the end of March, 2004. As per the plan document, an outlay of Rs.1 crore has been proposed for Annual Plan 2005-06 as counter funding.

Integrated Development of Small & Medium Towns (IDSMT): Under IDSMT, 13 towns have been covered since inception. The Central Assistance released to the State during 2003-04 was Rs.88.12 lakh. For the Annual Plan 2005-06. counter part funding from State has been kept at Rs.1 crore

Swarna Jayanti Shahri Rozgar Yojana (SJSRY): During the period 1997-2004, an amount of Rs.10.50 crore has been released as Central share under SJSRY. The reported expenditure was Rs.9.21 crore (66%), including State's share of Rs.245.74 lakh and unspent balance of Rs.98.20 lakh of old schemes. For the Annual Plan 2005-06, the State has fixed target of Rs.1.35 crore as matching share.

Urban Reforms Incentive Fund (URIF): This new initiative aims for strengthening of urban infrastructure in linkage with the urban reforms executed by the State Government. The State Government has signed MOU with the MoUD and for the Annual Plan 2004-05 Re.0.95 crore is proposed.

Annual Plan (2005-06): The Government of Tripura has proposed an outlay of Rs.48.26 crore for Housing and Rs.20 crore for Urban Development sectors as against Rs.31.96 crore and Rs.12.82 crore respectively in 2004-05.

5.2.4 Social Justice & Women's Empowerment

Outlay and Expenditure during 2003-04, 2004-05 and proposed outlay for 2005-06 for the Social Welfare including Women and Child Development Sector are given in the Table below:

(Rs. in lakhs)

X Plan 2002-07	Annual Plan 2003-04	Annual Plan 2004-05	Annual Plan 2005-06
Outlay	Actual Expenditure	Outlay	Proposed Outlay
1	2	3	5
3947.92	61.29	413.32	935.06

Issues for discussion

The proposals of Tripura Government in the sector Social Welfare covers welfare schemes in a lion share. The State Govt. may be advised to formulate Developmental Schemes as well for Women and Child Development including Social Welfare Sector.

Tripura Govt. has proposed number of New Schemes :

i) Blind and Handicapped Pension – Proposed Outlay Rs. 166.65 lakhs

ii) Implementation of Package for Disabled – Proposed Outlay Rs.20.00 lakhs

iii) Implementation of Dowry Provision – Proposed Outlay Rs. 3.00 lakhs

iv) Awareness Camp – Proposed Outlay Rs.5.00 lakhs

v) Implementation of Women Policy – Proposed Outlay Rs. 100.00 lakhs

vi) Support to Family Court – Proposed Outlay Rs.5.00 lakhs

vii) Survey of trafficking of Women and Children – Proposed Outlay Rs.5.00 lakhs

Total Proposed outlay for above cited New Scheme is Rs. 309.65 lakhs but State Govt. may furnish details about these schemes.

Women and Child Development.

The State Govt. may draw up Time-Bound Action Plan for translating the National Policy for the Empowerment of Women 2001 for translating the policy into concrete action.

The State Govt. may allocate adequate funds for Women's Component Plan to ensure that developmental benefit from all the women-related sector flow towards empowerment of women both socially and economically.

The Integrated Development Service (ICDS) programme is operationalised in 42 Blocks, the state Govt. should simultaneously provide adequate funds for supplementary nutrition under ICDS.

Social Welfare

The state Govt. has to furnish information on the progress/achievement with regard to the progress of implementation of the provision of 'Persons with Disabilities (Protection of Rights, Equal opportunities, full participation) Act, 1995'.

Tripura Govt. has to make adequate budgetary provision for the scheme National Programme for Rehabilitation of Persons with Disabilities (NPRPD) for rehabilitation of disabled both socially and economically (wherever possible). Budgetary support for the purposed scheme may be enhanced.

Service provided in the mandatory institution set up under different Acts, by and large remain below the satisfactory level. There is need for the State to ensure that minimum standard of services in these institutions set up under various Act like Juvenile Justice Act, 1986, Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substance Act, 1998, and Immoral Traffic (Generation) Act, 1986 and the Child Labour Act are maintained.

The state Govt. has to report on the status of Survey of Disabled, Child labour, Street Children, Child prostitutes and Drug Addicts.

Backward Classes

The State Government has identified 298 villages having scheduled castes concentration, out of which 238 villages have below 50% concentration. 60 villages have 50% and above SC population. The State Government needs to prepare a comprehensive plan with funds under SCP for the all round development of these villages which include safe drinking water, village connecting roads, flush-cum-water borne toilets, library, community hall, etc.

Reang is a Primitive Tribal Group whose population according to 1981 Census is 84004. The State Government has to prepare appropriate scheme for comprehensive development of the Tribe and avail funds under the existing Centrally Sponsored Scheme of Development of Primitive Tribal Group.

State Government may provide detailed write up of schemes proposed for the Annual Plan 2005-06 and also provide information on physical targets / achievements.

The Government of India has released Rs.161.093 lakh under the scheme of Post Matric Scholarship to the State Government of Tripura, however, there is no indication of physical achievement for the Annual Plan 2003-04. Secondly, the Government of India has released the Central share of 50% under Centrally Sponsored Schemes of Construction of Ashram School, Construction of Boys and Girls hostels and Book Bank etc., but physical achievemen has not been indicated for Annual Plan 2003-04. During Annual Plan 2004-05, the Government of India released funds to the State Government under the scheme of Post-Matric scholarship only. The State Government could not implement the rest of the schemes mentioned above. The State Government may clarify the position

Appropriate steps to improve the functioning and recovery position of the SCs and STs Finance & Development Corporations may be suggested. (During 2002-03 the recovery postion was as low as 41% and 29%, respectively).

5.2.5 Labour, Employment & Manpower

Proposed outlay for the Labour & Employment Department of Government of Tripura is Rs. 361.01 lakh for the Annual Plan 2005-06 as against the approved / agreed outlay of Rs.

277.97 lakh for the Annual Plan 2004-05. Amount proposed for Labour & Employment Sector for Annual Plan 2005-06 is only 0.45% of the total outlay i.e. Rs. 80453.15 of State of Tripura.

No new Scheme is proposed for the Annual Plan 2005-06. The total proposed outlay i.e. Rs. 361.01 lakh does not tally to the grand total of scheme-wise outlay. Therefore, State Government should provide scheme-wise outlay for the Annual Plan 2005-06 vis-à-vis Annual Plan 2002-03, 2003-04, 2004-05 and Tenth Plan outlay in a tabular form. Scheme-wise outlay would require discussion in the Working Group meeting.

A. LABOUR & LABOUR WELFARE

Scheme-wise outlay for the Annual Plan 2005-06 as proposed by Govt. of Tripura is discussed below :-

1 Direction & Administration

The scheme includes Salary Rs. 7.50 lakh & Non-salary items like T.A., office expenditure, rent, motor vehicles, etc. Rs. 9.00 lakh. Thus total outlay for the scheme is Rs. 16.50 lakh.

2 General Labour Welfare

This scheme is for providing financial assistance to the Rickshaw Pullers who suffers from serious diseases like cancer, T.B. etc. financial assistance is given @ Rs. 1,000 per beneficiary for Medical Treatment. Rs. 0.20 lakh is proposed for the scheme.

3 Social Security for Labour

22 nos. Balwadi centres are running in Tea garden for providing free school education ion and supplementary nutrition and supply of reading / writing materials alongwith woolen cloths to the children of tea garden workers.

Physical Target	**Financial Target**
i) Materials and supply	Rs. 0.50 lakh
ii) Supply of Nutrition	Rs. 2.50 lakh
Total	**Rs. 3.00 lakh**

4 Education and Training

Training programme for the workers under various establishments will be organized with the objective of giving them awareness on the rights and privileges of workers and also to give them education on health care and family planning, etc.

Physical Target	**Financial Target**
i) Training in 4(four) Districts	Rs. 1.20 lakh

5 Construction of Building

This is also a continuing scheme but due to shortage of fund the construction work could not be made. During this year only a token provision of Rs. 0.01 lakh is proposed for the scheme.

New scheme

6. Security for Labour- Asanghatita Shramik Sahayika Prakalpa.

At present there is no scheme to cover the unorganized workers and self-employed workers under social security scheme. In the state more than Two lakhs families are available under these sectors. Considering the aspects, Government have approved a new scheme viz., Asanghatita Shramik Sahayika Prakalpa for the workers like mason and masonry workers, cobbler, auto rickshaw operator, cycle rickshawpuller, street hawkers including newspapers hawkers (self employed occupation) and in the unorganized industry sector motor garage, bakery, shops and establishments, stone breaking and crushing unit, beedi making unit, public motor transport & tailoring unit, etc.

Individual workers within age group of 21-55 years in unorganized sector having an average family income of not more than 3,500/- are eligible to be covered under the scheme. Every worker will contribute a sum of Rs. 25/- per month and state government will also contribute the same amount as matching share.

It is proposed to cover 40,000 workers and proposed Rs. 126 lakh during 2005-06. In 10^{th} Five Year Plan approximately One lakh workers would be covered and approximate Rs. 870.00 lakh would be required.

B. Employment & Manpower Planning

There are 6 (six) Employment Exchanges and 20 (twenty) Employment Information Assistance Bureau. The main function of the Employment Services Organisation are :-

I. (a) Registration and placement of services.

(b) Rendering of Vocational guidance and career services.

II (a) Employment Market Information;

(b) Motivation of self-employment;

(c) Manpower studies; and

(d) Organizing coaching classes for preparing candidates for different competitive examination viz. staff selection commission, Govt. of India, Railway Recruitment Board and Recruitment for Indian Army, Navy & Air Force.

A sum of Rs. 11.19 lakh is proposed outlay for 2005-06.

State Govt. is finding difficulty to accommodate office of proposed self-employment cells for North Tripura District and South Tripura District. Therefore, an amount of Rs. 0.50 lakh has been proposed for rental charges for hiring building one each for North and South District with floor area of 3000 sq. ft.

Three Town Employment Exchange at Belonia, Khowai and Sonamura sub-division of South Tripura and West Tripura respectively is proposed for extending employment assistance for which office accommodation (10,000sq.ft.) will be required. A sum of Rs. 3.00 lakh has been proposed for rental charges of hired building.

Proposal for opening of special cells for physically handicapped persons at Udaipur, South Tripura District, Kailasahar and North Tripura District cannot be accommodated in the existing building of the concerned employment exchanges due to shortage of space. A sum of Rs. 0.40 lakh has been proposed for hiring a building with floor area 3000 sq. ft.

A sum of Rs. 5.00 lakh is proposed outlay for computerization of employment exchanges. Total number of job seekers in the live register of sub-Regional Employment Exchange is 2,33,338 as on 31.07.2004.

A sum of Rs. 94.21 lakh has been proposed for construction of building for Employment Directorate at Gorkhabasti, Nehru Complex, Agartala, West Tripura, as present accommodation of the Directorate is housed in the erstwhile Govt. Press in the Secretariat Complex. The existing accommodation is not only inadequate but also the building and its surrounding are most unhealthy and unhygienic.

For implementation of above proposals, a sum of Rs. 103.11 lakh is required as additional funds.

C. Factory and Boiler Organisation

There is only one scheme namely "Working Conditions and Safety" to be implemented during 10th Five Year Plan. It was started in the 9th Plan and spilled over requiring continuation in 10th Five Year Plan to give infrastructural support to safety enforcement machinery.

An amount of Rs. 5.17 lakh has been proposed for Annual Plan 2005-06 for strengthening of Enforcement Directorate. An additional requirement of fund for RS. 6.24 lakh have been proposed for new initiatives by the State Govt. It will have Rs. 2.00 lakh as Capital Component.

D. Craftsmen Training / Industries & Commerce-Industrial Training Institutes:

Presently there are 4 I.T.I.s in the State. These are (i) I.T.I. Indranagar, (ii) Women I.T.I., Indranagar, (iii) I.T.I. Kailasahar and (iv) I.T.I., Jatanbari. The total intake capacity is 444 trainees in 16 different trades. An amount of Rs. 123.58 lakh is considered in the tenth Plan. Recently, Govt. of India has sanctioned 4 new I.T.I.s at Dharmanagar, Udaipur, Belonia and Ambassa alongwith modernisation of the existing 4 I.T.I.s in the State. Total Rs. 1610.84 lakhs has been sanctioned for this purpose. During the Ninth Plan an amount of Rs. 77.38 lakhs was spent and in the Annual Plan 2004-05, Rs. 25.50 lakh was allocated and during 2005-06, a provision of Rs. 88.4 lakhs is proposed.

Craftsmen Training Programme

The programme envisages imparting training to local educated young persons under Craftsmen Training Programme. The main activities under the scheme are as follows:- (i) Modernization of existing I.T.I.s by replacement of old machines and (ii) Introduction of new need based trades. Provision is kept under TSP considering the requirement of I.T.I. Ambassa and I.T.I. Jatanbari will be taken up under TSP/SCP scheme.

E. Issues for discussion in the Annual Plan 2005-06 : -

Creation of opportunities for employment / self-employment

1. The infrastructure for vocational education, technical education and higher education etc. are inadequate in the State. Similarly, the infrastructure for road communication in rural areas and urban areas are much below the all India norms. The infrastructure development in the State may create conducive atmosphere for overall development.

2. State may explore the possibilities of credit linkages for entrepreneurship development and marketing to boost the self-employment in the State. The State has not provided financial assistance, if any, required for the scheme. A self-employment generation programme to meet the requirements of Tripura needs to be formulated by pooling together the employment outcomes of activities supported through the plans of sectors such as – small, agro-rural industries, agriculture, horticulture, fisheries, agro-processing , road transport, tourism, education, health & other social services.

3. State of Tripura have launched special Employment Generating Programme for unemployed youth in rural and urban areas. Details on physical achievements made may be provided to Planning Commission.

4. As per National Sample Survey, incidence of unemployment among youth(aged 15-29 years) on CDS basis have shown decline in both rural and urban areas. NSS has revealed decline of unemployment rate on State of Tripura whereas State Govt. in their proposal has reported increase in unemployment rate. Sample size of NSS Survey under the Central Sample is small for the State. Therefore, it is desirable to conduct specific survey by State Govt. to assess the actual employment situation in the State.

5. A Centrally Sponsored Scheme for establishment of new ITI and modernization of existing ITIs was launched in 2001-02 under PM package for North East. The scheme is under implementation. Status of implementation of the scheme may be elucidated.

II. Social security and Labour Welfare

Asanghatita Shramik Sahayika Prakalpa is a social security scheme proposed by the State Govt. for 40,000 persons. Such initiatives can, at best reach a selected few of the vast number of unorganized workers. The State Govt. may formulate a legislation to provide social security cover to unorganized sector workers and agricultural labour. Such a legislation should specify (i) the eligibility (ii) benefits (iii) sources of funds and (iv) implementation machinery. Govt. of Madhya Pradesh has enacted such a legislation.

III. Employment Services – investment in infrastructure for building

Employment services are provided by 6 Employment Exchanges and 20 Employment Information Assistance Bureau. According to the Live Register, less than 10,000 unemployed youth get registered in Employment Exchanges / Employment Information Assistance Bureau and only 31 vacancies get notified in a financial year. It may be appropriate to elaborate the necessity for continuing such huge infrastructure and construction of office building to meet the requirement of employment service.

IV Financial

The Tenth Plan allocation for labour and employment is Rs. 1421.39 lakh. Year-wise allocation in first two year of Tenth Plan was less than a crore. Allocation for 2004-05 is Rs. 325.19 lakh and proposal for the year 2005-06 is Rs. 361.01 lakh. Reason of sudden increase in allocation and perceptible changes in overall performance of the sector require discussion?

V Craftsmen Training

Additional Central Assistance of Rs. 131.26 Lakh was given on 17.12.2003 for Swavalamban Training Institute. An additional Central Assistance of Rs. 11.00 lakh was also provided for construction of Training Centre for various Trades at Ranirbazar under Ranirbazar Nagar Panchayat on 31.01.2004.

Status of completion and delivery of training services has not been reported in the proposals received from State Govt.

5.2..6 **Tourism**

Tourism potentiality in Tripura is based on eco-tourism, heritage tourism, culture and religion tourism. The State Government, through the Annual Plans is making efforts to improve tourism infrastructure in the State. The thrust is for developing tourist destinations and tourist accommodation.

Projected outlays for the Tourism sector during 10th Plan was Rs.1389.15 lakh. During 2002-03 expenditure under this sector was Rs.238.80 lakh. During 2003-04 expenditure of Rs.226.79 lakh exceeded outlays of Rs.223.30 lakh.

During 2004-05 outlays of Rs.229.09 lakh has been approved.

For 2005-06, the proposal is for Rs.250 lakh. The 2005-06 Plan for tourism sector gives importance to tourist accommodation and publicity, which is in the right direction.

ANNEXURE-I

Basic Statistics of the State

				INDIA	TRIPURA
I	Population (in million)	(2001 Census)	(T)	1027.02	3.191
			(M)	531.28	1.636
			(F)	495.74	1.555
II.	Sex Ratio	(2001)		933	950
III	Birth Rate	(2000)		25.8	16.5
IV	Death Rate	(2000)		8.5	5.4
V	Infant Mortality Rate	(1999)		70.0	27.1
			(T)	69.8	22.6
			(M)	70.8	31.8
			(F)		
VI	Dowry Death	(2000)		6965	17
VII	Rape	(2000)		16,496	72
VIII	Literacy Rate	(2001)	(T)	65.38	73.66
			(M)	75.85	81.47
			(F)	54.16	65.41
IX	Life Expectancy	(1996-2001)	(M)	62.4	NA
			(F)	63.4	NA
X	Work Participation Rate	(1991)	(M)	51.6	47.5
			(F)	22.3	13.8
XI	Enrolment Ratio	(2000-01)			
	Class I to V		Total	95.7	106.7
			Boys	104.9	116.2
			Girls	85.9	97.8
	Class VI to VIII		Total	58.6	64.3
			Boys	66.7	69.0
			Girls	49.9	59.5
XII	Drop out Rate Class VI to VIII	(2000-01)			
			Total	53.7	66.9
			Boys	50.3	66.8
			Girls	58.0	67.1
XIII	Incidence of total Cognizable crimes	(As per NCRB Report 2000)		1771084	3129
XIV	Estimated Population of Disabled (in lakh)	1999-2000		420.66	N.A.

ANNEXURE-II

PLAN OUTLAY, EXPENDITURE AND CENTRAL ASSISTANCE SINCE FOURTH PLAN- TRIPURA

(Rs. Crores)

Plan Period	Original Approved Outlay	Actual Expenditure	Central Assistance
1.	2.	3.	4.
Fourth Plan (1969-70)	34.66	34.66	29.83
Fifth Plan (1974-79)	69.68	75.96	50.66
Annual Plan (1979-80)	28.00	29.56	25.65
Sixth Plan (1980-85)	245.00	292.71	204.13
Seventh Plan(1985-90)	624.00	700.17	619.96
Annual Plan, 1990-91	200.00	201.12	164.17
1991-92	227.00	228.77	195.66
Eighth Plan (1992-97)	**1130.00**		
1992-93	282.00	217.94	231.01
1993-94	310.00	224.18	214.58
1994-95	310.00	257.43	247.58
1995-96	350.00	307.28	284.72
1996-97	370.00	348.91	336.59
Ninth Plan (1997-2002)	**2399.91**		
1997-98	439.91	408.86	417.00
1998-99	440.00	390.32	598.75
1999-2000	475.00	446.05	656.12
2000-2001	485.00	473.43	633.70
2001-2002	560.00	522.67	652.90
Tenth Plan(2002-07)	**4500.00** (Projected)		
2002-2003	625.00	584.69	683.61
2003-2004	650.00	566.83	754.93
2004-2005	700.27	700.27*	822.46
2005-2006 (Proposed)	804.53		

*Anticipated Expenditure

ANNEXURE - III

Tenth Five Year Plan
and
Sector wise Proposed Outlays - Annual Plan 2004-05

(Rs. in lakhs)

Name of the Sector	Tenth Plan 2002-07	Annual Plan 2002-03		Annual Plan 2003-04		Annual Plan 2004-05	Annual Plan 2005-06
	Projected Outlay	Agreed Outlay	Actual Exp.	Agreed Outlay	Actual Exp.	Approved Outlay	Proposed Outlay
Agriculture and Allied	45000	4411	3811	4567	3119.38	3883.64	4825.76
Rural Development	54000	8407	8133	8392	6500.00	9056.30	8877.83
Special Area Programme	31500	3181	3848	4160	3898.31	4472.80	4563.56
Irrigation & Flood Control	36000	4447	3610	4592	3277.77	4031.32	5500.00
Energy	22500	4522	2944	5449	3043.87	4398.87	4952.00
Industry & Minerals	13500	2435	2404	2653	2448.42	2402.85	3189.90
Transport	49500	3299	4728	6712	7213.00	6757.93	8441.60
Communications	900	4	4	4	3.54	4.27	5.50
Science, Tech.& Env.	1350	20	20	12	62.46	28.38	211.00
General Economic Service	6750	670	588	893	571.98	6395.72	2199.01
Social Services	182250	30314	27417	26310	25926.16	27655.07	35647.53
General Services	6750	790	961	1256	618.21	939.85	2039.46
Total	450000	62500	58468	65000	56683.10	70027.00	80453.15

ANNEXURE - IV

Financial Performance under major rural development programmes for 1999-2000, 2000-2001, 2001-2002, 2002-2003 and 2003-2004(Rs. Lakhs)

Tripura Annexure-I

S.No.	Name of the Scheme/Year	Opening Balance	Total allocation	Total release	Total available funds	Total expenditure	% Expenditure to available funds	% Expenditure to total allocation
	1999-2000							
1	JGSY*	0.00	859.24	650.58	650.58	643.70	98.94	74.92
2	IAY	95.18	1910.67	1932.95	2028.13	2012.11	99.21	105.31
3	EAS	0.00	948.13	1201.46	1201.46	1201.46	100.00	126.72
4	SGSY#	228.42	573.44	543.80	772.22	279.92	36.25	48.81
	2000-2001							
1	JGSY*	0.00	1915.98	1915.98	1915.98	1908.67	99.62	99.62
2	IAY	22.28	2241.64	2241.64	2263.92	2271.35	100.33	101.33
3	EAS	0.00	1701.63	1616.30	1616.30	1401.74	86.73	82.38
4	SGSY#	79.71	1161.23	1194.42	1274.13	1230.59	96.58	105.97
	2001-2002							
1	JGSY*	10.42	2178.00	2767.71	2778.13	2166.52	77.98	99.47
2	IAY	0.00	1711.80	2225.35	2225.35	1713.38	76.99	100.09
3	EAS	214.55	2177.31	2221.59	2436.14	2396.72	98.38	110.08
4	SGSY#	175.41	172.73	1013.95	1189.36	1116.40	93.87	646.33
	2002-2003							
1	SGRY++	492.30	4139.32	2142.88	2635.18	1833.72	69.59	44.30
2	SGSY++	10.26	533.00	516.71	526.97	481.17	91.31	90.28
3	IAY++	419.89	1757.67	878.84	1298.73	1216.22	93.65	69.20
	2003-2004							
1	SGRY$+	1024.84	4793.00	3135.95	4160.79	2442.79	58.71	50.97
2	SGSY#+	33.47	928.98	800.10	833.57	471.07	56.51	50.71
3	IAY +	907.53	1935.96	1310.65	2218.18	1399.58	63.10	72.29

* JRY has been restructured as JGSY wef 1999-2000

SGSY was introduced w.e.f. 1999-2000 by merging IRDP and its allied programmes like TRYSEM, DWCRA, SITRA and GKY; and Million Wells Scheme (MWS).

++ upto November, 2002

+ upto November 2003.

(Source: Ministry of Rural Development)

IMMEDIATE

No. M-13048/24 (TN)/03-SP
PLANNING COMMISSION
(State Plans Division)

.....

Yojana Bhavan, Sansad Marg
New Delhi -110001
Dated, 25.11.2004

Subject: Background note for discussions of Annual Plan 2005-06 of Tamil Nadu.

A background note for the meeting to be held between Deputy Chairman, Planning Commission and Chief Minister of Tamil Nadu at 3.30 PM on 30.11.2004 for finalisation of the Annual Plan 2005-06 is hereby circulated.

(B.C. Munda)
Director (SP-S)

Encl: As above

Planning Commission
Principal Advisers
Advisers
JS(SP)
Heads of Divisions

PMO
Director (Tamil Nadu)

Ministry of Finance
Joint Secretary (PF-I)
Deptt. of Expenditure,
North Block,
New Delhi

National Commission on Population
Member-Secretary

Copy to Private Secretary to:
Deputy Chairman/Minister of State/Members/Secretary,

Copy also to:
Director (SP-Coordination)/Deputy Adviser (PC Division)/DA (MLP & Hill Areas) /Protocol Unit/Information Officer.

Planning Commission
(State Plans Division)

.....

Subject: Annual Plan (2005-06) – Tamil Nadu : Meeting between Deputy Chairman, Planning Commission and Chief Minister of Tamil Nadu.

I. BASIC INFORMATION

1.1 The middle income non-special category State of Tamil Nadu has an impressive record of improvement in human development indices and growth in industry as well as services. Per capita income levels have gone up in the State since independence as a consequence of sustained GSDP growth and fall in the rate of growth of the population. The services sector is dynamic, agriculture relatively stagnant and industry performing at a modest pace. It is one of the most urbanized States with the third highest human development index. With improvement in infrastructure and higher investment levels, it could graduate to the high income category and is already next to Kerala (among non-special category States) in terms of human development (its HDI is .531 against a national average of .472). The status of women is higher in Tamil Nadu than in most Indian States – the Gender Development Index is .654 in 2001 against an all India average of .560. It is poised on the verge of takeoff although there are infrastructural constraints (particularly in power and water). Urbanisation is proceeding apace but 56% of the population still lives in rural areas. Out migration of skilled labour to other southern States and of educated unemployed to developed countries is becoming significant.

A statement indicating selected basic information relating to the State of Tamil Nadu is given at Annexure-I.

II. PLAN OUTLAY IMPLEMENTATION

Plan Outlay/Expenditure during Annual Plan 2004-05 - Tamil Nadu
(Rs. crore)

Year	Approved Outlay	Expenditure	% Utilisation
Tenth Plan 2002-07	40,000.00$	-	-
AP 2002-03	5750.00	5841.05	101.00
AP 2003-04	7000.00	7088.31	101.26
AP 2004-05	8001.00	8001.00	100.00

$ At 2001-02 Prices.

2.1 Thus, against the agreed outlay of Rs.8001.00 crore in Annual Plan 2004-05, the anticipated expenditure is of the order of Rs.8001.00 crores (expected utilization being 100%), at current prices.

PROPOSED OUTLAY FOR ANNUAL PLAN 2005-06

2.2 A separate note from FR division regarding resources for Plan financing for the current year has been sent separately.

Development Agenda for 2005-06

2.3 The Govt. of Tamil Nadu has highlighted the following development agenda for 2005-06:

- Thrust in the primary sector will continue to be on crop diversification with new value addition, efficient use of water, precision farming, capital investment in agriculture to promote new irrigation, thrust to homestead farming, fisheries development and comprehensive rural infrastructure upgradation.

- Reforms to improve the investment climate, particularly for manufacturing will be pursued. This will include thrust to infrastructure development, quality power supply, taxation reforms, labour reforms and business deregulation. A new policy for promotion and development of small scale industries is being drafted for implementation.

- Tamil Nadu's core competence in emerging sectors such as information technology & tourism will be strengthened.

- Emphasis will be laid on improving service delivery in key areas with a high public interface as a key element of good governance supported by e-governance initiatives.

- Maximum emphasis will be laid on human development and the attainment of Millenium Development goals. Basic social services such as health will receive sharper focus.

- The programme initiated in the State in 2004-05 for all round development of all the villages will be upscaled in 2005-06 focusing on good governance measured through performance of village panchayats in areas like drinking water, sanitation, drainage, health, primary education, nutrition, water resources, villages roads and street lighting.

Main Sectoral Highlights:

III. AGRICULTURE & ALLIED ACTIVITIES

3.1 Gross cropped area has remained around 70 lakh has. during the last 4 decades, due to increasing demand for land for non-agricultural uses. Out of the 80 lakh land

holdings, around 58.5 lakh holdings are less than a hectare. Cropping intensity has been hovering around 119% and irrigation intensity around 120% with a ratio of around 70:30 between food and non-food crops. Foodgrain production has increased to over 86 lakh metric tonnes in 2003-04. Groundnut production has doubled during the past five decades. There has been increase in sugarcane production – over 33 lakh metric tonnes during 2001-02. In spite of reduction in area, cotton production has increased to over 3.9 lakh bales during the nineties.

Production Target and Achievement

(in lmts)

	Target		Achievement	Target for
	X Plan	2003-04	In 2003-04	2004-05
Rice	91.04	73.58	47.38	75.00
Millets	11.84	13.15	14.60	14.85
Pulses	3.50	3.12	3.40	3.38
Total – Food grains	106.38	89.85	65.38	93.23
Oilseeds	18.08	16.07	12.53	17.00
Sugarcane (Gur)	40.59	33.65	20.92	35.00
Cotton (Lint in bales of 170 kg)	8.60	5.40	1.77	5.52

3.2 Schemes such as multiplication and distribution of paddy, millets and pulses, preparation and distribution of micro-nutrients, intensive cotton development, coconut development programme and farmers training centre are being implemented with State funds. Some major Centrally sponsored schemes which are being implemented are the Integrated Cereal Development Programme for the rice, millets and oilseed production programme, the pulses development programme, the intensive cotton development programme, etc.

3.3 It is essential to aim at 4% growth in agriculture and 8% in horticulture and allied sectors. Sustainable agriculture requires adoption of measures like avoiding damage to biological wealth, managing efficiently available land and water resources per unit area / quantity and application of economically viable and ecologically sound farming to increase productivity through water use efficiency and agricultural technology development.

3.4 The strategy adopted is crop diversification, comprehensive wasteland development, precision farming and encouraging farmers to shift from environmentally unsustainable water-intensive cultivation to high value / low-water consuming crops like pulses, oil-seeds, horticulture, etc. An alternate cropping plan specifying the cropping pattern for 7 agro-climatic zones in the State for normal, moderate drought and severe drought conditions has been formulated by the Tamil Nadu Agriculture University and it is being recommended to farmers by the extension wing of the Agriculture Department.

3.5 The strategy to achieve the objective of sustainable increase in agricultural production would have the following elements :

- Bringing large extent of wasteland under green cover under the Comprehensive Wasteland Development Programme.

- Massive expansion of dryland and wasteland development programmes integrating them with watershed development programmes and making them as people's movement adopting a Participatory Rural Appraisal (PRA) approach. Modern dry technologies to boost the productivity of dry land crops will be developed.

- Adoption of alternate cropping pattern with emphasis on growing less water intensive, more remunerative crops and diversification and mixed cropping.

- Adoption of SRI technology for paddy cultivation with lesser water.

- Precision farming and large scale adoption of micro irrigation to ensure judicious use of water and adoption of water harvesting measures.

- Decision Support System for Fertilizer Recommendation (DSSIFER) as part of precision farming.

- Organic farming, need based application of macro and micro nutrient and INM.

- Popularization of vermi-composting technology, popularization of INM/IPM/ adoption of traditional technologies such as Pancha Kavya, Mutka guard, etc.

- Popularization of Leaf Colour Chart (LCC) based nitrogen management in rice.

- Speedy transfer of technology.

- Increasing biomass by technologies like in-situ ploughing.

- Technology Mission approach for pulses, oilseeds, cotton and maize.

- Adoption of Integrated Farming System (IFS) to stabilize remuneration to the farmers.

3.6 Horticulture crops are cultivated in 8.50 lakh hectares, accounting for a production of 120.03 lakh mts. The State has set up a mission for horticulture development in Tamil Nadu to give an impetus for cultivation, processing for value addition and marketing of vegetables, fruits and flowers in the State.

3.7 Research work of the Agricultural University is focused on the following :

- Developing alternative strategies for extreme conditions of severe drought, moderate drought and normal monsoon in all the seven agro-climatic zones of Tamil Nadu.

- In major agricultural and horticultural crops including vegetables, the main focus would be on development of pest and disease resistant varieties and F1 hybrids.

- To develop rice hybrids with acceptable grain quality.

- Cotton hybrids with resistance to bollworm.

- Maize hybrids with downy mildew resistance.

- Sunflower hybrids with high oil content.

- Drought and mosaic resistant green gram, black gram.

- In horticulture and forestry, work will be concentrated to identify and multiply suitable fruit, timber and non-timber species for growing in wastelands since wasteland constitutes the major area of arable land.

- Medicinal plants will be given special attention. In addition to standardization of cultural techniques for important medicinal plants, the identification and extraction of alkaloids and secondary metabolites will be taken up.

- Standardization of agro techniques for growing biofuel-yielding trees like jatropha and efficient extraction of oils from such crops.

Livestock

3.8 Tamil Nadu ranks second among Indian States in egg production and 9th in terms of milk production. Approximately 6% of national milk production was from Tamil Nadu in 2001-02 and the State accounted for 11.9% of India's egg production. The State's fish production accounts for 13.2% of total marine production and 4% of total in-land fish production in India. Agriculture, livestock and animal husbandry accounts for 92.2% of the total value added in agriculture and allied activities, with fishing and forestry accounting for 4.5% and 3.3% respectively.

3.9 Only 20-25% of cattle are in the category of crossbred / graded stock. Future policy aims at :

- Evolving high yielding animals by utilizing the latest technology;
- Reducing the number of unproductive animals and
- Increasing feed and fodder resources.

Dairy Development

3.10 There are 17 District Cooperative Milk Producers' Unions (DCMPUs) covering 30 districts with an installed processing capacity of 18.92 llpd. There are 39 chilling centres in DCMPUs with installed chilling capacity of 12.83 llpd. About 12.46 lakh cows and 2.21 lakh buffaloes are under the cooperative fold and they are provided with breeding cover through artificial insemination by using frozen semen. The average milk procurement in the DCMPUs is 17.26 llpd (as on 31.03.2004).

Fisheries

3.11 Tamil Nadu with 1076 kms of coastline, 0.19 million sq kms of EEZ (9.4% of India's EEZ) and a continental shelf of about 41,412 sq kms is a leading State in culture and capture fisheries. As against the total fishery potential of 0.965 million tonnes from both inland and marine resources of Tamil Nadu, the present level of fish production is 0.475 million tonnes which is about 49.5% of the total potential. The marine fisheries potential of the State is estimated at 0.719 million tonnes as against the all India potential of 3.934 million tonnes. Marine fish production has increased from 0.57 lakh tonnes in 1955-56 to 3.73 lakh tonnes during 2003-04. Similarly, inland fish production has increased from 0.36 lakh tonnes in 1955-56 in to 1.38 lakh tonnes in 2003-04. Of the east coast States, the State has the maximum catch followed by West Bengal. The State has a fisherman population of about 7.37 lakhs of which 2.80 lakh fishermen are actively engaged in fishing from 591 fishing villages. There are 1101 primary fishermen's cooperative societies which includes 329 inland fishermens' / fisher women's cooperatives. There are 12,000 mechanised fishing boats and about 50,700 traditional crafts of which 20,000 crafts have been motorized. A fisheries development mission has been constituted in the State.

IV RURAL DEVELOPMENT

4.1 The percentage of rural population living below the poverty line has declined from 32.48% in 1993-94 to 20.55% in 1999-2000 (all India figures were 37.27% in 1993-94 and 27.09% in 1999-2000). The number of persons living below the poverty line has decreased from 121.7 lakhs in 1993-94 to 80.51 lakh in 1999-2000.

4.2 Programmes for providing self employment, generating income, imparting technology and skill upgradation training (SGSY) and wage employment (SGRY), special area development (MLACDS, HADP, DPAP), people's participation to accelerate the development process and provide for community maintenance of public assets (self-sufficiency scheme) and institutional reforms for people's participation in decentralized governance, planning and development constitute the core of rural development programmes.

4.3 Under the *Namadhu Gramam* programme for village panchayats, monitorable indicators for Gram Sabhas covering drop-out rates in local schools, village cleanliness

and general health and hygiene have been fixed. Rs.52 21 crores provided in the current year will be raised to Rs.200 crores in 2005-06.

4.4 Good governance will be measured through improvements in drinking water, sanitation, drainage, cleanliness, health, primary education, resource management of panchayats, nutrition, management of water resources, village roads and street lights. The Gram Sabha will draft the Village Action Plan and monitor implementation.

4.5 World Bank assistance has been sought for the *Tamil Nadu Empowerment and Poverty Reduction Project* (TNERP) to be implemented over 6 years with an outlay of Rs.600 crores. As a prelude, a programme for poverty reduction in rural areas launched in 2004-05 covers 25 poor households (destitutes, orphans, chronically ill, houseless and freed bonded labourers) in every village panchayat annually for six years, identified through the Gram Sabha addressing livelihood, nutrition, shelter and health security.

4.6 Under SGRY, Rs.78.46 crores will be spent. All-weather road connectivity to unconnected rural habitations will be provided under PMGSY at a cost of Rs.289 53 crores. Families living below the poverty line in the rural areas will be taken up under IAY (Rs.33.91 crores for roofing and Rs.24.08 crores for new houses).

4.8 For rural poor below the poverty line through SHGs under SGSY, Rs.15.64 crores are proposed, Rs.13.43 crores for the total sanitation campaign and Rs.50 crores under the self-sufficiency scheme.

V. WATER RESOURCES

5.1 The Tamil Nadu Water Policy 1994, based on the National Water Policy 1987, has been re-drafted taking into account the National Water Policy of 2002.

5.2 There are 17 major river basins in the State, 61 reservoirs and 41,948 tanks 24 lakh hectares are irrigated by surface water through major, medium and minor schemes and utilization for irrigation is about 90%.

5.3 Water potential including ground water is 46,540 mcm. Surface water potential is 24,160 mcm including contribution (739 mcm) from neighbouring States.

Total Water Potential

Sl.No.	Water Potential	mcm	tmc
1.	Surface Water Potential		
	Within State	16769	592
	From neighbouring States	7391	261
	Sub-total	24160	853
2.	Ground Water Potential	22380	790
	Total	**46540**	**1643**

5.4 The State has harnessed available surface water potential which accounts for nearly half. Projected to January 2003, the balance ground water potential works out to 3,142.27 mc distributed in 97 safe, 105 semi-critical & 37 critical blocks. 138 blocks are already over-exploited.

5.5 Net area irrigated is 27.75 lakh hectares. The State's per capita irrigation potential is 0.08 ha. compared to the all India average of 0.15 ha. Large scale sand mining in major rivers leading to poor ground water recharge will damage ground water availability.

Accelerated Irrigation Benefit Programme (AIBP)

5.7 There is not much scope for AIBP funding in its present format since there are no major on-going irrigation projects in the State. Tamil Nadu has 2 medium ongoing irrigation projects spilled over from the IX Plan with a balance cost of Rs.42.8 crores and balance potential of 7,19,000 hectares as on 1.4.2003 to be completed within the Tenth Plan but they have no AIBP assistance. The State has sought assistance for tank rehabilitation. Major projects are: World Bank aided Water Resources Consolidation Project-II in the pipeline, the new Veeranam project for Chennai now posed to Govt. of India for JBIC aid, flood control and coastal protection proposed for external assistance, World Bank Hydrology-II which is under way, improvement of minor irrigation tanks.

VI. POWER & ENERGY

6 1 The thermal-hydel mix of the State is 2/3ds: 1/3 and the State has 5586 mws of generation capacity. There are large scale thermal generation projects like Ennore, Basin Bridge, Tuticorin, Mettur, North Chennai – Stage-I, Neyveli Thermal Station-I, N.T.S.-II (Stage-I & Stage-II). Thermal stations of Tamil Nadu Electricity Board have received awards for meritorious performance. The Madras Atomic (nuclear) Power Station (MAPS) at Kalpakkam, Ramagundam Super Thermal Power Station (RSTPS), Kaiga Atomic Power Station (KAPS) and Talcher Super Thermal Station (TSTS) are Central generating stations supplying power to Tamil Nadu.

Performance during the first two years of the Tenth Plan (TNEB)
(2002-03 & 2003-04)

Annual Plan	Installed Capacity at the disposal of the State (mws)	(Sustained) peak demand (mws)	Annual Gross Generation (mus)	Per capita Consumption (kwhr)
At the beginning of Tenth Plan	7924	6687	43920	708
2002-2003	8268	6957	46389	740
2003-2004	9319	7228	49712	780

6.2 A Memorandum of Understanding has been signed between NTPC and TNEB to set up a 1000 mw plant at North Chennai. Progress is being made in establishing a 1000 mw Thermal Power Plant in Tuticorin based on an MoU between the Tamil Nadu Electricity Board and the Neyveli Lignite Corporation. The DAE is setting up a 2000 mw Atomic Energy Power Plant at Koodangulam and work is progressing ahead of schedule. A prototype fast breeder reactor with a capacity of 500 mws is being established at Kalpakkam, the first in the country, and it is expected to come into stream by 2010.

6.3 In 2004-05, the increase in generating capacity will be 616 mw (State Sector – 180 mws, Central Sector Share – 270 mws and Private sector – 166 mws). Outlay for the Annual Plan 2004-05 is Rs.1255.53 crores and outlay proposed for 2005-06 is Rs.1362.36 crores. Tamil Nadu has not gone in for unbundling and corporatisation of the electricity board. It has set up an electricity regulatory authority which has become functional from June 2002 and has so far issued one tariff order. A record high of 61% of the electricity sold by the State is metered. T&D losses are only 18%. However, gross earnings of the electricity board turned negative in 1999-2000.

6.4 Average tariff for 2004-05 (AP) is estimated at 285 paise per unit, as against the average cost of supply of 322 paise per unit. The level of recovery works out to 88.5%.

6.5 Power supply to agricultural consumers was earlier free of cost. The average tariff approved by SERC for agricultural consumers with effect from March 2003 was 22 paise per unit. About 24% of total energy sales is attributed to agriculture. Based on these estimates, the effective subsidy to agriculture sector works out to Rs.2931 crores. As per FR discussions for the Annual Plan 2004-05, the State Government proposes a subvention of Rs.196 crores towards sale of electricity to agricultural consumers. Aapart from providing amounts indicated by the regulatory commission (Rs 700 crores), interest due on securitized loans of the Board taken over by the Government would come to another Rs.500 crores/year. Under APDRP, the State is entitled to Rs.968.17 crores, of which Rs.344.16 crores have been released on the project component (and fully utilized).

6.6 Net commercial losses of TNEB (without subsidy) for 2004-05 are estimated at Rs.1157.91 crores.

6.7 IPPs have been set up in the State since 1997-98. The average rate of purchase from IPPs is about Rs.4 per unit compared to Rs.1.80 for power purchased from Central generating stations. This is adversely affecting the financial performance of the Electricity Board.

Non-Conventional Sources of Energy – TN Energy Development Agency (TEDA)

6.8 The Tamil Nadu Energy Development Agency (TEDA) was set up in 1985. Installed capacity of power in the State from renewable sources (excluding hydro power) as on 31.03.2004 was 1648 mw (18% of grid capacity against the all India average of 4.5% only) which is the highest for any State.

6.9 Harnessing of wind energy is highest in Tamil Nadu with an installed capacity of 1361 mw (as on 31.03.2004) against the total installed Indian capacity of 2473 mws (as on 31.03.2004) (55% of the total installed capacity in India).

6.10 Under biomass based power generation, Tamil Nadu stands first in the country with an installed capacity of 12 mws. Under bagasse based power generation, Tamil Nadu stands first in the country due to private sector investment and policy initiatives.

VII. INDUSTRIES & MINERALS

Medium & Large Industries

7.1 Tamil Nadu has a diversified base (automobiles, textile, leather, petro-chemicals & technology). It has the highest number of foundries in the country and the largest number of workers employed in factories. It ranks third in Foreign Direct Investment, next to Maharashtra and New Delhi. Factors influencing investment are location, infrastructure, technology, low cost labour, etc.

7.2 Tamil Nadu's New Industrial Policy – 2003 seeks to create an environment to facilitate the flow of domestic and foreign capital for infrastructure building and provide for second generation reform based on labour and fiscal reforms. A policy on public-private partnership in infrastructure development incorporating cross-country expertise is under preparation. Apparel parks, agri export zones and special parks will be promoted. A special economic zone (SEZ) policy has already been formulated. A SEZ Act for the State is to be enacted.

7.3 Tamil Nadu Industrial Development Corporation Ltd. (TIDCO) has promoted over 78 projects. As on 30.09.2003, 20 joint sector, 26 associate sector, 2 escort sector and 3 projects under BOO/BOOT basis are under production. Around 22 projects are under implementation. TIDCO has completed the Mahindra Industrial Park and is building up a Convention Centre (joint venture with ITPO), an agri-export zone, a winery-cum-grape spirit unit and an industrial park for rubber. A joint venture of TIDCO is establishing a

refinery at Cuddalore. A VCF is being proposed for biotechnology.

7.4 Govt. of Tamil Nadu has announced a new IT policy in Sept. 2002. Software exports reached Rs.7621.50 crores in 2003-04 compared to Rs.6316 crores in 2002-03 and the State ranks second among the States in terms of exports, next only to Karnataka. Chennai is the only city in India to have the top 10 IT multi national companies and 3 IT majors Infosys, TCS and Wipro. .It is promoting TIER-II cities. The State could achieve a software export turn over of $ 8.5 billion by 2008. The TN e-governance mission is under implementation. Biotechnology is covered by a policy aimed at setting up biotechnology park and a bio-information and genomic center.

MINING

7.5 There is scope for improving mineral industries, based upon limestone, silica sand, graphite, quartz, feldspar and natural gas. Revenue collection has gone up to Rs.474.81 crores.

Village & Small Scale Industries

7.6 The sector accounts for 95% of industrial units, 40% of the output in the manufacturing sector, 35% of exports and employment to 30 lakh persons. There are about 4.20 lakh registered SSI units with Rs.12,500 crores of investment. The State Dte. of Industries & Commerce register SSIs, assists them in getting statutory approvals and clearance under the single window system. District Industries Centres are functioning in 28 districts (Chennai has a Regional Joint Directorate). Export guidance cells operate in DICs. SIDCO has developed 41 estates and manages 35 on agency basis.

7.7 Handlooms provide employment to 4.29 lakh weaver households and 11.64 lakh weavers. There are 2.16 lakh handlooms in 1313 cotton, silk and industrial cooperative societies. Market Research Cells will have to be set up to facilitate closer links between manufacturers and consumers. Special efforts have to be made to develop power loom clusters as centers of excellence. The Tamil Nadu Khadi & Village Industries Board has 201 khadi crafts, 10 grama shilpas and 8 leather sales depots to popularize and market products produced by units.

VIII .**TRANSPORT**

Roads & Bridges

8.1 Tamil Nadu has a road length of 61208 kms. The density of the road network in the State at 269.69kms/lakh population and 115.83 kms/100 sq. kms are much higher than the national average. Government mobilizes resources through NABARD, HUDCO and infrastructure bonds to fund road projects. The Tamil Nadu Road Sector Project funded by World Bank loan assistance (Govt,. has sanctioned Rs.2118.77 crores) aims at upgradation of 750 kms, periodical maintenance of 2000 kms and road

safety and institutional strengthening. The Tamil Nadu Road Development Company (TNRDC), a joint venture (50:50) with equal participation of TIDCO and Infrastructure & Leasing Financial Services (ILFS) identifies road projects on a commercial basis. Improvement and maintenance has been entrusted to it as a step towards private participation in road management. A new road policy has been drafted.

8.2 To reduce administrative overhead costs and avoid wasteful competition, Govt. has amalgamated 21 State Transport Corporations into 7. Their physical performance is good, but they will have to improve financial performance by periodic revision of bus fare.

Tourism

8.3 The State Government has been strengthening infrastructure in major tourism centres and developing potential by publicity campaigns, creation of infrastructure and attractive packages. Preparation of a master plan for identified tourist destinations/circuits has to be undertaken as also innovative market management and publicity based on a long term vision.

IX. EDUCATION

9.1 Tamil Nadu is educationally advanced with 73.47% literacy as per the 2001 census. It is second next to Kerala in literacy rate among non-special category States. The male literacy has increased from 73.75% in 1991 to 82.33% in 2001 and female literacy from 51.33% to 64.55%. The ratio of male to female literacy has come down from 1.4 in 1991 to 1.27 in 2001. Progress in women's literacy has led to impact on other demographic indicators like decline in fertility rate, improvement in health, greater empowerment of women and environmental awareness.

9.2 The State aims at :

- Achieving enrolment of all school age children and 5 years schooling before 2007 and 8 years before 2010.
- Ensuring retention up to eighth standard of all children enrolled.
- Ensuring quality education leading to every child attaining minimum levels of learning competencies.
- Ensuring harmonious and all round development of the child's personality.
- Micro-level decentralized planning and management through community participation.
- Enabling those who have completed primary education to pursue secondary education.
- Imparting quality education including computer education to all students so as to transform society into a knowledge driven and digitally literate one.
- Ensuring the fullest involvement of parents and society.

9.3 The mid-day meal scheme has been performing well through separate staff for cooking meals. The State provides free uniforms, books, slates and bus passes. The

Centrally Sponsored Scheme of District Primary Education Programme is being implemented in six districts.

9.4 Sarva Shiksha Abhiyan (SSA) is in operation in all 29 districts to provide access to primary level education in all eligible habitations with a population of 300 within 1 km radius.

- Children out of school (2003-04) to be covered in 2004-05 were 279458.
- The State had achieved 95% net enrolment and reduced drop out rate to 10%.
- 399 upper primary schools and 356 primary schools have been opened in 2003-04.
- Quality intervention in SSA has shown significant impact on attendance (primary:- 93% and upper primary: - 91%).
- 712 new teachers have been appointed for new schools opened in 2003-04 apart from 1512 teachers for existing project schools.

9.5 Under the Total Literacy Campaign, 79.70 lakh literates have been brought into the fold of literacy as against 90.59 lakh illiterate persons identified. Under the Post Literacy Campaign 37.80 lakh neo-literates have been covered.

9.6 The State has 27 universities and 478 arts & science colleges as well as private and self-financed colleges. The Tamil Nadu Open University started in 2002-03 has enrolled more than 10,000 students. The State has the largest number of autonomous colleges and the highest number of NAAC accredited institutions. It is proposed to set up a National Institute of Science similarly to ISC.

9.7 There are at present 202 polytechnic and 240 engineering colleges including 9 deemed universities with intake of 54, 485 and 71, 190 seats respectively, most of which (146 polytechnics and 222 engineering colleges) are self-financing. The Technical Education Quality Improvement Programme is running with World Bank assistance.

X. HEALTH & FAMILY WELFARE

10.1 Tamil Nadu is the second State to achieve a Net Reproductive Rate (NRR) of 1 although the infant mortality rate is high. The State's health and demographic indices and sex ratio are better than the national average. Since the State has achieved replacement level of fertility nearly a decade ago, it is imperative that every effort is made to reduce the infant mortality rate (especially the neonatal component, which plateaued during the nineties) through improved access to antenatal, intra partum and neonatal care. There are pockets where the State has reported female foeticide as well as infanticide. Steps initiated by the State to reduce infanticide in these pockets have to

be evaluated. A World Bank assisted Health Systems Development Project costing Rs.500 crores is on the anvil.

10.2 Though replacement level of fertility has been reached, there is still an unmet need for both spacing and terminal methods of contraception. The paramount concern in the State is in regard to reduction of maternal morbidity and mortality and improving reproductive health services. The State Govt. must make efforts to strengthen routine immunization and achieve 100% coverage for all vaccine preventable diseases. Performance under the Centrally Sponsored disease control programme has been satisfactory. Tamil Nadu has played a major role in operationalization of the revised National Tuberculosis Control Programme, reduced leprosy cases successfully and is now implementing a leprosy programme through existing general health care infrastructure.

XI. EMPLOYMENT & LABOUR WELFARE

11.1 The number of employment exchanges in the State is 29. There are 15 employment offices for categories like professionals and executives, technical personnel, unskilled and the physically handicapped and coaching and guidance centers for SCs and STs etc. The number of job seekers in live registers was 48.76 lakhs in 2003.

11.2 There are at present 53 Government Industrial Training Institutes (ITIs) imparting training in 52 engineering and non-engineering trades with a capacity of 16,854. 10 ITIs are exclusively for women. Govt. has encouraged private participation in craftsmen's training and 615 private ITIs have been set up with a seating capacity of 60,213. There are 424 industrial schools with a seating capacity of 38, 760.

Unemployment Rates Among Educated for Tamil nadu and All- India (in brackets)

	Male				Female			
	1993-94		1999-2000		1993-94		1999-2000	
Rural	1.8	(1.4)	9.9	(5.6)	0.6	(0.8)	13.5	(14.6)
Urban	4.3	(4.0)	4.7	(6.2)	6.8	(6.2)	13.9	(14.3)

Source: NSSO (1996,2001)

11.3 The focus of employment strategies will have to be on sectors which are labour intensive, particularly in the organized sector. Lack of entrepreneurship culture and quality business development services are major shortcomings. There is need for a State level resource center to coordinate and monitor schemes for training and entrepreneurship development. District level centers for promotion of self employment need to be established. Vocational education and training needs to become more market oriented. Industrial training institutes and private industrial training centers need to orient training to cater to present needs, particularly in the service sector.

XII. HOUSING, URBAN DEVELOPMENT & WATER SUPPLY

Urban Housing

12.1 As per the 2001 census, Tamil Nadu has the highest level of urbanization (43.86%) in the country. In 1991 the level of urbanization was only 34.15 per cent with an urban population of 1.9 crores. Now 2.72 crores out of 6.21 crores of the population of Tamil Nadu live in urban areas. Following the Nagar Palika Act of 1994 all 611 town panchayats were brought under the category of statutory towns. There are 6 Municipal Corporations, 104 Municipalities and 611 town panchayats. Within the next few years, more than half the population of the State will live in urban areas.

12.2 There is vast regional disparity in the availability of housing stock in the State due to economic reasons. Slum population accounts for 20% of the total population.

12.3 The Tamil Nadu Housing Board, Co-operative Housing Societies and Tamil Nadu Slum Clearance Board are playing a major role in creation of housing facilities.

Rural Drinking Water Supply & Sanitation

12.4 There are 81,787 rural habitations of which only 29,067 habitations are fully covered with 40 lpcd supply and the rest are partially or not covered. During the 10th Plan period, it was programmed to cover all partially covered and the quality problem habitations for which an outlay of Rs.6,500 crores was proposed. During 2002-03, 6,628 habitations were covered. During 2003-04, 6,156 rural habitations were covered. During 2004-05 it has been programmed to provide water supply to 6,500 rural habitations. During the remaining years of the 10th Plan period, additionally 12,000 problem habitations are proposed to be covered.

Urban Water Supply & Sanitation

12.5 Urban water supply of cities like Chennai has been affected by failure of monsoons and inadequate ground water. Chennai is covered by the new Veeranam project, the Chennai Water Supply Augmentation Project, the third Chennai project and a desalination plant on BOOT basis. 89% urban population has access to water supply and 70% to sanitation.

12.6 237 towns with inadequate water supply remain to be covered. Recharge structures have to be provided. TNUDP-II provides funds for improving sanitation in urban areas. Vambay and slum clearance programmes are being utilized. The CMDA is implementing an infrastructure investment plan for Chennai and planning an outer ring road. TNUDP-III is being considered for posing to the World Bank.

XIII. WELFARE OF SCs, STs, OBCs

13.1 Scheduled Caste population in the State of Tamil Nadu is 19% as per the 2001 census. As per 1999-2000 estimates, 32.59% SC families in rural and 44.94% in urban

areas are living below the poverty line as against the State average of 20.55% and 22.17% in rural and urban areas respectively. 58.46% of SCs work as agricultural labourers. Lack of access to land and non-availability of jobs in the non-farm sector prevents them access to better-secured jobs outside agriculture in rural areas.

13.2 The Scheduled Tribe population in the State is only 0.5% (2001). 43.2% in rural areas live below the poverty line. The literacy rate of ST females in rural areas is only 29.5% which is much below the national average (.53.7%).

13.3 However, the State Government is implementing important schemes like construction and maintenance of hostel buildings, supply of free bicycles to girl students studying in XI and XII standard in Govt./Govt. aided higher secondary schools.

XIV. SOCIAL WELFARE

14.1 Institutions in the State for the welfare of women, children, disabled, orphaned, neglected children, old people and juveniles comprise 141 creches, 25 orphanages, 130 cooperative societies, 46 training centers, 5 production centers, 6 service homes, 8 working women's hostels, 13 old age homes, 264 special schools and 7 night shelters for street and working children. The Tamil Nadu Corporation for Development of Women is implementing a major programmes. A Tamilnadu Commission for Women has been constituted to protect the rights of women and safeguard their welfare.

XV. Rastriya Sam Vikas Yojana

15.1 The Backward Districts Initiative under the Rashtriya Sam Vikas Yojana (RSVY) was initiated with the objective of putting in place programmes and policies with joint efforts by the Centre and States to remove barriers to growth, accelerate the development process and improve the quality of life of people. The scheme aims at focused development programmes for backward areas to help reduce imbalances and speed up development. Identification of backward districts within a State has been made on the basis of an index of backwardness comprising three parameters with equal weights to each : (i) value of output per agricultural worker; (ii) agricultural wage rate; and (iii) percentage of SC/ST population. The number of districts per State has been worked out on the basis of incidence of poverty. The main objectives of the scheme are to address the problems of low agricultural productivity and unemployment and fill critical gaps in physical and social infrastructure.

15.2 Rs.15.00 crores per year are to be provided to each district for three years (a total of Rs.45.00 crores per district). Funds are to be released to State Governments on 100% grant basis in suitable instalments linked with satisfactory progress of the District Plan. The State Government is to release funds received under the programme to a separate head created for the purpose under the District Rural Development Agency within 15 days of receipt. Failure to do so will lead to forfeiture of subsequent instalments and the funds released earlier being treated as a loan.

15.3 There is a High Level Committee at the Government of India (GOI) level chaired by Deputy Chairman, Planning Commission with Finance Minister, Minister of State for Planning, Chief Minister, Government of Bihar, Chief Minister, Government of Orissa and Secretary Planning Commission as members. This Committee approves policies regarding initiatives of the RSVY, sets the reform agenda for State Governments and periodically conducts a review of the progress of the programme. There is an Empowered Committee at the GOI level chaired by Secretary, Planning Commission to approve District Plans, monitor and review programmes, have evaluations and mid-term appraisals conducted and attend to other matters relating to the operation of RSVY.

15.4 Each State Government has to set up a State Level Steering Committee chaired by the Chief Secretary with about five other members. Secretaries of the Departments of Finance and Planning, the Chief Executive of the District (Deputy Commissioner or Chief Executive Officer of the Zila Parishad), the State Level representative of NABARD and an NGO could be members. In the case of districts affected by left wing extremism, this Committee will also include the State's Home Secretary. The Committee gets detailed district plans prepared and recommends them to Planning Commission for concurrence. It is also responsible for coordinating and ensuring synergy between departments and agencies as well as monitoring schemes. For each district the district plan is prepared by a District Committee chaired by the District Magistrate / CEO Zilla Parishad / Chairperson of the District Planning Committee with the District Superintendent of Police (in the case of Extremist-affected districts), District Forest Officer, local NGOs, other stakeholders, etc. as members.

15.5 Five backward districts of Tamil Nadu – Tiruvannamalai, Dindigul, Cuddalore, Naggapattinam and Sivganga are selected under RSVY. Funds released to backward districts of Tamil Nadu in 2003-04 under RSVY were as under :

(i)	Tiruvannamalai	-	Rs.22.50 crores (first, second & third instalments)
(ii)	Dindigul	-	Rs.15.00 crores (first & second instalments)
(iii)	Cuddalore	-	Rs.7.50 crores (first installment)
(iv)	Naggapattinam	-	Rs.7.50 crores (first installment) and
(v)	Sivganga	-	Rs.7.50 crores (first installment)

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ANNEXURE-I

BASIC INFORMATION: TAMIL NADU vs ALL INDIA

Sl. No	Item	Unit	Year	Tamil Nadu	All India
1	2	3	4	5	6
1	Area	Sq.Km	2001	130,058	3,166,414
2	No. of Districts	Nos.	2001	30	593
3	No. of Blocks	Nos.	2001	385	5550
4	No. of Towns & Cities	Nos.	2001	832	5161
5	No. of Villages	Nos.	2001	16317	638588
6	Rural Population	Nos.	2001	34,869,286	741,660,293
7	Urban Population	Nos.	2001	27,241,553	285,354,954
8	Total Population	Nos.	2001	62,110,839	1027015247
9	ST Population	Nos.	2001	651,321	84,326,240
10	SC Population	Nos.	2001	11,857,504	166,635,700
11	Population Density (Prov.)	Nos.	2001	479 83	324.85
12	Sex ratio (Females)	1000 Males	2001	987	933
13	Total Fertility Ratio		1999	2	3.2
14	Crude Birth rate	Per '000	2002	18.5	25
15	Crude Death rate	Per '000	2002	7 7	8 1
16	Infant Mortality Rate	Per '000	2002	44	64
17	Population per doctor	Nos.	1.1.2000	21637	-
18	Population below poverty line	(%)	1999-2000	21 6	26 1
19	**Distribution of Employment**		2002	**100.00**	**100.00**
20	Primary Sector	%	2002	41.93	52 43
21	Secondary Sector	%	2002	20.10	10 87
22	Tertiary Sector	%	2002	37 97	36 70
23	**Literacy Rate- Total**	%	2001	73 5	65 49
24	Literacy Rate-Male	%	2001	82 4	75 3
25	Literacy Rate-Female	%	2001	64 6	54 28
26	Pupil Teacher Ratio (school leve	Ratio	2001-02	35 4	34 15
27	Gross Enrolment Ratio (Classes	Ratio	2001-02	95 73	82.35
28	School Dropout Ratio (Classes I	Ratio	2001-02	40 07	54 65
29	Districts with access to safe drinking	No of districts	2000-01	% Access	
30	100% access	5	2000-01	16 67	
31	80 - 99% access	12	2000-01	40 00	
32	60 - 80% access	8	2000-01	26 67	
33	40 -60 % access	2	2000-01	6 67	
34	20-40% access	2	2000-01	6.67	
35	0-20% access	0	2000-01	0 00	
36	Foodgrains Production	Million Tonnes	2001-02	8 47	212 04
37	Oilseeds Production	Million Tonnes	2001-02	1 43	21 31
38	Sugarcane Production	Million Tonnes	2001-02	36.34	299 7
39	**Average size of Operational H**	Ha	1990-91	**0.91**	**1.41**
40	Marginal	Ha.	1990-91	0.37	0 4
41	Small	Ha	1990-91	1 39	1 42
42	Semi-Medium	Ha	1990-91	2 7	2 73
43	Medium	Ha.	1990-91	5.68	5 84
44	Large	Ha.	1990-91	23.62	17.21
45	Area operated by the size groups (all ho	000 ha	1995-96	7303	163357
46	Marginal	000 ha	1995-96	2210	28121
47	Small	000 ha	1995-96	1721	30722

ANNEXURE-I

BASIC INFORMATION TAMIL NADU vs ALL INDIA

Sl. No	Item	Unit	Year	Tamil Nadu	All India
1	2	3	4	5	6
48	Semi-Medium	000 ha	1995-96	1623	38953
49	Medium	000 ha	1995-96	1135	41398
50	Large	000 ha	1995-96	614	24163
51	**Coverage of area under irrigation**				
52	Wheat	%	1999-2000	-	87.2
53	Rice	%	1999-2000	93.2	53.9
54	Sugarcane	%	1999-2000	100	92
55	Oilseeds	%	1999-2000	46.4	25 2
56	Rail Density	Route Km/'000 km	Mar-03	32 17	19.22
57	Road Density	per 100 sq km	1999	117.7	76 8

IMMEDIATE

No. M-13048/26/UP/2004-SP (Central)
PLANNING COMMISSION
(State Plans Division)

Yojana Bhavan, Sansad Marg
New Delhi,110001
Dated 27 December, 2004

Subject: Background Note for discussions of Annual Plan 2005-06 of Uttar Pradesh

A Background Note for the meeting to be held between Deputy Chairman, Planning Commission and Chief Minister of Uttar Pradesh at 11:00 a.m. on 30.12.2004 for finalization of Annual Plan 2005-06 is hereby circulated.

(Harish Chandra)
Director (SP-C)
Room No. 360
Tel No. 23096722

Encl: As above

Planning Commission

Principal Advisers
Advisers
JS(SP)
Heads of Divisions

PMO

Director (Uttar Pradesh)

Ministry of Finance
Joint Secretary (PF-I)
Department of Expenditure, North Block, New Delhi

National Commission on Population
Member Secretary

National Capital Region
Member Secretary

Copy to Private Secretary to:
Deputy Chairman/Minister of State/Members/Secretary,

Copy also to :
Director(SP-Coordination)/Director(PC Division)/DA(MLP & Hill Areas) and NEC Unit/ Protocol Unit/Information Officer

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BASIC FACTS ABOUT UTTAR PRADESH

A BASIC STATISTICS

1. Area in lakh Sq. Km.	2.41
2. Population in lakh (2001)	1662
3. Number of Districts	70
4. No. of Development Blocks	813
5. No. of Villages (2001)	107452

B COMPARATIVE FIGURES UTTAR PRADESH AND ALL INDIA

Srl. No.	Particulars	UP	All India
1	Per Capita NSDP in Rs. at Current prices (2002-03)	9895	18912
2	Growth rate of per capita income in 2002-03 at current prices over the previous year (%)	1 5	5 4
3	Population in lakh (2001)	1662	10286
4	Percentage of Urban Population (2001)	20 76	27 78
5	Decadal Growth Rate during 1991-2001	25 80	21 34
6	Density of population per Sq. Km (2001)	689	324
7	Sex ratio (No. of females per thousand males) (2001)	898	933
8	Birth Rate per thousand (2002)	31 6	25 0
9	Death rate per thousand (2002)	9 7	8 1
10	Infant mortality rate (2002)	80	63
11	Population below poverty line in percentage(1999-2000)		
	(A. Rural	30 77	27 09
	(B. Urban	30 81	23 62
12	Literacy rate in per cent (2001)	56 3	64 8
	(A Male	68 8	75 3
	(B Female	42 2	53 7
13	Electrified villages in % (2002-03)	58 4	
14	Village connectivity in % (31 3 2002)	51 1	

PLANNING COMMISSION
(State Plans Division)

ANNUAL PLAN 2005-06

BRIEF FOR THE MEETING BETWEEN THE DEPUTY CHAIRMAN, PLANNING COMMISSION AND THE CHIEF MINISTER OF UTTAR PRADESH

1. STATE PROFILE

According to 2001 census, Uttar Pradesh is the most populous State having population of 16.62 crore and accounts for 16.17 per cent of the country's population. The population of the state increased at the rate of 25.80 per cent during 1991-2001 as against the increase of 21.34 per cent registered for the country, which is a matter of grave concern. The density of population of the state at 689 persons per sq. km. is much higher against the national average of 324 persons per sq. km. With a geographic area of 2.41 lakh sq km. it ranks fifth, after Andhra Pradesh, Madhya Pradesh, Rajasthan and Maharashtra and covers about 7.34 per cent of the total area of the country. It comprises 70 districts, 813 development blocks and 107452 populated villages.

The State is divided into four distinct economic regions, viz. Western, Central, Eastern and Bundelkhand (and South). The State has tropical climate.

The level of urbanization in the State is about 20.76%, which is lower than the national average of 27.78%. Uttar Pradesh with largest number of villages and second largest number of towns in 2001 has in terms of population, comparatively smaller villages (1224) as well as medium size towns (49,024). Agriculture is the largest sector of the State's economy both in terms of its share in SDP (42 per cent) and in the work force (72 per cent). However, about 30 per cent of the work force in agriculture is surplus and a very large number of agricultural holdings (89 per cent) are economically unviable. The growth rate of agriculture, which had been stagnating around 2.1 per cent per annum since 1981, has further decelerated in recent years. However, during Ninth Plan, it picked up slightly annual growth rate in primary sector is estimated to be 2.4% only.

About 30.77% of the rural population was living below the poverty line in 1999-2000 while about 30.81% urban population was below poverty line during the same period

The Eighth Plan was launched with the hope that the economy of the State would grow at the rate of more than 5.7% achieved in the Seventh Plan. The economic reforms initiated by the Government of India had little impact on the State and instead of improving the past trend of growth; the economy slumped to a growth of 3.2% per annum in the Eighth Plan. The growth in the agriculture sector was 2.5% per annum and for secondary and tertiary sector, it was 3.3 and 3.9% per annum. The gap in the per capita income of the State against that of the country rose from 21.6 per cent in 1980-81, at the beginning of the sixth plan, to 37.7 per cent in 1996-97. The terminal year of the eighth plan. The expenditure during the plan also fell substantially short of the approved plan outlay. The expenditure in the fifth plan was Rs.2909 crore against approved outlay of Rs.2236 crore and the expenditure in the sixth and seventh plan were Rs.6594.29 crore and Rs.11948.72 crore against the outlays of Rs.6200 crore and Rs.11000 crore, respectively.

2. NINTH FIVE YEAR PLAN

The Ninth Five Year Plan was formulated keeping in view the widening gap between the per capita income of the State and that of the country which requires a higher rate of growth in the economy and far greater investment than what had been mobilized before. A higher growth rate in the State still depended largely on higher growth in agriculture sector. The overall growth rate for the economy was targeted at 7% per annum, which was marginally higher than the national target of 6.5%. The growth rate for agriculture was kept at 5.1% per annum, manufacturing sector at 10% and tertiary sector at 6.8%. The aggregate investment for the Ninth Plan (at 1996-97 prices) was targeted at Rs.1,86,000 crores of which public sector investment is Rs.46,340 crores and private sector investment at Rs.1,39,600 crore.

Table (1): Outlays, Revised outlay and Expenditure at current prices and constant (1996-97 prices)

(Rs. Crore)

Year	Approved outlay	Revised outlay	Expenditure	
			At current prices	At constant prices (1996-97)
9th Plan	46340.00			
1997-98	7163.34	7163.34	5667.13	5319.75
1998-99	10260.00	10260.00	6357.56	5477.35
1999-2000	11400.00	11400.00	6572.21	5452.76
2000-01$	9025.00	9025.00	8188.24	6409.08
2001-02*	8400.00	8400.00	5965.36	4425.67
Total (IX Plan)	46248.34	46248.34		27084.61

$ Uttaranchal was created on 9 November, 2000 and Outlay include Uttaranchal

* After Bifurcation of State separate Annual Plan of Uttaranchal was approved this year

The growth rate achieved during Ninth Plan in the GSDP of Uttar Pradesh was 3.0% which is well below the targeted 5.1% . The sectoral achievement during Ninth Plan as under:

Sector	Annual Growth rate (%) during Ninth Plan
Primary	1.7
Secondary	0.4
Tertiary	4.9
Total	2.3

TENTH PLAN

Tenth Plan (2002-07)
Approved Outlay at 2001-02 prices Rs. 59708.00 crore

Annual Plan 2002-03
Approved Outlay Rs. 7250.00 crore
State's own resources Rs. 1148.93 crore
Central Assistance Rs. 6101.07 crore

Annual Plan 2003-04

Approved Outlay	Rs. 7728.00 crore
State's own resources	Rs. 1920.46 crore
Central Assistance	Rs. 5807.54 crore

Annual Plan 2004-05

Approved Outlay	Rs. 9661.51 crore
State's own resources	Rs. 3499.47 crore
Central Assistance	Rs. 6162.04 crore

Annual Plan 2005-06

Proposed outlay	Rs. 11000.00 crore

Realization of the aggregate of plan resources during first two years of plan was 21.28% against the average of 29.04% for non special category states.

Priorities for the Tenth Plan

- Reducing the population below poverty line from 31.15% in 1999-2000 to 25.41% by end of the Tenth Plan.
- Creation of 81 lakh employment opportunities during the Tenth Plan which would be sufficient to provide jobs to the backlog of unemployment at the end of Ninth Plan and to the additional labour force during the Tenth Plan period.
- Providing schooling facility to all the children by 2003.
- Giving emphasis on female literacy to reduce the present gender gap (27%) in literacy.
- Reduction in the present birth rate of 32.1 per thousand to 22.0 per thousand by the end of Tenth Plan.
- Reduction in present death rate of 10.2 per thousand to 9.0 per thousand by the end of Tenth Plan.
- Reduction in present infant mortality rate of 84 per thousand to 72 per thousand by the end of Tenth Plan.
- Efforts will be made to achieve the cent-percent literacy, but at least 75% literacy will be achieved by the end of Tenth Plan.
- All basties to have sustained access to potable drinking water within the plan period.
- Emphasis on women empowerment
- Organizing and promoting self help groups
- Expanding and strengthening the social safety net.
- All habitations having population more than 500 to be connected with all weather roads under PMGSY.
- Optimum utilization of resources through convergence of programmes of various departments
- All villages to be electrified by the end of the Tenth Plan under PMGY.
- Making local bodies self reliant through decentralization process.

Sectoral approved outlay for Tenth Plan and outlay and expenditure for first three year of the Tenth Plan and proposed outlay for 2005-06 are given in the Annexure- I

PERFORMANCE OF THE STATE ECONOMY

Planning Commission recommended overall growth rate of 7.61% with 4.67% for primary sector, 11.05% for secondary sector and 7.92% for tertiary sector. However, estimated average annual growth rate for first two years was only 2.85% only.

(At Constant Prices)

Year	Uttar Pradesh		All-India	
	Income (Cr. Rs.)	Growth %age	Income (Cr. Rs.)	Growth %age
1997-98	84686	(-)1.1	891085	4.6
1998-99	85310	0.7	948581	6.5
1999-2000	91201	6.9	1008115	6.3
2000-01	91609	0.4	1050891	4.2
2001-02	95708	4.5	1117282	6.3
2002-03	96011	0.3	1156714	3.5
2003-04*	101179	5.4	1253732	8.4
1997-98 to 2001-02		2.3		5.6
1997-98 to 2002-03		1.9		5.2
1997-98 to 2003-04*		2.4		5.7

* Advance Estimates

Source : Annual Plan 2005-06 of UP

Sector Wise Growth Rate in Percentage

(At Constant Prices)

Year	Primary		Secondary		Tertiary	
	India	UP	India	UP	India	UP
1997-98	-1.7	-5.4	2.1	-2.6	10.3	4.3
1998-99	6.2	3.4	2.5	-7.8	8.7	2.7
1999-2000	0.4	9.3	4.3	4.6	10.6	5.7
2000-01	-0.1	-1.2	7.2	0.0	5.4	2.2
2001-02	6.4	2.4	3.1	7.8	6 9	4 9
2002-03	-4.5	-6.4	6.4	4.2	7.3	4.7
2003-04*	NA	4.6	NA	6.3	NA	5.6

Source : Annual Plan 2005-06 of UP

STATE OF FINANCES

The revenue deficit of the State as a percentage of State Domestic Product went up from 3.4% in 1997-98 to 5.65% in 1998-1999 after the implementation of the Fifth Pay Commission's recommendations. It has subsequently come down. As a result, the State had resorted to borrowings and the fiscal deficit as a % of the State Domestic Product rose from 5.5% to 7.56% in the same period and has now come down. The all State GFD/GDP and RD/GDP levels are 4.2% and 1.8%. The RD/GFD ratio of the State had risen to beyond 60% during this period. The debt ratio of the State is 36% which is higher than the all State

average of 28.7%. Data for 2002-03 suggest that guarantees could add another 3.7% of GSDP to liabilities.

This is a low income non-special category State. Own revenues account for around 46% of its receipts and only 8% comes from Central grants. Sales tax is the major own tax which yields 56% of own tax revenue. Buoyancies of receipts have improved and moved above one in the second half of the 90s, which indicates that the State has been making efforts to undertake fundamental reform of its resource structure.

On the expenditure side, the State has a very low share of Plan expenditure in total expenditure. This is only 18% (the all State share is 25%). Debt servicing (including interest and principal payment) accounts for 31% (the all State figure is 25% of total expenditure). Non Plan expenditure accounts for 50% of total expenditure which is the all State average. The State has been achieving Plan expenditure levels below approved outlay levels for some time. Plan expenditure level as a percentage of GSDP has fallen below 4% after the fiscal crisis. The share of interest payments in total revenue receipts has reached 38% (against the all State average of 25%). With salaries and pension payments, the share of committed expenditure in total revenue receipts is now as high as 91% (it is 75% for all States). The effective interest rate of the State is 10.8%.

Debt servicing is crowding out Plan expenditure. Whether there is scope for swapping liabilities to banks and institutions could be considered. The extent of extra-budgetary liabilities and guarantees and how these have been disclosed in a risk weighted fashion in budget documents could be discussed. The State has voted a fiscal responsibility act and its implications could be discussed as also other limits operating on guarantees. The effects of the MTFRP and workable methods of controlling and managing debt liability could be on the agenda.

Human Development

According to the National Human Development Report 2001 brought out by the Planning Commission the rank of Uttar Pradesh in 2001 was 13 among 15 major states.

Human Development Index for India — Combined

State/UT	1981	1981	1991	1991	2001	2001
	Value	Rank	Value	Rank	Value	Rank
Andhra Pradesh	0.298	9	0.377	9	0.416	10
Assam	0.272	10	0.348	10	0.386	14
Bihar	0.237	15	0.308	15	0.367	15
Gujarat	0.360	4	0.431	6	0.479	6
Haryana	0.360	5	0.443	5	0.509	5
Karnataka	0.346	6	0.412	7	0.478	7
Kerala	0.500	1	0.591	1	0.638	1
Madhya Pradesh	0.245	14	0.328	13	0.394	12
Maharashtra	0.363	3	0.452	4	0.523	4
Orissa	0.267	11	0.345	12	0.404	11
Punjab	0.411	2	0.475	2	0.537	2
Rajasthan	0.256	12	0.347	11	0.424	9
Tamil Nadu	0.343	7	0.466	3	0.531	3
Uttar Pradesh	0.255	13	0.314	14	0.388	13
West Bengal	0.305	8	0.404	8	0.472	8
All India	0.302		0.381		0.472	

Note The HDI for 2001 has been estimated only for a few selected States for which some data, including the Census 2001, was available. The assumptions that have been made for HDI 2001 are indicated in the Technical Appendix.

SECTORAL ISSUES

AGRICULTURE

Agriculture sector plays a vital role in the economy of the State, where 75% of workforce earns its livelihood from this sector. The share of agriculture sector in the total state income is about 33.9%.

The most fertile tract in the world is the Gangetic plain, covering half of the state, therefore it is called the country's agricultural heartland. On account of variety of soils and climatic conditions, the state has distinct 9 agro-climatic zones which show variation in the productivity of various types of food-grain, oilseeds and other crops.

Despite adverse weather conditions like flood, drought and cold waves, U.P. has maintained about 10 Million Tonnes of surplus food-grain stock after meeting its domestic and other requirements of food. The State is on the top in total cropped area (25.4 MH), which is 13% of total cropped area of the country and food grains production (44.2 M.T.), contributes 21% to the national food basket. Agricultural produce of the state shares 21% of the India's total export. Basmati rice, mangoes, sugar, potato and flower offer large scope for export. The net cultivated area of the state is around 16.8 M.H. which is 12% of country's net cultivated area. Cropping intensity is 151.36% which is significantly higher than the national level of 134.3%. The foodgrains productivity of the state at the level of 21.63 Qtl./Ha. is well above the country's productivity of 17.39 Qtl./Ha.

Due to rich alluvial soils (61.1% of the total) and vast irrigation net work (74% against 40% of the national average) U.P. contributes significantly in the production of foodgrains and commercial crops.

U.P. has about 20.6 million holdings with lions share of small and marginal farmers comprising 14.5% and 75.6% respectively. The average size of holding of small and marginal farmers is 1.41 Ha. and 0.39 Ha. respectively, while the average size of holding of the state is 0.86 Ha.

The area, production and Yield of important crops in Uttar Pradesh during 2001-02 and 2002-03 are given **at Annexure-II.**

Animal Husbandry

Animal Husbandry sector is a labour intensive and provides gainful employment to rural population. About 3/4th of U.P.'s population and almost 3/4th of the poor population in the state live in rural area and over 70% of rural household own livestock.

The state stands first in milk production in the country by producing 145.58 lakh MT, 7th in egg production (758.33 million) and 5th in wool production (18.40 lakh Kg.) during 2001-02.

More than, 70% of the cattle and buffalo population are of non-descript type and characterized by low productivity of milk. Hence, there is need to tap the vast potential of livestock and poultry in the state, through genetic improvement, adequate feeding, appropriate management and better health coverage of the livestock. Value addition through

processing of the products and support to marketing infrastructure may provide impetus to the livestock sector in a big way.

Fisheries

Lot of flowing as well as confined inland water resource is available in the state which offers tremendous scope for fisheries development. Apart from flowing water of rivers and canals, the total confined water suitable for fish culture and capture operations is 4.32 lakh Ha. Of this 54.16% has been covered under aquaculture so far and the remaining water area also needs coverage under fisheries programme with a view to enhancing the level of fish production up to 3.70 lakh tonnes by the end of 10th Five Year Plan.

Uttar Pradesh stands 4th at the national level with regard to fish production. Non-availability of adequate credit support, poor infrastructure facilities and technical know-how, marketing net-work, etc. are the major constraints in fisheries development in Uttar Pradesh.

The 10th Plan Outlay, Annual Plan Outlays and Expenditures during 2002-03 and 2003-04, Approved Outlay for 2004-05 and proposed outlay for 2005-06 for Agriculture & Allied Activities are given at **Annexure-III.**

Issues

1. There is a wide gap between agricultural potential created and their utilization in the state. U.P. offers possibilities of establishing agro-based industries like processing of cereals, pulses, oilseeds, fruits and vegetables.

2. The constraints of agriculture development relate to fragmented small holdings, poor resource base of small and marginal farmers, lack of agricultural know-how causing slow rate of adoption of advance technologies, erratic and inadequate power supply along with insufficient infrastructure, non-judicious use of irrigation water and deterioration of soil health and challenge for sustainable agriculture growth.

3. The State Government have utilized 60% of its potential available in the water bodies of the State. Thus, tremendous potential still remains to be tapped and utilized. State should frame policies for leasing out these water bodies to private sector for optimum utilization to enhance fish production level. There is also need to prepare policy for seed production, production of fish on massive scale to meet the requirement.

4. State government assumed seed replacement ratio of 20 per cent during the X Plan and present level of seed replacement ratio is 14 per cent. Action plan is necessary to improve seed replacement ratio of all crops including oil seeds and pulses.

5. The cultivation of summer moong, safflower should be encouraged in the areas where assured irrigation facility is available. This will increase the pulse production and oilseeds production in the state. There is very good scope for cultivation of rajmas in eastern parts of Uttar Pradesh but this crop is not being encouraged in the area. There is need to provide good quality of rajmas seeds and technology to this area.

6. Power supply during agriculture operations is necessary for increasing productivity. Potential areas may be given priority in strengthening of rural electricity.

7. Fodder production should be encouraged specially green fodder in summer season where assured irrigation facility is available. Good quality of berseem and lusern seeds need to be distributed in rabi season for encouraging the fodder production in winter.

RURAL DEVELOPMENT

The percentage of rural population living below the poverty line in the State of Uttar Pradesh has declined from 42.28 percent in 1993-94 to 31.22 percent in 1999-2000. The corresponding All India figures are 37.27 per cent in 1993-94 and 27.09 per cent in 1999-2000. In absolute term, number the persons living below poverty line have decreased from 496.17 lakh in 1993-94 to 412.01 lakh in 1999-2000

Rural Poverty Alleviation Programmes:

The major rural poverty alleviation programmes are:

Swaranjayanti Gram Swarozgar Yojana (SGSY): Swaranjayanti Gram Swarozgar Yojana (SGSY) is a holistic programme of micro enterprise development in rural areas with emphasis on organizing the rural poor into self help groups, capacity building, planning of activity clusters, infrastructure support, technology, credit and marketing linkages.

Sampoorna Grameen Rozgar Yojana (SGRY): The objective of the SGRY is generation of wage employment, creation of durable economic infrastructure in rural areas and provision of food and nutrition security to the poor. The works taken up under the programme are labour intensive and the workers are paid the minimum wages notified by the States.

Indira Awaas Yojana (IAY): The IAY is the core programme for providing free housing to BPL families in rural areas and targets SCs/STs households and freed bonded labourers.

Financial and Physical performance under major centrally sponsored schemes i.e. Swarnjayanti Gram Swarozgar Yojana (SGSY), Sampoorna Grameen Rozgar Yojana (SGRY) and Indira Awaas Yojana (IAY) during the Tenth Plan Period is given in Table A & B respectively.

The major issues under major rural poverty alleviation programmes in the State are as under:

Under SGSY, provision of credit is an area of concern. The percentage of credit disbursed under SGSY in the State is lower than the credit target set for the State (55.04% in 2003-04). Per family investment is also less than the norm of Rs. 25,000 (Rs. 23070 in 2003-04). Subsidy credit ratio also low at 1:1.69 in 2003-04 as against the norm of 1:3. Only 31.93% of the total swarozgaris assisted were women in 2003-04 vis–a-vis the stipulation of 40%. During the same period, the percentage of SC and ST assisted in the State under the scheme were 47.03% and 0.17% respectively. The percentage of expenditure on training/capacity building under SGSY is quite low (8.48% in 2003-04).

In view of the above, it needs to be emphasized that credit delivery under the programme needs to be strengthened. Adequate measures also need to be undertaken to focus more on the 'group concept' that on providing assistance to individuals. Social mobilization is the basic plank on which the success of the scheme hinges. A process oriented approach

needs to be adopted for social mobilization and community organization. The group formation should not be driven by any targets but should lend itself to a process approach. In this regard, the concept of self help needs to be internalized for the groups to succeed. Further, special emphasis also needs to be laid on the skill development of the swarozgaris through well designed training courses – tailored to the activities selected and matching with the requirements of the groups. Efforts also need to be made to design scientific training models for the groups, as well as, for the functionaries at the grassroot level with the help of institutions possessing expertise in this area, with the impact being closely monitored over a period of time. Attention should also be laid on the technological and marketing needs of the swarozgaris. Adequate technical assistance would help add value to the local resources including processing of the locally available materials from natural and other resources for the local as well as non local markets. In addition, steps may be taken so that effective market linkages are established with an emphasis on market research, upgradaton/diversification of projects, packaging, creation of marketing facilities, etc. The SHGs formed under the SGSY can play a major role in convergence with various programmes of other departments targetting the rural poor.

Under SGRY-I, only 56.29% of foodgrains authorized were lifted while 91.66% of foodgrains lifted were utilized in 2003-04. During the same period under SGRY-II, again 52.55% of foodgrains authorized were lifted while 90.34% of the foodgrains lifted were utilized. As such, the process of lifting of foodgrains needs to be streamlined. Further, watersheds have not received importance. These need to be given priority as they have the potential for providing sustainable incomes to the poor in the long run. The quality of assets created and their maintenance also needs to be focused upon.

Recently, National Food for Work Programme (NFWP) has been launched in selected backward districts. 100% Central funding is being provided under the programme. The State Government may take appropriate steps for the implementation of the programme. The scheme is being implemented in 15 districts of the State.

The State Government of Uttar Pradesh may be asked to earmark the Additional Central Assistance (ACA) of Rs. 19839.69 lakh for National Social Assistance Programme (NSAP) including Annapurna for Annual Plan 2004-05 alongwith the State Budget provision or actual expenditure whichever is higher for the schemes during 2000-01.

Major findings of the Impact Assessment Study of Rural Development Programmes in Ghazipur District of Uttar Pradesh (1999-2002).

- For the period 1999-2002, cumulative utilization of funds under the SGRY-I Scheme is observed to be 98%, whereas the cumulative utilization of funds under the SGRY-II is found to be 92%.
- Under SGRY, around three fourth (75%) of the beneficiaries were aware of the correct wage rate.
- 26% of the beneficiaries under SGRY reported that quality of the foodgrains was substandard.
- More than three fifth (62%) of the respondents under SGRY earned their wages entirely in cash. A little more than one third (36%) of them had received wages both in cash as well as in kind.
- Out of all the assets created under the SGRY Scheme, more than one fifth (23%) were related to the construction of kharanjas. Two fifth (40%) of the works were concerned

with mud work (such as construction of culverts, laying of hume pipes, etc) while more than one fifth (22%) of the works was related to the construction of drains/gutters etc. In addition, a number of other assets such as panchayat bhavans, aganwadis centers and link roads were also created under the scheme. A few of the works (10%) were also related to the maintenance of existing assets.

- Around 13% of the beneficiaries reported involvement of contractors in the execution of the SGRY works.
- Under IAY, all the beneficiaries reported to have received the assistance in the form of cash.
- Nearly three fourth (72%) of the beneficiaries under IAY reported that they received the money within a month.
- However, 92% of the beneficiaries had not received the chullaha and only 43% were actually found using the toilets. Poor quality of construction was cited as the reason for not using the toilets.
- 14% of the beneficiaries were able to improve their housing status over the reference period.
- The SGSY scheme is still in a nascent stage primarily due to a certain lack of awareness about the programme among the rural community. However, there were a few successful cases among the swarozgaris who had used the assistance for cattle rearing, fishing, setting up of shops, etc.
- No significant difference exists between the beneficiaries and the non beneficiaries with respect to the availability of credit. Availability of credit continues to be a problem for overwhelming majority of the rural poor.
- For any enterprise to be successful, appropriate technology and skill upgradation is of paramount importance. However, under SGSY, just one fifth (22%)of the groups reported to have received any kind of training for skill upgradation.
- The lack of project ideas is also one of the main constraints under the SGSY programme. It is necessary that the initiatives of the local panchayats are adequately supported and monitored by the implementing agencies.
- 14% of the beneficiary households of rural development programmes were able to cross the abysmal poverty level (total households income less than Rs. 12000/- per annum). However, the shift in non beneficiary households was also similar.
- Almost one half (49%) of the beneficiaries did believe that their living standard was changing for the better.
- The existence of multiple schemes (involving works of similar nature) often tends to cause considerable confusion among the village functionaries regarding the onus of responsibility with regard to those works. In order to overcome this problem, it is essential to impart proper training to the elected Gram Panchayat Heads and the Panchayat Secretaries.
- It was observed that nearly three fifth (57%) of the villages across the four sampled blocks, gram sabha meetings had been held only twice over the past one year. In another 27% of the villages, the frequency of gram sabha meetings varied between 4-10 over the last one year period.
- Preparation of Annual Action Plans (AAPs) for various development schemes and selection of beneficiaries for these schemes were the main activities being undertaken in the Gram Sabha meetings. These meetings were also used as a platform to sort out the general disputes among the village folk.
- 92% of the pradhans had reportedly attended various training programmes wherein they were informed of the various aspects of development schemes. As to the quality

of the training imparted, around 70% of the participants found the training useful and relevant.

- The gram panchayats are hampered by the lack of technical undertaking in the preparation of action plans related to the schemes as a result of which, there are instances whereby the block officials have to help out the village functionaries – thereby increasing the risk of the plans not being need based.
- People were very much aware of various rural development programmes and could infact identify many of them by name.
- In most of the cases, the pradhans and members of the panchayats appeared to be quite aware of their duties which included among other things, construction of roads, ensuring better drainage in the village, extending benefits of various government schemes to deserving people and supervising all the development works. Besides the above, regular maintenance of the existing assets was also high on the agenda of most of the panchayats.

Table A: Financial Performance under SGSY, SGRY and IAY during Annual Plans 2002-03, 2003-04 and 2004-05– **Uttar Pradesh**

(Rs lakhs)

Progs.	Opening Balance	Total Allocation	Total Releases	Total Available Funds	Total Expenditure	%age Exp to Available Funds
2002-03						
SGSY	12290.91	14012.49	9530.93	21821.84	14721.83	67.46
SGRY-I	21430.03	42587.88	44841.07	66271.10	46269.08	69.82
SGRY-II	15517.63	41736.55	43281.77	58799.40	45595.95	77.54
IAY	2414.39	29466.71	27995.79	30410.18	31225.28	102.68
2003-04						
SGSY	8565.72	19358.31	15787.38	25197.84	19564.60	77.64
SGRY-I	19461.01	49321.29	43807.78	63846.30	57053.12	89.36
SGRY-II	15348.16	48495.07	45063.26	60994.68	53474.62	87.67
IAY	2018.29	33370.67	32897.09	34915.38	34628.98	99.18
2004-05 (up to June, 2004)						
SGSY	6636.91	24231.61	8664.30	15325.41	2474.75	16.15
SGRY	12963.65	104660.08	50408.91	63897.89	11633.67	18.21
IAY*	1999.75	43898.51	21949.37	23949.12	9579.69	40 00

Source: Ministry of Rural Development (MORD)
*August, 2004.
SGSY: Swaranjayanti Gram Swarozgar Yojana
SGRY: Sampporna Grameen Rozgar Yojana
IAY: Indira Awaas Yojana:

Table B: Physical Performance under SGSY, SGRY and IAY during Annual Plans 2002-03, 2003-04 and 2004-05- **Uttar Pradesh**

Progs	Unit	Target	Achievement	%age
2002-03				
SGSY	Total Swarozgaris Assisted (Nos)	-	98469	-
SGRY-I	Employment generated (lakh mandays)	-	658.86	-
SGRY-II (upto 2/03)	Employment generated (lakh mandays)	-	560.83	-
IAY	Dwelling units (No.)	176800	177190	100.22
2003-04				
SGSY	Total Swarozgaris Assisted (Nos)	-	140622	-
SGRY-I	Employment lakh mandays	-	676.19	-
SGRY-II	Employment lakh mandays	-	638.24	-
IAY	Houses constructed	200224	190950	95.37
2004-05 (up to June, 2004)				
SGSY	Total Swarozgaris Assisted (Nos)	-	16967	-
SGRY	Employment lakh mandays	-	312.09	-
IAY*	Houses constructed	210713	41141	19.52

Source: Ministry of Rural Development (MORD)

* August, 2004

SGSY: Swaranjayanti Gram Swarozgar Yojana
SGRY: Sampoorna Grameen Rozgar Yojana
IAY: Indira Awaas Yojana

IRRIGATION

The physical and financial details are as under:

(Rs. in crore)

S.No	Period	Major & Med	M I	F.C.	CAD	Total Irrigation
1.	**IX Plan Antcpd. Expdr.**	3028.51	345.94	141.06	155.48	3670.99
2.	**X Plan Outlay**	6424.58	535.27	247.50	400.00	7607.35
3.	**Actual Expdr. 2002-2003**	656.82	33.91	40.47	69.50	800.71
4.	**Actual Expdr. 2003-2004**	616.27	68.26	61.35	30.22	776.10
5.	**Antcpd. Expdr. 2004-05**	868.50	118.65	45.95	40.00	1073.09
6.	**2005-06 Proposed**	1241.23	123.13	131.00	40.00	1536.36

Physical Performance :

The following are the details regarding physical performance of major & medium and minor irrigation schemes.

(000 ha.)

S. No.	Item	Major & Medium		Minor Irrigation	
		Pot.	Utl.	Pot.	Utl.
1	Ultimate Irrigation	12154.00		17481.00	
2	Benefits to the end of March, 2002	6806.00	5763.00	18870.00	17340.00
3	Achiv. 2002-03	73.00	60.00	2.00	2.00
4	Achiv. 2003-04	75.00	65.00	2.00	2.00
5	Antcpd. Achiv. 2004-05	145.00	120.00	16.00	12.00
6	Target 2005-06	152.00	130.00	17.00	15.00

Major and Medium irrigation:

Uttar Pradesh has 10 major ongoing irrigation projects which have spilled over from IX Plan to X Plan with a balance cost of Rs 2866.03 crore and balance potential of 1590.04 th. ha. as on 1.4.2003. There are 6 nos. of the major projects continuing from Fifth Plan period i.e. (i) Eastern Ganga Canal (ii) Madhya Ganga Canal (iii) Rajghat Dam (iv) Kanhar(v) Rajghat Canal (vi) Saryu Nahar Pariyojana. The State has 1 unapproved project (major). The State must make efforts to get the unapproved project approved for availing Central assistance like AIBP, EAP etc.

Accelerated Irrigation Benefit Programme

Out of the 10 major projects, 9 are under AIBP. During 2002-03 and 2003-04 Rs 359.00 crore and Rs 274.81 crore was released to the State as AIBP assistance. For 2004-05, against a ceiling of Rs 275.00 crore, no amount has been released so far. The State has been utilizing the AIBP funds fully .Ministry of Water Resources has assessed that the following AIBP projects can be completed in Tenth Plan.
2004-05: 1.Kharif Channels in HK Doab
2005-06: 2.Rajghat Canal 3.Jarauli Pump canal 5.Tehri
State Government shall make earnest efforts to complete them as indicated.

Minor Irrigation

The development of ground water in the State should be regulated as well as tank irrigation needs to be developed for conjunctive use of water. State minor irrigation works can be classified as follows:

(i) State tubewells
(ii) Minor lift canals
(iii) Other minor irrigation works such as Bundhies.

Command Area Development Programme

Centrally sponsored CAD programme was launched in UP State in 1974-75. Presently , it covers 21 projects with CCA of 29.50 lakh hectare. So far, about 50% of area has been covered under field channel . Coverage under other OFD works is still less. To saturate the projects with different CAD activities, the works need to be accelerated for which adequate physical targets and financial outlays need be provided during the 10th Plan period , a target of 9.5 lakh hectare has been fixed for Tenth Plan .

Flood Control

So far Flood protection works comprising 1918 km. long marginal embankment, 13183 km. long drainage channel raising of 4511 villages and 64 town protection scheme were completed in the state by the end of IX Plan. This provides protection to an area of 15.79 lakh hectare out of the total flood prone area of 73.36 lakh hectare. The cost per hectare of area benefited in the state is Rs. 35,000. There are 9 number of new schemes costing more than 3.00 crore and are under CSS of Ganga Basin states.

Water Rates:

The water rates in the State have been revised in September 1995. A comparison of the revised and previous water rates are as under:

(Rs. per ha.)

Crop	Previous Rates (July 83)	Current Rates(September 1995)
Paddy	19.77 to 143.32	40 to 287
Wheat	64.25 to 143.32	128 to 287
Sugarcane	49.32 to 237.23	99 to 474
Pulses	--	--
Oilseeds	--	--
Cotton	17.3 to 56.42	35 to 114

State Water Policy

The State has formulated the State Water Policy in 1999. As per the policy all the farmers of minor canal system will be the member of the water user association. Till June 2002 a total of 9504 societies have been formed.

NABARD

The State Govt. informed that for the year 2003-04 the total sanctions are to the extent of Rs. 192.77 crore and disbursement are Rs.61.05 crore. Only. There are some projects pending with NABARD. The provision for NABARD under RIDF-X is Rs. 130.00 crore.

Ground Water:

Out of the 819 blocks in the State (including Uttaranchal), 2 are over exploited blocks and 20 are dark/critical. The State has reached 54% of ground water development and has scope for further development in Eastern UP.

Externally Aided Projects(EAP's):

The State has one ongoing EAP in irrigation sector namely "UP water sector restructuring project" aided by World Bank at an estimated cost of Rs 540 crore. The project commenced in March 2002 and slated for completion by Oct 2007.The reimbursement up to March 2004 is Rs 37 crore. The State has to accelerate the pace of implementation for availing the full assistance.

Issues for discussion:

1. **The gap between potential creation and utilisation is 15.76 lakh ha. which is substantial as compared to national gap of 9 million Ha. The State Govt. is required to bridge this gap through the development of command area and participation of farmers in the water management below the outlets.**
2. **The State has proposed for taking up of 8 nos. of new major projects in the X Plan with an outlay of Rs. 946.03 Crore despite the condition that a substantial number of pre-Fifth and Fifth Plan projects are ongoing in the State .**
3. **There are a number of projects which require modernization and renovation to restore the potential as well as structures. State Govt. needs to take up these works on priority.**
4. **The status of ground water development in the State is 54% as on March 2000 however, regulated development of ground water is required in the State .**

WATER SUPPLY

Financial outlays in Water Supply and Sanitation sector.

Financial (Rs crore)	
X Plan outlay	5337.97
AP 2002-03 Expenditure	288.33
AP 2003-04 Expenditure	315.95
AP 2004-05 Antcpd. Expdr.	397.37
Annual Plan 2005-06 Proposed	397.37

Rural Drinking Water Supply:

Uttar Pradesh has 243508 habitations and all are fully covered as on 1.4.2004.But the State has 5062 habitations affected with water quality problems such as fluoride, iron, salinity etc The State has to make earnest attempts to provide safe water to the quality-affected habitations

since providing drinking water is one of the NCMP items as well as a monitorable target of the Tenth Plan.

Urban Water Supply & Sanitation:

99% Urban population in Uttar Pradesh has access to water supply and 55% to sanitation facilities as against the all India coverage of 89% and 63% respectively. The sanitation coverage is below the National average and the State has to make efforts to increase the coverage.

POWER

Uttar Pradesh State Electricity Board (UPSEB) which was established under Section 5 of the Electricity (Supply) Act, 1948 was the main agency till July, 1999 for development of power sector in the Uttar Pradesh State and has been converted into three separate entities under the " Uttar Pradesh Electricity Reforms Act - 1999" on July 14, 1999 as under :

UP Rajya Vidyut Utpadan Nigam Ltd (UPRVN) for Thermal Generation
UP Jal Vidyut Nigam Ltd (UPJVN) for Hydro Generation
UP Power Corporation Ltd. (UPPC) for Transmission and Distribution

Installed Capacity (I.C)

(MW)

	Hydro	Steam	TOTAL
(i) As on March, 2001	556.60	4102.00	4658.60
(ii) Addition during			
2002-03	< ---------- Nil ---------- >		
2003-04	< ---------- Nil ---------- >		
I.C.(31.3.2004)	556.60	4102.00	4658.60

The Uttar Pradesh State's share in Central Sector power stations located in the Northern Region is as detailed below:

Central Sector Share

	Uttar Pradesh's Share (MW)	
HYDRO-NHPC		
1. Tanakpur (3x40 MW)	21.0	(17.5%)
2. Salal II (3x115 MW)	70.0	(20.29%)
3 Chamera I (3x180 MW)	109.6	(20.30%)
4 Uri HEP (4x120 MW)	96.3	(20.06%)
5 Chamera II (3x100 MW)	62.0	(20.67%)
6 Nathpajhakri (6x250 MW)	221.0	(14.73%)

THERMAL -NTPC

1.	Singrauli STPS (5x200 + 2x500 MW)	753.7	(37.69 %)
2.	Rihand STPS (2x500 MW)	325.7	(3.26 %)
3.	Unchahar I (2x210 MW)	249.8	(59.48%)
4.	Unchahar II (2x210 MW)	128.9	(30.69%)
5.	NCTPP (4x210 MW)	84.0	(10.00 %)
6.	Anta CCGT (3x88 + 1x149 MW)	91.0	(22.03 %)
7.	Auriya CCGT (4x112 +107.5 MW)	212.0	(32.18 %)
8.	Dadri Gas (4x131 +2x153 MW)	246.0	(29.64 %)
9.	Tanda TPS (4x110 MW)	440.0	(100.00%)

NUCLEAR (NPCIL)

1.	Narora APP I (2x220 MWe)	138.0	(31.36 %)
2.	RAPP Unit 3 & 4 (2x220 MWe)	86.0	(19.55%)
	TOTAL	**3325.0**	

Villages Electrified and Pumpsets Energised

		Cumulative Achievement As on 9/2004
Villages electrified	(No.)	56768 (58.5%)
Pumpsets energised	(No.)	844669

Operational Performance

YEAR	PLF (%)		T&D Losses(%)	
	UPRVN	ALL INDIA	UPPCL	ALL INDIA
End of 8th Plan (1996-97)	49.20	64.40	25.06	24.53
End of 9th Plan (2001-02)	59.70	69.90	39.30	31.30
2002-03	61.10	72.20	33.31	32.54
2003-04	60.00	72.70	N.A	N.A

Financial Outlays

		All Sector (Rs. Cr.)	Power Sector (Rs. Cr.)	Power Sector Outlay as % of All Sector Outlay
Tenth Plan				
Projected outlay	-	59708.00	9082.49	15.21
2002-2003				
Approved	-	7250.00	981.56	13.54
R.E	-	6701.73	1046.31	15.61
2003-2004				
Approved	-	7728.00	965.83	12.50
R.E	-	7257.72	965.83	13.31
2004-2005				
Approved	-	9661.51	835.78	8.65

Tenth Plan (2002-2007) - Capacity Addition Programme

The feasible targeted capacity addition during the Tenth Plan period is 41,110 MW at All India basis. This covers the following power projects under the State and Private Sector for the Tenth Plan period:-

STATE SECTOR PROJECTS:

(i) Parichha Extn.	210 MW
(ii) Anpara C	500 MW
Total (State Sector)	**710 MW**

PRIVATE SECTOR PROJECTS:

Vishnu Prayag . 400.00 (88% of power) *

** located in Uttaranchal State, being the home State it would be entitled to get 12% free power.*

SHARE IN CENTRAL SECTOR PROJECTS:

The Uttar Pradesh State would also get its share in the Central Sector hydro, thermal and nuclear Power Stations located in the Northern region which have been taken up tentatively during the 10th Plan period. The details of these projects are given below:

Sl. No.	Name of the Project	Organisation	Total Capacity (MW)	Share of Uttar Pradesh
1.	Nathpajhakri (HP)	NJPC	1500	221 (14.73%)
2.	Chamera II (HP)	NHPC	300	62 (20.67%)
3.	Dulhasti (J&K)	NHPC	390)	
4.	Tehri St. I (UP)	THDC	1000)	Yet to be
5.	Dhauliganga (Uttranchal)	NHPC	280)	decided
6.	Sewa II (J&K)	NHPC	120)	
7.	Koteshwar (Uttranchal)	THDC	400)	
8.	Tehri PSS (Uttranchal)	THDC	1000)	
9.	Rampur (HP)	NJPC	500)	
10.	Rihand II (UP)	NTPC	1000)	
11.	Unchahar III (UP)	NTPC	210)	
12.	Dadri II (UP)	NTPC	490)	
13.	Barsinghar Lignite plant (Rajasthan)	NLC	250)	
	TOTAL		**7340**	

Power Supply Position

Year		Peak MW	Deficit %	Energy MU	Deficit %
1996-97	(at the end of the 8th Plan)	(-)1334	20.0	(-) 5765	13.9
1997-98	(beginning of the 9th Plan)	(-)1597	24.6	(-) 5052	12.3
2001-02	(at the end of the 9th Plan)	(-) 697	9.2	(-) 4787	9.9
2003-04	(at the end of March, 2004)	(-)1189	16.5	(-) 6153	13.2
2004-05	(April-October,2004)	(-) 1609	20.4	(-) 6042	19.8

STATUS OF HYDRO ELECTRIC POTENTIAL
(HYDRO POTENTIAL AT 60% LOAD FACTOR IN MW)

	UTTAR PRADESH	NORTHERN REGION	ALL-INDIA
1. Total Potential	2291.00	30155.00	84044.00
2. Potential developed	313.65	4591.07	14003.43
(%)	(13.69)	(15.22)	(16.66)
3. Potential under development	7.83	2513.50	5294.05
(%)	(0.34)	(8.34)	(6.30)
4. Total developed & under development	321.48	7104.57	19297.48
(%)	(14.03)	(23.56)	(22.96)
5. Balance Potential	1969.52	23050.43	64746.52
(%)	(85.97)	(76.44)	(77.04)

UPPCL's Financial Performance

The financial performance of Uttar Pradesh Power Corporation Ltd. (UPPCL) for the year 2002-03 (Actuals), 2003-04 (Actuals), 2004-05 (RE) and 2005-06 (A.P) as indicated during the Resources Discussion held for Annual Plan 2005-06 is indicated below

	2002-03 (actual)	2003-04 (actual)	2004-05 (RE)	2005-06 (AP)
Average Cost of supply (paise/Kwh)	339.95	330.82	359.53	357.08
Average Tariff (paise/Kwh)	242.37	243.62	262.76	292.08
Percentage Recovery (%)	71.30	73.64	73.08	81.80
Net Commercial Loss (Rs. Cr.) (with subsidy)	(-) 845.67	(-)1298.08	(-)1241.20	(-)575.21
Net Commercial Loss (Rs.Cr.) (without subsidy)	(-)1695.00	(-)2304.89	(-)2296.86	(-)1634.21
Net Internal Resources(Rs.Cr.)	(-) 1132.85	(-) 2056.44	(-) 395.13	(+) 35.00
Rate of Return (ROR) (%) (with subsidy)	(-) 13.94	(-) 21.38	(-) 20.72	(-) 9.75
Rate of Return (ROR) (%) (without subsidy)	(-) 27.94	(-) 37.96	(-) 38.35	(-) 27.70
Average agricultural (paise/Kwh) Tariff	128..00	134.00	160.00	207.00
Share of agricultural consumption	19.44	18.66	18.72	18.72
Tariff increased required (paise/kwh) to achieve				
0 % ROR	68.57	81.93	80.27	53.38
3 % ROR	75.94	88.41	86.55	59.16
Revenue arrears (Rs.crore)	Rs.4335.43 crore ⟶ (2003-04 -Actual)			
(As a % of sales revenue)	(63.24)			

Restructuring & Reforms

As stated in the beginning, Power Sector Reform Bill has been passed by the State Government under "Uttar Pradesh Electricity Reforms Act - 1999" in July, 1999. Under Reform Bill, the erstwhile UPSEB had been split into 3 Corporations viz. UP Rajya Vidyut Utpadan Nigam Ltd (UPRVN) for Thermal Generation, UP Jal Vidyut Nigam Ltd (UPJVN) for Hydro Generation, UP Power Corporation Ltd. (UPPCL) for Transmission and Distribution. Government of Uttar Pradesh has approved a Financial Restructuring Plan (FRP) prior to the formation of Distribution companies. The FRP involved considerable restructuring and write offs by the stakeholders in addition to financial workouts with various lenders and creditors. In addition, Govt. of UP committed over Rs. 17,000 crores to provide support to the power sector over a 7 year time frame towards operational deficits, past burden and investment support.

In the second phase of reforms, five new distribution companies (including Kanpur Electric Supply Co.) have been formed w.e.f 12th August, 2003. The other four distribution company are Western (based in Meerut), Southern (based in Agra), Central (based in Lucknow) and Eastern (based in Varanasi). It is stated that these distribution companies is proposed to be privatized, for which tenders have been floated. It is expected that by March, 2005, privatize distribution companies would be placed in the entire State.

Further, as a part of restructuring programme, the State Government has already established UP Electricity Regulatory Commission (UPERC) in September, 1998 and it has issued so far five tariff orders in July, 2000, in September, 2001, in November, 2002, in September, 2003 and recently in November, 2004.

APDRP Scheme

Under the Accelerated Power Development and Reform Programme (APDRP) the sanctioned/released/utilized amount as on 1st November, 2004 is given as under:

(Fig. In Rs.crore)

Project Cost	APDRP Cost	Released Amount	Counter-part Fund drawn	Utilisation
824.14	412.07 (50%)	80.12	NIL	14.09

ISSUES

1. The financial position of the State's power utility viz. UP Power Corporation is not satisfactory. The commercial losses have increased from Rs. 807.5 crore in 1992-93 (Actual) to Rs. 2296.86 crore in 2004-05 (R.E). The average cost of supply in the State was 360 paise in 2004-05 (R.E) as against the average tariff of 263.00 paise which is nearly 73% of the cost of supply. Because of this gap between cost of supply and average tariff, the UP power corporation is making losses.

2. The Plant Load Factor (PLF) in the State for the year 2003-04 was 60% compared to 61.1% during the last year (2002-03). This is below the national level of 72.7%. Similarly, the T& D losses which were 25.66% at the beginning of the Ninth Plan, have increased to 34.16% in 2002-03 . The State Govt. may take initiative for improvement in PLF and T&D losses. This would help to improve the financial performance of UP Power Utilities.

3. Under APDRP, against the released amount of Rs. 80.12 crore as of 1-11-2004, the utilization has been only Rs. 4.09 crore. The State Government may take necessary step for utilization of APDRP funds in the current Annual Plan so as to avail the next instalment due on the balance APDRP amount in order to improve their distribution network.

4. Revenue arrears have been mounting over the years. The revenue arrears which stood at Rs. 3530 crore (56% of sales revenue) for 2001-02 (actual) are estimated to be about Rs.5156.17 crore during 2004-05 (RE) - 69% of the sales revenue. The State power utilities may take steps for realization of these outstanding revenue arrears. This would improve the financial health of the power utilities.

COMMUNICATION & INFORMATION

The Department of Economic Affairs has already issued a notification on 9.7.03 for opening up a separate Head for IT sector in all the Central Ministries, States, and Uts. It therefore needs to be ensured that the State/UT show the IT expenditure under this Head. In the present case it is booked under Industry & Minerals.

Out of the total outlay of Rs. 11000 crore proposed for the AP 2005-06 for the State, an outlay of Rs. 600 lakh has been made available for 2005-06 for IT & Electronics Department.

As suggested by Planning Commission, 2-3 per cent of the total outlay should be earmarked for the IT activities. In the present case, it is less than 0.05 per cent.

State Government should frame an IT policy and list out detailed IT related programmes in consultation with DIT at center and other stakeholders.

Based on the IT policy, a suitable E-Governance plan may be sketched and implemented. State Wide Area Network (SWAN) should be created in the State with the support of DIT at center.

TOURISM

The Tenth Plan outlay for tourism sector of Uttar Pradesh is Rs. 1382.73 crore (including Rs. 1032.73 crore for Externally Aided Projects). Thus, the actual outlay for the State and district sector amounts to Rs. 350.00 crore only. The actual expenditure during 2002-03 was Rs. 14.78 crore and Rs. 17.09 crore for 2003-04. The outlay for 2004-05 at Rs. 41.03 crore is expected to be fully utilized. Thus, the total expenditure for the first-three years of the Plan works out to only 21% of the outlay.

For 2005-06, an outlay of Rs. 33.35 crore is provided. This includes Rs. 5.35 crore for State share of Central Schemes, Rs. 14.758 crore for district sector works and Rs.

10.25crore for state sector works. During 2005-06, the State proposes up gradation of existing accommodation units, water sports at Arail, tourist complex and beautification of Sumer Singh Fort, Etawah, integrated development of Kapilavastu and Bateswar, important roads to Buddhist Circuit, beautification of Saifai Talab, Etawah etc. The State Government also proposes active participation of private sector in tourism development. The proposed Externally Aided Project of Buddhist Circuit Phase II is yet to take off. The State attracts the maximum number of domestic tourists, mainly pilgrims, and large number of foreign tourists. Considering the high tourism potential in the form of pilgrim and heritage tourism and resultant employment opportunities, higher allocation of funds is desirable for the tourism sector.

LABOUR AND EMPLOYMENT

Employment and Unemployment Situation

The rate of growth of employment in Uttar Pradesh during 1993-94 to 1999-2000 was 1.02% which is much lower than the rate of growth observed during 1987-88 to 1993-94 (2.03% per annum). The sharp decline in the rate of growth of employment, however, is associated with an equally sharp decline in the rate of growth of labour force which came down from 2.01% per annum to 1.13% per annum. The slow down in the growth of labour force and the associated decline in the employment growth has also been experienced at the All India level and for almost all the States. While a part of the decline in the rate of growth of labour force can be attributed to slowing down in the growth of population, decline in the Labour Force Participation Rates, especially in the younger age groups, have also contributed to the observed decline.

The following table gives the rates of growth of population, labour force and employment for Uttar Pradesh and for All India. It can be seen that though the population growth in Uttar Pradesh was faster than the All India average, the labour force growth was slower in case of Uttar Pradesh. This has happened due to sharper decline observed in the LFPRs among female in general and male in the rural areas. State wise information is not available to ascertain the activities in which those who withdrew from labour force were engaged in. For the country as a whole it can be said that the decline in the LFPR in rural areas was accompanied by a significant increase in those attending educational institutions, especially so in the age groups 10-14 and 15-19. In the urban areas decline in LFPR was associated with increased participation of women in domestic duties and also in free collection of goods, sewing and weaving etc. for household.

Table 1 : Rate of Growth of Population, Labour Force and Employment (% per annum)

(1993-94 to 1999-2000)

	Uttar Pradesh	All India
Rate of growth of population	2.29	1.95
Rate of growth of Labour force@	1.13 (2.01)	1.31 (2.48)
Rate of growth of Employment@	1.02 (2.03)	1.07 (2.52)

@ *On Current Daily Status Basis*

Figures in the parentheses show the rates of growth *during 1987-88 to 1993-94*

Incidence of Unemployment

The gap between the number of persons in the labour force and the level of employment gives the measure of number of unemployed persons. As noted earlier, the period 1993-94 to 1999-2000 experienced a slow down in the growth of labour force. It is however a fact that the growth in employment lagged behind the growth in labour force and as a result the incidence of unemployment increased.

The incidence of unemployment in Uttar Pradesh increased from 3.45% of the labour force in 1993-94 to 4.08% in 1999-2000. At the All India level incidence of unemployment increased from 5.99% to 7.32%. The unemployment rate in Uttar Pradesh continues to be much below the national average. (Table 2)

Table 2 : Incidence of unemployment*

	Uttar Pradesh		All India	
	1993-94	1999-2000	1993-94	1999-2000
Rural	3.11	3.58	5.61	7.21
Urban	4.93	5.98	7.19	7.64
All Areas	3.45	4.08	5.99	7.32

** Unemployed as percentage of labour force; on Current Daily Status Basis*

Incidence of Unemployment among youth and educated

Youth and the educated are the segments of population where the incidence of unemployment has generally been found to be higher than the overall unemployment rate. In case of Uttar Pradesh also same can be observed from the table below (Table 2), though the levels of incidence of unemployment, both in case of educated and youth, are lower in Uttar Pradesh than the national average.

Though the incidence of unemployment among youth and the educated in Uttar Pradesh is lower than the national average, this gap is very narrow in the urban unemployment rates.

Table 3 : Incidence of Unemployment* among Youth and Educated

	Youth#		Educated@		All	
	1993-94	**1999-2000**	**1993-94**	**1999-2000**	**1993-94**	**1999-2000**
	UTTAR PRADESH					
Rural	4.7	4.0	4.4	4.5	2.6	2.2
Urban	9.7	11.1	6.0	8.2	4.4	5.2
	ALL INDIA					
Rural	5.4	7.2	9.3	8.4	3.0	3.8
Urban	12.8	13.1	9.0	8.2	5.8	5.9

** On Current Weekly Status Basis*
 # Age Group 15-29
@ Secondary and above

Though the levels of incidence of unemployment in Uttar Pradesh are lower, as indicated by the sample surveys of NSSO, the incidence of poverty in the State is relatively high. The low levels of overall unemployment rate of 3.58% and 5.98% in rural and urban areas respectively coexist with poverty ratios of approximately 31 %, both in rural and urban areas. The relatively low levels of incidence of unemployment and high poverty ratios suggest that the number pf persons who can be classified as working poor is large.

Employment in Organised Sector

The growth of employment in organized sector is very crucial to deal with the problem of unemployment among the educated youth as the aspirations of such entrants to the labour force from the job are high. The conditions at which the labour is hired in organized sector largely matches such aspirations. Seen in this perspective, the absorption of labour in organized sector in Uttar Pradesh has been very sluggish.

The organized sector employment growth has declined during the 1990s at the Al India level, primarily on account of slowing down of employment growth in public organized sector. The improvement in the growth performance of employment in private organized sector, however, moderated this decline. In Uttar Pradesh also, the overall organized sector employment growth turned negative during 1994-2002, compared to 0.42% per annum growth during 1983-94. The decline in rate of growth of employment again was due to sharp fall in public sector employment growth. However, in case of Uttar Pradesh, the employment growth in private organized sector also was negative during 1994-2002 though the rate of decline in employment moderated compared to earlier period. (Ref. Table 4)

Table 4 : Employment in Organised Sector (in lakhs)

Employment in Organised Sector	1983	1994	2002
UTTAR PRADESH			
Public Sector	19.01	21.34 (1.06)	19.47 (-1.15)
Private Sector	6.35	5.22 (-1.76)	4.92 (-0.73)
Total Organised	**25.36**	**26.57** **(0.42)**	**24.39** **(-1.06)**
ALL INDIA			
Public Sector	164.56	194.45 (1.53)	187.73 (-0.44)
Private Sector	75.52	79.30 (0.44)	84.32 (0.77)
Total Organised	**240.08**	**273.75** **(1.20)**	**272.05** **(-0.08)**

Employment Estimates are as on 31st of March

Figures in parentheses give the rate of growth over previous period

Issues in Employment Planning

1) Though the incidence of unemployment in the State is low, the high incidence of poverty suggests that there is a large number of workers with low levels of productivity and income . Improvement in the quality of employment, therefore, is very important.
2) In order to improve the income and average productivity levels of workers in general, there is a need to reduce dependence of a large proportion of workers on agriculture sector by promoting diversification of the State economy, especially rural economy. Such efforts should be complemented by promoting crop diversification within agriculture, away from traditional cereal crops and in favour of more profitable and labour intensive crops such as pulses, oilseeds, horticulture etc.
3) The share of self employed in total employment in the State is very high. As per the 1999-2000 estimates 73 % of the total employed in rural areas and 55% in the urban areas are self employed. The corresponding All India average is 56% and 42 % respectively. For self employment ventures to be successful in providing gainful employment on sustainable basis, it has to be backed by either human assets in terms of skill base or physical assets . It is therefore imperative that support in terms of building up the requisite skill and credit facilities are provided so that self employment ventures are profitable and sustainable.
4) As mentioned in the Annual Plan document , the population in the working age is likely to grow at 2.48% per annum. The low rate of growth of labour force observed during 1993-94 to 1999-2000 is not likely to continue. The employment planning needs to be informed of this fact. The development and growth agenda to be pursued through the plan should be made as much employment oriented as possible through adoption and encouragement to labour intensive sectors and technologies.

Annual Plan (2005-6) proposals

The outlay and expenditure under the schemes of Labour and Labour Welfare (L&LW) Sector are summarized in table Annexed. As can be seen from the table, the overall utilization of outlay for the L&LW sector is coming down. The percentage utilization of outlay, which was about 61%, in the A.P. (2002-03), came down to 48% in A.P.(2003-04), and is anticipated to be 46% in A.P.(2004-05). The uitlisation has been especially low in Employment Services sub-Sector. The reasons for low utilsation of outlay need to be discussed.

Issues for discussion

1. A large step up in the outlay for labour welfare has been provided in the Tenth Five Year plan. However, the expenditure so far on Labour Welfare sub sector has been low. State Government's overall approach towards welfare measures for labour, especially those in the unorganized sector, needs to be discussed.
2. There appears to be sizeable gap between the apprenticeship seats located in the State and utilized. Efforts made by the State Government to ensure better utilisation of located in the States should be discussed.
3. The expenditure on Employment Services, which is rendered through network of Employment Exchanges, has been very low during last two Annual Plans. This probably reflects marginalisation of these exchanges in changed labour market

scenario. The views of State Government regarding future role of employment exchanges; and the changes needed in the present set up to make them more useful may be ascertained.

Statement of Outlay and Expenditure in Labour & Employment Sector

(Rs. Lakh)

Sub Sector	Tenth Plan	Annual Plan (2002-03)		Annual Plan (2003-04)		Annual Plan (2004-05)		Annual Plan (2005-06)
	Outlay	Outlay	Actual Expenditure	Outlay	Actual Expenditure	Outlay	Anticip. Expenditure	Proposed Outlay
Labour Welfare	1000.00	70.00	7.45	70.00	25.00	70.00	14.80	70.00
Craftsmen Training	5800.00	882.00	543.18	1341.0	712.00	1486.00	728.26	1486.00
Employment Service	460.00	184.00	140.73	173.00	17.24	114.34	22.21	113 11
Total	**7260.00**	**1136.00**	**691.36**	**1584.00**	**754.24**	**1670.34**	**765.27**	**1669.11**

TRANSPORT

(Rs.Crore)

Heads of Development	Tenth Plan Agreed Outlay	2002-03		2003-04		2004-05	2005-06
		Outlay	Exp.	Outlay	RE	Outlay	Proposed Outlay
All Sectors	59708.00	7250.00	6701.73	7728.00	7257.72	7728	11000.00
Transport	6740.25	933.82	1058.17	1246.52	1458.22	1246.52	1432 96
Roads & Bridges	6008.16	780.48	920.50	1225.22	1350.00	1225.22	1361.61
Road Transport	701.99	150.82	134.44	18.78	105.70	18.78	33 83
Civil Aviation	30.00	2.50	3.23	2.50	2 50	2.50	37 50
Inland Water Transport	0.10	0.02	0.00	0.02	0.02	0.02	0.02

The State Govt. has proposed an outlay of Rs.1432.96 crore for Annual Plan 2005-06 for transport sector. This works out to 13.62% of the total plan size, which is 2.5 % lower than the last year outlay but 2.34 % higher than the share of transport sector in Tenth Plan.

Roads & Bridges

Schemes included in Annual Plan 2005-06 relate to development of State Highways, MDR, ODR and village roads. However, the State Govt. has not furnished targets against specific works. This needs to be ascertained.

The State of UP has a total road length of 248481 km. as on 31 March 2002 of which 166659km. is surfaced. In relation to per hundred sq. km. of area and per lakh of population, the State has a total road length of103.13kms. and 145.48 ms. against the all-Indian average of 74.73 kms. and 233.86 kms. respectively.

Connectivity of villages by rural roads is taken care of under three different programmes viz., Basic Minimum Services (BMS), Ambedkar Gram Vikas Yojana (AGVY), and Pradhan Mantri Gram Sadak Yojana (PMGSY). Connectivity programme of these schemes as per indicated by the State Plan document is as follows:

i) BMS - Against the target of 3695 villages during the 10th plan 2437 villages were to be provided connectivity during 2002-03. and 1397 villages were to be connected during 2003-04. The State Govt. has not mentioned about the achievement for connectivity of these villages.

ii) AGVY - Under this programme connectivity of villages having predominant population of scheduled caste is undertaken. Against a target of connectivity of 2007 villages during 2002-03. 1587 Villages have been connected during the period 2002-03. Information on targets and achievements for periods 2003-04, 2004-05 and 2005-06 have not been furnished. This needs to be ascertained.

iii) RIDF (NABARD assisted roads) – Under this scheme, villages of more than 1000 population with length of link road upto 2 Kms. Are to be constructed in a phased manner. For villages of population more than 2500 the length of link road may be more than 2 Kms. Under this scheme bridges on village roads and other district roads are also being constructed. Ninety % funds are obtained through loans from Rural Infrastructure Development Fund schemes of NABARD. Remaining 10 % is borne by the State Govt. During the year 2004-05, an outlay of Rs. 356 crore is approved for RIDF assisted roads and bridges but Govt of Uttar Pradesh has not indicated the physical achievements. For the year 2005-06, an outlay of Rs. 356 crore is being proposed for which physical targets are not indicated.

PMGSY

An amount of Rs. 315 crore is allocated to the State of Uttar Pradesh per annum under PMGSY Scheme. The details are as under:

(Rs. crore)

Year	Funds release	Expenditure
2000-01	321.11	
2001-03	588.65	
2003-04	335.27	
2004-05	315.00 allocation	
Total amount released	1245.03	793.16 upto Sept.04

The state has 24284 unconnected habitations for providing Connectivity under Pradhan Mantri Gram Sadak Yojana. Against this 3716 habitation are being covered till March 2004. As regards habitation the population of size 1000 and above 8839 have been identified out of which 2846 have been taken up to 31 March 2004. This works out to 36.20%.

CRF

An amount of Rs. 80.61 crore has been allocated for the development of States Road under CRF in the year 2004 –05.

EI-ISC

An amount of Rs. 1194.98 lakh has been releaseded under EI-ISC during the year 2003-04.

Externally Aided Project

The State Govt. intends to take up World Bank Aided State Road Project – II. Under this project, the State Govt. has proposed up-gradation and rehabilitation works on about 3500 Kms road length of about 6800 Kms of Crore Road Network (excluding National Highways) identified by the State Govt. This project is being implemented in two phases:-

Phase -I Upgradation (Strengthening & Widening) of 374 Kms and Rehabilitation (major maintenance) of 808 km.

Phase –II Upgradation (Strengthening & Widening) of 579 kms. And rehabilitation (major 5 nos. missing Major Bridges (2 nos on River Ghaghra, one no. each over river Ganga, Yamuna & Sharda).

The estimated cost of the project is Rs. 2952 crore, out of which Rs.2324 crore shall be made available by the World Bank in the form of loan and the balance will be met by the UP Govt. from their own resources.

Road Transport

The State Govt. has proposed an outlay of Rs. 33.83 crore for road transport during 2005-06. The UP SRTC has 5550 buses at the end of 2004. 800 busses have been proposed to be equire as replacement during the year 2005-06. up-gradation of check post, acquisition of buses and construction of lands and building has been proposed to be taken up during the year 2005-06..

The UP SRTC has emerged as profit making unit. The net profit is estimated to Rs 3.76 crore during 2004-05(LE). In the Annual Plan 2005-06 the profit has been estimated to Rs.4.39 crore.

The physical and financial performance of UP Road Transport Corporation is as follows:

ITEM	2002-03	2003-04 (LE)	2004-05 (LE)	2005-06(BE)
Operating surplus (Rs. Crore)	180.20	223.55	276.64	315.94
No. of SRTCs buses (No)	6554	5643	5550	5550
Load Factor (%)	59	58	60	61
Bus Staff Ratio	6.22	5.89	5.79	5.62
Fleet utilisation (%)	90	92	95	905
Staff Productivity (kms)	42.79	48.82	52.99	59.30

Civil Aviation

An outlay of Rs.37.50 crore has been proposed for Civil Aviation for annual plan 2005-06 mainly to complete ongoing works and up-gradation of Safai Air Strip in District Etawah to facilitate the landing and take off of Boeing 737 type of Air Craft.

SOCIAL JUSTICE & WOMEN'S EMPOWERMENT

Outlay & Expenditure for Backward Classes Sector

(Rs. in crore)

Sub-Heads	Tenth Plan Outlay	Annual Plan 2002-03	Annual Plan 2003-04	Annual Plan 2004-05		Annual Plan 2005-06
		Expdr.	Exp.	Outlay	Antd. Expdr.	Prop. Outlay
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Welfare of SCs/STs/OBCs and Minorities	1108.95	138.16	123.38	989.50	845.41	1000.50

The proposed outlay of Rs. 1000.50 crore for Annual Plan 2005-06 is only a token step up from last year outlay of Rs.989.50 crore. The allocation to this sector should have been enhanced by at least 10% approximately as per extended guidelines.

The approved outlay for the Tenth Five Year Plan is Rs.1108.95 crore. The state Govt. has already utilized almost entire allocation for Tenth Plan i.e. Rs.1106.95 crore during first three years of the Tenth Plan. The highest percentage of utilization is under OBC Sector.

Comments

1. The State Government of Uttar Pradesh is implementing number of educational development schemes namely Pre-Matric Scholarships, Post Matric Scholarships, Ashram Schools, etc. As Uttar Pradesh is one of the educationally backward States, the State Government may be advised that the NGOs should also be encouraged to participate in the educational development programmes in the State.

2. The female literacy among SCs (30.5%) and STs (20.7%) in 2001 in the State is much below the National average of 41.9% and 34.8%, respectively. Efforts should be made to

speed up all the educational programmes/projects to increase the literacy rate of target groups especially that of their women by revamping the existing educational infrastructure and by providing easy accessibility, hostel and residential schools, incentives like scholarships, mid-day meals, uniform to children etc.

3. Out of the total State Plan outlay Rs. 9661.51 crore for Annual Plan 2004-05, Special Component Plan outlay was Rs. 1786 crore constituting 21.01 per cent of the total Plan outlay which is equivalent to the population percentage of SCs (21.10) in the State. **In view of the backwardness of the Scheduled Castes in Uttar Pradesh, the flow of funds to the SCP for SCs should be even more than the proportion to the population percentage.**

4. During 2004-05 a sum of Rs. 173.75 crore was released for Special Central Assistance (SCA) to Special Component Plan (SCP) and fully utilised benefiting 93370 beneficiaries. **The funds under SCA to SCP for Scheduled Castes should also be utilised for innovative income generating and self-employment programmes ensuring economic development for the SC families living below the poverty line as still 43.65% SCs are below poverty line in rural areas in Uttar Pradesh.**

5. As far as the National Scheme of Liberation and Rehabilitation of Scavengers and their dependents is concerned, State Government has identified a total number of about 20,000 scavengers yet to be rehabilitated. **In view of the importance of the scheme and Government commitment to eradicate this obnoxious practice of manual scavenging by 2007, State Government should take up a time-bound programme for rehabilitation of the scavengers and their dependents.**

6. The State Government is implementing a Scheme of Grant for Marriages and Treatment of Severe Diseases. Government Assistance for marriage cannot be considered Social Welfare or any developmental activity and may not be approved. Rather a component of economic empowerment may also be included in this scheme to make the SC girls economically self-reliant.

7. Regarding UP Scheduled castes Finance & Development Corporation and U.P. Backward Classes Finance & Development Corporation. It has also been observed that the recovery rate of loans is very poor. A critical assessment of the working of these Corporations has brought forth that the corporations continue to remain heavily dependent on Govt. assistance. The Corporations were expected to become self reliant over a period of 2-3 years of their establishments. Therefore, appropriate changes are required to be brought forth in the functioning of these Corporations. The state Govt. may be advised to conduct a quick evaluation of these Corporations.

8. In the State of Uttar Pradesh, there are 21 districts having more than 20% of population belonging to Minority category. These districts have been declared densely minority populated districts where 75 development blocks have been declared as Educationally Backward Minority Blocks. In addition to the State Government's commitment, State Government should also take advantage of the Central Sector Schemes including Scheme for Educational Development for Minorities like Sarva Shiksha Abhiyan and DPEP Schemes under Department of Education. 772 Madarsas have been modernised Efforts should be made for modernisation of Madarsa with one teacher of mathematics, English and Science subject especially with a view to improve the standard of girl education in educationally backward areas of Minorities.

9. A sizeable population of the Minority communities are engaged in traditional arts and crafts like handlooms, handicrafts, chickan work, leatherwork, glasswork, metal works, etc. It has been observed that many of the Minority groups/communities remain economically backward as they still continue to depend upon low paid traditional artisanship like embroidery, tailoring, handicrafts, metal work, etc. for their livelihood. Therefore, efforts should be made to modernise the technologies and enhance the value addition to their produce by extending appropriate vocational training, upcoming technologies, skill upgradation, value addition to their products and credit facilities.

10 The scheduled Tribes population in the State is only 0.1% as per 2001 census after the formation of Uttranchal Pradesh. But in 2003, 10 new tribes have been notified as ST in the State of Uttar Pradesh. Therefore, for the welfare and development activities, an outlay of Rs. 4.73 crore has been proposed for Annual Plan 2005-06

11. The State Govt. has proposed an outlay of Rs. 549.10 crore for the Welfare of OBCs only, which constitute 54.88 % of the total proposed outlay of Rs.1000.50 crore. The proposal for OBS Sector is mainly for the schemes of : I) Post matric scholarships for OBC students; ii) Pre matric scholarship for OBC students; iii)Hostels for OBS Students etc. As all the schemes are already in existence at the Centre Ministry, the State Govt may also avail the benefit available under the Ministry of Social Justice & Empowerment. *ANNEXURE*

STATISTICAL PROFILE – UTTAR PRADESH

Basic Information
Profile of SC/ST Population (2001 Census)

(in million)

Total(State)	SC	ST
166.19	35.15 (21.10%)	0.11 (0.1%)

		India	State
Literacy Rate			
General	2001 Census	64.8	56.3
SC	2001 Census	54.7	46.3
ST	2001 Census	47.1	35.1

Poverty Line Ratio - Estimate - Planning Commission (1999-2000)

All			SCs in State		STs in State	
Rural	Urban	Combined	Rural	Urbaa	Rural	Urban
27.09	23.62	26.10	43.65	43.51	34.06	13.27

Workers (2001 Census)	SC	ST
Total workers (State)	34.70	40.32
Cultivator (State)	**30.93**	**44.57**
Agricultural Labourers (State)	42.51	31.43

Flow of Funds to Special Component Plan (SCP) to SCs and Tribal Sub-Plan (TSP) to STs.

Flow of funds to SCP to SCs	%	2004-05	21.01
Flow of funds to TSP to STs	%	2003-04	0.08

SCA to SCP -2003-04

Sanctioned	**Rs. 107.20 crore**
Utilised	**Rs. 100.28 (93.54%)**

SOCIAL DEVELOPMENT AND WOMENS PROGRAMME

Outlay & Expenditure

(Rs. In crore)

Social Welfare Sector	Tenth Plan Agreed Outlay	Annual Plan 2002-03	Annual Plan 2003-04	Annual Plan 2004-05		Annual Plan 2005-06
		Actual Expdr.	Actual Expdr.	App. Outlay	Antd. Expdr.	Prop. Outlay
Social Welfare Department(NSAP)	508.30	106.67	146.74	151.69	151.69.	151.69.
Welfare of Handicapped	15.00	8.78	13.77	17.34	10.74	17.34
Mahila Kalyan	30.00	4.23	9.26	14.22	14.30	14.22
Sainik Kalyan	20.00	0.93	0.82	1.50	0.54	1.50
Social Welfare (Total)	573.30	120.61	170.59	184.76	177.28	184.75

1. The State Govt. has proposed an outlay of Rs. 184.75 crore for the Annual Plan 2005-06 for Social Welfare Sector including Women & Child Development against approved outlay of Rs. 184.76 crore for Annual Plan 2005-06. The proposed outlay is more or less same in 2004-05. **The State Govt. has to ensure the allocation for the Annual Plan 2005-06 for Social Welfare Sector, by increasing at least 10% the outlay over and above the Annual Plan 2004-05 as per the Planning Commission's guidelines.**

2. It was also suggested that Sainik Kalyan should be excluded from the Social Welfare sector as it looks after the welfare and rehabilitation of Ex-servicemen. The main activities of the Sainik Kalyan include Employment, Self-employment to Ex-servicemen, war widows and families of martyrs. The Working Group also suggested that Sainik Kalyan should be transferred to Home Department with the approval of State Plans Division. Despite this, Sainik Kalyan still continues under Social Welfare Division. **This needs to be discussed.**

National Social Assistance Programme (NSAP)

Under National Social Assistance Proogramme, the State Govt. is implementing three schemes namely: National Old Age Pension, National Family Benefit and Anpurna Scheme since 2002-03 at the beginning of Tenth Five Year Plan. Planning Commission and Rural

Development Deptt., Govt. of India has decided to transfer these schemes to the State Sector. However, the State Govt. has proposed an outlay of Rs. 151.69 crore for the Annual Plan 2005-06. It has been stated in the proposals that the fund for operation of the three scheme will be provided by the Government of India as Additional Central Assistance to the State. It is also mentioned that the schemes meant for Aged has been converted into ACA with 70% loan liability to the State. This needs to be discussed.

3 The State Government is spending Rs. 151.69 crore on above mentioned schemes against total proposed outlay of Rs. 184.75 crore for the Annual Plan 2005-06 leaving a balance of Rs. 33.06 crore for other social welfare activities. There is need to transfer these schemes to the State Sector /Non-Plan Sector.

Women & Child Development

4. In the State sex ratio has been decreasing as compared to the All India Sex ratio. The state Govt. has to prepare the time bound perspective plan to improve the sex ratio in the state at least to bring the same at par with All India Level. There is need to initiate action inwell advance in this regard.

5. It was also suggested that Scheme relating to Juvenile Justice Act, 2000 and correctional services should be brought under Social Welfare sector instead of Women and Child Development with proper approval of State Planning Department. But it still continues under Women & Child Development.

6. Empowerment of Women is a National Policy of the Government of India since 9th Five Year Plan. The approach to the Tenth Plan envisages a very distinct strategy for empowering women in terms of definite goals, targets and time-frame. The State Government should draw up a time bound Action Plan for translating the policy into a set of concrete actions in consultation with all the concerned, both in the governmental and non-governmental sectors.

7. Besides allocating adequate funds under the Women's Component Plan (WCP), the State should also earmark funds under the State sector on-going programmes/schemes, having women component, in line with similar Central Sector/Centrally Sponsored Schemes, to ensure flow of developmental benefits from these schemes for the empowerment of women.

8. Towards economic empowerment of women, the State should also give priority to skill development training for gainful employment/self-employment, besides formulation income-generating schemes specifically for women.

9. **There is a need in the State to review all on-going Schemes so as to weed out schemes, which provide dole-giving services to women.**

10. The total sanctioned ICDS projects in the State are 836. However the State Govt. could operatonalize only 518 out of the targeted 568. The State should take necessary steps to operationalize all the sanctioned ICDS projects in the remaining blocks.

11. There is no specific scheme for development of children except Central Sector Scheme in the State. **The State Government may formulate schemes for street children, child labour, delinquents, etc.**

Social Welfare

12. The State has to furnish information on the progress/achievement with regard to the provisions of 'Persons with Disabilities (Protection of Rights, Equal Opportunities, Full Participation), Act, 1995.

13. The State has also to make adequate budgetary provision for the scheme-National Programme for Rehabilitation of Persons with Disabilities (NPRPD).

14. Services provided in the mandatory institutions set up under different Acts by and large remain below the expected level. There is need for the State to ensure that minimum standard of services in institutions set up under various Acts, like Juvenile Justice Act, 1986; Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substance Act, 1998; and Immoral Traffic (Generation) Act, 1986 (subsequently revised), the Child Labour (Prohibition and Regulation) Act, are maintained.

15. State Coordination Committee on PWD Act 1995, though has been set up in the State but no meeting has been held since 2001. as the section of 19 of PWD Act 1995, the meeting should be held at least twice in year.

HOUSING & URBAN DEVELOPMENT

According to the 2001 census, 21% of total population of Uttar Pradesh 16.61 crore reside in urban areas spread over 670 towns.

The outlay proposed for the Annual Plan, 2005-2006 is Rs.147.40 crores for Housing. The schemes comprise acquisition/ development of land, EWS, LIG, MIG and higher income group housing, sites and services etc. To overcome shortage of financial resources, the State Government has proposed to develop Hi-tech townships in private sector. A review of the housing activities on plan side needs to be taken up to facilitate stepping up land acquisition, provision of adequate and affordable social housing.

Rs 184.89 crore including Rs 120 crore for Rural housing is budgeted for schemes under Urban Development. An increase of 30% is observed in the proposed outlay for the Annual Plan, 2005-06 over the corresponding provision for the Annual Plan, 2004-05. The State Government extends grants to Development Authorities and Local Bodies for non-remunerative schemes. As per the plan document, a provision of Rs 15 crore is made for 2005-06 for construction of Indira Gandhi Prathishthan. An expenditure of Rs 35 crore including Rs 25 crore towards land is being anticipated during 2004-05.

IDSMT (Integrated Development of Small & Medium Towns): As per records, upto March, 2004, the number of towns covered was 161. The central and State release of funds amounted to Rs 61.20 crore and Rs 42.29 crore respectively. The State Government has mobilized Rs 3.21 crore from Financial Institutions. The expenditure reported was Rs 74.75 crore. However, as per the plan document, 201 towns have been benefited upto October, 2004. The outlay proposed for 2005-06 is Rs. 15 (20 as per write-up) crore.

NSDP (National Slum Development Programme): Upto March 2004, Rs. 307.94 crore was released as Additional Central Assistance (ACA) and the expenditure reported was

Rs 285.73 crore amounting to 93% utilisation. An amount of Rs 22.21 crore remains as unspent balance. As per the State Plan document, the NSDP is presently operational in 88 towns and the target is to make all these towns slums free. For 2005-06 Rs. 75.95 (85.94 as per write-up) crore is proposed.

SJSRY (Swarna Jayanti Shahari Yojana). As per records, the central and State share of release upto March, 2004 amounted to Rs 108.31 crore and Rs 32.43 crore respectively, and the utilization was reported to be Rs 195.16 crore. With an unspent balance of Rs 19.22 crore, the utilization works out to 91%. Rs. 19.25 crore is proposed for 2005-06.

Valmiki Ambedkar Awas Yojana (VAMBAY). As per information available, upto March 2004, Rs 37 51 crore was released, and 5263 dwelling units had been completed and 5144 units in progress. The State Plan document has not covered about its implementation. It is essential to link up all the slum related programmes for effective utilization of funds. The State Government may evolve a more focused strategy in handling the issues.

Similarly, there is no mention about the urban reforms oriented scheme, viz., URIF (Urban Reforms Incentive Fund): As per records, Rs 30.23 crore was recommended. The utilization progress needs to be obtained.

National Capital Region: So far, no expenditure has been incurred during the Tenth Plan and there has been no provision earmarked for the last two years. For the development of the region/ counter-magnet towns, provision of basic infrastructure facilities like power, roads, water supply, telecommunications etc are taken up. The State Government have to take serious note of the concept envisaged under the programme. The State Government may be requested to bring in the details regarding the progress status of schemes taken up so far, a report on its impact as well as the strategy contemplated for future plan

Externally Aided Projects: To be able to assess the status of externally aided projects vis-à-vis project execution, it is essential that the State plan document brings out clearly the progress details, the realization of objectives, the remaining liabilities, strategy thereof etc. In addition, as per records, there have been project proposals for one-time assistance from the Government of Uttar Pradesh. The Annual Plan discussion is an important forum for assessing the achievements/ progress of sectoral projects. Hence, the plan document need to cover details to facilitate proper review. It is also important to gather the feed back on the follow-up action plan from the State Government, on the following issues:

- In a time bound frame, comprehensive survey to ascertain the number of houseless families should be carried out before any State scheme for housing is embarked upon; Also, provision of credit, interest subsidy both for construction of new house or upgradation/reconstruction/ etc with emphasis on EWS/ LIG need to be taken care of; The share of beneficiary must be insisted upon;
- Meant to improve urban slums, the schemes of NSDP, Night Shelter and VAMBAY be dovetailed for effective utilization of funds;
- For effective implementation of SJSRY, emphasis needs to be laid on appointment of project Officers, Community Organisers, formation of Neighbourhood Groups/Committees, Community Development Societies, and the successful experiment carried out by the State Governments of Andhra Pradesh, Tamil Nadu, Kerala be studied for replication;

- The utilization level of funds under IDSMT needs to be accelerated; Further allocations under the scheme should be in commensurate with the number of towns and the urban population in the State;
- The strategy for development of infrastructure facilities including Solid Waste Management has to take care of future demand and the interests of tourists;
- Assets created by the planned investments have to be maintained properly;
- Capacity building of ULB personnel;

Annual Plan, 2005-06: Outlay: The State Government of Uttar Pradesh has proposed an outlay of Rs 147.40 crore for Housing and Rs 184.89 crore for Urban Development.

INDUSTRY

Uttar Pradesh, the most populous state of **India**, with 16.2% of **India**'s population, offers the country's largest market. Area wise, it is the fourth largest State of **India. Uttar Pradesh** is surrounded by Bihar in the East, Madhya **Pradesh** in the South, Rajasthan, Delhi, Himachal **Pradesh** and Haryana in the west, and Uttaranchal in the north. **Uttar Pradesh** is the second biggest state economy in the country, with a share of 10.7% in aggregate domestic product. Among the major states, **Uttar Pradesh** ranks fourteenth in per capita income and number of beds in hospitals. Preponderance of the rural population makes the State economy primarily agrarian. **Uttar Pradesh Fiscal Responsibility and Budget Management Act has set March 31, 2009, as the deadline for reducing the State's revenue deficit to zero and fiscal deficit to 3% of its estimated GSDP.** The U.P.'s three most **important industries** are sugar, cotton fabrics and diversified food preparations. Goods carrier equipment, photostat machines, chemicals, polyester fiber and steel tube galvanised sheets are the other big industries.

The most important and unique economic indicator which throws light on the effectiveness and impact of different developmental programmes being implemented in various sectors is income level of a State. The statistics of state income depict that annual growth rate of total income in the Ninth Five Year Plan Period (1997-2002) in U.P. was 2.3% as against 5.5% in India. The comparison of per capita income of the state and the country as a whole since the beginning of the planning era in free India shows a dismal picture. Sectoral distribution of State income and national income reveals that as per quick estimates of U.P. for 2002-03, primary, secondary and tertiary sectors have a contribution of 34.9%, 19.0% and 46.1% respectively as against the nation's figure of 26.4%, 21.3% and 52.3% respectively. It must be a very serious concern of the planners and programme implementing agencies that gap in growth rates of income of the state and the country is widening year after year Therefore, the investment in the state should be channeled in such a manner so as to check the growing imbalances.

Investment plays one of the most crucial roles for the growth and development of economy but, at the same time, the way, in which the available resources are deployed for maximum efficiency, also plays an equally important role. Plan expenditure, which helps in building up the infrastructure, also attracts investment from other sources and plays a crucial role in the development of the State. The comparison of per capita plan expenditure of the state in the Five Year Plans with those of all states' average depicts that there are large gaps in this respect. The per capita plan expenditure of U.P. has remained substantially short of all states' average in every Five Year Plan. Per capita plan expenditures of U.P. were also much lower over the years as compared to many other states. The possibilities of maximizing

investment from all the available sources will have to be explored, looking from the angle of regional disparities.

Uttar Pradesh has an agriculture base but has not been to build a strong industrial base. The rates of growth in the registered as well as unregistered manufacturing sector indicate that the growth in manufacturing sector has been far less than what is required for employment generation.

(Rs. crores)

Head of Development	Tenth Plan (2002-07)	Annual Plan (2002-03)		Annual Plan (2003-04)		Annual Plan (2004-05)		Annual Plan (2005-06)
	Projected Outlay	Agreed Outlay	Actual Exp.	Agreed Outlay	Actual Exp.	Agreed Outlay	Antcptd. Exp.	Proposed Outlay
Large & Medium Ind.	800.00	16.90	7.00	23.00	0.8031	16.00	9.1433	16.00

From the above table, it is obvious that, in the year of 2003-04, the State Govt. has spent only Rs. 0.8031 crore against the approved outlay of Rs. 23.00 crores. The State Govt. should pay attention to it.

The proposed outlay of Rs. 16.00 crores for 2005-06 is proposed to be spent as follows :

	(Rs. crores)
1. Assistance for Agro Park	2.00
2. Special Economic Zone (SEZ) Kanpur, Unnao, Bhadoi for acquirement of land	9.00
3. Assistance to UP Vikas Parishad	1.00
4. Growth Centre, Dibiyapur	1.84
5. Growth Centre, Shahjahanpur	0.26
6. Growth Centre, Jainpur (Kanpur Dehat)	1.90
Total	**16.00**

Three Special Economic Zones are being developed:
1. Taj Economic Zone (around Greater Noida);
2. Kanpur Economic Zone
3. Purva Economic Zone (between Varanasi & Bhadohi)
Two agro parks at Lucknow and Varanasi for the food processing industries. Two other Agro Parks being planned at Chola and Saharanpur.

For the subsequent Working Group Level discussion, it is requested that State Govt. may provide specific information on the following points :

(i) The present level of and indirect subsidy to Industry Sector alongwith details of efforts being made to move over to non-subsidy-based support such as creation of industrial infrastructure and investor-friendly climate.
(ii) Statistical information on structure and growth rates of industry sector in U.P. This may include physical output of key sectors, value of output, contribution to SDP, exports and employment.
(iii) Current status of related infrastructure such as power, water, roads, R&D, quality certification, consumer protection, etc. Physical targets/achievements in respect of providing world-class infrastructure at the doorstep of industry in the last two years may be provided.

(iv) Key initiatives launched/proposed to be launched for enhancing investor-friendly climate including measures for increasing competition, regulatory reforms in areas such as labour/land and re-engineering of industry-related clearances. Domestic and foreign direct investment figures may be provided.

(v) List of State Public Sector Units, physical and financial performance during the last two years, disinvestment, revival and closure features. How many PSUs are profit-making and how many are loss-making. In case of running units, their consumption norms and energy efficiency in comparison to similar nationally and internationally best plants must
be provided.

(vi) Incidence of local taxes/levies on industrial products and efforts for lowering their incidence to a reasonable level.

(vii) Latest status of ongoing projects under Central and Centrally Sponsored Schemes such as Apparel Parks, TCIDS, IIUS/MAI/ASIDE. Detailed position about achievements made through growth center scheme, integrated infrastructure development scheme, etc., including hurdles in these schemes, may be provided.

(viii) Consumer protection information.

(ix) General write-up on industrial policy in the State and thrust areas visualized.

(x) Projects commissioned/proposed to be commissioned in PPP (Public Private Participation) mode. Policy measures to create conducive atmosphere to invite PPP in the field of industrial and infrastructure development.

(xi) Requirement and availability of quality testing and certification and proposals in this regard.

(xii) Representations from the State Govt. are being received about the adverse impact of the Uttaranchal Package on the U.P. State. The issue of real flight of capital/industrial investments needs to be discussed.

CHEMICAL & MINERALS

The State of Uttar Pradesh is moderately bestowed with the mineral resource. Small deposits of silica sand occur in Lalitpur district. The investigations of precious and noble metals like gold, platinum, palladium and molybdenum have been proposed to be carried out in Lalitpur district and industrial and refractory minerals viz. china clay and sillimanite, cement grade limestone in sonbhadra district. Diamond investigations have also been initiated in Banda district. Reserves/Resources of Minerals of Uttar Pradesh State are given in the following table(as on 1.4.2000):

(in '000 tonnes)

Mineral	Proved	Probable	Possible	Total
In situ Reserves				
Bauxite	10390	500	8017.50	18907.50
China clay	-	47	10017.78	10064.78
Calcite (t)	-	-	11000.00	11000.00
Dolomite	24867	-	66230	91097
Diamond	----------Not estimated----------			
Diaspore (t)	153735.00	239284.00	317325.00	710344.00
Fire clay	-	-	3221	3221
Felspar (t)	-	-	200000.00	200000.00
Granite (000. cu.m.)	-	-	494819	494819
Limestone	354181	34278	185533	573992
Marble	----------Not estimated----------			
Ochre (t)	25000.00	35000.00	10000.00	70000.00
Potash (m.t.)	-	-	189.62	189.62
Pyrophylite (t)	1321102	742221.00	616012.00	2679335
Uartz/Silica sand	32092	12861	51868	96821
Rock Phosphate (t)	541123	3898233	15863960	20303316

Source: Indian Mineral Year Book -2002

As stated by the State, programmes proposed during the Tenth Plan include detailed Geological Investigations, R&D in mineral exploration, Strengthening of Geophysics, Geochemistry, Upgradation of drilling and remote sensing wings, Geo-technical wing and Environmental studies etc.

In the first three years of plan, i.e., 2002-05, the main activities were related to extensive field exploration for the search of strategic and high value minerals e.g., gold, platinum, diamond, nickel, molybdenum, clay and sillimanite and monitoring of a mining activity. According to the Directorate of Geology & Mines (UP) the targets were fully achieved during 2002-03 and 2003-04 and the interim progress of 2004-05 is also satisfactory. For achieving the planned targets, grater thrust is being laid for checking the leakages in mineral revenue by suitably strengthening the enforcement cell and updating of laboratory and drilling equipments, during the remaining plan period.

Proposals for Annual Plan 2005-06

Greater thrust is being laid for checking the leakages in mineral revenue collection by suitably strengthening the enforcement cell. The plan outlays for Tenth Plan and Expenditure for the Annual Plan 2002-03, 2003-04 and 2004-05 and proposed outlay for AP2005-06 are Annexed.

During the year 2005-06 emphasis would be given to enhance mineral exploration and strengthening the mining administration as well technical assistance to the entrepreneurs and environmental studies through following activities:

(a) Search and evaluation of gold, platinum, diamond, nickel, molybdenum, base metals, clay, sillimanite and building stone prospects.

(b) Capability enhancement in the chemical laboratory and drilling wing.
(c) Establishing new Check Posts for checking illegal transport of minerals.

Physical Targets

Mineral Exploration	Target 2005-06(Proposed)
Drilling(m)	2000.00
Pitting(cu m)	1000.00
Mapping(sqkm)	6.00
Traversing (sqkm)	600.00
Mining Administration	
Revenue from minerals(Rs. in crores)	320.00

The targets given above are proposed to be achieved through Non Plan allocations, however, strengthening and modernization is proposed through Plan allocations. In mineral exploration the on going eight field investigations will be continued.

Plan outlays

Total plan outlay as indicated for 2005-06 is Rs.50 lakhs. Scheme wise break up is given as under:

Mineral Exploration

▪ Purchase of equipments for chemical laboratory	Rs.12.00 lakhs
▪ Purchase of drilling accessories, bits and reamer shells	Rs.21.00 lakhs
▪ Purchase of computer and 'Green Huts'	Rs.7.00 lakhs.
Sub-total	Rs.40.00 lakhs

Mining Administration

• Establishing ten check posts in various districts.	Rs. 10.00 lakhs.
Grand total	**Rs. 50.00 lakhs**

Issues for consideration:

A. Major thrust is required for detailed exploration to upgrade the mineral reserves of various categories with a particular reference to precious minerals.
B. A road map should be prepared for sustainable development of the mineral resources along with the adequate trained manpower as part of HRD programmes for taking up future projects.
C. State should furnish the physical performance of Mineral Sector for Annual Plans. 2003-04 and 2004-05 (anticipated).

SCIENCE AND TECHNOLOGY

The Department of Science & Technology & Council of Science and Technology was set up in 1975. The major S&T Programmes are relating to Research Promotion, technology development, upgradation & transfer; Entrepreneurship Development; S&T Communication and Popularisation; Establishment of Planetarium; strengthening of S&T Council at the HQ level and regional level; biotechnology development; and Remote Sensing Application Centre.

A Biotechnology Park has been established at Lucknow with financial support from the Department of Biotechnology, wherein pilot facilities in the areas of Bio-informatics, plant tissue culture, biofertilizers, biopesticides, natural products, aand diagnostic kits are being established. In order to provide forward linkages in the areas of agriculture and rural development, the State Council of S&T is establishing biotech networking facility at Bakshi Ka Talab, Lucknow. The proposed biotech networking facility will be a cluster of technology/process/product specific centers. In the beginning it is proposed to create infrastructure in the areas of biofertilisers, biopesticides, plant tissue culture, medicinal and aromatic planst, biofuel, and bioinformatics.

In order to implement the programmes/projects in the areas of technology development and application, it is proposed to strengthen the required infrastructure in the state with the involvement of user departments, NGOs/Vos, entrepreneurs in the private and public sector, users/farmers etc. In addition, a multi institutional employment generation programme 'Vigyan Rozgar Yojana' is proposed which shall be implemented using infrastructure of Biotechnology Networking facility being established jointly with the UPCST and State Institute of Rural Development (SIRD). The programme involves setting up of training infrastructure at the district level through the support from the development departments.

Two Planetaria, one each at Lucknow and Gorakhpur are being established and one more is being envisaged at Rampur. The Lucknow Planetaria has been opened to public and the Gorakhpur planetaria is expected to be completed during 2005-06. In addition, the Lucknow planetaria would be further strengthened and token provision has also being proposed for the Rampur planetaria. It may be mentioned that Planning Commission has allocated a ACA of Rs. 2.06 crore during 2003-04 for completion of the Gorakhpur planetaria subject to the condition that the State Government would provide Rs. 8 crore during 2003-04 so that the planetaria could be completed.

The Remote Sensing Application Centre has proposed to implement activities relating to National (Natural) Resources Information System, Management of Natural Resources Database Centres in 8 districts of UP, Geo-environmental studies in southern parts of the state (Mahoba District), mapping and monitoring of waterlogged lands in Deoria Distt., Web enabled digital data base and GIS of villages (Cadasteral) maps, preparation of watershed atlas of UP, development of Natural Disaster Management system, and upgradation of image processing and laboratory facilities

The State Government has proposed an Outlay of Rs. 418 lakh for the Annual Plan 2005-06 under Scientific Research (Incl S&T) for undertaking the above activities. Keeping in view the importance of various activities proposed to be taken up, the proposed outlay of Rs. 418 lakh may be agreed to. However, the State. Remote Sensing Application Centre may

identify various projects as per the demands of the users and recover the cost of the services provided to various users so that the Centre could be made self-sustainable.

MULTI LEVEL PROGRAMME

A) State level Special Area Programmes:

Poorvanchal Vikas Nidhi and Bundelkhand Vikas Nidhi

B) Centrally Funded Special Area Programmes:
(i) Border Area Development Programme (BADP)
(ii) Rashtriya Sam Vikas Yojana (RSVY)

A) State Level Special Area Programmes:

Poorvanchal Vikas Nidhi and Bundelkhand Vikas Nidhi

In order to ensure the twin objectives of balanced development and reducing inter-regional disparities and backwardness, the State Government had created Poorvanchal Vikas Nidhi for 29 districts of eastern region of Uttar Pradesh and Bundelkhand Vikas Nidhi for 7 Bundelkhand districts in the year 1990-91. The schemes funded by Nidhis are in addition to the developmental efforts of the State Government. The schemes and projects are identified according to the local felt needs of the area at the district level.

The schemes / projects approved in the Nidhis are generally meant for the development of infrastructure like construction of roads & minor bridges, installation of power sub-stations, drinking water facilities, construction of Govt. educational buildings, etc.

In the year 2004-05, Rs. 150.00 crore and Rs. 50 crore were allocated for *Poorvanchal Vikas Nidhi* and Bundelkhand Vikas Nidhi respectively. For the year 2005-06 also same amounts have been proposed for the two Nidhis.

B) Centrally Funded Special Area Programmes:

Border Area Development Programme (BADP):

An amount of Rs. 8.32 crore was allocated and released to the Government of Uttar Pradesh during 2003-04 under Border Area Development Programme (BADP). The same amount has been allocated during 2004-05 also against which the first instalment of SCA of Rs.5.55 crore has been released.

The State Government have furnished the quarterly progress reports in physical and financial terms till 30th September, 2004. The State Government have an unspent balance of Rs. 6.72 crore against the releases made till 31st March, 2004. Utilization certificates for Rs.16.04 crore are still pending with the State Government.

Rashtriya Sam Vikas Yojana (RSVY) :

Under the Backward Districts Initiative Component of the Rashtriya Sam Vikas Yojana (RSVY) 21 districts, including one district affected by Left Wing Extremism, of Uttar Pradesh have been identified. The first instalment of Rs.7.50 crore per district, amounting to Rs.75.00 crore has been released for 10 districts namely Sitapur, Unnao, Raebareli, Sonbhadra, Hardoi, Barabanki, Fatehpur, Banda, Chitrakoot and Mirzapur. Further funds will be released during 2004-05 on receipt of progress of expenditure under the District Plan.

The District Plans for the remaining 11 districts namely Gorakhpur, Kushinagar, Lalitpur, Jaunpur, Hamirpur, Jalaun, Mahoba, Kaushambi, Azamgarh, Pratapgarh and Chandauli were approved by the Empowered Committee in the meeting held on 23.11.2004. The first instalment of SCA of Rs.7.50 crore (per district) will be released after signing the MOA.

The allocation for 2004-05 and 2005-06 is Rs.315.00 crore (Rs.15.00 crore each for 21 districts).

EDUCATION

Literacy And School Education

Decadal Achievement:

The literacy rate, according to the 2001 census (Provisional) shows an improvement in the literacy rate of Uttar Pradesh from 41.6 percent according to the 1991 census to 57.36 percent. The 2001 census (Provisional) survey indicates the literacy rate for male as 70.23%, Female as 42.98% and total 57.36% respectively. Female literacy rate is still very low in the State.

Elementary Education:

Enrolment in Primary Schools:

Annexure-I shows that Gross Enrolment Ratio (GER) in primary classes in the state has risen from **64.96% in 1999 to 91.25% in 2002-03.**

Dropout rate has reduced from **56.64 %(1999) to 23.55% (2003)** in primary classes. It's interesting to note that the dropout rate for girls (22.75%) is less than the boys (24.19%) in 2002 in the State.

In the state presently 227.12 lakh children are enrolled at primary level. Out of these 104.85 lakh are girls which is 46.25% of the total enrolment.

UP Basic Education Project:

With the implementation of UP Basic Education Project-I, II and III, Primary schooling facilities have been provided at almost all eligible habitation as per the State norm of 300 population and a distance of 1.5 Kms. However, a gap of 3805 primary schools

existed at the beginning of Tenth Five Year Plan. By now, providing new primary schools has filled up this gap. There were 7120 habitations, which had no upper primary schools as per the norm. By now all these identified un-served habitations have been provided with upper primary schools.

DPEP-III: UP DPEP-III was started in April, 2000 and is under implementation in 36 districts of UP for five years. Under DPEP-III funds are provided for opening new primary schools and AI & EGS.

To increase teacher availability, 12599 Shiksha Mitras have been provided and 25040 VECs has been trained in the DPEP districts.

Sarva Shiksha Abhiyan (SSA)

SSA was started in 16 Districts of UP during 2001-02. Now, SSA has been in operation in all the 70 Districts of the State. Activities like construction of school building, teachers training, development of infrastructural requirements, learning material, etc., have been taken up under this scheme. To improve teacher pupil ratio, selection process of 67829 Shiksha Mitras is going on. Besides, 6020 EGS Centers and 3634 AI Centers have been opened for those children who are not enrolled under formal education.

Training of 42000 VECs has been carried out to orient them to their roles and responsibilities. VECs have been empowered for school construction, school maintenance and development, engagement of Shiksha Mitras and Acharayaji.

Education Guarantee Scheme (EGS)

All the 70 districts in the State are covered under the EGS which consists of opening of EGS Schools/Centers in School less habitations within a radius of 1 Km. Having a minimum of 25 children in the age group of 6-14 years. Education Volunteers are selected by the local community. The community undertakes micro-planning house to house survey provide space, lighting, drinking water, payment of honorarium to education volunteers namely Acharyaji.

Under the EGS, per learner cost for primary center including 5% administrative cost for State District Level is Rs.845 (per center Rs.21125) and Rs.1200 (per center Rs.36000) respectively. So far, 9654 EGS and AI Centers have been opened in the State

Border Area Development Programme (BADP)

At present, 4 districts are covered under BADP. During the year 2004-05, four school buildings, 70 boundary walls and 10 toilets would be constructed.

Pradhan Mantri Garmoday Yojana (PMGY)

Under PMGY, a sum of Rs.11,422.64 lakh were received during the year 2000-2002. The total amount was utilized in construction of 8550 primary and upper primary schools and 13 additional class rooms. During the year 2002-03, Rs.370 lakh were received which are being utilized to complete 795 primary and upper primary buildings.

Mid-Day Meal

A sum of Rs.37 crore has been released in August, 2004 as the first installment for providing cooked meal to children in schools. The responsibility of preparing cooked meal has been given to the Gram Panchayats.

ICT in Schools:

About 700 upper primary schools are being taken up for computer education under Sarva Shiksha Abhiyan.

11th Finance Commission

For the year, 2004-05, an outlay of Rs.41593 lakh has been allotted for construction of upper primary school and additional class rooms. An outlay of Rs.75724 lakh has been proposed for the year 2005-06.

Establishment of DIETs

In the State, 56 DIETs have been made functional and 14 DIETs have also been sanctioned by the GOI. Construction of buildings of all the 14 new DIETs is in progress.

SECONDARY EDUCATION

Vision of the Tenth Plan – **Strengthen the base of knowledge i.e. Secondary Education, availability of trained teachers and private imitative from private management.**

Girls Education

To make education to girls, easily accessible, 426 blocks have been selected by the State Government.

Improvement in Science Education

During the Ninth Five Year Plan 45 Science Labs were constructed. In the Tenth Plan it has been proposed to construct 20 Labs including Home Science Labs at High School and Inter-Mediate level.

Strengthening of Sports facilities in Secondary Education

It is proposed that 1500 schools/colleges would be covered under this programme.

Kanya Vidya Dhan Yojana

To encourage the girls education in the State, a new scheme of "Kanya Vidya Dhan Yojana" has been started from 2004-05 in the State Sector. Under the Scheme, a sum of Rs.20 thousand is given to each girl who passes inter-mediate examination from UP Board and belongings to the family living below the poverty line in rural and urban areas. In the Annual Plan 2005-06, a sum of Rs.200 crore has been proposed to benefit 1 lakh girls.

HIGHER EDUCATION

In the country there are total of 18 universities including Agriculture, Central, Open and State Universities besides 6 Deemed Universities have also been established in the State. Apart from 111 Government Degree Colleges and 345 non-government aided colleges, 661 colleges are established in private sector.

Rajarshi Tandon Open University Allahabad

The State Govt. has established Rajarshi Tandon Open University in the year 1998 for providing education in various traditional and vocational subject.

Empowerment of Women and weaker sections

To make the higher education accessible to weaker sections of the society, Government has launched the self-financing scheme for promoting higher education. Under the scheme priority is being given for opening of women degree colleges in such areas. Government also grants scholarships to students of weaker section.

Role of private sector in terms of investment and participation

Since 1999, 50 colleges have so far been established in the remote areas of the State with the help of private sector. This curtailed the financial burden of the State Government in opening of new colleges.

TECHANICAL EDUCATION

Strengthening Technical Education Phase III – Center for Excellence

Under this scheme, 9 selected polytechnics are to be developed as Center of Excellence. This scheme is a part of World Bank Project is waiting for sanction of GOI.

The present project of TEQIP (World Bank assisted) has also been launched in Uttar Pradesh for 10-12 years. Under the first phase of the project, two private sector institutions namely, Harcourt Butler Technological Institute (HBTI), Kanpur and Moti Lal Nehru National Institute of Technology, Allahabad has been selected as lead institution. While the best six selected institutions will work as a network institutions.

Strengthening and construction of Polytechnics

There are 1173 polytechnics in the State. It has been proposed to complete the works of the polytechnics, Ferozabad, Mau, Saharanpur and Sonbhadra during the year.

COMMENTS / OBSERVATIONS

1. The State shows good progress in GER i.e. increased from 64.96% to 91.25% and drop out decreased from 56.64% to 23.55% in three years time (1999-2002)
2. Teacher Pupil Ratio has increased for primary classes i.e from 1:42 (1999) to 1:55 (2002) TPR for middle classes has also increased. For quality of education, the State Govt. should provide adequate teachers in primary and middle classes.

3. Number of beneficiaries under EGS programme hasn't been given in the proposal. This needs to be ascertained.
4. It is not clear whether the training of VECs has been carried out in DPEP districts or in non-DPEP districts (16 districts) also.
5. Facilitate cross district learning and support and development capabilities in utilizing the available village and school based information for programme planning, monitoring and supervision. Should initiate need based actions.
6. Better teaching methodologies need to be adopted in DIETs.
7. Under MDM programme, details – such as number of beneficiaries, type of food being given etc. have not been given in the proposal.
8. Number of illiterate adults in the State needs to be ascertained. What efforts are being made to make them literate.
9. As compared to the large number of higher secondary schools and secondary schools in the State, the proposal to construct 20 Labs in high schools during the Tenth Plan seems to be very small. It is not clear from the proposal, how many schools have full-fledged laboratories and how many are utilizing them properly. The State Government has been availing benefits of the Centrally Sponsored Scheme of "Improvement of Science Education in Schools". But there is no mention of CSS in the proposal. Is there any survey done in the State on "Functioning / management of science labs" in schools.
10. The new scheme of "Kanya Vidhya Dhan Yojana" needs to be discussed in detail.
11. Number of students (course-wise) availing the benefits of Rajarshi Tandon Open University, needs to be ascertained. Is there any study done to assess the strength and weaknesses of this programme. What steps are being taken to improve the programme so that more number of persons can take advantage of this programme.
12. Details of the Scheme of "Self-finance Scheme for women and weaker sections" for promoting higher education have not been given in the proposal. It needs to be discussed in detail.
13. Only 13 colleges and 6 Universities in the state have been accredited by the NAAC upto April, 2004. Why other universities and colleges in the state are not coming forward for accreditation.
14. So far, courses in 19 technical institutions have been accredited by the NBA. Is there any study done to assess the quality of education being provided in the private/ govt. aided/ .state run technical institution. Experience shows that some private technical institutions have good buildings but lack teaching facilities, qualified teachers, etc. On the other hand many institutes do not have adequate space/ proper building, etc.
15. There is need to review the functioning, infrastructure, efficiency, contribution of polytechnics in the State.

FINANCIAL ALLOCATIONS

The State Government has proposed an outlay of Rs.1169.26 crore under the Education Sector for the Annual Plan 2005-06 against the anticipated expenditure of Rs.853.04 crores for the year 2004-05(Annexure). Under Elementary Education, an enhanced outlay (Rs.757.24 crore) has been proposed for the year 2005-06 against the anticipated expenditure of Rs.423.02 crore for the year 2004-05. Since there is no cut under Elementary Education which is a priority area, the Education Division therefore, supports the proposals relating to Education Sector of Madhya Pradesh for the Annual Plan 2005-06.

SELECTED EDUCATIONAL STATISTICS–UTTAR PRADESH

Population & Literacy Profile

1) Population

		India	Uttar Pradesh
Population in million (2001) census	Persons	1027.01	166.05
	Male	531.28	87.47
	Female	495.73	78.58
Sex ratio (2001)		933	898

2. Literacy Rate in Uttar Pradesh

	2001 Census		
	Male	Female	Total
India	75.85	54.28	65.38
UP	70.23	42.98	57.36

3 Drop-out Rates – General (1999-2000) & (2002-03)

		Uttar Pradesh		India	
Classes I-V		**1999-00**	**2002-03**	**1999-00**	**2002-03**
a)	Boys	53.11	24.19	38.67	35.85
b)	Girls	62.16	22.75	42.28	33.72
c)	Total	56.64	23.55	40.25	34.89
Classes I-VIII					
a)	Boys	50.37	47.53	51.96	52.28
b)	Girls	57.94	42.46	58.00	53.45
c)	Total	53.01	45.57	54.53	52.79

4. Gross Enrolment Ratio.(1999-2000) & (2002-03)

	Uttar Pradesh		All India	
	Enrolment (in lakhs)	Gross Enrolment Ratio	Enrolment (in lakhs)	Gross Enrolment Ratio
Primary				
Boys 99-00	89.14	78.43	641.03	104.08
2002-03	122.27	93.02	649.46	97.32
Girls 99-00	51.93	50.18	495.09	85.18
2002-03	104.85	89.26	571.90	92.87
Total 99-00	141.07	64.96	1136.12	94.90
2002-03	227.12	91.25	1221.36	95.18
Middle				
Boys 99-00	33.73	48.69	250.82	67.15
2002-03	38.51	51.57	263.36	65.51
Girls 99-00	15.40	25.80	169.83	49.66
2002-03	27.03	41.43	206.10	56.31
Total 99-00	49.13	38.09	420.65	58.79
2002-03	65.53	46.84	469.46	61.13

5. Number of Institutions:

	India		Uttar Pradesh	
	1999	2002	1999	2002
i. Primary/Junior Basic Schools	641695	712507	916964	113589
ii. Middle/Senior Basic Schools	198004	245710	21678	28936
iii. High/Post Basic Schools	82273	91517	3230	4441
iv Higher Secondary Schools (10+2) New Pattern	34547	46137	5319	7036
v. Teachers Training Schools	804	1202	64	56
v. Arts, Science & Com. Colleges	7782	9166	763	733
vi. Engineering, Technology & Arch. Colleges	635	978	34	69
vii. Polytechnics	1082	1173	95	95

6. Teacher-Pupil Ratio(1999-2000) & (2002-03)

	India		Uttar Pradesh	
	1999-00	2002-03	1999-00	2002-03
1. Primary	43	42	42	55
2. Middle	38	34	30	35
3. High Schools	30	30	40	40
4. Higher Sec.	34	35	41	50

7.Percentage of Trained Teachers(2002-03)

	Uttar Pradesh
Primary	98
Middle	95
High Schools	97
Higher Sec.	97

ENVIRONMENT AND FORESTS

Forestry and Wildlife

The State of Uttar Pradesh after its reorganization has become a forest deficient state with only 5.71% of its geographical area under forest cover which is gradually depleting, is alarming for a state with the highest population in the country. Nearly 3.1% of green cover, outside forest shows the potential for agro and farm forestry. Encouragement for free farming in trade and social forestry can boost the rural economy.

Agro-forestry and social forestry have greater role to play. Therefore, all constraints to development of agro-forestry and social-forestry such as restrictions on felling of trees on private holdings under Uttar Pradesh Tree Protection Act, transportation and processing restrictions are rationalized. State Government should promote the incentive package like supply of quality seedlings, credit facilities, market infrastructure etc. Bamboo species and medicinal plants should be promoted under agro-forestry.

For facilitating better market for the agro-forestry produced, organizing farmers co-operatives or support prices through Forest Development Corporation may be provided.

The allocation proposed for Forestry and Wildlife Sector for Annual Plan 2005-06 is Rs.80.16 crore (0.73% of the total plan). The approved outlay for Annual Plan 2004-05 is Rs.70.76 crore and it is anticipated that Rs.36.23 crore would be spent which is only 51% of the outlay.

Ecology and Environment

1. The Ecology and Environment plans of Uttar Pradesh broadly cover two schemes namely "Environmental Education/ Training/ Extension" and "Conservation Programmes"

2. The Tenth Five Year Plan of Uttar Pradesh under Ecology and Environment puts focus on Land use management, industrial pollution control, institutional waste management, hazardous waste management, training, environmental mapping and monitoring, bio-medical waste management and data base management

3. The allocation proposed for Ecology and Environment Sector for the Annual Plan 2005-06 is Rs. 41.50 crore which is 0.38% of the total State Plan outlay. The approved outlay for Annual Plan 2004-05 is Rs.41.78 crore and the anticipated expenditure is Rs.41.77 crore.

NRCD

1. The centrally sponsored scheme of Ganga Action Plan (now termed as National River Conservation Plan) has been considered under Water Supply and Sanitation chapter. Under this project, river pollution control works are being taken up in 22 towns situated on the banks of three major rivers viz. Ganga, Yamuna and Gomti. Rs. 34.42 crore have been proposed for the Annual Plan 2005-06 for construction of different river pollution control work of on-going schemes in Lucknow, Varanasi, Allahabad, Vindhanchal and Anupshahar.

Issues to be discussed

1. NRCP is presently working on cost sharing of 70:30 by the Central and State Governments. To utilize the Central share, the State has to provide adequate resources for river cleaning programme.

2. A number of DPRs are yet to be proposed on schemes to be implemented.

3. The infrastructure created by this Programme namely Sewage treatment Plant Division, interception, Public utilities etc need to be maintained and adequate fund for O&M should be provided for.

Progress of Outlay and Expenditure – Education - Uttar Pradesh.

(Rs.Crore)

Sub-head	10th Plan Proposed outlay	Annual Plan. 2002-03 Expen.	Annual Plan. 2003-04 Expen.	Annual Plan 2004-05 Anti.Expn.	Annual Plan 2005-06 Proposed Outlay
Elementary Education	2799.65	213.89	198.61	423.02	757.24 (50.58 Distt.Plan)
SCERT	4.00	0.24	0.11	0.33	0.40
Secondary Education	198.07	33.42	49.44	264.85	281.84
Higher & Univ. Education	168.18	12.12	21.66	42.54	26.39
Adult Education	50.00	0.73	0.56	1.30	3.00
Others	1.60	0.16	0.20	0.31	0.30
GENERAL EDUCATON	3217.50	260.57	270.58	732.35	1069.17
TECHNICAL EDUCATION	988.97	11.15	8.75	68.41	75.00
Art & Culture	43.34	47.11	4.11	36.15	4.59
Sports &Youth Affairs	53.00	4.48	12.67	20.63	20.50
GRAND TOTAL	4297.81	323.31	451.42	853.04	1169.26

HEALTH

Uttar Pradesh is the most populas state of the country with the population 1661 lakhs (2001 census). The crude birth rate, crude death rate and the infant mortality rate of the state is much above the all-India average as indicated below.

Uttar Pradesh	31.6	9.7	80	898	916	25.8	after 2100

The table below indicates the Primary Health Care infrastructure present in the state:-

Primary Health Care Infrastructure

	Subcentre	PHC	CHC	Subdist Hospitals	Dispensaries (Rural Public)
Required	20573	3458	865	-	-
Existent (RHB)	18576	3551	280	499	1266
Existing*	18577	3640	340	-	-

* Data from the States Plan Division

There are adequate number of PHCs in the state. However, the number of sub-centres and the CHCs is less then the required norms. Hence, the State's proposal for establishing additional sub-centres and community health centres may be supported.

The State should ensure that the required number of ANMs in the sub centres are posted as they are mobile and are able to assist in the implementation of Family Welfare Programmes. As per the data available from the States Plan Division, the state has 4959 sub district hospitals and dispensaries. All the district and sub-district hospitals should be strengthened on priority, especially in areas where there are no CHCs, so that they can provide care to patients who require care for complicated cases. There are gaps in CHCs. Reorganising, strengthening and redesignating the sub-district hospitals as FRUs/CHCs may help in filling the apparent gaps in CHCs. Each village should be provided with updated information on the nearest hospital where the facilities for treatment of emergencies are available.

The state's proposal for the Externally aided project may also be supported.

Disease Control Programmes :

Performance of the state in all the centrally sponsored disease control programmes has been sub-optimal, and should be improved by increasing access to and improving quality of health care services. Also the state should provide information on the physical and financial performance of disease control programme like TB, Malaria, Filaria, Leprosy, Eye Diseases, AIDS and Iodine Deficiency Disorders.(I.D.D).

Family Welfare Programme

Uttar Pradesh has a very high birth rate. The state had reported a high decadal growth in the nineties. The Expert Group on Population Projections has projected that the state will achieve NRR of one after 2100. There is a very large unmet need for both spacing methods and for permanent methods of contraception. The current contraceptive prevalence rate is only 28.1%, and the current unmet need for family planning is as high as 25.1%.

According to the evaluation surveys conducted by NFHS, the proportion of children who did not receive any vaccinations declined substantially between NFHS-1 and NFHS-2 (from 43% to 30%), and the coverage of all vaccinations has also improved considerably, except for the third dose of DPT. A large proportion of children drop out of the programme after receiving some initial vaccinations before receiving all the recommended doses/vaccines. It is imperative to improve routine immunization and coverage under pulse polio immunization if the goal of polio and neonatal tetanus elimination by the end of Tenth Plan are to be achieved

Tertiary Care & Medical Education

Uttar Pradesh has 13 medical colleges (4 of which are private) and 16 dental colleges (of which only two are managed by the government) under the modern system of medicine. It

also has 11 Ayurvedic teaching institutions (9 of these are government colleges), 10 Unani Medical colleges (of which the state government manages three) and 10 Homoeopathic medical colleges. The state runs 14 institutions that provide Diploma in pharmacy. Reports indicate that most of these hospitals are ill-equipped and, therefore, not fully functional. The state should strengthen these and make them fully functional, so that professionals and para-professionals graduating from them are able to deliver good quality service to the population. The state's proposal for the medical education, tertiary health care and medical education are supported.

Nutrition

Uttar Pradesh has per capita income almost half of the national level and thus poverty ratio is high. Reported average dietary intake in the state is no more than 2100 Kcal. Because of low dietary intake, high morbidity and closely spaced pregnancies, under nutrition rate in women is same as national level (35.8%); and overweight/ obesity rates are lower.

Higher percentage of children, of age less than four months are exclusively breast-fed (56.9%) but percentage of infants receiving complementary semi solid foods at the age of six months (17.3%) are nearly half of the national level.

The state may provide information on the PMGY beneficiaries. A nutritional programme for adolescent girls is being implemented in the two districts of the state from 2002-03 onwards. An amount of Rs 4.47 crore has already been released to the state and the state is requested to provide the physical and financial performance under this programme.

EXTERNALLY AIDED PROJECTS

An outlay of Rs. 1403.89 crore and ACA of Rs. 1210.01 crore has been recommended for Annual Plan 2005-06 by the Working Group chaired by Principal Adviser (SP-C) as per details given below:

Additional Central Assistance in the Annual Plan 2005-06 (Rs. in crore)

Sl. No.	Name of the Projects	Recommended Outlay	ACA recommended
1	U.P. Water Sector Restructuring Project	351.18	302.01
2	U.P. State Road Project-II	600.00	480.00
3	U.P. Sodic Land Reclamation Project-II	174.00	174.00
4	U.P. Agriculture Diversification Project, Ph-II	50.00	40.00
5	U.P. Health Systems Development Project	115.00	100.00
6	U.P. DEMIST Project	23.71	14.00
7	T.A. For Economic Reform Project	50.00	50.00
8	Livelihood Support Project	50.00	50.00
	GRAND TOTAL	**1403.89**	**1210.01**

RECOMMENDATIONS OF SOCIO ECONOMIC RESEARCH STUDY FUNDED BY PLANNING COMMISSION

Horticulture Produce due to Non-availability of Post Harvest & Food Processing Facilities in Bihar & Uttar Pradesh conducted by ASET, New Delhi

Presently most of the cold storage are setup fitted to preserve only potato from decaying. These cold storage can't give an effective protection to other horticulture produce. Therefore, government should give financial incentives to establish multi- chamber/ multi-product cold storage and for the existing cold storage adequate finance should be made available at concessional rate of interest so that they can be upgraded converted for multi product storage.

Since the horticulture producers are heavily dependant on the domestic market, many times overproduction lead to low price and that ultimately results in a loss to the farmers.

Government may consider to give financial assistance to purchase refrigerated vehicles or procure it on a concessional rate. This will ensure quality of the exportable produce. The State Government should prepare an action plan for this purpose and estimate requirements of funds.

To increase value additions, small sized processing units should be installed and promoted. This will save post harvest losses on one hand and increase profitability of farmers, on the other hand. Processing of fruits and canning of vegetables can multiply their value 50 to 500 times and open up the prospect of huge international market. At present only a fraction of total fruits and vegetables produced in the country are being processed.

In Uttar Pradrsh, to install a unit that can process 36 ton potato per year, it may require investment of 1.5 - 2 lacs rupees . For 1500000 ton potato, that is almost one third of total surplus potato of Uttar Pradesh ,an investment worth 700 crore rupees is required. Equally to process one lac ton raw mango and two lac ton ripen mango, an investment to the tune of 185 crore would be required. Thus total required investment would be the order of 885 crore rupees from this investment , approximately 200000 people could get employment round the from year. This will give boost to the other sectors of the region as well.

Since infrastructure is in a very bad shape in both states and it can't be improved in a short span of time, on the line of export processing zone, horticulture processing zones should be established. One horticulture processing zone may be established in Western

Uttar Pradesh possibly near Agra and another one should be established in Eastern Uttar Pradesh probably near Varanasi.

Since power availability of a very bad shape, therefore, until power situation improves, at least 40 per cent of the net price of the power generating set, should be subsidised.

PILOT STUDY ON WATER USE EFFICIENCY FOR UPPER GANGA CANAL (U.G.C.) UTTAR PRADESH

The study was conducted by Water and Power Consultancy Services (India) Limited. The recommendations of the study are as under:

Studies to evaluate efficiency of conveyance and distribution network and productivity per unit volume of water have been conducted from time to time ever since the commissioning of U.G.C. system. Determination of losses, assessing capacity of channels, silt load, rationalisation of water allowance & its modification from time to time and the practice of issue of guidelines and standing instructions have been in vogue. Calibration of gauges at various control points on meterflumes, falls, even face wall of outlets was being done and efficiency diagrams used to be maintained in divisions for each outlet & channel. Even though the technical know-how, tools & aids have been modernised, crop-scheduling & pattern diversified, the culture of regime in upkeep of hydraulic section, sanctity of precise drawal of outlets & offtakes and monitoring & consequent remedial measures have been given the go-by. The function of releases have been delegated to mere signallers & gauge readers. Discharge tables once framed continue for years. Non-maintenance of regime, avoidable vegetal growth, unauthorised drawal, wastage & leakages responsible for reducing water use efficiency are realized but only lamented with a shrugg off as system-failure due to reasons which are controllable but not controlled. In view of above the following recommendations are made to improve upon affairs & thus achieve better water use efficiency.

1. Even though lean supplies during winter months of Feb/March compel running of channels by rotation on UGC; correct appraisal and mid-course correction in releases based on i) crop water requirement specially at its critical stage of growth and ii) conjunctive use of surface & ground water, as per ground scenario, will result in better water management of surface water without compromising with quality & quantity of crop-produce. It has been observed that supplies continue to flow down when demand slackens due to shower (rain) in area or when other areas look up to any other alternative of ground water resources. Only the tail areas suffer essentially & generally. This can be re-organised.
2. The UGC command has extensive soil and watertable variation. It also have variable, fluctuating & vastly different ground water potential. The soil moisture available at the end of monsoon & during sowing of Rabi should be accounted for while working out water shares & releases in various parts of the irrigaiton command.
3. The head reach areas in large tracts have adequate availability of surface canal water as also fresh ground water in plenty. Besides over-use and raising of water intensive crops, there is wastage as well as would the figures of delta suggest. There is strong case for carrying surface water to areas of scarcity or where ground water table is either deep or saline to draw a balance. The incentive for ground water use can be introduced by rationalizing energy charges to match with flow water rates & simultaneously upgrading existing water rates which are low. Any discrimination in this can be avoided without financial burden.
4. Augmentation Tubewells do not run all the time during peak demand & sometimes run when not needed. Power shortage problem need to be tackled to make full use of heavy investment & recurring O&M of such tubewells. The discharge of tubewells gradually dwindles & falls; upkeep by re-development etc. is necessary.
5. In the programme of lining of canal; piece meal taking up of lining of canal at random should be avoided. System-wise lining of canal irrespective of jurisdiction of division, circle or district should be the sole criteria so that additional working head derived

due to reduction in slope of lined canal is available right from branch to minor and lift areas or areas served by Jhallari are converted into flow areas as far as possible and command area enlarged.

6. Rather than planning to utilise water saved due to lining on the same system by increasing water allowance, this saving should be carried to areas of scarcity, if there are any possible areas to be so covered; exception can be demand for rural or urban drinking water supply needs on the existing system. This step shall also directly evaluate reduction in seepage losses after modernisation.

7. An integrated system of practices need to be evolved over a sub-branch unit / branch-unit to optimise use of ground water, surface water and micro irrigation practices like sprinkler, drip etc. by appropriating differential water charge & area specific water application practices.

8. Territory channels be handed over to water-users society for effective cooperative maintenance since it would i) reduce O&M cost; ii) facilitate collective decision of cropping pattern & iii) impart flexibility of concessional water at head for bulk supply with freedom to have differential rates as per crop sown.

9. The practice of forming outlet committies is counter productive on UGC as expenditure & assistance on watercourses runs counter to canal act where farmer is obliged to maintain it at his own cost. These can be discontinued.

10. Drainage & Irrigation go hand in hand and areas of drainage congestion need to be tackled by sub-surface and surface drainage to avoid water logging & deterioration productivity levels. Drainage cess can be imposed where problem is created by unhealthy practices.

11. Irrigation Officers be empowered to enforce canal act to penalise farmers with deterrent fines for unauthorised acts of irrigation and wastage by them.

12. Farmers should be motivated for installation of sprinklers and / or drip irrigation system not only in sandy & areas of water scarcity but also in areas of plenty to avoid water logging.

13. Volumetric charges be introduced on experimental basis on a sub-branch system to bring home value of water. Water rates are one of the lowest in our country & there is no incentive for economical use or disincentive for over-use. Rationalisation is necessary.

14. Zoning be done on the UGC command for areas under : -

i) Predominantly lift irrigation by micro-irrigation practices, water harvesting structures, tanks etc.

ii) Only surface irrigation through canals

iii) Surface irrigation with conjunctive use of surface water & ground water.

iv) Predominantly ground water irrigation through tubewells / wells.

v) Irrigation through drains & needing recharge should be identified. The cropping zones be superimposed on these zones as per soil & SSWL characteristics.

15. The tail areas being chronic sufferers, the deptt. should ensure as its responsibility to feed tail areas whether through surface water or augmentation through alternative or additional source.

16. Efficiency diagram of each outlet be maintained.

17. Tatiling of outlets be done to discourage unauthorized acts.

18. Regular hydraulic survey of channels should be done to keep channels nearest to its design hydraulic parameters.

19. Discharge tables of all canals upto disty. level be revised at beginning of each crop.

20. Automatic gauge recorders be installed on main canals.

21. Gates & Gearing for regulations be done within a phased programme to be completed in 3 years. Automation in control be expedited.

22. Communication system despite facilities is slack & tardy; it should match computer based automation.

23. Attitudinal change in personnel-matrix is needed from official-dom to a sellers-perception.

24. Participatory involvement in decision making on cropping pattern, releases, rotational programme, conjunctive use, is essential for transparency in system management.

25. Recovery of water charges & realistic water rates are essential to bridge the gap between escalating O&M cost & existing water rates. Penalty like fines on delayed payment as done on electricity bills & WS Bills be introduced in irrigation water bills or Khatauni's also.

Annexure I

PLAN PERFORMANCE

(Rs. in lakh)

Sl. No.	Sector	Tenth Plan 2002-07	Annual Plan 2002-03		Annual Plan 2003-04		Annual Plan 2004-05		Annual Plan 2005-06
		Agreed Outlay	Approved Outlay	Actual Expenditure	Approved Outlay	Actual Expenditure	Approved Outlay	Anticipated Expenditure	Proposed Outlay
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ECONOMIC SERVICES		**4234138.00**	**520788.85**	**496848.10**	**574200.29**	**464117.66**	**647494.26**	**560873.45**	**720583.75**
1	Agriculture & Allied Activities	514240.00	80452.00	82492.79	72445.92	72343.37	74058.67	54295.98	67598.00
2	Rural Development	712791.00	114323.00	99274.15	78292.19	75422.67	112947.26	100633.68	108172.00
3	Special Area Programmes	100000.00	20000.00	26327.70	35859.00	33903.47	91862.00	93986.28	91862.00
4	Irrigation & Flood Control	760735.00	96360.00	80071.15	110295.00	77610.05	106769.54	107309.84	153535.95
5	Power & Energy	961199.00	99756.00	92967.76	97942.00	104229.92	84670.14	83487.74	68632.50
6	Industry & Minerals	126246.00	5698.06	4374.43	7153.00	5125.15	6326.92	5965.48	6327.00
7	Transport	674025.00	93382.00	105836.18	124652.00	93012.09	133193.24	107771.22	143296.00
8	Communication	--		--	--	--	--	--	--
9	Science, Technology & Environment	241475.00	7002.18	1910.19	6693.00	512.60	4596.60	4527.00	4568.00
10	Gen. Economic Services	229725.00	21421.00	3593.75	40895.00	1958.34	33069.89	2896.23	76592.30
11	Social Services	1609119.00	195956.15	154955.54	192249.00	142921.66	315331.74	294704.47	375508.30
12	General Services	41245.00	6755.00	7870.63	6324.00	6113.41	3325.00	3444.56	3907.95
	Grand Total	**5970800.00**	**725000.00**	**659674.27**	**772800.00**	**613152.73**	**966151.00**	**859022.48**	**1100000.00**

Source : Draft Annual Plan 2005-06, Government of Uttar Pradesh

Annexure II

Area, Production & Yield of Major Crops in Uttar Pradesh

(Area-Million Ha., Prod.- Million Tonnes, Yield- Kg./Ha.)

	2001-02			2002-03			% coverage under Irrigation (2000-01)
	Area	Production	Yield	Area	Production	Yield	
Foodgrains	20.4	44.14	2164	17.9	36.3	2028	66.1
	(16.62)	(20.74)	(1734)	(16.05)	(20.84)	(1562)	(43.4)
Rice	6.07	12.85	2118	4.42	8.11	1836	65.7
	(13.52)	(13.77)	(2079)	(10.97)	(11.16)	(1804)	(53.6)
Wheat	9.26	25.50	2755	9.09	23.61	2596	92.2
	(35.16)	(35.04)	(2762)	(36.56)	(36.27)	(2618)	(88.1)
Coarse Cereals	2.39	3.41	1426	1.98	2.52	1277	18.0
	(8.10)	(10.22)	(1131)	(7.53)	(9.96)	(962)	(12.5)
Jowar	0.32	0.31	958	0.24	0.21	881	0.7
	(3.27)	(4.10)	(771)	(2.61)	(2.97)	(769)	(7.9)
Bajra	0.85	0.97	1137	0.7	0.9	1277	5.4
	(8.92)	(11.71)	(869)	(9.21)	(19.44)	(610)	(8.0)
Maize	0.93	1.52	1628	0.76	0.84	1101	28.5
	(14.13)	(11.55)	(2000)	(12.08)	(8.16)	(1642)	(22.4)
Total Pulses	2.68	2.38	886	2.41	2.06	853	22.9
	(12.18)	(17.80)	(607)	(12.02)	(18.49)	(556)	(12.5)
Gram	0.84	0.82	971	0.87	0.78	893	14.8
	(13.08)	(14.99)	(853)	(15.34)	(18.89)	(728)	(30.9)
Tur (Arhar)	0.39	0.46	1157	0.33	0.3	910	12.8
	(11.71)	(20.35)	(679)	(9.76)	(13.57)	(653)	(4.2)
Lentil (Masur)	0.63	0.5	800	0.56	0.46	825	N.A.
	(42.86)	(51.55)	(664)	(42.42)	(52.27)	(663)	N.A.
Nine Oilseeds	1.23	1.03	841	1.15	0.87	760	49.4
	(5.43)	(4.99)	(913)	(5.42)	(5.78)	(710)	(23.0)
Groundnut	0.11	0.09	839	0.07	0.05	662	0.9

	(1.76)	(1.28)	(1127)	(1.18)	(1.15)	(733)	(17.6)
Rapseed & Mustard	0.85	0.85	998	0.85	0.76	895	70.6
	(16.77)	(16.73)	(1002)	(18.81)	(19.39)	(866)	(66.1)
Sunflower	0.01	0.01	1927	0.01	0.01	1667	97.7
	(0.85)	(1.62)	(577)	(0.67)	(1.10)	(557)	(27.6)
Sugarcane	2.04	117.98	57976	1.85	116.32	59292	89.5
	(46.26)	(39.70)	(67370)	(42.43)	(41.31)	(64562)	(92.1)

Note: Figures in brackets in respect of Area and Production relate to share of Uttar Pradesh at All India level.
Figures in brackets in respect of Yield and % coverage under irrigation are All India figures.

Annexure-III

Uttar Pradesh

(Rs. lakh)

Agriculture & Allied Activities	10th Plan Outlay	2002-03 Outlay	2002-03 Exp.	Exp. as % of Outlay	2003-04 Outlay	2003-04 Exp.	Exp. as % of Outlay	2004-05 Outlay	2005-06 Proposed Outlay
1. Crop Husbandry (incl. Horticulture)	157198	34037	34028	**99.97**	29811	27352.13	**91.75**	14533	18534
2. Soil & Water Conservation	110866	21065	19083	**90.59**	17784	16683.96	**93.81**	32243	20710
3. Animal Husbandry	17500	1666	1125	**67.53**	4133	2236.12	**54.10**	3744	4400
4. Dairy Development	8000	1175	2435	**207.23**	1862	636.83	**34.20**	1769	1200
5. Fisheries	5000	815	531	**65.15**	750	451.09	**60.15**	897	897
6. Forestry & Wildlife	120800	11094	5601	**50.49**	7182	4851.87	**67.56**	7076	8061
9. Agricultural Research & Education	33376	1500	1968	**131.20**	1500	1702.59	**113.51**	1500	1500
10. Agricultural Financial Institutions	20000	1500	1400	**93.33**	1800	2700.00	**150.00**	1800	1800
11. Cooperation	6500	600	51	**8.50**	624	141.36	**22.65**	496	496
12. Other Agricultural Programmes :									
Mandi Parishad	35000	7000	15841	**226.30**	7000	15587.42	**222.68**	10000	10000
Total	**514240**	**80452**	**82063**	**102.00**	**72446**	**72343.37**	**99.86**	**74058**	**67598**

MOST IMMEDIATE
OUT TODAY

No. M-13048/27/UTT/2004-SP(Central)
PLANNING COMMISSION
(State Plans Division)

Yojana Bhavan, Sansad Marg
New Delhi, 110001
Dated 5th January, 2005

Subject: Background Note for discussions of Annual Plan 2005-06 of Uttaranchal

A Background Note for the meeting to be held between Deputy Chairman, Planning Commission and Chief Minister of Uttaranchal at 2:00 p.m. on 7.1.2005 for finalization of Annual Plan 2005-06 is hereby circulated.

(Harish Chandra)
Director (SP-C)
Room No. 360
Tel No. 23096722

Encl: As above

Planning Commission

Principal Advisers
Advisers
JS(SP)
Heads of Divisions

PMO

Director (Uttaranchal)

Ministry of Finance
Joint Secretary (PF-I)
Department of Expenditure, North Block, New Delhi

National Commission on Population
Member Secretary

Copy to Private Secretary to:
Deputy Chairman/Minister of State/Members/Secretary,

Copy also to :
Director(SP-Coordination)/Director(PC Division)/DA(MLP & Hill Areas) and NEC Unit/ Protocol Unit/Information Officer

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UTTARANCHAL

A.	Notified as 27th State of India	November 2000
	1. Area	53483 sq. kms
	2. Population	84.89 lakhs
	3. Districts	13 districts
	4. Development Blocks	95 blocks
	5. Villages (2001)	16826 villages

B. COMPARATIVE FIGURES – UTTARANCHAL VS. ALL INDIA

Sl.No.	Particulars	Uttaranchal	All India
1	Per capita Income (2001-02) at current prices	Rs. 13039	Rs. 17947
2	Population in lakh (2001)	84.9	10286
3	Sex Ratio (number of females per thousand males) (2001)	962	933
4	Percentage of Urban Population (2001)	25.59%	27.78%
5	Annual decadal growth rate of population (1991-2001)	19.20%	21.34%
6	Density of population per Sq.Km (2001).	159	324
7	Birth rate per thousand (2002)	17	25
8	Death rate per thousand (2002)	6.4	8.1
9	Infant mortality rate per thousand (2002)	41	63
10	Population below poverty line in % (1999-2000)		
	a) Rural	37.44*	27.09
	b) Urban	25.51*	23.62
11	Literacy rate in percent (2001)	71.60%	64.80%
	a) Male	83.30%	75.30%
	b) Female	59.60%	53 70%

* Excluding the Haridwar District

BACKGROUND NOTE FOR THE MEETING BETWEEN DEPUTY CHAIRMAN, PLANNING COMMISSION AND THE CHIEF MINISTER OF UTTARANCHAL FOR FINALISATION OF THE ANNUAL PLAN 2005-06 OF UTTARANCHAL

1. STATE PROFILE

Notified on 9 November 2000 as the 27th state of India, Uttaranchal has been carved out from the state of Uttar Pradesh by hiving off the hill region. Comprising of 13 districts, Uttaranchal covers an area of 53483 sq. kms in the central zone of the Himalayas. It is surrounded by Himachal Pradesh in the west, Uttar Pradesh in the south, Nepal in the east and Tibet (China) in the north. Uttaranchal has 13 districts, 49 tehsils and 95 development blocks. These development blocks have 671 Nyaya Panchayats. According to the 2001 census, Uttaranchal has 16826 villages including uninhabited villages.

Uttaranchal can be divided into three topographical regions. (i) The plains area districts of Haridwar, Udhamsingh Nagar, Dehradun and the Bhabar and terai area of Garhwal and Nainital; (ii) the middle Himalayan region and (iii) the higher Himalayas. While the plain region is endowed with rich and fertile soil, the hill region is characterized by undulating topography, rugged and mountainous terrain, varied climate and soil texture, characterised by limited cultivable land, preponderance of scattered and marginal holdings, difficult agricultural conditions with terrace farming, relatively higher unit cost of infrastructure development, and low returns on investment, etc.

The 2001 Census pegs the population of Uttaranchal at 84,89,349 persons, with a 19.20% increase in population during 1991-2001. The topography promotes sparsely populated and widely scattered habitats in hilly areas. Quite a sizable number of villages with scanty population are located in far-flung remote areas and are accessible after long trekking. Hill districts also have low population density, example Uttarkashi (37 per sq km), Chamoli (48 per sq. km) and Pithoragarh (65 per sq. km). Haridwar district has reported a population density of 612 per sq. km, which is the highest in the State.

2. NINTH FIVE YEAR PLAN PERFORMANCE

The first Annual Plan for Uttaranchal, in 2001-02 was approved for Rs. 1050 crore. For the immediately preceding year i.e. 2000-01, the needs and programmes for Uttaranchal were included in the Annual Plan for Uttar Pradesh.

The pattern of assistance in the Annual Plan 2001-02, was:

State's Own Resources	Rs. - 337.18 crore
Central Assistance	Rs. 1387.18 crore
Approved Plan outlay	**Rs. 1050.00 crore**

The expenditure during 2001-02 was 101 % of approved outlay, at Rs. 1,060.39 crore (including central share of CSS).

3. TENTH PLAN

Tenth Plan (2002-07)
Approved Outlay at 2001-02 prices Rs.7630.00 crore

Annual Plan 2002-03

Approved Outlay	Rs. 1534.13 crore
State's own resources	Rs. 63.64 crore
Central Assistance	Rs. 1470.49 crore

Annual Plan 2003-04

Approved Outlay	Rs. 1607.75 crore
State's own resources	Rs. –54.49 crore
Central Assistance	Rs. 1662.24 crore

Annual Plan 2004-05

Approved Outlay	Rs. 1810.40 crore
State's own resources	Rs – 277.67 crore
Central Assistance	Rs. 2088.07 crore

Realization of the aggregate of plan resources during first two years of plan was 38.34% against the average of 29.35% for special category states.

Annual Plan 2005-06

The State Government proposed the Annual Plan 2005-06 of Rs. 2201.87 crore. The sector-wise approved outlay for Tenth Plan and approved outlay and expenditure for first three years of the Tenth Plan and proposed outlay for Annual Plan 2005-06 are given in the Annexure-I.

4. PERFORMANCE OF ECONOMY OF THE STATE

The Gross State Domestic Product for the State of Uttaranchal published by Central Statistical organization at 1993-94 prices and growth rate is given below. It can be seen that GSDP data for Tenth Plan period is not available. It was also not included in the Annual Plan 2005-06 document.

Srl No.	GSDP at 1993-94 prices (Crore Rs.)	Growth over previous year (%)
1993-94	5694	
1994-95	6186	8.64
1995-96	6426	3.88
1996-97	6528	1.59
1997-98	6802	4.20
1998-99	6708	-1.38
1999-2000	6951	3.62
2000-01	7339	5.58
2001-02	7501	2.21
2002-03	NA	NA

Source: Website of Ministry of Statistics &PI(CSO)

5. STABLIZATION OF VARUNABRAT MOUNTAIN IN UTTARKASHI

On 24 September 2003, a slide of Varunavat mountain in Uttar kashi town destroyed a number of hotels, houses and shops including government buildings. Hon'ble Prime Minister during his visit on 28 January 2004 to Dehradun announced that Rs. 250 crore would be provided to undertake stabilization etc of the Varunavrat Parvat at Uttarkashi. It was decided with PM's approval that amount to be provided to the Government of Uttaranchal over a period of three or four years and would be additionality to the plan allocations to the State. A Task force headed by Central Relief Commissioner was set up to identify the works to be executed and Ministry of Home Affairs was declared the nodal agency to approve the works. Accordingly, Task Force approved the works of Rs. 282.04 crore spread over five years. As the no work could be undertaken during 2003-04, the first year would be 2004-05. In the meeting of the Task Force held on 15 October 2004, it was that the Ministry of Finance would release the funds as an additionality to plan allocations of the State. In the sanction itself, it would be mentioned that this is to be reflected in the Annual Plan of the State as and when finalized as a footnote and also under the head" other Central Assistance as ACA. Taking into account, the changes suggested, the requirement of funds for the first year i.e. 2004-05 would be Rs. 93.09 crore, of which Rs. 25.00 crore had earlier been released by the Department of Expenditure. Therefore, additional releases will only be to the extent of Rs. 68.09 crore.

6. POVERTY

The poverty estimates compiled by Planning Commission for 1999-2000 for Uttaranchal (excluding Haridwar district State show that 37.44% of population in rural areas and 25.51% in urban areas are living below the poverty line. The BPL Census found that 36.44% of rural families are below poverty line. It need to be mentioned that large number of families are dependent on money orders to be sent by their breadwinners serving elsewhere including in the army. Planning Commission recommended growth rate of 6.77% with 3.50% for primary 7.00 % secondary and 8.70% for tertiary sectors.

7. INDUSTRIAL PACKAGE

As per announcement made by Hon'ble Prime Minister during his visit to Uttaranchal during 29th - 31st March,2002, the following package of incentives for the States of HimachaL AND Uttaranchal was provided by the Department of Industrial Policy and Promotion on 5th January,2003:

Fiscal incentives to new industrial Units and to existing units on their substantial expansion:

(i) New Industrial units and existing industrial units on their substantial expansion as defined, set up in Growth Centres, Industrial Infrastructure Development Centres(IIDCs), Industrial Estates, Export Processing Zones, Theme Parks, etc.) places mentioned in the notification and other areas as notified from time to time by the Central Government are entitled to :

(a) 100% (hundred percent) outright excise duty exemption for a period of 10 years from the date of commencement of commercial production,

(b) 100% income tax exemption for initial period of five years and thereafter 30% for companies and 25% for other than companies for a further period of five years for the entire states of Uttaranchal and Himachal Pradesh from the date of commencement of commercial production

(ii) All New industries in the notified location would be eligible for capital investment subsidy @ 15% of their investment in plant and machinery subject to a ceiling of Rs.30.00 lakh. The existing units will also be entitled to this subsidy on their substantial expansion, as defined.

(iii) Thrust Sector Industries as mentioned (Floriculture, Medicinal herbs and aromatic herbs etc. – processing, honey, horticulture and agro based industries such as (a) sauces, ketchup,etc. (b) fruit juices & fruit pulp (c) Jams,jellies, vegetable juices, puree, pickles etc. (d) preserved fruits and vegetables (e) processing of fresh fruits and vegetables including packaging (f) processing, preservation, packaging of mushrooms; Food Processing Industry excluding those included in the negative list, sugar and its byproducts, silk and wool products, woven fabrics (excisable garments), sport goods and articles and equipment for general physical exercise and equipment for adventure sports/activities, tourism (to be separately specified, paper and paper products excluding those in negative list, pharma products, information and communication technology industry, computer hardware call centers, bottling of mineral water, eco tourism hotels, resorts, spa, entertainment parks and ropeways, industrial gasses (based on atmospheric fraction), handicrafts, non timber forest product based industries) without any area restrictions.

Development of Industrial Infrastructure

(i) The funding pattern under the Growth Centre Scheme currently envisaging a Central assistance of Rs. 10 crore per centre is raised to Rs. 15 crore per centre

(ii) The financing pattern of Integrated Infrastructure Development Centre(IIDC) between Government of India and SIDBI will change from 2:3 to 4:1 and GOI funds would be in the nature of a grant, so as to provide the required infrastructure support.

Other Incentive

(i) Deen Dayal Hathkargha Protsahan Yojna and other incentives of Ministry of Textiles:

The funding pattern between GOI and both the States would be changed from 50:50 to 90:10 under this scheme. Ministry of Textiles would extend its package of incentives as notified for North Eastern States, to the states of Uttaranchal and Himachal also

(ii) Ministry of Food Processing Industries would include Uttaranchal in difficult areas category. The State of Himachal Pradesh is already included in the difficult area category.

(iii) Pradhan Mantri Rojgar Yojana(PMRY): Ministry of Agro & Rural Industries would provide for states of Himachal Pradesh and Uttaranchal relaxation under PMRY with respect to Age (i.e. 18-40 years from 18-35 years) and subsidy(@15% of the project cost subject to a ceiling of Rs. 15,000 per entrepreneur.)

A negative list of industries which are excluded from the purview of this policy is also specified. (Tobacco and tobacco products including cigarette and pan masala, thermal power plant (coal/oil based), inorganic chemicals excluding medicinal grade oxygen, medicinal grade hydrogen peroxide, compressed air, organic chemicals excluding provitamins/vitamins, harmones, glycosides, sugars(reproduction by synthesis not allowed as also downstream industries for sugar);tanning and dying extracts, tannin and their derivatives, dye, colours, paints and varnishes, putty, filters and other mastics, inks; marbles and minerals substances; flour mills, rice mills; foundries using coal, minerals fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes; synthetic rubber products, cement clinkers and asbestos, raw including fibre; explosives(including industrial explosives, detonators& fuses, fireworks, matches, propellant powders etc.; mineral or chemical fertilizers, insecticides, fungicides, herbicides (basic manufacture and formulation) fibre glass & articles thereof, manufacturing of pulp-wood pulp, mechanical or chemical(including dissolving pulp); branded aerated water/soft drinks(non-fruit based);Paper, writing or printing paper etc, paper or paper board, maplitho paper, newsprint, in rolls or sheets, craft paper, sanitary towels, cigarette papers, grease proof paper, toilet or facial tissue, paper & paper board, laminated internally

with bitumen, tar or asphalt, carbon or similar copying paper, products consisting of sheets of paper or paperboard, impregnated, coated or covered with plastics; paper and paperboard, coated impregnated or covered with wax etc ; Plastics and articles thereof.

8. EXTERNALLY AIDED PROJECTS

The list of Externally Aided projects recommended by Working Group for the year 2005-06 are given below:

Additional Central Assistance in the Annual Plan 2005-06 (Rs. in lakh)

Sl. No.	Name of the Sector/Scheme	Donor Agency	ACA recommended
1	Sericulture/Oak Tassar Programme	UNDP	83.52
2	Watershed Management	World Bank	3271.00
3	IFAD (Rural Development)	IFAD	800.00
4	E-Governance/IT	World Bank	2500.00
5	Basic Education/DPEP-III	World Bank	1109.44
6	Technical Education (TEQIP)	World Bank	1000.00
7	Medical & Health (health system)	World Bank	2952.50
8	Drinking Water (SWAJAL II)	World Bank	3000.00
9	Power Development Projects	ADB	4600.00
10	PWD (Roads & Bridges)	ADB	2000.00
11	Urban Development (strengthening of urban infrastructure)	ADB	1000.00
	GRAND TOTAL		**22316.46**

SECTORAL ISSUES

9. AGRICULTURE AND ALLIED ACTIVITIES

Agriculture and Land use

As per land use statistics, the total reported area is 55.66 lakh hectares. The land use pattern is depicted in the table below.

Land use pattern in Uttaranchal - 1999-2000

Sr. no	Category	Area in Hectares	% Area Report
1	Total reported area	5565804	100
2	Forest	3466152	62.28
3	Barren & Unculturable land	294936	5.30
	Land put under non-agricultural uses	166768	3.00
5	Culturable Waste	322510	5.79
6	Permanent pastures and other grazing land	222958	4.01
7	Land under misc. tree crops and groves etc.	216260	3.89
S	Current Fallows	13743	0.25
9	Other fallows	69236	1.24
10	Net area sown	793241	14.25

The net sown area is only about 14% of the total reported area. The cropping intensity is about 160% and the ratio of gross irrigated area to gross sown area is only 24.6%. In the hills, the major crops grown include Madua, Ramdana and Potato whereas in the Plains, the major crops are cereals, pulses and sugarcane, rice and wheat.

Among the cultivated land about 50% of the landholdings are sub marginal and further 21% of the land is between 0.5- 1 ha. About 71 percent of land holdings are less than 1 ha. in size and cover about 27 percent of the area under cultivation.

The needs and priorities of plain, bhabar and hill regions are different due to diversity of geographical and climatic conditions. The food grains production is more than the requirements but that is due to intensive & high yield farming in terai. As far as the hill areas are concerned, the farming is chiefly subsistence and rainfed. By introducing Bio-farming, diversification of agriculture and by adopting proper management system, attempts are being made to make it viable. The climate of hills is suitable for the Pulses and Oilseeds; more coverage under these crops with better cultural practices and marketing linkages are being viewed as key focus areas for higher growth in agricultural sector.

Food grain Production

Rice, Mandua and Sawan in Kharif and Wheat, Barley in Rabi are the main crops. The cultivated area, production and productivity of these crops for the last 4 years is summarized in the table-1 below:

Table- 1 Cereals-Area, Production & Productivity

Name of Crop		2001-02 Prov.	2002-03 Prov.	2003-04 Prov.	2004-05 Anticipated	2005-06 Target
Rice	Area	283	282	288	299	300
	Production	571	483	549	628	630
	Productivity	20.15	17.07	19.03	21.00	21
Maize	Area	33	35	46	50	50
	Production	49	38	68	75	78
	Productivity	14.59	10.86	14.70	15	15.60
Mandua	Area	131	156	136	134	137
	Production	160	154	174	189	195
	Productivity	12.23	9.86	12.82	14.10	13.20
Wheat	Area	386	411	397	401	401
	Production	734	762	745	820	820
	Productivity	19.01	18.54	18.77	20.45	20.44
Barley	Area	24	29	32	28	28
	Production	28	36	35	36	37
	Productivity	11.05	12.29	10.94	12.86	13.21

Note : Area ['000 Hectares] Production ['000 MT] Yield [Quintal / hectare]

Food grain production level of the year 1999-2000 is the highest as reliable statistics are available. In the Year 2000-01 and 2001-02, production levels decreased due to unfavourable

weather conditions (chiefly low rainfall). In the year 2002-03, kharif crops were damaged due to severe drought. In the year 2003-04, a good monsoon coupled with effective inputs management has raised expectations of record productions in the agriculture sector.

Pulses

Urd, Gahat, Rajma, Lentil and Pea are the main pulse crops of the State. Area, production and productivity of last 4 years and target for the year 2005-06 are shown in the table-2 below:

Table- 2 Pulses - Production & Productivity

Name of Crop		2001-02 Prov.	2002-03 Prov.	2003-04 Prov.	2004-05 Anticipated	2005-06 Target
Total Pulses	Area	50	50	42	53	55
	Production	36	34	28	48	50
	Productivity	7.2	6.80	6.67	9.06	9.09

Note: Area (000 Hectares), Production (000 MT) and Yield (Q/Ha)

Oilseeds

Soyabean is the main crop of oilseeds. Mustard, a pure oilseed crops has significant coverage in Rabi season. Area, production and productivity of last 4 years of oilseed crops and target for the year 2005-06 are shown in the table- 3 below:

Table- 3 Oilseeds - Area, Production & Productivity

Name of Crop		2001-02 Prov.	2002-03 Prov.	2003-04 Prov.	2004-05 Anticipated	2005-06 Target
Total Oilseed	Area	26	29	37	44	45
	Production	18	20	35	43	45
	Productivity	6.92	6.89	9.46	9.77	10.00

Note: Area (000 Hectares), Production (000 MT) and Yield (Q/Ha)

Horticulture

Keeping in view the limited land available for cultivation, need for soil and water conservation measures, availability of cultivable waste lands and necessity of supplementary job and income opportunities, horticulture development is considered to be an effective tool for accelerating development in rural areas in general and hill areas in particular. In the State of Uttaranchal, the area and production of fruit crops is 1.90 lakh ha. and 3.45 lakh MT while that of vegetables is 1.02 lakh ha. and 9.41 lakh MT respectively. The area and production of spices is 0.060 lakh ha and 0.336 lakh MT respectively. The area and production of flowers in the state is to the tune of 278 ha and 324 MT respectively. During the 10th Plan period, government has planned to bring an additional 1500 acres under floriculture especially in Haridwar, Nainital, Dehradun and Tehri districts.

Animal Husbandry

The animal husbandry sector plays an important role in the economy of the State as it contributes about 9.82% in the SDP and also about 80% of rural households keep livestock for their livelihood. The climate and geography of the State has got many favourable factors for various livestock activities specially mini and commercial dairy, Angora Rabbit farming, Angora goat farming for Mohair production, Poultry farming in foot hills, Mule breeding etc.

The livestock population in Uttaranchal as per 2003 Cattle Census stands at 49.43 lakh. The objective of livestock Development Programme is to boost the production of livestock products. The level of achievement so far is summarised in the following table:

Livestock Products

Item	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03
Milk 000 M.Ton	856.23	916.66	952.75	983.84	1059.88	1079.63
Egg. In lakh	745.80	800.99	838.88	848.70	893.70	909.09
Wool 000 kg	482.43	490.50	493.81	495.25	426.47	444.67
Meat lakh kg.	56.03	70.56	66.03	73.11	78.01	80.96

Note: Milk (000 MT), Egg (in lakh), Wool (000 Kg.) and Meat (Lakh Kg.)

Fisheries

Fisheries resources of Uttaranchal are comprised of fast flowing rivers and their tributaries, high and low altitudes natural lakes, ponds and diggies. Out of total stream length of approximately 2686 kms. about 725 km. is suitable for food and game fishes like Trout, Assaila and Mahseer. Available area of natural lakes in Uttaranchal is 297 ha. and ponds of plain region of Dehradun, Udham Singh Nagar and Haridwar District are 628 ha. Apart from this the plain area of Udham Singh Nagar is also flourished with seven man made large size reservoirs of 20075 ha. These water bodies are good source of fish production

Outlay and Expenditure

Tenth Plan Outlay and outlays and expenditures for the Agriculture and Allied Sector during the Annual Plans 2002-03, 2003-04, 2004-05 and proposed outlay for 2005-06 are given below :

Major Head	**Tenth Plan (2002-07)**	**Annual Plan 2002-03**		**Annual Plan 2003-04**		**Annual Plan 2004-05**		**Annual Plan 2005-06**
	Outlay	**Outlay**	**Exp.**	*Outlay*	*Exp.*	*Outlay*	**Ant.Exp.**	**Proposed Outlay**
Crop Husbandry	24792.86	5110.97	6413.61	5962.25	7468.35	3639.63	3639.63	3241.51
Soil & Water Conserv.	29834.60	4020.00	4293.00	5222.00	5188.48	4092.00	4092.00	3317
Animal Husbandry	2100.49	414.78	307.27	304.27	435.82	379.02	379.02	993.99
Dairy Development	2705.93	623.10	1099.69	739.18	1161.96	739.89	739.89	804.05
Fisheries	435.00	87.00	46.49	74.02	57.00	237.21	237.21	270.33
Forestry and Wildlife	23543.79	7129.23	9078.95	6003.49	6233.34	4918.21	4918.21	8984.48
Agr. Research & Edun.	3330.00	667.00	667.00	1680.00	938.25	686.50	686.50	1011.00
Co-operation	1174.62	259.46	781.30	259.00	1503.05	247.18	247.18	285.00
Total	**87917.29**	**183111.54**	**22687.31**	**20244.21**	**22986.25**	**14939.64**	**14939.64**	**18907.36**

Issues

1. One of the best rice viz. Dehradun Basmati is grown in this region. As this has tremendous export potential, a special action plan needs to be drawn up for encouraging contract farming for export of Basmati rice.

2. Hybrid rice varieties for foothills of Uttaranchal need to be spread for better commercial exploitation.

3. There is disparity in the level of development of agriculture in the hilly districts and non-hilly districts. For improving the farm mechanization, the State government should give a focused attention to the hilly districts. Paddy transplanters both hand-driven and mechanical are needed to be popularized.

4. Arhar and urad crops under pulses need to be made popular for cultivation. Rajmas also needs to be popularized through distribution of hybrid and good quality seeds. Various varieties of maize, as the crop itself, need to be made popular and widespread over hills. This can be achieved through providing good-quality/ hybrid seeds to the farmers, well in time during sowing season. Early raising varieties of maize should be popularized as these can help in enhancing the income of farmers.

5. Closer linkages with Agriculture University should be developed for making the State a premier producer of quality seeds and planting material for horticulture and floriculture crops.

6. As Road Connectivity is important for supply of inputs and marketing, there should be convergence with rural roads program to ensure availability of market infrastructure at

reasonable distance. The focal point approach can be considered for remote areas.

7. Conservation of water and soil is essential for sustainable agriculture and animal husbandry. Sizable area (4.75 lakh ha) suffers with soil erosion due to various degree of undulation and hence levelling and proper drainage facilities are required. Involvement of local communities may be mobilized for this purpose.

8. Uttaranchal has vast potential for horticultural and floriculture. Area expansion under Apple needs to be done with varieties having low chilling requirement keeping in view the changing climatic pattern. Backward and forward linkages are essential for farmers getting remunerative prices.

9. Credit-linked subsidy schemes for horticulture and fioriculture need to be availed of for production and supply of seedlings of good quality of vegetables, horticultural crops as also for forests. This will facilitate both seasonal and non-seasonal cultivation of vegetables and fruits.

10. State is eminently suited for cultivation of aromatic and medicinal Plants.
Herbal Research and Development Institute at Gopeswar has been set up to promote commercial cultivation of important medicinal and aromatic plants. The State Government has constituted a State Medicinal and Aromatic Plants Board for framing policies in the sector. The State Government should prepare policy and strategy to identify, grade, extract, train farmers for cultivation, processing, and marketing etc. of these plants with the involvement of the State agencies as well as private, co-operative and NGO sector. This will not only enhance the income of the State in the form of royalties but also help in preserving and conserving the ecology.

11. Credit supply to farmers both long and short-term should be ensured through Rural Regional Banks, Commercial Banks and Cooperative Societies. There are more than 10,000 SHGs operative in the State, which have been promoted by NGOs, banks and Govt. Agencies. However, the movement has not spread evenly throughout the State. Focused attention is necessary to cover those districts, which are left out.

12. Problem of non-availability of good quality green fodder, especially for milch animals in hilly areas - Fodder bricks manufacturing and distribution units is likely solution.

13. Renovation and development of village ponds for composite fish culture.

10. RURAL DEVELOPMENT

The percentage of rural population living below the poverty line in the State of Uttaranchal has been estimated to be 37.44 for 1999-2000 for the first time after its formation. The poverty ratio for rest of the Uttar Pradesh for 1999-2000 is 30.77. However poverty ratio for undivided Uttar Pradesh (including Uttaranchal) has decreased from 42.28 per cent in 1993-94 to 31.22 in 1999-2000 in rural areas. The corresponding all India figures for rural areas show that the poverty ratio has declined from 37.27 per cent in 1993-94 to 27.09 in 1999-2000.

Rural Poverty Alleviation Programmes

Financial and Physical performance under major Centrally Sponsored Rural Development Programme from 2000-01 to 2004-05 is given in Annexures II & III respectively. Information for the year 2004-05 is available for Swaranjayanti Gram Swarozgar Yojana (SGSY) and Indira Awaas Yojana (IAY) for April 2004 only.

Swarnajayanti Gram Swa-rojgar Yojna(SGSY)

SGSY is conceived as a holistic programme of micro enterprises covering all aspects of self employment viz; organization of the rural poor into self help groups (SHGs) and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing. It integrates various agencies – District Rural Development Agencies (DRDAs), banks, line departments, Panchayati Raj Institutions (PRIs) , Non-Governmental Organisations (NGOs) and other semi- government organizations. The SGSY aims at establishing a large number of micro enterprises in the rural areas with an emphasis on the 'cluster' approach. The SGSY is a credit-cum-subsidy programme, with credit as the critical component and subsidy as a minor and enabling element. The programme is implemented as a CSS on a cost sharing ratio of 75:25 between the Centre and States.

The financial performance indicators suggest that the progress under the Swarnjayanti Gram Swarozgar Yojana (SGSY) has been initially poor in 2000-01 as only 50.16 per cent of the available funds were utilised. During the year 2001-02 84.35% of the total available funds were utilized. During the year 2002-03 and 2003-04 respectively 65.58 and 118.48 per cent of funds have been utilized. During 2000-01 and 2001-02, 31555 and 17715 swarozgaris have been assisted respectively. During the years 2002-03 and 2003-04, 3922 and 10780 swarozgaries were assisted. It needs to be impressed upon the State to adopt a projectised approach towards SGSY with the identification of economically viable activities for assistance, higher investments in appropriate infrastructure, provision of suitable forward and backward linkages and market tie-ups.

Sampoorna Grameen Rozgar Yojana (SGRY)

The Sampoorna Grameen Rozgar Yojana (SGRY) announced by the Prime Minister on 15.8.2001 was launched in September 2001. The scheme focuses on generation of wage employment, creation of durable rural assets and infrastructure and provision of food security to the rural poor. The scheme of JGSY and EAS have been brought under the purview of this mega scheme. The SGRY is a Centrally Sponsored Scheme (CSS) implemented on cost sharing basis between Centre and States in the ratio of 75:25 of the cash component of the programme.

The scheme was initially executed in two streams. In the first stream, 50% of the funds are earmarked for distribution between Zilla Parishads and Panchayat Samitis in the ratio of 40:60 and in the second stream, 50% of the funds are earmarked for the Village Panchayats. From the year 2004-05 scheme is executed only in one stream with distribution of funds between Zilla Parishad, Panchayat Samities & Village Panchayat in the ratio of 20:30:50. The payment of wages are partly in cash and partly in kind. Five kilograms of foodgrains is provided as wages in kind and the balance is in cash so as to ensure that the workers are paid the minimum wages. For this purpose, free foodgrains are provided to the States.

The overall supervision of the programme rests with the Zilla Panchayats in conjunction with the Panchayat Samitis and Gram Panchayats. The works to be taken up are labour intensive leading to the creation of durable rural assets and rural infrastructure.

During the year 2002-03 only 66.46 per cent of available funds have been utilized which increased to 71.88 per cent in 2003-04. Respectively 70.54 lakh and 45.99 lakh mandays of employment have been generated during 2002-03 and 2003-04.

The details of JGSY and EAS are given below:

Jawahar Gram Smridhi Yojana (JGSY)

The JRY was strengthened and restructured as the Jawahar Gram Samridhi Yojana (JGSY) with effect from Ist April, 1999. Its primary objective was creation of demand driven community infrastructure to enable the rural poor to gain sustained employment opportunities. The wage employment under this Programme was given to Below Poverty Line (BPL) families.

The financial indicators suggest that the progress under the Scheme has been good during 2000-01. Under the scheme, 10.39 lakh mandays were generated during 2000-01. For the year 2001-02, 67.02% of the total available funds were utilized and 26.74 lakh mandays have been generated.

Employment Assurance Scheme (EAS)

The primary objective of the EAS was creation of additional wage employment during the lean period for the BPL families in the rural areas. The creation of durable community assets for sustained employment was the secondary objective.

The financial and physical performance under the Scheme was not satisfactory in 2000-01, as only 73.77 per cent of the available funds were utilized and only 11.07 lakh mandays were generated as against the target of 23.48 lakh mandays. During 2001-02, 70.04% of the total available funds were utilized and 12.38 lakh mandays have been generated.

Rural Housing

The State Government must indicate their actual housing shortage both in terms of new houses to meet the housing need of increasing population and houses that need upgradation in the State. The allocation of funds to the States/UTs under the Indira Awaas Yojana (IAY) are made on the basis of revised allocation criterion based on poverty ratios and the actual State specific housing shortage in equal weights of 50:50. It may be seen that per cent utilization of available funds which was 71.94 per cent in 2000-01 and 13775 houses were constructed as against a target of 16848 (% achievement 81.76). During 2001-02, 86.00% of the total available funds were utilized and 11245 houses were constructed. During the year 2002-03 and 2003-04 76.04 and 87.24 of available funds have been utilized and 11799 and 21666 houses have been constructed respectively.

The results of the Census 2001 are now available. In the Special Action Plan for Social Infrastructure, Housing has been identified as one of the priority areas. The State Government, therefore, should endeavour to estimate the current housing shortage and construct more houses to

meet the same and also to upgrade the unserviceable Kutcha houses into semi-pucca houses and to develop rural housing infrastructure in the State with the use of low cost technologies and materials.

Drought Prone Area Programme (DPAP)

The DPAP is presently in operation in 36 blocks of 7 districts of the State. Activities undertaken under the programme include soil and water conservation, afforestation and pasture development and development of water resources. The progress under the programme may be ascertained from the State Government.

Panchayats

The State Government has been considering the enactment of State Panchayati Raj Act. As soon as the Panchayati Raj Act is notified, Panchayat elections will be held in the State. 12 out of 29 subjects have been transferred to PRIs and further devolution is under consideration. Present status of State Finance Commission and the State Election Commission may be sought from the State.

General Issues

The Planning Commission has impressed on the State Govt. the need for evaluation/monitoring of the programmes on a regular basis and stressed that impact studies should be conducted simultaneously along with the implementation of the programmes. Independent Agencies should be involved in the process. It is suggested that the State Govt. may earmark some percentage of funds for the evaluation/monitoring process.

11. TRANSPORT

(Rs.Crore)

Item	*Tenth Plan agreed outlay*	*2002-03 Exp.*	*2003-04*		*2004-05*		*2005-06 Proposed Out.*
			Out.	*Exp.*	*Out.*	*Exp.*	
All Sectors	*9000.00*	*1384.70*	*1607.75*	*1650.44*	*1810.40*	*1810.40*	*2201.87*
Transport Sector	*1051.34*	*223.31*	*177.97*	*215.92*	*210.97*	*210.97*	*249.66*
Civil Aviation	*70.00*	*10.77*	*15.00*	*20.84*	*16.34*	*16.34*	*12.01*
Road and Bridges	*966.00*	*212.54*	*159.70*	*192.09*	*184.63*	*184.63*	*230.84*
Other Transport	*15.34*	*0.00*	*3.27*	*3.00*	*10.00*	*10.00*	*6.81*

The State Govt. has proposed an outlay Rs.249.66 crore for annual plan 2005-06 for transport sector. This works out to 11.34% of the total plan size, which is marginally lower than the share of transport sector in the total plan size of 2004-05 as well as of share earmarked for the Tenth Five year Plan.

The State of Uttaranchal was created in Nov.2001 by bifurcating the present State of Utter Pradesh. The National Development Council (NDC) in its meeting held on Ist Sept.2001 approved the proposal to place Uttaranchal in the list of special category of States.

Roads & Bridges

Schemes included in the Annual Plan 2005-06 relate to conversion of Kutcha M.D.R./O.D.R. to all weather roads, construction of important bridges etc. However the State Govt. has not furnished the details of targets against specific works. This needs to be ascertained.

The State of Uttaranchal has a total road length of 33547 Kms as on 31March, 2002 of which 10730Kms is surfaced. In relation to per hundred sq Km of area and per lakh of population, the state has a total road length of 62.77 Kms and 385.60 Kms against the all India average of 74.73 Kms. and 233.86 Kms respectively.

Pradhan Mantry Gram Sadak Yojna(PMGSY)

An amount of Rs. 60 lakh is allocated to the state of uttaranchal per annum under PMGSY Scheme. The details are as under

(in Rs. crore)

Year	Funds released	Expenditure (sep.04)
2000-01	60.63	
2001-02	70.00	
2003-04	70.41	
Total	201.04	105.98

The state has 2605 unconnected habitations for providing connectivity under Pradhan Mantri Gram Sadak Yojana. Against this 210 habitations are being connected till March 2004. As regards habitations with the population size of 1000 and about 171 have been identified out of which 95 have been taken up to March, 2004 . This works out to 55.6%.

Central Road Fund (CRF)

An amount of Rs. 10.13 crore has been allocated for the development of State Roads under CRF in the year 2004-05.

EI&ISC

An amount of Rs. 2307.43 lakh has been released under EI&ISC during the year 2003-04.

Road Transport

The Uttarachal Road Transport Corporation came in to existence on 31.10.03 after division of state of Uttar Pradesh. The state Govt. has proposed on outlay of 6.81 crore for other transport including Road Transport during 2005-06. The Uttaranchal SRTC has 925 buses at the end of 2004.

Construction of land and building, upgradation of RTO offices and acquisition of new buses have been proposed during the year 2004-05.

The Uttaranchal SRTC has enraged as lose making unit. The net loss is estimated to Rs. 17.62 crore during 2004-05 (LE) In the Annual Plan 2005-06 the losses have been estimated to reduce to (-) Rs. 7.51 crore. The physical and financial performance of Uttaranchal SRTC is as follows:-

S.N.	Item	2003-04(LE)	2004-05(LE)	2005-06(LE)
1	Operating Surplus (Rs.Crore)	-11.20	-17.62	-7.51
2	No. of SRTC Bus	957	925	1025
3	Load factor%	56	61	65
4	Bus staff Ratio	6.88	6.77	7.00
5	Fleet Utilisation%	88	92	92
6	Staff Productivity (Kms)	44	54	53

Civil Aviation

An outlay of Rs. 12.01 crore has been proposed for civil Aviation for annual Plan 2005-06 mainly to complete ongoing works, creation of facility/services as state enclose at Jollygrant Airport, Extension of Pant Nagar Airport, purchases of Aeroplane, construction of Helicopter housing and Helipad in Dehradun and Distt. Head Quarters

12. HOUSING & URBAN DEVELOPMENT

According to the 2001 census, 26% of Uttaranchal population of 85 lakhs reside in urban areas, spread over unevenly. For instance the districts of Haridwar and Dehradun together account for roughly 32% whereas district Champawat accounts for only 2.65% of the State's population. Uttaranchal, a predominantly hilly State. The State Plan document underlines that the State's vision is to enhance the living standards, productivity and sustainability of all towns and cities with emphasis on preservation of their heritage character and environmental wealth.

No details are made available on the progress of the activities under Housing. As per earlier records, provisioning of low-cost housing to all segments- especially the lower income groups by involving private sector participation was one of the priorities. . The outlay proposed for Annual Plan 2005-2006 is Rs.5 crore for Housing.

Rs 53.99 crore is proposed for Urban Development for the Annual Plan, 2005-06. The initiatives underway include, discussion with multilateral institutions for urban infrastructure improvement in the State; Commissioning of India's first Inter State Bus Terminal in the private sector and Project development for setting up Bus Terminals through private sector in other key towns. Other on-going schemes include Street lighting, Solid Waste Management, Night Shelters for Urban Shelterless etc.

Scheme detail is available vide the plan document regarding the progress made with respect to Nainital Lake Development Project. With the objective to re-generate the lakes within Nainital district and development of the areas around them, the project was taken up and the task of

preparing a detailed project report was entrusted to the Hydro Energy Center (AHEC), IIT Roorkee. The project with a cost estimate of Rs. 98 crore had been submitted to the Directorate of National River Conservation, Ministry of Environment & Forest, Government of India. The Ministry had in principle, agreed to sanction the project with a Central share of 70% and State Share being 30%. In anticipation of its implementation, the State Govt, out of its own resources had already commenced works on the Balia Nala, the main outfall of the Naini lake, and a vital component of the larger project. Since the Balia Nala is located in a landslide prone and extremely fragile area, it was felt that immediate measures for slope stabilisation and strengthening of the drainage system need to be taken without waiting for work to commence on the remaining components of the project. In the year 2002-03 Rs. 7 crore had already been spent. The work is being executed by the Irrigation Department, Govt. of Uttaranchal. For the year 2005-06 Rs. 10 crore as state share is being proposed against the proposed central sector outlay of Rs. 38.88 crore. The project needs detailed discussion, with respect to urban infrastructure related components.

Information with respect to the centrally assisted programmes, as per records are as follows:

IDSMT (Integrated Development of Small & Medium Towns): Upto March, 2004, the number of towns covered was 16. The central and State release of funds amounted to Rs 5.20 and Rs 3.63 crore respectively. The expenditure reported was Rs 2.93 crore. Rs. 3.33 crore is proposed for 2005-06.

NSDP (National Slum Development Programme): Upto March 2004, Rs. 7.10 crore was released as Additional Central Assistance (ACA) and the expenditure reported was Rs 4.05 crore amounting to 57% utilisation. An amount of Rs 3.05 crore remains as unspent balance.

SJSRY (Swarna Jayanti Shahari Yojana). The central and State share of release upto March, 2004 amounted to Rs 1.93 crore and Rs 44 lakhs respectively, and the utilization was reported to be Rs 2.26 crore. With an unspent balance of Rs 11 lakhs, the utilization works out to 95%. Rs. 45.98 lakh is proposed for 2005-06.

Valmiki Ambedkar Awas Yojana (VAMBAY). Upto March 2004, Rs 4 01 crore was released, and 64 dwelling units had been completed and 68 units in progress. It is essential to link up all the slum related programmes for effective utilization of funds. The details have to be discussed.

URIF (Urban Reforms Incentive Fund): No information is available. However, under State sector, it i9s indicated that to introduce reforms in different ULBs, there is a " Uttaranchal Urban Improvement Incentive Fund (UUIIF) needs to be created. Under this fund criterion of measurement for qualifying to get the incentive include, the extent of compliance of Solid Waste Management Rules- 2000 / 2003; formation of "Mohalla Swachhata Samiti" in ULB's; Computerization of ULB's different sections i.e Land and properties, Tax, Accounts, Death and Birth, Establishment, Public Redressals, etc. Different weightage to be given for different sections; Use of Double Entry Accounting System in ULBs; and Increase in the Ratio of own revenue income to expenditure.

Overall, it may be relevant to point out that the State Plan document needs to cover all the details regarding projects being taken up with external assistance, absorption of centrally assisted programmes, etc relating to Housing and Urban Development. It may also be pertinent to gather feed back on the following areas of concern :

(a) Progress with respect to State Capital Projects;

(b) Status of schemes pertaining to Housing and future strategy including recovery of loans, advances etc;

(c) Meant to improve urban slums, the schemes of NSDP, Night Shelter and VAMBAY be dovetailed for effective utilization of funds;

(d) For effective implementation of SJSRY, emphasis may be laid on formation of Neighbourhood Groups/ Committees, Community Development Societies, appointment of project Officers, Community Organisers be given and the successful experiment carried out by the State Governments of Andhra Pradesh, Tamil Nadu, Kerala etc be studied for replication;

(e) Necessary acceleration in the utilization level of funds under IDSMT needs to be done; Also, by making use of central funds, the State Government should provide matching share in commensurate with the number of towns and the urban population in the State;

(f) The concept of Revolving Fund should be developed followed by constant monitoring of the various development programmes pertaining to Housing and Urban Development;

(g) Assets created by the planned investments have to be maintained properly;

(h) Capacity building of ULB personnel;

Annual Plan, 2005-06: The State Government of Uttaranchal has proposed an outlay of Rs 5 crore for Housing and Rs 53.00 crore for Urban Development.

13. IRRIGATION

Financial

(Rs. Crore)

Sl. No.	Major Heads of Development	X Plan Outlay	Anticipated Expenditure 2002-2003	Actual Expenditure A.P. 2003-2004	Antcpd. Expenditure Annual Plan 2004-2005	Proposed Outlay Annual Plan 2005-06
1.	Major & Medium	150.00	28.12	35.72	26.86	27.44
2.	Minor Irrigation	195.00	26.41	48.00	42.82	48.58
3.	CAD	--	--	1.50	1.50	1.77
4.	Flood Control	24.00	3.70	6.05	6.50	7.83
	Total	**369.00**	**58.24**	**91.28**	**77.68**	**85.62**

Physical details

(000' ha.)

	Major& Medium Irrigation		Minor Irrigation	
Ultimate potential	346.00		4032.00	
	PC	PU	PC	PU
Achievement Upto IX Plan	280.00	185.41	518.00	500.98
X Plan target	6.20	4.03	11.88	9.50
AP 2002-03 Achievement	1.24	0.81	2.38	1.90
AP 2003-04 Achievement	4.50	2.93	2.38	1.90
AP 2004-05 Achiv.	4.50	2.93	2.38	1.90
Target 2005-06				

Major and Medium Irrigation:

Uttaranchal has 3 major ongoing irrigation projects i.e. (i) Jamrani (ii) Lakhwarvyasi & (iii) Kishau which have spilled over from IX Plan to X Plan with a balance cost of Rs 5068.67 crore and balance potential of 311.60 th .ha as on 1.4.2003. The State shall strive to complete these two projects within the Tenth Plan period. The State has 1 unapproved project (major). The State must make efforts to get the unapproved project approved for availing Central assistance like AIBP, EAP etc.

Minor Irrigation

Minor irrigation department in Uttaranchal is engaged in construction of small/minor irrigation schemes. Such as Hydram, Gravity Gule, Storage Tank, Artisan Well and Boring Pump set etc. under District Plan, State sector.

In the hilly areas horticultural/agriculture can be main source of income, provided an assured/timely irrigation facilities are given to the farmers. At present the irrigation in hilly areas is mostly based on traditional channels, tanks, but these sources are very limited. A large percentage of agricultural land in the hills are situated above the source of water and this land can be irrigated by lift irrigation devices like hydram because diesel/electricity operated lift irrigation are neither successful nor economical due to high recurring maintenance cost, non-availability of fuel and lack of after sale service. Also the irrigation tanks are being developed for minor irrigation The State has plans to construct the percolation tanks for artificial recharge of ground water in the State. Recharge through shaft, check dams and roof-top rain water harvesting is also being planned.

Accelerated Irrigation Benefit Programme

Out of the 3 major projects, 2 are under AIBP. During 2002-03 and 2003-04 Rs 25 16 crore and Rs 25.55 crore was released to the State as AIBP assistance. For 2004-05, against a ceiling of Rs 30.50 crore, no amount has been released so far The State has been utilizing the AIBP funds fully

Ground Water:

The State is yet to be assessed for separate overexploited and dark blocks as the present data available is for the combined UP only. However the ground water development in the State has been assessed as 38% and that implies further scope for development, which the State should pursue.

Externally Aided Projects(EAP's):

The State has no ongoing EAPs in irrigation sector.

Flood protection schemes

Construction, maintenance and restoration of various flood protection and anti-erosion works is being done by irrigation department. At present 30 flood protection works costing Rs. 2512.00 lakh are under construction and about 32 flood protection schemes costing Rs. 3595 lakh are under consideration of state TAC. At present an amount of Rs 177 lakh in state sector and Rs 531 lakh in central sector has been proposed for the year 2005-06.

Water Supply

Financial outlays in Water Supply and Sanitation sector.

Financial (Rs. crore)	
X Plan outlay	1063.56
A.P. 2002-03 expenditure	98.00
A.P. 2003-04 Expenditure	137.67
A.P. 2004-05	
A.P. 2005-06 Proposed outlays	

Rural Drinking Water Supply:

Uttaranchal has 30984 habitations out of which 44 are not covered and 471 are partially covered habitations as on 1.4.2004. The State no habitations affected with water quality problems. The State has to make earnest attempts to provide safe water to the not covered and partially covered habitations since providing drinking water is one of the NCMP items as well as a monitorable target of the Tenth Plan.

Urban Water Supply & Sanitation:

99% Urban population in Uttaranchal has access to water supply and 55% to sanitation facilities as against the all India coverage of 89% and 63% respectively. The sanitation coverage is below the National average and the State has to make efforts to increase the coverage.

EAP's in Drinking Water Supply and Sanitation:

Uttaranchal has no ongoing EAP in rural and urban water supply sectors. However, one rural water supply project namely "Uttaranchal rural water supply and environmental sanitation project" is in pipeline for World Bank aid. The project preparation is under way.

14. MULTI LEVEL PROGRAMMES

Border Area Development Programme :

An amount of Rs. 4.16 crore was allocated and released to the Government of Uttaranchal during 2003-04 under Border Area Development Programme (BADP). The same amount has been allocated during 2004-05 also against which the first instalment of SCA of Rs.2.77 crore has been released. An amount of Rs. 2.53 crore is pending with the State Government as on 30.9.2004. The State Government have furnished the Quarterly Progress Reports (QPRs) in physical and financial terms till 30th September, 2004. Utilization Certificates (UCs) for Rs. 2.23 crore are awaited from the State Government.

Rashtriya Sam Vikas Yojana (RSVY):

Under the Backward Districts Initiative Component of RSVY, three districts of Uttaranchal, namely, Champavat, Tehri Garhwal and Chamoli have been covered. The District Plan received from the State Government for Champavat district has been approved by the Empowered Committee in it's meeting held on 12.8.2004 and first instalment of SCA of Rs. 7.50 crore has been released to the State Government. The State Government have been requested to submit the District Plans for Tehri Garhwal and Chamoli districts for approval of the Empowered Committee. During 2004-05 and 2005-06, the allocation is Rs. 45 crore (Rs. 15 crore per district).

15. COMMUNICATION AND INFORMATION

1. The Department of Economic Affairs has already issued a notification on 9.7.03 for opening up a separate Head for IT sector in all the Central Ministries, States, and UTs. It therefore needs to be ensured that the State/UT show the IT expenditure under this Head. In the present case it is booked under Industry & Minerals.

2. Out of the total outlay of Rs.2202 crore proposed for the AP 2005-06 for the State, an outlay of Rs.75 crore has been made available for 2005-06 for IT sector. This comes out to be 3.4 per cent of the total outlay, which is in consonance with Planning Commission's suggestion.

3. State Govt. should frame an IT policy and list out detailed IT related programmes in consultation with Development of Information Technology (DIT) at center and other stakeholders.

4. Based on the IT policy, a suitable E-Governance plan may be sketched and implemented. State Wide Area Network (SWAN) should be created in the State with the support of DIT at center.

5. As regards the Externally Aided Project (EAP) by World Bank, DIT is also thinking of approaching international financial institutions like World Bank for making available

required funds to the States for the National Action Plan on E-Governance. The State Govt. need to consult/ get in touch with DIT on this financial assistance that may be available to the State under various projects like SWAN under the envisaged National Action Plan.

16. SCIENCE AND TECHNOLOGY

S & T activities in the State of Uttaranchal are being promoted by the State Department of Science & Technology. The Annual Plan proposals under Science & Technology comprises of two main components, namely, i) Assistance to Science & Technology Council for supporting research and technology missions in specific areas of applied research pertaining to agriculture, industries, social and economic infrastructure and other issues pertaining to scientific harnessing/management of natural resources, and ii) Biotechnology Programme, which include setting up of a world class research center and a BIOGRID node at the Pant Nagar University, besides, setting up of the first module of Bio-Polis – A Biotech Industrial Park. The total outlay proposed for Annual Plan 2005-06 is Rs. 800 lakh (including Rs.500 lakh for the Biotech Programme).

The State department of Science and Technology and the Science and Technology Council should establish active interface with the Central Scientific Departments/Agencies viz. DST, DBT, DSIR, specifically the Indian Institute of remote Sensing, Dehradun (DOS), Northern Regional Remote Sensing Service Centres (RRSSC), Dehradun (DOS), Wadia Institute of Himalayan Geology, Dehradun (DST), etc. for identification and implementation of location specific S&T programmes for the development of the State. The State S&T Council may also promote programmes relating to popularization of science and entrepreneurship development.

The biotechnology programme relating to setting up of the first module of Bio-Polis – A Biotech Industrial Park, with an Annual Plan (2005-06) proposed outlay of Rs. 500 lakh, is an industrial sector programme and the views/comments of the Industry Division may be obtained in this regard.

As regards the other programmes relating to grants to Science and Technology Council, for promoting Scientific Research, with an outlay of Rs. 300 lakh may be agreed to.

17. LABOUR & EMPLOYMENT

Employment Situation in Uttaranchal

The Uttaranchal State is a newly created State and therefore data on employment and unemployment situation is not available separately, from the rounds of National Sample Survey Organisation (NSSO) on employment and unemployment. However, some information on workers population ratio is available from the Census 2001. Table-1, presents the workers population ratio in Uttaranchal vis-a -vis All India.

Table-1 Ratio of Workers to Population

Persons/Males/Female	Main	Marginal	Total
	UTTARANCHAL		
Persons	27.39	9.55	36.93
Males	38.13	8.29	46.42
Females	16.24	10.85	27.09
	INDIA		
Persons	30.55	8.71	39.26
Males	45.35	6.59	51.93
Females	14.68	10.99	25.68

It can be seen from the Table, that workers population ratio in Uttaranchal State is lower than the all India level. It may be inferred from the lower workers population ratio that employment opportunities in the State are not adequate and thus a large share of population is not engaged in any economic activity. In view of the above State Government should take steps to explore employment opportunities in the State. State Government should take advantage of various packages announced by the Government from time to time for hilly/special category States. Investment should be encouraged to set up Industries suitable to the State. Agro processing industries should be promoted as State has good agro produce. Tourism sector also has a good employment potential in the State it should be explored. This would help to provide more gainful employment to the unemployed persons.

Labour, Training and Employment

The Government of Uttaranchal has proposed an outlay of Rs.1896.50 lakh for the Labour, Training & Employment Sector for Annual Plan 2005-06, as against the proposed outlay and anticipated expenditure of Rs.1862.50 lakh for Annual Plan 2004-05. The sub-sector wise outlay is given below in Table: -

Annual Plan 2005-06 Proposed Outlays

(Rs. in lakh)

Major Heads/ Minor Heads of Development	Tenth Plan 2002-07 App. Outlay	Annual Plan 2002-03 Actual Exp.	Annual Plan 2003-04		Annual Plan 2004-05		Annual Plan 2005-06	
			Agreed Outlay	Actual Exp.	Pro-posed Outlay	Anti. Exp.	Pro-posed Outlay	Capital Con-tents
1	2	3	4	5	6	7	8	9
i) Labour & Labour Welfare	850.00	1.99	189.00	53.35	1004.50	1004.50	665.50	200.00
ii) Training	4533.00	553.45	1219.00	663.86	720.00	720.00	1050.00	100.00
iii) Employ-ment			54.00	50.08	138.00	138.00	181.00	
Total	**5383.00**	**555.44**	**1462.00**	**767.29**	**1862.50**	**1862.50**	**1896.50**	**300.00**

Scheme-wise detail provided by the State Government is given as under:-

A. LABOUR & EMPLOYMENT

State Sector Schemes

1- Construction of Building for Industrial Tribunal Uttaranchal Haldwani

At present Industrial Tribunal Uttaranchal & Labour Court have been established in the Office building of Labour Commissioner's Office, which do not have sufficient accommodation according to their need. So Construction of building for Industrial Tribunal Uttaranchal & Labour Court is being proposed on the second floor of Labour Commissioner's Office building at Haldwani for which a sum of Rs. 50 Lakh is being proposed for 2005-06.

2- Construction of Residence for Labour Commissioner Uttaranchal at Haldwani

At present there is no proper residential accommodation for Labour Commissioner Uttaranchal. Rs. 30 Lakh have been proposed for the construction of residence for Labour Commissioner Uttaranchal.

3- Construction of Building for Labour Court at Dehradun

The Construction of building for Labour Court at Dehradun is being done in the premises of Industrial Training Institute Dehradun at Niranjanpur Mazara for which Rs. 11 lakh have been released in the financial year 2003-04 & Rs. 40 Lakh are being proposed for 2005-06.

4- Purchase of Vehicle for Director / Dy. Director of Factories & Boilers

At present there is no vehicle for Director/Dy. Director of Factories & Boilers Uttaranchal, who have to inspect the Factories & Boilers from time to time. Rs. 5 Lakh has been proposed for purchase of one vehicle for the above-mentioned officers.

5- Identification & rehabilitation of Child Labour

The Hon'ble Supreme Court has directed that detailed Surveys regarding Child Labour should be carried on. So Survey is to be done for the identification of Child Labour. For this Rs. 6 Lakh have been proposed.

6- Education & rehabilitation Scheme for Child Labour

As per directions of Hon'ble Supreme Court, it is necessary to make proper arrangement for the education and rehabilitation of the Identified Child Labour. So a sum of Rs. 2.5 Lakh is being proposed for the arrangement of books, dress, Scholarship etc for the identified Child Labour.

7- Arrangement for parking in Additional Labour Commissioner's Office Dehradun

About 500 sq. meter land has been purchased in front of the office building for parking which needs to be developed. Rs. 20 Lakh have been proposed for the levelling, fencing and making sheds for vehicles.

NEW SCHEMES

1. State Sector Schemes

(i)-Survey of Labour Force in unorganized sector & Construction work

State, requires detail survey of workers working in different sectors especially in unorganized sector so that the approximate strength of the working mass and their sectoral employment, male female ratio, status of employment of scheduled castes/scheduled Tribes, rural-urban employment, private-public sector employment, educational and technical qualification, facilities provided in different establishments, status of work man etc., may be ascertained and documented. It is also necessary to make a realistic assessment of workers in unorganized sector's employment for making welfare schemes for them and for framing Industrial and Labour policy of the State. To fulfill this stupendous task of survey in construction and other unorganized sector a sum of Rs. 15 lakh is being proposed.

(ii)- Social Security & Welfare Scheme

To increase the welfare fund established under the Labour Welfare Fund Act-1965, Rs. 15 lakh has been proposed. Various welfare schemes for labourers will be started from this fund.

(iii)-Strengthening of Labour Enforcement offices

It is essential to equip the offices of Labour enforcement officers with furniture and other official accessories. Rs. 5 lakh is being proposed for the strengthening of already established Labour Enforcement offices of the State.

(iv)- Purchase of vehicle for Assistant Labour Commissioner Udham Singh Nagar & Haridwar

Singh

Assistant Labour Commissioner has to enforce the different labour laws in industries and to inspect the establishment/factories in reference of facilities and minimum wages given to their employees under minimum wages Act 1948. For this purpose, he has to visit the factories, commercial establishments, shops, farms, plantations and other categories of scheduled employments, for which vehicle is necessary. Rs. 10 lakh have been proposed for the purchase of two vehicles.

2- Tribal Sub Plan

There are Complaints in Champawat and Udham Singh Nagar that Tharu and Buksha scheduled Tribes have been made labourers by snatching their land by the effective persons So a

survey/verification of their land is being proposed with the help of Revenue Department for which a sum of Rs. 3 lakh is being proposed.

3- District Plan

(a)- Construction of building for the office of Assistant Labour Commissioner Udham Singh Nagar

Land is available free of cost in Udham Singh Nagar for Assistant Labour Commissioner's office. A sum of Rs. 25 lakh is being proposed for the Construction of office building.

(b) Purchase of land & Construction of building for the offices of Assistant Labour Commissioners at Almora, Haridwar and Rishikesh.

The offices of Assistant Labour Commissioners are newly established in rented buildings. Therefore Rs. 20 lakh for Almora, Rs. 15 Lakh for Haridwar and Rs. 15 Lakh for Rishikesh is being proposed for the purchase of land and Construction of office buildings for Assistant Labour Commissioners.

4- CENTRALLY SPONSORED SCHEME

Identification & Rehabilitation of Bonded Labour

A Survey for identification of bonded labour is necessary in Compliance of the Hon'ble Supreme Court's direction. Rs. 6 lakh is being proposed for identification & rehabilitation of bonded labour.

Thus proposed outlay for annual plan 2005-06 is as follows: -

S.No	Sector	Total outlay for 2005-06 (in lakh)
1	State Sector	203.50
2	Tribal Sub Plan	3.00
3	District Sector	75.00
4	Central Sector	6.00
		3.00
	Total	**287.50**

B. TRAINING AND EMPLOYMENT

1- Directorate and administrative

At present the Directorate is functioning in five (05) borrowed rooms of GITI Haldwani, which is quite insufficient for the proper functioning of the Directorate, on the other hand training of GITI Haldwani is also affected due to shortage of theory rooms. Since the establishment of the directorate, no funds have been sanctioned for it's basic requirements. Therefore for the year 2005-

2006 an outlay of Rs. 50 lakh is proposed for the building construction of the Directorate of Training and Employment..

2- Craftsmen Training Scheme

Under this Scheme an outlay of Rs. 248.86 lakh has been proposed in the year 2004-2005 for the establishment of three new GTIs at Dhokana (Nainital) , Khanpur (Haridwar) and Thatur (Tehri) the recurring expenditure will be met from this budget too .

5 new ITIs proposed to be established in this year 2005-06. As the Industrialization of the Uttaranchal is growing day by day, therefore it is necessary to expand the craftsmen training scheme to fulfill the opportunity of the employment and self-employment. Therefore an outlay of Rs 100 lakh has been proposed for the year 2005-06.

3- Strengthening of ITI's

As the NCVT is improving the syllabus of ITIs and uplifting the training standard , the industrial training institute already establish but its trades are not affiliated , hence it is necessary to affiliate these trades from NCVT and strengthening these ITIs up to the norms and standards of NCVT Govt. of India . For this purpose Rs 504.7 Lakh has been proposed for the year 2004-05 to meet out the expenditure of 25 ITIs. Beside these 25 ITIs the building construction of 06 ITIs have to start this year. Rs. 200 Lakh have been proposed for the year 2005-06 for tools and equipments and ongoing construction works.

4- Central Aided Scheme

Under this scheme the Honorable Finance Minister, Govt. of India announced to Strengthen the 500 ITIs in the Union of India in the time span of 5 years . Keeping in mind the declaration of the Finance Minister a proposal to strengthen the 10 GTIs of Uttaranchal has been sent to Govt. of India by the Director of Training and Employment of Uttaranchal. Two to Three ITIs will be developed as ITIs of excellence. In 2005-06 Rs 100 Lakh has been proposed to achieve the purpose as a part of Uttaranchal state liability. So that the trainees may get better training according to the need and requirement of the time, enabling them to get better job and self employment.

Rs. 100 Lakh for the annual plan of the Industrial Training Institute for the year 2005-06 is proposed.

C. EMPLOYMENT

The Employment Service, in Uttaranchal, through its various units is at present engaged in the following activities.

Placement service whereby the names of the unemployed candidates with their qualifications, are registered with the Employment Exchanges and they are sent to the employers according to their requisitions.

Coaching cum Guidance Centres, which impart training in typing and stenography/Bookkeeping to the candidates of reserved categories, i.e SCs, STs and OBCs

Vocational and Self Employment cells, which give Career guidance and work as Career Counseling centre.

Employment Market Information Cells which are data collecting units for the Employment Market both in private and public sector.

Taking into account, the educational standards, geographical situation, means of communication the employment market conditions, various aspects of employment services need to be strengthened. There is need to further expand the role of Employment Exchanges in the areas of vocational guidance and career counseling.

Rs. 578.00 lakh outlay has been approved For the Tenth plan (2002-07) and its annual plan (2004-05) Rs. 162.55 lakh has approved.

Establishment of three Employment Office in the new District of Rudraprayag, Champawat and Bagheshwar. Establishment of Town Employment Exchange/ Career Counselling center Ramnagar. Strengthening of Career Counselling centers in all Employment Exchanges of Uttaranchal. Strengthing of coaching cum-guidance centers in the tribal areas of Kalsi, District:Dehradun and Dharchula District: Pithoragarh. The Centrally Sponsored Scheme consists of the on-going scheme. We plan to make special Employment Exchange for Physically Handicapped under this scheme an ideal employment exchange and Career Counselling center for the Physically Handicapped with all the facilities required for them. For on going Establishment (Pay & Other Allowance) of coaching cum-guidance centers Almora/ Uttarkashi.

For the Annual Plan-2005-06 proposed outlay under various schemes are as under-

		(in lakh)
		Annual plan (2005-06)
1.	State Sector	100.0
2.	Centrally Sponsored Schemes	30.00
3.	Tribal Sub Plan	15.00
4.	Special Component Plan	40.00
5.	District Plan	56.42
	Total	**241.42**

The Annual Plan 2005-06 comprises the following on-going schemes:

- Networking & Computerisation of Directorate Haldwani & All Subordinate Employment Offices.
- On going Scheme Establishment (Pay & Allowances) for the new Employment Offices / Career Counselling Centers Districts- Rudraprayag, Champawat and Bagheshwar.
- Development of Career Counselling centers in all Employment Exchanges of Uttaranchal.
- Establishment (Pay & Allowances) of New Town Employment Exchange / Career Counselling Center at Ramnagar in Nainital District.

- Construction of building for State Resource Centre in Dehradun .
- Establishment of New Vocational Guidance Units in District Employment Exchange, Udham Singh Nagar & Chamoli.
- **The Centrally Sponsored Scheme consists of the** on-going scheme of 2004-05. The State plans to make the special Employment Exchange for Physically Handicapped under this scheme an ideal employment exchange and vocational guidance center for the Physically Handicapped with all the facilities required for them.
- **In the Tribal Sub-Plan Strengthening/Computer Education** and include Pay & Allowances of coaching-cum-guidance centres in the tribal area of Kalsi, District Dehradun and Dharchula District Pithoragarh.
- For on going Scheme of coaching-cum-guidance centres Almora/Uttarkashi & Establishment of New coaching-cum-guidance centre, Khatima Strengthening, Establishment include Pay & Allowances .
- Establishment of coaching – cum - guidance centre, Haridwar & Bageshwar.
- **In the District Plan 2005-06,** proposed schemes are as under-

  - Strengthening of all the employment exchanges/Career Counselling Centre in Uttaranchal.
  - Establishment of Special employment exchange (Physically Handicapped) in Haldwani (Nainital)).
  - Construction of building for the Department in Haridwar and Udhamsingh nagar.

Issues for consideration:-

1. State Government has proposed construction of office Buildings at Udham Singh Nagar ,Almora, Haridwar and Rishikesh for the Assistant Labour Commissioners. State Government should provide number of Industrial Units and other Establishments along with workers engaged them in support of necessity of proposed buildings and staff.

2. Similarly proposal for purchase of vehicles also requires information on number of units to be supervised/inspected.

3. Proposed scheme wise outlay does not tally with outlay given in GN Statement, reasons of same may be obtained from State.

4. Information on the number of ITIs , their seating capacity and number of trades etc. may be obtained from the State, proposals do not give any information in this regard.

5. State Government should encourage private ITIs in Uttaranchal.

18. INDUSTRY

Uttaranchal, the 27th State of India, came into being on 9th November, 2000. It is carved out with 14 hilly districts of former Uttar Pradesh. The state is rich in flora and fauna, natural and touristic ambience, and houses some of the most important pilgrimage centers in the country. The state has two distinct climatic regions: the predominant hilly terrain and the small plain region. The climatic condition of the plains is very similar to its counterpart in the Gangetic plain—that is, tropical. Summers are unbearable with temperature going over the 40°C mark and a lot of humidity. Winters can be chilly with temperatures going below 5°C at times. The Himalayan region has Alpine conditions characterized by cold winters with snowfall for quite a long time, good rainfall in the monsoon, and mild summers. This climate also provides the state with its only livelihood, i.e., tourism. Tourism and hydro energy are the only viable industries in entire Uttaranchal because of paucity of resources and geographical problems.

The main objective for the creation of this new State was to ensure rapid economic development of this area. Various factors have contributed to the economic backwardness of Uttaranchal, one of the foremost being slow industrial growth. The objective of Uttaranchal industrial Policy is to create an environment conducive to the rapid and ecologically sustainable industrial development of the State of Uttaranchal with a view to harnessing industrial resources of the State and putting them to productive use, enhancing the flow of investments into industry and infrastructure, generating additional employment opportunities, raising the per capita income levels and standards of living of the people, ensuring equitable industrial development of all regions of the State, putting the State of Uttaranchal on a high growth path and endeavouring to create an industry-friendly environment in the State with the State Government playing the role of a facilitator for industrial development.

(Rs. crores)

Head of Development	Tenth Plan (2002-07)	Annual Plan (2002-03)		Annual Plan (2003-04)		Annual Plan (2004-05)		Annual Plan (2005-06)
	Projected Outlay	Agreed Outlay	Actual Exp.	Agreed Outlay	Actual Exp.	Agreed Outlay	Antcptd. Exp.	Proposed Outlay
Other	81.26	21.4254		32.69	16.153	58.7802	58.7802	75.00

Ind./IT

Annual Plan 2005-06 (Scheme-wise Proposed Outlay)

(Rs. crores)

Other Industries/Information Technology

	Proposed Outlay	*Funding Pattern*	
		State Fund	**Externally Aided Project External Fund**
1. Strengthening of IT infrastructure/IT-related			
State owned airstrips	*50.00*	*50.00*	
2. World Bank Project on E-governance	**25.00**		**25.00**
Total	**75.00**	**50.00**	**25.00**

From above, it appears that both these schemes belong to IT sector and there appears to be no proposal belonging to Other Industries sector. However, for the subsequent Working Group Level discussion, it is requested that State Govt. may provide specific information on following points :

(i) Status of details of implementation of various incentives, such as 100% excise exemption for ten years, 100% income tax exemption for five years thereafter tapering exemption for next five years, capital investment subsidy at the rate of 15% with a maximum of Rs. 30 lakhs and transport subsidy extended till 2007 for transportation between the nearest rail head and unit, given to Uttaranchal in the Concessional Industrial Package by Govt. of India for industrial development of the state for its industrial development. General write- up on industrial policy in the State and thrust areas visualized to be provided.

(ii) Recently the Government of Uttaranchal commissioned a study titled 'Uttaranchal - Infrastructure for Growth', which was conducted by CRISIL. Apart from providing an overall Vision Statement for the sector, the study has made recommendations on various aspects of Infrastructure Development in Uttaranchal. Details of implementation the recommendations made. Current status of related infrastructure such as power, water, roads, R&D, quality certification, consumer protection, etc. Physical targets/achievements in respect of providing world-class infrastructure at the doorstep of industry in the last two years may be provided.

(iii) Statistical information on structure and growth rates of industry sector in Goa. This may include physical output of key sectors, value of output, contribution to SDP, exports and employment.

(iv) Key initiatives launched/proposed to be launched for enhancing investor-friendly climate including measures for increasing competition, regulatory reforms in areas such as labour/land and re-engineering of industry-related clearances. Domestic and foreign direct investment figures may be provided.

(v) List of State Public Sector Units, physical and financial performance during the last two years, disinvestment, revival and closure features. How many PSUs are profit-making and how many are loss-making. In case of running units, their consumption norms and energy efficiency in comparison to similar nationally and internationally best plants must be provided.

(vi) Incidence of local taxes/levies on industrial products and efforts for lowering their incidence to a reasonable level.

(vii) Latest status of ongoing projects under Centrally Sponsored Schemes such as Apparel Parks, TCIDS, IIUS/MAI/ASIDE. Detailed position about achievements achieved through growth center scheme, integrated infrastructure development scheme, etc., including hurdles in these schemes, may be provided.

(viii) Information regarding Consumer Protection.

(ix) The level of subsidy given/proposed being given/to-be-given to industry sector in various forms. Such types of subsidy should be utilized for infrastructure development.

(x) Projects commissioned/proposed to be commissioned in PPP (Public Private Participation) mode. Policy measures to create conducive atmosphere to invite PPP Particularly in the field of industrial and infrastructure development.

(xi) Requirement and availability of quality testing and certification and proposals in this regard.

19. COAL & MINERALS

Geology And Mineral Resources:

The major part of the state is covered by the Himalayan mountains . The State has great potential of mineral resources. Small deposits of rock phosphate, copper, lead , nickel and river sand have been primarily explored in the Middle and Lesser Himalayas of the State. Limestone deposits occur around Chamoli , Almora, Pithoragarh and Dehradun districts of the State. The details on mineral resources of the state are given below:

(in '000 tonnes)

Mineral	Proved	Probable	Possible	Total
In situ Reserves				
China clay	-		12.45	12.45
Calcite (t)	-	-	7.00	7.00
Diamond	----------Not estimated----------			
Fire clay	-	-	2700	2700
Felspar (t)	-	-	100	100
Limestone	257072	24700	124340	406112
Marble	----------Not estimated----------			
Ochre (t)	20	28	8	56
Potash (m.t.)	-	130	300	430
Pyrophylite (t)	809	278	248	1335
Uartz/Silica sand	24712	28953	26444	80109
Rock Phosphate (t)	433	3118	115954	119505
Gold	----------Not estimated----------			

Source: Indian Mineral Year Book -2002

Directorate of Mining & Geology has proposed to carry out: a) traversing and detailed mapping for exploration and upgrading the mineral reserves, especially those of base metals. b) processing of applications for mining lease / prospecting license , demarcation of mining areas and inspection of mining activities. C) geotechnical investigations will include inspection of sites for buildings, bridges, alignment of roads, canals and power supply schemes. For strengthening the infrastructure, laboratory equipments, computers and aerial photographs would be purchased. The plan proposal for AP 2005-06 is proposed at Rs. 50.00 crores. The details of Plan outlays and expenditure are as follows.

Plan Outlays and Expenditure for Tenth Plan & Annual Plan 2005-06

(Rs. in lakhs)

Tenth Plan	Annual Plan 2002-03 Actual Expenditure	Annual Plan 2003-04 Actual Expenditure	Annual Plan 2004-05		Annual Plan 2005-06
			Outlay	Anticipated Expenditure	Proposed Outlay
275.00	53.73	52.72	50.00	50.00	50.00

During the year 2003-04 an amount of Rs. 52.72 lakh has been utilized in various Laboratory equipments and revenue of Rs. 30.60 crores was collected. An anticipated expenditure of Rs. 50 lakh has been shown against the same amount of outlay. Rs. 50 lakh has been proposed for the year 2005-06 for following works to be done :-

Mineral Investigation

In the Mineral exploration, the Department has planned to purchase the Drilling machine with its accessories, equipment for the chemical Laboratories, Geological field-equipment and Petrological Microscopes with its accessories. Purchase of surveying instruments and vehicles for the field work is also proposed.

Mining Administration

In mining administration, the technical training, publishing the information related to mineral wealth of the State and purchase of the vehicles for field work is proposed.

Geotechnical Investigation

For the effective commencement of the civil works of the State, the purchase of computers for district offices and additional field equipments is proposed. Purchase of latest books and journals to provide the latest technology/information to the geoscientists of the Department is also proposed.

Issues for consideration:

1. Emphasis is required to be given for intensive exploration of the prospective areas of mineral resources

1. The State Government need to frame a new mineral policy with a view to facilitate the participation of the private sector in exploration and sustainable development of minerals in the state.

3. Need to furnish the anticipated physical achievements during the Annual Plan 2004-05

20. TOURISM

The Tenth Plan outlay for tourism sector for Uttaranchal is Rs 180.00 crore. Actual expenditure for 2002-03 was only Rs.18.00 crore and Rs 26.25 crore for 2003-04. The outlay for 2004-05 is Rs 30.00 crore and the proposal for 2005-06 is Rs 33.00 crore. The thrust areas of the State tourism plan are for development of tourism in pilgrimage, culture, nature, leisure, adventure and corporate tourism. Promotion of handicrafts and souvenirs relating to tourism is also planned. Considering the tourism potentiality in the State and employment generation from the sector, higher allocation for tourist infrastructure is desirable.

21. SOCIAL DEVELOPMENT & WOMEN'S PROGRAMME

Outlay and Expenditure :

(Rs. in crore)

Sector	Tenth Plan projected outlay	Annual Plan 2002-03 Actual Expt.	Annual Plan 2003-04 Actual Extp.	Annual Plan 2004-05 Outlay	Annual Plan 2004-05 R.E.	Annual Plan 2005-06 Proposed
Women Welfare	12.32	0.67	2.86	3.15	3.15	4.44
National Social Assistance Programme.	35.00	5.75	8.66	6.08	6.08	6.69
Welfare of Handicapped	13.82	2.32	2.61	3.75	3.75	5.67
Other Social Welfare Scheme	-	-	-	3.30	3.30	5.73
Total*	**61.14**	**8.76**	**14.13**	**16.28**	**16.28**	**22.53**

* **Sainik Welfare Excluded**

1. The State Government of Uttaranchal has proposed Rs.22.53 crore for the Annual Plan 2005-06 against the outlay of Rs. 16.28 crore for the Annual Plan 2004-05. This increase is mainly due to Old Age Pension, Financial Assistance to destitute women and widows, National Family Benefit Scheme and Women Welfare.

2. The State Government has included the scheme of Sainik Kalyan under the Social Security and Social welfare Head. The State Government may transfer the scheme to Home Department or to any appropriate Ministry/Department.

3. The State Government has been implementing Social Welfare programme through two separate departments i) the Department of Social Welfare, ii) Department of Women & Child Development. The Social Welfare department looked after the welfare of women, aged, poor and destitutes, the welfare of disabled. Department of Women and Child Development looked after exclusively ICDS Programme only. For the better delivery service to the target groups, State Government may be advised to put all the women and children related programmes under the Department of Women and Children Development.

Women and Child Development

4. It has been observed that there is no important scheme under State sector for empowerment of women under Women Development except Maintenance Grant to Destitute Widow, Grant for Marrying Widow below 35 years and Establishment of After Care Home and Special Homes. Towards economic empowerment of women, the State should give priority to skill development training for gainful employment/self-employment.

5. Empowerment of women is a National Policy of the Government of India since 9th Five Year Plan. The approach of the Tenth Plan envisages a very distinct strategy for empowering women in terms of definite goals, targets and time frame. The State Government should draw up a time bound Action Plan for translating the policy into a set of concrete actions in consultation with all the concerned, both in the governmental and non-governmental sectors.

6. Besides allocation of adequate funds under the women's Component Plan (WCP), the State should also earmark funds/benefits under the state sector on-going programmes/scheme, having women component, in line with similar Central Sector/ Centrally Sponsored Schemes, to ensure that developmental benefits from these schemes flow towards empowerment of women, both socially and economically.

7. The Integrated Child Development Services (ICDS) Programme has been universalized in the State. The total sanctioned project in the state are 96, out of this 54 are operationalised. The State Government should also simultaneously provide adequate fund for supplementary Nutrition under ICDS and to ensure that all sanctioned projects are operationalized.

Social Welfare

8. It may be ascertained whether the Uttaranchal Government has conducted any survey for person with Disabilities, Drug Addiction, Street Children, Child Labour and Child Prostitute etc. If so, the State may be requested to submit report on the status of disabled.

9. Under Pension Scheme, 2 schemes have been i.e. (i) Old Age Pension under Social Security, (ii) National Social Assistance Programmes (NSAP). In the last Working Group Meeting, it was suggested to merge these 2 schemes. Action taken in this regard may be informed.

10. The State Government has to furnish information on the progress/achievement in regard to the implementation of 'Persons with Disabilities (Protection of Rights, Equal Opportunities Full Participation), Act, 1995.

11. The State has also to make adequate budgetary provision for the scheme – National Programme for Rehabilitation of Persons with Disabilities (NPRPD).

12. Services provided in the mandatory institutions set up under different Acts by and large remain below the expected level. There is need for the State to ensure that minimum, standard of services in these institutions set up under various acts like Juvenile Justice Act, 1986; Prevention of Illicit Traffic in narcotic Drugs and Psychotropic Substances, Act. 1998; and Immoral Traffic Generation Act, 1986 (subsequently revised), the Child Labour (prohibition and Regulation) Act, are maintained.

13. The State Government has proposed Rs.50.00 lakes for "Construction of Old Age Home" at Bageshwar and Rs.15.00 lakh for Construction of Beggar's Home at Haridwar in Uttaranchal Status regarding the completion of construction of old age home and beggars' home may be ascertained. As the State has shown it a new scheme but it is continuing scheme

22. BACKWARD CLASSES

Although literacy rate among SC & ST females is encouraging the percentage of literacy rate among female belonging to SCs & STs is 48.7 and 49.4 respectively. The State Govt. is requested to make efforts to improve the literacy rate of both SC & ST females.

The percentage of cultivators among SCs & STs is 50.1 and 63.0 respectively. The State Govt. may be requested to formulate schemes for providing irrigation facilities to these cultivators under National Common Minimum Programme (NCMP).

There are 8704 identified scavengers. The State Government has not furnished information with regard to the total number of scavengers identified, trained and rehabilitated. The State Government need to furnish a status report on the National Scheme of Liberation and Rehabilitation of Scavengers.

The State Govt. has although given write-up about the Centrally Sponsored Schemes but has not given detailed write-up in regard to proposed schemes for Annual Plan 2005-06 for welfare and development of SCs, STs, OBCs and Minorities. Therefore, it is requested that a detailed write-up of each of the scheme may be prepared and sent it to the Planning Commission.

The Schemes of Discretionary Grant for Marriage of Daughter and Treatment of Persons suffering from Chronic Deceases, Pensions to Physically Handicapped persons, Old Age Pensions, Construction of Old Age Homes, Construction of Beggars' Home may be considered to transfer to the Deptt. of Social Welfare which is the Nodal Deptt. in the State.

Scheme implemented under Bahuddeshiya Vitta Evam Vikas Nigam may be evaluated to assess the impact of the Scheme on the economic upliftment of SCs, STs, BCs and Minorities. The recovery position of the Vikas Nigam may also be ascertained.

There are two Primitive Tribal Groups (PTGs) namely Buxa and Raji whose population according to 1991 Census is as under:

Buxa - 42027
Raji - 494

The State Government has not prepared any comprehensive Plan for the all round development of these tribal groups. It may be impressed upon to the State Government to prepare a comprehensive planning for their all round development.

Central and Centrally Sponsored Schemes may be shown separately instead of showing it with the State sector Schemes.

The State Government may be advised to formulate Tribal Sub-Plan (TSP) and Special Component Plan (SCP) and earmark funds under TSP and SCP as per the population percentage of SC and ST.

Tourism is a major industry in the State due to its natural beauty and location. The involvement of the SCs and STs and the promotion of traditional handicrafts has a great potential for their economic developments. Hence, the State Government need to provide all financial assistance and training facilities with marketing linkages of their products for promotion of handicrafts in the region.

Proposed Plan for Annual Plan 2005-06 is to the tune of Rs.20120.00 lakh which is 37.15% increase over the anticipated expenditure of Rs.14669.00 lakh for Annual Plan 2004-05. It may be discussed in detail as to whether the State Govt. will enhance its efficiency to fully utilize the funds during the Annual Plan 2005-06.

23. POWER & ENERGY

The Uttaranchal Power Corporation (UPCL), which is responsible for transmission and distribution, has been functional since 1-04-2001, following the transfer of assets and staff from the Uttar Pradesh Power Corporation (UPPCL). The Uttaranchal Jal Vidyut Utpadan Nigam Ltd (UJVNL), which is responsible for all the generation activities, has been functional since 29-11-2001, following the Ministry of Power order of 5-11-2001 which vested control of assets situated in Uttaranchal of the Uttar Pradesh Jal Vidyut Nigam Ltd (UPJVNL) in the UJVNL.

Installed Capacity (I.C)

(MW)

	Hydro	Steam	TOTAL
(i) As on 31st March,2003	954.15	-	954.15
(ii) Addition during 2002-03 & 2003-04	< ---------- Nil ---------- >		
I.C .(31.03.2004)	954.15	-	954.15

The Uttaranchal State's share in Central Sector power stations located in the Northern Region is as detailed below:

Central Sector Share

	Uttaranchal's Share (MW)	
HYDRO-NHPC		
1. Tanakpur (91 MW)	15.0	(16.48%)
2. Salal II (3x115 MW)	12.2	(3.54%)
3. Chamera -I (3x180 MW)	19.1	(3.54%)

4.	Uri HEP (4x120 MW)	16.7	(3.48%)
5.	Nathpajhakri HEP (6x250 MW)	38.0	(2.53%)

THERMAL -NTPC

1.	Singrauli STPS (5x200 + 2x500 MW)	96.3	(4.82 %)
2.	Rihand STPS (2x500 MW)	39.3	(3.93 %)
3.	Unchahar I (2x210 MW)	36.2	(8.62 %)
4.	Unchahar II (2x210 MW)	15.1	(3.60 %)
5.	Anta CCGT (3x88 + 1x155 MW)	16.6	(3.78 %)
6.	Auriya CCGT (4x112 +2x107.5 MW)	26.0	(3.92 %)
7.	Dadri Gas (4x131 +2x153 MW)	28	(3.37 %)

NUCLEAR (NPC)

1.	Narora APP I (2x220 MW)	16.0	(3.58%)
2.	RAPP Unit 3&4 (2x220 MW)	15.1	(3.43%)
	TOTAL	389.6	

Villages Electrified and Pump sets Energised

		Cumulative Achievement As on 9/2004
Villages electrified	(No.)	13360 (85.2%)
Pumpsets energised	(No.)	17525

Financial Outlays

	All Sector (Rs. Cr.)	Power Sector (Rs. Cr.)	Power Sector Outlay as % of All Sector Outlay
Tenth Plan			
Projected outlay	**7630.00**	**1847.05**	**24.21**
2002-03			
Approved	1533.13	303.67	19.81

Actual	-	1355.50	194.38	14.34
2003-04				
Approved	-	1575.00	310.67	19.73
RE	-	1607.75	278.67	17.33
2004-05				
Approved	-	1810.40	253.84	14.02

Tenth Plan (2002-2007) - Tentative Capacity Addition Programme

The feasible capacity addition envisaged by Planning Commission would be of the order of 41,110 MW during the 10th Plan period. This covers the projects aggregating to 704 MW for the Uttaranchal State during the 10th Plan period. The details of these are given below:

STATE SECTOR PROJECTS:

(i) Maneribhali St.II 304 MW

PRIVATE SECTOR PROJECTS:

(i) Vishnu Prayag 400 MW

SHARE IN CENTRAL SECTOR PROJECTS:

The Uttaranchal State would also get its share in the Central Sector hydro, thermal and nuclear Power Stations located in the Northern region which have been taken up tentatively during the 10th Plan period. The details of these projects are given below:

Sl. No.	Name of the Project	Organisation	Total Capacity (MW)	Share of Uttaranchal
1.	Nathpajhakri (HP)	NJPC	1500	38 (2.53%)
2.	Dulhasti (J&K)	NHPC	390)	
3.	Tehri St. I (UP)	THDC	1000)	Yet to be
4.	Dhauliganga (Uttaranchal)	NHPC	280)	decided
5.	Sewa II (J&K)	NHPC	120)	
6.	Koteshwar (Uttranchal)	THDC	400)	
7.	Tehri PSS (Uttranchal)	THDC	1000)	
8.	Rampur (HP)	NJPC	500)	
9.	Rihand II (UP)	NTPC	1000)	
10.	Unchahar III (UP)	NTPC	210)	
11.	Dadri II (UP)	NTPC	490)	
12.	Barsinghar Lignite plant (Rajasthan)	NLC	250)	
	TOTAL		**7340**	

Power Supply Position

Year	Peak Deficit MW	%	Energy Deficit MU	%
2002-03	(-) 66	8.6	(-) 104	2.8
2003-04	(-) 40	5.1	(-) 89	2.1
2004-05 (April-Nov.,2004)	(-) 52	6.1	(-) 61	2.0

STATUS OF HYDRO ELECTRIC POTENTIAL
(HYDRO POTENTIAL AT 60% LOAD FACTOR IN MW)

	UTTARANCHAL	NORTHERN REGION	ALL-INDIA
1. Total Potential	7453.00	30155.00	84044.00
2. Potential developed	831.68	4591.07	14003.43
(%)	(11.16)	(15.22)	(16.66)
3. Potential under development	1326.17	2513.50	5294.04
(%)	(17.79)	(8.34)	(6.30)
4. Total developed & under development	2157.85	7104.57	19297.48
(%)	(28.95)	(23.56)	(22.96)
5. Balance Potential	5295.15	23050.43	64746.52
(%)	(71.05)	(76.44)	(77.04)

UPCL's Financial Performance

The financial performance of Uttaranchal Power Corporation Ltd. (UPCL) as discussed during the Resources Discussion for Annual Plan 2005-06 is indicated below :

	2002-03 (actual)	2003-04 (actual)	2004-05 (RE)	2005-06 (AP)
1. Average Cost of supply (paise/Kwh)	383.91	393.09	375.67	356.36
2. Average Tariff (paise/Kwh)	376.83	342.46	291.82	279.94
3. Percentage Recovery (%)	98.16	87.12	77.68	78.56
4. Total Revenue Receipt (Rs. Cr.)	971.03	963.07	941.98	991.03
5. Total Revenue Expenditure (Rs. Cr.)	941.61	1040.26	1109.68	1142.56
6. Commercial loss (Rs. Cr.)	(-) 24.53	(-) 96.53	(-) 190.57	(-)188.99
7. Internal resources (Rs. Cr.)	(+)133.59	(-) 9.27	(-) 76.15	(-) 62.07

8. Average Agriculture Tariff (paise/Kwh)	91.00	145.00	90.00	90.00
9. Share of agricultural (%) consumption	13.95	13.47	13.22	13.09
10. Revenue Arrears (Rs.crore)			900.00	

Private Sector

Before the Uttaranchal State came into existence, Government of Uttar Pradesh State had taken two hydro power projects viz. Vishnuprayag HEP (400 MW) and Srinagar HEP (330 MW) for private sector participation. These IPPs projects are now under the jurisdiction of the Uttaranchal State. These projects being located in the Uttaranchal State Government is eligible for 12% free power.

Restructuring & Reforms

The Government of Uttaranchal has set up a single member Electricity Regulatory Commission of Uttaranchal (SERC) on 5-09-2002. The SERC has issued one tariff order in September 2003.

APDRP Scheme

Under the Accelerated Power Development and Reform Programme (APDRP) the sanctioned/released/utilized amount as on 1st November, 2004 is given as under:

(Fig. In Rs.crore)

Project Cost	APDRP Cost	Released Amount	Counter-part fund	Utilisation
361.51	361.51 (100%)	180.76	Not Applicable	100.96

ISSUES

1. The T&D losses in the state power system are estimated at 34% during the year 2004-05 (RE) and proposed to be brought down to the level of 33.60% during 2005-06. The reported loss include technical as well as commercial losses. About 14% of total energy sales are attributed to agricultural sector consumption. A large part of these consumers are not metered and getting electricity supply on flat rate based on horse power. Besides some of the consumers in rural areas also get un-metered supply. Thus, the actual level of the losses would be much higher.

2. The State Government may realise the revenue arrears mostly from its own department which has accumulated to Rs. 922.09 crores, which is around 100% of the total sales revenue of Rs. 923.12 crore, as on March, 2004. The UPCL is billing around 12.2% to the Government department/undertaking, however the payment is not received to the State power utilities.

24. ENVIRONMENT & FORESTS

The total forest cover constitutes 43.49% of the geographical area of the State. The State has a long tradition and experience of community participation and quite a substantial area of forest is managed by Van Panchayats. The Government has recently modified Van Panchayat rules for better control and management of these forests. However, there is a need to lay greater emphasis on capacity building and awareness generation among community for conservation and management of natural resources.

The richness of medicinal plants in Himalayas is well known. Estimated annual turnover of this business would be around Rs.150 crores. While it is important to promote cultivation, it will be equally important to organize marketing and storage ensuring larger shelf life for the produce cultivated. A price support and Govt. intervention in organizing this will be helpful in ensuring better returns to cultivators.

The importance of forest of Uttaranchal lies in their conservation value in context of the potential sources of employment, power and water supply. While optimum density of forests maintains the value in terms of non-destructive usage potential for tourism, healthy catchments will be the key to maintaining hydro-power potential of 16000 MW and fertility of dry farmlands which are the life support systems of the rural communities. Perennial agriculture and agro-forestry are thus key to maintain the tree cover. In this context, well developed agro forestry systems in foot hills should be encouraged by avoiding industrial raw material crops in forest lands, and organizing market support of agro forestry produce through price support.

The State has six National Parks and six Sanctuaries. A new initiative is required for wildlife management and to reduce the pressure on their natural habitat.

The growing population of Gujars in the national park, sanctuaries on fringes is serious concern for protection of wild life and maintenance of Protected Areas Gainful employment opportunities from forest like sericulture, use of fibre and bamboo, small enterprises for use of local material into utility items and handicrafts etc. should be tapped.

The proposed allocation for Annual Plan 2005-06 for Forestry and Wildlife sectors is Rs.89.84 crore which constitutes 4.08% of the total State Plan outlay. The proposed outlay for the Annual Plan 2004-05 is Rs. 49.18 crore which is anticipated to be fully utilized.

25. HEALTH

Demographic Profile

The State has reasonably good demographic profile. The **Literacy Rate** has improved to 73% in 2001 as compared to 57.75% in 1991. The **Crude Birth Rate** declined from 31.5% in 19991 to 18.1% in 2001. There has been a marked decrease in the **IMR** from 52 per thousand in 1997-98 to 44 per thousand in 2002, as also a decrease in the **TFR** from 4.0 in 1991 to 2.6 in 2002. Similarly, there has been a welcome increase in the sex-ratio from 936 (1991) to 964 (2001) females per thousand males. The percentage of females having knowledge about AIDS is 66.6.

Infrastructure of Primary and Community Sub-Centres

The following table gives an idea of the number of the PHCs and CHCs needed as also in position in the state of Uttaranchal.

S.No	Health Units	Total Need	Total established
1.	*Establishment of Sub Centres*	2162	1609
2.	Establishment of Primary Heath Centres	324	262
3.	Establishment of Community Health Centres	81	36

During the Tenth Five Year Plan, it is proposed that the State Government building of the following Sub-Centres, PHCs and CHCs are to be constructed:

Health Units	Total Needed	Total proposed for 10th Plan	Achieved during 1st 2 years of 10th Plan
Construction of Sub Centres	978	220	255
Construction of Primary Heath Centres	56	55	22
Construction of Community Health Centres	41	10	13

Initiatives taken by the State Government in the Health Sector

The State has taken sufficient initiatives for the Health Sector. During 2005-06, Rs. 150.00 lakhs has been proposed for construction of Sub-Centres, Rs. 200.00 lakh for construction of PHCs and Rs 90.0 lakhs for construction of SAD. In addition, Rs. 500.00 lakhs has been proposed for on-going construction of CHCs. The State also proposes to establish ENT/ORTHO Units in District and other hospitals, hospital in the High Court, dispensary in Vidhan Sabha / Secretariat and Uttaranchal Niwas in Delhi, establishment of TB Clinic, cleanliness and medical facilities, post-mortem centers and blood bank etc. While all these efforts may be supported, the State should also give due attention to various Disease Control Programmes.

Approved Outlay for 10th Plan and Proposed Outlay for Annual Plan 2005-06

During the Tenth Plan (2002-07), the approved outlay under the head Medical and Health has been fixed at Rs. 33466.00 lakhs in the State which comes to 3.72% of the total outlay. Similarly, during 2005-06, the proposed outlay is Rs. 8715.92 lakhs which comes to 3.96% of the total proposed outlay in the State. It may be pointed out that the proposed outlay under Health is low and needs to be increased to atleast 6.0% to 6.5% to achieve the targets under Health Sector.

Expenditure Pattern

The following table gives the expenditure pattern under Medical and Health Sector during the Tenth Plan and the Annual Plans till 2005-06.

Rs. In lakhs

Major Head	Tenth Plan Approved Outlay	Annual Plan 2002-03 Actual Exp.	Annual Plan 2003-04		Annual Plan 2004-05		Annual Plan 2005-06 Proposed Outlay
			Agreed Outlay	Actual Exp.	Proposed Outlay	Anticipated Exp.	
Medical & Public Health (Allopathy)	24400.00	5457.21	6769.77	5823.19	8187.99	8187.99	7667.31
Ayurvedic & Unani	8500.00	252.87	494.32	479.34	490.35	490.35	676.37
Homeopathy	566.00	-	94.62	-	80.97	80.97	372.24

It may be seen from the above table that the expenditure position in the case Homeopathy is on the low side, while in the case of Allopathy, Ayurvedic and Unani systems, the expenditure position is good. Therefore, under Homeopathy the expenditure has to be suitably increased.

26. EDUCATION

EDUCATION PROFILE OF UTTARANCHAL

Sl. No	Items	Total	Male	Female	India Total	Male	Female
1.	**Population (1991-2001: in crores)** 1991 **2001**	0.84	0.43	0.41	102.70	53.12	49.57
2.	**Literacy (1991-2001: Ranking ../35) 2001**	72.28 (14)	84.01 (12)	60.26 (18)	65.38	75.85	54.16
4.	**4-A. Enrolment (2002-03: in lakhs):**	Total	Boys	Girls	Total	Boys	Girls
	(Class I to V)	11.56	5.96	5.59	1221.36	649.46	571.90
	(Class VI to VIII)	5.23	2.80	2.43	469.46	263.26	206.10
	(Class IX to X)	3.10	1.80	1.30	219.06	128.46	90.59
	(Class XI to XII: 10+2)	1.44	7.93	6.46	113.97	67.27	46.69
	(Higher Education)	1.20	0.74	0.47	95.17	57.05	38.11
	4-B Gross Enrolment Ratio (2002-03)						
	(Class I to V)	107.87	106.95	108.87	95.18	97.32	92.87
	(Class VI to VIII)	78.84	81.53	75.96	61.13	65.51	56.31
5.	**Drop Out Rates (2002-2003):**						
	(Class I to V)	NA	NA	NA			
	(Class I to VIII)	NA	NA	NA			
6.	**Number of Institutions:** Primary Schools	13902			**651399**		

	Up. Primary Secondary Higher Secondary Colleges for Higher Edn. Universities/Deemed Univ./NI* (*Institutions of National Importance)	3471 759 1068 126 7			**245710** **91517** **46137** **4492** **304**		
7.	**Number of Teachers**						
	Primary Schools	0.37	0.16	0.21	**19.08**	**11.65**	**7.44**
	Up. Primary	0.15	0.10	0.05	**15.80**	**9.35**	**6.45**
	Secondary]	0.08	0.05	0.02	**10.04**	**6.22**	**3.82**
	Higher Secondary]	0.21	0.15	0.06	**10.36**	**6.05**	**4.31**
8.	**No. of Trained Teachers:**						
	Primary Schools	100			**86**		
	Up. Primary	100			**87**		
	Secondary	100			**89**		
	Higher Secondary	100			**90**		
9.	**Per Capita Expenditure on Education Rs 1209.25 during 2002-03 against the national average of Rs.867.39 during the same period.**						
10.	**Percentage of Budgeted Expenditure on Education (revenue account) to total budget: 24.81 % during 2002-03 against the national average of 12.74% during the same period.**						

Financial Statement – Education Sector - UTTARANCHAL

(Rs. in crore)

S. No.	Sector	10th Plan Outlay	Expenditure – 2002-03	Expenditure –2003-04	Anticipated Exp. 2004-05	Proposed outlay 2005-06
2.	General Education	672.00	101.21	113.60	169.14	185.65
3.	Higher Education	145.04	12.29	30.99	30.89	40.08
4.	Technical Education	114.81	9.61	13.66	27.29	32.05
5.	Sports & Youth Affairs	21.30	4.36	2.97	6.27	8.45
6.	Art & Culture	22.65	0.66	1.58	5.38	5.15
	TOTAL	**975.80**	**128.14**	**162.80**	**238.98**	**271.38**

GENERAL

As per the 2001 Census, average literacy rate of the State- Uttaranchal is 72.28% (males- 84.01% and females- 60.26%) which is higher than the National average of 65.38 %. Efforts are required to improve female literacy in the state.

Elementary Education:

Because of improved state education policy, GER in primary classes in the state has risen to 107.87 % and is better than the National average of 95.18%. Annexure-I shows that there is a marginal difference between GER female (106.95) and male (108.87).

Of the 13 Districts of the State, 6 Districts are covered under DPEP and the remaining 7 Districts are covered under the Sarva Shiksha Abhiyan, Centrally Sponsored Scheme.

Sarva Shiksha Abhiyan(SSA)

The following activities will be undertaken under the programme SSA:

i) Opening of new primary and upper primary schools;
ii) Construction of primary and senior basic schools;
iii) Construction of additional classrooms, boundary walls and repair of school building;
iv) Construction of BRCs, CRCs
v) Provision of toilets, drinking water facilities;

An amount of Rs.40.69 crore as well as Rs.1.40 crore has been proposed as state share for the schemes of SSA and DPEP-III respectively. It is also proposed that remaining (75% share) amount of Rs.96.48 crore will be shared by Government of India. **It is not clear from the proposal how the State Government has estimated State share and Central Share under SSA. This needs to be clarified in the Working Group.**

Free Text-Books:

In the State, all the girls and boys belonging to SC/STs categories schooling in I-VIII classes are given all the text books free of cost under both DPEP and SSA. But the State Government has decided to extend the benefit of the Scheme to all the children enrolled at Classes I-VIII irrespective of their caste and gender, subject to the maximum cost limit of Rs.150/- per student. For the Scheme, the State Government has proposed an amount of Rs.4 crore for the year 2005-06.

Honorarium:

Shiksha Mitras

To meet out the shortage of teachers of primary level in remote and far flung areas, the State Government has deputed Shiksha Mitras with an honorarium of Rs.3000/- p.m. for the period of 10 months. An amount of Rs.6.20 crore is likely to be spent in the financial year 2005-06 for honorarium of 2400 Shiksha Mitras.

Shiksha Bandhus

The State government had proposed for providing 2000 para teachers at fixed honorarium of Rs 4000/- per month against the vacant posts in Government Secondary Schools during 2004-05. To continue this scheme in the financial year 2005-06 an amount of Rs.4.10 crore has been proposed. **Requirement of funds for 2000 teachers @ Rs.4000-/ p. m. for 10 months comes to Rs.8.00 crore. Against this, the State Government has proposed only Rs.4.10 crore. It is also not mentioned how many posts have been filled up with para-teachers. This needs to be discussed .**

Mid Day Meal (MDM):

Under Mid Day Meal Scheme, cook food is being provided in 95 blocks to cover 8.5 lakh students in primary classes in the State. For the Scheme, an amount of Rs.24 crore has been proposed for the year 2005-06 for cooking ingredients, fuel and honorarium of cook and transportation of food grain. **In this regard it may be suggested that the state government should avail benefits of CS Scheme Of MDM as MHRD has recently decided that the conversion cost @ Rs.1 per child per day will be borne by the Central Government..**

Adult Education:

It is mentioned that TLC has successfully being completed in all the 13 districts of the State and PLC and CE Programmes are being run at various levels in the Districts. Only State share of Rs.20 lakh has been proposed for the AP 2005-06. **Physical achievement under the programme has not been given in the proposal, a large number of adults must be still illiterate in the State as there is a large gap between male (84.01%) and female (60.26%) literacy level in the state. Adult Education programme in the state needs to be discussed.**

Secondary Education

Inclusion of new subject/additional sections:

Sixty schools/colleges will be provided new sections during the year 2005-06. Opening of the new sections and inclusion of new subjects will incur an expenditure of Rs. 58 lakhs during the year. **What is the monitoring system, whether community has been involved in construction work in schools or not, this needs to be discussed.**

Opening of new High Schools and upgradation of Senior basic schools:

During the year 219 high schools will be upgraded and 19 new high schools will be opened with an amount of Rs.13 crore.

A target of upgrading 19 new high schools to intermediate colleges has been set up during the financial year 2004-05. An amount of Rs.15 crore has been proposed for payment of salary for 156 inter-colleges –new and opened in the past years. **Upgrading19 high schools to intermediate colleges was the target for the financial year 2004-05 It is not clear from the proposal whether the 19 high schools had been upgraded during the current financial year or not. Target number of high schools to be upgraded into intermediate colleges in the state needs to be ascertained.**

Once the Elementary Education achieves its targets, there will be a pressure for High and Higher Secondary Education. It may, therefore, be suggested that the state government should start preparing Educational Plan for High and Higher Secondary Schools district-wise.

Computer Education in Schools (State Sector):

Government high schools and Government Intermediate colleges of the State have been computerized. It is proposed to cover 19 new high schools under the scheme with an amount of Rs. 1 crore for the year 2005-06. **It is not clear from the proposal how many schools have so far**

been computerized and whether the State Government has been availing benefits of the Central Scheme of CLASS or not.

Establishment of Rajiv Gandhi Navodaya Vidyalaya (RGNV):

RGN, a residential school has been opened in four districts in 2003-04 and it would be established in rest of the districts by 2005-06. Under the scheme, an amount of Rs.7 crore has been proposed for the year 2005-06. **There is a Central scheme of Navodaya Vidyalayas and the programme will expand to all the districts in the country. Since this is a costly proposal the State Govt. may be suggested not to duplicate the Central Scheme. The division may not support this proposal.**

Opening of new girls high schools and upgradation of girls senior basic schools:

High drop out rate in girls is a serious problem after class V and VIII. To reduce drop out rate new girls high schools are proposed to be opened/upgraded for which an amount of Rs. 2.40 crore has been proposed for the year 2005-06. **Number of schools to be opened/upgraded has not been given. Is there any study done in the State to find out reasons for high drop out rates in girls?**

Special facilities for girls:

It is proposed to provide basic needs such as separate toilets, common rooms for girls in 12 co-educational non-government aided colleges. For the purpose an amount of Rs.12 lakh has been proposed. **It is not clear why such special facilities will be provided in non-government aided colleges. This needs to be discussed.**

Inclusion of new sections/recognition of subjects/incentive to outstanding aided secondary schools:

An amount of Rs. 2.12 crore has been proposed for the above activities. **Target under the scheme has not been given in the proposal.**

RIMC:

There is quota for the students of Uttaranchal in the RIMC, a renowned institution of military education. An outlay of Rs. 0.22 lakh has been proposed for the year 2005-06 to conduct the entrance exam. **Since the scheme comes under the purview of Defence Department the division may not support the proposal.**

<u>Technical Education</u>

The Directorate of Technical Education in the State deals with 15 Govt. Polytechnics, 1 Govt. aided Polytechnic, and 1 Private Polytechnic.

TEQIP (EAP)

Four engineering colleges and 1 polytechnic of the State has been selected under this schemes of Government of India which is funded by World Bank. The essential project elements for institutional developments are :

(a) Promotion of academic excellence
(b) Networking of institutions for quality enhancement and resource sharing
(c) Enhancing quality and reach of services to community and economy
(d) Institutional management capacity improvement
(e) Implementation of institutional reforms
(f) Implementation of tribal development plan

An amount of Rs. 10 crore has been proposed for the Annual Plan 2005-06 which will be reimbursed by the Government of India.

MAJOR ISSUES/SUGGESTIONS:

1. Although the female literacy rate(60.26%) of the State is higher than the national average of female literacy 54.16 % of the State but in some districts like Tehri Garwal, Haridwar and Uttarkashi the female literacy is below the national average. There is no special proposal for improvement of adult female literacy in these districts.
2. Drop out rate in primary and upper primary classes in the state needs to be ascertained.
3. Although enrolment in primary classes is high (107.87%) What steps have been taken by the State Government to improve retention.
4. The proposals do not give basic statistics relating to education sector such as the number of targeted population, enrollment, drop-out rate in primary and upper primary classes, existing / total requirement / target to be achieved during 10^{th} Plan infrastructure facilities/ teachers for primary and upper primary schools, pupil teacher ratio, target and achievement under different incentive programmes, etc.
5. Details in terms of implementation strategy, monitoring system need to be ascertained. It needs to be ensured that there will be no pilferage of food items, children are getting quality of adequate regular cooked food, etc.
6. Private schooling has expanded significantly in the last decade. Quality education needs to be ensured. It is not clear from the proposals as to how the quality of education in the primary and upper primary will be taken care of.
7. Has the state Government developed proper convergence between activities of SSA and DPEP for example, production of school- books, training of teachers, etc.
8. Has the state government developed proper networking of the District Institutes of Education and Training (DIETs). They can have programmes under which they can share their experiences with other DIETs members as well as with DIETs in non-DPEP Districts under SSA. DIETs should have proper linkages with Block Resource Centres (BRCs), Cluster Resource Centres (CRCs) where teacher training issues can be discussed.
9. It is not clear from the proposal whether the children are availing facilities of National Open School or not. Given the difficult terrain in the state, the potential use of distance education mode may be seriously considered, particularly for teacher training and support.
10. So far the state has not prepared a strategy of integrating children with special needs into the mainstream. The State Government may be requested to prepare a comprehensive scheme on priority basis.
11. Quality of science education in schools is the concern of today. Experience show that either schools have no proper science labs or if any science lab/s, are not being properly utilized for practical purposes. At many places students are not allowed to do practice, only teachers do the practical and show it to students. It has also been observed that there was no provision for replenishment of chemicals, apparatus. If any apparatus breaks, teachers or principal will have to pay from their own pocket. There is a list of items for a model lab but teachers are not aware

of such a list. Schools either did not have enough science books in their libraries or what ever available, those books were not being utilized properly.

12. Only 19 colleges and 4 Universities in the state have been accredited by the NAAC upto April, 2004. Why other universities and colleges in the state are not coming forward for accreditation.
13. So far, a very few courses in technical institutions have been accredited by the NBA. Is there any study done to assess the quality of education being provided in the private/ govt. aided/ .state run technical institution.
14. There is need to review the functioning, infrastructure, efficiency, contribution of polytechnics in the State.

Financial requirement

An outlay of Rs.271.38 crore has been proposed under Education Sector for the Annual Plan 2005-06 against the anticipated expenditure of Rs.238.98 crore occurred during the current financial year of 2004-05.

Since an enhanced outlay of Rs.185.65 crore has been proposed for General Education Sector for the year 2005-06 as against the anticipated expenditure of Rs.169.14 crore during the current year, we may therefore have no objection to the proposal.

Annexure I

Approved outlay for Tenth Plan , approved outlay and expenditure for first three years of Tenth Plan and proposed outlay for 2005-06

(Rs. in lakh)

Sl. No.	Sector	Tenth Plan 2002-07	Annual Plan 2002-03		Annual Plan 2003-04		Annual Plan 2004-05		Annual Plan 2005-06
		Agreed Outlay	Approved Outlay	Actual Expenditure	Approved Outlay	Actual Expenditure	Approved Outlay	Anticipated Expenditure	Proposed Outlay
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ECONOMIC SERVICES		**571400.48**	**100381.94**	**101687.01**	**98527.90**	**98460.86**	**105875.85**	**105875.85**	**129645.51**
1	Agriculture & Allied Activities	87917.29	18311.54	22687.31	20244.21	22986.25	14939.64	14939.64	18907.36
2	Rural Development	49878.17	8958.40	14519.31	14392.52	24422.39	15258.00	15258.00	16153.00
3	Special Area Programmes	2500.00	416.00	242.45	416.00	27.26	416.00	416.00	457.00
4	Irrigation & Flood Control	36900.00	7680.63	5824.02	6429.55	9128.37	7768.94	7768.94	8562.50
5	Power & Energy	194000.00	31885.52	22537.67	29437.67	12838.59	26976.63	26976.63	37507.58
6	Industry & Minerals	24501.00	5272.77	7073.88	6524.01	4812.10	15018.10	15018.10	17382.02
7	Transport	105134.02	17259.78	22330.85	17797.00	21591.96	21097.00	21097.00	24966.00
8	Communication	--	--	--	--	--	--	--	--
9	Science, Technology & Environment	5500.0	761.00	1.45	520.00	5.00	520.00	520.00	800.00
10	Gen. Economic Services	65070.00	9836.30	6470.07	2766.94	2648.94	3881.54	3881.54	4910.05
11	Social Services	248753.39	36213.06	35620.44	49698.72	56563.17	68814.14	68814.14	83741.49
12	General Services	79846.13	16718.00	1162.52	12548.38	10019.79	6350.01	6350.01	6800.00
	Grand Total	**900000.00**	**153313.00**	**138469.97**	**160775.00**	**165043.82**	**181040.00**	**181040.00**	**220187.00**

Source . Draft Annual Plan 2005-06, Government of Uttaranchal

Annexure-II

Financial Performance under major rural development programmes for 2000-2001, 2001-2002, 2002-2003, 2003-2004 and 2004-2005 (Rs. in lakh) of Uttaranchal

S.No	Name of the Scheme/Year	Opening Balance	Total allocation	Total release	Total available funds	Total expenditure	% Expenditure to available funds	% Expenditure to total allocation
	2000-2001							
1	JGSY	726.15	2613.56	2017.51	2813.66	3371.60	119.83	129.00
2	IAY	1293.35	2956.44	1903.39	3196.74	2299.80	71.94	77.79
3	EAS	830.93	1977.53	1723.77	2563.29	1890 83	73.77	95.62
4	SGSY	1226.47	1272.60	576.89	1803.36	904 50	50.16	71.07
	2001-2002							
1	JGSY	448 74	2971.16	2971.16	3419.90	2291.85	67.02	77.14
2	EAS	625.21	2995.23	2452.74	3077.95	2155.66	70.04	71.97
3	SGSY	1172.65	736.40	675.49	1848.14	1558 90	84.35	211.69
4	IAY	1046.37	2990.65	1819.51	2865.88	2464.75	86.00	82.42
	2002-2003							
1	SGRY$	1818.93	6678.49	5751.17	7570.10	5031.26	66.46	88.60
2	SGSY	486.58	736.40	778.47	1265.05	829.56	65.58	112.66
3	IAY	338.48	3860.57	2682.12	3020.60	2297.13	76.05	75.06
	2003-2004							
1	SGRY$	1269.05	6587.13	7810.95	9080.00	6526.97	71.88	99.09
2	SGSY	239.76	1017.33	905.14	1144.90	1356.48	118.48	133.34
3	IAY	208.85	3466.07	4350.72	4559.57	3977.92	87.24	114.77
	2004-2005							
1	SGRY$+	0.00	5242.62	2567.13	2567.13	NR	NA	NA
2	SGSY+	122.57	1273.47	477 55	600 12	8 04	1.34	0.63
3	IAY+	1253.39	4559.57	2279.79	3533.18	28.05	0 79	0.62

+ upto April 2004.

Source: Ministry of Rural Development
updated - as reported on 09.06.2004

Annexure-III

Physical Performance under major rural development programmes for Uttaranchal

For 2000-2001, 2001-2002, 2002-2003, 2003-2004 and 2004-2005

S.No	Programmes	Unit	2000-2001			2001-2002			2002-2003			2003-2004		
			Target	Achievement	% Achievement	Target	Achievement	% Achievement	Target	Achievement	Period	Target	Achievement	Period
1	JGSY	Lakh Mandays	0.00	10.39		0 00	26.74							
2	IAY	Houses constructed	16848.00	13775 00	81.76	17944.00	11245.00	62 67	17250 00	11799 00	upto 3/2003	195336.00	21666.00	upto 3/2003
4	EAS	Lakh Mandays	23 48	11.07	47 15	34.84	12.38	35.53						
5	SGSY	Swarozgaris Assisted	0.00	31555.00		0.00	17715.00		0.00	3922.00	upto 1/2003	0.00	10780.00	upto 3/2003
6	SGRY $ (including JGSY & EAS)	Emp. Generated (Lakh Mandays)							26681.68	7054.93	upto 1/2003	0.00	45.99	upto 3/2003

$ EAS and JGSY have been merged into SGRY w.e.f. 2002-2003.

Source: Ministry of Rural Development

No. M-13048/15/WB/2004-SP (East)

Government of India
Planning Commission
(State Plans Division)

....

Yojana Bhawan, Sansad Marg
New Delhi, dated 4th February, 2005

Subject: Background Note for DCH-CM West Bengal, level meeting for finalization of Annual Plan – 2005-06, West Bengal

A background Note for the meeting to be held between Deputy Chairman, Planning Commission and the Chief Minister of West Bengal at Yojana Bhawan, at 11.00 A.M. on 7th February, 2005 for finalization of the Annual Plan 2005-06, West Bengal is hereby circulated.

(W. Synrem)
Director (SP-E)
Ph. 23096791

Planning Commission

Pr. Advisers

Advisers

JS(SP)

Heads of Divisions

PMO

Shri K.V. Pratap, Dy Secretary

Ministry of Finance

Joint Secretary, (PF-I)
Deptt. of Expenditure, North Block
New Delhi.

Copy to Private Secretary to:

Dy Chairman / MOS

Members

Secretary

Copy also to:
Director (SP-Coord) / Deputy Adviser (PC Division) / DA (MLP&Hill Areas) / Protocol Officer / Information Officer.

BACKGROUND NOTE FOR THE DEPUTY CHAIRMAN - CHIEF MINISTER LEVEL MEETING TO BE HELD ON 7.2.2005 IN ROOM NO:122, YOJANA BHAVAN FOR FINALIZATION OF OUTLAY FOR THE ANNUAL PLAN 2005-06 IN RESPECT OF WEST BENGAL.

1. State Profile

The following are some of the basic information about the State of West Bengal. Annex.I gives some more details of information relating to West Bengal.

a) Area:	: 88,752 sq. km. (2.7% of total area of India)
b) Population (2001 Census)	: 8.02 crore. (7.8% of country's population).
(2002 Mid-year)	: 8.17 crore. (3rd most populous in country)
c) Population Increase	: 1.21 crore (1991-2001)
d) Decadal Growth Rate	: 17.84% (1991-2001). (All-India : 21.34%) : 24.73% (1981-1991).
e) Sex Ratio	: 934 (2001) compared to 917 in 1991.
f) Population in Urban areas	: 28.03% (2001) as against 27.48% in 1991.
g) Density of Population	: 904 in 2001 as against 767 in 1991. (All India : 324)
h) Percentage of SC/ST Popn.	: SC – 23.62%; ST – 5.60%.
i) Number of Districts	: 18
j) Number of CD Blocks	: 341
k) Number of towns	: 152
l) Number of villages	: 37910

2. Growth Rate and Per Capita NSDP (State Income) at 1993-94 Prices

The per capita Net State Domestic Product (State Income) at 1993-94 prices in respect of West Bengal is almost equal to the National average. The percentage growth rate of Net State Domestic Product (NSDP) at 1993-94 prices over previous years is around 7%. The Tenth Plan estimate of growth for West Bengal was 8.8%. The provisional growth figure for the State for 2002-03 is 7.1%, which is much higher than the country's growth rate of 3.8% for the same year. As may be seen from the following table, the per capita income in respect of West Bengal as per 1993-04 prices are comparable with the All-India figures.

Year	Growth Rate (%age)		Per Capita NSDP (Rupees)	
	West Bengal	All-India	West Bengal	All-India
1993-94	-	-	6756	7690
2000-2001	6.4	4.2	9796	10313
2001-2002	7.1	5.9	10375	10774
2002-2003	7.1	3.8	10952	10964

3. Finances of the State

The fiscal deficit of the State as a percentage of State Domestic Product shot up from 4.1% in 1997-98 to 6.2% in 1998-99 and rose to 9.2% in 1999-2000 after the implementation of the Fifth Pay Commission's recommendations. It has come down somewhat to 7.5% in 2001-02. The revenue deficit rose from 2.3% of the State Domestic Product to 4.2% and 7.3% in the same period and has now come down to 5 7%. This is much higher than the all State GFD/GDP and RD/GDP levels of 4.2% and 1.8%. The seriousness of the fiscal situation of the State can be gauged from the fact that RD/GFD is as high as 71.2% in 2004-05 The debt ratio of the State is 43.4% which is again far higher than the all State average of 28.7%.

Own revenues of the State account for around 57.8% of total revenue receipts. Own tax revenue account for 26.8% of total receipts, while capital receipts account for 47.4% since the State is heavily dependent upon borrowings. Sales tax is the major own tax, which yields 56% of tax revenue. Buoyancies of receipts have fallen below one in the second half of the 90s, which clearly indicates the need for fundamental reform of the tax structure.

On the expenditure side, West Bengal has a very low share of Plan expenditure in total expenditure. This is only 12.1% (the all State share is 23.5%). Debt servicing (including interest and principal payment) accounts for a substantial 46.1% (the all State figure is 27% of total expenditure). The heavy indebtedness of the State has resulted in the share of interest payments in total revenue receipts reaching a high of 48% (against the all State average of 24.4%). With salaries and pension payments, the share of committed expenditure in total revenue receipts is now as high as 111.5% (it is 75% for all States). The effective interest rate of the State is 11.6%. Whether there is scope for swapping liabilities to banks and institutions could be considered. Hence, debt stress is a major issue and the State seems to be very close to a debt trap. A detailed Note on Financial Resources of the state is enclosed (Annex.II).

4. Annual Plans 2002-03, 2003-04 & 2004-05

The approved Annual Plan outlay for the first three years of the Tenth Plan together accounts for 53.14% of the projected Tenth Plan Outlay. The actual expenditure during the first two years and the anticipated expenditure during the third year of the Tenth Plan were of the order of 57.61% of the approved outlay and 30.62% of the projected Tenth Plan Outlay. The following table gives Outlay and Expenditure during first three years of the Tenth Plan period:

(Rs. in Crore)

Year	Approved Outlay	Expenditure	Percentage of Expenditure to the Approved Outlay
2002-03	6307.00	2673.20	42.4
2003-04	3894.00	2570.31	66.0
2004-05	5022.62	3528.79*	70.0
Total	15223.62 (53%)	8772.30 (31%)	57.6
Tenth Plan (2002-07)	28641.00	-	-

*: Anticipated Expenditure/Revised Plan Size

Note: Figures in parentheses give percentage to the projected Tenth Plan Outlay.

The approved Annual Plan outlay of West Bengal for the year 2004-05 is Rs.5022.62 crore. Of this, Rs.1586.51 crore (31.61%) is that of State's Own Resources and Rs.3436.11 crore (68.39%) of Central Assistance. For the year 2002-03, the corresponding figures are Rs. 2907.99 crore (46.11%) and Rs. 3398.98 crore (53.89%) and for the year 2003-04, they are Rs. 606.58 crore (15.6%) and Rs. 3287.42 crore (84.4%) respectively. The components of Central Assistance as per the originally approved outlays for the first three years of Tenth Five Year Plan are given below:

Components	Rs. in crore 2002-03	2003-04	2004-05
a. Normal Central Assistance	1125.00	1240.51	1397.43
b. One time Additional Central Assistance	50.00	33.86	65.10
c. ACA for Externally Aided Projects	1520.73	1196.99	1056.68
d. Others	703.25	816.06	916.90
Total Central Assistance	3398.98	3287.42	3436.11

The sectoral Outlay and Expenditure during the first three years of the Tenth Plan is given below:

(Rs. in crore)

Major Heads of Development	2002-03		2003-04		2004-05		Cumulative Total of 2002-03 to 2004-05	
	Outlay	Expen-diture	Outlay	Expen-diture	Outlay	Anticip at-ed Expen-diture	Outlay	Expend-iture
I. Agriculture and Allied Activities	177.10	73.41	84.34	47.18	107.73	77.08	369 17	197.67 (54%)
II. Rural Development	911.22	208.54	385.60	298.53	429.73	301.27	1726 55	808 34 (47%)
III. Special Area Development	224.52	196.18	289.11	165.89	229.82	193.19	743 45	555 26 (75%)

Programme								
IV. Irrigation and Flood Control	378.94	198.54	216.52	174.85	261.58	192.52	857.04	565.91 (66%)
V. Energy and Power	1560.15	756.73	1221.16	654.84	1571.48	1362.43	4352.79	2774.00 (64%)
VI. Industry and Minerals	248.26	105.90	71.24	68.66	137.15	132.05	456.65	306.61 (67%)
VII. Transport	788.87	231.22	543.99	299.74	490.11	357.27	1822.97	885.23 (49%)
VIII. Communication	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IX. Science, Technology & Environment	44.39	25.94	3.87	1.65	14.53	5.00	62.79	32.59 (52%)
X. General Economic Services	46.22	23.68	14.15	4.78	24.03	12.00	84.40	40.46 (48%)
XI. Social Services	1838.02	715.02	967.85	810.83	1627.46	794.58	4433.33	2320.43 (52%)
XII. General Services	89.31	138.05	96.16	43.37	129.01	101.42	314.48	282.84 (90%)
TOTAL	6307.00	2673.20 (42.4%)	3894.00	2570.31 (66.0%)	5022.62	3528.79 (70.3%)	15223.62	8772.30 (57.6%)

5. Annual Plan 2005-06 : Proposal

As per the Plan document, the State Government of West Bengal have proposed a plan size of Rs.6177.71 crore. Eleven on-going and three new projects have been included in the Annual Plan 2005-06 for external funding. The total project cost of these fourteen projects comes to Rs.1898.43 crore. In the proposed outlay, top priority has been given to Energy & Power (36.70%) followed by Social Services (32.25%), Transport (8.41%), Rural Development (7.50%), Irrigation & Flood Control (3.89%), Special Areas Development Programme (3.48%), Industry & Minerals (2.53%), General Services (2.49%) and Agriculture & Allied Activities (1.97%). The first six sectors in terms of ranking together share 93% of the Annual Plan outlay for 2005-06. The sectoral break-up is given below:

Sl. No.	Sector	Proposed Outlay (Rs. In Crore)	Percentage share	Rank
1.	Agriculture & Allied Activities	121.92	1.97	9th
2.	**Rural Development**	**463.26**	**7.50**	**4th**
3	**Special Areas Development Programme**	**214.76**	**3.48**	**6th**
4.	**Irrigation & Flood Control**	240.40	**3.89**	**5th**
5.	**Energy & Power**	**2267.45**	**36.70**	**1st**
6.	Industry & Minerals	156.23	2.53	7th
7.	**Transport**	**519.84**	**8.41**	**3rd**
	(a) Roads & Bridges	464.05	7.51	
	(b) Surface Transport	55.11	0.89	
8.	Communication	0.00	0.00	12th
9.	Science, Technology & Environment	18.46	0.30	11th

10.	General Economic Services	28.78	0.47	10th
11.	**Social Services**	**1992.54**	**32.25**	2nd
	(a) Education	478.26	7.74	
	(b) Health & Family Welfare	402.92	6.52	
	(c) Urban Development	580.78	9.40	
	(d) Welfare of SC/ST/OBC	104.01	1.68	
12.	General services	154.08	2.49	8th
	Total	**6177.71**	**100.00**	

6. Issues

6.1 Power Sector

The power sector in the State of West Bengal is mainly managed by (i) West Bengal State Electricity Board (WBSEB), (ii) West Bengal Power Development Corporation Ltd. (WBPDC), (iii) Durgapur Projects Ltd. (DPL) & (iv) CESC Ltd. (Private).

The Government of West Bengal have already established State Electricity Regulatory Commission. The Commission has already given two tariff awards. The tariff petition filed by WBSEB and WBPDC for the year 2002-03 is under the consideration of the Commission.

The State Government have transferred the thermal generation assets of 1020 MW of WBSEB to WBPDCL as a policy measure for the restructuring of power sector in the State. The WBSEB now has only hydro power stations and other smaller gas as well as diesel power stations under its management. The total installed capacity of such power plants under the Board is 288.4 MW. WBSEB is responsible for Transmission and Distribution system of the State.

Corporatisation of Power Sector into (i) Distribution and (ii) Transmission companies is under active consideration of the State Government

The distribution activities of the WBSEB have been restructured into Distribution Profit Centres (DPC). In order to establish the concept of accountability and evaluate performance of each DPC, shadow profit and loss accounts are being prepared by all the zones from 3rd quarter of 2001-02.

Average tariff is estimated at Rs.2.96 in 2005-06 as compared to the average cost of supply of Rs.3.75 per unit. The projected commercial loss will be Rs.1042 crore in 2005-06.

The Plant Load Factor was 51.7% 2001-02 in West Bengal as against the All-India figure of 69.9%. It was increased to 54.8% in 2002-03 and 55.6% in 2003-04 as compared to the corresponding All-India figures of 72.2% and 72.7% in 2002-03 and 2003-04.

The T&D losses upto 1997-98 was around 20%. It increased to 37% in 2001-02. It was brought down to 33.4% in 2002-03 and further down to 28.3% in 2003-04.

Out of 37,910 villages as per 1991 Census, the number of villages electrified up to March, 2004 in West Bengal was 31,705 (83.6%). However, the level of household electrification in the State is 37.5% only.

State Government have also set up West Bengal Rural Energy Development Corporation Ltd. with twin objective of electrifying 100% of the rural areas in the State and to take over the distribution of electricity of 11 KV and below, including meter reading, billing and revenue collection. Keeping in view the existing state of electrification of rural areas, it has been decided that the Corporation will ensure that 100% mouzas are electrified by the end of Tenth Plan.

6.2 Urban Sector Reforms

Many states have availed of Urban Incentives Reforms Funds (URIF) and West Bengal has also signed a truncated MoU with the Government of India. Though West Bengal have signed a truncated MoU, following outstanding issues need to be sorted out by the State Government:

- Rent Control Act is a disincentive for investment in Rental Housing Scheme and renovation of old buildings. Central part of Kolkata needs investment to prevent decay.
- Urban Land Ceiling Act limits the availability of land for development of the city in the core area.
- Stamp duty at 5% to encourage property transaction.
- The pace of development of New Kolkata needs to be speeded up.

6. 3 Financial Reforms

The State Government is in the process of modifying various subsidies/financial concessions provided in their Industrial Policy.

There is an increase in State revenue from sales tax and stamp duty, which has resulted in 25.2% growth in revenue during 2003-04 as compared to the corresponding figure of 8.5% in the previous year.

One-third of the total number of sanctioned posts has been allowed to remain vacant. The proposal for abolishing many of these posts is under consideration.

In view of the favourable judgment of Supreme Court on collection of cess by the State from coal production, the State is likely to get increased revenue collection in the form of royalty from coal.

West Bengal has drawn up its Medium Term Fiscal Restructuring Plan (MTFRP) and also signed the "letter of exchange" in March 2003 but it is yet to pass the Fiscal Responsibility Legislation.

6.4 Public Sector Reforms

There are 80 State PSUs covering 15 Departments. Of this, 47 are in manufacturing units and the rest 33 in non-manufacturing one. Fifty one PSUs are loss making.

The State Government established a Committee on Public Sector Restructuring in March 2001 to work out the modalities for restructuring of loss making PSUs and to facilitate their long-term viability.

A pilot project has been introduced for restructuring of 16 loss making PSUs with a financial support of Rs.200 crore by way of grants from the Department for International Development (DFID), Government of United Kingdom.

Need for a commitment with time frame by the State Government for public sector disinvestments and their restructuring.

6.5 Revival of Sick Industries

With a view to encouraging the revival and rehabilitation of ailing industrial assets in the State, the State Government formulated the West Bengal Industrial Renewal Scheme 2001.

Protection to the revival of sick industrial units under the provision of the West Bengal Relief Undertakings (Special Provisions) Act, 1972 is extended to alleviate industrial sickness.

6.6 Agriculture and Allied Activities

More emphasis to be given to Horticulture, Animal Husbandry and Fishery as these sectors provide additional employment opportunities in rural areas.

Implementation of "On-Farm Water Management Scheme for increasing crop production in Eastern India" in the State is poor. The following table gives number of dug wells, shallow tube wells with pump sets, low lift irrigation points and pump sets for which subsidy was disbursed to beneficiaries during the last three years :

Year	Targets/Allocation		Achievements	
	Unit	Subsidy	Unit	Subsidy
2002-03	11,319	9.20	1,788	1.04
2003-04	7,200	4.67	1,609	0.84
2004-05	6,700	4.41	541*	NA

* Achievement upto September 2004 during 2004-05.

There is scope for expanding forest cover in the State, which is far behind the national average.

6.7 Irrigation and Flood Control

With a view to increasing the revenue collection and bringing about greater efficiency in operation and maintenance of irrigation policy, the State Government should adopt the concept of Water Users Associations.

The Major and Medium Irrigation potential created up to the beginning of Tenth Plan is 1,532.950 thousand hectares. The additional potential created in 2002-03

was 16.475 thousand hectares, in 2003-04 (anticipated) 7.520 thousand hectares and in 2004-05 (Target) 15.000 thousand hectares. The total potential created up to 2004-05 is 1571.945 thousand hectares.

Ground Water Legislation : "West Bengal Water Resource Conservation, Protection and Development (Management, Control and Regulation) Bill, 2000" received assent of the Hon'ble President of India. Some changes were proposed for incorporation in the Bill.

As per result of the third Minor Irrigation Census, the availability of ground water upto the end of 2001 was 27.34 lakh hectare-metre and the stage of Ground Water Development at that period was 41.30%.

The Gross Minor Irrigation Potential in the State is 4434.000 thousand hectares.

Participatory Irrigation Management Programme : A total of 13,509 Minor Irrigation Installations were handed over to beneficiaries through Panchayats by 2002-03.

Teesta Barrage Project : The total cultivable command area under the Teesta Barrage Project is 923 th. Ha. Out of the ultimate potential of 527 th. ha. of Sub-stage I of Stage I, potential created upto March 2004 is 126.21 th. ha. (24 % of ultimate potential). The expenditure incurred so far is Rs. 954 crore which is 46 % of Rs.2068 crore (estimated cost at 2002 price level). Budget outlays for Teesta Project need to be increased to avail additional AIBP so that progress on the project can be stepped up. Slices of the project can also be taken up under fast track in 2003-04. State Government availed only Rs. 3.144 crore AIBP against ceiling of Rs. 40 crore in 2003-04.

Subarnarekha Barrage Project : The ultimate irrigation potential of Subarnarekha Barrage Project is 114 th. ha. No potential has been created so far. Expenditure made so far in Tenth Plan is Rs.5.92 crore.

Ganga Padma Erosion : The problem of Ganga Padma erosion is being tackled through ongoing CSS schemes of the Ministry of Water Resource. Besides, Planning Commission has given ACA/SCA in Ninth Plan (Rs.30 crore), in 2003-04 (Rs.20 crore) and in 2004-05 (Rs.22.10 crore). The Tenth and the Eleventh Finance Commissions have also sanctioned Rs.20.00 crore and Rs.36.13 crore for this project respectively

Water Rates : The water rates in West Bengal were last revised in 1977 which are too low as compared to the prevailing rates in respect of other States as tabulated below :

States	Year	Rice	Wheat	(Rs./ha) Sugarcane
West Bengal	1977	37.05	49.40	370.66
Andhra Pradesh	1997	494.00	494.00	494.00
Kerala	1974	99.00	62.00	99.00
Karnataka	2000	247.10	148.25	988.45

States	Year	Rice	Wheat	Sugarcane
Tamil Nadu	2002	175.00	50.00	49.42
Rajasthan	1999	197.60	148.20	286.52
Maharashtra	2003	320.00	320.00	4230.00

Source – CWC Report

6.8 Water Supply

Over Exploitation & Arsenic Problem of Groundwater :_As per the Central Ground Water Board statistics - 2003, out of total 341 Blocks in 16 Districts in West Bengal, 61 Taluks/Blocks are in dark/critical zone. Arsenic contamination in ground water is one of the major problems of West Bengal. A total of 79 blocks of 8 districts viz. Malda, Murshidabad, Nadia, North 24 Parganas, South 24 Parganas, Burdwan, Howra and Hoogly districts are arsenic affected. Shallow aquifers (within 100 mts.) of eastern side of Bhagirathi River are mainly affected by arsenic. More contamination is in South 24 Parganas District. State Government have to gradually switch over to surface rural water supply schemes to tackle arsenic problem in ground water.

The State Government have taken up a number of projects to supply safe drinking water in these blocks. Consequently, at the end of 2002-03, 51.69% of the population in arsenic affected blocks were provided safe drinking water sources.

According to the latest Habitation survey carried out in 2003, there are 96,020 habitations in the State, of which 66799 are fully covered, 20424 partially covered and 8797 are not covered. In 2004-05, 5806 not covered habitations would be provided with water sources.

6.9 Education

The literacy rate in the State was 69.22% as against national average of 65.37% in 2001.

The drop out rates of students in (a) Classes I-V, (b) Classes I-VIII and (c) Classes I-X are higher than the National averages in 2002-03. Better class room transaction at Primary stage to minimize the drop out rates.

About 21.57 lakh children were still out of school and 6.6 lakh children were still beyond the reach of Secondary/Higher Secondary schooling as on 1st March 2002.

The Gross Enrolment Ratio (GER) for Classes I-VIII is 85.82% as against 82.43% for the country as a whole. As against the existing 52,385 Primary Schools, 58,261 Primary Schools are required in the State to actualize universalization of elementary education.

Spread of educational facilities to remotest corners in the form of alternative schooling, where normal schooling is not possible, through Shishu Shiksha Karmasuchi Kendras.

It is estimated that, as against the existing 52,385 Primary schools, 58,261 Primary schools are required in the State for universal access to elementary education. Additional child population may be covered under Shishu Shiksha Karmasuchi Kendras.

Introduction of computer education in a large number of schools.

7. Special Area Development Programmes

Two Centrally Funded Programmes viz. (i) Hill Areas Development Programme (HADP) and (ii) Border Area Development Programme are currently in operation in the State.

Border Area Development Programme : It is in operation in the border blocks of North Bengal, which have an international land border. The main objective of this programme is to meet the special development needs of the people living in remote, inaccessible areas situated near the border. The Annual Plan allocation for each of the three years 2002-03, 2003-04 and 2004-05 of the Tenth Plan is Rs.39.56 crore.

Hill Area Development Programme : The programme is in operation in the designated hill areas of Darjeeling district in North West Bengal which include three sub-divisions of Darjeeling District covering an area of 2420 sq. kms. This area is under the jurisdiction of the Darjeeling Gorkha Hill Council, which was established under the provisions of the Darjeeling Gorkha Hill Council Act, 1988 with the objective of total social, economic, cultural and educational up-liftment of Gorkha and other communities living in the Hill Areas of the Darjeeling District. An allocation of Rs.22.33 crore has been made for each of the three years 2002-03, 2003-04 and 2004-05 of the Tenth Plan.

8. Backward Districts Initiatives under Rashtriya Sam Vikas Yojana

The Backward Districts Initiative under the Rashtriya Sam Vikas Yojana has been initiated with the main objective of putting in place programmes and policies with the joint efforts of the Centre and the States, which would remove barriers to growth, accelerate the development process and improve the quality of life of the people. The scheme aims at focused development programmes for backward areas, which would help reduce imbalances and speed up development.

The identification of backward districts within a State has been made on the basis of an index of backwardness comprising three parameters with equal weights to each (i) value of output per agricultural worker, (ii) agriculture wage rate; and (iii) percentage of SC/ST population of the districts. The number of districts per State has been worked out on the basis of incidence of poverty. Eight districts of West Bengal, namely, Purulia, 24 South Parganas, Jalpaiguri, Midnapur West, South Dinajpur, Bankura, North Dinajpur and Birbhum have been covered under Backward Districts Initiative.

Funds will be released to the State Government on 100% grant basis @ Rs.45.00 crore per district during the Tenth Plan. A sum of Rs.360 crore would flow to the State on this account during the Tenth Plan.

9. Points raised by West Bengal Government in the Tenth Plan Mid-Term Appraisal meeting and by the West Bengal Assembly Delegation

- Due to limited resources mobilisation and ever increasing debt-service liabilities, the availability of resources to meet plan expenditure has been shrinking. The State Government is not in a position to provide matching State share to implement various Centrally Sponsored Schemes. Some of suggestions made by the State in this regard are:

  i) to transfer Centrally Sponsored Schemes to States with funds;
  ii) to initiate measures for restructuring Centre-State fiscal relations;
  iii) to increase the ratio of transfer of Central funds from the divisible pool, change the loan and grant pattern of Normal Plan Assistance;
  iv) to ease the debt burdens of the States by adopting a combination of the following approaches:

    - writing off of a portion of the debt;
    - consolidation of past loan and reduction in the average rate of interest on such loan;
    - allowing the States to raise cheaper-loans from the market;
    - providing grant-in-aid to cover a portion of the interest liability.

- Budgetary Support to the State to provide matching share for implementation of various Employment Guarantee Schemes and matching share of the State in respect of major Centrally Sponsored Schemes, particularly those relating to Rural Development, Primary Education, Primary Health Care, Poverty Alleviation and Food Security programmes should not be insisted on by the Central Government.
- Higher level of assistance under the Hill Area Development Programme to Darjeeling. The present earmarked allocation is Rs.22.33 crore per annum.
- Erosion in Ganga-Padma basin in North Bengal.
- The need for taking up special packages for preservation of the environmentally fragile region of the Sunderbans.
- Linkage of coal and iron ore for new industrial projects.
- Augmentation of Port and Airport facilities in the States.
- Inclusion of all STs/SCs under Antodaya Yojana.
- Additional grant from Centre to provide (i) free text books in Primary schools and (ii) school uniforms to SC/ST/OBC girl students.
- Planning Commission should help the State Government for setting up of Cold Storage and Cold Chains in the State for development of Horticulture and Food processing Industry.
- The estimated cost of Rs.5.00 lakh per cluster should be increased to Rs.15.00 lakh under Industrial Growth Centre Scheme in backward areas.
- For Rural electrification, the pattern of assistance of grant and loan should be in the ratio of 90:10.
- For Health Care Services, the primary unit should be districts and not the States.
- The problem of contamination of arsenic in water in West Bengal should be specially looked into.

- Central funds should be made available for construction of a Convention Centre at Kolkata for holding Conferences/Meetings etc.

10. Issues for Discussion

Plan Performance

- The Plan expenditure level is below 60% of the approved outlay during the first three years of the Tenth Plan.
- Timely submission of Utilization Certificates in respect of all Centrally Sponsored Schemes and Special Central Assistance given to the State.

Agriculture

- Proposed actions to sustain/further improve the growth rate in agricultural sector in the State.
- Implementation of "On-Farm Water Management Scheme for increasing crop production in Eastern India" in the State is poor.
- More emphasis to be given to Horticulture, Animal Husbandry and Fishery as these sectors provide additional employment opportunities in rural areas.

Irrigation & Flood Control

- With a view to increasing the revenue collection and bringing about greater efficiency in operation and maintenance of irrigation policy, the State Government should adopt the concept of Water Users Associations.
- Arsenic contamination has become a serious problem in the State with 79 blocks in different districts showing presence of arsenic in ground water.
- The progress of implementation of the Teesta Barrage Project and the Subarnarekha Barrage Project has been very slow and ought to be speeded up.

Industry and Minerals

- Increasing the flow of Private Capital to the State including Foreign Direct Investment.
- Commitment for public sector disinvestments and their restructuring with time frame.
- As per the recent amendments made in the National Mineral Policy, the State Government should put effort to create a conducive environment for making it easy for private investors to invest in the State, particularly in exploring and opening up of new mineral mines in the State.
- Software export and revenue generation.

Power and Energy

- Universal metering in power distribution system in the State.
- Average tariff is estimated at Rs.2.96 in 2005-06 as compared to the average cost of supply of Rs.3.75 per unit. The projected commercial loss will be Rs.1042 crore in 2005-06.

Education

- Of the eligible population of 153.50 lakh children in the age group of 6-14 years, 131.93 lakh children were enrolled in elementary schools. Thus 21.57 lakh children were still out of school as on 1.3.2002.

- Spread of educational facilities to remote corners in the form of alternative schooling through Shishu Shiksha Karmasuchi Kendras, where normal schooling is not possible.
- The condition of upper primary education with its low enrolment and high drop out is a cause of concern.
- Of the eligible population of 10.03 lakh (15-18 age group), 3.44 lakh children were enrolled in secondary/senior secondary schools. Thus, 6.6 lakh children were beyond reach of secondary/higher secondary schooling (as on March 2002).
- The State Government should provide adequate funds towards its share for the Sarva Shiksha Abhiyan (SSA).

Tribal Welfare

- Action taken for capacity building and development of tribals and specific focus on tribal areas in RSVY programmes. Greater emphasis on formulation and implementation of Tribal Sub-Plans.
- The State Government should furnish information on funds utilized under tribal sub plan and Article 275 (1).

Labour, Employment & Manpower

- Incidence of unemployment in West Bengal is very high. Steps taken for generating employment opportunities by the State Government to reduce unemployment.
- Schemes on social security for workers, if any, may be discussed.

Environment & Forests

- There is scope for expanding forest cover in the State, which is far behind the national average.
- Due importance should be given for the operation and maintenance of assets created under Ganga Action Plan by the State Government.

Tourism

- Development of Tourism Sector in the State and integration with tourist circuits in neighbouring states.
- No details of tourism schemes have been provided in the Plan document making it appear that the State is not giving the required emphasis to tourism sector.

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West Bengal

No.4/25/2004-FR(AP)
Planning Commission
(F.R. Division)

Sub: **Estimates of Financial Resources for the Annual Plan 2005-06- West Bengal.**

The note contains a brief review of the State's performance in resource mobilization during the Tenth Plan (2002-07), Annual Plans for 2002-03, 2003-04, 2004-05 and resource estimates for Annual Plan 2005-06.

The following statements are enclosed;

Annexure-1. Tenth Plan projections and realization for 2002-03 & 2003-04 (at 2001-02 prices).

Annexure-II. Scheme of Financing for the Tenth Plan (at 2001-02 prices), Annual Plan 2002-03 (AP & Actuals), Annual Plan 2003-04 (AP & PA), Annual Plan 2004-05 (AP) and Estimates of Resources for Annual Plan 2005-06 at current prices and

Annexure-III. Balance from Current Revenue (BCR) projections for the Tenth Plan (@ 2001-02 prices), Annual Plans 2002-03 (AP & Actuals), 2003-04 (AP & PA), 2004-05 (AP) and 2005-06 (Estimates).

Tenth Plan Projections (2002-03 to 2006-07):

- Resources projected for the 10th Plan amount to Rs.28641 crores at 2001-02 prices against 9th Plan projections and realization of Rs.16900 crores and Rs.18216.31 crores respectively at 1996-97 prices.

Annexure I.

West Bengal – Basic Information

Sl.No.	Subject	Unit	West Bengal	India
1.	Area	Sq. km.	88,752	32,87,267
2.	Population (2001)	Million	80.2	1027.02
3.	Decadal growth(1991-2001)	Percentage	17.84	21.34
4.	Literacy Rate (2001)			
	Total	Percentage	69.22	65.37
	Male	Percentage	77.02	75.26
	Female	Percentage	59.61	53.67
5.	Selected Educational Statistics, 2002-2003			
	(a) Drop out Rate (Classes I-V)	Percentage	36.41	34.89
	(b) Drop out Rate (Classes I-VIII)	Percentage	68.23	52.79
	(c) Drop out Rate (Classes I-X)	Percentage	78.74	62.58
6.	Sex Ratio (2001)	Females per 1000 males	934	933
7.	Population density (2001)	Per sq. km.	904	324
8.	Infant Mortality Rate (2002)	Per Thousand	49.0	63.0
9.	Birth Rate (2002)	Per Thousand	20.5	25.0
10.	Death rate (2002)	Per Thousand	6.7	8.1
11.	Per Capita Income at current prices			
	2001-02	Rupees	17875	17947
	2002-03	Rupees	18756	18912
12.	Per Capita Income at 1993-94 prices			
	1993-94	Rupees	6756	7690
	2001-02	Rupees	10375	10774
	2002-03	Rupees	10952	10964
13.	Population below poverty line (1999-2000)	Percentage	27.02	26.10
14.	Human Development Index (2001)		0.472	0.472

- A comparative statement showing the structure of financing for the Ninth Plan and Tenth Plan projections is given below:

WEST BENGAL

Structure of Plan Financing – Ninth Plan Vs Tenth Plan

Item	Ninth Plan Projections (1996-97 Prices)	Actual Realization (1996-97 Prices)	Tenth Plan Projections (2001-02 Prices)
1. States Own Funds	**-9880.60**	**-19878.70**	**-31298.62**
(Percentage share)	*-(58.47%)*	*-(109.13%)*	*-(109.28%)*
2. Total Borrowings	**14385.60**	**29588.80**	**45594.12**
(Percentage share)	*(85.12%)*	*(162.43%)*	*(159.19%)*
3. Central Assistance	**12395.00**	**8506.21**	**14345.50**
(Percentage share)	*(73.34%)*	*(46.70%)*	*(50.09%)*
4. Aggregate resources (1+2+3)	**16900.00**	**18216.31**	**28641.00**

Annual Plan 2002-03 (AP & Actuals)

- The Annual Plan 2002-03 of the State was approved at Rs.6307 crores consisting of State's own resources of Rs.2908 crores and Central assistance of Rs.3399 crores. Actual mobilization of resources is Rs.2779.88 crores consisting of Rs.557.02 crores of State's own resources and Rs.2222.86 crores of Central assistance. This is basically on account of deterioration in Balance from Current Revenues (BCR) (due to non-realization of projected interest receipts and mining royalties) and Miscellaneous Capital Receipts (MCR). Drawal on small savings exceeded approved estimates but EAP and ACA on urban infrastructure (URIF) were under-drawn (the State had not undertaken the required urban reform). The State has reported Plan expenditure of Rs.2673.2 crores to State Plan Division.

- Balance from Current Revenues (BCR) deteriorated to (-) Rs.8032.93 crores as against (-) Rs.5805.51 crores estimated in the approved Plan.

Annual Plan 2003-04 (AP & PA)

- The Annual Plan 2003-04 of the State was approved at Rs.3894 crores with State's own resources of Rs.606.58 crores and Rs.3287.42 crores of Central assistance. According to pre-actual estimates of resources, the State is likely to mobilize Rs.2528.14 crores, consisting of State's own resources of Rs.334.85 crores and Central assistance of Rs.2193.29 crores. This is again on account of deterioration of BCR by Rs.557 crores (due to lower realization of tax and non-tax revenues) and lower drawal on negotiated loans and provident funds.
- Central Assistance came down against approved estimates on account of low absorption of ACA for EAP and reforms related funds under APDRP, ISUI/URIF and AIBP.
- The State has reported Plan expenditure of Rs.2570.31 crores to the State Plan Division.

Annual Plan 2004-05 (AP)

- Resources for the Annual Plan 2004-05 have been estimated at Rs.5146.86 crores consisting of State's Own Resources (SOR) of Rs.1586.51 crores and Central Assistance of Rs.3560.35 crores. Balance from Current Revenue was estimated at (-) Rs.6558.99 crores.

Annual Plan 2005-06 (Estimates)

Resources of the State during official level discussions amount to Rs. 6276.09 crores consisting of SORs of Rs. 1989.14 crores and Central assistance of Rs 4286.95 crores including EAP of Rs 1898.43 crores recommended by the sub-group. The BCR of the State is expected to be (-) Rs. 8145.87 crores. We have included normal increases in SLR based market borrowings and normal

Central assistance but not one time ACA in this calculation. In the current year West Bengal received one time ACA of Rs.62.1 crores.

The government proposes a Plan size of Rs. 6177.71 crores. This will be a step-up of 23% over the current year's approved outlay. Taking latest achievement levels of the first two years of the Plan and the approved outlay for 2004-05, the State would have achieved 33.1% of the 10th Plan in the first three years at 2001-02 prices.

West Bengal requires to seriously reform revenue raising measures (tax and non-tax) . Effects of the introduction of VAT will also be felt on revenue in 2005-06 A major issue on the non-tax revenue front is revenue from mineral royalties. The State government has been raising a high cess on royalties since royalty rates are not being adjusted by the Central government whenever revision falls due. This is an issue that has been a bone of contention between the State and Central governments. The Planning Commission has recently, on a Task Group set up by PMO, recommended introducing ad valorem royalty rates. If this recommendation is implemented, there will be rationalization of the royalty revision process and the cess of the State can be reduced.

The State government is under serious fiscal stress. Its interest payment to total revenue receipt ratio is 48% and if wage and pension bills are also added, it is 111.5 %. Small savings loans are being heavily used for funding Plan requirements, further adding to fiscal stress. The State government is not keen on a Fiscal Responsibility Act but it has a law to limit guarantees. Guarantees are limited with reference to revenue receipts and some borrowing done through a Special Purpose Vehicle which is serviced in the State budget (WBIDFC).

SAL with ADB is under discussion and technical assistance is already under way. It was stated by State government officials that they are compressing government recruitment and considering using a DFID grant for public sector restructuring (closing down unviable units, VRS, joint ventures etc.).

The State's Plan is also getting limited to transfers to local bodies , CSS and EAP. The State's own share for these areas has to be provided and this will require raising the Plan size. The heavy debt burden will have to be tackled with all available resources, including money that may be available from the 12th Finance Commission. However, the State's resistance to fiscal responsibility legislation may affect its debt relief entitlement.

We have just received borrowing ceilings for State for 2005-06 from the Finance Ministry. Implications of this will be worked out. In respect of West Bengal the ceiling is limited to the current year's figure, resources now identified will lead to slight excess over the ceiling. The State government has not been using small savings to pre-pay Central loans, instead it has been given additional open market borrowings for this purpose.

As regards the power sector, the Regulatory Commission of the State has not asked government to provide any subsidy. The State government has also not directed the power utility to give subsidies for any group. Concessions to industries are being claimed by them after payment of electricity dues as subsidy from the industry budget. The amount required for servicing interest on power bonds has been provided, as also some liability on the government after the SEB had done a one-time settlement of negotiated loans.

The State government is not showing resources of WBSEB and WBPDC for Plan financing as it is not showing the plans of these utilities as a part of the State Plan as done by many States. In respect of the Road Transport Corporation, the subsidy being paid by government has been shown by us on under non-Plan revenue expenditure. Net internal resources assessed by Transport Division are of the order of Rs. –26.93 crores. We have provided fiscal reform incentive grants of Rs 104.24 crores. The State government has drawn incentive grants in the first 3 years and if it qualifies in the current year under the existing scheme it can draw this amount next year.

It may perhaps be desirable to encourage the State not to use small savings for Plan financing to the extent proposed and to use Finance Commission, EAP and other sources available to reduce its debt burden. Assistance required by the State to pre- pay high cost debt in terms of negotiated loans may have to be given by the Central government. There will be a case of restructuring growth in Plan size to the minimum required for running CSS, EAPs and perhaps local body transfers (to implement the recommendation of the Second Local Finance Commission of the State.) The current step up may perhaps be too high for the State's fiscal condition, since it can be financed only through excessive drawal on small savings.

Finances of the State

The fiscal deficit of the State as a percentage of State Domestic Product shot up from 4.1% in 1997-98 to 6.2% in 1998-99 and rose to 9.2% in 1999-2000 after the implementation of the Fifth Pay Commission's recommendations. It has come down somewhat to 7.5% in 2001-02. The revenue deficit rose from 2.3% of the State Domestic Product to 4.2% and 7.3% in the same period and has now come down to 5.7%. This is much higher than the all State GFD/GDP and RD/GDP levels of 4.2% and 1.8%. The seriousness of the fiscal situation of the State can be gauged from the fact that RD / GFD is as high as 71.2% in 2004-05 The debt ratio of the State is 43.4% which is again far higher than the all State average of 28.7%. Data for 2001-02 suggest that guarantees could add another 2.3% of GSDP to liabilities. 44% of the liabilities of the State are on account of small savings in 2004-05. This is probably because this source of Plan financing carries minimum conditionalities.

Own revenues of the State account for around 57.8% of total revenue receipts. Own tax revenue account for 26.8% of total receipts, while capital receipts account for 47.4% since the State is heavily dependent upon borrowings. Sales tax is the major own tax which yields 56% of tax revenue.

Buoyancies of receipts have fallen below one in the second half of the 90s, which clearly indicates the need for fundamental reform of the tax structure.

On the expenditure side, West Bengal has a very low share of Plan expenditure in total expenditure. This is only 12.1% (the all State share is 23.5%). Debt servicing (including interest and principal payment) accounts for a substantial 46.1% (the all State figure is 27% of total expenditure). Therefore, although non-Plan expenditure as a share of total expenditure is less than the all State picture, debt servicing is squeezing out Plan expenditure. The State has generally been achieving Plan expenditure levels below approved outlay levels from 1990 onwards and actual Plan expenditure level as a percentage of GSDP has been falling substantially. The heavy indebtedness of the State has resulted in the share of interest payments in total revenue receipts reaching a high of 48% (against the all State average of 24.4%) . With salaries and pension payments, the share of committed expenditure in total revenue receipts is now as high as 111.5% (it is 75% for all States). The effective interest rate of the State is 11.6%. Whether there is scope for swapping liabilities to banks and institutions could be considered. Hence, debt stress is a major issue and the state seems to be very close to a debt trap.

Annex I

WEST BENGAL

TENTH PLAN PROJECTION & REALISATION UP TO 2003-04

(Rs.crore)

RESOURCES	Tenth Plan Proj. @ 2001-02 prices	Annual Plans 2002-03 (A) + 2003-04 (PA) @ 2001-02 prices	% Realisation
A. STATE'S OWN RESOURCES (1 to 11)	**14295.50**	**853.68**	**5.97**
1. Balance from Current Revenues	**-19990.22**	**-15722.05**	
(Of which ARM)			
2. Contribution of Public Enterprises	**-990.36**	**-410.31**	**41.43**
(i) State Electricity Board	*0.00*	*0.00*	
(Of which ARM)		*0.00*	
(ii) Road Transport Corporation	*-990.36*	*-410.31*	*41.43*
(Of which ARM)		*0.00*	
(iii) Other Enterprises (Specify)	*0.00*	*0.00*	*0.00*
(Of which ARM)		*0.00*	
3. State Provident Funds	**1345.35**	**788.29**	**58.59**
4. Misc. Capital Receipts (Net)	**-11164.29**	**-3715.98**	
5. Special Grants under EFC	**846.25**	**128.05**	**15.13**
i) Upgradation & Special Problems	*175.01*	*33.74*	*19.28*
ii) Grants for Local Bodies	*671.24*	*94.31*	*14.05*
6. Loans against Small Savings	**33040.09**	**14797.63**	**44.79**
7. Net Market Borrowings (SLR)	**2878.54**	**1267.04**	**44.02**
8. Negotiated Loans and other Finances	**8330.14**	**3628.75**	**43.56**
(i) LIC	*173.18*	*0.00*	*0.00*
(ii) GIC	*0.00*	*0.00*	
(iii) NABARD	*1554.16*	*247.48*	*15.92*
(iv) REC	*0.00*	*0.00*	
(v) IDBI	*0.00*	*0.00*	
(vi) HUDCO	*1057.90*	*550.02*	*51.99*
(vi) Others (Specify)	*5544.90*	*2831.24*	*51.06*
9. Debentures/Bonds	**0.00**	**0.00**	
10. ARM agreed at DC-CM Discussion	**-**	**-**	**-**
11. Adjustment of Opening Balance	**0.00**	**92.27**	
B. Central Assistance (12 to 14)	**14345.50**	**4209.41**	**29.34**
12. Central Assistance (Normal)	5836.55	2197.14	37.64
13. A.C.A for Externally Aided Projects	5748.50	1055.86	18.37
14. Others	2760.45	956.41	34 65
C. AGGREGATE PLAN RESOURCES (A+B)	**28641.00**	**5063.09**	**17.68**
D. APPROVED PLAN OUTLAY	**28641.00**		

Annex II

WEST BENGAL

SCHEME OF FINANCING THE ANNUAL PLAN 2002-03, 2003-04, 2004-05 & 2005-06 (Est.)

(Rs.crore)

	RESOURCES	Tenth Plan Proj. @ 2001-02 prices	2002-03		2003-04		2004-05	2005-06
			AP	Actuals	AP	PA	AP	Off. Est.
			At current prices					
I.	**STATE'S OWN RESOURCES (1 to 11)**	**14295.50**	**2908.00**	**557.02**	**606.58**	**334.85**	**1586.51**	**1989.14**
	1. Balance from Current Revenues	**-19990.22**	**-5805.51**	**-8032.93**	**-7913.80**	**-8470.79**	**-6558.99**	**-8363.99**
	(Of which ARM)							
	2. Contribution of Public Enterprises	**-990.36**	**-218.12**	**-214.65**	**-218.12**	**-215.88**	**-218.12**	**-26.93**
	(i) State Electricity Board	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
	(Of which ARM)							
	(ii) Road Transport Corporation	*-990.36*	*-218.12*	*-214.65*	*-218.12*	*-215.88*	*-218.12*	*-26.93*
	(Of which ARM)							
	(iii) Other Enterprises (Specify)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
	(Of which ARM)							
	3. State Provident Funds	**1345.35**	**190.00**	**376.28**	**807.00**	**452.13**	**414.85**	**515.00**
	4. Misc. Capital Receipts (Net)	**-11164.29**	**-1165.72**	**-2831.91**	**-1598.77**	**-1035.97**	**-3157.60**	**-3842.96**
	5. Special Grants under EFC	**846.25**	**215.19**	**101.80**	**46.84**	**31.34**	**106.37**	**47.89**
	i) Upgradation & Special Problems	*175.01*	*60.15*	*4.53*	*46.84*	*31.34*	*106.37*	*47.89*
	ii) Grants for Local Bodies	*671.24*	*155.04*	*97.27*	*0.00*	*0.00*	*0.00*	*0.00*
	6. Loans against Small Savings	**33040.09**	**6750.00**	**8585.48**	**6740.00**	**6911.78**	**8395.00**	**11004.00**
	7. Net Market Borrowings (SLR)	**2878.54**	**664.87**	**664.87**	**664.87**	**664.55**	**716.00**	**767.12**
	8. Negotiated Loans and other Finances	**8330.14**	**2277.29**	**1915.97**	**2036.86**	**1891.01**	**1889.00**	**1889.00**
	(i) LIC	*173.18*	*40.00*	*0.00*	*10.00*	*0.00*	*10.00*	*10.00*
	(ii) GIC	*0.00*	*0.00*	*0.00*	*5.00*	*0.00*	*5.00*	*5.00*
	(iii) NABARD	*1554.16*	*573.50*	*12.18*	*338.07*	*251.63*	*440.00*	*440.00*
	(iv) REC	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*250.00*	*250.00*
	(v) IDBI	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
	(vi) HUDCO	*1057.90*	*163.79*	*455.88*	*163.79*	*115.33*	*164.00*	*164.00*
	(vi) Others (Specify)	*5544.90*	*1500.00*	*1447.91*	*1520.00*	*1524.05*	*1020.00*	*1020.00*
	9. Debentures/Bonds	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	10. ARM agreed at DC-CM Discussion	**-**	**-**	**-**	**41.70**	**-**	**-**	**-**
	11. Adjustment of Opening Balance	**0.00**	**-**	**-7.89**	**-**	**106.68**	**-**	**-**
II.	**Central Assistance (12 to 14)**	**14345.50**	**3399.00**	**2222.86**	**3287.42**	**2193.29**	**3433.11**	**4286.95**
	12. Central Assistance (Normal)	5836.55	1125.00	1103.75	1240.51	1203.29	1397.43	1611.17
	13. A.C.A for Externally Aided Projects	5748.50	1520.75	631.24	1196.99	473.88	1056.68	1898.43
	14. Others	2760.45	753.25	487.87	849.92	516.12	979.00	777.35
III.	**AGGREGATE PLAN RESOURCES (A+B)**	**28641.00**	**6307.00**	**2779.88**	**3894.00**	**2528.14**	**5019.62**	**6276.09**
IV.	**APPROVED PLAN OUTLAY**	**28641.00**	**6307.00**		**3894.00**		**5019.62**	

Annex III

WEST BENGAL

BALANCE FROM CURRENT REVENUES (B C R)

(Rs.crores)

Item	.Tenth Plan (Proj. at 2001-02 prices)	2002-03		2003-04		2004-05	2005-06
		AP	Actuals	AP	PA	AP	Estimates
		At current prices					
I. Non-Plan Revenue Receipts (1 to 4)	**87744.64**	**15534.12**	**12718.51**	**15346.92**	**14707.01**	**18333.17**	**16351.56**
1. Share of Central Taxes	34174.89	5000.46	4586.74	5177.07	5341.65	6677.96	6677.96
2. State Tax Revenue	41424.36	7192.11	6433.04	8190.23	7854.00	9471.09	10151.06
3. State's Own Non-Tax Revenues (3.1 to 3.5)	**10969.20**	**2599.62**	**857.04**	**1503.12**	**1077.69**	**1771.00**	**1013.33**
3.1 Lotteries (Net)	*55.47*	*7.57*	*4.76*	*9.97*	*9.63*	*5.99*	*11.66*
3.2 Irrigation (Net)	*-1800.86*	*-411.17*	*-377.46*	*-411.09*	*-371.07*	*-340.70*	*-428.95*
3.3 Power (Net((If Departmental)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
3.4 Transport (Net) (If Departmental)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
3.5 Others	*12714.59*	*3003.22*	*1229.74*	*1904.24*	*1439.13*	*2105.71*	*1430.62*
4. Non-Plan Grants (4.1 to 4.5)	**1176.19**	**741.93**	**841.69**	**476.50**	**433.67**	**413.12**	**509.20**
4.1 Revenue Gap Grant	*422.46*	*443.58*	*443.58*	*0.00*	*0.00*	*0.00*	*0.00*
4.2 Central share of Calamity Relief Fund	*386.91*	*83.60*	*123.41*	*87.78*	*87.78*	*87.78*	*83.80*
4.3 Entitlement grants against Fiscal Reform	*218.79*	*155.17*	*240.13*	*170.23*	*170.23*	*102.79*	*104.24*
4.4 Grant for Local Bodies				*155.04*	*39.50*	*155.04*	*155.04*
4.5 Others	*148.03*	*59.58*	*34.57*	*63.45*	*136.16*	*67.51*	*166.12*
II. Non-Plan Revenue Expenditure (5 to 8)	**107734.86**	**21339.63**	**20751.44**	**23260.72**	**23177.80**	**24892.16**	**26715.54**
5. Non-Development Expenditure (5.1 to 5.4)	**66069.96**	**12409.80**	**12727.48**	**14692.71**	**14547.76**	**15708.70**	**16784.58**
5.1 Interest Payment	*43728.46*	*7487.58*	*7666.47*	*8786.13*	*9210.42*	*9917.44*	*10361.48*
5.2 Pension Payments	*9603.53*	*2095.04*	*2408.15*	*2854.54*	*2610.61*	*2913.86*	*3373.28*
5.3 Salaries	*8022.93*	*1817.25*	*1787.83*	*1938.99*	*1820.15*	*1952.31*	*2012.22*
5.4 Others	*4715.04*	*1009.94*	*865.03*	*1113.05*	*906.58*	*925.09*	*1037.60*
6. Development Expenditure (6.1 + 6.2)	**39930.89**	**8914.31**	**8021.05**	**8551.80**	**8624.07**	**9166.06**	**9903.56**
6.1 Salaries	*32613.25*	*7347.85*	*6892.91*	*7040.96*	*7011.22*	*7527.05*	*7744.88*
6.2 Non-Salary	*7317.64*	*1566.46*	*1128.14*	*1510.84*	*1612.85*	*1639.01*	*2158.68*
7. DA	**1663.23**	-	-	-	0.00	0.00	*0.00*
8. Maintenance of Capital Assets	**70.78**	**15.52**	**2.91**	**16.21**	**5.97**	**17.40**	**27.40**
III. BCR without ARM (I-II)	**-19990.22**	**-5805.51**	**-8032.93**	**-7913.80**	**-8470.79**	**-6558.99**	**-8363.99**
IV. Budgetary ARM							
V. BCR with ARM	**-19990.22**	**-5805.51**	**-8032.93**	**-7913.80**	**-8470.79**	**-6558.99**	**-8363.99**

SCHEME OF FINANCING THE ANNUAL PLANs 2004-05 (AP) & 2005-06 (Est.)

(Rs.crore)

RESOURCES	2004-05 AP	2005-06 Est.
A. STATE'S OWN RESOURCES (1 to 11)	**1586.51**	**1989.14**
1. Balance from Current Revenues	**-6558.99**	**-8363.99**
(Of which ARM)		
2. Contribution of Public Enterprises	**-218.12**	**-26.93**
(i) State Electricity Board	*0.00*	*0.00*
(Of which ARM)		
(ii) Road Transport Corporation	*-218.12*	*-26.93*
(Of which ARM)		
(iii) Other Enterprises (Specify)	*0.00*	*0.00*
(Of which ARM)		
3. State Provident Funds	**414.85**	**515.00**
4. Misc. Capital Receipts (Net)	**-3157.60**	**-3842.95**
5. Special Grants under EFC	**106.37**	**47.89**
i) Upgradation & Special Problems	*106.37*	*47.89*
ii) Grants for Local Bodies	*0.00*	*0.00*
6. Loans against Small Savings	**8395.00**	**11004.00**
7. Net Market Borrowings (SLR)	**718.00**	**787.12**
8. Negotiated Loans and other Finances	**1889.00**	**1889.00**
(i) LIC	*10.00*	*10.00*
(ii) GIC	*5.00*	*5.00*
(iii) NABARD	*440.00*	**440**
(iv) REC	*250.00*	*250.00*
(v) IDBI	*0.00*	*0.00*
(vi) HUDCO	*164.00*	*164.00*
(vi) Others (Specify)	*1020.00*	*1020.00*
9. Debentures/Bonds	**0.00**	**0.00**
10. ARM agreed at DC-CM Discussion	-	-
11. Adjustment of Opening Balance	-	-
B. Central Assistance (12 to 14)	**3433.11**	**4286.95**
12. Central Assistance (Normal)	1397.43	1611.17
13. A.C.A for Externally Aided Projects	1056.68	1898.43
14. Others #	979.00	777.35
C. AGGREGATE PLAN RESOURCES (A+B)	**5019.62**	**6276.09**
D. APPROVED PLAN OUTLAY	**5019.62**	
# Details		
1 Border Areas Development Programme	39.56	39.56
2 Hill Areas Development Programme	22.33	22.33
3 Tribal Sub Plan	19.82	19.82
4 Grants under Article 275(1)	15.32	15.32
5 Accelerated Irrigation Benefit Programme	40.00	40.00
6 Accelerated Power Development Reform Programme	215.26	35.26
7 Rashtrya Sam Vikas Yojana (RSVY)	120.00	120.00
8 Initiative for Strengthening Urban Infrastructure	39.40	39.40
9 National Social Assistance Programme (NSAP)	41.55	79.89
10 Prime Minister's Gramodaya Yojana	184.90	184.90
11 Rural Electrification	60.00	60.00
12 Roads & Bridges	32.59	32.59
13 Slum Development	70.75	70.75
14 Nutrition Programme for Adolescents Girls.	15.41	15.41
15 National E-Governance (NEGAP)		2.12
16 One-time Additional Central Assistance	62.10	
TOTAL (1 to 16)	**979.00**	**777.35**
Additionalities		
17 NSAP	38.34	
18 Midday Meal	86.79	
19 National E-Governance (NEGAP)	2.12	
TOTAL (1 to 19)	**1106.24**	

West Bengal

Components of Reciepts 2004-05 (BE)

Item	(Rs.cr)	%age
Total	38946	
Own Tax Revenue	10449	26.83
Own Non-tax Revenue	1403	3.60
Share in Central Taxes	6383	16.39
Grants from Centre	2263	5.81
Capital Receipts	18448	47.37

Components of Expenditure 2004-05 (BE)

Item	(Rs.cr)	%age
Total	38939	
Plan Expenditure	4710.15	12.1
Non-Plan Expenditure	16293.7	41.8
Debt servicing	17935.1	46.1

Budgetary Surplus = Rs. 7 crores

DEFICITS

Item	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	2000/01	01/02	02/03	03/04	04/05
Revenue Deficit	1019	646	437	984	767	1250	2135	2294	4856	9287	7581	8856	8635	9376	7300
Fiscal Deficit	1634	1144	1013	1672	1965	2696	3397	4008	7109	11666	10920	11804	10569	13325	10251
Primary Deficit	1007	317	46	503	638	1080	1457	1598	4159	7497	5671	5429	2903	4046	426
GSDP	37523	43543	46681	53424	62032	73865	82075	97966	115516	126834	139863	156495			

Deficits by GSDP

Item	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	2000/01	01/02	02/03	03/04	04/05
Revenue Deficit/GSDP	2.7	1.5	0.9	1.8	1.2	1.7	2.6	2.3	4.2	7.3	5.4	5.7			
Fiscal Deficit/GSDP	4.4	2.6	2.2	3.1	3.2	3.7	4.1	4.1	6.2	9.2	7.8	7.5			
Primary Deficit/GSDP	2.7	0.7	0.1	0.9	1.0	1.5	1.8	1.6	3.6	5.9	4.1	3.5			
RD/GFD	62.4	56.5	43.1	58.9	39.0	46.4	62.9	57.2	68.3	79.6	69.4	75.0	81.7	70.4	71.2

Outstanding Debt

Item	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	2000/01	01/02	02/03	03/04	04/05
Debt	7870	8959	9874	11311	13059	15399	18171	22041	28617	37006	47249	58275	71631	84408	95246
Debt/GSDP	21.0	20.6	21.2	21.2	21.1	20.8	22.1	22.5	24.8	29.2	33.8	37.2			

Outstanding Guarantees

Item	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	2000/01	01/02	02/03
Outstanding guarantee(Rs.Cr)	-	-	1953	1986	3239	3083	3286	3057	3059	4380	3253	3580	3893
Outstanding guarantee/GSDP			4.2	3.7	5.2	4.2	4.0	3.1	2.6	3.5	2.3	2.3	

West Bengal

State Plan Financing

(Rs.crore)

Items	2003-04 (PA)	As % of (A)	2004-05 (AP)	As % of (A)
Provident funds	452	3.69	414 9	2.77
Net Small Savings	6912	56.42	8395.0	56.14
Market Borrowings	665	5.42	716.0	4.79
Negotiated loans	1891	15.44	1889.0	12.63
Central Assistance	2193	17.90	3433.1	22.96
Others*	138	1.13	106 4	0.71
Total (A)	**12251**	**100.00**	**14954**	**100.00**
Plan Outlay	2570		5019.6	
		As % of (B)		As % of (B)
State's Own Resources	334.9	-3.57	1586.5	-19.00
Balance from Current Revenues	-8470.8	90.23	-6559.0	78.57
Miscellaneous Capital Receipts	-1036.0	11.04	-3157.6	37.82
Contribution of Public Enterprises	-215.9	2.30	-218.1	2.61
Total (B)	**-9387.8**	**100.00**	**-8348.2**	**100.00**

Tenth Plan Outlay & Realisation

Sources of Funding	Tenth Plan @ 2001-02 Prices	2002-03 AP	2002-03 (A/cs)	2003-04 AP	2003-04 PA	% Realisation @ 2001-02 Prices
		(At current prices)				
1	*2*	*3*	*4*	*5*	*6*	*7*
A. States Own Resources	14296	2908	557	607	335	5.97
of which borrowing including MCR	34430	8716	8703	8650	8990	48.96
B. Central Assistance	14346	3399	2223	3287	2193	29.34
C. Aggregate Resources	**28641**	**6307**	**2780**	**3894**	**2528**	**17.68**
	Tenth Pan @ 2001-02 Prices	**2002-03 outlay**	**2002-03 Expenditure**	**2003-04 outlay**	**2003-04 Expenditure**	**% Realisation @ 2001-02 Prices**
Outlay	28641	6307	2673.2	2894	2570.31	17.45

TENTH PLAN PROJECTIONS & REALISATION

Item	Tenth Plan	Realisation
State's Own Resources	14296	854
BCR	-19144	-15594
Resources of Public Enterprises	4674	2971
Borrowings incl. Net MCR	28765	13477
Central Assistance	14346	4209
Aggregate Resources	28641	5063

WEST BENGAL

Components of Own Tax Revenues 2004-05 (BE)

Item	(Rs.Cr)	% age
State's own tax Revenue	**10449**	
Sales Tax	5836	55.86
State excise	885	8.47
Stamp Duties	953	9.12
Motor Vehicle tax	549	5.25
Other Taxes	2226	21.30

Revenue buoyancies

	WEST BENGAL		ALL STATES	
Items	1990-91 to 2000-01	1995-96 to 2000-01	1990-91 to 2000-01	1995-96 to 2000-01
Revenue Receipts	0.8	0.83	0.94	0.79
Own Revenue	0.74	0.6	1	0.8
Tax Revenue	0.79	0.63	1.01	0.88
Own Tax Revenue	0.71	0.49	1.04	0.92
Commodity Taxes	0.74	0.66	1.03	0.94
Excise Duty	2.09	0.8	0.92	1.02
Taxes on vehicles	-0.21	1.02	0.94	0.74
Stamp duties	0.6	-0.36	1.1	0.64

Own Revenues & Transfers as % of GSDP

Item	1997-98	1998-99	1999-00	2000-01	2001-02
Own Revenues	4966	5159	5688	7132	7281
Rev. Transfers	4062	4228	4523	7390	7257
Own Revenue/GSDP	5.1	4.5	4.5	5.1	4.7
Rev. Transfers/GSDP	4.1	3.7	3.6	5.3	4.6

Plan Outlay (Rs.crore)

Item	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	2000/01	01/02
Plan Expenditure	1151	907	882	1217	1702	2141	2427	2840	3460	3928	5631	4595
(as a % of GSDP)	3.07	2 08	1 89	2.28	2.74	2.90	2.96	2.90	2.99	3.10	4.03	2.94

West Bengal

Trend in Plan Financing

(Rs.crore)

Item	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Provident funds	284	1097	1780	931	733	376	452	415
Net Small Savings	2551	3923	4160	4896	5789	8585	6912	8395
Net Market Borrowings	542	610	665	818	1032	665	665	716
Negotiated loans & Debentures	187	463	599	3550	2875	1916	1891	1889
Central Assistance (GBS)	1580	2177	2176	2056	2073	2223	2193	3433
CSS	360	486	342	527	678	540	502	512

Trend in Plan Financing scaled by GSDP

Item	1997-98	1998-99	1999-00	2000-01	2001-02
State Provident Funds	0.3	0.9	1.4	0.7	0.5
Net Small Savings	2.6	3.4	3.3	3.5	3.7
Negotiated Loans & Bonds	0.6	0.5	0.5	0.6	0.7
Market Borrowings	0.2	0.4	0.5	2.5	1.8
Central Assistance (GBS)	1.6	1.9	1.7	1.5	1.3
CSS/CPS	0.4	0.4	0.3	0.4	0.4

Balance from Current Revenues

(Rs.crore)

Item	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
BCR	-1,663	-4,224	-8,402	-6,336	-7,259	-8,033	-8,471	-6,559

Primary Balance from Current Revenues

(Rs.crore)

Item	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
PBCR	747.5	-1274.2	-4233.4	-833.9	-521.3	-366	740	3,358

Major Commitments on Revenue Exp.

(% of Total Revenue Receipts)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Interest Payment	19.7	19.3	21.9	23.6	26.7	31.4	40.8	36.1	40.0	40.7	53.3	47.9
Wage Bill	57.3	53.5	56.0	59.2	59.7	75.6	96.4	65.8	54.7	48.3	56.1	49.3
Wage Bill, Interest & Pension	82.7	78.7	84.2	90.4	95.1	117.8	152.7	115.3	106.8	101.8	124.7	111.5

Effective Interest Rate

(%)

	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Interest Rate	10.8	11.8	11.7	12.4	12.6	13.3	13.4	14.6	14 2	13.6	13.2	13.0	11 6

M-

No.13048/ 29(A&N)/2004-SP-CO
Planning Commission
(State Plans Division)

Yojana Bhavan, Sansad Marg
New Delhi, the 24th February, 2005

Subject:- Meeting between Deputy Chairman, Planning Commission and the Lt. Governor, Andaman & Nicobar Islands for finalization of Annual Plan 2005-06.

A meeting between Deputy Chairman, Planning Commission and Lt. Governor, Andaman & Nicobar for discussion on Annual Plan 2005-06 will be held in the chamber of Deputy Chairman, Yojana Bhavan **at 3.30 P.M. on 25th February, 2005**.

You are requested to kindly attend the meeting.

A copy of the Background Note for the meeting is enclosed.

(Rajat Sachar)
Director(SP/IDA/CM)

Encl: As above

Planning Commission

Member (SH)
Secretary
Shri K. S. Sidhu, Chairman, Core Group on Tsunami Reconstruction
Adviser (Transport)

Ministry of Home Affairs, North Block, New Delhi
Shri N.A. Vishwanathan, Additional Secretary and Financial Adviser

Shri K.S. Sugathan, Joint Secretary (UT)

Copy for information to:

PS to Deputy Chairman
PS to Minister of State
PS to Members
Principal Adviser/Adviser

Background Note for Annual Plan (2005-06) – Meeting between Deputy Chairman and Lt. Governor, Andaman & Nicobar Islands.

General Introduction

Andaman & Nicobar Group of Islands comprises 572 Islands (including 266 rocks) with a total geographical area of 8249 sq. kms., of which 38 are inhabited. The Islands maintain communication with the mainland through Calcutta, Chennai and Vishkhapatnam ports. The Andaman group stretches over 464 Kms in length with a maximum breadth of 51 kms. In Nicobar, the land surface is very irregular as they are cut up by steep hills and valleys.

Climate : These Islands have a tropical climate with an average annual rainfall of 3180 mm and humidity as high as 87%.

Demography : Large scale influx of people together with normal growth rate has caused the population to spurt from 30971 in 1951 to 356152 in 2001. The decennial growth rate during 1991-2001 was 26.90% as compared to All India average of 21.34%. As per latest migration statistics, the migrant population in Andaman & Nicobar islands is as high as 562 per thousand in urban areas and 475 per thousand in rural areas. Basic information related to Andaman & Nicobar Islands is at **Annex-I.**

Growth Indicators: During 1993-94 to 2001-02 the GSDP at constant prices grew at a rate of 2.4% in Andaman & Nicobar while the All India rate of growth was 6.2% and most States and other UTs grew in the range of 4.2% to 12.2%. Thus the performance of the UT in the recent period has been poor and is far from being consistent with the growth target for the country in the Tenth Plan.

Forest Area : Of the total geographical area of 8249 sq.kms. of the Islands, the recorded forest area is 7171 sq. kms (87%). The forest and tree cover based on FSI Report 2001 is 85% of the area. It is rich in biodiversity but fragile.

Five Year Plans

Planned Development in Andaman & Nicobar Islands started in 1956. The outlay from Second upto the Sixth Plan was very modest and negligible infrastructure facilities could be created. Most of the Plan Expenditure was on account of implementation of schemes for rehabilitation of repatriates, providing infrastructure and support services to the armed forces and influx of population from the mainland.

The process of infrastructure development started only from the Sixth Plan. During the next three Plans about 40% of plan funds were spent on shipping alone. For this reason, the increase in basic infrastructure capacity in terms of new roads, power, bridges, schools, hospitals etc. was not satisfactory. There were only 5 medium size industries of which 4 were timber based. Even these have to be closed down in view of Supreme Court Order dated 7th May, 2002 banning movement of wood outside the islands and curtailment of forest working to a level where only local needs are met.

Besides, the UT is not getting the benefit of investment by public sector undertakings like railways, national power grid, national highways etc. The Island territory is also not able to take full advantage of the centrally sponsored schemes due to mismatch between the nationally prescribed norms and local conditions.

The outlay and expenditure under various five year plans are at **Annex-II.** Among the States and UT's, Andaman & Nicobar Islands receive one of the highest per capita plan outlays.

Tenth Plan Outlay Implementation

The Plan outlay/expenditure in the Tenth Plan is given below:

(Rs. crores)

Year	Approved Outlay	Expenditure	Utilization (%)
Tenth Plan	2483	-	-
AP 2002-03	402.05	357.56	89
AP 2003-04	410.00	405.87	99
AP 2004-05	410.00	410.00(Anticipate	100
AP 2005-06 (Proposed)	482.56	-	-

Physical Targets for the important sectors are given below.

I)Shipping: Orders for 26 vessels including 2 more mainland-islands and 21 inter-island vessels of different capacity are proposed to be placed . Construction of large and small Jetties at various locations and Container Freight Station at Haddo and development of Harbour at Junglighat.

II)Power: An additional 20.3 MW proposed to be added in different places.

iii)Education : It is expected that the total enrolment in schools by the end of Plan would be 80900. Major thrust is on universalisation of elementary education.

iv)Health : By the end of Plan, the Medical Department will have a total of 4 hospitals, 35 dispensaries and and 130 sub-centres. One hospital, 16 dispensaries and 23 sub-dispensaries are planned to be added .

v)Roads & Bridges: During the Plan an additional 18 Kms. of surfaced Rural roads and 6 Kms. of surfaced Urban roads will be added. In addition to this, the PRIs and Municipality will also be constructing rural and urban roads based on priorities at various villages to meet the immediate traffic requirement.

vi)Industries: Financial assistance in the form of loan, subsidy and awards will be provided to 1850 beneficiaries for SSI's, Medium scale Industries etc.

vii)Co-operation: 300 new co-operative societies are proposed to be motivated and registered during the Plan and required assistance will be given to those societies as per their entitlement on application..

Annual Plan (2005-06)

The sector-wise details for Annual Plan outlay (2005-06) proposed by the Andaman & Nicobar Administration is at **Annex-III.**

Sectoral Highlights:

Agriculture

Total land available for agriculture is limited and due to rapid growth of population is getting reduced further. In South, Middle and North Andaman, paddy, coconut, fruits, arecanut, spices and rubber are cultivated. In the Nicobar Group of Islands there is no agricultural activity except cashew plantation in Kamorta and paddy and vegetable cultivation in small areas of Great Nicobar.

The IDA at its last meeting held in January, 2003 identified High Value Agriculture as one of the thrust areas for the development of the islands. In February 2004, a policy for development of **High Value Agriculture** in the UT was finalized. It focuses on the following points-

- Replacement of the present traditional cereal based farming by high value crops suitable for the islands.
- A programme involving an expenditure of over Rs.50 crores on development of high value agriculture.
- Development of commercial horticulture and cold storage facilities.
- Expansion of area under coconut and spices cultivation.
- Setting up of coconut processing complex and establishment of hybrid coconut for tender coconut.
- Cultivation of fruits, flowers, spices, medicinal and aromatic plants.
- Strengthening the Department of Agriculture of A & N Administration.
- Establishment of project based infrastructure for processing, marketing and export.

A 20% increase over the preceding year has been proposed in the outlay 2005-06 on Agriculture & Allied Sectors.

Under Crop Husbandry, two separate schemes with similar programmes have been proposed on Promotion of Plantations, Spices and Horticultural crops. The schemes could be merged with special provision for development of tribal area under TSP.

Fisheries

The total fishermen population of the islands is 11062, of which the strength of active fishermen is 2500. The fishery resources of the islands comprise 1912 kms. of coastline, 6 lakh sq. kms. of Exclusive Economic Zone (EEZ), 618 ha brackish

water area and about 600 minor irrigation ponds and small reservoirs. Marine fishery resources offer tremendous scope for expansion. At present, the total fish production in the UT is about 28000 tons which is about 11% of the estimated fishery potential of about 2.43 lakh tonnes. The major constraints are lack of proper infrastructure facilities for the post harvest preservation, processing, storage, marketing, transport etc. and non-availability of technical trained manpower . Presence of Indian fleet of vessels would help in preventing unauthorized fishing by foreign vessels.

The last IDA meeting had identified Fisheries as one of the thrust areas. A **new policy for development of Fisheries,** finalized in November 2004 emphasizes the following points for the Andaman & Nicobar Islands:-

- Development of coastal fisheries through introduction of improved type fiber craft and gear
- Establishment of infrastructure needs for harvest and post harvest operations in identified islands.
- Offshore fisheries would be developed through introduction of large deep-sea fishing vessels.
- Conduct fishery resource survey for systematic monitoring.
- Accord priority to HRD for developing skilled manpower.

In Annual Plan (2005-06), a 45% increase in outlay over the preceding year has been proposed for fisheries. However, no specific scheme has been proposed for Deep sea Fisheries, though there is vast scope for development.

Forestry & Wild life

The island is repository of immense forest wealth, rich in bio-diversity. These forests have traditionally been exploited for timber production. Due to anthropogenic pressure and expansion of other developmental activities, the demand for forest land as well as its produce is continuously increasing. Though the forest department claims that forests are exploited according to approved working Plans, no concrete study on whether harvesting from forests is sustainable and it does not adversely affect biodiversity, conservation and other ecological aspect has been carried out.

A Supreme Court Order of 7th May, 2002 has impacted forestry activities in the Union Territory. The Hon'ble Court has ordered closure of all wood based industries, banned forest working in Little Andamans and in Tribal Reserves, banned movement of wood outside the Islands and curtailed the forest working to a level where only local needs are to be met. In wake of the disaster caused by Tsunami the Supreme Court has removed the ban for a period of six months. In the interest of conservation of forest resources the following initiatives are proposed:-

i) Regeneration of Forest Lands vacated by encroachments and cleared of commercial and monoculture plantations.

ii) Scheme for regeneration of earlier worked forest areas to bring them to near natural profile.

iii) Enhancement of forest department's capacity for enforcement, protection against poaching and encroachments – especially boats, communication equipments, GPS sets and other required equipment.

iv) Scheme for the promotion of medicinal plants and orchids and for promoting handicrafts.

v) Scheme for prevention, control and monitoring of coastal and marine pollution including the setting up of a laboratory and the installation of monitoring centers.

The capacity of the Forest Department needs to be enhanced by equipping it with boats and communication equipment so that it can effectively enforce and protect against poaching and encroachment. The Department needs to have a close liaison with the Coast Guard Authorities.

In Annual Plan (2005-06), as compared to the preceding year, the outlay on Forestry & Wild Life is proposed to be stepped up by 18% and Rs. 10 lakhs on Ecology & Environment is unchanged.

Rural Development

The proposed outlay for Rural Development in Annual Plan 2005-06 is Rs.3601 lakhs which constitutes a 6.6% decrease over the preceding year.

Panchayats

The Lt. Governor had issued a series of Gazette Notifications dated 22-12-1995 whereby a large number of subjects were transferred to the different levels of Panchayats in the Islands. However, these notifications have not yet been fully implemented. There is a need to accelerate decentralization, especially in view of the unique geographical position of the Islands. There are many far-flung inaccessible areas in the islands which take several days to reach by sea from Port Blair, and very often it is not possible for the Administration officials to get first hand information. Giving the Panchayats a greater role in implementation is likely to improve the feedback from the field, as well as increase the prospects of works getting executed on the ground.

Irrigation and Flood Control

There is no scope for Major and Medium Irrigation in the Union Territory. In order to make the islands self-contained in food grains, vegetables, fresh water, pisiculture, scope of Minor Irrigation is being explored by the Administration. The minor irrigation activities are mainly-checking of natural drains (nallahs) & construction of ponds/tanks/wells etc. The Administration has been undertaking the following works under Minor Irrigation:-

a) Augmentation of Minor Irrigation in A & N Islands.
b) Survey and investigation of surface and ground water scheme in A & N Islands.
c) Execution of Minor Irrigation structures in Andaman District (Little Andaman).

d) Execution of Minor Irrigation scheme in Great Nicobar (Prem Bahadur Nallah & Swaroop Nallah

e) Execution of Korang Nallah In Middle Andaman.

The A&N Islands receive on an average 3000mm rains annually. During monsoons many low lying areas throughout the islands get flooded, causing damage to crops and loss of animals. Flood control measures in such areas are adopted. The provision is made to harness certain Nallahs. To face such situations the provision made for these schemes are minimal . Watershed management is also practised to harness the nallahs in the Islands with the central assistance and the works are taken up in coordination with various departments and rural development programmes.

Anti-sea erosion works are required mostly in Great Nicobar which experienced 2-3 tremors few years back leading to large scale sea-erosion. Coastal road constructed in the Islands is under threat due to sea-erosion. The coastal roads in Middle and North Andaman are also experiencing the adverse impact of sea erosion. The islands have many creeks which originate from hillocks to the sea. During rains, the rain water flows to the sea through these creeks and during tides the sea water gets into the cultivable fields.

In Annual Plan(2005-06) the outlay on Minor Irrigation is proposed to be stepped up by 49% and on Flood Control it is to being reduced by 41%. In view of the recent disaster, the outlay on Flood Control needs to be augmented substantially.

Power & Energy

At present there are 36 power houses in different locations having Diesel Generating sets of capacity ranging from 6kw to 2500kw. The demand for power is increasing rapidly in the Islands because of various factors like population Increase, tourism development, industrial needs etc.

The A & N Islands is over dependent on diesel generation for its power demands Small Hydro Electric projects and projects based on non conventional energy technology can supplement. This will save diesel and transportation cost of diesel to the Islands. Intensive survey and investigation is required for getting new hydro potential in the islands.

72 villages in Nicobar district are yet to be electrified. A scheme for electrification of villages in Nicobar along with similar villages in Andaman district costing Rs.40.9 lakhs by providing Solar Lighting Systems and Solar Lantern have been approved

The Indian Institute of Science, Bangalore have prepared a feasibility report for utilization of bio-mass establishing a Bio-mass Gasified Based Generating Systems These reports have been submitted to Ministry of Non-Conventional Energy Sources for scrutiny and approval

In 2005-06 the outlay on Power is proposed as Rs.2500 lakhs which is a 14% reduction over the preceding year. The recent disaster has caused considerable damage to the DG sets and therefore the outlay could be stepped up to meet the enhanced capital cost.

Village & Small Industry

Due to locational disadvantages and lack of infrastructural facilities, the A & N Islands are still in the infant stage of industrial development and have been declared as an Industrially Backward Region (Category - 'A') by the Government of India. However, there is not much scope for big or medium size industries in view of restrictions imposed on wood based industries for environmental considerations. Based on local resources and natural advantages promotional activities can be undertaken in marine based tourism, cane and bamboo, coir and coconuts, agro based and food processing, packaging, boat building/ repairing industries.

The proposed outlay in 2005-06 for Village & Small Industries at Rs.529 lakhs constitutes a 17% increase over the preceding year.

Transport

Ports & Lighthouses

The proposed outlay of Rs.1768 lakhs in 2005-06 is meant for the six ongoing schemes relating to reorganization of ports, maritime port communication network, security, safety and health, construction of jetties, pollution control, repairs of harbor structures and the new scheme is for acquisition of port craft. A large component of resources for these schemes are meant for payment of salary and wages and creation of additional staff strength. This expenditure and provisions for special repairs to harbour structures and providing fresh water to the ships should be provided under the non-plan budget.

Shipping

An outlay of Rs.9837 lakhs is proposed in 2005-06 for seven schemes relating to improvement of mainland-island transportation and inter-island transportation involving acquisition of vessels, augmentation of shipping maintenance facilities, creation of facilities for training and infrastructure, computerization of systems and strengthening services of Directorate of Shipping.

There appears to the duplication of work by the Andaman and Lakshadweep Harbour Works and the Directorate of Shipping Services in implementation of schemes on strengthening of Directorate of Shipping Services.

The Administration has not provided the details of the existing capacity of shipping fleet, net addition to the fleet based on traffic estimates, payment of installments for the ships proposed to be acquired. The poor utilization of the ships and high cost of operation is leading to substantial amount of subsidy. Planning Commission has been requesting the UT Administration to explore the possibility of involvement of private sector in shipping services.

Roads & Bridges

An outlay of Rs.6132 lakhs in 2005-06 is proposed for implementing fifteen schemes on Roads & Bridges. There is a need to have a long-term plan for systematic development of this sector in the UT. The Administration has not furnished physical targets and achievements as per proforma provided by the Planning Commission.

Road Transport

An outlay of Rs.400 lakhs in 2005-06 is proposed for implementing three schemes relating to augmentation of road passenger transport and strengthening of workshops and motor vehicle department. Actual achievements have not been indicated. Expenditure on construction and maintenance of staff quarters at various places under Strengthening of Workshop needs to be booked under the non-plan head.

Civil Aviation

An outlay of Rs.620 lakhs is proposed for extension of airport at Port Blair and construction/maintenance of helipads. It is felt that the programme for the helipads should be taken up only after firming up the programme on provision of helicopter services so that investment does not become in fructuous. Moreover provision of helicopter services could require substantial subsidy and it may be necessary to link up the construction of helipads with the magnitude and expenditure on proposed helicopter services.

Tourism

Andaman & Nicobar Islands have vast potential for tourism. These islands possess some of the finest evergreen tropical forests, under water corals, rare varieties of marine life, unpolluted environment and beautiful beaches. The UT Administration has planned to project and make A & N Islands as the 'tourist destination' for the 21st Century. The basic objective is to promote high quality low volume environmentally sustainable tourism in the Andamans.

In light of the Prime Minister's directions identifying Tourism as a thrust area at the last meeting of the IDA , the Ministry of Tourism has undertaken inter –Ministerial consultations for finalizing a policy on the subject. The salient features of the draft policy are-

- Leasing out to private sector tourism projects on long term basis with environmental safeguards ,based on Maldives model
- Constitution of an inter-Ministerial Empowered Committee headed by Secretary (Tourism) to lay down guidelines, grant approvals for development of island resorts, monitor and coordinate tourism development in the islands on single window agency concept.
- Relaxing the Restricted Area Permits for the selected islands.

- Reduction in no development zone to 50 metres for selected islands by Ministry of Environment & Forests.
- Raising the investment limit from Rs 5 crores to Rs. 100 crores under the Environment Protection Act.

The proposed outlay on Tourism is Rs.644 lakhs constituting a 1% increase over the preceding year. The recent disaster has reportedly destroyed the tourism infrastructure created over the years. Hence a higher outlay needs to be provided for this sector.

Information Technology (IT)

The Department of Economic Affairs has already issued a notification on 9.7.03 for opening up separate Head for IT sector in all the Central Ministries, States and UTs. Andaman & Nicobar Administration needs to ensure that the IT expenditure is booked under this Head.

Out of the total outlay of Rs.48256.88 lakh proposed for the AP 2005-06 for the State, no outlay has been shown for IT as a whole.

As suggested by Planning Commission, 2-3% of the total outlay should be earmarked for the IT activities. The UT Government need to work out a comprehensive and concrete action plan to ensure the provision of earmarked outlay and undertake worthwhile IT projects in the State.

Suitable e-governance plan for the UT may be sketched and implemented

State Wide Area Network (SWAN) should be created in the UT by extending, augmenting and upgrading the existing facilities. Keeping in view the guidelines issued by DIT on the subject, the State may formulate the project and submit the same to DIT for consideration.

Re-engineering of the present processes for weeding out obsolete processes and procedures must be undertaken before implementing e-governance projects.

Education

Andaman & Nicobar is an educationally advanced U.T. The literacy rate of the UT is 81.18 % as against the national average of 65 38 %. Per capita expenditure on education in the islands is Rs. 1179.25 as against the all India average of Rs. 535.21.

About 2.2% of primary school children, mainly ST children and girls are still not in schools. More primary schools need to be set up High teacher vacancy rates in many schools persist. School dropout rates are high and performance of students in the examinations is poor. The challenge is to improve the quality of education and reduce regional, social and gender disparities. There is need to promote vocational education related to fisheries, handicrafts, small manufacturing processes etc so as to tackle the unemployment among the youth

The proposed outlay in Annual Plan (2005-06) for Education sector is Rs.6012 lakhs which constitutes a 23% increase over the preceding year.

Welfare of SC, ST and other Backward Classes

There are five Primitive Tribal Groups (PTGs) whose population is given below:

S.N	Tribe	1981 Census	1991 Census
1.	Shompens	214	135
2.	Onge	102	98
3.	Great Andamanese	28	28
4.	Jarawa	200	200
5.	Sentilenese	80	100

Special Central Assistance is provided for comprehensive development of the above PTGs. AAJVS is implementing schemes for the PTGs.

The PTGs have hardly improved their status and are becoming more dependent on Government for their survival. Their population is declining or is stagnant and they are facing scarcity of food, drinking water, natural food resources and increased threat to their lives due to various problems such as extension of road, deforestation, encroachment, exploitation of natural resources by the outsiders. The Jarawa tribes are reported to be facing shortage of drinking water and food. They need to be met by the Administration with appropriate welfare measures but should not replicate the strategies adopted for other tribes like the Onge and Great Andamanese.

The Nicobarese of Nicobar Islands are prosperous and depend on horticultural yields, especially the coconut. The UT Administration needs to plan for coconut based industries like oil extraction / processing and coir products manufacturing in Nicobar Islands. Employment opportunities may be increased in these industries for the Nicobarese. Intermediary agencies should be stopped from exploitation of the local resources of these Islands.

Tribal population should be encouraged to involve themselves in shell-crafts through appropriate training for increasing their income level. Tribal youths could be trained in fish processing.

The UT Administration should involve expertise of anthropological knowledge in preparation, plan and implementation of the plan schemes. The identification of OBCs in respect of the islands should not form a part of the scheme under welfare of Schedule Tribes. The identification may be done as normal official activity.

The proposed outlay in Annual Plan (2005-06) for the Welfare of SC`s, ST`s and OBC`s is Rs.422 lakhs. 97% of the approved outlay of Rs. 503 lakhs on this sector under the Tenth Plan has been spent during the three years 2002-2005.

Based on savings in other sectors, proposed allocations in this sector can be accommodated.

Social Security and Social Welfare

The proposed outlay in 2005-06 is Rs.438 lakhs which constitutes a 16% increase over the preceding year. The increase is due to new schemes on National Programme for Adolescence, Rehabilitation of Forest Encroaches, Assistance to BPL Widows and Grant-in-Aid to Voluntary Organizations. Schemes on Resettlement of Forest Encroachers and Medical Reimbursement for PRIs cannot be considered under the Social Welfare Head and need to be transferred to the appropriate sector.

Schemes having similar objectives e.g. Assistance to BPL Widows and Scheme for Welfare of BPL Senior Citizens need to be clubbed and schemes providing doles to women need to be weeded out.

Housing and Urban Development

The proposed allocation on Housing is Rs.1218 lakhs which constitutes a 5% increase over the preceding year.

Housing activity comprises provision of residential accommodation to government employees, police personnel EWS, LIG etc. Total number of Govt. servants in these Islands is approximately 36845 out of which nearly 20000 are stationed at Port Blair. Due to the remoteness of these Islands, the terms and conditions of appointment provide for free accommodation to all mainland recruitments and deputationists. However, there is an acute shortage of residential accommodation for Govt. servants in these Islands. In most areas even private buildings are not available on hire and therefore the Govt. servants have to depend on Govt. accommodation only. The present satisfaction level is around 30 % and is getting further aggravated since most of the timber quarters constructed during 1960's and 1970's are now beyond economical repairs. Some are being taken up for renovation/rehabilitation in a phased manner. Therefore there is need to construct more staff quarters.

The proposed outlay on Urban Development in 2005-06 is Rs.2106 lakhs which is a 30% increase over the preceding year. Major ongoing schemes include Modification and Development of A&N Fire Service, Construction of Marketplaces, Improvement of Drainage System etc.

Under National Slum Development Programme Rs.7.0 crores was released as ACA upto March 2004 and no expenditure has been incurred so far. Under Swaran Jayanti Shehari Rojgar Yojana only 41% of the funds were utilized till March 2004.

Water Supply & Sanitation

The proposed outlay on Water Supply & Sanitation is Rs.2754 lakhs is constitutes a 59% increase over the preceding year.

There is an acute shortage of drinking water during summer and in Port Blair disposal of sewerage is through septic tanks which may pollute environment and ground water reserve.

To execute minor irrigation and drinking water supply schemes forest land has to be diverted and an Environment Impact Assessment (EIA)studies have to be completed for obtaining clearance from Ministry of Environment and Forests. NEERI has been engaged to carry out EIA studies for execution of certain schemes such as Prem Bahadur Nallah, Swaroop Nallah and Korang Nallah.

Health and Family Welfare

The proposed allocation for the Health Sector is Rs.2486 lakhs is constitutes a 4% increase over the preceding year.

The UT has adequate primary health care infrastructure as per norms for 1991 population. There is adequate manpower at primary health care infrastructure with the exception of specialists at CHCs.

The UT has been implementing an innovative scheme to improve female literacy, health of the girl child and social security for females .It has reported that the scheme has had an effect in improving the acceptance of sterilization.

Per capita public expenditure on health in the UT is one of the highest in the country. Instead of allowing the development of costly health infrastructure exclusively in the public sector the aim should be to create space for the private sector and for community centered actions.

Employment and Unemployment Situation

As per the latest survey of NSSO on employment and unemployment, the incidence of unemployment in rural areas in Andaman & Nicobar Island is lower than the all India level, but is higher in urban areas. The incidence of unemployment at the All India level increased both in rural as well as urban areas, in A & N islands the rural unemployment rate declined during 1993-94 to 1999-2000 as shown below

Incidence of unemployment *

	Andaman & Nicobar Islands		All India	
	1993-1994	1999-2000	1999-2000	1999-2000
Rural Male	5.3	3.5	5.6	7.2
Rural Female	6.9	8.1	5.6	7.0
Rural	5.7	4.4	5.6	7.1
Urban Male	10.1	5.1	6.7	7.3
Urban Female	19.1	24.0	10.5	9.4
Urban	11.6	9.7	7.4	7.7

* On Current Daily Status Basis

* Unemployed as % of labour force

The gap in the unemployment levels in rural and urban areas is more prominent in A & N Islands, with urban unemployment being significantly higher.

Unlike the situation at the broad , macro level, where bulk of the unemployed are in the rural areas, in A & N Islands urban unemployment constitutes a sizeable proportion. This dimension of the problems needs to be looked into as the urban share in total population has been growing steadily . It has grown up from 27 % in 1991 to 33 % in 2001 implying thereby a 4.5 % per annum rate of growth in urban population, more than 3 times the rate of growth in rural population.

The gender divide in incidence of unemployment is much larger in case on A & N Islands , especially in the urban areas. The unemployment rate among females in rural and urban areas of A & N Islands in the year 1999-2000 were 8.1% and 24.1% respectively compared to 3.5% and 5.1 % respectively among males. The gender divide has increased between 1993-94 and 1999-2000.

Unemployment among youth and educated

The unemployment rates are higher among youth and the educated for the country as a whole and in the States. The same pattern can be seen in case of A & N Islands also.

The incidence of unemployment among youth and educated in A & N Islands is higher than the national average as shown below. Also, the wide gap in levels of unemployment between rural and urban areas and also between genders can be seen among the youth and the educated too.

Incidence of unemployment * among youth and educated

(1999-2000)

	Andaman & Nicobar Islands			All India		
	Youth	Educated	All	Youth	Educated	All
Rural Male	8.1	13.7	3.3	7.3	7.3	3.9
Rural Female	14.6	33.2	7.4	6.8	16.9	3.7
Rural	9.8	18.3	4.2	7.2	8.4	3.8
Urban Male	10.0	4.8	3.8	12.4	6.9	5.6
Urban Female	34.2	30.3	20.7	16.6	15.8	7.3
Urban	17.6	14.2	8.4	13.1	8.2	5.9

*On Current Weekly Status Basis

The industrial distribution of employment in Andaman & Nicobar shows a very low share of employment in manufacturing sector. In the year 1999-2000 only about 3 % of the total rural employment and 12.5% of total urban employment was engaged in manufacturing against the All India average of 8 % and 23 % respectively. Growth of manufacturing sector is essential for creating employment opportunities in urban areas. Also, as is the historical experience, manufacturing sector growth is essential for a healthy growth in the tertiary services sector .

The proposed outlay in Labour & Employment Sector in 2005-06 is Rs.197.35 lakhs which constitutes a 31% increase over the preceding year. The four schemes in the LEM Sector are:

i) Establishment and Strengthening Vocational Institutions
ii) Strengthening of Labour Department
iii) Establishment and Strengthening of Employment Exchanges
iv) Strengthening of Labour Welfare Infrastructure and Rehabilitation.

ANNEX-I

Basic Information

S.No.	Item	Unit	Andaman & Nicobar	All India
1.	Population	Lakhs	3.56	10270
2.	Rural Population	%	67.3	72.2
3.	ST Population	Thousands	29.469	84326
4.	Population Density	Per sq.km	43.18	328.45
5.	Sex ratio	No.	846	933
6.	Crude Birth Rate	Per thousand	17.7	26
7.	Crude Death Rate	Per thousand	4.6	8.7
8.	Infant Mortality Rate	Per thousand	25	70
9.	Population Below Poverty Line	%	20.99	26.1
10.	Literacy Rate	%	81.3	64.8
11.	Pupil Teacher Ratio	Ratio	18.56	34.15
12.	Gross Enrollment Ratio	Ratio	86.92	82.35
13.	School Dropout Ratio	Ratio	29.98	54.65

ANNEX-II

PLAN OUTLAY & EXPENDITURE IN ANDAMAN & NICOBAR ISLANDS

		Rs. In Crores	(Rs.)	Rs. In crores	(Rs.)	(Year)
Sl. No.	PLAN PERIOD	Plan Outlay	Per Capita outlay	Plan Expdr.	Per capita Expdr.	Population Estimates used
1.	SECOND PLAN 1956-61	5.92	1184	3.62	724	1958
2.	THIRD PLAN 1961-66	9.79	1360	6.17	857	1963
3.	ANNUAL PLAN1966-69	7.05	766	5.29	575	1967
4.	FOURTH PLAN 1969-74	14.00	1273	4.70	1336	1971
5.	FIFTH PLAN 1974-79	33.72	2278	28.40	1919	1976
6.	SIXTH PLAN 1980-85	96.60	4644	99.90	4803	1983
7.	SEVENTH PLAN 1985-90	285.00	11400	233.24	9330	1987
8.	EIGHTH PLAN 1992-97	685.00	24407	892.08	31785	1991
9.	NINTH PLAN 1997-2002	1535.00	54692	1747.5	62266	1991
10.	TENTH PLAN 2002-2007	2483.00	69717	—	—	2001
11.	ANNUAL PLAN 2002- 03	402.05	11288	357.56	10039	2001
12.	ANNUAL PLAN 2003-04	410.00	11511	405.87	11395	2001
13.	ANNUAL PLAN 2004-05	410.00	11511	—	—	2001

GN STATEMENT

DRAFT ANNUAL PLAN 2005-06 - PROPOSED OUTLAYS

(Rs. in lakhs)

Sl. No.	Major Heads/Minor Heads of Development	Tenth Plan 2002-07 Projected Outlay	Annual Plan 2003-04	Annual Plan 2004-05		Annual Plan 2005-06	
			Actual Expenditure	Agreed Outlay	Anticipated Expenditure	Proposed Outlay	of which Capital
1	2	3	4	5	6	7	8
I.	**AGRICULTURE & ALLIED ACTIVITIES**						
	1. Crop Husbandry	1908.00	332.75	375.00	375.00	425.00	50.00
	2. Horticulture	0.00	0.00	0.00	0.00	0.00	0.00
	3. Soil & Water Conservation (including control of shifting cultivation)	1211.00	181.00	264.00	264.00	236.00	10.00
	4. Animal Husbandry	2180.00	311.01	366.00	366.00	413.00	93.00
	5. Dairy Development	0.00	0.00	0.00	0.00	0.00	0.00
	6. Fisheries	2725.00	393.26	407.00	407.00	590.00	191.38
	7. Forestry & Wildlife	7243.00	1097.43	1100.00	1100.00	1298.00	450.80
	8. Plantations	0.00	0.00	0.00	0.00	0.00	0.00
	9. Food Storage & Warehousing	0.00	0.00	0.00	0.00	0.00	0.00
	10. Agricultural Research & Education	0.00	0.00	0.00	0.00	0.00	0.00
	11. Agricultural Financial Institutions	0.00	0.00	0.00	0.00	0.00	0.00
	12 Co-operation	2510.00	106.33	157.00	157.00	226.87	83.30
	13. Other Agricultural Programmes:						
	(a) Agriculture marketing	0.00	0.00	0.00	0.00	0.00	0.00
	(b) Others (to be specified)	0.00	0.00	0.00	0.00	0.00	0.00
	Total -(I)	**17777.00**	**2421.78**	**2669.00**	**2669.00**	**3188.87**	**878.48**
II.	**RURAL DEVELOPMENT**						
	1. Special Programme for Rural Development:						
	(a) Drought Prone Area Programme (DPAP)	0.00	0.00	0.00	0.00	0.00	0.00
	(b) Desert Development Programme (DDP)	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Integrated Rural Energy Programme	303.00	33.72	38.00	38.00	35.00	8.00
	(d) Integrated Wasteland Development Projects Scheme	0.00	0.00	0.00	0.00	0.00	0.00
	(e) Swaranjayanti Gram Swarozgar Yojana (SGSY)	0.00	0.00	0.00	0.00	0.00	0.00
	(f) DRDA Administration	0.00	0.00	0.00	0.00	0.00	0.00
	(g) Others (To be specified)	0.00	0.00	0.00	0.00	0.00	0.00
	2 Rural Employment						
	(a) Sampoorna Gram Rozgar Yojana (SGRY)	0.00	0.00	0.00	0.00	0.00	0.00

ANNEX-II

PLAN OUTLAY & EXPENDITURE IN ANDAMAN & NICOBAR ISLANDS

		Rs. In Crores	(Rs.)	Rs. In crores	(Rs.)	(Year)
Sl. No.	PLAN PERIOD	Plan Outlay	Per Capita outlay	Plan Expdr.	Per capita Expdr.	Population Estimates used
1.	SECOND PLAN 1956-61	5.92	1184	3.62	724	1958
2.	THIRD PLAN 1961-66	9.79	1360	6.17	857	1963
3.	ANNUAL PLAN1966-69	7.05	766	5.29	575	1967 .
4.	FOURTH PLAN 1969-74	14.00	1273	4.70	1336	1971
5.	FIFTH PLAN 1974-79	33.72	2278	28.40	1919	1976
6	SIXTH PLAN 1980-85	96.60	4644	99.90	4803	1983
7.	SEVENTH PLAN 1985-90	285.00	11400	233.24	9330	1987
8.	EIGHTH PLAN 1992-97	685.00	24407	892.08	31785	1991
9.	NINTH PLAN 1997-2002	1535.00	54692	1747.5	62266	1991
10.	TENTH PLAN 2002-2007	2483.00	69717	—	—	2001
11.	ANNUAL PLAN 2002- 03	402.05	11288	357.56	10039	2001
12.	ANNUAL PLAN 2003-04	410.00	11511	405.87	11395	2001
13	ANNUAL PLAN 2004-05	410.00	11511	---	—	2001

GN STATEMENT

DRAFT ANNUAL PLAN 2005-06 - PROPOSED OUTLAYS

(Rs. in lakhs)

Sl. No.	Major Heads/Minor Heads of Development	Tenth Plan 2002-07 Projected Outlay	Annual Plan 2003-04	Annual Plan 2004-05		Annual Plan 2005-06	
			Actual Expenditure	Agreed Outlay	Anticipated Expenditure	Proposed Outlay	of which Capital
1	2	3	4	5	6	7	8
I.	**AGRICULTURE & ALLIED ACTIVITIES**						
	1. Crop Husbandry	1908.00	332.75	375.00	375.00	425.00	50.00
	2. Horticulture	0.00	0.00	0.00	0.00	0.00	0.00
	3. Soil & Water Conservation (including control of shifting cultivation)	1211.00	181.00	264.00	264.00	236.00	10.00
	4. Animal Husbandry	2180.00	311.01	366.00	366.00	413.00	93.00
	5. Dairy Development	0.00	0.00	0.00	0.00	0.00	0.00
	6. Fisheries	2725.00	393.26	407.00	407.00	500.00	191.38
	7. Forestry & Wildlife	7243.00	1097.43	1100.00	1100.00	1298.00	450.80
	8. Plantations	0.00	0.00	0.00	0.00	0.00	0.00
	9. Food Storage & Warehousing	0.00	0.00	0.00	0.00	0.00	0.00
	10. Agricultural Research & Education	0.00	0.00	0.00	0.00	0.00	0.00
	11. Agricultural Financial Institutions	0.00	0.00	0.00	0.00	0.00	0.00
	12. Co-operation	2510.00	106.33	157.00	157.00	226.87	83.30
	13. Other Agricultural Programmes:						
	(a) Agriculture marketing	0.00	0.00	0.00	0.00	0.00	0.00
	(b) Others (to be specified)	0.00	0.00	0.00	0.00	0.00	0.00
	Total -(I)	**17777.00**	**2421.78**	**2669.00**	**2669.00**	**3188.87**	**878.48**
II.	**RURAL DEVELOPMENT**						
	1. Special Programme for Rural Development:						
	(a) Drought Prone Area Programme (DPAP)	0.00	0.00	0.00	0.00	0.00	0.00
	(b) Desert Development Programme (DDP)	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Integrated Rural Energy Programme	303.00	33.72	38.00	38.00	35.00	8.00
	(d) Integrated Wasteland Development Projects Scheme	0.00	0.00	0.00	0.00	0.00	0.00
	(e) Swaranjayanti Gram Swarozgar Yojana (SGSY)	0.00	0.00	0.00	0.00	0.00	0.00
	(f) DRDA Administration	0.00	0.00	0.00	0.00	0.00	0.00
	(g) Others (To be specified)	0.00	0.00	0.00	0.00	0.00	0.00
	2 Rural Employment						
	(a) Sampoorna Gram Rozgar Yojana (SGRY)	0.00	0.00	0.00	0.00	0.00	0.00

	(b) Others (To be specified)	0.00	0.00	0.00	0.00	0.00	0.00
	3 Land Reforms	666.00	95 31	109 00	109 00	179.00	53.00
	4 Other Rural Development Programmes						
	(a) Community Development & Panchayats	13565.00	2547.00	3629.00	3629 00	3304.00	430.00
	(b) Other Programmes of Rural Development	550 00	69.30	80.00	80 00	83.00	0.00
	Total -(II)	**15084.00**	**2745.33**	**3856.00**	**3856.00**	**3601.00**	**491.00**
III.	**SPECIAL AREAS PROGRAMMES**						
	(a) Hill Areas Development Programme	0.00	0.00	0.00	0.00	0.00	0.00
	(b) Other Special Areas Programme	0.00	0.00	0.00	0.00	0.00	0.00
	(i) Border Area Development Programme	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) Grants under article 275(1)	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Others (to be specified)	0.00	0.00	0.00	0.00	0.00	0.00
	Total -(III)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
IV.	**IRRIGATION & FLOOD CONTROL**						
	1 Major and Medium Irigation	0 00	0.00	0.00	0.00	0.00	0.00
	2 Minor Irrigation	1757.00	278.22	186.00	186.00	277.00	19.00
	3 Command Area Development (including Accelerated Irrigation Benefit Programme)	0.00	0.00	0.00	0.00	0.00	0.00
	4 Flood Control (includes flood protection works)	1000.00	419.89	300.00	300.00	177.00	177.00
	Total -(IV)	**2757.00**	**698.11**	**486.00**	**486.00**	**454.00**	**196.00**
V.	**ENERGY**						
	1 Power	19380.00	2303.27	2910.00	2910.00	2500.00	1290.00
	2 Non-conventional Sources of Energy	1363 00	170.17	205.00	205.00	235.00	37.00
	Total -(V)	**20743.00**	**2473.44**	**3115.00**	**3115.00**	**2735.00**	**1327.00**
VI.	**INDUSTRIES & MINERALS**						
	1 Village & Small Industries	3746 00	482 50	452.00	452.00	529 00	164.00
	2 Other Industries (Other than VSI)	0.00	0.00	0.00	0.00	0.00	0.00
	3 Minerals	0 00	0.00	0.00	0.00	0.00	0.00
	Total -(VI)	**3746.00**	**482.50**	**452.00**	**452.00**	**529.00**	**164.00**
VII.	**TRANSPORT**						
	1 Ports & Light Houses	7146.00	1520.23	1896.00	1896.00	1767.96	1365.63
	2. Civil Aviation	2240 00	1275.82	644.00	644.00	620.00	620.00
	3. Roads and Bridges	40048 00	4619.24	3921.00	3921.00	6132.00	4172.00

4. Road Transport	1040.00	202.94	402.00	402.00	400.00	215.00
5. Inland Water Transport	0.00	0.00	0.00	0.00	0.00	0.00
6. Other Transport Services	0.00	0.00	0.00	0.00	0.00	0.00
a. Shipping	47345.00	8163.05	8148.00	8148.00	9837.00	5932.00
Total -(VII)	**97819.00**	**15781.28**	**15011.00**	**15011.00**	**18756.96**	**12304.63**
VIII. COMMUNICATIONS						
Other Communication Services	908.00	148.00	115.00	115.00	177.00	55.50
Total -(VIII)	**908.00**	**148.00**	**115.00**	**115.00**	**177.00**	**55.50**
IX. SCIENCE & TECHNOLOGY						
1. Scientific Research	165.00	46.32	40.00	40.00	35.00	15.00
2. Ecology & Environment	47.00	9.00	10.00	10.00	10.00	0.00
Total -(IX)	**212.00**	**55.32**	**50.00**	**50.00**	**45.00**	**15.00**
X. GENERAL ECONOMIC SERVICES						
1. Secretariat Economic Services	900.00	146.00	155.00	155.00	177.00	10.00
2. Tourism	4118.00	640.91	637.00	637.00	644.00	143.00
3. Census, Surveys and Statistics	180.00	20.89	21.00	21.00	25.00	3.00
4. Civil Supplies	900.00	233.00	246.00	246.00	236.00	81.00
5. Other General Economic Services:						
(a) Weights & Measures	0.00	0.00	0.00	0.00	0.00	0.00
(b) Others (to be specified)						
(i) District Planning / District Councils	0.00	0.00	0.00	0.00	0.00	0.00
Total -(X)	**6098.00**	**1040.80**	**1059.00**	**1059.00**	**1082.00**	**237.00**
XI. SOCIAL SERVICES						
1. General Education						
(a) Elementary Education & Literacy	12278.29	1798.81	1811.00	1811.00	2467.00	648.00
(b) Secondary Education	7184.86	1106.95	1312.00	1312.00	1508.00	479.65
(c) Higher Education	3878.65	501.97	520.00	520.00	638.50	263.00
2 Technical Education	3340.80	948.01	874.00	874.00	995.00	450.00
3 Sports & Youth Services	586.90	154.40	172.00	172.00	137.50	35.00
4 Art & Culture	1074.50	234.81	188.00	188.00	266.00	110.00
Sub-Total (Education)	28344.00	4744.95	4877.00	4877.00	6012.00	1985.65
5. Medical & Public Health						
i) Primary Health Care						
a) Rural	5673.00	1119.42	1177.00	1177.00	1165.00	426.00
b) Urban	365.00	54.89	11.00	11 00	11.00	11.00
ii) Secondary Health Care	1135.00	300.81	0.00	0 00	0.00	0.00
iii) Tertiary Health Care	1938.00	459.12	284.00	284.00	306.00	112.00

iv) Super-speciality Services	0.00	0.00	607.00	607.00	667.00	80.00
v) Medical Education	0.00	0.00	0.00	0.00	0.00	0.00
vi) Research	0.00	0.00	0.00	0.00	0.00	0.00
vii) Training	0.00	0.00	0.00	0.00	0.00	0.00
viii) ISM & Homeopathy	0.00	0.00	140.50	140.50	170.00	50.00
ix) E.S I	0.00	0.00	0.00	0.00	0.00	0.00
x) Control of						
a) Communicable diseases	0.00	0.00	0.00	0.00	0.00	0.00
b) Non-communicable diseases	0.00	0.00	0.00	0.00	0.00	0.00
xi) Primary Health Care						
a) N.M E.P	0.00	0.00	0.00	0.00	0.00	0.00
b) TB Control Programme	0.00	0.00	0.00	0.00	0.00	0.00
c) Others	0.00	0.00	0.00	0.00	0.00	0.00
xii) Other Programmes	1552.00	13.20	3.50	3.50	3.00	0.00
xiii) Direction & Administration	737.00	364.82	167.00	167.00	164.00	17.00
Sub-Total (Health)	11400.00	2312.26	2390.00	2390.00	2486.00	696.00
6 Water Supply & Sanitation	15256.00	2161.77	1729.00	1729.00	2754.00	1534.00
7 Housing (incl. Police Housing)	7868.00	1510.91	1155.00	1155.00	1218.00	944.00
(i) Indira Awaas Yojana (IAY)	0.00		0.00	0.00	0.00	0.00
8 Urban Development (incl. State Capital Projects & slum Area Development)	9590.00	1527.32	1608.40	1608.40	2105.70	251.00
9 Information & Publicity	330.00	68.71	65.00	65.00	71.00	2.00
10 Welfare of SCs, STs & OBCs	503.00	187.85	207.00	207.00	422.00	10.50
11 Labour & Employment	509.00	91.81	150.00	150.00	197.35	100.75
A. Labour Welfare						
i) Labour & Labour Welfare						
ii) Social Security for labour						
iii) Labour Education						
iv) Rehabilitation of Bonded Labour						
v) Child Labour						
B. Employment Services						
C. Craftsmen Training (.T.I.s) and Apprenticeship Training						
12. Social Security & Social Welfare	1175.00	229.14	377.00	377.00	438.00	14.50
i) Insurance Scheme for the Poor through GIC etc.	0.00	0.00	0.00	0.00	0.00	0.00
ii) Child Welfare (Includes integrated Child Development Services, Balwadi Nutrition Programme, Day Care Centres)	0.00	0.00	0.00	0.00	0.00	0.00
iii) Women's Welfare	0.00	0.00	0.00	0.00	0.00	0.00
iv) National Social Assistance Programme & Annapurna	0.00	0.00	0.00	0.00	0.00	0.00
v) Welfare of handicapped (includes assistance for Voluntary Organisations)	0.00	0.00	0.00	0.00	0.00	0.00

vi) Others (to be specified)	0.00	0.00	0.00	0.00	0.00	0.00
Nutrition	1360.00	340.00	300.00	300.00	340.00	0.00
Other Social Services						
a) Rehabilitation of Forest Encroachers	0.00	5.00	1.00	1.00	1.00	0.00
b) Disaster Management-Natural Calamities	251.00	34.52	49.00	49.00	210.00	0.00
Total -(XI)	**76586.00**	**13214.24**	**12908.40**	**12908.40**	**16255.05**	**5538.40**
XII. GENERAL SERVICES						
1. Jails	1060.00	142.16	135.00	135.00	147.00	40.00
2. Stationery & Printing	190.00	40.00	44.00	44.00	47.00	0.50
3. Public Works	2800.00	978.75	709.00	709.00	800.00	582.50
4. Other Administrative Services:						
i) Training	0.00	0.00	0.00	0.00	0.00	0.00
ii) Others						
a) Local Fund Audit	300.00	45.00	55.00	55.00	53.00	7.00
b) Issue of Identify Cards	161.00	46.51	37.00	37.00	29.00	0.00
c) Strengthening of Judiciary	787.00	70.00	94.00	94.00	120.00	16.00
d) Strengthening of Police Department	1272.00	204.60	204.60	204.60	237.00	110.00
Total -(XII)	**6570.00**	**1527.02**	**1278.60**	**1278.60**	**1433.00**	**756.00**
GRAND TOTAL	**248300.00**	**40587.82**	**41000.00**	**41000.00**	**48256.88**	**21963.01**

CHANDIGARH

Background Note
2005-06 not issued

-1965-A-

DADRA & NAGAR HAVELI

Background Note 2005-06 not issued

LAKSHADWEEP

Background Note
2005-06 not issued

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DAMAN & DIU

Background Note
2005-06 not issued

N.E.C

Background Note
2005-06 not issued

·1205-E·