

GOVERNMENT OF PUNJAB



ADDRESS BY
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ADDRESS BY S. PARKASH SINGH BADAL, CHIEF MINISTER, PUNJAB

Hon'ble Deputy Chairman and Members of the Planning Commission, Senior Officers of the Commission, Ladies and Gentlemen.

1. I would like to thank the Deputy Chairman and Members of the Planning Commission for providing me this opportunity to express my views on the challenges faced by my State and put forward the Plan Proposals for the Annual Plan 2010-11.

PLAN PERFORMANCE

2. During the tenth five year plan the State economy grew at the rate of 5.11 % against the national average 7.80%. The 11th Plan target for the State was fixed at 5.90% as compared to 9% for the country. The economic growth during the first three years of the plan has been 6.88%, 6.40% and 6.69%, which compares favourably with country's growth at 9.00%, 6.70% and 7.40%. Record procurement of food grains and the growth in the tertiary sector have mainly contributed to this high growth.

3. The plan performance during the first two years of the 11th Plan was 98.3% and 112%. The total expenditure during 2009-10 was Rs. 5276 crore against the plan outlay of Rs. 8600 crore which works out to 62% of plan performance. The abandonment of Rs. 1200 crore Mohali-Phagwara Expressway and less expenditure by the State Electricity Board have mainly contributed to a low expenditure of 53 % in the extra budgetary component of the Plan. The plan performance under the budgeted component has been marginally better at 71%.

4. The State government accorded top priority to accessing fund under flagship and other centrally sponsored schemes during 2009-10. The expenditure under flagship schemes in 2009-10 was 84 % of the budget estimates against 70 % in 2008-09. The expenditure under centrally sponsored schemes in 2009-10 was 64 % against 48% in 2008-09. The state was able to spend Rs. 2064 crore of the budget estimates of Rs. 3232 crore in 2009-10.

Except for a few central schemes like JNNURM, APDRP and RGGVY, all other schemes are being successfully implemented in the State.

5. The criteria for allocation of funds under various important central schemes do not favour developed states like Punjab. The State having hardly any unirrigated area is put to a disadvantage while allocating funds under Rashtriya Krishi Vikas Yojana. In spite of having 29% SC population, due to skewed BPL criterion, the State does not receive any substantial grant for poverty alleviation programmes. The State, having provided primary schools as per national norms, 100% rural link road connectivity and 100% rural electrification is deprived of adequate funds under SSA, PMGSY and RGGVY. We urge the Gol to review the criteria of the above mentioned schemes. Keeping in view that the State has created the infrastructure out of its own efforts and the present grim state of finances, the Gol should provide adequate funds for upgradation & maintenance of these assets, be it roads, irrigation network, schools, electrification etc.

6. The State Government has dissolved Punjab State Electricity Board as per Central Electricity Act, 2003 and has formed two state owned companies i.e. Punjab State Transmission Corporation Ltd to look after transmission and Punjab State Power Corporation Ltd to look after generation and distribution of electricity. Three Power Projects for 3840 MW capacity have been allotted to private parties to make the State power surplus in another three years. The state is getting World Bank assistance for Rs. 1500 crore road and Rs. 1280 crore water supply projects. JICA is funding Rs. 360 crore sewerage project in Amritsar City.

7. The State Government has recommended projects worth Rs. 550 crore to NABARD for assistance including state share during 2010-11. Important projects included are – Rs. 193 crore for roads, Rs. 95 crore for irrigation and flood protection works, Rs. 79 crore for Edusat project and Rs. 120 Cr for rural drinking water supply schemes. NABARD loans have been of great help in upgradation of rural infrastructure in the State.

STATE FINANCES

8. The State is passing through a phase of fiscal stress on account of huge accumulated debt, implementation of recommendations of Pay Commission and inadequate

support from the Government of India. Prolonged period of militancy and tax concessions to neighboring states during the last 10 years or so have rendered the manufacturing sector in the State uncompetitive. The State has not been able to achieve large scale industrial development. The contribution of this sector to State GSDP is about 13% with registered manufacturing sector having contributed only 6% to the GSDP. The contribution of primary and tertiary sector is about 34% and 44% respectively. This partly explains the low tax to GSDP ratio of about 7%.

9. Lack of resources have led to excessive dependence on borrowings which have accumulated to Rs. 64924 crore at the beginning of the current financial year. The net borrowing of the State in the year 2010-11 would be Rs. 6586 crore and about Rs. 5700 crore of it would go to service the interest liabilities. The origin of this huge debt lies predominantly in extra expenditure incurred in fighting the militancy in 1980s and 1990s. However the debt stock as a percentage of GSDP has been consistently declining from the high of 45% in 2005-06 to 35% in 2009-10 and it would further go down to 33% by the end of 2010-11. I would request the Planning Commission to come out with a one time package to provide complete debt waiver or at least debt rescheduling.

10. The State government has made consistent efforts to improve the tax revenue which increased by 10%, 13% and 8% during the first three years of the plan. The government would raise additional resources of about Rs. 1200 crore in the year 2010-11 mainly on account of measures announced towards the end of the last financial year. These interalia include, 10% surcharge on VAT (Rs. 600 crore), increase in VAT from 4% to 5% (Rs. 100 crore), imposition of electricity charges on agriculture power (Rs. 500 crore), rationalization of power subsidy for SC and BPL families (Rs. 120 crore), imposition of irrigation cess (Rs. 120 crore) etc. The government is likely to raise more resources in the current year. The electricity duty has been enhanced by 3% which would give an additional amount of Rs. 270 crore. The state also expects to augment VAT, excise and stamp duty collections on account of better compliance.

11. However, despite our best efforts in terms of additional resource mobilization, the budgetary estimates for 2010-11 project a revenue deficit of Rs. 3788 crore (1.75% of GSDP) and Fiscal Deficit of Rs. 6706 crore (3.10% of the GSDP). Although, these are, well within the parameters of the road map laid down by the 13th Finance Commission for the State, our efforts to improve these vital fiscal indicators would continue. However, much to our disappointment the 13th Finance Commission has only marginally increased the share of states in central taxes from 30.5% to 32%. The formula adopted by the 13th Finance Commission for inter-se distribution among the States is also not favourable to developed State, like Punjab. As a result, the State's share in the divisible pool of taxes has just increased from 1.299% under the 12th Finance Commission to 1.389% under the 13th Finance Commission.

ANNUAL PLAN 2010-11

12. The outlay for Annual Plan 2010-11 is Rs. 9050 crore, 5% higher than the outlay of Annual Plan 2009-10. The budgeted plan is proposed at Rs. 4334 crore while the remaining Rs. 4716 crore would form the extra-budgetary component. The total resources projected for financing the Rs. 9050 crore annual plan are estimated to be Rs. 9136 crore. The outlays for AIBP projects and RKVY schemes are likely to go up.

13. Top priority has been accorded to the energy sector for which 36% of the total plan outlay has been earmarked. Major share of the outlay will be spent on power generation, distribution and up-gradation of transmission. The Social Services Sector with 26% of the plan outlay is the second priority sector with thrust on pensions to old and other sections of the society, skill development and employment generation, rural water supply schemes, urban development and welfare of weaker sections. Road Transport Sector with 16% of the plan outlay is also a thrust area with major funding envisaged on account of World Bank and NABARD projects. Sir, let me now briefly dwell upon the salient features of the Plan proposals for different sectors.

AGRICULTURE

14. Punjab has been instrumental in ensuring national food security, consistently contributing about 45% of wheat and 25% of rice towards the Central Pool. Even under drought like situation in 2009, the State produced 168 lac MT of paddy and contributed about 138 lac MT paddy for the Central Pool. During Rabi 2010, 152 lac MT of wheat was produced. We are thankful to Government of India for sanctioning a sum of Rs. 800 crore for meeting the expenditure during the drought like situation for ensuring the food security of the nation. Only 10 districts of the State are covered under National Food Security Mission for wheat and no district of the State has been included under National Food Security Mission for rice even though State is its leading producer.

15. The increased food production and slow movement of foodgrains have compounded the problem of food storage in the State. The State needs at least 78 lac MT of long term storage capacity out of which 25 lac MT should be in the form of silos which can store foodgrains upto three years. Government of India are requested to assist the State in creation of the long term, modern and scientific storage capacity. The 5 State Procurement Agencies have long standing dues of Rs. 6000 crore recoverable from Government of India. The non payment of these dues has adversely affected the balance sheet of these bodies. Food Corporation of India should be directed to settle these issues and release the amount.

16. Three main issues that require immediate attention are food and nutrition security, poor economy of small and marginal farmers and heavy indebtedness which is a result of falling real farm incomes. The Commission for Agriculture Cost and Prices (CACCP) needs to re-examine the existing methodology of fixation of MSP. The MSP should account for the cost of production and should be linked to the consumer price index. The other alternative is to accept and implement the recommendations of the National commission on Farmers headed by the noted farm economist, Dr. MS Swaminathan, that MSP should be equal to the cost of production plus 50% as profit. The farm labour should be treated as semi skilled and the value of land should be taken into account while working out the cost of production.

17. The International Centre for Maize and Wheat Improvement (CIMMYT) based in Mexico is opening Borlaugh Institute for South Asia (BISA) in India. Dr. Norman Borlaugh had a very close association with the State of Punjab especially PAU, Ludhiana. It was here that high yielding variety seeds and the accompanying agricultural practices were introduced with great success by him in the 1960s leading to green revolution in the State. Stagnation in productivity in the absence of scientific breakthroughs in new high yielding varieties coupled with degradation of soil and depletion of ground water have contributed to the decline of Punjab's agriculture in recent years. Major emphasis is required to be laid on agriculture research, development and technology transfer to ensure the long term sustainability of agriculture. Punjab therefore has a rightful claim to the proposed BISA. State is ready to provide 200 hectares of land required for this Institute in Ludhiana. Ministry of Agriculture should locate this Institute in Punjab.

18. The rural debts in Punjab estimated to be Rs. 35000 crore have assumed the proportions of a grave human tragedy. The state did not benefit much from the debt waiver scheme offered by Government of India as there are less number of small and marginal farmers in Punjab. We urge Government of India to waive all agricultural loans as one time measure regardless of the size of land holding. The landless farmers and agricultural labour should be brought in the gamut of the relief scheme. The farmers should not be penalized for making regular repayment of loan.

19. The Rashtriya Krishi Vikas Yojana (RKVY) is a good initiative but the allocation for the State is not much. It received Rs. 35 crore, Rs. 87.52 crore and Rs. 43.23 crore in the first three years under this scheme. The criterion for allocation does not favour the State. Half the weightage should be given to maintenance and up-gradation of existing infrastructure of irrigation and remaining half to un-irrigated area against the proposed norms of full weightage to un-irrigated area.

20. The State has made good progress in the area of diversification of crops. Use of Bt cotton seeds have increased the total production in the State. Cultivation of maize, basmati rice and potato is being encouraged. In certain pockets banana cultivation has become very

popular. The Citrus Council has been successful in bringing about 3583 acres of land under citrus plantation. The utilization of funds of NHM has picked up and a sum of Rs. 42.23 crore was spent in the year 2009-10 against Rs. 29.42 crore during 2008-09, an increase of about 40%. We have prepared an action plan for Rs. 60 crore for the current year. To boost farm exports, a temporary Perishable Cargo Complex at Amritsar Airport has been constructed. However, Government of India is urged to construct a permanent Complex to boost the present sub-optimal business. We welcome the minimum support price announced for about 25 agriculture commodities including pulses, oil seeds, etc. However there is no effective procurement mechanism for the purchase of crops other than wheat and paddy. Without a effective purchase mechanism farmers are not inclined to go for large scale diversification.

21. About 75% of the irrigated area is under tubewell irrigation and the depleting ground water level is a cause of concern for the State. Paddy transplantation before 10th June has been successfully banned under the Punjab Preservation of Sub Soil Water Act 2009. Drip and Sprinkler irrigation systems are being promoted in the State. Various schemes have been launched for conservation of water for irrigation purposes. Pilot schemes for artificial recharge of ground water have been launched and the State government has approached NABARD for funding these schemes. The Department of Irrigation is constructing low dams in the kandi areas of the State.

22. Agriculture Machinery Service Centres are being set-up to provide latest agricultural machinery on custom hiring basis. This will not only reduce the cost of production by reducing the capital investment but also help in generating employment in rural areas. These centres are provided back ended capital assistance @33% of the cost subject to maximum of Rs. 3.3 lac and are equipped with machinery for residue management, paddy transplanting and precision land leveling etc. To-date 724 such centres have been established out of which 542 are with primary agricultural cooperative societies.

23. Animal Husbandry is fast emerging as an independent economic activity. Sri Guru Angad Dev Veterinary & Animal Sciences University (GADVASU), Ludhiana has set up two new colleges viz. College of Dairy Science and Technology and College of Fisheries to

meet the technical manpower needs of the Animal Husbandry sector. Another Veterinary Polytechnic College is soon coming up at Kaljharani in Bathinda. The State Government requests that one time grant of Rs.100 crore be provided to GADVASU so that it can support the state in producing quality manpower, generation and dissemination of technologies, address issues of climate change and emerging diseases etc. The State is in the process of setting up new polyclinics and up-grading the existing polyclinics and hospitals with Rs. 34 crore assistance from NABARD.

24. The Department has taken various steps for increasing the milk production from the present level of 1300 litres per lactation to 3000 litres per lactation. The coverage of buffaloes under artificial insemination is being increased and about 1000 trained AI workers are inducted every year for door to door AI services. To boost the milk production in cows, semen and embryos of high genetic potential are being imported. State Government has constituted a Livestock Registration Authority with the mandate of registering productive livestock in the State. We would request the GoI to provide financial assistance for the same. Five new ultra modern cattle mandis would be set up to give fillip to the growing dairy sector. More than 4000 commercial dairy farms have been set up.

25. MILKFED has a widespread network of over 6000 milk producers cooperative societies having about 4 lac members. Government of India has identified 6 milk unions of Punjab namely; Amritsar, Jalandhar, Hoshiarpur, Bathinda, Sangrur and Gurdaspur for providing financial assistance under a centrally sponsored plan scheme "Financial Assistance to cooperatives to meet out their losses". We urge the Government of India for release of the remaining amount of Rs. 34 crore under rehabilitation projects of these unions.

RURAL DEVELOPMENT

26. In its earnest endeavor towards rural rejuvenation, the Punjab Government has adopted a two-pronged strategy; empowerment of the Panchayati Raj Institutions through greater functional and financial autonomy and all-round improvement of the rural habitats

alongwith provision of basic amenities. An outlay of Rs. 187 crore has been earmarked for 2010-11.

27. Rs. 600 crore has been earmarked in the Annual Plan 2010-11 to implement 'Mahatma Gandhi National Rural Employment Guarantee Scheme', three times more than previous year outlay. The programme has started picking up in the State. There has been a jump of 110% in the expenditure under NREGA in 2009-10 as compared to the year 2008-09 during which a sum of Rs. 71 crore was spent. During 2009-10, 76 lacs person days of employment were created and a sum of Rs. 149 crore was spent. All efforts are being made to implement the scheme so that real benefit can reach needy households. However, taking local requirements into consideration, the State should be given the flexibility in deciding the permitted works. The construction of toilets for SC and BPL families, lining of distributaries, minors, water courses, boundary walls for schools and hospitals and white washing of Government buildings should be included in the list of approved works under NREGA. Under Indira Awaas Yojana, we welcome the hike in unit cost of housing from Rs. 35,000/- to Rs. 45,000/- for the plain areas.

BPL FAMILIES

28. The total number of BPL families in the State is limited to 5.23 lac which is about 10.04 % of the families in the State. Having 29% SC population and 14.55 lac families availing food subsidy under the Atta Dal Scheme (criterion annual income less than Rs. 30,000), the State with limited number of BPL families does not receive adequate funds under the poverty alleviation programmes of Gol. We emphasize that recommendations of Tendulkar Committee report pegging poverty ratio in Punjab at 20.2% be accepted at the earliest. This would raise the number of BPL families in Punjab to nearly 10.15 lac. Pilot survey in 8 villages and in as many districts for identification of poor people has been sanctioned by Gol but the time schedule is yet to be communicated. Poverty should not be defined solely in terms of calorie requirement but should also take into account access to housing, health, nutrition, education and other essentials for human capital formation.

IRRIGATION

29. Rehabilitation of the century old canal network in the state, construction of field channels and relining of Rajasthan Feeder and Sirhind Feeder are the priority area for the year 2010-11 during which an outlay of Rs. 645 crore has been provided against an outlay of Rs. 546 crore during the year 2009-10. The State government has prepared a Rs. 734 crore project for extension, renovation and modernization of the canals being fed by river Sutluj. The Central Water Commission has given a technical clearance and the case is pending with the Planning Commission for the investment clearance. The Commission is requested to expedite its approval.

30. Under Command Area Development and Water Management Programme to provide assured irrigation to the farmers, two new projects namely Sirhind Feeder Phase-II and Bathinda Canal Phase-II costing Rs. 995 crore are in progress under AIBP. Under these projects the State share has been provided by the NABARD. The total length of 8042 km of water courses shall be lined. Under a NABARD assisted project costing Rs. 365 crore, it is proposed to construct 9 new low dams and rehabilitation of water distribution system of 5 existing low dams in the kandi areas of the State. The State government reiterates its request for removal of 1 for 1 restriction for funding of projects under AIBP, which is a bottleneck in taking up new projects for execution. The Government of India is requested that the grant component under all AIBP assisted projects should be 50%.

31. We are thankful to Ministry of Water Resources, Government of India for approving the two projects of relining of Rajasthan Feeder for Rs. 952 crore and Sirhind Feeder for Rs. 489 crore. The work on these two projects will be started in the year 2010-11 and a plan provision of Rs. 272 crore has already been made. For Rajasthan Feeder funds are to be provided by Gol and Rajasthan Government in the ratio of 90:10, whereas for the Sirhind Feeder GOI and State share would be in the ratio of 25:75. Relineing of Rajasthan feeder and Sirhind feeder Canal need to be considered on equal footings. The State government requests that in the event of Gol contributing 90% of cost for Rajasthan Feeder, Gol share for Sirhind Feeder should be increased from 25% to 90%. Though the Ministry of Water

Resources appreciates our concern but due to technical reasons, they have suggested that the Planning Commission should separately consider State Government proposal for special assistance of 65% in addition to 25% under AIBP. The Planning Commission is requested to take note and provide requisite funds for the timely execution of this project so as to equally benefit both the drought prone areas of Rajasthan and the waterlogged areas of Punjab.

32. Shahnehar project is an inter state project and cost is being shared with Government of Punjab and Himachal Pradesh in the ratio of 61.74% and 38.26% respectively. Both the States got their share approved for funding under AIBP. For the purposes of AIBP, Himachal Pradesh is a special category state entitled to 90% grant whereas Punjab is non Special Category State entitled to 25% grant. Since entire work is being executed by Himachal Pradesh in their territory, matter was taken up with Government of India to treat the Project as a single project under special category w.e.f. 1/4/2005. Government of India has started treating the Project as single project under special category w.e.f. 1/4/2008. However, matter regarding expenditure during 1/4/2005 to 31/3/2008 is still pending. MOWR has taken a stand that under AIBP, Punjab is entitled to 25% grant and retrospective change is not allowed under the Policy. It has been advised that matter may be taken up with the Planning Commission to give one time grant of Rs. 57.65 crore (90% of Rs.64.05 crore) out of total Punjab share of Rs. 64.05 crore(61.74% of total expenditure of Rs. 103.74 crore) for expenditure incurred from 1/4/2005 to 31/3/2008. The State did not receive any grant for the expenditure incurred from 2005 to 2008.

33. The State Government has already put into place the Participatory Irrigation Management programme where farmers have been entrusted with the work of management of distribution of water in the area earmarked for supply of water at the outlet head and maintenance of field channels at their own cost. The State Government is contemplating a Comprehensive Unified Legislation, which will cover all the inter-related issues concerning Ground Water, Participatory Irrigation Management and canals.

POWER

34. In the Annual Plan 2010-11, a sum of Rs. 3300 crore has been earmarked for the Power Sector which constitutes 36% of the total plan. Out of this Rs. 820 crore has been provided for generation and Rs2480 crore for strengthening of distribution and transmission system.

35. The present generation capacity of Punjab is 6901 MW including central share of 1940 MW, whereas peak unrestricted demand is about 9000 MW. Thus, there is a shortfall of 30% of peak demand. The power demand is likely to go up to 11000 MW by the end of 11th Plan. Punjab Government has put on anvil an ambitious plan of capacity generation in the State to make it a power surplus State by 2013-14. The work is in full swing at 1980 MW Talwandi Sabo and 540 MW Goindwal Sahib Thermal Power Plant. The 1320 MW Rajpura Thermal Power Plant has recently been allotted to Larsen and Toubro Limited. The approval for coal linkages for the proposed 2640 MW Giddherbaha Thermal Plant is yet to be given and it needs to be expedited. Besides, Power Purchase Agreements for 2272 MW from Ultra Mega Projects have been signed. Government is also endeavoring to harness capacity of about 1000 MW from new and renewable sources of energy such as Mini hydel, Bio-mass, Agro waste, Municipal waste, Solar and Wind projects. We are thankful to Government of India for according the status of National Project to the 168 MW Shahpur Kandi Hydel project. The irrigation component of this Rs. 2282 crore project will receive Government of India grant to the extent of 90%. The project is likely to be completed by 2014.

36. Average allocation of share of power to the State from unallocated power of Central Sector Projects is inadequate and needs to be restored to 30% as was the case in 2004-05. The State government has planned to set up 1000 MW Gas Power Plant near Ropar. Government of India is requested to allot it about 4.5 MMSCMD of gas from the proposed Dadri-Nangal gas pipeline of GAIL. Punjab does not have any central sector power station and NTPC should be advised to set up a 4000 MW capacity coal based thermal power project in the State. The State was allotted 1500 MW power from the newly abandoned

Lara Power Plant in Chhattisgarh and so deserves re-allocation from another ongoing Central Sector Projects or from the upcoming Nuclear Power Project, which is proposed to be set up at Banswara in Rajasthan.

37. In order to create employment/self-employment opportunities and also to encourage agro based small scale industries in the rural areas, power supply on urban pattern has already been provided to 12428 villages and 6438 deras and dhanies through independent feeders.

38. Under re-structured Accelerated Power Development Reforms Programme, for Part- A, DPRs of 47 towns costing Rs. 354 crore have been approved and a loan amount of Rs. 273 crore convertible into grant has been sanctioned by PFC. Under Part-B, 15 schemes costing Rs. 512 crore have been sanctioned and a loan amount of Rs. 128 crore convertible into grant has been sanctioned by PFC. Part- A comprises of IT related infrastructure whereas Part- B cover modernization of transmission lines and sub stations. Under Rajiv Gandhi Gramin Vidutikaran Yojana, Rs. 184 crore was sanctioned in 2008-09 for providing infrastructure to ensure quality supply to rural household including BPL families. Low financial progress is due to less number of BPL families and in this regard a door to door survey for the identification of BPL families had been conducted and the project is likely to be completed by 30/09/2010. The power losses, which stood at 32.82% during 1999- 2000 have been brought down to 19.91% in 2008-09. The State Government further plans to reduce these to 15% by the end of 11th Plan.

39. A new pilot project - "Ghar Baithay Bijlee Da Connection" has been introduced in Ludhiana for getting domestic connections without visiting the Electricity Board offices. Use of power efficient lighting has been made mandatory in Government buildings. PSEB has formulated a Rs. 270 crore project to ensure use of Compact Florescent lamps (CFLs) by its 50 lac consumers. The project would help to save 610 MW of power, when fully implemented. 195 villages have been fully covered under CFL.

INDUSTRIAL DEVELOPMENT

40. Out of the 342 mega projects approved in the state, 135 projects are under implementation. Out of 28 Cluster projects submitted to Gol, 15 projects have been approved. State Government has decided to set up two self-contained mixed use and integrated information Technology & Knowledge Industry Parks on 1276 acres at Rajpura and another on 226 acres of land in district Kapurthala. New Industrial Policy, 2009 of Punjab has been notified, under which special package of concessions has been provided for Information Technology & Knowledge based industries, agro based industries and food processing industries. Punjab Special Economic Zones Act, 2009 has been enacted. The Government of India should remove the minimum land requirement of 100 hectare for sector specific Economic Zones in view of high value of land in Punjab.

41. Government of India has recently approved in principle the extension of Delhi-Mumbai Industrial Corridor (DMIC) upto Ludhiana. It should be approved formally and extended upto Amritsar. The Eastern Rail Freight Corridor from Kolkata to Ludhiana should also be extended to Amritsar and linked to the Western Freight Corridor with multilogistic park facilities. These initiatives would be of great help in accelerating the pace of industrialization in the land locked State.

42. The State government is improving the infrastructure in various industrial focal points. A sum of Rs. 20 crore was spent in 2008-09 and a sum of Rs. 30.00 crore has been earmarked in the current year 2010-11. State Government has requested Government of India to allow additional items for trade through the Attari land route. Items like shawls, hand machines tools, leather goods, garments, auto parts, wheat and flour are in great demand in Pakistan and can be easily exported through Attari. Against more than one thousand items tradable with Pakistan, only a few of these items can move through the land route. This negates the locational advantages the State has with Pakistan.

INFRASTRUCTURE

43. Punjab Infrastructure Development Board was set up in 1998 to promote private participation in infrastructure development in the state. PIDB has already completed 33

projects involving an investment of Rs. 715 crore in PPP mode in the 10th plan. These projects include 11 road corridors, 11 ITIs/polytechnics, 3 bus terminals. 11 projects costing Rs.1825 crore stand allotted. Some of the important projects included are – PIMS Jalandhar, Super Speciality Hospitals at Mohali and Bathinda, Bus Terminals at Mohali and Patiala, 4 big hotels and 2 Polytechnics. 99 projects involving an investment of Rs.13389 crore are also planned. These projects mainly include 11 BOT roads, 7 bus stands, 39 inter state check points, 2 sports complexes at Mohali and Bathinda.

44. The infrastructure fee on agricultural produce, which is a source of income to PIDB was increased from 2% to 3% in September 2008 mainly for financing the irrigation projects. FCI should be requested to amend its costing sheets and reimburse the increased fee component of 1% on the purchases made by it.

ROADS

45. Punjab has an extensive 59483 km network of roads. Under Build, Operate and Transfer (BoT) Scheme, upgradation of 9 major corridors of 520 km length at an estimated cost of Rs. 624 Crore is near completion. The construction work costing Rs. 360 crore is in progress on 25 RoBs/RUBs, out of which work on 17 RoBs has been completed. Upgradation of 270 km of road on BOT basis and construction of 18 RoBs/RUBs will be undertaken with an estimated cost of Rs. 400 crore and Rs. 300 crore respectively.

46. The World Bank has approved Punjab State Road Sector Project at the total cost of Rs. 1500 crore. Under Phase-I Rs. 659 crore has been spent and 600 km road length has been constructed/upgraded. Phase-II comprises 3 net works of about 960 km of roads to be undertaken under Output and Performance Based Road Contracting. Punjab is the first State in the country to initiate road contracting. Since 1997-98, NABARD is providing loan assistance for construction/up-gradation of roads in the State.

47. Ministry of Road Transport and Highways is requested to allot the work of 4 laning of Ludhiana-Moga-Ferozepur National Highway. Similarly the work on 4/6 laning of Chandigarh-Ludhiana road announced by the Hon'ble Prime Minister in December 2006 is

yet to start. The work of 20 km stretch of National Highway from Jalandhar to Dhillwan (Jalandhar-Amritsar stretch) has also not been awarded. The tendering for 6 laning of Zirakpur – Patiala – Bathinda National Highway has been initiated. The progress of construction of Amritsar – Atari and Kurali – Kiratpur National Highways is quite good. As per earlier formula, for allocating funds under Central Road Fund (CRF), the weightage was given to the states for area and fuel consumption in the ratio of 40:60. Now this ratio has been changed to 70:30. Due to this change, annual accrual for the State has reduced by over Rs. 28 crore during 2009-10. Government of India is requested to approve Rs. 100 crore for pending works under CRF and clear the backlog of Rs. 114 crore as on 31.03.2009.

48. Under Pradhan Mantri Gram Sadak Yojana(PMGSY) a length of 710 km rural roads have been upgraded during 2009-10 with a cost of Rs. 323 crore. Land costs are very high in the State and Government of India should share 50% of the cost of land under PMGSY. The State should be given minimum 1000 km target for upgradation of rural roads (from core net work) during 2010-11 under PMGSY. Government of India is requested to expedite the clearance of Rs. 235 crore border area roads project.

RURAL WATER SUPPLY AND SANITATION

49. With an outlay of Rs. 284 crore, the state is adhering to its programme for providing drinking water supply to all rural habitations by 2011-12 through the Rs. 1280 crore World Bank Project (2007-12), NABARD projects and NRWSP. There are a total 14111 habitations in the State out of which 12516 habitations stand covered as on 01-04-2010. Of the remaining 1595 Not Covered habitations, 656 habitations will be covered in the current year and 939 habitations in the next year. "Shikayat Nivaran Kendra" at Mohali with a Toll free number for the redressal of consumer's complaints relating to Rural Water Supply has been set up.

50. A sum of Rs. 10 crore has been provided for Reverse Osmosis Plants in the South Western villages of Punjab where the quality of underground water is poor and adequate

quantity of canal water is not available. RO plants have been installed in 311 villages. 100 more villages would be covered in the year 2010-11. All the 16028 schools of the State have been covered with drinking water supply and toilet facility. Under JALMANI project, 1600 stand alone water purification systems will be installed in rural schools during 2010-11.

51. A sum of Rs. 100 Cr was received as ACA in 2009-10 for construction of toilets for economically backward families. The cost of a toilet is Rs. 10,000 and about 1 lac toilets will be constructed in the year 2010-11. The Govt of India's assistance of 1500 for each toilet under the total sanitation campaign will also be converged and utilized for construction of these 1 lac toilets. All the schools have been provided toilets under Total Sanitation Campaign. 22 villages in the State were awarded Nirmal Gram Puraskar during 2008-09 and 74 villages have qualified for Nirmal Gram Puraskar by Gol in 2009-10.

URBAN DEVELOPMENT

52. New Town Planning norms conforming to international standard have been laid for the development of towns. Master plan of 11 cities – Ludhiana, SAS Nagar, Mullanpur, Dera Bassi, Zirakpur, Kharar, Banur, Bathinda, Abohar, Sri Hargobindpur and Regional Plan Mohali has already been notified. The local planning areas for 44 towns/ cities have also been notified. A comprehensive policy for levy of external development charges, licence fee and change of land use charges for generating adequate resources has been put in place. Self Certification scheme has been introduced for construction of residential building on a residential site located in the Improvement Trust and Urban Estates. Land Pooling Policy has been introduced in the State as per which land owners will get back 50% share of developed land in lieu of compensation for their acquired land. This would simplify the land acquisition process and encourage the farmers in land development process.

53. For combating discharge of urban waste water into River Satluj & Ghaggar, a new 70:20:10, 3 year Centrally Sponsored Scheme "National River Conservation Programme"

has been introduced. The scheme shall cover laying of lateral sewers, main sewers and sewerage treatment plants. An outlay of Rs. 150 crore is provided for the year 2010-11.

54. The utilization of funds under Jawahar Lal Nehru National Urban Renewal Mission (JNNURM) would be stepped up in the current year. As of now 37 projects worth Rs. 1273 crore stand sanctioned under the 4 components of the Mission. The progress of urban infrastructure work in Amritsar and UDISSMT towns is quite satisfactory. Work under BSUP has started in Amritsar and Ludhiana for construction of 4352 houses. The work under IHSDP would be started in Rajpura and Jalandhar. An agreement has been signed with Japan International Cooperation Agency (JICA) for a loan of Rs. 360 crore for sewerage works in Amritsar.

UNIQUE IDENTIFICATION NUMBER (AADHAR)

55. The Unique Identification Authority of India (UIDAI) was established in January, 2009. The purpose of the UIDAI is to issue a unique identification number (UID) to all Indian residents, which will ensure the effective delivery of services and welfare programs to the poor.

56. State Government has constituted an Empowered Committee under the Chairmanship of Hon'ble Chief Minister, Punjab and a State Level Implementation Committee under the Chairmanship of Chief Secretary, Punjab to oversee, guide, monitor and resolve the issues relating to the implementation of UID. The Department of Planning has been declared as the Nodal Department. The State Government has also signed a MoU with UIDAI for implementation of UID project.

EDUCATION

57. As per DISE report 2008-09, the State has improved its rank from 12th to 6th in EDI. The Gross Enrolment Ratio is 95.16%. Basic infrastructure like kitchen sheds, toilets, water supply and electricity have been provided in most of the schools. The State has increased

the plan allocation for school education from Rs. 440 crore in 2009-10 to Rs. 546 crore in 2010-11 (25% increase). To meet the shortage of teachers, around 26668 teachers have been recruited during the past two years. 351 schools have been upgraded with the assistance of NABARD at an estimated cost of Rs. 142 crore. Computer Education has been made compulsory in 5415 schools and over 7100 computer teachers are imparting the computer education under ICT project.

58. The State Government has launched NABARD approved EDUSAT programme on 02/02/2010 with a total cost of Rs. 95 crore to provide infrastructure for establishment of virtual extended class-rooms in 1501 Government Schools. Against NABARD share of Rs. 65 crore, the State would contribute Rs. 30 crore. The project will be completed by 31st March, 2011.

59. The State Government is successfully implementing the Sarva Shiksha Abhiyan programme and nearly the entire budget allotted is utilized. Rashtriya Madhyamic Shiksha Abhiyan (RMSA) is also entering its second year of implementation. There are about 65000 out of school children in the age group 6 to 14 years. The State government is formulating a plan to implement the Right to Education Act 2009.

60. The State Government has taken a major initiative to set up 117 Adarsh Schools, one each in the Assembly Constituency in collaboration with the private sector. 4 schools have been completed and 12 sites have been allotted to corporate houses. The government provides 10-15 acres of land on long lease and contributes 50% of the cost of the construction (upto to Rs. 3.75 crore) and 70% of the recurring cost. No fee is charged from the students. The State Government has already identified sites for 13 new colleges in the educationally backward districts having low GER.

61. Land sites identified by the State government for the proposed World Class University near Amritsar have been visited by the Site Selection Committee but its decision needs to be expedited. We also request the GOI to start the construction work of building of IIT at Ropar for which the State has already transferred 513 acres of land. Similarly, the

work for construction of Central University of Punjab in Bathinda district also needs to be started.

LAND RECORDS

62. Computerization of land records and Registration of Documents is going in all the districts of the State through Punjab Land Record Society. The Registration of Deeds is being done using the PRISM software of NIC at all the 153 Sub Registrar Offices of the State. A new comprehensive software of Registration of Documents is being developed by M/s Microsoft India Ltd. and it will be integrated with Land Records and would help in capturing information from Land Records for Registration, control over evasion of Stamp Duty and registering auto mutations in the land records. 36 fard kendras (Citizen Service Centres) in the State have been made operational. At present about 98% of the data of all the Jamabandis in the State has been computerised. Once the data entry of all the documents is complete, computerized copies of Records of Rights (ROR) will be automatically generated. It is also planned to construct workstations for Patwaris at the Tehsils/sub-tehsils. Guided by National Land Records Modernisation programme, the state is undertaking an ambitious land resurvey project for updation of Land Records as per the ground reality and preparing the GIS for cadastral mapping. This will ease land demarcation and partition in a transparent manner.

DISASTER MANAGEMENT

63. The Government of India has fixed meagre amounts for compensation/relief for crop damage on account of natural calamities under Calamity Relief Fund (CRF). The State Government provides compensation from its own resources at revised norms of Rs. 2000/- per acre for 26% to 50% loss, Rs. 3000/- per acre for 51% to 75% loss and Rs. 5000/- per acre for 76% and above loss. The Government of India was requested to revise the norms under CRF as per norms fixed by the State Government, but the report of 13th Finance Commission is silent on the issue.

HEALTH

64. The government has launched a recruitment drive to fill up all vacant posts of medical and para medical staff in the government hospitals. Over 100 specialist doctors, 312 medical officers and 380 staff nurses were recruited in the year 2009-10. Applications have already been invited for the 376 posts of medical officers. A Rs. 340 crore plan has been prepared for upgradation of infrastructure and equipments in the hospitals. This includes construction of 1 new district hospital, upgradation of 3 district hospitals and 4 new sub division hospitals and construction of 31 new community health centres in the uncovered blocks. We will complete this work in the next one and half year. Two Superspeciality Hospitals are being set up in Public Private Partnership over government land in Mohali and Bathinda. We propose to offer more such sites to the private sector for similar hospitals.

65. The State Government has endeavored to provide health services at affordable price to the poor. A Rs.1.5 lac insurance scheme has been launched for the members of the cooperative societies. Rashtriya Swasthya Bima Yojna has been extended to all 20 districts. The treatment for BPL families is free in all government hospitals. School children suffering from congenital heart disease and cancer are treated free in PGI Chandigarh. All government and government aided schools have been covered under school health.

66. We are conscious of the fact that our health indicators are not at par with some of the other similarly placed States with high income levels. The infant mortality rate as per SRS 2008 has shown a decline from 43 to 41 in the year 2007. There is wide disparity in urban and rural IMR, the figures being 45 and 33 respectively. The maternal mortality ratio as per SRS 2008 for the period 2004-06 is 192 against the national average of 254. The major initiatives taken by the Government to address these 2 issues include – upgradation of 236 PHCs for institutional delivery and 114 CHCs as 24x7 FRUs in terms of civil works and appointment of staff nurses and gynecologists ; recruitment of over 1500 ANMs in sub centres, appointment of over 17000 ASHAs, free deliveries in government hospitals ; effective implementation of Janani Suraksha Yojna (JSY) and Surakhit Janepa Yojna for

free deliveries in accredited private hospitals for BPL and SC families. Under NRHM we are going to provide mobile phones to all the 4500 ANMs for effective information management system. Pregnancy tracking project will be started in all the districts and maternal death audit would be made compulsory from July, 2010.

67. The child sex ratio which was 798 as per 2001 census has improved to 838 as per latest SRS 2007 data. The Health Department is strictly enforcing PNDT Act and incentives have been announced for sting operations, decoy customers and informants. Village panchayats are honoured for improved sex ratio. There are two State schemes for the girl child – incentive of Rs. 500 per month per girl child for a single female child family under Balri Rakshak Yojna and deposit of Rs. 5000 per girl child with LIC under Kanya Jagriti Jyoti Scheme.

68. The State Level Drug Dependence Treatment Centre having 20 beds has already been functional in Talwandi Sabo in Bathinda district. Another State Level Drug Dependence Treatment Centre is coming up in Government Medical College Amritsar. The Department has 34 psychiatrists and all the districts have been provided with atleast one psychiatrist. 20 psychiatrists have been trained as Master Trainers in the Drug Abuse Preventions from National Drug Dependence Treatment Centre (AIIMS). 7 districts have their own fully functional Drug Dependence Treatment Centres. 3 centres are functioning from 3 Government Medical Colleges. The remaining 13 districts are being provided with these centres in the year 2010-11 besides 22 NGOs are running the centres in various places and getting funds from Ministry of Social Justice and Empowerment, Government of India. The State Government has recently finalized the minimum standards of care for Drug Dependence Treatment Centre to be followed by centres run by the Government as well as in the private sector.

MEDICAL EDUCATION

69. The work of comprehensive upgradation of three Government Medical Colleges at the estimated cost of Rs. 284 crore is under way and all the works are likely to be completed by 2011-12. The State government has decided to fill up all vacant posts of

faculty and other paramedical staff in these colleges. The Guru Ravidass Ayurvedic University at Hoshiarpur is being set up. The Punjab Institute of Medical Sciences at Jalandhar has been handed over to the private partner and the college is likely admit students in the next academic year 2011-12. A new Tele-cobalt machine (Radiotherapy machine) has been installed in Guru Gobind Singh Medical College and Hospital, Faridkot for providing cancer treatment facilities in the southern districts having somewhat higher incidence of this disease.

SOCIAL SECURITY

70. Social Security has an outlay of Rs. 746 crore. There are 1.84 lac BPL beneficiaries under National Social Assistance Programme, who get a pension of Rs. 200 per month over and above Rs. 250 per month under State pension schemes. Besides, Rs. 10,000 per beneficiary is given to the BPL family in case of death of its breadwinner. At State level, an outlay of Rs. 536 crore has been earmarked towards a Dedicated Social Security Fund for disbursing old age and other pensions to about 19 lac beneficiaries @ Rs. 250 per month. The age limit of 40 years under Gol widow pension scheme (to be implemented in 2010-11) should be relaxed and all widows be made eligible as is under the State Scheme. The limit of 80% disability under Gol scheme (to be implemented in 2010-11) should be relaxed to 50% as is under the State Scheme

71. Under Supplementary Nutrition Programme, the diet money for over 14 lac children and pregnant mothers has been enhanced. With 6487 new Anganwadi Centres in 2009-10, there are 26656 Anganwadi Centres functioning in the State. The outlay for Nutrition is Rs.125 crore, enhanced by 25% from last year.

72. An outlay of Rs. 10 crore has been provided for a girl child programme under 'Nanhi Chhan', to be paid in staggered amounts at the time of birth and during her school years. Besides, Rs. 4 crore is earmarked for 'Kanya Jagriti Jyoti' scheme.

WELFARE OF SCHEDULED CASTES & BACKWARD CLASSES

73. An outlay of Rs. 159 crore has been earmarked for the Department of Welfare for 2010-11. Rs. 80 crore have been allocated for the Shagun Scheme, under which a grant of Rs. 15,000 is given to poor SC/Christian families and widows at the time of marriage of the girls. The State Government annually spends about Rs. 100 crore for attendance scholarship to SC primary girl students, pre and post matric scholarship to SC/OBC students/students of minority communities and free text books to SC students. A sum of Rs. 20 crore has been provided for construction of houses to houseless SC families. Besides, substantial funds have been earmarked for SC Dharamshalas, construction of Ambedkar Bhawans and purchase of school bags, uniforms, shoes etc.

SCHEDULED CASTES SUB PLAN

74. As per Planning Commission guidelines, the SCSP component has been depicted separately for individual schemes. Rs. 2611 crore have been earmarked for SCSP component for 2010-11 which is equal to the 28.85% SC population of the state. Just like the State Plan, the Scheduled Castes Sub Plan also comprises of both the budgetary and the extra budgetary outlays. Out of budgetary outlay of Rs. 4334 crore the schemes amounting to Rs. 1308 crore (31%) would wholly or partially benefit the SC population directly. Under the non budgetary component, the allocation for SCSP is notional.

75. The SC population in the state is the highest in the country but no weightage is given by the Planning Commission in the allocation of funds through various windows to the SC population.

SCIENCE, TECHNOLOGY AND ENVIRONMENT

76. India's First Agri-Food Biotechnology Cluster is coming up in Knowledge City, Mohali. The State Government has launched a major programme for cleaning up the Holy Bein (a sacred but polluted rivulet) which empties into river Beas and Budha Nallah which carries the waste of Ludhiana city and empties into the Satluj river. Punjab is the only state

in India that has banned burning of rice husk in loose form. More than 99% of industrial units in the State have converted their boiler furnaces into fluidized bed combustion systems. As a major agriculture initiative to reduce paddy straw burning, it has been decided to introduce happy seeders in a big way. Costing Rs. 1.00 lac each these machines sow wheat among rice stubbles and help in increasing the soil fertility besides enhancing water retention qualities of the land. Straw balers, that bind the straw which can then be supplied to small bio-mass power plants for generating power, are also being introduced.

77. Punjab Energy Development Agency has setup 28 hydel plants of 30 MW capacity whereas work is under progress in respect of 41 more projects for 27 MW capacity. 18 bio-mass co-generation power projects of 212 MW have been set up in distilleries, paper/rice/sugar mills in Punjab State. 29 more projects of 331 MW capacity are under implementation. A plan to generate 100 MW solar power has been drawn up and 6 projects of 19 MW have already been allotted. Government of India has reduced the central subsidy on solar photovoltaic water pumping station from over Rs. 2 lac to a maximum to Rs. 50,000. On the other hand the cost of these systems has gone up to Rs. 4 lac. The State Government requests that the central subsidy for these pumping systems be increased from Rs. 30 per watt to Rs. 100 per watt at par with other SPV systems.

SPORTS & YOUTH SERVICES

78. The State Government is making concerted efforts to revive its pristine glory in the field of sports. The State Government conducted World Kabbadi Cup 2010 in the state wherein 9 countries participated. Indian Kabbadi Team came out as a winning team. A World class cricket stadium is being constructed at Bathinda by the PIDB through PPP Mode. A state of the art Sports Complex is being developed on 28 acres of land in Mohali in PPP Mode. To encourage women participation in the field of sports, a Hockey Academy and Shooting Academy for girls have been established. A sum of Rs. 30 crore has been earmarked for upgradation of sports stadium, sports infrastructure and other sports and youth activities for the year 2010-11.

EMPLOYMENT GENERATION

79. A separate Department of Employment Generation and Training has been set up for coordinated efforts in skill upgradation and employment opportunities. In collaboration with leading Corporate houses, Construction Skill Development Centre of L&T and Driving & Auto-motive Skill Centre of Tata Motors in Muktsar and Training Centre in Retail Marketing of Bharti-Wall Mart Ltd. at Amritsar have been set up for the unemployed youth in the State. State Government has also set up two Training Centres for security guards in Hoshiarpur and Sangrur. C-PYTE centres have been set up at 14 places for training of youth for jobs in military and para-military forces. 6 more centres are proposed for the current year. The State Government has also introduced an incentive scheme for awarding Rs. 1 lac to a cadet from Punjab getting admission to the Indian Military Academy and National Defence Academy. Maharaja Ranjit Singh Armed Forces Preparatory Institute is being established at Mohali to ensure placement of youth in the defence services. A Foreign Employment Information and Training Bureau has been set up for guidance and placement of candidates in foreign countries.

80. For enhancement of skill development and employability of rural youth, the State Government is upgrading six technical institutions into multipurpose academies with assistance from NABARD under Rs. 82 crore project. Under this scheme Polytechnic would have engineering courses as well as 10 + 2 classes and similarly engineering colleges would have 10+2 classes and polytechnic courses. Besides, 35 ITI s have been taken up for upgradation into Centers of Excellence with GOI assistance. A sum of Rs. 80 crore has been earmarked for this purpose during 2010-11.

81. The State has already constituted a State Skill Development Mission under the Chairmanship of Chief Minister and other Committees. There are about 52000 seats in 108 Government ITIs and 215 private ITCs. About 2/3 of these are running two shifts. 38 ITIs are meant exclusively for women and similarly 30% seats have been reserved in Government ITIs for women.

BORDER AREA DEVELOPMENT

82. Punjab has a 553 km long international border with Pakistan. We acknowledge the Rs. 8 crore special grant under BADP for setting up of a high level bridge at remote border village Ghaniya ke Bet district Gurdaspur. The demand of farmers for compensation @ Rs.10000 per acres for the 18500 acres cultivable land situated across the border remains unmet and Government of India is requested to provide Rs. 19 crore. In certain areas, no compensation has been paid for the land used by the BSF for the 11 ft track along the border fence. A sum of Rs. 20 crore is required for this 323 acres of land. Both these issues have been discussed in great detail with Government of India but their approval is awaited.

83. There are 11 towns situated within 15 km of the border. The allocation under BADP is meager and no money is allocated to these towns. The State Government has submitted a project of Rs. 134 crore to Government of India for providing water supply, sewer and other amenities in these towns. Government of India is requested to fund this project.

DECENTRALIZED PLANNING

84. District Planning Committees (DPCs) have been constituted for all districts in the State for preparation/implementation of District Plan from 2010-11. The guidelines for the preparation/implementation of the District Plan of the District Level Schemes by the DPCs have been issued. An outlay of Rs. 380.24 crore for has been provided for district level schemes for the year 2010-11, as against the outlay of Rs. 332.04 crore during 2009-10, to strengthen the decentralized planning in the State.

CONCLUSION

85. The challenges faced by the State are well known to the policy planners. The State continues to endure the effects of the long period of militancy. Our land locked geographical location coupled with an active border are certain disincentives for which we deserve to be adequately compensated. I call upon the Planning commission to use its good office for allocating increased resources to the State to overcome the special problem.

86. While concluding, I would like to thank you for affording me this opportunity to meet you all and discuss the Annual Plan 2010-11.

JAI HIND