

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 2009-10.

INTRODUCTORY

2. Punjab entered the Eleventh Five Year Plan after a sluggish performance in the Tenth Plan period. The economy of Punjab grew at an annual average growth rate of 5.13% consistently under-performing against the national average of 7.8% during the 10th plan. The 11th plan targets of growth for the state were fixed at 5.90% against the target of 9% for the country. The economic growth in the state was estimated to be 6.54% during 2007-08. The advanced estimates for 2008-09 project a growth rate of 6.26% against the national growth rate of 7.09%. The increase in MSP of wheat and rice and record procurement have mainly contributed to high growth in the primary sector.

3. The Annual Plan for 2009-10 seeks to impart a special thrust to the development of infrastructure with a focus on roads, power generation and rejuvenation of the irrigation network. Besides, the Rs. 1500 crore World Bank project to upgrade 1100 km of roads, six high speed expressways under PPP mode are in the pipeline. The government is committed to make Punjab a power surplus State by 2012 by adding a capacity of 5000MW. Rehabilitation of the century-old canal irrigation system to optimally utilize the available surface water, arrest ground water decline and check water logging has been taken up through an ambitious Rs. 3469 crore project. Public investment in agriculture and allied sectors is being given special impetus consistent with the guidelines of Rashtriya Krishi Vikas Yojana (RKVY) and the National Horticulture Mission. The State Government has embarked upon upgradation

of rural water supply through Rs. 1280 crore World Bank assisted project and installation of Reverse Osmosis Plants. Education and skill development are being accorded high priority with NABARD assisted project for upgradation of technical institutions, setting up of an Adarsh School in every block and Edusat project. The medical colleges and health institutions are being upgraded. The welfare of disadvantage sections of the society has been accorded a high priority.

4. The State is set to take a maximum benefit of NREGS, JNNURM and other flagship schemes of the Government of India. We welcome the initiative of the central Government of India for consolidation of the existing flagship programmes and introduction of new flagship programmes for food security and skill development. We are glad that the scope of NREGS is being enlarged beyond unskilled manual work. The launch of Madhamik Shiksha Abhiyan and Rajiv Awas Yojana are a welcome initiative.

5. The State has consistently contributed more than 60% of wheat and 34% of rice towards the national food security. However, this has seriously impaired soil nutrition, depleted our ground water resources and led to farm indebtedness. The state provides a huge subsidy in shape of free power to the farmers for record production of food grains. However, the state is often put to disadvantage in allocation of funds under central schemes. Punjab got only Rs. 1044 crore (1.5%) out of the Rs. 71,000 crore under Agricultural Debt Waiver Package granted in 2008-09. The State having hardly any unirrigated area is put to a disadvantage while allocating funds under Rashtriya Krishi Vikas Yojna. In spite of having 29% SC population, due to skewed BPL criterion, the State does not receive any substantial grant for poverty alleviation programmes. Similarly due to high weightage on the income distance criterion, the devolution of Central Taxes to the State is very less. 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 GoI 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 GoI should provide adequate funds for upgradation & maintenance of these assets, be it roads, irrigation network, schools, electrification etc.

STATE FINANCES

6. The financial position of the State is dismal. More than 70% of the revenue receipts are spent on salaries and other committed liabilities. The debt stock of the State has increased to more than Rs. 57000 crore. The implementation of the pay commission recommendation from 1st August 2009 would further strain the finances of the State. The annual liability would be Rs. 3000 crore. The payment of arrears would involve additional burden of Rs. 4800 crore.

7. The State has two specific requests. In view of the global recession, stagnant State's own tax revenue and decline in share of central taxes, borrowing limit of the State should be enhanced from 3.5% to at least 5% of GSDP i.e. from Rs. 5442 crore (Net) to Rs. 8000 crore (Net) for 2009-10. Secondly the Government of India should cover atleast 50% of additional expenditure on account of implementation of Pay Commission recommendations during 2009-10. Punjab should be given a grant of Rs. 1500 crore for pay revision during 2009-10. Punjab is a land locked State with a long hostile international border. The State has low taxable capacity due to pre-dominance of agriculture and flight of industries from the State owing to tax concession to the neighboring states. The devolution of taxes to the State should be increased in view of fiscal disability.

ANNUAL PLAN 2009-10

8. The plan expenditure during 2008-09 was Rs. 6869 crore against an outlay of Rs. 6210 crore. The outlay for Annual Plan 2009-10 is Rs. 8625 crore, 39% higher than the outlay of Annual Plan 2008-09. The budgeted plan is proposed at Rs. 4032 crore while the remaining Rs. 4593 crore would form the extra-budgetary component. 31% of the total plan is earmarked for the energy sector having thrust towards 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 23% 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

9. 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. Thus, productivity and profitability of agriculture must be addressed upfront in order to ensure the national food security. While on the one hand, productivity has stagnated in the absence of scientific breakthroughs in new high-yielding varieties; on the other hand, galloping input costs and an unrealistic MSP coupled with degradation of soil and depletion of ground water have contributed to the decline of Punjab's agriculture.

10. Farm indebtedness has assumed the proportions of a grave human tragedy. The rural debts in Punjab is estimated to be Rs. 35,000 crore – Rs. 22,000 crore institutional debt and Rs. 13,000 crore of money lenders/Arhtiyas. The farmers of the State did not benefit much from the agricultural debt waiver offered by the Central Government. Unlike the all-India percentages where small and marginal farmers constitute over 80% of the total farmers, in Punjab it is only 30%. On the other hand, the per farm household debt at Rs. 41,576 is the highest in Punjab against the all-India average of Rs. 12,585. 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.

11. A remunerative market price is a pre-requisite for boosting farm production. While we welcome an increase in the MSP of wheat to Rs. 1080/-, it is still short of the import price and does not effectively offset the rising input costs. The Commission for Agricultural Cost and Prices (CACP) 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 chaired by the noted farm economist, Dr. MS Swaminathan, that MSP should be equal to the cost of production plus 50% as profit. The value of land should be taken into account while arriving at the final figure of cost incurred by the farmer. Besides farm labour should be deemed semi skilled human resource.

12. The Rashtriya Krishi Vikas Yojana (RKVY) is a very good initiative. The State received Rs. 35 crore in 2007-08 and Rs. 88 crore during 2008-09 which is being utilized for conservation of irrigation water, rain water, agricultural R&D, dissemination of technologies, quality and clean milk production etc. We would like to reiterate our reservations about the criteria for grants to States. 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. Under National Food Security Mission (NFSM wheat) all the districts of the State should be covered. The state contributing 34% rice to the central pool does not get any assistance under NFSM – Rice.

13. The State Government has enacted “Punjab Preservation of Subsoil Water Act, 2009” wherein the sowing of paddy before 10th May is not permissible. This should check depletion of water table in north Punjab, save electricity and hence contain power subsidy.

14. The State’s efforts for diversification through contract farming have met with good success. 2.52 lac acres have been brought under hybrid maize, hyola, sunflower etc. providing assured buy back to farmers. Council for Citrus & Agri Juicing has brought over 3000 acres of land under Citrus plantation through lease agreements with the farmers. The State Government through Punjab Agro Industries Corporation has approved 6 mega agro projects involving capital investment of Rs. 1290 crore. Another Rs. 160 crore Agro projects are coming up for producing Potato products and

alcohol from damaged grain/broken rice. A comprehensive Agro Industrial Policy is under formulation.

15. To boost farm exports, a temporary Perishable Cargo Complex at Amritsar Airport has been constructed. The GoI has not yet approved construction of a permanent Complex in view of the present sub-optimal business. The business can improve only if adequate infrastructure is provided at the Cargo Complex. The amendment in APMC Act is in pipeline to provide for establishment of private markets, their regulation, allowing for direct purchase from farmers, to regulate contract farming and other related issues.

16. Sri Guru Angad Dev Veterinary & Animal Sciences University (GADVASU), Ludhiana has set up one Dairy Science College and is setting up a College of Fisheries to meet the technical manpower needs of animal husbandry sector. The State is setting up new polyclinics and up-grading the existing polyclinics and hospitals with Rs. 34 crore assistance from NABARD. Over 750 commercial dairy farms have been set up. Animal Husbandry has become an independent economic activity. MILKFED has a widespread network of over 6000 milk producers cooperative societies having about 4 lac members. Government of India has identified 5 milk unions of Punjab namely; Amritsar, Jalandhar, Hoshiarpur, Bathinda and Sangrur for providing financial assistance under a centrally sponsored plan scheme-assistance to cooperatives for revival. We urge the Planning Commission for early clearance of rehabilitation projects of these unions.

RURAL DEVELOPMENT

17. 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. 173 crore has been earmarked for 2009-10.

18. Rs. 200 crore has been earmarked in the Annual Plan 2009-10 to implement 'National Rural Employment Gurantee Scheme', however the response is not adequate. The State Government vide notification dated 6/1/2009 has revised wage rate from Rs. 102/- to Rs. 123/- per day to generate additional demand under this programme. However, the 40% cap on material and skilled labour is a limiting factor. The State should be given the flexibility in deciding the permitted works. New projects are being prepared by the Departments of Forests, Irrigation and Flood Control, Agriculture etc. in convergence with NREGS. We are glad that GoI has offered to enlarge the scope of permitted works presently limited to unskilled manual work. Under Indira Awaas Yojana, 31674 houses will be constructed/upgraded for the rural poor.

19. The State Government has launched two new schemes 'Modernization and Improvement of SC villages having more than 50% population' to provide infrastructural facilities like pacca streets, phirnees, solar street lights and hand pumps. Second scheme "Financial Assistance to Panchayati Raj Institutions for Revenue Earning Schemes" has been launched to provide loans to the Panchayati Raj Institutions to enable them to earn revenue for meeting developmental expenditure.

BPL FAMILIES

20. As articulated by Chief Ministers during the last NDC meeting, the issue of definition and assistance to BPL families requires a re-look. At present, BPL families are defined in minimalist terms based on a definition of poverty which was given in the mid-seventies and periodically revised since. The present BPL list is based on the survey carried out in 2002 and finalized in September, 2006 with a cap on total BPL families in the States which does not appear to be logical. The total number of BPL families is 5.23 lakhs which is about 12.42 % of the families in the State. Having 29% SC population and 14 lac families availing food subsidy under the Atta Dal Scheme (criterion annual income less than Rs. 30,000), the State is put to an disadvantage and does not receive adequate funds under the Poverty Alleviation Programmes. 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. The Planning Commission should, therefore, come up with a new definition at the earliest and there is a need for a fresh survey for identification of BPL families.

IRRIGATION

21. The 14500 km canal network of the state is the oldest in the country and has outlived its life. To optimize utility of the surface water resources, minimize the loss of livelihood and lives on account of floods and water-logging, Rs. 3469 crore projects have been identified and submitted for the approval of Ministry of Water Resources and Central Water Commission. The projects pending for approval are Major Canal Rehabilitation Project (Rs. 552 crore), Relining of Rajasthan/Sirhind Canal (Rs. 1260 crore), Flood Protection Works on River Ghaggar and 27 Other Flood Protection Works (Rs. 330 crore). I would request your indulgence in clearing up these projects including Shahpur Kandi project which has been declared as national project.

22. We insist that the various state projects should be reconsidered under relaxed AIBP norms i.e. a grant of 50% instead of 25% be provided by the Government of India on the pattern of Command Area Development and Water Management Programme (CADWMP) projects. To provide assured irrigation to the farmers three projects namely Sirhind Feeder Phase-II, Bathinda Canal Phase-II and UBDC System costing Rs. 1353 crore to construct new khalas of 10300 km length are under implementation in the state. I again request to remove 1-for-1 restriction for funding of projects under AIBP, which is a bottleneck in taking up new projects for execution. Against the expenditure of Rs. 420 crore during 2008-09, Rs. 546 crore is earmarked for 2009-10.

POWER

23. The present generation capacity of 6841 MW available to Punjab from all sources is not sufficient to cater to the peak demand of over 9000 MW in the State. The State Government is now committed to make Punjab a power surplus state by the

end of 2012. To achieve this, the State has decided to set up three new Thermal Power Plants on BOO basis. The Talwandi Sabo Thermal Power Project (1980 MW) has already been allotted and the work is under progress. Rajpura Thermal Power Project (1320 MW) is being re-bid. Land for Gidderbaha Thermal Power Project (2640 MW) has been identified and will be acquired after finalization of coal linkage, the proposal for which is pending with Government of India. We have also completed all procedural formalities of Goindwal Sahib Thermal Power Project (540 MW) which is being set up by M/s GVK Power Ltd.

24. Unlike all other States in the Northern Region, we do not get the advantage of additional power allocation/free power as admissible to the home States, where such Central Sector Thermal and Hydro Power Stations are located. NTPC may be well advised to consider and set up atleast one such Plant in Punjab. We should also be allocated adequate share of power in the Nuclear Power Project, which is proposed to be set up at Banswara in Rajasthan.

25. 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 was allotted 1500 MW power from the Lara Power Plant in Chhattisgarh. This plant is not likely to materialize in near future and we have requested the GoI to allocate 1500 MW power from other ongoing central sector projects.

26. The State Government has submitted the updated Shahpurkandi Hydro Power Project (168 MW) report to Central Electricity Authority and Central Water Commission, whose final approval is awaited. These approvals should be expedited. We have also requested that 90% of the project cost, both for power and irrigation component, should be provided by Government of India under its special dispensation for national projects.

27. A sum of Rs. 2593 crore has been earmarked for the power sector for 2009-10. Strengthening of distribution system and transmission system, clearing of pending AP

connections and conversion of LVDS into HVDS in agriculture sector, are some of the initiatives planned for achieving full and effective rural electrification in the current year. The transmission and distribution losses have been reduced to 22.53 % in 2008-09. A sum of Rs. 1925 crore would be spent on strengthening of Transmission and Distribution Systems alone. Under RGGVY, projects amounting to Rs. 184 crore have been sanctioned for providing electric connections to about 4 lac rural households and single point connection to 1.5 lac BPL families.

INDUSTRIAL DEVELOPMENT

28. To augment private investment in the State 339 mega projects involving an investment of Rs. 97,946 crore have been approved which would provide employment to more than 12 lakh persons. Four textile parks have been approved by Government of India. Foundry and Machine Tools Cluster has been approved at Batala. 20 Clusters for Micro, Small and Medium Enterprises are proposed to be set up in the State. The Government of India is requested to approve the setting of Handtool cluster and Footwear Design and Development Centre at Jalandhar. Two new centres of Northern Indian Institute of Fashion Technology (NIIFT) have been opened at Ludhiana and Jalandhar. The State Government is actively considering to enact a SEZ Act and to formulate New Industrial Policy. The Government of India should remove the minimum land requirement of 100 hectares for sector specific Economic Zones in view of high value of land in Punjab.

29. The Textile Industry of Punjab, which employs more than 5 lac people, is passing through a serious crisis because of intense competition from the textile economies abroad and the recessionary conditions. We urge the Government of India to save this industry by providing special dispensation and additional benefits of reduction in interest rate and increase in duty drawback rates for at least one year.

30. Guru Gobind Singh Refinery project at Bathinda is being set up by HPCL and Mittal Energy Ltd. This, Rs. 19000 crore project will be completed by 2010. The work is in full swing and a sum of Rs. 1970 crore has already been spent.

31. The Government of India is urged to expedite the gas pipe line project of GAIL from Dadri to Nangal covering a distance of 590 km at an estimated cost of Rs 2700 crore. The gas is proposed to be utilized for generating 1000 MW power at Doraha Power Station and for domestic supply and industrial use at Gobindgarh and elsewhere. Government of India has recently approved the extension of Mumbai - Delhi Industrial Corridor upto Ludhiana. It should be extended to Amritsar. The *Eastern Rail Freight Corridor* from Kolkata to Ludhiana should be also extended to Amritsar and linked to the Western Freight Corridor. These initiatives would be of great help in accelerating the pace of industrialization in the State.

32. Manufacturing Sector in the State has been rendered totally uncompetitive due to tax sops offered by the Government of India to the neighbouring States of Uttaranchal, Himachal and J&K. Government of India should extend similar package to entire Punjab State or atleast to the four border districts. The Government of India is planning to sanction Manufacturing Investment Region in some of the States. It is requested that atleast one such region should be sanctioned for the State of Punjab in order to revive its manufacturing sector.

BORDER TRADE

33. The State Government thanks the Union Government for sanctioning two projects for upgradation of facilities at Railway Station and development of facilities at ICP Attari at an estimated cost of Rs 19 crore and Rs 87 crore respectively. The work at these locations should be taken up on priority. The four-laning of National Highway from Attari to Amritsar is also underway. These measures can be of any help only in case some policy changes are also made. 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

34. Punjab Infrastructure Development Board was set up in 1998 to promote private participation in infrastructure development in the state. PIDB has already completed 8 road corridors, 13 ITIs, 3 bus terminals in PPP mode and financed high level bridges, ROBs and roads/bye-passes. The important projects which are under execution in BOT mode are three state highways, two bus terminals in Patiala and Mohali, two super-specialty hospitals in Mohali and Bathinda and two five star hotels at Amritsar and Bathinda. The projects being financed by PIDB are up-gradation of medical colleges at Amritsar and Faridkot, jails, international airport at Mohali, water supply and sewerage projects in various towns and rehabilitation of canals. Project Plans for the current year are the important roads from Chandigarh to Phagwara, Southern Bypass of Ludhiana along Sidhwan Canal, ROBs, Ring Roads for Mohali, Jalandhar and Amritsar, up-gradation of Medical College, Patiala and irrigation infrastructure. The expenditure is likely to exceed the allocation of Rs. 1500 crore.

35. PIDB has been asked to undertake rehabilitation of canal network in the State for which a sum of Rs 3500 crore is required. PIDB generates its income from Rs. 1/- per liter cess on petrol and 3% infrastructure fee on agricultural produce sold in the Mandis. The infrastructure fee was increased from 2% to 3% in September 2008 mainly for financing the irrigation projects. Food Corporation of India which purchases wheat and rice in the State is not reimbursing the increased component of 1%. FCI should be requested to amend its costing sheets and reimburse the entire 3% fee on the purchases made by it.

TRANSPORT

36. High priority has been accorded to the Road Sector in the current plan with an allocation of Rs. 477 crore. Besides, more funds would be received from PIDB and Government of India. State Government has upgraded 9 important State Highways of a length of 526 kms for Rs. 624 crore in BOT mode. Work on 8 ROBs is complete while 17 more ROBs are planned in the current year. The progress of work by

railways is extremely slow. It is suggested that there should be a single executing agency i.e. either the state PWD or the railways for ROBs. The funding pattern for ROBs should be revised from 50:50 to 80:20 (Railways: State)

37. The MORTH has already been requested to grant Rs. 80 crore of additional funds every year for the next 4 years so that all these 23 RUBs/ROBs can be constructed by the end of 11th Five Year Plan. With 75% funding from the World Bank, the Rs 1500 crore project for the up-gradation and rehabilitation of 1100 km road length is progressing on schedule.

38. National Highway Authority of India is requested to expedite slow pace of the work on the highways of Chandigarh – Kiratpur, Amritsar – Pathankot, Jalandhar – Amritsar and Amritsar – Attari Border. The 4-laning of Ludhiana-Chandigarh highway and 4-laning of Ludhiana-Ferozepur highway announced by the Hon'ble Prime Minister need to be executed expeditiously.

39. There are three specific issues which require the attention of Planning Commission and the Government of India. The backlog of Rs 105 crore of Central Road Fund which was agreed to be released in 2008-09, is yet to materialize. The second issue relates to Domoria Railway Bridge in Jalandhar, the foundation stone of which was laid by the then Prime Minister, Sh. Inder Kumar Gujral. MORTH should reimburse the amount of Rs 21 crore is spent by the State on its construction as per the commitment of Government of India. Thirdly, I request you to intervene and provide funds for land acquisition for upgradation of rural roads under PMGSY.

CIVIL AVIATION

40. Shaheed Bhagat Singh International Airport is being set up on Mohali side of Chandigarh Airport with collaboration of the states of Punjab and Haryana and the Airport Authority of India. The 305 acre of land situated in the State of Punjab has already been acquired. The International Airport at Amritsar is being upgraded and 43

acres of land is under acquisition. The Airport Authority of India is upgrading the Sahnewal Air Strip near Ludhiana as domestic airport for ATR Air Crafts.

41. The State Government is thankful to Ministry of Defence for approving Civil Enclave at Bhisiana (Bathinda) Air Force Station where 39 acres of land has been acquired and handed over to AAI. Ministry of Defence has also given its sanction for a flying club near Talwandi Sabho in Bathinda District for which land is under acquisition. Another flying club is being set up at Faridkot. The two government flying clubs at Ludhiana and Amritsar will be upgraded in the current plan.

RURAL WATER SUPPLY AND SANITATION

42. A programme for providing drinking water supply to all rural habitations by 2012 has been drawn up in the State. An agreement was signed with World Bank for Rs 1280 crore for 5 years 2007-2012 for providing water supply in 739 NC villages and 2422 PC villages. There is also a provision for cleaning of 1000 village ponds and providing sewerage system in 100 villages. The progress of World Bank scheme was rather slow during the first two years mainly for want of beneficiary contribution. It has now been reduced and the work has picked up. The other NC/PC villages would be covered through assistance under NABARD and ARWSP. 1044 NC, 1516 PC and 277 OH villages are proposed to be covered in the current year against a plan provision of Rs 418 crore. The remaining 1167 NC and 2183 PC would be covered during 2010-11 and 2011-12.

43. A sum of Rs 20 crore has been provided for Reverse Osmosis Plants in the south western villages of Punjab where the quality of both underground and canal water is poor. Work was started in 327 villages during 2008-09. 200 more villages would be covered in the year 2009-10. A programme for providing drinking water and toilets to all the schools was taken up. All the schools except 195 have already been covered. The utilization of funds under the Total Sanitation Campaign has picked up and 4 more projects for Rs 84 crore were sanctioned in 2008-09. 22 villages were awarded Nirmal Gram Puraskar by GoI in 2008-09. A sum of Rs 13 crore has

been earmarked from state funds for providing toilets to poor people in addition to TSC.

URBAN DEVELOPMENT

44. The State Government has formulated a comprehensive policy prescribing collection of External Development Charges (EDC), License/Permission Fee and Change of Land Use (CLU) charges, to generate sufficient revenue to provide the ultra modern urban infrastructure. The revenue received on account of CLU by the State Government during last two years was Rs. 130 crore. New Town Planning norms conforming to international standard have been laid for the development of towns. A list of 30 towns has been drawn up for the preparation of Master Plans. Master plan of 3 cities - Ludhiana, SAS Nagar and Mullanpur have already been notified. The local planning areas for 42 towns/cities have already been notified.

45. A number of measures have been taken up for promoting construction of houses for the poor. The purchase of land for this purpose has been exempted from stamp duty, registration fee, CLU, EDC and Licence Fee. In all Master Plans, 10% of the residential zone would be earmarked for housing for the poor.

46. The State Government released Rs. 392 crore to various Municipal Committees for water supply and sewer works which are under progress. A sum of Rs. 129 crore is to be released in the current year for this purpose. An agreement has been signed with Japan International Cooperation Agency (JICA) for a loan of Rs. 360 crore for sewerage and sewerage treatment plants in the holy city of Amritsar.

47. 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. 1329 crore stand sanctioned under the 4 components of the Mission. A sum of Rs. 184 crore has already been utilized on elevated road projects in Amritsar and other works in Ludhiana and other small towns. The State Government has decided to

provide high quality urban bus service with public private partnership in the three Corporation Towns, viz. Amritsar, Jalandhar and Ludhiana. The bus service was launched in Jalandhar on 17/8/2008. DPR for purchase of 150 buses for Amritsar city (Rs 33.30 crore) and 200 buses for Ludhiana city (Rs 65.00 crore) stands approved by GoI under JNNURM. Order for purchase of 350 buses is being placed.

48. There are couple of issues which require the attention of the Planning Commission. The guidelines under IHSDP allow maximum grant of Rs. 80,000/- for construction of a dwelling unit. This amount is inadequate and therefore the norms should be increased to Rs. 1.50 lac. The launch of Rajiv Awas Yojana for the urban poor is a welcome initiative. As per the Regional Plan 2001, notified under the National Capital Regional Planning Board Act 1985, Patiala was identified as one of the five counter magnet areas but it has now been excluded from the Regional Plan 2021. It is requested that not only Patiala but also Greater Mohali Area and Ludhiana should be identified as counter magnet under the new Regional Plan.

EDUCATION

49. Education remains a top priority of the State. The Government in order to meet the shortage of teachers recruited over 14000 teachers in the year 2008-09. Besides 1000 English teachers were appointed in the upper primary schools. 10710 teachers would be recruited in the current year. It has been decided that teachers retiring during the year would be retired only on 31st March and not during the academic session. 351 schools are being upgraded with the assistance of NABARD at an estimated cost of Rs. 141 crore. Computer education has been made compulsory for the students studying in Class 6th to 12th w.e.f. academic year 2009-10. Computer labs have been set up in all upper primary and senior secondary schools. Over 7000 computer teachers have been recruited. Computer education was made functional in 4965 schools without any GoI assistance. Government of India should enhance the assistance under ICT project and help to compensate the State Government for payment of hardware and salary of computer teachers.

50. 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. The capital cost would be shared equally between the Government and the private party, while the Government would contribute 70% towards the recurring cost. Bids have been invited and 13 sites have been allotted to corporate houses. The State Government on its own is constructing 4 Adarsh Schools in the border districts. We request Government of India to expedite work on setting up of model schools in the educationally backward blocks in the country, commitment of which was made in the Union Budget of 2008-09.

51. The centrally sponsored schemes are being successfully implemented in the State. An outlay of Rs. 370 crore has been earmarked for Sarv Siksha Abhiyan. Mid-Day Meal scheme is being implemented in all the 21390 primary/upper primary schools. An outlay of Rs. 120 crore has been provided for the current year. The State Government welcomes the launch of Rashtriya Madhyamik Sikhsha Abhiyan (RMSA) for Class IX to X by Government of India. We appreciate the initiative of Government of India for setting up of 15 new Model Degree Colleges in the districts having low GER. An outlay of Rs. 30 crore has been provided in the current plan for this centrally sponsored scheme. Edusat Programme was started in 290 schools in 2007-08 with an initial help of Rs. 12 crore from Government of India. The programme has been expanded to cover 964 government institutions including 879 senior secondary schools where apart from prescribed curriculum, coaching for medical and engineering entrance test is imparted. This is a very good programme and Government of India should implement it as a regular centrally sponsored scheme.

52. Three important National Level Institutes of higher learning – Indian Institute of Science Education and Research (IISER), National Agro Food Bio-Technology Institute and National Institute of Nano-Technology – are being set up in the Knowledge City in SAS Nagar (Mohali) where land measuring 390 acres has been acquired. Admissions to IISER started from the academic session of 2007-08 from a temporary campus in the Mahatma Gandhi Punjab State Institute of Public Administration in Chandigarh. To provide a network of higher learning, an MoU was

signed by the State Government with 4 corporate houses for setting up Indian School of Business (ISB) on the lines of the parent institution in Hyderabad in the Knowledge City. While supporting ISB, Mohali, the corporate houses will also establish and support Institute of Healthcare Administration, Institute of Manufacturing Sciences and Institute of Public Policy and Administration. The massive infrastructure will provide a major thrust to human resource development and employment generation. In addition, the State Government has also provided land near Ropar for the Indian Institute of Technology, the work for which should be started by Government of India expeditiously. More than 500 acres of land has been acquired for the proposed Central University near Bathinda and academic programmes are being planned and developed by the Vice Chancellor. Land has also been identified for the proposed World Class University near Amritsar. The Site Selection Committee should visit the place and finalise the site. The request of the State Government for establishment of National Institute of Studies in Sri Guru Granth Sahib as an independent institution in Amritsar is pending for approval.

LAND RECORDS

53. Computerization of land records is going in all the districts of the State through Punjab Land Record Society. The data-entry is near completion and centres for delivery of land record documents are being set up at Tehsil level. 7 such Fard Kendras are operational and about 50 more centres would be set up in the current year. Besides a project for cadastral mapping under National Land Record Modernization Programme would be launched in two districts of Jalandhar and Bathinda in the year 2009-10. This is an ambitious project under which the village and field boundaries would be digitized and geo-referenced using high resolution satellite imagery and ground truthing.

54. The State Government has accorded high priority to construction of Mini Secretariats at the district head-quarters and Administrative Complexes at other places. Mini Secretariat at Gurdaspur is proposed to be constructed in the current

year. A sum of Rs. 43 crore would be spent on construction of Judicial and Administrative Complexes in the current year.

MEDICAL EDUCATION AND PUBLIC HEALTH

55. Outlay for Medical and Public Health has been increased from Rs. 95 crore to Rs. 154 crore in the current year. This increment is exclusive of the contribution of Rs. 127 crore from PIDB, Rs. 125 crore of GoI under PMSSY and Rs. 218 crore from GoI under NRHM. The State Government is filling up all the vacant posts of Specialist Doctors and other Medical Officers. Over 100 specialist doctors have already been appointed. Recruitment of 100 medical officers has been completed and the Commission is recruiting another 212 MOs. Besides, doctors have been recruited on contract basis under NRHM.

56. The State Government has taken a number of measures for making available health services at affordable price to the poor. An insurance scheme – Bhai Ghanaya Health Insurance Scheme has been launched to provide Rs. 2 lac insurance cover to members of Cooperative Societies. It has been widely welcomed with 1.84 lac members and 4 lac dependents. The State has also adopted “Rashtriya Swasthya Bima Yojana” for providing Health Insurance cover of Rs. 30,000/- for BPL families from the year 2008-09. 8 districts have already been covered and the remaining 12 would be covered in 2009-10. The Health Department with the help of Department of Pharmaceuticals, GoI has opened “Jan Aushadi Stores” in five district hospitals and the remaining 15 districts would be covered in phases. All the 20 district hospitals had been connected through Telemedicine with PGI with a view to enhancing the quality of health care and providing continuing medical education under NAMS-PGI structured programme.

57. A sum of Rs. 25 crore is proposed to be spent on the upgradation of health institutions in the state in the current year. A sum of Rs. 15 crore is proposed to be spent on 4 Urban Health Care Centres in Jalandhar, Ludhiana and Malerkotla for the urban poor and slum dwellers. The initiative for the planned delivery of healthcare,

especially maternal and child care, was taken by establishing a model at Amritsar nearly 10 years ago and its reinforcement in Bathinda during the current year. State Government is also setting up a Super Specialty Cancer & Trauma Hospital at Civil Hospital, Mohali and Super Specialty Cancer & Cardiac Hospital at Civil Hospital, Bathinda under Public Private Partnership mode. The land has been allotted to M/s Max Health Care Hospital against an up-front fee of Rs. 6.31 crore and 5% share in the revenue. The work is likely to be started soon.

58. The National Rural Health Mission is being implemented successfully in the state with the current year outlay of Rs. 252 crore. We have upgraded 101 PHCs to 24x7 hr delivery services and 60 CHCs to FRUs. 100 PHCs and 47 CHCs would be upgraded this year. More than, 1400 ANMs and 600 Nurses were recruited under NRHM. The state government on its part made delivery related services free in the Government Hospitals. The number of deliveries in the hospitals has increased by over 50% in 2008-09. There is a provision of Rs. 10 crore for providing Rs. 1500 each to BPL/SC families for institutional deliveries in the current year. The State Government is already providing free treatment to school students for cancer and heart ailments in collaboration with the PGI, Chandigarh. The treatment for school children in government hospitals will also be made free very soon. Having taken the initiative for setting up a model of urban healthcare for urban poor and slum dwelle., we are convinced that National Urban Health Mission needs to be launched expeditiously to achieve health related Millennium Development Goals.

59. We thank Government of India for approving upgradation of Government Medical College, Amritsar at an estimated cost of Rs 182 crore under the Pradhan Mantri Swasthya Suraksha Yojna (PMSSY) with contribution of GoI Rs 125 crore and that of GoP Rs 57 crore. The State Government is upgrading 2 other medical colleges at Faridkot and Patiala at an estimated cost of Rs 72 crore and Rs 30 crore respectively.

SOCIAL SECURITY

60. A sum of Rs. 647 crore has been earmarked for the weaker and disadvantaged groups. A sum of Rs. 475 crore will be spent on old age and other pensions alone. Over 16 lac persons are being given a pension of Rs. 250 per month. There is a proposal to launch LIC sponsored Jan Shree Bima Yojana for BPL and Aam Admi Bima Yojana for rural landless families for providing insurance cover of Rs. 75,000/- for accidental death and Rs. 30,000/- for natural death. The premium of Rs 200 per annum is to be shared equally between the State Government and Government of India.

61. Outlay for Nutrition has been increased from Rs. 55 crore to Rs. 100 crore. 6487 more Anganwadi centres shall be operationalized in the current year in addition to the 20,169 functional Centres. Diet money for over 14 lac children and mothers has been increased w.e.f. 2009-10. The Honorarium for Anganwadi workers and helpers has also been increased from Rs 1400 to Rs 2100 and from Rs. 700 to Rs. 1050 respectively.

WELFARE OF SCHEDULED CASTES / BACKWARD CLASSES

62. The SC population in the state constitutes 28.85 % of the total population which is the highest in the country. No weightage is given by the Planning Commission in the allocation of funds through various windows to the SC population in the state. It is, therefore, suggested that percentage of SC population may be included as additional criterion modifying the Gadgil – Mukherjee formula used for devolution of funds from Central Government to the States.

63. As per Planning Commission guidelines, the SCSP component has been depicted separately for individual schemes. For some of the schemes, the allocation is notional where as in other schemes benefits would directly flow to the SC beneficiaries. Rs. 2488 crore has been earmarked for SCSP component which works out to about 29 % of the plan outlay of 2009-10.

64. An outlay of Rs 155 crore has been earmarked for the Department of Welfare in the current year. A sum of Rs 70 crore has been earmarked for the Shagun Scheme alone. Under this Scheme, a grant of Rs 15,000 is given to SC/Christian family and daughters of widows at the time of marriage of the girls. The State Government annually spends about Rs 100 crore for various scholarships and free text books for the students of weaker sections. These include attendance scholarship for 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 earmarked for construction of houses to houseless SC families. Besides, substantial funds have been earmarked for toilets for SCs, repair of Dharamshalas and construction of Ambedkar Bhawans.

FOOD & CIVIL SUPPLIES

65. There has been a record procurement of 110 lac MT of wheat during Rabi 2009. The procurement of paddy in Kharif 2008 was to the extent of 132 lac MT. The State Government realized that the scope and coverage of the PDS was limited and launched an Atta-Dal Scheme of its own in 2007 to provide subsidized wheat and pulses to 15.68 lac poor families. Wheat and pulses are provided at Rs 4/- per kg and Rs 20/- per kg respectively subject to a limit of 35 kg of wheat and 4 kg of pulses per family per month. We are glad that Government of India is going to bring about reforms in the Public Distribution System and provide a statutory basis for food security to all through the proposed National Food Security Act and launch a similar scheme for the poor. We request that Punjab being a forerunner, should be reimbursed the cost of Rs. 25 crore per month w.e.f. 2009-10 incurred on Atta Dal Scheme by the Government of India.

SCIENCE, TECHNOLOGY AND ENVIRONMENT

66. Indian Institute of Science Education Research, National Agri-Food Bio-technology Institute(NABI) and Institute of Nano-Science and Technology are being set up in the Knowledge City near Chandigarh. Also planned are Bio-processing Unit,

Bio-Technology Park, Bio-Technology Incubator and Centres of Excellence in the field of Medicinal and Aromatic Plants and Technology Assessment and Transfers. These prestigious institutions and centres would be of great help to the students of Punjab and the region.

67. A science city has been set up at Kapurthala at a cost of Rs 100 crore. It is a big draw among the school students. The Punjab State Council for Science and Technology has developed and transferred technologies for control of air and water pollution for brick kilns, rice shellers, furnaces and electroplating units. The income from these technologies has made the Council self-reliant.

68. 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 Sutlej river. A sum of Rs. 10 crore has been earmarked for this purpose. Common effluent treatment plant is being set up for leather industry at Jalandhar and for electroplating units at Ludhiana. These would be managed by the units and Government representatives. The Punjab Pollution Control Board in collaboration with the industries has set up a facility for treatment, storage and disposal of hazardous waste near Dera Bassi.

69. A sum of Rs. 55 crore has been earmarked for the Forests Department. Rs. 262 crore JBIC assisted afforestation project will be completed in the current year. About 10,000 hectares of land has been brought under plantation. Punjab Energy Development Agency has facilitated the setting up of 69 mini hydel plants on the canals in the State by private parties. 28 hydel plants of 30 MW capacity have been completed whereas works is under progress in respect of 41 more projects. 18 bio-mass co-generation power projects of 212 MW have been set up in distilleries, paper/rice/sugar mills and 4 projects are in pipeline. Besides 29 projects with a total capacity of 331 MW bio-mass power projects are under implementation out of which 14 MW capacity has already been completed in Muktsar and Abohar. 6 Solar Power projects have been allocated to private parties in the 4 districts. A special tariff of Rs. 7 per unit has been approved for solar power plant. MoU has been signed with M/s

Suzlon Limited for development of wind power in the State. A campaign has been launched to replace conventional bulbs with CFL lamps.

SPORTS & YOUTH SERVICES

70. A World class cricket stadium is being constructed at Bathinda by the PIDB through PPP Mode. One State-of the-art Sports Complex is being developed on 28 acres of land in Mohali in PPP Mode. A sum of Rs. 23 crore has been earmarked for upgradation of Sports Stadium, Hockey Stadium and other sports infrastructure in the year 2009-10. The State Government has sent a proposal to Government of India for construction of Youth hostels at an estimated cost of Rs. 16 crore. We urge GoI to expedite its approval.

TOURISM

71. The State Government with the help of Ministry of Tourism, Government of India is developing Amritsar, Attari Boarder and Patiala as tourist destinations. Besides, some important places are being developed as freedom struggle and religious circuits. Another important initiative planned by the State Government and the Indian Railway is the 'Incredible India – Punjab Luxury Train' costing Rs. 30 crore Ministry of Tourism, Government of India, Indian Railways and the Punjab Government are jointly funding the project. The State Government has released its entire state share amounting to Rs. 13 crore.

72. The historic Fort in Gobindgarh at Amritsar, built by Maharaja Ranjit Singh has been handed over by the Army to the State Government. We have allocated a sum of Rs 10 crore for its renovation in the current year. Government of India should help the state government for the Rs. 58 crore renovation work of this important fort.

73. We are thankful to the Government of India for setting up Institute of Hotel Management at Bathinda. World Tourism Organization is preparing a tourism plan for the state. A loan of over Rs. 500 crore is under negotiation with ADB for the development of tourism infrastructure in the state.

EMPLOYMENT GENERATION

74. A separate Department of Employment Generation and Training has been set up for coordinated efforts in skill upgradation and employment opportunities. Corporate houses have been roped in to set up skill development centres in the State. Particular mention can be made of Construction Skill Development Centre of L&T in Muktsar, Driving and Auto-motive Skill Centre of Tata Motors in Muktsar and Training Centre in Retail Marketing of Bharti-Wall Mart Ltd. at Amritsar. State Government has also set up a Training Centre for security guards in Hoshiarpur. C-pytc Centres have been set up at 11 places for training of youth for jobs in military and para-military forces. 4 more centres are proposed for the current year. A Foreign Employment Information and Training Bureau has been set up for guidance and placement of candidates in foreign countries.

75. Assistance of Rs. 40 crore has been obtained from NABARD for upgradation of polytechnics into multi-purpose academies for skill development. 35 ITIs have been taken up for upgradation into Centres of Excellence with Government of India assistance. Work has been completed in 8 institutes whereas it is under progress in the remaining 27 institutions. Work is likely to be completed in 5 more ITIs in the current year. A sum of Rs. 75 crore has been earmarked for this in the current year.

BORDER AREA DEVELOPMENT

76. Punjab has a 553 km long international border with Pakistan. The problems of border area people require special attention. There is a need to compensate farmers @ Rs. 10,000 per acre annually for 18,500 acres of cultivable land situated across the border fence. The annual liability is hardly Rs. 20 crore. Farmers face hardships in cultivating this land owing to various restrictions imposed by the BSF. There are 11 towns situated within 15 km of the border. The allocation under BADP is meagre and no money is allocated to these towns. The State Government has submitted a project of Rs. 134 crore for providing water supply, sewer and other amenities in these towns to Government of India. Besides DPRs for up-gradation of 753 km village roads in the

border areas for Rs. 200 crore stand submitted to Government of India. These two projects should be cleared by GoI at the earliest.

DECENTRALIZED PLANNING

77. District Planning Committees have been constituted for the 17 districts. The Committees for the remaining 3 districts would be constituted shortly. The members would be imparted training in the current year. Schemes which were earlier given to the District Planning and Development Boards have now been transferred to the Planning Committees. An exercise is under way to identify more schemes that should be transferred to these Committees. Outlay of Rs. 332 crore has been earmarked for district level schemes in the year 2009-10 as compared to the outlay of Rs. 209 crore during the previous year.

GENDER BUDGETING

78. As per guidelines of Ministry of Social Justice and Empowerment, Government of India, an attempt has been made in the Annual Plan 2009-10 to introduce gender specific programmes for women. Though majority of programmes included in the Plan are gender neutral, an allocation of Rs. 906 crore has been provided for programmes for the welfare and development of women.

CONCLUSION

79. The challenges faced by the State are well known to the policy planners. The State continues to endure the after 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 problems.

80. While concluding, I would like to thank you for affording me this opportunity to meet you all and discuss the Annual Plan 2009-10.

JAI HIND