

**Planning Commission
(State Plans Division)**

**SUBJECT: SUMMARY RECORD OF THE WRAP-UP MEETING OF
WORKING GROUP OF PUNJAB HELD ON 22nd
JANUARY, 2009 TO FINALISE THE SECTORAL
OUTLAYS FOR THE ANNUAL PLAN 2009-10.**

A meeting was held under the chairmanship of Prof. V.L. Chopra, Member, Planning Commission in Yojana Bhavan, New Delhi on 22nd January, 2009 for finalization of sectoral outlays for the Annual Plan 2009-10, which was attended by the Chief Secretary and Senior officers of Punjab, Senior Adviser and other Senior Officers of the Planning Commission.

Member, Planning Commission welcomed the Chief Secretary, Punjab and his delegation of the meeting. In the opening remarks, Prof. V.L. Chopra, Member, Planning Commission mentioned that financial performance during 2008-09 of the State was satisfactory and he suggested that financial expenditure may be distributed in such a manner that available funds are optimally utilized.

Chief Secretary, Govt. of Punjab mentioned that the anticipated expenditure during Annual Plan 2008-09 was 100%. The State Govt. had earlier proposed-plan size of Rs. 7500.00 crore for the year 2009-10. Now the State Govt. has submitted a plan size of Rs 8450.00 crore with an increase of Rs.950 crore from the earlier proposed plan size for the year 2009-10. The Pr. Secretary (Finance) Govt. of Punjab mentioned that the State Govt. will raise its resources to support the increased plan size. He mentioned that upto Rs 3000.00 crore would be raised through ARM and economic measures to be adopted during 2009-10 and Rs 800.00 crore would be through market borrowing over and above the ceiling fixed by the Ministry of Finance.

Director (FR), Planning Commission pointed out that the State has traditionally had higher pay scales than the Central Govt. He pointed out that no provision for the impact of pay revision has been made in the Annual Plan 2009-10. The annual impact of pay revision could be around Rs 2000.00 crore. Arrears would be extra, depending upon the date of implementation etc.

He also pointed out that State Electricity Board's finances are extremely bad. Internal resources have been estimated at (-) Rs 3907.00 crore after including subsidy of Rs 2602.00 crore and extra budgetary resources (EBR) at Rs 8907.00 crore. This kind of financing has been continuing for quite sometime and the sustainability of this financing model is uncertain.

Further, he mentioned that for Annual Plan 2008-09 the State agreed to Additional Resource Mobilization (ARM) of Rs 2400.00 crore. However, no ARM took place actually. No ARM has been provided for 2009-10 also. He also pointed out that State Government's own direct borrowing will be Rs 4664.00 crore as against a budgeted plan of Rs 1116.79 crore. A major implication of the scheme of financing is that the plan outlay for the power sector has to be atleast Rs 3338.21 crore leaving a maximum of Rs 4161.79 crore for the other sectors.

This is because funds (EBR) raised by the PSEB can not be diverted to other sectors.

The State's own tax revenue growth projection of 18.7% for 2008-09 and 10% for 2009-10 may also be an over-estimate in the present economic scenario. However, Chief Secretary of the State assured that the growth in own tax revenue would be higher than the projection. The Chief Secretary also assured that reforms and corrective measures will be taken up in the agriculture and power sectors in the State during the current financial year.

After detailed discussions and on the assurance of the State Government to increase its resources through ARM, economic measures to be adopted during the year and increase in the market borrowing over and above the limit fixed by Ministry of Finance, the Planning Commission has agreed to increase the plan size upto Rs 8450.00 crore in Annual Plan 2009-10. Sector-wise outlay for the year 2009-10 approved by the Working Group is as under:-

Approved Annual Plan 2009-10, Head-wise outlay for the State of Punjab

(Rs. Cr)

SN	Sector	Annual Plan 2008-09		Revised Annual Plan 2009-10	
		Outlay	Sectoral Percentage	Outlay	Sectoral Percentage
I	Agriculture and Allied Activities	248.95	4.01	282.12	3.34
II	Rural Development	540.42	8.7	662.41	7.84

III	Irrigation and Flood Control	350.19	5.64	483	5.72
IV	Energy	2204.52	35.5	2596.75	30.73
V	Industry and Minerals	27.4	0.44	20.18	0.24
VI	Transport	1005.18	16.19	2022.2	23.93
VII	Science, Technology & Environment and Forest	93.9	1.51	89.55	1.06
VIII	General Economic Services	97.87	1.58	185.11	2.19
IX	Social Services	1565.95	25.22	2020.05	23.91
X	General Services	75.62	1.22	88.63	1.05
	Total	6210.00	100	8450.00	100

Sub-sector-wise outlay for the year 2009-10 approved by the Working Group is given at **Annexure-A**

Member, Planning Commission drew the attention of the State Govt. towards the poor performance of the State in the implementation of Flagship and Bharat Nirman. He pointed out that during his visit to Amritsar and Ludhiana districts of the State various lacuna were found in the implementation of schemes like under Sarva Shiksha Abhiyan where there were inadequate class rooms, empty drinking water tanks, unclean toilets and poor upkeep of premises. Similarly, under Mid-day meal scheme inadequate coordination between the school and the food supply agencies, irregularity in providing meals, inadequate attention to hygiene and lack of community participation were found. Under the NRHM shortcomings observed were in sufficient staff, inadequacy of drugs, lack of vaccines and necessary elementary equipment and rundown infrastructure. Utilization of funds under NRHM were low and the Health Management Information System was not developed in the State. Under NREGA fund utilization was found to be poor and the line departments were found to be reluctant to implement NREGA in spite of large scope of utilization of funds for repair and maintenance of the canal and drainage system. Discrepancies were also found in implementation of other schemes.

In response the Chief Secretary of the State informed that various steps have already been taken to improve the implementation of the Flagship and Bharat Nirman Programme. The State Govt. made a

presentation showing the improvement in the Flagship and Bharat Nirman Programmes. Some of the important initiatives and efforts taken by the State Govt. are:-

Under Sarva Shiksha Abhiyan, in order to cover all 8-14 age group out of school children under education. 1925 AIE centres are working. 40977 children have been mainstreamed in the regular school system. School enrolment has increased to 40689 and 2905 teachers have been appointed. 15269 additional class rooms have been completed while drinking water and toilet facilities have been provided to 17451 schools.

It was informed that the State is successfully implementing the National Programme of Mid-day-Meal in the schools for 220 days in an academic year. Currently, Mid-Day-Programme covers 22.23 lakh children in Government, Government Aided Schools, EGS & AIE Centres in 15567 Institutions (Classes I-V) & 5823 Government & Government Aided Schools (Classes VI-III). Mid Day Meals in the district of Ferozepur, Tarn Taran and Nawanshahr covering 3233 schools and 3.40 lakh students has started to be provided through the NGOs from Sept. 2008. Some more districts are likely to be covered by NGOs during current financial year 2009-10.

Under Integrated Child Development Scheme, 20169 Anganwadi centres are functioning in the State, covering 10.28 lakh children and 2.92 lakh mothers. Rs 55.66 crore were sanctioned in 2008-09 of which Rs 44.66 crore have been utilized upto 31.12.2008.

Under National Rural Health Mission State Govt. representative informed that Rogi Kalyan Samitis have been set up in District hospitals and are being set up in SDH and CHCs. Planning and monitoring committees are also being set up at district, block and PHC level. 15400 ASHA have been appointed against requirement of 17413. Online data entry in Government of India proformas has begun from December, 2008. Further, through there is shortage of doctors, there is no shortage of nurses and para-medical staff in the State. 208 special doctors and 100 Medical Officers have been recruited on regular basis. Extra incentives would be provided to the doctors coming in remote areas from 2009-10.

Under NREGA it was informed that of the funds received (Rs 58.00 crore) during 2008-09 only 46% of the funds (Rs 27.00 crore) were utilized in the year 2008-09. 3.6 lakh job cards have been issued and employment has been provided to 66798 household. Total employment

generated is 14.25 lakh man days of which 11.58 lakh man days have been for SCs and 2.46 lakh for women. Of the works identified 598 have been completed and 2363 are in progress.

After The State Government's presentation on Flagship and Bharat Nirman schemes plan performance of the State, sectoral issues, new initiatives taken and problem areas on which action is required to be taken by the State Govt. were discussed. Emerging issues in some of the important sectors of the State are as follows:-

1. Health

The revised outlay for 2008-09 under Health Sector is Rs 95.45 crore and anticipated expenditure is also Rs 95.45 crore.

Planning Commission pointed out that the percentage of children to be immunized has gone down from 72% (NFHS 2) to 63% (NFHS 3). Similarly there is decline in institutional deliveries from 2.33 lakh in 2006-07 to 2.24 in 2007-08. It is observed that initiation of early breast feeding and exclusively breast feeding in the State is less than the national average. It was pointed out that 37.5% of the women in the State are obese as compared to 14.8% in the country (NFHS 3). It was suggested that the State may undertake some kind of IEC campaigns to underline the necessity of life style changes i.e. food and sedentary life style.

It was further pointed out that State should ensure 15% contribution towards NRHM. Funds provided by the Centre under NRHM should be taken as additionality and not a substitute to the funds being provide by the State. The State may increase its expenditure on health by at least 10% every year because as per the mandate in the XI Plan, the total expenditure by the Centre and the State should be 2% of the GDP.

An independent study may be conducted to find out the reason that are not readily accepting Balri Rakshak Scheme and what corrective measures need to be taken to further improve child-sex ratio.

To deal with the shortage of doctors, all the posts (including other health personnel) may be filled up immediately instead of filling up of one third of the posts each year.

The State representative informed that as per DLHS III and as per the CSR, the percentage of children fully immunized is 80%. All deliveries have been made free of any charges in all the government health institutions. Now institutional deliveries have gone upto 58.5%. The State

Government has recruited 93 specialist medical officers mainly Gynecologists and Pediatricians and posted in seven difficult areas of Mansa, Bhatinda, Faridkot, Mukatsar, Moga, Sangrur and Barnala and is proposing to post 108 more specialists in these areas. It is expected that with these initiatives there will be an increase in institutional deliveries and decline in MMR and IMR.

The State is engaging BPNI under NRHM for promoting breast feeding initially in two districts of Mansa and Bhatinda and then extending to another 10 districts in first phase and the remaining eight districts are to be covered in the second phase. The proposal is included in the plan for 2009-10.

A village health & sanitation committee has been constituted in each village and MoU with Banks having larger presence in the fields such as State Bank of India, State Bank of Patiala and Punjab National Bank is being explored to open accounts of Village Health & Sanitation Committees.

Against the target of recruiting 17756 ASHAs, 16,338 ASHAs have already been recruited. The remaining 1418 ASHAs will be recruited in next two months. However the training for ASHAs may start by next month.

Rogi Kalyan Samities have been formed upto CHC level. It is proposed to constitute planning and monitoring committee at PHC level which will also discharge the duties of Rogi Kalyan Samities.

To tackle the problems of high level of anaemia among children distribution of IFA tablets and deworming once in every six months with tablet Albendazole are being done in the State.

The State representative further informed that the State Govt. has taken initiatives to provide all system of medicines under one roof in the health institutions. The Ayurveda and Homeopathy OPD has already started in district hospital Mansa. It is going to be extended to all district hospitals immediately.

The outlay proposed by the State for Health sector for the Annual Plan 2009-10 to the tune of Rs 106.09 crores was approved by the Working Group.

2. Education

Approved outlay for 2008-09 for the sector is Rs 377.13 crore and anticipated expenditure is also Rs 377.13 crore.

Planning Commission appreciated the State for achieving the norm of one primary school within 1 km. radius of every inhabited village. Similarly every village has a middle school within 2 kms and a high school within 2.5 kms. Radius. Thus the State has achieved access to primary, elementary and secondary education in full measure. The efforts taken by the State in filling up the vacancies of teachers to a great extent was also appreciated.

However, the existing gap of 6000 teachers under SSA should also be filled up urgently given the increased enrolment due to mainstreaming of out of school children. Further the State Govt. should make efforts for improving the educational status of Ferozepur District which has the highest number of out of school children.

It was also pointed out that DISE data (2006-07) reported existence of 1731 single teacher schools engaged in multi-grade teaching. As per the norms a primary school should have atleast 2 teachers for imparting quality education.

Although the pace of implementation of mid-day meal scheme has now picked up in the State, however, Planning Commission expressed concern over the inadequate supervision and management system.

In the case of secondary education quality of infrastructure like well equipped laboratories, library, toilets and common room for girls are under question. The State should integrate Adarsh (Model) schools with the proposed model under SUCCESS.

Planning Commission suggested that the State should take advantage of new scheme of UGC for setting up of degree colleges in 374 low enrolment districts have been identified in the State and the State is entitled to get assistance for setting up new colleges in these districts.

In case of vocational and technical education the Planning Commission expressed concern that nine districts in the State were without a polytechnic institute. The State should take advantage of the Skilled Development Mission (SDM) for strengthening existing polytechnic and in setting up new polytechnic.

The State Govt. representative informed that Gross Enrolment Ratio at primary school level has increased in the State from 72% in 2006-07 to about 91% in 2008-09. The GER could still be higher but for the existence of a large number of unrecognized private schools, not all of which are covered under DISE. The State Govt. has already issued a notification to all unrecognized private schools to strengthen the data collection exercise.

Regarding the implementation of Mid Day Meal Scheme the State Govt. representative stated that the absence of separate staff has hampered effective supervision of the scheme. The PRIs have not shown keen interest in implementation of the scheme and the teachers had to be involved. However, in 3 districts NGOs have been entrusted with the task of cooking and supplying meals to nearly 3233 schools and 3.40 lakh children. Though the school attendance rate has increased, MDM needs to be evaluated to assess the impact on other parameters like reduction in drop out, school retention. etc. The management cost allowed under MDM is too low to ensure effective supervision.

It was also informed that the State Govt. has prepared action plan for proposed Rashtriya Madhyamic Siksha Abhiyan (RMSA) and school mapping exercise for need based upgradation of middle/elementary schools into secondary schools and strengthening of Govt. and aided schools.

The State Govt. has proposed a new scheme of converting technical institutions of rural areas into multi-purpose academies for enhancement of skilled development and employability of rural youth under NABARD project and creation of infrastructural facilities for running diploma courses.

The outlay proposed by the State for Education sector for the Annual Plan 2009-10 to the tune of Rs 498.76 crores was approved by the Working Group.

3. Women & Child Development

The Planning Commission pointed out that women component plan in the proposed outlay of Annual Plan 2009-10 seems to be on the higher side, i.e. 42% of the total budget outlay of the State.

The State Govt. was suggested that there is a scheme called "SWADHAR" under Ministry of Women & Child Development under

which provision for women helpline exists and State Govt. should explore the possibility of availing allocation for “Social Security Helpline for Women and Children” scheme from this Central Sector Scheme.

Planning Commission also clarified to the State Government that construction of Anganwadi Centre has to be fully funded by the State Government and there is no provision for matching grants under ICDS being implemented by Ministry of WCD.

Planning Commission also suggested to include domestic Indian spouses along with Overseas Indian spouses under the scheme “Welfare of Women Deserted by their Overseas Indian Spouses”. The State Government representative however clarified that the State specifically wanted to include only overseas Indian spouses as that was a typical problem in the area which they wanted to address under this scheme. They proposed to change the nomenclature to cover support for preventive measures to avoid women being deserted by overseas Indian spouses.

4. Agriculture & Allied Sector

Approved outlay for 2008-09 for the sector is Rs. 202.52 crore and anticipated expenditure is also Rs. 302.52 crore.

The State representative informed that draft Comprehensive District Agriculture Plan (C-DAP), has been formulated in all the 20 districts in the state and also draft state Agriculture Plan has been prepared. State is in the process of constituting Planning Units at District and Block level for examination of the draft DAPs and finally to get it approved from District Planning Committees, which are in the process of being constituted.

Under “Rashtriya Krishi Vikas Yojana” (RKVY), 55% of the funds out of the total allocation of Rs. 87.52 crores in 2008-09 have also been released to the line Departments for implementation of the projects.

The Scheme of National Food Security Mission for wheat is being implemented in the State in 10 selected districts. As a result productivity has gone up, with seed replacement rate of 40% productivity is likely to go up further. In view of this the state requested for extending the NFSM-Wheat to all the 20 districts of the state and also cover some of the districts under NFSM rice to exploit the existing potential in the selected districts.

State representative further informed that for Soil Health Management, the State needs to upgrade all the existing Soil Health Labs with modern infrastructure and latest technology so as to equip the labs with testing facility of both macro and micro nutrients of soil. The assistance under the Soil Health Management programme, however, is limited to Rest. 10 lakh per lab. Which does not seem to be sufficient to equip the labs with latest technology and therefore the funding support should be increased to about Rs. 25 lakh per lab.

To address the issue of depletion of ground water, the Department of Soil & Water Conservation of the Govt. of Punjab is implementing the scheme of Micro Irrigation Rainwater Harvesting and renovation of Ponds. Further, promulgation of “Preservation of Sub-soil Water Ordinance 2008”, which prohibits early sowing of paddy has shown favourable results.

Planning Commission advised the State to complete the process of constituting planning units at district and block level expeditiously as allocation of funds and its utilization under RKVY from 2009-10 onwards is linked with completion of formulation of C-DAP. State was also advised to monitor the progress of programmes under RKVY on continuous basis so as to ensure the completion of the project before end of the year as only 10% of the funds will be allowed to carry forward to the next financial year as per guidelines of RKVY.

The State was also advised to avail financial assistance under National Project on Management of Soil Health & Fertility to deal with the issue of soil health. The issue of increased funding would be taken up for consideration, the State was advised to avail the balance funds from RKVY and ensure upgradation of atleast 20 labs in the State with one in each district. The State also needs to scale up its efforts to address the issue of depletion of ground water.

Regarding Extension Services it was pointed out that there is a lack of synergy and co-ordination between KVKs, ATMAs, and other line Departments particularly at district level. In order to ensure effective Extension mechanism and transfer of technology, State should have an integrated approach of various research and extension units at district level.

The outlay proposed by the State for Agriculture & Allied sectors excluding forestry for the Annual Plan 2009-10 as proposed by the State to the tune of Rs. 282.12 cores was approved by the working Group.

5. Power

Approved outlay for 2008-09 for the sector is Rs 220.45 crore and anticipated expenditure is also Rs. 220.45 crore.

Punjab State is facing serious power shortages. Currently, the demand in the State is around 9000 MW and availability through all available sources is at 7300 MW. The demand is likely to go up to 11000 MW by the end of the Eleventh Plan period). Moreover, about 40% of the energy is purchased by the State and average bulk purchase price is higher than the average tariff (Rs 2.66 per unit). In view of the high purchase cost, the losses are mounting over the year. The State has reported an estimate of power purchase through traders for the year 2008-09 and 2009-10 at a higher cost of around Rs. 7 per unit.

Due to this, the actual losses for 2007-08 has been reported at Rs. 4459 crore and is expected to go up to Rs. 5254 crore in 2008-09 (RE). Planning Commission suggested that the high cost of purchase through traders should be discouraged as it is deteriorating the health of PSEB with the losses mounting over the years. It was advised that this issue needs to be examined by the State Government in detail.

It was also pointed out that the key issue for the State is free power to agriculture. Effective subsidy to agriculture in 2007-08 was at Rs 4054 crore and estimated to increase further to Rs 4288 crore in 2008-09. About 80% (9.80 lakh) pumpsets are being energized by PSEB and the rest through diesel. Planning Commission suggested that PSEB should not fund the cost of transformers and installations of individual beneficiaries only on account of the fact that they are being converted to HVDC system.

The pace at which PSEB is being unbundled by the State Govt. is very slow though it is mandatory under the Electricity Act, 2003.

The State representative informed that the State has drawn a comprehensive plan of capacity addition by setting new thermal and hydro power projects in the State to meet the additional demand for energy. The transmission system is being upgraded to overcome existing inadequacy and is being strengthened and expanded to ensure effective evacuation of additional electricity expected to be generated from the proposed new projects in the State.

The outlay proposed by the State for Energy sector for Annual Plan 2009-10 to the tune of Rest. 259.67 crore was approved by the Working Group.

6. Irrigation and Flood Control & Water Supply and Sanitation Sector

Approved outlay for 2008-09 for the sub-sector is Rest. 611.92 crore and anticipated expenditure is also Rs 611.92 crore.

It was pointed by the Planning Commission that the main thrust during the Annual Plan 2009-10 will be on lining/rehabilitation/remodeling irrigation channels to restore the irrigation potential; repair, renovation and lining of water course in various command area to reduce the incidence of water logging; to encourage artificial recharge work to arrest the declining water table in the State and construction and strengthening of flood protection works along the rivers and banks. In this regard it was suggested that the State Govt. should rationalize the water rates atleast to cover the operation and maintenance cost of the system as well as to convey the scarcity value of water.

Planning Commission further noted the time overrun in the completion of Bharat Nirman targets and suggested to put a dedicated effort in achieving the targets.

The performance of the State under total sanitation campaign was noted to be unsatisfactory. It was suggested that efforts should be made in developing “Nirmal Gram” involvement of NGOs and taking up activities to increase awareness in schools etc.

The State representative informed with all the liabilities for Shah Nehar Project has been cleared from the Govt. of Punjab and requested to delete this project from the AIBP project of Govt. of Punjab so that a new project could be taken up under AIBP. Further a slow progress under TSC has been due to lack of awareness and central assistance for units are very low. 66% of the population has been covered with water supply and 59% with sewage facilities in the urban areas of the State. The State proposes 100% coverage of the total population with the drinking water supply and sewage system during the 11th Plan period. The outlay proposed by the State for the sub-sector for the Annual Plan 2009-10 to the tune of Rs. 878.43 crore was approved by the Working Group.

7. Tourism

Approved outlay for 2008-09 for the sub-sector is Rs 15.3 crore and anticipated expenditure is also Rs. 15.3 crore.

State representative informed that the Govt. of Punjab is in the process of finalizing loan agreement with ADB for the development of tourist infrastructure and the same is likely to be finalized by August, 2009. In the first year of implementation they are likely to get Rs. 60.00 crore for which a matching contribution of Rs. 18.00 crore will have to be made by the State.

Planning Commission, however pointed out that against the scheme an allocation of only Rs. 1 crore has been made by the State which will not be sufficient to provide matching contribution.

The State representative further informed that a promotional campaign is being launched to promote tourism products available in the State and an outlay of Rs. 1 crore has been allocated for this. Planning Commission was of the view that the large scale publicity campaign being launched by the State would not be able to achieve desired outcome because of the meager fund allocation. The State Govt. should therefore consider giving higher outlay for the tourism sector.

The outlay proposed by the State for the sub-sector for the Annual Plan 2009-10 to the tune of Rs. 76.61 crore was approved by the Working Group.

The meeting ended with a vote of thanks to the Chair.
