

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.

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 2008-09.

INTRODUCTORY

2. You are all aware that 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 5.08 % consistently under-performing against the national average of 7.8%. After the first two years of recession, the State economy showed some signs of recovery posting annual growth of over 5 %. Stagnation of the State's economic growth in the past one decade has been a major concern for both planners as well as the political executive.

3. Almost two decades of militancy not only retarded the expansion of the manufacturing sector in Punjab but also adversely impacted upon all other sectors of the economy as well as delivery of public services. The land-locked geographical location of this border State further imposes its own limitations upon external investment. The crisis in the farm sector has also started manifesting itself through falling farm yields on account of soil-nutrient imbalance and absence of propagation of new seed varieties, depletion of ground water resources and mounting farm indebtedness. Thus, the present agricultural system is increasingly becoming ecologically and even economically untenable. Punjab's hopes for resurging as a front-runner State in economic growth thus hinges on rejuvenation of its agriculture sector as well as successfully expanding its manufacturing and services sector.

4. Our proposed Annual Plan for 2008-09 seeks to impart a special thrust to the development of infrastructure in the State as well as focus on power generation and rejuvenation of the irrigation network. Education and skill development are being accorded high priority with special thrust on popularizing science education among rural children with well-equipped school infrastructure. Public investment in agriculture and allied sectors is being given special impetus consistent with Rashtriya Krishi Vikas Yojana (RKVY) guidelines. Upgradation of the century-old canal irrigation system to optimally utilize the available surface water and arrest further ground water decline has been taken up through an ambitious Rs. 3200 cr project. The State Government plans to add 5000 MW of power capacity during the 11th Plan period. The State Government has embarked upon upgradation of rural water supply and state roads through World Bank assisted projects of Rs. 1280 cr and Rs. 1500 cr respectively.

5. Development of productive manpower is also one of the main goals that the State has set for itself. The State Government has taken a special initiative in this regard by creating a new Department of Employment Generation in 2007 and embarked upon a series of programmes aimed at improving the employability of Punjab's youth. The State has also focused upon improving the delivery of public services in the health and education sectors. The concerns of the under-privileged and women have also been mainstreamed into the planning process and a special allocation for women development is being introduced in the Plan. There is a concerted effort to ensure that the "Other India" equally partakes of the fruits of development.

STATE FINANCES

6. The State Government enacted the Fiscal Responsibility and Budget Management Act in the year 2003 and as per recommendations of the 12th Finance Commission, the State Government has adopted a fiscal correction plan under which Revenue Deficit is to be reduced to zero and Fiscal Deficit is to be brought down to 3% or below of GSDP by the year 2008-09. The State Government would be eligible for a relief of Rs. 760 cr from 2005-06 to 2009-10 if the stipulated target is met.

7. The State is facing a dismal financial situation for the last few years as the revenue receipts are not keeping pace with the growing expenditure. The Government has been meeting a part of its consumption expenditure through loans. The debt of the State has increased from Rs. 32,496 cr at the end of 9th Plan to Rs. 52,764 cr at the end of 2007-08. The recommendations of the State's 5th Pay Commission, which are likely to be implemented in 2008-09 with retrospective effect from 1/1/2006, would further strain the finances of the State. The Government of India as per recommendation of TFC had formulated State's Debt Consolidation and Relief Facility (DCRF) for the period 2005-06 to 2009-10. We urge that the grant and loan component of Additional Central Assistance which is at present 30:70 needs to be reviewed and revised to at least 50:50.

STATE'S ECONOMY

8. My Government took over about a year back and inherited a sagging economy and an abysmal fiscal position. The Punjab State, which ranked at No. 1 (3rd if Goa and Delhi are included) in respect of per capita income in the country in 2001-02 when our government demitted office, has slipped to 4th place (6th place if Goa and Delhi are included) among the major states in the year 2006-07. The State economy grew at a rate of 5.08 % during the 10th Plan (2002-07) against the target of 6.4 % fixed by the Planning Commission and the average growth of 7.8 % of the national economy. The Planning Commission has indicated a target of 5.90% economic growth for the State during the 11th Plan as against 9 % projected growth for the national economy. The State will achieve the projected growth targets with the State economy likely to grow over 6% in the current year.

PLAN PERFORMANCE

9. The plan performance during 2007-08 has been partly impacted by the State's bad financial position outlined in the foregoing paragraphs. Till December, the total Plan expenditure is to the tune of Rs. 2823 cr against a Plan outlay of Rs. 5111 cr, which works out to around 55 %. We are hopeful that the State would be able to achieve 80 –

85 % expenditure by end of the financial year 2007-08. The expenditure against the budgeted outlay of Rs. 3702 cr is likely to be Rs. 1700 cr while expenditure against the non-budgeted outlay of Rs. 1409 cr would be Rs. 2450 cr.

ANNUAL PLAN 2008-09

10. The proposed outlay for Annual Plan 2008-09 is Rs. 6000 cr which is 17.40 % higher than the outlay of Annual Plan 2007-08. The budgeted Plan is proposed at Rs. 2975 cr while the remaining Rs. 3025 cr would form the non-budgeted component. The Annual Plan for 2008-09 accords highest priority to the Energy Sector with around 36.74% of the proposed outlay allocated to this Sector alone. Social Services at 23.16% forms the second highest component of the Plan while Road Transport sector also forms 16.80% of the Plan outlay with major funding envisaged on account of World Bank and NABARD projects. In line with Planning Commission's recommendations, we have increased the allocation for agriculture and allied sectors to 6.18% from around 3.91 % last year. Let me now briefly dwell upon the salient features of the Plan proposals for different Sectors.

AGRICULTURE

11. Sir, it is a truism that agricultural stagnation has beset the State for over a decade which has far-reaching consequences. Three main issues require your attention, viz. 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 nation's 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. The State Government suggests creation of an Agriculture Development Fund (ADF) to be financed through a payment of additional sum of Rs. 100 per quintal of paddy and wheat procured in the State. This approximately Rs. 2000 cr fund (from 79 lac MT wheat and 125 lac MT paddy) would be

used to reclaim/improve the soil, recharge ground water, develop infrastructure for adoption of high value enterprises and improve marketing and processing besides rejuvenation of irrigation network in the State.

12. The Rashtriya Krishi Vikas Yojana (RKVY) is a very good initiative. Punjab was allocated a sum of Rs. 38 cr for the year 2007-08. The proposals have been finalized by the State level committee and sent to Ministry of Agriculture, GoI for approval. We would like to reiterate our earlier reservations about the criteria for grants to States. We have requested that half the weightage may be given to maintenance and upgradation of existing infrastructure of irrigation and remaining half to un-irrigated area against the proposed norms of full weightage to un-irrigated area.

13. A remunerative market price is a pre-requisite for boosting farm production. While we welcome an increase in the MSP of wheat to Rs. 1000/-, it is still short of the import price and does not effectively offset rising input costs. The Commission for Agricultural Cost and Prices (CACP) needs to re-examine the existing methodology of fixation of MSP. The MSP of food crops should be fixed taking into account the cost of production and it should be linked to the consumer price index. The agricultural labourers also need to be treated as skilled labour while factoring their contribution in the farm economy. The other alternative is to accept and implement the recommendations of the noted farm economist, Dr. MS Swaminathan, who has recommended that MSP should be equal to the cost of production plus 50%.

14. The State Government has carried forward the diversification programme to slowly wean away farmers from wheat-paddy rotation. Some success has been registered under BT cotton. The state's efforts to promote contract farming through hybrid maize, hyola, sunflower, etc have met with good success. The State Government is setting up four Farmers' Training Centres and five Citrus Estates to promote citrus cultivation during 2008-09. The State Government has also set up a Council for Citrus & Agri Juicing in Punjab for promotion of Citrus Cultivation in the State in collaboration with Tropicana/PEPSICO. I am happy to state that farmers have responded very positively to our initiative and have offered possession of 5185 acres of land of which half have

already been planted. The Citrus Council proposes to plant citrus orchards on 1 lakh acres in the next 5 years.

15. To boost farm exports, a temporary Perishable Cargo Complex at Amritsar Airport has already been constructed though GOI have not yet approved construction of a permanent Complex in view of the present sub-optimal business. 4 Terminal Market Complexes are being constructed in addition to a state-of-art wholesale market in PPP Mode. The State is also engaging big corporate houses into agricultural operations and proposes to enact a comprehensive enabling legislation to promote marketing and agri-processing. To promote animal husbandry and its exports from the State, the new Guru Angad Dev Veterinary & Animal Sciences University, Ludhiana is being strengthened with special Plan support.

RURAL INDEBTEDNESS

16. Low farm prices, rising input costs and inadequate increase in productivity are responsible for the problem of acute agrarian distress. This is depicted by the mounting rural debt which stands at Rs. 26,000 cr – Rs. 11,000 cr of Commercial Banks, Rs. 3000 cr of Cooperative Banks and Rs. 12,000 cr of moneylenders. The immediate problem is not that of access to credit, but the unbearable burden of payment of interest and repayment of loans. As per NSO Survey Punjab has the highest per farmer household debt of Rs. 41576 against the national average of Rs. 12585. The State Government hopes that Government of India would be generous in its dispensation for the farmer of the State as in the case of certain other States. We had requested for assistance of Rs. 544 cr under Vaidyanathan Committee but the State is likely to get only about Rs. 220 cr. The State Government has signed an MoU with Ministry of Finance, Government of India for an assistance of Rs. 500 cr for revival and strengthening the capital base of the Short Term Cooperative Credit Structure. Government of India has been requested for an interest rebate of 2% on all types of agricultural loans by all Banks in the State for the period 2006-07 to 2008-09 amounting to Rs. 1202 cr. It has also been requested for interest waiver for 1 year on agricultural loans in 7 badly affected districts, requiring assistance of Rs. 481 cr.

RURAL DEVELOPMENT

17. In its earnest endeavor towards rural rejuvenation, the Punjab Government has adopted a two-pronged strategy, empowerment of the PRIs through greater functional and financial autonomy and all-round improvement of the rural habitats with provision of basic amenities. While the State Government has already transferred some of the important activities of 6 departments to the PRIs including 1186 Rural Health Dispensaries, 5752 Primary Schools, 581 Rural Veterinary Dispensaries to the Zila Parishads, 1160 Medical service providers, 12709 primary school teachers and 369 Veterinary service providers have been recruited by the Zila Parishads.

18. NREGA is being successfully implemented in 4 districts of the State and we are gearing up for its implementation throughout the State in the next financial year. A sum of Rs. 398 cr has been proposed for Centrally Funded Schemes in the Annual Plan 2008-09 including the Government of India share. The State would seek to construct around 21,000 new houses under Indira Awas Yojana. Here again, I would like to underscore my earlier request to the Commission to upwardly revise the unit cost of Rs. 25,000/- keeping in view the steep rise in the cost of construction. We are also laying special emphasis on rejuvenation of village ponds and improvement of the village environment for which GOI is requested to provide special assistance.

BPL Families

19. 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. 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 families should be identified on the basis of clearly defined criteria. The total number of BPL families is 5.23 lakhs which is about 12.42 % of the families in the

State. For the 11th Plan, the Planning Commission should come up with a new definition at the earliest and there is a need for a fresh survey for identification of BPL families.

IRRIGATION

20. The canal Irrigation network of 14500 km in the State, some of which was built in the nineteenth century, is amongst the oldest in the country, has outlived its life and its carrying capacity has been sub - optimized overtime. The State Government has prepared an ambitious programme of Rs 3243 cr for the upgradation and rehabilitation of canal infrastructure in the State. At present, 97% of the arable land in the State is irrigated. During the 10th Plan, about 106.46 thousand hectares of additional irrigation potential was created. During the 11th Plan, about 286 thousand hectares of additional irrigation potential is proposed to be created.

21. The State Government has strongly argued that the various projects of the State need to be reconsidered under relaxed AIBP norms i.e. a grant of 75% by Government of India and 25% matching contribution to be made by the State. Further, there is a need to remove one – for - one restriction for funding of projects under AIBP, which is a bottleneck in taking up new projects for execution. The schemes for recharging of ground water resources are also required to be covered under AIBP. Similarly, the State would also like the Commission to consider enhancement of financial norms under CADWM Programme from Rs. 10,000/- to Rs. 15,000/- per ha. There is a need to remove one – for - one restriction for funding on these projects also.

22. I would also like to draw your attention to the paradoxical problems of depletion of ground water in 112 out of 141 blocks on the one hand and the endemic problem of salination and water-logging plaguing the south-western districts on the other. Excessive seepage of water from two inter-State and intra-state canals - Rajasthan Feeder and Sirhind Feeder has caused water logging in Muktsar and parts of Ferozepur district. The beds of these two canals have been badly damaged over the years and these canals need to be re-lined to save precious agricultural land from water - logging. The projects for lining of Rajasthan and Sirhind Feeder for Rs. 425 cr and Rs. 225 cr have been prepared and

sent to Ministry of Water Resources, GoI. I strongly urge you to approve these projects by way of special funding.

23. The State Government has already put into place the Participatory Irrigation Management (PIM). The draft Act has already been framed but the State Government is contemplating a Comprehensive Unified Legislation, which will cover all the issues concerning Ground Water, Participatory Irrigation Management and Canal Management as these all are inter-related. Lastly, I would request you to accede to our pending request for allowing the funding of the Shah Nehar Project under the AIBP norms for Special Category States as it is exclusively meant for irrigating lands in HP.

POWER

24. The State Government is committed towards making Punjab a power surplus State by the end of 11th Five Year Plan. The proposed plan outlay for the Annual Plan 2008-09 under Power sector is Rs. 2200 cr, against a likely expenditure of Rs. 1800 cr in the current financial year. In order to bridge the 30% peak demand shortfall, the State Government has drawn a comprehensive 4358 MW programme of addition of generation capacity - Lehra Mohabbat Phase-II (500 MW), Goindwal Sahib Thermal Power Project (540 MW), Talwandi Sabo Thermal Power Project (1980 MW), Rajpura Thermal Power Project (1320 MW) and Mukerian Hydel Power Project (18 MW).

25. In addition, PSEB has also signed long-term Power Purchase Agreements of 2379 MW and the State is to get 1102 MW as its share from various Central Sector Projects of NTPC/NHPC/NPCIL during 11th Plan. Punjab has also been allocated 2225 MW of Power from 5 Ultra Mega Power Projects. State Government has proposed two more Thermal Power Projects of 1000-1200 MW each at Abohar and Mukerian. The Central Electricity Authority is considering the feasibility of these locations. Punjab should be allocated 30% power from unallocated power of Central Sector Plants in the northern region. Punjab's proposal to allow 49% equity participation in 1400 MW Rajasthan Atomic Power Project (Units 7 and 8) should be expedited.

26. I reiterate the request that I made last year as well as during my NDC Speech relating to the release of pending incentive of Rs. 143 cr for the year 2003-04 under the Accelerated Power Development Reforms Programme (APDRP), ostensibly withheld on the ground that the State announced free power to the farmers. Free power was provided with effect from 1/9/2005 and, therefore, it should have no bearing on the incentive due in the year 2003-04.

27. PSEB has prepared a comprehensive plan for upgradation of its Transmission and Distribution systems with an estimated expenditure of Rs. 3225 cr. The Transmission and Distribution System is not only being upgraded to overcome their existing inadequacies, but it is also being strengthened and expanded to ensure effective evacuation of additional electricity expected to be generated during the next 3 to 4 years. Besides, a project aimed at reducing T&D losses and curbing power theft amounting to Rs. 5600 cr over a period of 5 years has also been prepared. The T&D losses are proposed to be reduced from the present level of 24 % to 18 % by the end of 11th Plan.

28. I would like to request the Commission for early sanction of projects amounting to Rs. 165 cr submitted under the Rajiv Gandhi Gramin Vidhyutikaran Yojana (RGGVY) to the Rural Electrification Corporation (REC). The State Government proposes to provide infrastructure for electric connections to 2.56 lac rural households as well as provide single point CFL connection in the houses of 1.49 lac BPL families. The State has already upgraded its rural electrification infrastructure in all 12428 villages at a cost of Rs. 330 cr to ensure 24-hour uninterrupted power supply.

INDUSTRIAL DEVELOPMENT

29. The State Government has taken a number of steps to augment private investment in the State which include abolition of octroi, enactment of Industrial Facilitation Act, 2005, constitution of Empowered Committee for clearance of Mega Projects and release of capital subsidy to the industrialists. As many as 392 mega projects involving an investment of Rs. 1,06,352 cr have been approved by the Empowered Committee which would provide employment for more than 14 lakh persons. The State Government is

trying to revitalize the Industrial Focal Point at Goindwal Sahib near Amritsar by developing it as a product-specific SEZ. Some of the other important projects proposed during the 11th Five Year Plan are Development of Industrial Cluster at Batala, establishment of two Textile Parks at Ludhiana and one at Barnala, setting up of Convention Centres at Amritsar and Mohali.

30. The State Government is alive to the sensitive issue of land acquisition and displacement of farmers and has notified a new Land Acquisition Policy in 2006. Henceforth, private land would be acquired only if the land is needed for a defined public purpose and the State Government will not acquire more than 10 % of the land for private companies to provide contiguity and connectivity. There is a proposal to make the farmers stakeholders in the development of commercial, housing and industrial projects through the policy of land pooling which is being finalized shortly.

31. You are aware that there is a proposal by Gas Authority of India Limited (GAIL) for laying a gas pipe line from Dadri to Nangal covering a distance of 590 km at an estimated cost of Rs. 2700 cr and development of a Gas Centre in the State. 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. I would only emphasize upon ensuring its timely completion by 2010 as it would provide a tremendous fillip to industrial activity in the State.

32. We welcome the decision of Government of India for granting approval for the implementation of Rs. 19,000 cr Refinery Project at Bathinda by Sh. Lakshmi Narayan Mittal in collaboration with HPCL. Government of India has also recently approved the extension of Mumbai - Delhi Industrial Corridor upto Ludhiana. The Rail Freight Corridor from Ludhiana to Kolkata should be extended till Amritsar given the possibilities of trans-border trade in the foreseeable future. These initiatives would be of great help in accelerating the pace of industrialization in the State.

33. 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. We welcome the suggestion of the Planning Commission for replacing these concessions, fully or partly, by an accelerated programme of infrastructure improvement in these States. The Government of India should also facilitate big ticket investments in the State in agri-processing, auto and auto components and textiles to revitalize the manufacturing sector.

Border Trade

34. 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 cr and Rs. 87 cr respectively. A new Cargo Complex is also planned at Amritsar Airport. The 4-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

35. Sir, in order to foster private participation in infrastructure development in the State, we have created an enabling framework by way of the Punjab Infrastructure Development Board (PIDB). Important infrastructure projects undertaken in PPP Mode during the 10th Plan include important State Highways, 4 new Bus Terminals at Amritsar, Jalandhar, Ludhiana and Hoshiarpur and 12 Polytechnics and Industrial Training Institutes.

36. Some of the new projects planned during the 11th Plan are - Ring Roads for Ludhiana, Jalandhar and Mohali towns, greenfield Expressways, New Bus Terminals, City Transport Services in 4 Corporation Towns, Flying Clubs, Adarsh Schools and Metro Rail System for Ludhiana.

TRANSPORT

37. 9 important State Highways/ Corridors with a length of 526 km are being widened and upgraded at an estimated cost of Rs. 624 cr under BOT basis. Besides, work is underway on 23 ROBs/RUBs and is likely to be completed in a year's time. The MORTH has already been requested to grant additional funds to the tune of at least Rs. 80 cr 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. The World Bank is successfully assisting the State Government by funding (to the extent of 75%) a Rs. 1500 cr project for the upgradation and rehabilitation of 1100 km road length during the next five years. The progress of this project is on schedule.

38. The 4-laning of some of the National Highways: Chandigarh – Kiratpur, Amritsar – Pathankot and Jalandhar – Amritsar has been sanctioned but the progress of work is very slow. NHAI needs to expedite the completion of 4-laning of these roads. There are 2 other projects – 6-laning of Ludhiana-Chandigarh highway and 4-laning of Ludhiana-Ferozepur highway which have been announced by the Hon'ble Prime Minister and which need to be taken up for expeditious execution.

39. There are some other issues which require the attention of Planning Commission. There is a backlog of Rs. 130.66 cr in respect of Central Road Fund and the request of the State Government is that the Government of India should clear this backlog in the year 2007-2008. The other issue is with regard to release of Rs. 20.78 cr by MORTH for the construction of Domoria Bridge, Jalandhar, the foundation stone of which was laid by the then Prime Minister, Sh. Inder Kumar Gujral. I also request your intervention to provide funds for land acquisition for upgradation of rural roads under PMGSY. The funds provided for the maintenance of National Highways to the State are also inadequate and need to be increased. I would also urge you to finalise the alignment of the Rail Freight Corridor so that the Logistics Park at Ludhiana may be taken up for construction. We also request the Ministry of Railways to expedite work on modernizing the Amritsar, Jalandhar and Ludhiana Railway Stations.

CIVIL AVIATION

40. We welcome the decision of Ministry of Civil Aviation for approving an International Airport at Chandigarh. Punjab, Haryana and Airport Authority of India are collaborating in this project. There is a need to set up some more domestic airports in the State. The State Government intends to set up Civil Enclaves at the Adampur and Bathinda Air Force Stations. Ministry of Defence is requested to expedite its approval. The Airports Authority of India (AAI) should also develop Sahnewal Air strip near Ludhiana as a domestic airport. The State Government has planned the establishment of 6 new flying training centres at Amritsar, Ludhiana, Bathinda, Talwandi Sabo, Faridkot & Sultanpur Lodhi, some of them in the private sector. The State Government is keen to establish a Civil Aviation University in the State.

RURAL WATER SUPPLY

41. Sir, notwithstanding the present initiatives of the Union and State Governments, it is a hard fact that adequate, clean drinking water and basic sanitation facilities continue to elude the majority of our rural population. It is time that the Planning Commission took serious cognizance of this and launched a major time-bound initiative to provide these basic amenities. The State Government has drawn up a plan to cover 3464 NC and 2847 PC villages by the end of the 11th Plan. An agreement has been signed by the State Government with World Bank for Rs. 1280 cr for Punjab Rural Water Supply and Sanitation Project for five years in February 2007 for providing water supply in 2124 NC and 920 PC villages. The remaining villages would be covered through assistance under NABARD and ARWSP.

URBAN DEVELOPMENT

42. Punjab is looking forward to channelize investment from both within India and abroad to promote real estate development in a big way. For the first time, the State has come out with a comprehensive policy prescribing collection of External Development

Charges, License/Permission Fee and Change of Land Use charges, to generate sufficient revenue to provide the ultra modern urban infrastructure. New Town Planning norms conforming to international standards have been laid for the development of towns. A process for preparation of Master Plans of the four Corporation Towns and 40 other towns has been initiated. M/s Jurong International of Singapore have been engaged for preparation of Master Plan of Greater Mohali area bordering Chandigarh.

43. City Development Plans for Amritsar to the extent of Rs. 3150 cr and for Ludhiana to the tune of Rs. 2054 cr have been approved by MoUD, Government of India under JNNURM. Detailed project reports for some components including the Elevated Road Project in Amrtisar have been approved and work has started. We thank the Hon'ble Prime Minister for including the satellite town of SAS Nagar (Mohali) under JNNURM as a part of the tri-city of Chandigarh. The State Government has also signed an agreement with Japan Bank for International Cooperation (JBIC) for a loan of Rs. 360 cr (JBIC- Rs. 276.24 cr, State/MC – Rs. 83.77 cr) for providing 100% coverage for sewerage and installation of sewerage treatment plants in Amritsar. The urban infrastructure including water supply, sewerage and sewerage treatment plants in 56 major towns of the State is proposed to be provided under Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT). Besides, basic services for urban poor in Amritsar, Ludhiana and SAS Nagar will be covered under the much larger JNNURM scheme.

44. The State Government has decided to provide high quality urban bus service with public private partnership in the four Corporation Towns, viz. Amritsar, Jalandhar, Ludhiana and Patiala. The buses are scheduled to be launched from 14/4/2008 on the day of Baisakhi. M/s Delhi Metro Rail Corporation has been engaged for preparation of a detailed project report for providing Metro Rail Services in the Ludhiana city.

EDUCATION

45. The State Government has taken a lead by initiating a programme to set up over 141 Adarsh Schools, one in each block of the State for poor and meritorious students.

These will be constructed in an area of 10-12 acres at a capital cost of Rs. 4-5 crore on PPP mode. The estimated total cost of construction of these schools would be about Rs. 400 cr. Liability of the State Government would be limited to 50% of the cost of construction and infrastructure subject to maximum of Rs 2.00 cr and 70% recurring cost. Admissions to these schools equipped with all modern facilities would be restricted to poor and meritorious children.

46. State Government has launched a programme to upgrade educational infrastructure in 351 Rural High/ Senior Secondary schools through NABARD assisted Rs 141 cr project. It is proposed to equip these schools with Science Laboratories and other facilities. The State Government welcomes the Plan proposal to promote science education and research at graduate and post-graduate level through liberal scholarships. To achieve this objective, it is necessary that science education at the school level is strengthened. Government of India should assist the States by providing qualified faculty and fully equipped laboratories.

47. The Sarva Sikhsha Abhiyan has proved very successful in upgrading the infrastructure in Primary and Elementary Schools. The State Government feels that this programme needs to be strengthened and extended to Secondary schools. There is an urgent need to strengthen the teaching in science and mathematics at secondary level by providing qualified faculty and fully-equipped laboratories. The State Government has requested the Planning Commission to bear 50% of the expenditure on account of salary of ETT teachers of about Rs. 157 cr in the 6037 schools transferred to the PRIs and ULBs in 2006 under Sarva Sikhsha Abhiyan.

48. The State is successfully implementing the Mid-day Meal scheme in 16365 Primary and Elementary (Primary Section) schools covering about 14.42 lac students. The scheme has been extended to Upper Primary Stage (Classes VI-VIII) w.e.f. 1.10.2007 in 21 educationally backward blocks of 7 districts. To increase enrolment and check drop-out rate, the tuition fee for girls from Class I to XII stands abolished. The government spends Rs. 85 cr every year for supply of free text books to SC students, attendance and other pre and post matric scholarships for SC/OBC students.

49. State Government welcomes the proposal of the Planning Commission to revamp the ICT education and step up the outlays in the Secondary and Senior Secondary Schools in the country. We have already introduced computer education in 5272 Upper Primary Schools benefiting 13.50 lac students at an estimated cost of Rs. 96 cr. The annual liability on account of pay of teachers and maintenance of computer systems is about Rs. 70 cr which should be shared by Government of India. Similarly, the EDUSAT Programme was started during 2005-06 and commissioning has been completed at 290 locations at a cost of Rs. 12.00 cr. 200 new institutions are likely to be covered in 2008-09. There is a target of covering 2900 institutions by the end of 11th Plan under this programme.

50. The State Government has functionalized Vocational Education in 253 schools for about 20,000 students which works about 7 % of the total 3 lac students studying in 10+1 & 10+2. As per National Policy of Education 1986, 25 % of the student strength was to be diverted to Vocational Courses by the year 2000. There are 1339 Senior Secondary Schools in the State out of which Vocational Education was introduced in 343 schools but at present it is functional only in 253 schools. New vocational streams have been identified keeping in view the increasing needs in sectors such as housing and hospitality. Additional health related vocational courses will also strengthen health manpower development. A Plan of about Rs. 1009 cr has been submitted to Government of India for revamping the existing vocational education system in 343 institutions for covering 40,000 students. For achieving the 25 % goal of Education Policy of 1986, 35,000 more students will have to be enrolled and the Vocational Education will be required in 292 additional schools costing another sum of Rs. 740 cr for the next 5 years.

51. Three important National Level Institutes of higher knowledge - Indian Institute of Science Education and Research (IISER), National Agri Food Bio-Technology Institute and National Institute of Nano-Technology - are being set up in the proposed Knowledge City in SAS Nagar (Mohali). Admissions to IISER were started from the academic session of 2007-08 from a temporary campus in the Mahatma Gandhi Punjab State Institute of Public Administration in Chandigarh. An International Schools of Business is proposed to be set up in Mohali by the Industry in collaboration with ISB

Hyderabad. The State Government is contemplating an act for establishment of private universities in the State. The State Government reiterates its request for early clearance to the setting up of an Indian Institute of Technology and Indian Institute of Management in the State.

HEALTH

52. In Punjab, we are conscious of the fact that although most of our health indicators are better than national average yet these are not at par with some of the other similarly placed States with high income levels. Though Punjab is performing substantially better with respect of number of primary health centres and community health centres than the national average, we are further reinforcing our efforts and taking remedial action to optimise their functioning with a commitment to achieve the targets laid down by Planning Commission with regard to IMR (21), MMR (59), TFR (1.8) and Institutional Deliveries (80%).

53. The State Government welcomes the reference to the likely launch of a National Urban Health Mission for meeting the health needs of the urban poor, especially slum dwellers. In Punjab, an experiment was taken up on a pilot basis some years ago in Amritsar and its impact on increasing institutional deliveries and immunization has been successfully demonstrated. The State Government intends to upgrade the facilities in the hospitals situated in the Municipal Corporation Towns of Jalandhar, Ludhiana, Patiala and Bathinda. The project for Bathinda has already been sent to the Planning Commission for providing a sum of Rs. 12 crore. I would urge you to accord early approval and provide us the desired sum for these four towns. Work under the National Rural Health Mission has been speeded up during the year to achieve the desired objectives. The State has decided to adopt the Rashtriya Swasthya Bima Yojana for providing Health Insurance cover of Rs. 30,000/- for BPL families from the year 2008-09.

54. The State is plagued by problems of drug addiction, female foeticide as well as deaths due to cancer in certain endemic pockets of southern Punjab. These problems also

have social ramifications and tend to rupture the social fabric. Drug De-Addiction Centers are proposed to be set up at district and state level.

Gender Ratio

55. The State has been given the target of sex ratio in the 0-6 age group of 850 by the end of the 11th Five Year Plan as against the figure of 798 as per 2001 census. The State Government has sought to tackle the menace of female foeticide through strict enforcement of PNDT Act, mass media campaigns and assistance to NGOs. Out of 403 prosecutions launched in the country, 97 cases are from Punjab alone and so far there have been 7 convictions. The State Government has launched two schemes for providing incentives for the girl child – Balri Rakshak Yojana and Kanya Jagriti Yojana. The Panchayats which achieve the child sex ratio above 950 are honoured with an incentive grant of Rs. 2.5 lakh. Our efforts have partially borne fruit as is evident from the SRS data, as per which the child sex ratio has increased from 796 in 2002 to 818 in 2005.

56. The State Government with the help of Ministry of Health, Government of India is setting up Oncology Wings under the Cancer Control Programme in all the three State Medical Colleges. While the project for Government Medical College Amritsar has been approved, the approvals for the two Medical Colleges at Patiala and Faridkot are in pipe line and are likely to be received soon. State Government is also setting up a Cancer Hospital in Public Private Partnership in Government Hospital at Bathinda.

57. The State Government has requested Hon'ble Prime Minister to include Government Medical College Amritsar, one of the six oldest medical institutions in the country, under Pradhan Mantri Swasthya Suraksha Yojna (PMSSY). The PMSSY was approved in 2006 for upgradation of medical institutions with an outlay of Rs. 120 cr to each of the selected medical colleges. I request for an early favorable decision in this regard. The State Government has released Rs. 25 cr for upgradation of its five Medical and Dental Colleges in the year 2007-08. The State Government intends to construct 2 Nursing Colleges connected with Government Medical College Amritsar and Patiala in the year 2008-09.

58. The Tele-medicine Project for linking all the 20 District Hospitals and 3 Government Medical Colleges with PGI is under implementation at an estimated cost of Rs. 4 cr. Four hospitals have already been connected and remaining hospitals would be linked by 30/4/2008. The State Government plans to run the Punjab Institute of Medical Sciences at Jalandhar in Public Private Partnership mode.

SOCIAL SECURITY

59. The State Government is conscious of its responsibility towards the weaker and disadvantaged groups of the society. A dedicated Social Security Fund of around Rs. 500 cr has been created to meet the State's commitment with regard to old age and other pensions, various scholarships to SC girls and boys and other beneficiary schemes for the disadvantaged groups. The State Government is running 20,169 Anganwadi Centres for the benefit of 11.53 lakh children and pregnant mothers. The level of malnutrition amongst children, which is about 28% at present, is likely to decline to 14% by the end of 11th Five Year Plan. The State Government is introducing Janshree Bima Yojana in 2008-09 for providing an insurance cover of Rs.75,000/- for accidental death and Rs. 30,000 for natural death through LIC for the BPL families. The premium of Rs. 200 per annum is to be shared equally between Government of India and State Government.

WELFARE OF SCHEDULED CASTES / BACKWARD CLASSES

60. All SC and BPL families get free electricity up to 200 units per month. The State Electricity Board is fully re-imbursed the cost of free power by the State Government. Under the Shagun 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 within annual outlay of Rs. 40 cr. The State Government annually spends about Rs. 85 cr 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 and free text books to SC students. The State Government has launched a new scheme – Financial Assistance to SC Youth for flying training of Commercial Pilot License (CPL), under which SC students enrolled in Pilot training would be given fee concession to the extent

of Rs. 5 lacs per beneficiary. On the other hand, the State has a good record in protecting the civil rights of its disadvantaged groups with wide publicity to the legal protection afforded under the law. Panchayats that do outstanding work for overall development of Scheduled Castes are given an incentive grant of Rs. 50,000/-.

Scheduled Castes Sub Plan Component

61. 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. The size of the Annual Plan 2008-09 is Rs. 6000 cr and a sum of Rs. 1731 cr has been earmarked for SCSP component which works out to about 29 %.

62. The SC population in the state constitutes 28.85 % of the total population which is 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.

FOOD & CIVIL SUPPLIES

63. The Public Distribution System is being successfully implemented for the benefit of 4.68 lac poor families comprising of 1.79 lac AAY and 2.89 lac for BPL (Non AAY) families. The scope and coverage of the existing PDS is limited. The State Government launched Atta-Dal scheme on 15/8/2007 for providing subsidized Wheat & Pulses to 13.47 lac poor families. The families are being distributed subsidized wheat at the scale of 7 kg per family member to a maximum of 35 kg per family per month @ Rs. 4 /- per kg. The pulses are being distributed at the scale of 1 kg per family member to a maximum of 4 kg per family per month @ Rs 20/- per kg. The subsidy involved is Rs. 450 cr per annum.

SCIENCE, TECHNOLOGY AND ENVIRONMENT

64. Sir, our Government accords importance to developing a scientific temper in our youth of the State and de-mystifying science for the multitudes. The State Government plans to complete the 2nd phase of Pushpa Gujral Science City at Jalandhar at an estimated cost of Rs. 15 cr. in the current year. The Expenditure Finance Committee (EFC) of Department of Bio Technology in its meeting on 6/2/2008 has approved the Biotechnology cluster in the Knowledge City comprising of NABI, Bio Processing Unit and Bio Technology Park. Department of Science and Technology is likely to obtain EFC and Cabinet clearance for Nano Technology Institute in February, 2008. Government of India has already agreed in principle to set up 4 Centres of Excellence in the field of Bio-pesticides (Rs. 172.65 cr), Genetic Engineering (Rs. 219.85 cr), Medicinal and Aromatic Plants (Rs. 200.65 cr) and Technology Assessment and Transfers (Rs. 78.15 cr). The State Government has submitted the DPRs to the Ministry for Science and Technology for approval.

65. The Punjab Pollution Control Board has been entrusted with the responsibility of checking pollution in the State and Environment Impact Assessment Authority (SEIAA) and State Expert Appraisal Committee have been constituted for environmental clearance of Mega Projects. 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.

Renewable Energy

66. In the field of renewable energy, 24 Mini Hydel Plants of 26 MW capacity have already been commissioned while 41 more sites have been allotted for construction of the Mini Hydel Plants on various canals in the state with an installed capacity of 27 MW. The Punjab Energy Development Agency (PEDA) has drawn up a plan to generate 100 MW solar power at different locations in the State for which global bids have been invited by 4/3/2008. PEDA has also signed a MoU with M/s Suzlon Gujarat Wind Park Ltd. on 13/12/2007 for installation and commissioning of 2 wind power projects of 50 MW each

in the Muktsar and Hoshiarpur districts. 6 co-generation bio-mass power projects of 39 MW capacity have been commissioned in the existing sugar mills. 4 projects of 91 MW capacity will be commissioned by 31/3/2008. 6 more project of 40 MW capacity are in pipe line. 30 bio-mass power projects with a total capacity of 330 MW have also been approved.

SPORTS & YOUTH SERVICES

67. A world class cricket stadium is being constructed at Bathinda by the Bathinda Development Authority (BDA) in collaboration with BCCI and PCA. One State-of-the-art Sports Complex is being developed on 28 acres of land in Mohali in PPP Mode. 12 Stadiums were constructed in different blocks in the State during 2007-08 and funds have been released for construction of two more stadiums at Gidderbaha & Rajpura. The Shooting Range at Village Badal has been upgraded to international standards. During 2008-09, the Sports Infrastructure is proposed to be upgraded at Sansarpur where the work of laying of Synthetic Hockey Surface would be completed. In addition, Synthetic Hockey Surface would be laid in three other pockets in the State.

68. The State Government has so far established 10 Centres for Training and Employment of Punjab Youth (C-PYTE) in the State. It is proposed to start 4 more Centres in the year 2008-09. Approximately 7000 youth are imparted training for enabling them to secure jobs in the Armed and Para-Military Forces.

TOURISM

69. The importance of Tourism Sector in generating employment opportunities is well recognized. The State Government will be spending about Rs. 35 cr during the next two years of the 11th Five Year Plan for developing Amritsar, Attari Border and Patiala as Tourist Destinations and on development of religious pilgrim circuits and freedom struggle circuits. The existing religious monuments, homes of freedom fighters and other monuments would be renovated by the State Government. Another important initiative planed by the State Government and the Indian Railway is the 'Incredible India – Punjab

Luxury Train' costing about Rs. 30 cr. Ministry of Tourism, Government of India and Indian Railways and the Punjab Government are jointly funding the project. Ministry of Railways have recently revised their policy regarding collaboration with the State Governments and the modalities are being resolved with the railway authorities.

70. The historic Fort in Gobindgarh at Amritsar, built by Maharaja Ranjit Singh and under the control of Army, has been handed over to the State Government with the kind intervention of the Hon'ble Prime Minister of India. This fort has been now transferred to the Tourism Department and its renovation at an estimated cost of Rs. 50 cr is planned during the 11th Five Year Plan. Government of India is requested to extend help in renovation of this historic Fort.

EMPLOYMENT GENERATION

71. Growth in employment, especially in the organized sector, has not been commensurate with the growth in the Economy during the 10th Five Year Plan. Jobless growth is clearly unsustainable and there is urgent need to enhance the employability of the youth in the State. It is in this context that the State Government has recently created a separate Department of Employment Generation and Training.

72. A sum of Rs. 5 cr has been earmarked for the Department of Employment Generation and Training in the current year with a view to exploring avenues for employment for Punjab youth in various places. The proposal of the Planning Commission to launch a "National Skill Development Mission" in the 11th Plan is laudable. Schemes are being worked out to enhance the skill and competency of the students through vocational education by introducing more courses in ITI's/ Polytechnics, Institutes for Pilot Training as well as by opening a Skill Development Center in every block in the State. A start has already been made by commissioning training of youth as security personnel in the Police Recruitment Training Centre, Jehankhelan (Hoshiarpur). Similarly, a project for providing training for employment of rural youth has been started with Government of India assistance in collaboration with Dr. Reddy's Foundation in 10 districts. A Foreign Employment Information & Training Bureau with the objective of

generating information for employment of Punjab youth outside the country is being set up.

BORDER AREA DEVELOPMENT

73. Punjab has a 553 km long international border with Pakistan. On account of their geographical location, the four districts of Gurdaspur, Amritsar, Tarn Taran and Ferozepur are not as developed as the other districts of the State. State Government has three specific requests related to the people of these areas. One, there is a need to compensate farmers at Rs. 10,000 per acre annually for the 18,500 acres of cultivable land situated across the border fence. The annual liability is hardly Rs. 20 cr. Sir, I have been repeatedly raising this issue at different fora and I welcome the recent visit of the Union Home Minister for first-hand experience of the plight of these farmers. The other two issues relate to sanction of Rs. 200 cr project for upgrading 753 km village roads in border areas by Ministry of Rural Development and grant of special fiscal and other incentives to the industry on the pattern of Himachal Pradesh and Jammu & Kashmir.

DECENTRALIZATION

74. The Punjab District Planning Committees Act was enacted in 2005 and the Procedure of Transaction of Business Rules 2006 have also been notified. The detailed guidelines for holding elections for electing four-fifth Members of the District Planning Committees from amongst the Members of Zila Parishads and Urban Local Bodies have been circulated to all districts. The State Government is holding elections for the Municipal Bodies and Zila Parishads in April, 2008. The District Planning Committees are proposed to be constituted immediately after these elections.

GENDER BUDGETING

75. As per guidelines of Ministry of Social Justice and Empowerment, Government of India, an attempt has been made in the Annual Plan 2008-09 to introduce gender specific programmes for women. Though majority of programmes included in the Plan are gender

neutral, an allocation of Rs. 684.30 cr has been provided for programmes for the welfare and development of women.

CONCLUSION

76. Ladies and Gentlemen, you all are no strangers to the problems and challenges being faced by Punjab. Our State has rendered a yeoman service to the cause of nation's food security and in the process has made its own economic sustenance fragile. The long period of militancy was a national problem but it is only the State that continues to endure its after-effects even more than a decade later. Our land-locked geographical location coupled with an active border are certain disincentives for which we deserve to be adequately compensated. While we in the State Government are committed to put Punjab back on the path to renewed progress and economic prosperity, I rightfully call upon the Planning Commission to contribute its might by way of allocating increased resources to us to overcome the special problems I have outlined earlier.

77. While concluding, I would like to thank you for affording me this opportunity to meet you all and discuss the Annual Plan 2008-09.

JAI HIND