

GOVERNMENT OF PUNJAB



SPEECH OF
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Hon'ble Prime Minister, Deputy Chairman, Planning Commission of India, Esteemed Members of the National Development Council (NDC), Ladies and Gentlemen

INTRODUCTORY

1. Mr. Prime Minister, Sir, let me begin by congratulating yourself and the Chairman, Dr. Montek Singh Ahluwalia, Deputy Chairman and Members of the Planning Commission for preparing an exhaustive Mid Term Appraisal document for consideration by the National Development Council, I also thank you for providing me an opportunity to express my views and raise important issues concerning Punjab.

2. Faster and more inclusive growth was one of the important goals of the 11th plan. The needs of vulnerable sections of our population particularly the scheduled castes, backward classes, women and minorities were to be addressed through suitably designed schemes. The plan sought to lay special emphasis at providing access to health, education and other essential services and programmes of livelihood support. The plan document also fixed targets for as many as 11 indicators in various sectors. This is a very opportune time for reviewing the progress made in the above areas during the first three years.

PLAN PERFORMANCE

3. During the 10th five year plan the State economy grew at the rate of 5.11 % against the national average 7.80%. The 11th Plan target for the State was fixed at 5.90% as compared to 9% for the country as a whole. The economic growth during the first three years of the plan has been 6.88%, 6.40% and 6.69%, which compares favourably with country's growth at 9.00%, 6.70% and 7.40%. Record procurement of food grains and the growth

in the tertiary sector have mainly contributed to this high growth. Sluggish growth in the industrial sector is an impediment to high growth in the State.

4. The approved outlay for the 11th Five Year Plan (2007-12) was fixed at Rs. 28923 crore. The plan performance during the first three years have been 98%, 112% and 58%. Implementation of the Pay Commission recommendations, slow down in the real estate sector and low VAT growth due to slow down in the economy have impacted the plan performance in the year 2009-10. The year-wise details of outlay, expenditure and plan performance is as under:-

11th Plan Outlays

(Rs Cr)

Year	Outlay	Expenditure	%age Performance
2007-08	5111	5024	98
2008-09	6210	6925	112
2009-10	8600	4944	58
2010-11	9150		
2011-12			
Total (first 3 years)	19921	16893	85
Full 5 years	28923		

5. The 16 flagship schemes of Government of India are important for achieving the 11th plan goals of high and inclusive growth, access to education, health and providing livelihood support. The criteria for allocation of funds under some of these schemes do not favour developed states like Punjab. There is no provision for upgradation and maintenance of works under these schemes. The State having hardly any unirrigated area is put to disadvantage while allocating funds under Rashtriya Krishi Vikas Yojana.

In spite of having 29% SC population, due to skewed BPL criterion, the State does not receive any substantial grant for poverty alleviation programmes. The State, having provided primary schools as per national norms, 100% rural link road connectivity and 100% rural electrification is deprived of adequate funds under SSA, PMGSY and RGGVY. We urge the GoI to review the criteria of the above mentioned schemes and allow funds for upgradation and maintenance of the huge infrastructure created by the State.

STATE FINANCES

6. The State is passing through a phase of fiscal stress on account of huge accumulated debt, implementation of recommendations of Pay Commission and inadequate support from the Government of India. Prolonged period of militancy and tax concessions to neighboring states during the last 10 years or so have rendered the manufacturing sector in the State uncompetitive. The State has not been able to achieve large scale industrial development. The contribution of this sector to State GSDP is about 13% with registered manufacturing sector having contributed only 6% to the GSDP. The contribution of primary and tertiary sector is about 34% and 44% respectively. This partly explains the low tax to GSDP ratio of about 7%.

7. Lack of resources have led to excessive dependence on borrowings which have accumulated to Rs. 64924 crore at the beginning of the current financial year. The net borrowing of the State during the current financial year would be Rs.6586 crore and about Rs. 5700 crore of it would go to service the interest liabilities. The origin of this huge debt lies predominantly in extra expenditure incurred in fighting the militancy in 1980s and 1990s. However the debt stock as a percentage of GSDP has been consistently declining from the high of 45% in 2005-06 to 34% in 2009-10.

As per 2010-11(BE) this ratio is likely at 32.85%. However, due to the huge accumulated debt of the State and consequent higher interest payments the State Government still does not have enough resources to meet its non-plan and plan commitments. Punjab has a strong case for a comprehensive fresh look at Punjab's debt because the present debt level is unsustainable and the State can not lift itself out of the debt trap with its own resources without help from outside. Government of India may consider evolving a special package for all States whose debt position is unsustainable. I would request the Government of India to come out with a one time complete debt waiver or at least debt rescheduling for another 30 years.

8. The State Government has made consistent efforts to improve the tax revenue which increased by 10%, 13% and 8% during the first three years of the plan. However, much to our disappointment the 13th Finance Commission has only marginally increased the share of states in central taxes from 30.5% to 32%. The formula adopted by the 13th Finance Commission for inter-se distribution among the States is also not favourable to developed State, like Punjab. As a result, the State's share in the divisible pool of taxes has just increased from 1.299% under the 12th Finance Commission to 1.389% under the 13th Finance Commission. Similarly, the State's share in Service Tax has registered only a marginal increase from 1.316% to 1.411%.

9. The Government of Punjab supports the introduction of Goods and Service Tax (GST) in the country. At present the State of Punjab is getting about Rs. 1200 crore of revenue per annum i.e nearly 15% of the total VAT revenue from purchase tax on paddy, wheat, cotton etc. If purchase tax is subsumed, the State will lose this revenue on a continuous basis. Hence, the State of Punjab strongly objects to the subsuming of purchase tax in the proposed GST model. Even if Government of India is giving compensation,

it will be only for few years and thereafter the State is going to lose substantial revenue on a permanent basis. If the GST is going to be implemented w.e.f 01.04.2011 in the country, then for the calculation of the Revenue Neutral Rate(RNR), the latest revenue figures for the year 2008-09 and 2009-10 needs to be considered.

Mr. Prime Minister, Sir, I would now like to dwell upon the other items of agenda and issues concerning Punjab.

LEFT WING EXTREMISM

10. Absence of development activities, denial of essential services, industrialization and forcible land acquisitions are some of the causes leading to Naxal violence. Besides, democratic institutions in these areas have failed to articulate the grievances of the general masses. These factors are not conspicuous in the State of Punjab.

11. However, Punjab has a history of dealing with violent Naxal agitation successfully in late sixties. However, certain pro-maoist front organizations have emerged during the last decade. The remnants who remained dormant for a long period have again started working for these over-ground and front organizations. In the process they have reorganized themselves by taking up popular causes of various sections of the society/organizations. At present the strategy of LWE organizations is to infiltrate the active farmers, students, labourers and employees organizations by taking up their popular grievances and guiding them to hold disruptive mass agitations and expand their base for future action.

12. However, there is a need to strengthen the law enforcement agencies by way of capacity building and enhancing development activities in general.

STRATEGY FOR AGRICULTURE

13. Punjab has been instrumental in ensuring national food security, consistently contributing about 45% of wheat and 25% of rice towards the Central Pool. Even under drought like situation in 2009, the State produced 168 lac MT of paddy and contributed about 138 lac MT of paddy for the Central Pool. During Rabi 2010, 152 lac MT of wheat was produced.

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

15. 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. Prices of both agriculture produce and inputs are regulated by the Central Government and the profitability in agriculture has declined in the last 2-3 decades. The Commission for Agriculture 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 headed by the noted farm economist, Dr. MS Swaminathan, that MSP should be equal to the cost of production plus

50% as profit. The farm labour should be treated as semi skilled and the value of land should be taken into account while working out the cost of production.

16. The rural debts in Punjab estimated to be Rs. 35000 crore have assumed the proportions of a grave human tragedy. The debt waiver announced by the Government of India was mainly aimed at small and marginal farmers who defaulted in repayment of loans. Punjab has less number of small and marginal farmers in Punjab. Besides, recoveries are also good and therefore the farmers of the State did not benefit much from the debt waiver. 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 also be brought in the gamut of the relief scheme. The farmers should not be penalized for making regular repayment of loan.

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

State is ready to provide 200 hectares of land required for this Institute in Ludhiana. Ministry of Agriculture should locate this Institute in Punjab.

18. The Rashtriya Krishi Vikas Yojana (RKVY) is a good initiative but the allocation for the State is not much. It received Rs. 35 crore, Rs. 87.52 crore and Rs. 43.23 crore in the first three years of 11th Five Year Plan. The criterion for allocation does not favour the State. Half the weightage should be given to maintenance and up-gradation of existing infrastructure of irrigation and remaining half to un-irrigated area against the proposed norms of full weightage to un-irrigated area. The left out 10 districts of the State should be covered under National Food Security Mission for wheat. Also the State being a leading producer of rice should get assistance under National Food Security Mission for rice.

19. The present cycle of wheat and paddy has contributed to decline in soil fertility and depletion of water resources. Use of BT cotton seeds and citrus plantation have been a limited success. More and effective efforts are required to be taken for diversification of agriculture. The farmers respond very positively to realistic support prices and assured purchase. The Central government has announced minimum support price for over 25 agriculture commodities including pulses, oil seeds, etc, however, there is no effective procurement mechanism for the purchase of crops other than wheat and paddy. To boost farm exports, a temporary Perishable Cargo Complex at Amritsar Airport has been constructed. However, Government of India is urged to construct a permanent Complex to boost the present sub-optimal business.

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

manpower needs of the Animal Husbandry sector. Another Veterinary Polytechnic College is soon coming up at Kaljharani in Bathinda. The State Government requests that one time grant of Rs.100 crore be provided to GADVASU so that it can support the state in producing quality manpower, generation and dissemination of technologies, address issues of climate change and emerging diseases etc.

21. In view of saturation in Agriculture, boost to Animal Husbandry is a must to increase the farmers' income. The State requests that the Animal Husbandry activities like dairy, poultry, piggery etc. be classified at par with Agriculture so that the benefits like exemption from income tax, interest rate at par with crop loan etc. are available to Dairy farming, Poultry farming, Piggery farming and other Animal Husbandry activities.

22. Venture Capital Fund Scheme is being operated through NABARD for establishment of small dairy units. The benefit under the scheme for induction of dairy animals is available only in Non-Operation Flood States. Operation Flood ended long time back in 1995. Therefore, the State Government requests that the induction of dairy animals is allowed under the scheme to Punjab State as well.

RURAL EMPLOYMENT

23. Under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Rs.250.33 crore were spent in the last three years. Initially the scheme had a poor start but now its implementation has picked up and the State is set to spend a sum of Rs. 250 crore in the current year. The list of permitted works needs to be expanded. The construction of toilets for SC and BPL families, lining of distributaries, minors, water courses, boundary walls for schools and hospitals and white washing of government

buildings should be included in the list of approved works under MGNREGS.

FOOD SECURITY

24. My Government in 2007-08 launched Atta Dal scheme for providing subsidized wheat and pulses to families having annual income of less than Rs. 30000. At present 14.85 lacs families have been enrolled under this scheme. The number of BPL families in the State is only 5.23 lac which is about 11% of the families in the State. The Tendulkar Committee which was appointed in 2005 has submitted its report. The poverty ratio in Punjab has been pegged at 20.2 % by the Committee. The recommendations of the Committee should be implemented and a fresh survey for BPL families needs to be carried out without any delay. In recent months there has been increase in food prices compromising the nutritional requirements of large number of people. The Public Distribution System needs to be expanded and food security of poor people should be ensured.

WATER RESOURCES

25. Punjab is predominantly an agrarian State having 85% of its geographical area under cultivation with an average cropping intensity of 189%. The present cropping pattern and the efforts to increase the productivity of foodgrains have put immense strain on irrigation system specially the underground water resources. The irrigation requirements of the State are met from canal irrigation to the extent of 27% and from groundwater to the extent of 73%. The century old canal network in the State has seen its irrigation capacity declining by 30%. The groundwater resources have been over exploited as a result of which 108 blocks out of 137 blocks have already been declared dark.

26. The State needs 52 MAF of water out of which the availability of surface/ canal waters is only to the extent of 15 MAF. The State does not have any surplus water and we reiterate our long standing demand that the Riparian Principle be adopted for inter-basin transfer of water by protecting existing usages & future needs of Riparian States. The surplus water available in the basin must be utilized for projects of inter basin transfer.

27. The State Government has prepared and posed to Government of India a Rs.734 crore project for extension, renovation and modernization of the canals being fed by river Satluj. The Central Water Commission has given the technical clearance and the Planning Commission is requested to expedite the investment clearance.

28. The Accelerated Irrigation Benefit Programme (AIBP) has been of great help to the State Government. At present there are five AIBP Schemes under implementation in the State. We have two specific issues in regard to AIBP. Firstly the 1- for- 1 restrictions for funding projects under AIBP should be removed so that more projects can be taken up for execution. Secondly the share of Government of India should be 50% for all projects and not only for CADA projects.

29. Rehabilitation of century old canal network in the State is of great priority to the State. We welcome the Government of India assistance for relining of Rajasthan and Sirhind feeder. As per discussions, the cost of Rs.952 crore for relining of Rajasthan feeder is to be shared in the ratio of 90:10 between Government of India and Government of Rajasthan. However Government of India contribution for Sirhind feeder will be to the extent of 25% for the length falling in Punjab. I reiterate my request for funding of these projects on equal footings and Government of India should contribute 90% cost of both these projects.

30. The State Government in order to arrest the depleting ground water level has enacted the Punjab Preservation of Sub Soil Water Act 2009 under which sowing of paddy before 10th June has been prohibited. Drip and Sprinkler irrigation systems are being promoted in the State. Various schemes have been launched for conservation of water for irrigation purposes. Pilot schemes for artificial recharge of ground water have been launched and the State government has approached NABARD for funding these schemes. The State Government is constructing low dams in the semi hilly areas of the State bordering Himachal Pradesh.

31. The increasing stress on Ground Water resources compel us to take regulatory and management steps but the strict and coercive measures regarding registration of existing ground water extraction structures and seizure of equipment and disconnection of electric connection to new tubewells in notified areas as per Model Bill has practical difficulties and needs careful consideration, specially for agrarian states, like Punjab. Thus, we are of the view that the affirmative action for improving the ground water situation by adopting the rain water harvesting and implementing the ground water recharge schemes, as envisaged in the Model Bill does not necessarily require enactment of a legislation.

32. The directions issued by Central Ground Water Authority (CGWA) under section 5 of Environment (Protection) Act, 1986 for the purpose of regulation and control of ground water development and management in the already declared “Notified Areas” of Ludhiana City and 5 blocks in Moga and Sangrur Districts in Punjab State by registration of all structures, ban on installations of new extraction structures, giving permissions to new structures and protecting aquifers up to 150 m of drinking and domestic water supply only, will critically affect the farmers with marginal to medium holdings up to 4 Hectare (60% of the total farming community) and may not

give desired results. This if extended to other 98 over exploited blocks, covering about 80% area of the State, can adversely affect the economic structure of the State.

33. The State Government feels that the diversification of agriculture, water conservation techniques and incentives for micro irrigation, roof top rain water harvesting and artificial recharge of ground water are better alternatives than the directions issued by CGWA. There is a lot of potential for construction of low dams in the kandi area and Government of India need to cover these dams under the National Project for Repair, Renovation and Restoration of Water Bodies.

POWER

34. The State Government has dissolved Punjab State Electricity Board as per Central Electricity Act, 2003 and has formed two state owned companies i.e. Punjab State Transmission Corporation Ltd. to look after transmission and Punjab State Power Corporation Ltd. to look after generation and distribution of electricity.

35. The present generation capacity of Punjab is 6901 MW including central share of 1940 MW, whereas peak unrestricted demand is about 9000 MW. Thus, there is a shortfall of 30% of peak demand. The power demand is likely to go up to 11000 MW by the end of 11th Plan. Punjab Government has put on anvil an ambitious plan of capacity generation in the State to make it a power surplus State by 2013-14. Additional generation capacity of 500MW has been added at Lehra Mohabat Stage II during 2007-09. The work is in full swing at 1980 MW Talwandi Sabo and 540 MW Goindwal Sahib Thermal Power Plant. The 1320 MW Rajpura Thermal Power Plant has recently been allotted to Larsen and Toubro Ltd. These projects are likely to be completed by 2012-13.

36. The State government proposes to set up a 2640 MW plant at Giddherbaha where land has been acquired and EOIs have been invited. Further activities are held up due to non approval of coal linkages/ coal block. Punjab Government has been making requests for allocation of Captive Coal Blocks for these Projects. Allotment of Coal Blocks of good quality coal preferably D/E grade in open cast mine shall help Punjab State Power Corporation Ltd.(PSPCL) in getting maximum generation from the Projects. PSPCL has sound track record of development of PACHWARA CENTRAL Coal Block from where supply of coal together with supplies from Coal India Limited has enabled the GGSSIP Ropar, GHTP Lehra Mohabat and GNDTP Bathinda to generate power up to full capacity.

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

INDUSTRIAL DEVELOPMENT

38. New Industrial Policy, 2009 of Punjab has been notified, under which special package of concessions has been provided for Information Technology & Knowledge based industries, agro based industries and food

processing industries. Punjab Special Economic Zones Act, 2009 has been enacted. The Government of India should remove the minimum land requirement of 100 hectare for sector specific Economic Zones in view of high value of land in Punjab.

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

40. State Government has requested Government of India to allow additional items for trade through the Attari land route. Items like shawls, hand machines tools, leather goods, garments, auto parts, wheat and flour are in great demand in Pakistan and can be easily exported through Attari. Against more than one thousand items tradable with Pakistan, only a few of these items can move through the land route. This negates the locational advantages the State has with Pakistan.

RURAL WATER SUPPLY

41. The state is adhering to its programme for providing drinking water supply to all rural habitations by the end of 11th Five Year Plan through the Rs.1280 crore World Bank Project (2007-12), NABARD projects and NRWSP. There are a total 14111 habitations in the State out of which 12516 habitations stand covered as on 31-03-2010. The remaining 1595 Not Covered habitations, will be covered by the end of the 11th Five Year Plan.

42. It is unfortunate that India has not been able to eliminate the practice of open defecation. This leads to contamination of water and many diseases.

The total sanitation campaign of Government of India is inadequate. A sum of Rs.1500 is given as assistance. A flush toilet these days does not cost less than Rs.10,000. Government of India is requested to revise the norms and launch a campaign for construction of toilets. The State Government on its own will be spending a sum of Rs.277 crore for construction of 2.77 lac toilets by the end of 2010-11.

INFRASTRUCTURE

43. A number of major initiatives have been taken to upgrade the infrastructure in the State. We have Punjab Infrastructure Development Board (PIDB) to execute infrastructure development projects under PPP and EPC mode. PIDB has already completed 33 projects involving an investment of Rs. 715 crore in PPP mode in the 10th plan. These projects include 11 road corridors, 11 ITIs/polytechnics, 3 bus terminals. 11 projects costing Rs.1640 crore stand allotted. Some of the important projects included are Punjab Institute of Medical Sciences(PIMS) Jalandhar, 2 Five Star Hotels, 2 Three Star Hotels and 2 Cancer and Super Specialty Hospitals. 99 projects involving an investment of Rs.13389 crore are also planned. Major projects planned are 11 BOT roads, 7 bus terminals, 39 inter state check points and 2 sport complexes at Mohali and Bathinda.

44. Under Central Road Fund (CRF), as per earlier formula for allocating funds, the weightage was given to the states for area and fuel consumption in the ratio of 40:60. Now this ratio has been changed to 70:30. Due to this change, annual accrual for the State has reduced by over Rs. 28 crore during 2009-10. The original criteria need to be restored. Government of India is requested to approve Rs. 100 crore for pending works under CRF and clear the backlog of Rs. 114 crore as on 31.03.2009.

URBANISATION

45. In order to steer urban growth in orderly manner the State Government has undertaken the task of formulation of Master Plan of urban key areas. Master plan of 10 towns – Ludhiana, Mohali, Mullanpur, Dera Bassi, Zirakpur, Kharar, Banur, Bathinda, Abohar, Sri Hargobindpur and Regional Plan Mohali has already been notified. Master Plan of 34 towns are in process of completion. In Phase two of Urban Development Strategy, 40 towns have been added to the list of already declared Local Planning Areas of 44 towns. Master Plans of these towns have already been initiated and they are in the preliminary stage of formulation. A comprehensive policy for levy of external development charges, licence fee and change of land use charges for generating adequate resources has been put in place. Self Certification scheme has been introduced for construction of residential building on a residential site located in the Improvement Trust and Urban Estates.

46. Our Government is alive to the sensitive issue of land acquisition and displacement of farmers and has notified a new Land Acquisition Policy. The private land would be acquired only if the land is needed for a defined public purpose. The private companies will buy the land on their own and the State Government will not acquire more than 10% of the land for them at their cost to provide contiguity and connectivity. The acquisition would be at the actual market rate and the farmers would be fully compensated. Land Pooling Policy has been introduced in the State as per which land owners will get back 50% share of developed land in lieu of compensation for their acquired land. This would simplify the land acquisition process and encourage the farmers in the development process.

47. The utilization of funds under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) would be stepped up in the current year. As of

now 30 projects worth Rs. 1196 crore stand sanctioned under the 4 components of the Mission. The progress of urban infrastructure work in Amritsar and UDISSMT towns is quite satisfactory. Work under BSUP has started in Amritsar and Ludhiana for construction of 4352 houses. The work under IHSDP would be started in Rajpura and Jalandhar. The State is facing difficulty in implementation of BSUP and IHSDP components on account of land issues. The Government of India should allow flexibility to the State Government to change the allocation from one component to another component of the JNNURM. An agreement has been signed with Japan International Cooperation Agency (JICA) for a loan of Rs. 360 crore for sewerage works in Amritsar.

48. The disposal of municipal solid waste and sewerage water have become a major issue in some of the towns. River Sutluj and some other rivers have been polluted by the untreated sewerage water of big towns like Ludhiana, Jalandhar and Phagwara. We welcome the National River Conservation Programme but the allocations under this Government of India scheme are inadequate. The water of river Sutluj are also utilized for water supply scheme in southern Punjab and Rajasthan. The State Government has formulated a proposal for cleaning of Budha Nallah in Ludhiana city for Rs.615 crore. Government of India is requested to grant liberal assistance for this project.

EDUCATION

49. As per District Information System for Education (DISE) report 2008-09, the State has improved its rank from 12th to 6th in Educational Development Index (EDI). Basic infrastructure like kitchen sheds, toilets, water supply and electricity have been provided in most of the schools. To meet the shortage of teachers, around 26668 teachers have been recruited

during the past two years. Computer Education has been made compulsory in 5415 schools and over 7100 computer teachers are imparting the computer education under ICT project. 21 new Model Schools and 21 Girls Hostels are being set up in educationally backward blocks. The Government of India is requested to finalize its policy for setting up of model schools through Central assistance in all the blocks in the country.

50. The Gross Enrolment Ratio at Primary level is 95.16%. The drop out rate has come down to 1.89% for primary level and to 4.17% at upper primary level in 2008. The enrolment of students in private schools was earlier not being counted. The literacy rate which was 69.69% as per 2001 census has increased to 75.9% in the year 2007-08 as per DLHS survey 2009. The State may not be able to achieve the literacy target of 94.62% by the end of this plan. The literacy rate is expected to be more than 80%. The gender gap in literacy was 11.87% as per 2001 census and the target given for 2011-12 was 0.6%. As per the latest survey the gender gap has come down to 11.5% in 2007-08 i.e by 0.4%. The target set for 11th plan therefore appears to be over ambitious.

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

52. The State Government has taken a major initiative to set up 117 Adarsh Schools, one each in the Assembly Constituency in collaboration with the private sector. 4 schools have been completed and 12 sites have been allotted to corporate houses. The government provides 10-15 acres of land on long lease and contributes 50% of the cost of the construction (upto

Rs. 3.75 crore) and 70% of the recurring cost. No fee is charged from the students.

53. The gross enrolment ratio for higher education in the State is around 11.12% in the year 2010. We welcome Government of India initiative in setting up 13 colleges in the districts having low GER. The State Government has provided lands for IISER and IIT and these two institutions have started functioning. The Central University has been set up in Bathinda district. Land has been identified for the World Class University near Amritsar but the Site Selection Committee is yet to finalize its decision.

DISASTER MANAGEMENT

54. The State is in the process of preparing the Disaster Management Plans for the State and Districts alongwith the Disaster Risk Vulnerability Atlas. River Ghaggar causes floods in Punjab, Haryana and Rajasthan. It has caused extensive damage to crops and other infrastructure during the recent rains. The channelization of this river in Punjab was approved under AIBP and Phase-1 was completed. But the works under Phase-II have been held up due to non issuance of NOC by the Government of Haryana. This project should be declared as a project of national importance. There is also a need to construct a dam on this river.

55. The State Government has two issues concerning Calamity Relief Fund. The norms for crop and other damages are inadequate and need to be revised. The compensation for crop loss is only Rs.1600 per acre and it needs to be increased to at least Rs.10000 per acre.

56. The Government of India altered the recommendation of the Eleventh and Twelfth Finance Commission that 'the balance in the Fund at the end of the five-year plan period, may be made available to the State for being used as a resource for the next plan' and decided that balance amount in Calamity

Relief Fund (CRF) on 31.3.2005 will be the opening balance of the CRF for the next year. The Govt. of India in this way, deprived the States of an important source for funding the plan. The State Govt. requested the Thirteenth Finance Commission that the recommendations of Eleventh and Twelfth Finance Commission in the regard be implemented. But the Thirteenth Finance Commission has not accepted the request of the State Government.

MEDICAL AND PUBLIC HEALTH

57. There had been no recruitment of doctors in the department of Health during the last ten years or so. The State Government launched a special campaign to fill up all the posts of doctors and critical paramedical staff. Over 100 specialist doctors, 312 medical officers, 600 para medics, 1099 Staff nurses, 1601 ANMs, 181 Ayurvedic, 112 Homoeopathic Doctors and 293 UP-Vaids were recruited in the year 2009-10. Recruitment of additional 400 doctors is under process.

58. The State Government is successfully implementing the NRHM. The size of the annual plan is Rs.315 crore and the State Government is spending more than 90% of funds allocated under this scheme. As per the latest DLHS survey, the coverage under immunization in Punjab is about 80% and the State has been placed at number 3 in the country. We are conscious of the fact that our health indicators are not at par with some of the other similarly placed States with high income levels. Special focus has been given on registration of pregnancy in the sub centres and institutional deliveries. The number of deliveries in government institutions has gone up from 44485 in 2007-08 to 66533 in 2008-09 and 87954 in 2009-10. Similarly, the number of JSY cases have also increased from 29256 in 2007-08 to 96721 in 2009-10.

59. The IMR which was 45 as per SRS 2004 has declined to 41 as per SRS 2008. The MMR was around 192 for the year 2004-06 and the surveys for subsequent period are not available. During last 2 years or so there has been significant improvement in infrastructure in terms of manpower, equipment and medicines. We are confident that IMR and MMR would decline appreciably by the year 2011-12. However, the goals set for 11th plan for MMR at 59 and IMR at 22 would be beyond the reach of the State. The State has already achieved the target for total fertility rate of 2.1. Similarly, the target set for child sex ratio of 850 is likely to be achieved. As per the latest SRS survey 2008, the child sex ratio has already reached 838 as against 796 in 2001.

60. The State has prepared a Rs 340 Cr plan for upgradation of infrastructure and equipments in the hospitals. This includes construction of 1 new district hospital, upgradation of 3 district hospitals, 4 new sub division hospitals and construction of 31 new community health centres in the uncovered blocks. We will complete this work in the next one and half year. Two Superspeciality Hospitals are being set up in Public Private Partnership over government land in Mohali and Bathinda. We propose to offer more such sites to the private sector for similar hospitals.

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

62. Increase in seats in PG courses in Medical Colleges by Government of India is a welcome step. The State Government has initiated comprehensive upgradation of 3 Government Medical Colleges at an estimated cost of Rs. 284 crore. The works are likely to be completed by 2011-12. Government Medical College at Patiala is one of the oldest medical institutions in the country and should be covered under the next phase of Pradhan Mantri Swasthya Suraksha Yojana.

WELFARE OF SCHEDULED CASTES & BACKWARD CLASSES

63. Under the Shagun Scheme, a grant of Rs. 15,000 is given to poor SC/Christian families and widows at the time of marriage of the girls. A target to cover 60,000 beneficiaries was fixed annually and 109997 beneficiaries were covered during 2007-10. The State Government annually spends about Rs. 100 crore for attendance scholarship to SC primary girl students, pre and post matric scholarship to SC/OBC students/students of minority communities and free text books to SC students. A sum of Rs.75 crore(one time ACA) has been earmarked for construction of houses to houseless SC families not covered under Indira Awaas Yojana. Besides, substantial funds have been earmarked for SC Dharamshalas, construction of Ambedkar Bhawans and purchase of school bags, uniforms, shoes etc.

64. Under Scheduled Castes Sub Plan, 2.06 lac BPL beneficiaries have been assisted as against the target of 2.32 lac BPL beneficiaries during 2007-2010. As per Planning Commission guidelines, the SCSP component has been depicted separately for individual schemes. The SC population in the State should form one of the criteria for allocation of funds by Government of India.

EMPLOYMENT GENERATION

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

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

67. The state government has already constituted a State Skill Development Mission under the Chairmanship of Chief Minister and other

Committees. There are about 52000 seats in 108 Government ITIs and 215 private ITCs. About 2/3 of these are running two shifts. 38 ITIs are meant exclusively for women and similarly 30% seats have been reserved for women in Government ITIs.

ENVIRONMENT

68. The State of Punjab is committed towards developing climate resilient agriculture, reducing carbon emissions through energy conservation and use of CFLs and development of renewable energy, water conservation by promoting micro irrigation systems, water treatment and recycling.

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

BORDER AREA DEVELOPMENT

70. Punjab has a 553 km long international border with Pakistan. The four border districts are not as developed as the other districts. The State government has three special demands for border areas. Firstly, the demand of farmers for compensation @ Rs.10000 per acres for the 18500 acres cultivable land situated across the border should be accepted by Government

of India. It involves only a sum of Rs.19 crore and the farmers need to be compensated for the hardships faced by them in cultivating this land. Secondly, the project prepared by the State Government for roads in these districts for Rs.233 crores has been approved and funds should be sanctioned. Thirdly the annual grant under BADP is inadequate and no money can be spared for the 11 border towns. A sum of Rs.134 crore is required for providing basic amenities of water supply and sewerage in these towns.

CONCLUSION

71. The Government is committed to efficient, transparent and effective governance systems. The government has constituted the Punjab state Governance Reforms Commission to improve the delivery of public services. The Commission has already submitted two reports. An Empowered Committee headed by the Chief Secretary has been constituted to implement the recommendations of the Commission.

72. Punjab at one time was the fastest growing State in the country. The 11th Plan target was fixed at 5.09% but our growth during the first three years has been around 6.70% which compares favourably with the country growth. Education, health and welfare of vulnerable sections of the society are the priority area of the State. The State Government will endeavour to achieve the targets set for it for the 11th plan.

73. Sir, the challenges faced by the State are well known to the policy planners. The State continues to endure the effects of the long period of militancy. Our land locked geographical location coupled with an active border are certain disincentives for which we deserve to be adequately compensated.

74. I compliment the Planning Commission for a very detailed Mid Term Appraisal of the plan. I recommend to esteemed members that it be formally approved.

JAI HIND

