

TALKING POINTS – APPROACH TO 12TH PLAN

I congratulate Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission and Mrs. Sheila Dikshit, Chief Minister, New Delhi for organizing regional consultations on the process of formulating the 12th Five Year Plan. I am thankful to them for giving this opportunity to project views of Punjab for the next Five Year Plan before the policy planners.

11TH PLAN PERFORMANCE

- The Annual Plan size for the first four years was Rs. 29096 crore against which plan performance to the extent of Rs. 24338 crore which works out to 84%.
- The year-wise plan performance during the first four years of the 11th Plan has been to the extent of 98%, 112%, 58% and 81%.
- As against the 11th Plan target of 5.90%, the state's economy grew at

		Punjab	India
2007-08	-	9.25%	9.34%
2008-09	-	6.55%	6.76%
2009-10	-	7.84%	7.96%
2010-11	-	7.78%	8.58%

Major initiatives during the 11th Five Year Plan

- Work on 4 Power Plants for addition of 6560 MW capacity to be operational by 2014
- Development of 9 state highways of 600 km length under PPP and other highways under World Bank Programme.
- All 14111 habitations to be covered with safe drinking water supply by 2011-12, 13380 already covered and remaining 731 to be covered in the current year 2011-12.
- Recruitment of man power in Education and Health sector and all vacant posts filled up. Major initiative taken for upgradation of infrastructure. The education development index of Punjab has jumped from 14th position to 3rd position. Similarly the health infrastructure in the state has been rated as excellent by the NRHM Review Mission in December, 2010.
- Scope of major welfare schemes enlarged by bringing families having annual income less than Rs. 30,000 under their ambit.

STATE FINANCES

Problem

- (a) Total accumulated debt on 31/3/2011 - Rs. 69549 crore(30.40% of GSDP).
- (b) Net Borrowing 2011-12 - Rs. 8923 crore this year.
- (c) Debt servicing in 2011-12(BE). - Rs. 9216 crore
- (d) Additional burden of Pay Commission - Rs.7200 crore of arrears for the period January, 2006 to July, 2009.
- (e) Punjab's Share in Central Taxes - Marginally increased from 1.299% to 1.389%.
- (f) State forced to avail small savings loan whose interest rate is 1.5% above the market rate.
- (g) There is healthy increase in the tax revenues of the State in the current year by 39%, the tax revenues have jumped from Rs.12040 crore in 2009-10 to Rs. 16828 crore in 2010-11.

Request

- (a)One-time complete debt waiver OR atleast debt re-scheduling,
- (b)States should be given choice between Small Savings Loans or Market Loans; Government of India should reduce interest rate on Small Savings Loans by 1.5% and bring it to market rates.
- (c) The present policy of tax holiday to neighboring states should not be extended.
- (d) The Government of India Committee headed by Secretary Expenditure to assist the three States of Punjab, West Bengal and Kerala in getting out from the fiscal stress should submit its report early, the deadline of August, 2010 has already expired.

FLAGSHIP SCHEMES

- Criteria for allocation of funds under flagship schemes is discriminatory for developed states like Punjab.
- For example major weightage for unirrigated area under RKVY, villages not having electricity and roads under RGGVY and PMGSY, lack of schools as per norms under SSA do not favour Punjab and other developed states who have already created the requisite infrastructure in these villages.

- Government of India should allow upgradation and maintenance of already created infrastructure under these important centrally schemes.

AGRICULTURE

3 major issues that require attention are –

- Productivity and Profitability of agriculture,
- food and nutrition security
- Poor economy of small and marginal farmers and debt burden

Productivity

- Need to revitalize research in agriculture and related activities. The other thrust areas should be identification and development of new varieties, ecologically viable cropping systems, processing and increasing of shelf life of the horticulture produce, use of biotechnology to evolve pest tolerant varieties, bio-pesticides etc.

Minimum Support Prices

- MSP should be fixed as Dr Swaminathan formula, giving a profit margin of 50% over cost of production.
- Minimum Support Price announced for 25 commodities including pulses and oilseeds. However, there is no effective procurement mechanism for the purchase of crops other than wheat and paddy.

RKVY

- Present criteria unfavorable to agriculturally developed states like Punjab. 20% of funds are given for un-irrigated area and 30% of funds on the basis of increase in productivity. Punjab has hardly any un-irrigated area and has reached saturation limits as regards productivity.
- We urge the Government of India to include areas where subsoil water is declining within the ambit of un-irrigated area. Weightage should be given to maintenance and up-gradation of existing irrigation infrastructure and ensuring availability of power for agriculture.

Inclusion in National Food Security Mission

- Only 10 districts are covered for wheat and no district for Rice. The entire state should be covered.

Support to Universities

- Rs 100 crore should be given as permanent annual central assistance to institutes of national significance, the Punjab Agricultural University, Ludhiana.
- Borlaugh Institute for South Asia for Maize and Wheat should be setup in Punjab.

Storage

- The state needs 78 lac Metric Tonnes of long term storage capacity. 25 lac MT should be in the form of silos. We request GoI for financial assistance.

Rural Debt

- It has risen to Rs. 35000 crore. State did not benefit much from the debt waiver scheme offered by GoI due to less number of small and marginal farmers and few defaulters.
- We urge Government of India to waive off all agricultural loans as a one time measure regardless of the size of land holdings.

Cooperation - Rural Credit

- Credit should be given @ 4% rate of interest, (short as well as long term)
- NABARD should refinance CCBs at 2.5% interest rate.
- Quantum of refinance of NABARD should be enhanced from 45% to 85%.
- Withdrawal of Income Tax on Cooperative Banks.

Animal Husbandry

- Animal Husbandry is fast emerging as an independent economic activity. It should be treated at par with agriculture sector for accessing credit at a lower rate of interest and exemption from income tax.
- The newly set up Sri Guru Angad Dev Veterinary and Animal Sciences University (GADVASU), Ludhiana requires one time grant of Rs. 100 crore for its colleges and other works.

RURAL DEVELOPMENT

MGNREGS

- Scope of works should include - Toilets for SC and BPL families, Lining of distributaries, minors, water courses, Boundary walls for Schools and hospitals & White Washing of government buildings.
- Wage rates – The rates fixed for Punjab Rs. 123 per day are extremely low as compared to Rs. 179 for the neighbouring state of Haryana & against Rs. 154 minimum wage rate of agricultural labourer in Punjab.

BPL families

- State with a limited number of BPL families does not receive adequate funds under the poverty alleviation programmes of GoI.
- Pilot survey has been completed and sent to Government of India. GoI should formulate guidelines for a comprehensive survey of BPL families.

Rural Sanitation

- State would be spending Rs. 500 crore in 2011-12 for construction of 5 lac rural toilets. State still needs around Rs. 700 crore more for rural toilets.

Houses for Houseless

- Scope of Indira Awaas Yojana inadequate and more funds @ Rs. 1 lac per house should be given.

IRRIGATION

Rehabilitation of Canals

- Canal capacity has gone down by about 30% and huge dependence on ground water for irrigation purposes in the state. 27% irrigation from canal and 73% from tubewells. A project of Rs. 3800 crore for rehabilitation of canals submitted to GoI needs to be approved.

AIBP

- Punjab is the major contributor of food grains to the central pool it should be categorized as a special category state for assistance under AIBP.
- Criteria for 1:1 project should be relaxed so that more projects can be taken up.

Ground Water

- Present cropping pattern has resulted in depletion of ground water table and as many as 112 of 141 blocks stand declared as over exploited or dark blocks. The state through an Act has already banned sowing of paddy before 10th June.
- Project costing Rs. 3498 crore for management of declining ground water through resource conservation by way of laser leveling, underground pipe system, implementing on-farm practices, artificial recharge of ground water, conservation of low dams, adoption of micro irrigation techniques and rain water harvesting has been submitted under National Food Security Mission to the Ministry of Water Resources for financial assistance.

POWER

- State has allotted 4 Power Plants of 6560 capacity. To be functional by 2014.
- State government to be compensated from the Central Pool for supplying 380 MW for providing special lightening systems along the international border with Pakistan.
- Gas for 1000 MW gas based power plant at Ropar to be provided at control rates by GoI.
- RGGVY to be restructured for providing funds for maintenance of infrastructure and providing urban pattern supply to rural areas.
- In view of the coal shortage, a Nuclear Power Plant of 2800 MW capacity is needed for Punjab. Location to be finalised out of 3 available sites in consultation with NPCIL.

ENVIRONMENT

- National River Conservation Programme is a good initiative. Projects for 25 towns are yet to be sanctioned by the Ministry of Environment.
- Need to develop more Common Effluent Treatment Plants and GoI should permit inclusion of cost of land and conveyance system in the cost of CETP/STP.

INDUSTRIAL DEVELOPMENT

Freight Corridor

- Government of India should extend Delhi – Mumbai Industrial Corridor (DMIC) up to Amritsar in Punjab and it should be linked with Western Freight Corridor. Eastern Freight Corridor should also be extended up to Amritsar.

Trade with Pakistan

- More items should be allowed to be traded through land route with Pakistan. Pakistan should be persuaded to grant MFN status to India.

Agro Industries

- Punjab, which is primarily an agricultural and landlocked state, should be provided assistance for agro processing industries. There is need to develop storage facilities, cold chain facilities, processing and marketing of agriculture produce.

Central Projects

- The share of central sector investment in the state is less than 1.5%. It is, therefore, requested that GOI should help in locating some leading Automobile Manufacturing Unit having potential for large scale ancillaries in Punjab.

Industrial Parks

- There is potential for development of Industrial Parks for Pharmaceuticals, Auto parts, Hand Tools, Sports & Leather Goods Industry which have large concentration in the state. GoI should provide assistance for development of such Parks as is being done in the case of Textile Parks.

URBAN DEVELOPMENT

- The priority of the state government is to provide water supply, sewerage and sewage treatment plants in 45 towns situated in the vicinity of river Sutej, Beas & Ghaggar at a total of Rs. 2111 Cr.
- The work in 35 towns has been taken in hand. 13 STPs of 500 mld capacity have been commissioned and 17 STPs with 241 mld capacity are under construction. Likewise, 39 STPs with 599 mld capacity are in various stages of implementation.
- We need to develop and propagate innovative ways of municipal financing, through Public-Private Partnerships (PPPs)

- Need for continuing JNNURM in the next Five Year Plan and for more funds for water supply and sanitation for slum areas.
- Scheme for providing houses to houseless should be launched.

ROADS

CRF

- The old formula of giving 60% weightage to fuel consumption in the state and 40% to the geographical area should be restored instead of the present 30% and 70%.
- The State has to bear the loss upto 35% of the annual accrual. GoI is requested to approve Rs. 100 crore for pending works of CRF and clear the backlog of Rs. 93.61 crore as on 31.12.2010.

PMGSY

- State receives funds only for upgradation component.
- Now land has become an issue. GoI should either relax the width norm from 10 m to 8.5 m or bear the cost of land under PMGSY.

EDUCATION

Right to Education

- Right to Education is a central act and Government of India should share the cost of expenditure on its implementation.

Sarva Siksha Abhiyan

- 13th Finance Commission grants for elementary education should be allowed to be adjusted against state share under Sarva Siksha Abhiyan.

Upgradation of Schools

- For upgradation of schools from middle to secondary under Rashtriya Madhyamik Shiksha Abhiyan, the condition of 5 km should be relaxed and population (availability of students), rather than distance from existing school, should be made the criterion.

Model Schools

- The state government is setting up 126 Adarsh schools across the state. 15 schools already made functional and work has started on the 52 sites.
- GoI should assist the state in setting up of this one model school in every block.

Colleges in Educationally Backward Districts

- GoI assistance is limited to only 33% and should be increased to 66%.

World Class University

- GoI is requested to expedite the approval of Site Selection Committee for World Class University at Amritsar.

Central University

- Land for Central University at Bathinda acquired. We urge GoI to start construction.

HEALTH AND MEDICAL EDUCATION

Rashtriya Arogya Nidhi

- Scope of Rashtriya Arogya Nidhi is limited to BPL families and families having income less than Rs. 1,00,000/- per annum should be covered under this scheme in view of high cost of treatment of life threatening diseases. All private hospitals can be allowed treatment at PGI/AIIMS rates.

Rashtriya Swasthya Bima Yojna

- Government of India is requested to increase the scope of Rashtriya Swasthya Bima Yojna and insurance coverage be increased from Rs. 30,000/- to Rs. 1 lac.

Cancer Hospitals

- Government of India should set up a national level Super Specialty Diagnostic and Treatment Institute for CANCER.

National Urban Health Mission

- The much delayed National Urban Health Mission be launched.
- A scheme for upgradation of bigger district hospitals should be prepared during the next Five Year Plan.

Pradhan Mantri Swasthya Suraksha Yojna

- Government of India should continue PMSSY in the next 12th Five Year Plan and all medical colleges may be upgraded.
- Government of India should launch a scheme for attracting private investments in Health and Medical Education.

SOCIAL SECURITY

- Amount of Rs. 200/- per month as pension under NSAP needs to be enhanced to Rs. 500/- per month.
- All widows above the age of 18 years be made eligible under Government of India Pension scheme. Similarly, disability level should be relaxed from 80% to 50% under Government of India scheme.
- Government of India's assistance, at present to NGOs for establishing old age homes, be made available to the state government.
- Government of India should establish or help establish atleast one 30 bedded de-addiction centre in every district.

WELFARE OF SCs and BCs

- There are 2068 villages having more than 50% SC population. Government of India is requested to allocate substantial funds for their development.

BORDER AREA DEVELOPMENT

- The border districts were one of the most prosperous areas in the state. Indo-Pak war and militancy have rendered them completely unattractive.
- Compensation for farmers cultivating land on the other side of the fence @ Rs.10000/- acre for 18500 Acres - Rs.19 crore,
- Compensation for 11ft BSF track along the border fence - Rs.20 crore,
- Providing water supply, sewerage and other amenities in 11 border towns - Rs. 134 crore,
- Industrial package for the border areas of the state at par with the package given to hilly states,
- More funds for flood protection works on river Ravi. Pakistan Government and Army spending huge funds on shifting of river Ravi towards Indian side.