

CHAPTER 3

OVERVIEW OF POLICIES & PROGRAMMES

3.1 OVERVIEW OF PROGRAMMES

1. Planning has been one of the pillars of our approach to economic development since independence. The Tenth Five Year Plan has been formulated with an ambitious vision of doubling per capita income in the country within next ten years. The unique feature of the Tenth Plan has been its recognition that economic growth can not be the only objective of national planning, rather it is redefining the growth objective in terms of enhancement of human well being. Hence, the Plan has adopted certain quantifiable and monitorable targets to be achieved by 2007 especially relating to human development such as poverty reduction, employment creation and improvement in certain critical indicators of the quality of life which include reducing poverty ratio, increasing literacy rate, reducing population growth, infant mortality rate and maternal mortality ratio and schooling for all children. The target of achieving average GDP growth rate of 8 per cent during the Plan period lays out the policy and institutional reforms that are required for each sector with emphasis on employment intensive sectors like agriculture, agro-forestry, irrigation, small and medium enterprises, tourism, information & communication and other services. The Plan affirmed that achieving the 8 per cent annual growth target will no doubt require a significant increase in our savings and investment rates, but perhaps by not as much as may be commonly believed. Detailed analysis has revealed that there is substantial excess capacity in some of the sectors of the economy, and therefore, it should be possible to increase the output without a commensurate increase in investible resources. This, along with improvement in efficiency and better sectoral focus, should lead to a drop in the incremental capital-output ratio (ICOR) for the Tenth Plan period.

2. The Plan objectives can only be realized through good governance, removing shortcomings in implementing various programmes, better utilization of assets and removing controls and restrictions in entrepreneurship development and trade related barriers. Effective delivery of basic social services with accountability of institutions involved in them is increasingly being felt as the need of the hour particularly in view of the dominant role of the Government envisaged in social sectors in future. Annual Plan 2003-04 lays emphasis on initiatives in good governance and implementing e-governance initiatives for efficient, transparent and responsive citizen services. The Annual Plan 2003-04 being the second year of the Tenth Plan will have to compensate to a major extent for poor growth of economy which grew only 4.3 per cent in 2002-03 over the previous year mainly due to severe drought in the country which affected not only agriculture production but had adverse effect on most of the other sectors.

3. While formulating the Annual Plan, the Planning Commission highlighted some of the important issues that have a bearing on the process of Plan formulation in general and for the Annual Plan 2003-04 in particular and reiterated some suggestions that have been made to the Central Ministries/ Departments and the State Governments in the last few years and which continue to be relevant especially for preparing the present Annual Plan.

4. Evaluation Reports of Planning Commission clearly indicate that in a large number of schemes there is too much expenditure on administration and, as a result, too little is left for

the actual work to be carried out. Ministries/ Departments are aware that Planning Commission has been pursuing an exercise involving convergence/weeding out and transfer of Central/Centrally Sponsored Schemes. This would enable to prevent a mismatch between the requirement of funds and the Plan allocations and ensure that Plan expenditure is matched by desired physical achievements. It would also shift the focus of planning from inputs to outputs, i.e. on physical targeting rather than on financial allocations.

5. All Plan programmes/ schemes/ projects for the Tenth Five Year Plan need prioritization with a view to use the available resources in the most judicious and economically efficient manner. In particular, while preparing the Annual Plan proposals for 2003-04, there should be an attempt to outline the “Core Plan” for the Ministry/Department highlighting the basic sectoral priorities and the minimum programme for public action in the concerned sector. Implicit in this is the idea that critical programmes in each sector should not suffer for lack of allocation over the Plan period and should be completed as planned so that the projected benefits from their implementation could be fully realized.

6. There is no doubt that adequate resources need to be allocated for priority public sector projects, programmes and schemes. However, it is equally important to strengthen the institutional framework for improving implementation of projects in both public and private sectors, releasing latent entrepreneurial energies and encouraging private initiatives to supplement and gradually supplant public efforts. Through “resource neutral policies”, a lot can be achieved in terms of the stated Plan objectives without seeking and providing for resources, be it the case of a small entrepreneur trying to set up a new business venture or, for that matter, the case of an individual setting up an educational institution. These are areas where procedural hurdles and the framework of rules and regulations have raised the transaction costs of economic activities in production, distribution and even consumption of our produce. This has contributed to inefficiencies in our systems and has made India a high-cost economy in comparison to some of our competitors in the export markets. There is, therefore, a need to vigorously root out these distortions in our policy framework for generating a more broad-based development momentum, cutting across the public and private domain, to address our concerns on equity and sustaining an accelerated growth performance of our economy.

7. There is significant scope for improving the monitoring of Plan expenditure through effective quarterly performance review and encouraging joint monitoring of Plan schemes from time to time with a view to improve effectiveness of public spending in obtaining the stated objectives of the Plan programmes/schemes.

8. As far as possible, only such Central Sector and Centrally Sponsored Schemes/ Programme/ Projects should be included in the Plan which have been approved for the Tenth Plan period for which the necessary investment decisions have already been taken by the designated body or proposals which are in public interest and cannot be delayed without significant implications for the economy and for which at least the preliminary feasibility study has already been carried out.

9. An important channel for mobilizing resources for development, particularly for social sectors, is the Externally Aided Projects (EAPs) and direct funding of projects (i.e. outside the budgetary flows) by the NGOs, which has been insufficiently integrated with the planning process and the allocation of budgetary resources. Often, it has been observed that some of these projects are started in the course of the year and since the budgetary support for the

fiscal year is fixed at the time of the presentation of the Union Budget, additional funds required for the inclusion of new EAPs can only be provided through depletion of funds under the Domestic Budget Support (DBS) of the Ministries/Departments. This adversely affects, in many cases, the physical targets fixed for the programmes initiated by the concerned Ministry/ State Government and creates uncertainty about the availability of further resources for such programmes/ schemes. There is no doubt that this important source of resources for development should be adequately tapped, but there is significant scope for taking an overall view for provisioning of the required budgetary support between the EAPs and the other programmes and schemes of the Ministries/ Departments. EAPs that are of high enough priority for inclusion in the Core Plan should be indicated and included in the Core Plan as well.

10. National level monitorable targets for the Tenth Plan and beyond have been set so as to bring about significant progress towards improvement in the quality of life of the people. It is important that corresponding targets for each state are worked out and the progress made in achieving those targets monitored at the highest level in the respective state. Despite all round progress at the national level, many of the imbalances in development persist. Some of the imbalances have narrowed down, but most have grown over time, widening the gap between more developed and less developed states. These imbalances are seen most prominently in the pace of growth, in patterns of development, in plan outlays and development outcomes, and in the fiscal capabilities of states to finance future development. As it is seen to some extent, states with better infrastructure attract private investment in much larger measures than other states. A multi-pronged strategy is thus needed to accelerate the development of less developed states in backward regions.

PUBLIC SECTOR PLAN

11. The Tenth Five Year Plan aims at achieving an average GDP growth rate of 8 per cent per annum over the period 2002-07. In order to achieve this target, the size of national investment is required to rise substantially by over 62 per cent from Rs. 2507 thousand crore during Ninth Plan to Rs. 4082 thousand crore during Tenth Plan at constant (2001-02) prices.

12. In keeping with the requirement of stepping up public sector investment for attaining an 8 per cent GDP growth during the Tenth Plan, the projected requirement of resources of the public sector for the Tenth Plan at Rs. 15,92,300 crore at 2001-02 prices comprise the Centre's share at Rs. 9,21,291 crore (58.5 per cent) and States and Union Territories (UTs) share at Rs. 6,71,009 crore (41.5 per cent). The resources for the Central Plan includes the Gross Budgetary Support (GBS) component of Rs. 4,05,735 crore and the Internal & Extra Budgetary Resources (IEBR) component of Rs. 5,15,556 crore. The IEBR component as currently assessed by Central Ministries is Rs. 4,87,448 crore, which is Rs. 28,108 crore lower than the level consistent with the 8 per cent growth of GDP projected for the Tenth Plan. Thus, the resource allocation in the Central Sector amounts to Rs. 8,93,183 crore, as indicated in **Annexure 3.1.1**

13. The Annual Plan 2002-03 provides public sector outlay of Rs. 2,47,897 crore against which the Revised Estimate (RE) is Rs. 2,50,956 crore at current prices. At constant prices (2001-02) it works out to be only 16.1 per cent of the Tenth Plan outlay. The allocation for the year 2003-04 (BE) has been Rs. 2,68,867 crore at current prices, which works out to 16.8 per cent of the Tenth Plan outlay at constant prices as shown in **Table 3.1** below. The

shortfall of both Central and State Governments worsened on account of lower than expected generation of internal resources by the public sector as well as decline in tax- GDP ratio.

Table 3.1
Public Sector Plan Expenditure in the Annual Plans of Tenth Five Year Plan
(at 2001-02 prices)

Year	Per cent of total Tenth Plan
2002-03 (RE)	16.1
2003-04 (BE)	16.8
Total (2002-04)	32.9

14. The Tenth Plan resources of the States and UTs are projected at Rs. 6,71,009 crore at 2001-02 prices. Core Plan estimates, however, arrive at a resource figure of Rs. 5,90,948 crore, leaving a balance of Rs. 80,061 crore. Sectoral allocation in the States/UTs includes the Core Plan resources and the Central Assistance component of the balance, that is, Rs. 41,508 crore. This component has been allocated to certain critical sectors identified by the Planning Commission. The allocation of the own resources component of the balance, which is placed at Rs. 38,553 crore, will have to await its actual mobilization by the States and UTs. Consequently, sectoral allocations in the States/UTs sector is arrived at Rs. 6,32,456 crore at 2001-02 prices as indicated in **Annexure 3.1.1**

15. The approved Public Sector outlay for the Tenth Plan was in proportion of 58.5 and 41.5 per cent between Centre and States & Union Territories. During the first two years (2002-04) of the Tenth Plan, the share of the States & Union Territories is higher than the per cent share envisaged during the Tenth Plan as shown in **Table 3.2**.

Table 3.2
Share of States & Union Territories in Public Sector Plan Outlay
during Tenth Plan
(Per cent at 2001-02 prices)

Tenth Plan (2002-07) (Projected)	41.5
2002-03 (RE)	45.5
2003-04 (BE)	45.0

16. The ultimate objective of all development endeavour is human development, encompassing the quality of life of the people, the level of their well being and access to basic social services. The emphasis on the achievement of higher economic growth along with social justice is manifest in the renewed focus on development initiatives in the social sectors. Substantiating above objective it is seen that the government expenditure on social sectors as per cent to GDP have been increasing over the years as shown in **Table 3.3**.

Table 3.3
Total expenditure (Centre and States) on social sectors over the years

Year	Per cent to GDP
1996-97 (Actual)	23.4
1997-98 (")	24.2
1998-99 (")	25.4
1999-2000 (")	26.6
2000-01 (")	28.1
2001-02 (")	29.5
2002-03 (BE)	29.6

Source: Economic Survey 2002-03

CENTRAL SECTOR

17. An allocation of Rs. 8,93,183 crore has been made for the Central Sector during the Tenth Five Year Plan at 2001-02 prices. The allocation in the infrastructure sectors like energy, transport and communication is about 64 per cent of the total outlay envisaged for the Central Sector. This trend would certainly strengthen the infrastructure and support the growth process on a sustainable basis. During the first two Annual Plans (2002-04), only about 30 per cent of the total outlay envisaged for the Tenth Plan has been provided in real terms for the Central Sector, which is quite low as shown in **Annexure 3.1.2**. The short fall is mainly in sectors like general services, rural development, irrigation & flood control, energy and communication. Higher allocation has been made for social sectors in the first two years of the Tenth Plan as shown in **Table 3.4**.

Table 3.4
Social Sector outlay in Central Departments during Tenth Plan

(Per cent at 2001-02 prices)

Tenth Plan (projected)	15.6
2002-03 (RE)	22.0
2003-04 (BE)	23.0

18. To conform to the target level of fiscal deficit, the Gross Budgetary Support to the Central Plan was kept at Rs. 4,05,735 crore during the Five Year period (2002-07) as shown in **Annexure 3.1.3**. During the first two years (2002-04) the Centre could utilize 33 per cent of budgetary support and could generate 29 per cent internal and extra budgetary resources as shown in **Table 3.5**.

Table 3.5
Financing of the Central Departments during Tenth Plan
(In Rs. crore at 2001-02 prices)

Year	Gross Budgetary Support (GBS)	Internal and Extra Budgetary Resources (IEBR)	Total Outlay
Tenth Plan (2002-07)	405735	487448	893183
2002-03 (RE)	66760	67179	133939
2003-04 (BE)	69098	72535	141633
Total (2002-04)	135858	139714	275572
Per cent to Tenth Plan	33	29	31

19. Since the public sector programmes are meant for enhancement of human well being and support to the poor, they are financed by the government itself, as distinct from the pattern of deployment of budgetary resources of the Plan. It is an important indicator of the support given by the Central Plan for such programmes. The component of the budgetary support going to the Central Departments responsible for human development such as Education, Health, Family Welfare, Women and Child Development and for meeting the basic needs like drinking water, housing, urban development and special employment generation programmes has been kept at about 39 per cent of the total budgetary support allocations for the Central Sector, as shown in **Annexure 3.1.3**.

STATES AND UTs

20. In keeping with the requirement of stepping up public sector investment for attaining an 8 per cent GDP growth during the Tenth Plan, budgetary resources for the States & UTs have been projected to grow from 3.85 per cent of GDP in 2001-02 to 4.20 per cent in 2006-07. The Tenth Plan average stands at 4.10 per cent, as against the Ninth Plan realization of 3.14 per cent.

21. The core Tenth Plan resources of the States and UTs are projected at Rs. 5,90,948 crore, Rs. 80,061 crore less than the level consistent with 8 per cent GDP growth scenario. To be consistent with this growth target, the States and UTs are required to raise Rs. 38,553 crore of own resources and the Centre is required to provide Rs. 41,508 crore of Central Assistance to make up for the balance. Consequently, sectoral allocation in the States/ UTs is arrived at Rs. 6,32,456 crore, out of which, 33 per cent has been earmarked for social sectors, i.e., for the human development which is one the main objectives of the Tenth Five Year Plan as shown in **Annexure 3.1.4**.

22. During the year 2002-03 the States and UTs were allocated outlays to the extent of Rs. 96,865 crore (RE) at current prices and in real terms it works out to Rs. 93,624 crore (at 2001-02 prices), which is below prorata at 16 per cent of the total outlay envisaged for States and UTs for the Tenth Five Year Plan as shown in **Annexure 3.1.5**.

23. In the Annual Plan 2002-03, 18 States have shown good performance in terms of expenditure with Revised Estimates as shown in **Annexure 3.1.6**. These states include Madhya Pradesh, Mizoram, Himachal Pradesh, Sikkim, Chattisgarh, Nagaland (above 100 per cent), and Arunachal Pradesh, Assam, Goa, Gujarat, Jammu & Kashmir, Jharkhand, Maharashtra, Manipur, Punjab, Tamil Nadu, Tripura and Uttaranchal (100 per cent). The states of West Bengal, Bihar, Orissa, Rajasthan, Kerala, Andhra Pradesh, Meghalaya, Uttar Pradesh, Haryana and Karnataka experienced a shortfall ranging from (-2) to (-42) per cent. This is a matter of concern.

24. Special Area Programmes have been formulated to deal with special problems faced by certain areas in some of the states arising out of their distinct geo-physical structure and concomitant socio-economic development. Hill Areas Development Programme (HADP) has been in operation since the inception of the Fifth Five Year Plan and is being implemented for the integrated development of designated hill areas. The main objective of this programme is to ensure ecologically sustainable socio-economic development keeping in view the basic needs of the people of hill areas. Presently, the designated hill areas covered under HADP include (a) two hill districts of Assam-North Cachar and Karbi Anglong; (b) major part of Darjeeling district of West Bengal and (c) Nilgiris district of Tamil Nadu. The development of people of these hilly areas, in consonance with the fragility of their habitat, demands an approach which is more than just watershed development and hence more attention needs to be paid to the economic activities which are sustainable, use of technologies that will help lighten the burden of the people both in economic and household situations and ensuring means of livelihood for the inhabitants with least disturbance to the ecology.

25. Border Area Development Programme (BADP) was started in the year 1986-87 for balanced development of the states of Jammu & Kashmir, Punjab, Gujarat and Rajasthan bordering Pakistan. During the Eighth Plan, the programme was revamped and its coverage was extended to the states on the eastern border with Bangladesh. In the Ninth Plan, the programme had been further extended to all the land borders. The main objective of BADP is to meet the special needs of the people living in remote and inaccessible areas situated near the border. The Empowered Committee at the Central level deals with the policy matters relating to the scope of the programme, prescription of the geographical limits of the areas in the states and allocation of funds to the concerned states. The screening committees in each state decide the schemes to be taken up under the programme.

26. The Development and Reform facility (Rashtriya Sam Vikas Yojana) is a new initiative. Two components of the Rashtriya Sam Vikas Yojana namely the Special Plan for Bihar and the Special Plan for the undivided Kalahandi-Bolangir-Koraput (KBK) districts of Orissa have already been operationalised. The backward districts initiative component is in the process of being finalized.

AGRICULTURE AND IRRIGATION

27. Agriculture has all along been the most crucial sector of the Indian economy. The sector provides employment to 56.7 per cent of country's work force and is the single largest private sector occupation. Since agriculture sector is the core of the Tenth Plan and a bulk of new employment opportunities are going to arise in this sector, improving agricultural productivity and creating employment opportunities in this sector are crucial. The important

areas of focus must be to raise the cropping intensity of our existing agricultural land, greater attention to rain water harvesting and increasing the irrigation potential through scientific water-shed development and minor irrigation, development of other rural infrastructure that support not only agriculture but all rural economic activities, development and dissemination of agricultural technologies and diversification of agricultural product, both geographically and overtime. The new strategies that are being promoted in the Tenth Plan are the Swarnjayanti Gram Swarajgar Yojana (SGSY), a social mobilization as a key to self-employment; assured wage employment through Sampurna Grameen Rojgar Yojana (SGRY) for 100 days in identified backward districts and employment guarantee for the most distressed through Jai Prakash Rojgar Guarantee Yojana (JPRGY). A coordinated approach to land use policy and development of wastelands and greening of wastelands through people's participation are some of the new initiatives that are proposed in the Plan for this sector.

28. The Tenth Plan envisages an annual average growth rate of 4 per cent for the agriculture and allied activities. The first year i.e. 2002-03 of the Plan witnessed a setback in the growth prospects, primarily due to the sharp decline in GDP from agriculture on account of severe drought that followed the near failure of monsoon. As per latest estimates, total food grains production in 2002-03 remained at a level of 182.57 million tonnes, which is about 13 per cent less than the production in 2001-02. Similarly, oilseeds production at 15.75 million tonnes suffered a decline of about 24 per cent over the level of 2001-02. The production of other commercial crops such as cotton, jute and sugarcane also witnessed significant fall during 2002-03. However, good monsoon in the current year (2003-04) has improved the outlook of agriculture production which is likely to exceed 6 per cent growth.

29. The availability of seeds as a basic input is critical in attaining the higher productivity level which has increased substantially in the country over the years. The 'Seed Bank' scheme started during Ninth Plan has proved to be successful in meeting the requirement of seeds in case of exigencies like droughts and floods. During 2002-03, about 1.24 lakh quintals of seeds of various crops and varieties were maintained by various agencies engaged in seeds management. Of the seeds maintained in the Seed Bank, 65,424 quintals were distributed to the drought affected farmers. For the year 2003-04, a physical target of 1.40 lakh quintals of certified seeds, and 8,370 quintals of foundation seeds of various crops has been fixed for the Seed Bank. Measures to further reform the seeds sector and ensure adequate availability of certified and quality seeds of different crops will be continued during the year.

30. The National Agricultural Insurance Scheme (NAIS) introduced from 1999-2000 by replacing the earlier Comprehensive Crop Insurance Scheme, provides greater coverage in terms of number of farmers' crops and risks. The premia structure in the scheme has been rationalized to achieve greater financial viability. The implementing states now have equal share in the financial liabilities. At present the scheme is being implemented in 21 States and 2 UTs. For post harvest management of agriculture produce, a new central sector scheme for construction, renovation and expansion of rural godowns has been introduced to provide the facilities of storage, pledge financing and other marketing services to farmers.

31. Strengthening of our agricultural research and development system and a significant improvement in the sophistication of the technology dissemination methodologies are essential to achieve rapid and sustained growth in agricultural productivity. Specific measures are necessary to ensure technology development and extension services to meet the special

needs of the farmers. The declining public investment in agriculture and irrigation is another area of concern. Instead of seeking low cost options that have a higher capital output ratio, present policies have resulted in excessive use of capital on the farms, such as too many tube wells in water scarce regions. Intensity of private capital is in fact increasing for all classes of farmers, but at a faster pace in green revolution areas and for large farmers. A better strategy would be to concentrate on small and marginal farmers, and on eastern and rain fed areas where returns on both capital and labour are high. The true potential of Indian agriculture can be realized only when we can diversify our agricultural products, both geographically and over time. The food and nutritional requirements of our people for leading healthy lives demand a wider range of food products than those that are presently consumed on an average. It also calls for increasing the production of pulses and oilseeds. Most of the non-foodgrain food products are, however, perishable in nature. In order to encourage this diversification through minimization of waste will require considerable focus on post-harvest technologies and marketing infrastructure. It would also require a reconsideration of various rules and regulations that govern agricultural trade, which frequently act against the interests of the farmers and distort their incentive structure.

32. An important component of agricultural diversification is animal husbandry, including dairying and poultry, which hold immense promise for increasing not only rural livelihoods but urban as well. Proper development of this sector will require attention not only to technology, processing and marketing arrangements but also to issues of animal welfare.

33. As horticulture sector has a prominent place in Indian agriculture, role of horticulture in improving productivity of land, generating employment, improving economic conditions of the farmers and the entrepreneurs, enhancing exports etc., has been well established. This sector has emerged as a promising area for diversification in Indian agriculture on account of high-income generation per unit area and environment friendly production system, besides providing better employment opportunities. This sector also enables enhanced returns per unit of planted area and provides food and nutritional security.

34. The thrust areas identified in Tenth Plan include improving production and productivity, area expansion with improved cultivars and varieties, reducing cost of production by supplying good quality, disease free, high yielding seeds and planting materials, quality improvement by application of latest technologies and improved farm practices, promoting marketing and exports and a mission mode approach in the region of high potential such as the North-East. Provision of adequate infrastructure for post harvest management and cold storage system is proposed to be given boost with back ended credit linked subsidy mode of investment with involvement of NABARD and banking sector. Technology Mission for integrated development of horticulture is proposed to be extended to Himachal Pradesh, Uttaranchal and Jammu & Kashmir to realize the vast potential of horticulture in the hill areas. The emerging areas in the horticulture are medicinal and aromatic plants, floriculture, mushrooms etc., and it is proposed to provide added thrust to all these sub-sectors by implementing various developmental programmes.

35. Tea, coffee and rubber are traditional plantation crops in the country and mostly grown in southern and north-eastern states. Apart from meeting the indigenous consumption demand, this group of commodities also makes significant contribution to the country's export basket. These crops are labour intensive and a good source of direct and indirect employment. Preservation of bio-sphere and ecology of the respective regions is ensured by these groups of plantation crops. A separate Tea Plantation Fund has been created for

development, modernization and rehabilitation of the tea plantation sector by way of abolishing the excise duty of Rs. 1 per kg. on tea and replacing it by cess of equal amount.

36. Irrigation is the most important and vital input for agriculture and to achieve the projected growth in agriculture, irrigation will also have to grow at a commensurate pace. The Tenth Plan strategy for irrigation focuses on completion of on-going projects utilizing funds under Central Assistance programmes like Accelerated Irrigation Benefits Programme (AIBP), promotion of water use efficiency, restructuring the Command Area Development Programme (CADP) to introduce system rehabilitation and farmers' participation, stepping up of water rates, minimization of surface and ground water pollution and efficient flood management.

37. The ultimate irrigation potential of the country has been assessed at 139.89 million hectares, of which about 68 per cent has been harnessed. The slower progress in creation of irrigation potential in the past has been due to varied reasons including constraints of resources with the state governments. During the Tenth Plan period, the states have projected creation of an additional irrigation potential of 15.16 mill. hectares.

38. The Accelerated Irrigation Benefits Programme launched by the Central Government in 1996-97 under which the Centre provides additional central assistance to states by way of loans, aimed at harnessing ultimate irrigation potential by early completion of large and multi-purpose irrigation projects. Allocation under this programme needs to be massively increased. Greater attention will also have to be paid to rainwater harvesting and increasing irrigation potential through scientific watershed development. There is also considerable scope for improving efficiency of the existing irrigation infrastructure through optimum utilization and active participative management.

39. There are 159 major, 242 medium and 89 extension, restoration and modernisation projects which have spilled over from Ninth Plan to Tenth Plan. These include 119 pre-Fifth and Fifth Plan projects, out of which, 30 major irrigation projects are targeted for completion during the Tenth Plan with completion of 7 in the year 2002-2003 and 12 in 2003-2004. Important Centrally Sponsored Schemes (CSS) in irrigation include critical anti-erosion works in Ganga basin in the States of U.P., Uttaranchal, Bihar and West Bengal; Command Area Development Programme; Rationalization of Minor Irrigation Statistics (RMIS) scheme and flood proofing programme in North Bihar.

40. Minor surface flow irrigation projects comprising storage tanks, diversion and surface lift occupy a prominent place in the scheme of irrigated agriculture, particularly in the peninsular part of the country and the hilly areas. As the schemes have a short gestation period, are labour intensive and an important means for poverty alleviation, they are generally considered as peoples' programmes.

41. The Central Ground Water Authority (CGWA) is continuing its regulatory function to check over - exploitation of ground water. Based on the Model Bill on ground water legislation circulated by the Ministry of Water Resources, the States of Andhra Pradesh, Tamil Nadu, Kerala, Goa and the Union Territory of Lakshdweep have enacted legislations, while the states of Gujarat, Maharashtra, West Bengal and Pondicherry have passed the Bill in this regard. The CADP is being restructured in Tenth Plan to make it more focused by curbing the proliferation of more number of schemes and adopting participatory approach

with water user associations for maintenance of the system built under CADP. It is also proposed to reduce the number of projects from 236 to 96 for better monitoring and timely completion.

SOCIAL INFRASTRUCTURE

42. One of the important problems facing India today is the size and growth of its population. The country's population of 102.7 crore at the dawn of 21st century against 23.84 crore at the turn of the 20th century, increased more than four times in the last hundred years. The net addition to our population during the last decade itself was about 18.1 crore. The density of population has increased from 117 persons per sq. km. in 1951 to 324 persons per sq. km. in 2001. As the population of the country is still growing at a rate of 1.7 crore people every year, pressure on the availability of infrastructure, employment and natural resources is bound to increase.

43. The National Population Policy (NPP) 2000 transcends purely demographic concerns and aims at the over-riding objective of economic and social development. While long-term objective of the policy is to achieve a stable population by 2045, in medium term it seeks to bring the Total Fertility Rate (TFR) to the population replacement level of 2.1 by 2010. The immediate objective of the Policy is to meet all the unmet needs for contraception and health care for women and children. The monitorable targets for the Tenth Five Year Plan and beyond in respect of population perspective include- reduction in infant mortality rate (IMR) to 45 and 28 per 1,000 live births by 2007 and 2012 respectively, reduction in maternal mortality ratio (MMR) to 2 and 1 per 1,000 live births by 2007 and 2012 respectively and reduction in decadal growth rate of population between 2001 and 2011 to 16.2 per cent. Many states have made enormous progress in achieving rapid decline in fertility and mortality rates. Kerala was the first in India to have reached TFR 2.1 in the year 1988. Tamil Nadu which was the second state to achieve population replacement level fertility in spite of having higher IMR and lower female literacy rate than Kerala. Andhra Pradesh is likely to achieve replacement level of fertility in the next two years and has shown a steep decline in fertility despite relatively lower age of marriage, low female literacy rate and poor outreach of the primary health care infrastructure. However, the crux of the present population problem lies in four high fertility States of Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan whose total population in 2001 was 42.19 crore, accounting for 41.09 per cent of the country's population. As about 48 per cent of the population growth in the country between 1991-2001 was contributed by these four states, any strategy to check population growth must focus on these States.

44. One of the objectives of planned economic development in India has been the removal of poverty and improving the quality of life of its people. While rural poverty in the country has declined from 37.27 per cent in 1993-94 to 27.09 per cent in 1999-2000, the number of rural poor is still high at 193.24 million estimated for 1999-2000. It is well recognized that poverty can effectively be eradicated only when the poor start contributing to the growth by their active involvement in the growth process. Therefore, implementation of all the poverty alleviation programmes is increasingly based on approaches and methods, which involve the poor themselves in the process of poverty eradication through the process of social mobilization, encouraging participatory approaches and empowerment of the poor. In this endeavor the role of Panchayati Raj Institutions (PRI) is vital.

45. The Swaranjayanti Gram Swarozgar Yojana (SGSY), launched in 1999, by restructuring of the erstwhile Integrated Rural Development Programme (IRDP) and its allied programmes seeks to bring the assisted poor families (swarozgaris) above the poverty line by organizing them into Self Help Groups (SHGs) through the process of social mobilization, training and capacity building and provision of income generating assets through a mix of bank credit and government subsidy. Under the programme, special safeguards have been provided to vulnerable sections by way of reserving 50 per cent benefits for SCs / STs, 40 per cent for women and 3 per cent for disabled persons. It is envisaged that 50 per cent of the groups formed in each Block should be exclusively for women.

46. The Sampoorna Grameen Rozgar Yojana (SGRY) was launched in 2001 by merging two schemes, the Jawahar Gram Samridhi Yojana (JGSY) and the Employment Assurance Scheme (EAS) with the objectives of providing additional wage employment in all rural areas and thereby ensuring food security and improving nutritional levels and to create durable assets and infrastructure development in rural areas. The SGRY is open to all rural poor who are in need of wage employment and desire to do manual and unskilled work in and around the village / habitat. While providing wage employment, preference is given to agricultural wage earners, non-agricultural unskilled wage earners, marginal farmers, women, members of Scheduled Castes/Scheduled Tribes, parents of handicapped children or adults with handicapped parents etc. The programme is being implemented through the Panchayati Raj Institutions on cost sharing ratio of 75:25 between the Centre and the States for the cash component of the programme. However, food grains for distribution under the programme are provided to the states free of cost.

47. The National Social Assistance Programme (NSAP) was launched in 1995 as a 100 per cent Centrally Sponsored Scheme with the aim to provide social assistance benefit to poor households in the case of old age, death of primary breadwinner and maternity. The programme supplements the efforts of the state governments to ensure minimum national levels of well being. The maternity benefit component of the NSAP was transferred to the Department of Family Welfare to ensure better linkage with nutrition and national population control programmes. The remaining two components of NSAP, i.e., National Old Age Pension Scheme (for providing old age pension to destitutes of 65 years and above) and National Family Benefit Scheme (for providing a lump sum amount in the case of death of primary breadwinner of a BPL family due to natural or accidental cause) along with Annapurna (for providing food security to the destitute senior citizens uncovered under the National Old Age Pension Scheme have been transferred to the states w.e.f. 2002-03. It is envisaged that the transfer of these schemes will provide the requisite flexibility to the States/UTs in better management and implementation of the schemes.

48. Indira Awas Yojana (IAY) is another scheme whose objective is to provide dwelling units free of cost to the Scheduled Castes and Scheduled Tribes and freed bonded labourers and non – SCs/STs living below poverty line in rural areas. From 1995-96, the IAY benefits have been extended to the widows or next kin of defence personnel killed in action. Benefits have also been extended to ex-servicemen and retired members of para-military forces as long as they fulfil the normal eligibility conditions of the scheme. A National Mission for rural housing and habitat has also been set up by the Ministry of Rural Development to facilitate the induction of science and technology inputs on a continuous basis into the sector and to provide convergence of technology, habitat and energy related issues in order to provide affordable shelter for all in the rural areas, within a specified time frame and through community participation.

49. Pradhan Mantri Gramodaya Yojana (PMGY) was launched in 2000-2001 in all the States and the UTs in order to achieve the objective of sustainable human development at the village level. With its launching, the earlier Basic Minimum Services (BMS) Programme was replaced by PMGY. The PMGY envisages allocation of Additional Central Assistance (ACA) to the States and UTs for selected basic minimum services in order to focus on certain priority areas of the government. PMGY initially had five components viz. primary health, primary education, rural shelter, rural drinking water and nutrition. Rural Electrification has been added as an additional component from 2001-02.

50. The Panchayati Raj Institutions (PRIs) have emerged as the third tier of governance in the country after the 73rd Constitutional Amendment Act, 1992. The Act did not only aim at democratic decentralization by conferring statutory status on PRIs but also envisages these local institutions as vehicles for harnessing and channelising the peoples' innate abilities to bring about rural transformation in a way that every individual acquires his/her rightful place in the social, economic and political arena. Under the Act, PRIs are envisaged as instruments for establishment of a democratic decentralized development process through peoples' participation in decision making, in implementation and delivery of services central to the living conditions of the people.

51. Empowerment of Scheduled Castes (SCs), Other Backward Classes (OBCs) and Minorities continues to be a priority concern of the Government in the Tenth Plan (2002-07). Concerted efforts are made both at the governmental and non-governmental levels for the effective implementation of various welfare and development policies and programmes towards achieving – i) social empowerment – especially through educational development; ii) economic empowerment – through employment and income generation and poverty alleviation; and iii) social justice – through effective implementation of existing legislations and other measures in preventing and protecting the disadvantaged groups from the atrocities, exploitation and discrimination.

52. Attainment of social empowerment amongst these disadvantaged groups could be possible only through reduction/removal of the prevailing inequalities, disparities and other persisting problems especially in the field of education, besides providing access to other basic minimum services. Education being the basic requirement and the most effective instrument for social empowerment, effective implementation of the nation-wide major scheme of Post-Matric (PMS) Scholarships to SC students was accorded high priority during 2002-03 so as to enable all eligible SC students to pursue their education beyond metric including professional, graduate and post-graduate courses in recognised institutions within the country. To further gear up the educational development of SCs, another support service of Book Banks for SC students which supplies text books for pursuing medical, engineering, veterinary, agricultural, polytechnic, Chartered Accountancy, Business Administration, bio-sciences and law courses, etc., was clubbed with PMS scheme and as many as 15,791 SC students were benefited during the year 2002-03 under the scheme.

53. In order to give similar focused attention to the educational development amongst OBCs and Minorities through an effective rationalized approach, the schemes of Post-Matric Scholarships, Pre-Matric Scholarships and Merit Based Scholarships for OBCs and Merit Based Scholarships for Minorities were merged into a single umbrella scheme of Merit Based Scholarships to OBCs and Minority students in the Tenth Five Year Plan. During the Annual Plan 2002-03, as many as 1,97,506 OBC students with Post-Matric Scholarships and

3,98,061 lakh OBC students with Pre-Matric Scholarships have been benefited.

54. The scheme of Pre-Matric Scholarships for the children of those engaged in unclean occupations is being implemented with the objective to wean away these children from the clutches of the menial occupations especially from that of the degrading profession of manual scavenging. Up till now 5.0 lakh students have been benefited and in the year 2003-04, about 5.47 lakh students are likely to be benefited under this scheme. Efforts towards achieving the national goal of complete eradication of manual scavenging by the end of Tenth Plan continue to be the priority commitment. There are about 6.76 lakh scavengers in the country. Upto 2001-02, as many as 1,56,488 scavengers were trained and 4,08,644 rehabilitated.

55. Economic empowerment of the weaker sections of SCs, OBCs and Minorities has been accorded equal priority in the Tenth Plan, especially focusing poverty alleviation through promoting employment and income-generating activities. To this effect, various employment-cum-income generation activities are being implemented through both governmental and non-governmental agencies with the ultimate objective of making these disadvantaged groups economically independent and self-reliant. Special financial institutions have been set-up exclusively for the purpose both at the national and the state levels. These include i) National Scheduled Caste Finance & Development Corporation (NSCFDC), ii) State SC Development Corporations (SCDCs), iii) National Safai Karamchhari Finance & Development Corporation (NSKFDC), iv) National Backward Classes Finance & Development Corporation (NBCFDC); and v) National Minorities Development and Finance Corporation (NMDFC).

56. In the Annual Plan 2003-04 the process of empowering will be further consolidated to ensure that definite socio-economic development is accomplished among these disadvantaged groups with social justice. Added thrust will not only be given to strengthen various on-going welfare and developmental programmes, but also to ensure that schemes are implemented effectively at an accelerated rate towards speedy accomplishment of raising the status of these sections at par with the rest of the society.

57. The census data of 2001 reveals that out of a population of 1027 million in India, about 285 million or 27.8 per cent live in urban areas. Although the proportion of increase in urban population accounted for 2.1 percentage points during the decade 1991-2001, the census organization has observed that the degree of urbanization in India is among the lowest in the world.

58. The level of urbanisation varies amongst states. Tamil Nadu is the most urbanized among the larger states with 43.9 per cent urban population, followed by Maharashtra with 42.4 per cent and Gujarat with 37.4 per cent. The proportion of urban population among the larger states is the lowest in Bihar with 10.5 per cent followed by Assam (12.7 per cent) and Orissa (14.9 per cent). Himachal Pradesh is the least urbanized (9.8 per cent) state among all the States and Union Territories in the country, while National Capital Territory of Delhi with 93 per cent urban population is the most urbanized. In terms of absolute number of persons living in urban areas, Maharashtra leads with 41 million persons followed by Uttar Pradesh with 35 million and Tamil Nadu with 27 million persons. There are 27 cities with more than one million population, whereas the number of urban agglomerations (UAs)/cities having population of more than one million is 35. About 37 per cent of the total urban population as per the Census 2001 live in these Million Plus UAs/Cities in India.

59. The Tenth Five Year Plan envisages reduction of poverty ratio by 5 percentage points by 2007 and by 15 percentage points by 2012, providing gainful high quality employment opportunities in the sectors which have larger employment potential such as housing, construction, ensuring equity and social justice. Eradication of poverty has long been among the national objectives since the inception of economic planning. According to the NSSO (55th Round), 23.62 per cent of India's urban population is living below the poverty line. The urban poor population is 3.47 per cent less than the rural poor. The number of urban poor living below the poverty line is 670.07 lakh. The most important point about the inter-state variation in poverty is that it shows no correlation with per capita income or other development indicators like per capita consumption, levels of industrial and infrastructural development, etc. Urban poverty, thus, emerges as a more complex phenomenon than rural poverty.

60. The positive feature of Swarna Jayanti Shahari Rozgar Yojana (SJSRY), which has been envisaged as the central programme for urban poverty alleviation, is that it involves the community. The community structures so created need to be strengthened and further diversified. One development would be to form Associations of specific categories such as street vendors, who could have their own self-help groups and network and federate to create a financial interface with the formal sector financial institutions, to gain access to credit for income-generation, housing etc.

61. The objective of the National Housing and Habitat Policy, 1998 was to provide shelter to all, especially to the poor and the deprived and to ensure that the goal of shelter to all is achieved by the end of the Eleventh Plan. The policy envisaged construction of 2 million additional houses annually. Of these, 1.3 million units would be in rural areas and 0.7 million units in urban areas. Housing activity deserves a holistic approach as it has the potential of generating remunerative employment opportunities also. In tune with the strong commitment to redress homelessness, proper integration of schemes such as the Two Million Housing scheme, Night Shelter scheme meant for footpath dwellers, and the new scheme of housing, viz., Valmiki Ambedkar Awas Yojana (VAMBAY) with central assistance for the slum population should be made to provide immediate benefit to the most disadvantaged urban segments. The specific component of Nirmal Abhiyaan Yojana under VAMBAY, implementation of the on-going National Slum Development Programme (NSDP) launched with an objective of improving the living environment of slum dwellers should help accomplishing the goal of slumless cities with a healthy and enabling urban environment in the country.

62. In the area of new initiatives, creation of Urban Reform Incentive Fund (URIF) was proposed by the Finance Minister in his Budget Speech 2002 to provide reform linked assistance to states. The Fund will seek to incentivise reforms in the areas of rent control laws and repeal of Urban Land Ceiling Acts; rationalisation of high stamp duty regimes; revision of bye-laws to streamline the approval process for construction of buildings, development of sites etc; revision of municipal laws in line with model legislation prepared by the Ministry of Urban Development and Poverty Alleviation.

63. The nation is firmly committed to provide education for all, the priority areas being free and compulsory elementary education, covering children with special needs, eradication of illiteracy, vocationalisation, education for women's equality and special focus on the education of SCs / STs and Minorities. The Constitutional (86th Amendment) Act Notified in 2002, makes free and compulsory elementary education a Fundamental Right, for all children

in the age group of 6-14 years. The Sarva Shiksha Abhiyan (SSA), which has been launched to achieve this objective, indicates a strong reiteration of the country's resolve to give the highest priority to achieve this goal. It covers the entire country and addresses the needs of 19.2 crore children in 11 lakh habitations. The SSA seeks to ensure that all children are in school by the year 2003, all of them complete 5 years of schooling by 2007 and all children complete 8 years of schooling by 2010.

64. Universalizing access to primary education and improvement of basic school infrastructure are the core objectives of the Tenth Plan with an endeavor that the educational system is integrated with the economic needs of the people. Besides provision of basic schooling facilities, special efforts are being made to reduce social and gender gaps with a large number of girls and children belonging to SC / ST communities remaining outside the school system.

65. The Secondary Education serves as a bridge between elementary and higher education and prepares the youth between the age group of 14-18 for entry into higher education. During the Tenth Plan greater focus is reflected on improving access and reducing disparities in the field of secondary education. The Plan also focuses on revision of curricula with emphasis on vocationalisation and employment oriented courses, expansion and diversification of open learning system, re-organization of teachers training and greater use of information and communication technologies. During the year 2003-04, it is envisaged to recast the scheme of Vocationalisation of Secondary Education. In Higher Education, the main objective is to raise enrolment of the youth in the age group 18-23 from the present level of 6 per cent to 10 per cent by the end of the Tenth Plan period. The focus and strategies would be on increasing access and quality, adoption of state specific strategies, vocationalisation, distance education, convergence of formal, non-formal, distance and IT education institutions, increased private participation in establishing and running of colleges and deemed universities.

66. The key issues in technical and management education that are being focused include increase in intake capacity, faculty development, modernization of curriculum, international benchmarking and developing capacities in new and emerging technology areas. The World Bank aided Technical Education Quality Improvement Programme (TEQIP) approved in 2002-03 is the major programme in the field of Technical Education which aims at improving the quality of technical education by enhancing the capacities of the existing institutions. The TEQIP will be implemented as a multi-state programme and in the first phase, six states have been selected to participate in the programme providing financial support to 70-80 engineering institutions comprising 18 lead institutions and remaining network institutions.

67. The National Literacy Mission has the basic objective of making literacy fundamental for every one in the country, especially for women with active participation from NGOs. The Mission aims at sustaining a threshold level of 75 per cent literacy by the year 2005 and seeks to provide meaningful opportunity for lifelong learning to adults and focus on residual literacy. Given the major role envisaged for NGOs, they are now allowed to receive funds from Zila Saksharta Samitis and run continuing education centers to promote the literacy movement.

68. Employment generation in all the production linked economic activities is one of the basic objectives of the planning. Demand for labour or generation of employment opportunities is directly linked to the process of growth in economic activities, while

improvement in the overall growth performance has a direct bearing on faster and better quality employment generation. The employment perspective for the Tenth Plan aims at creating 50 million job opportunities, out of which nearly 20 million person years of employment opportunities will be created by selective innovative programmes and policies leading to a changed pattern of growth in favour of labour intensive sectors and the remaining 30 million will come from the normal buoyancy of growth as perceived over the recent past (1993-94 to 1999-2000) and identification of many labour intensive sectors like Agriculture and Allied Activities, Food Processing, Rural Non-farm Sector including Khadi and Village Industries, Small and Medium Enterprises and Services sectors including Health, Education, Information Technology & Communication, where substantial growth in employment generation can be rejuvenated if right kind of sectoral policies are put in place.

69. A special Group on targeting ten million employment opportunities per year over the Tenth Plan period was constituted in the Planning Commission which made the recommendation to increase the pace of labour absorption in the economy as well as in respect of the need for monitoring and improving the conditions of workers especially those at the margin and to devise appropriate programmes and policies for suitable reallocation of capital in favour of labour intensive sectors. At the sectoral level, the Group identified sectors such as agriculture and allied activities, small and medium industries, construction, tourism, information technology, education and health where large potential for new job opportunities exists.

70. The second National Commission on Labour (NCL) was set up in October, 1999 to suggest rationalisation of existing laws relating to labour in the organized sector and to evolve an “umbrella” legislation for ensuring a minimum level of protection to the workers in the unorganised sector. The Commission has given due consideration to the economic efficiency and special problems of the Small Scale Industries (SSI) sector and the welfare and protection of the large number of workers employed in SSI. It has given special consideration to the status of women workers, the need to ensure equal rights and equal opportunities, to give full recognition to their contribution and their status as workers and the need to help them fulfil their responsibilities by themselves and their families. The Commission also recommended various social security measures for the unorganised workers which include healthcare, maternity and early child care, provident fund benefits, family benefits, amenities including housing, drinking water and sanitation.

71. One of the major concerns of the Government has been the improvement of labour welfare with increasing productivity and provision of a reasonable level of social security. Reviewing of labour laws and harmonizing them with the new economic and social setting; expanding the provision of social security to workers through efforts to create viable location specific and a self financing system and improving the conditions of workers facing highly adverse work situations would continue to be the priority areas in the labour and employment sector during the Tenth Plan. To reduce the incidence of child labour, efforts would be taken in the Tenth Plan to converge this scheme with Sarva Shiksha Abhiyan (SSA) – a scheme implemented by the Ministry of HRD. The Government has also enacted a number of legislations in the area of social security for the workers and several initiatives have been recently taken to accord larger benefits to workers under these Acts.

72. Faced with the problems of the sub-optimally functioning health care system and inadequate investment for improving health status of the population, the Ninth Plan emphasized the need for reviewing the changing health scenario, assessing the response of

the public towards voluntary and private sector health care providers, reorganizing the health systems so that they become efficient and effective and introducing health system reforms which ensure access to public health programmes like tuberculosis control programme, free of cost to all and enable the population to obtain essential health care such as care after accidents and other emergent conditions, at affordable cost.

73. Health system reforms broadly fall into three categories: structural and functional aimed at improving efficiency; financial, aimed at improving the resources available and governance related, aimed at improving transparency and accountability. As health is a state subject, the states have the major responsibility in implementing the health system reforms. But the pace of the implementation of health system reforms has been slow. Different states have implemented different components of health system reforms but none has so far implemented comprehensive reforms that include all the above three aspects. There have also been differences between states in the pace of implementation of the reforms. The Centre has a major stake in the health care system as the centrally sponsored programmes are implemented through the state health care infrastructure. Major central health system reform initiatives include horizontal integration of vertical programmes (leprosy), decentralised district based planning, monitoring of the centrally sponsored programmes for family welfare and disease control, establishment of the disease surveillance system, strengthening of hospital infection control and waste management and the attempts to improve logistics of essential drug supply.

74. Reduction in fertility, mortality and population growth rate will be the major objectives during the Tenth Plan. Three of the 11 monitorable targets for the Tenth Plan and beyond are reduction in Infant Mortality Rate (IMR) to 45 per 1,000 live births by 2007 and 28 per 1,000 live births by 2012; reduction in maternal mortality ratio to 2 per 1,000 live births by 2007 and 1 per 1,000 live births by 2012; and reduction in decadal growth rate of the population between 2001-2011 to 16.2. Available data suggests that there is an urgent need to improve access to health care in the states of Bihar, Uttar Pradesh, Madhya Pradesh, Rajasthan, Orissa, Uttaranchal, Jharkhand and Chhattisgarh so as to achieve the goals set in Tenth Plan for which an Empowered Action Group has been set up in the Ministry of Health and Family Welfare.

75. The Tenth Plan envisages a paradigm shift from household food security and freedom from hunger to nutrition security for the family and the individual; untargeted supplementation to screening of all the persons from vulnerable groups and identification of those with various grades of under - nutrition and their appropriate management. The Plan has set state specific nutrition goals to be attained by the year 2007 and envisages a two pronged attack on under-nutrition viz., (i) prevention of under-nutrition through nutrition education aimed at ensuring appropriate infant feeding practices, promoting appropriate intra-family distribution of food based on requirements and dietary diversification to meet the nutritional needs of the family and (ii) early detection and appropriate management of under - nourished persons by operationalizing universal screening of all pregnant women, infants and pre-school and school children for under-nutrition and initiating appropriate nutrition interventions.

76. Available data from National Family Health Survey (NFHS) indicate that under-nutrition is common both among adolescent girls and pregnant and lactating women. In order to reduce the magnitude of this problem, the Prime Minister during his Independence Day speech in 2001 announced that food grains would be provided to adolescent girls and

pregnant and lactating women from BPL families at subsidized rates. Since the states have so far been bearing the cost of food supplements through the Integrated Child Development Scheme (ICDS), Planning Commission provided Additional Central Assistance (ACA) to the states to operationalise the announcement of the Prime Minister as a pilot project in 51 districts. The ACA was to be utilized to provide food grains through Targeted Public Distribution System (TPDS) totally free of cost to the families of identified under-nourished persons.

ECONOMIC INFRASTRUCTURE

77. The contribution of industry sector to GDP is an important indicator of a nation's economic progress in the process of structural transformation from a rural agricultural society to a more urban industrialized one. Further, an increase in per capita income is associated with a rise in the share of industry along with a fall in the share of agriculture in national income. Manufacturing industry provides the driving force for stimulating rapid economic growth and consumption of manufactured consumer goods is recognized as one of the most widely accepted measures of standard of living and of quality of life. It is in recognition of this special importance that raising industry's share in GDP is being reckoned as the foremost objective in the Tenth Plan. In order to achieve doubling of per capita income over the next decade, the Tenth Plan targeted a gross domestic product (GDP) growth rate of 8 per cent per annum for the economy. The corresponding growth target for the industrial sector is 10 per cent.

78. The year 2001-02, was characterized by a slow-down in world industrial output. India also witnessed a weak industrial growth of 2.7 per cent during the year, as measured by the Index of Industrial Production (IIP). The slowdown was broad-based and took place across most industry groups, particularly witnessing a weaker growth of only 1.2 per cent in mining and quarrying. However, the Industrial growth has displayed some signs of recovery having attained a growth of 5.7 per cent in 2002-03, the first year of the Tenth Five Year Plan. It is more than the average growth achieved during Ninth Five Year Plan with all sectors contributing in sustaining such growth – mining (5.8 per cent), manufacturing (6.0 per cent), capital goods (10.6 per cent), intermediate goods (3.9 per cent) and consumer goods (7.0 per cent). As many as 13 of the 17 two-digit industry groups have shown positive growth during the year 2002-03 as compared to the previous year. Among these, beverages, tobacco and related products have shown the highest growth of 27.9 per cent followed by 14.4 per cent in textile products and 14.6 per cent in transport equipment. The overall Industrial production witnessed a growth of 6.5 per cent during the period April – January 2003-04 as compared to 5.7 per cent during the full year 2002-03. Substantial growth has been observed mainly in paper and paper products (19.7 per cent), basic chemicals and chemical products (6 per cent), machinery and equipment (11.2 per cent) and transport equipment (18.6 per cent) as shown in **Annexure 3.1.7**.

79. The Tenth Five Year Plan has stated that the proposed acceleration in the growth rate cannot take place without tapping on the opportunities offered by the international economy in terms of markets, investment and technologies. In view of India's greater dependence on imports for energy and liberalization of imports as required by the World Trade Organisation (WTO), the Tenth Plan has stressed on high rates of growth of exports for keeping the current account deficit within manageable limits. For sustaining high levels of domestic capacity utilization also, the Plan has emphasized for seeking external markets.

80. India's exports during 2002-03 are valued at US\$ 52.2 billion, which showed growth of more than 19 per cent over the export level of US\$ 43.8 billion achieved during 2001-02 thereby surpassing the target of 12 per cent. Imports during 2002-03 are valued at US\$ 61.3 billion showing a similar growth of 19 per cent over the level of imports valued at US\$ 51.4 billion achieved during the previous year. As positive growth in imports is associated with higher growth in industrial sector, the manufacturing sector obviously witnessed strong recovery and recorded a growth of 6.1 per cent in 2002-03 as against 3.4 per cent in 2001-02. However, the trade deficit in 2002-03 is estimated at US\$ 9.1 billion compared to the deficit level of US\$ 7.6 billion in 2001-02.

81. The government rationalized and simplified procedures in respect of various export promotion schemes. The Exim policy announced on 31.3.2002 sought to remove all import curbs barring a few sensitive items reserved for exports through state trading enterprises, a farm to port approach for exports of agricultural products, special thrust on cottage and handicrafts and enhanced assistance to states for infrastructure development for exports. 45 Agricultural Economic Zones (AEZs) have so far been sanctioned in 19 states which are in different stages of implementation. Export capability of small-scale sector which accounts for about 50 per cent of our exports, is being strengthened. Additional incentives to Special Economic Zones (SEZs) are being given to provide an internationally competitive duty free environment for export production supported by high-class infrastructure. So far 18 SEZs have been approved. The Exim Policy announced on 31.3.2003 provides incentives to the growing number of service providers. The Policy seeks to facilitate corporate investment to promote agro exports and benefit farmers. In addition, the Policy gives further incentives to exports of hardware, gems and jewellery, etc.

82. Infrastructure being the backbone of economic development, adequate infrastructural development with quality and reliability is an essential precondition for economic growth. International competitiveness of Indian industry and future success of India's exports depend upon efficient performance of the infrastructure sector. Augmenting and expanding infrastructure for sustainable development is one of the prime objectives of the Tenth Plan. The thrust of the infrastructure policy has been to create a regulatory framework for promoting private initiatives, healthy competition in infrastructure services and provide infrastructural facilities of international standards, particularly in the telecom and power sectors, at affordable costs to the consumers. Annual Plan 2003-04 will continue to pursue reforms in the power infrastructure relating to organizational restructuring, renovation & modernization and higher capacity utilization.

83. The six core infrastructure industries (i.e. coal, electricity, steel, crude petroleum, petroleum refinery and cement) which are the key inputs to infrastructure sector, and have a weight of 26.7 per cent in the Index of Industrial Production registered a growth of 5.1 per cent in 2002-03 as compared to 3.5 per cent in the previous year as shown in **Annexure 3.1.8**. Two industries, steel and cement, have experienced striking revivals. Domestic demand for steel and cement was supported by the quick pace of highway construction taking place under the aegis of National Highway Authority of India (NHAI), and the housing sector by easy access to housing finance and a favorable tax regime, due to which, finished steel output grew by 10.7 per cent in the year 2002-03 and cement production grew by 8.4 per cent. Improvements in technology and cost reduction have made India more competitive in exporting steel and cement. In the year 2003-04, (April – January) quite an impressive growth of 7.3 per cent has been observed in the petroleum refinery products and a modest increase in the case of coal and electricity generation.

84. Development of mineral sector is essential for a sustainable industrial and infrastructure growth of the country. In the last five decades, sustained efforts in prospecting and development of minerals have considerably augmented the mineral inventory. A review of the mineral exploration and development work indicates that most of the accessible and near surface deposits are either exhausted or are under production. A major portion of the copper, lead and zinc reserves are in the 'possible' category and have not been explored to the level of 'proved' reserves. Life indices of base metal deposits – copper, lead, and zinc have been estimated to be ten years, five years, and fifteen years respectively. However, in case of bauxite, the country is in a comfortable position with life index of 153 years beyond Tenth Plan.. The per capita consumption of aluminium in India is still very low. There is adequate scope for increasing production of alumina and its exports and hence, efforts should be made for producing more alumina for exports using state-of-the-art technology.

85. There is need for carrying out mineral exploration quite intensively for establishing more recoverable reserves of copper, lead and zinc. The mining sector has been thrown open to private sector both foreign and domestic. The Mines and Minerals (Development and Regulation) Act, 1957 has been amended in 1999 to make the statutory provisions at par with international best practices, thereby making the Act more investor friendly with emphasis on development rather than regulation paving the way for increased Foreign Direct Investment (FDI) in this sector. The policy changes have attracted private investment in exploration of base-metals, noble metals and gem stones.

86. The Offshore Areas Mineral (Development and Regulation) Act, 2002 providing for development and regulation of mineral resources in the territorial waters, continental shelf, and the exclusive economic zone was notified on 31.1.2003. The legislation would enable streamlining of mineral exploration and development in the offshore areas and ensure systematic and scientific exploitation of mineral reserves (except petroleum, natural gas and hydrocarbon resources) for attracting private investment in the mineral sector.

87. As a part of the Tenth Plan objectives, the key areas in mineral sector include: enhancing the indigenous mineral resources; intensive exploration in the field of high value low volume minerals like gold, diamond and platinum group of metals; creation of enabling environment to attract new investment through private sector participation with modern technical and managerial expertise for finding new deposits and develop them sustainably. It is also necessary to direct due attention on low grade ores in order to convert yester years waste into tomorrow's ore with the help of technological innovations by the Indian Bureau of Mines (IBM).

88. Iron ore is the basic raw material for iron and steel industry. The iron ore is classified into three categories depending on the iron percentage viz. low grade (below 62 per cent), medium grade (62-65 per cent) and high grade (above 65 per cent). The maximum content of iron (Fe) available in India is 68 per cent, which is considered as the best quality of iron ore. After meeting the domestic demand, iron ore is also being exported to various countries. India exported about 31.4 million tonnes of iron ore in the year 2002-03, after meeting the domestic consumption of 53.3 million tonnes. The total iron ore production of 84.7 million tonnes in 2002-03 was less than the anticipated production of 100 million tonnes for the year mainly due to slow down in industrial output.

89. Steel is the most essential infrastructural commodity for any nation's economic development. The Indian steel industry comprises ten major steel plants with an annual production capacity of 24 million tonnes and 848 electric/induction furnaces with a combined annual capacity of 13 million tonnes. The industry provides direct employment for 5 lakh people besides large indirect employment. Per capita consumption of steel is an indicator of the growth of steel industry as well as national economic infrastructure development. India's present per capita consumption of steel at around 29 Kg. is far below the world average of 140 Kg. By the end of Ninth Five Year Plan, India became eighth largest steel producer in the world and initiatives have been taken to further develop the industry by exploring new markets for steel consumption including export to South Asian countries and Gulf region. The production of finished steel during 2002-03 was 33 million tonnes representing a growth of 8 per cent over the previous year. The industry exported 3.7 million tonnes of steel in the year 2002-03 achieving a growth of 37 per cent over the year 2001-02. The first quarter of the financial year 2003-04 has shown strong improvement in domestic steel industry. The total production of finished steel during April-June 2003 was estimated at 8.7 million tonnes as against the actual production of 8.1 million tonnes during the corresponding period of last year, showing an increase of 7.5 per cent. The Tenth Plan places considerable emphasis on improving nation's infrastructure, particularly in housing construction and road projects and therefore, there is adequate scope for an increased demand of steel and also utilizing idle capacity in coming years.

90. Coal contributes around 22 per cent of the global primary energy consumption and it will continue to remain the principal source of commercial energy in the country for foreseeable future. Coal and lignite based electricity generation constitute about 70 per cent of the total electricity generation. And hence, all out efforts are needed for rapid development of coal resources. A substantial expansion of domestic coal production would be needed if the power sector is expanded to support 8 per cent targeted growth rate in the Tenth Plan. Approval of Coal Mines (Nationalization) Amendment Bill, 2000 by the Parliament will expedite the reform process in the coal sector in order to attract private investment.

91. Some of the key thrust areas and major initiatives in the Tenth Plan for the coal sector include: restructuring of the sector by providing more autonomy to individual coal-producing companies for making them viable and enhancing their competitiveness; augmentation of the coal production capacity to meet the projected demand of the power sector in particular and other end use sectors in general; continuation of reform process and facilitating private sector participation in commercial coal mining with a view to gain access to latest technologies for coal exploration, production and utilization; augmentation of port and rail infrastructure for coal movement and reducing dependence on road transportation besides exploring other modes of coal transportation and promoting production of domestic washed coking coal with the adoption of better technologies and making it competitive for the steel sector so as to reduce import dependence. Coal Bed Methane (CBM) is emerging as a new source of commercial energy. The government approved the policy for exploration and exploitation of CBM and necessary steps to implement the policy were initiated. The Tenth Plan will continue to lay emphasis on development of CBM in view of its large potential as a domestic source of clean energy.

92. Expeditious passing of pending Coal Bill 2000 to permit private sector in non-captive mining, setting up of independent regulatory authority that ensures a competitive level playing field, restructuring of Coal India Limited (CIL), permitting of free sale of coal by taking out coal from the list of essential commodities, de-blocking of coal blocks held by CIL

for offering to potential entrepreneurs under competitive bidding, rationalization of rail freight rates for coal, adoption of Gross Calorific Value (GCV) based grading and pricing of coal, are some of the important thrust areas for the Annual Plan 2003-04.

93. Coal demand is primarily driven by power sector demand. Due to shortfall (49 per cent) in new coal based thermal capacity (actual addition of 7680 MW against Ninth Plan target of 15102 MW) and also lower than expected economic growth during the Plan period, the production and off take of coal was much lower than envisaged during the Ninth Plan. As a result of slump in coal off take, the coal production and new production capacity creation suffered. The coal companies resorted to limiting coal production to match the off take to avoid piling up of the pithead stocks. The coal demand is envisaged to grow at Compounded Annual Growth Rate (CAGR) of 5.74 per cent during the Tenth Plan against an actual CAGR of 3.5 per cent in the Ninth Plan. Similarly, the coal production is envisaged to grow at 4.46 per cent in the Tenth Plan against a growth of 2.5 per cent during Ninth Plan. For the year 2003-04, a coal demand of 380.90 million tonnes (excluding 4.29 million tonnes of washery middlings) has been assessed. It is 5.3 per cent more than the anticipated consumption/offtake of 361.68 million tonnes (excluding 4.1 million tonnes of washery middlings) in 2002-03. There is need to check the declining production and washery yield of washed coking coal from domestic sources through modernizing coking coal washeries and converting them into multi-product washeries suiting to the raw coal feed and specifications of the steel sector.

94. The anticipated production of lignite from Neyveli Lignite Corporation (NLC) during the year 2002-03 is 18.85 million tonnes against the target of 19.95 million tonnes. The production target for 2003-04 is set at 20.90 million tonnes and the target for power generation based on lignite fuel is about 15 billion kwh. The proposed targets for 2003-04 indicate a growth of about 11 per cent in lignite production and 21.5 per cent growth in power generation with a proposed improvement in productivity of 5 per cent. NLC is permitted to diversify into coal fired power generation and a couple of projects are under consideration of government in this regard.

95. Cement is a basic construction material and a healthy and vibrant cement industry is essential for building strong India. It plays an important role in the development of the social, industrial and commercial infrastructure, which is considered as prime engine of economic development. The industry directly employs 1.35 lakh people, while creating a substantially higher proportion of indirect employment through machinery manufacture, materials and services. It has made large contribution by way of revenue through Excise Duty (as much as 5 per cent of the Centre's excise revenue) and Sales Tax.

96. The cement industry had been growing at a rate of 8.4 per cent annually over the last two decades. Today, India is the second largest cement producing country in the world only next to China. However, the per capita consumption is quite low at 107.6 Kg against the world average of 263 Kg. In case of Korea, the per capita consumption is 1015 Kg, which is the highest, followed by Taiwan at 890 Kg, Japan at 570 Kg, Malaysia at 506 Kg and China at 450 Kg.

97. The cement industry has an installed capacity of 148.63 million tonnes and most of this capacity is of modern technology and based on the energy efficient dry process. With positive trends in the acceleration of growth of the economy, the demand for cement has picked up. The production which was 107 million tonnes in 2001-02, increased to 116 million tonnes in

2002-03 registering annual growth of 8.4 per cent. The consumption has also increased from 99.01 million tonnes in 2001-02 to 107.6 million tonnes in 2002-03 registering a growth of 8.68 per cent. On the export, front the industry exported 6.18 million tonnes of cement (including clinker) in 2002-03 against 4.58 million tonnes in the previous year, thereby registering a growth of 35 per cent.

98. The demand of cement industry depends on growth in infrastructure sectors like construction in general, housing, transport and power. As accelerated development of physical infrastructure is one of the important elements of the Tenth Five Year Plan, the domestic demand for cement is expected to reach a level of 150 million tonnes with the GDP growth of 8 per cent targeted for the economy. The exports are also estimated to go up to 8 million tonnes (excluding clinker) by the end of the Tenth Plan. For this, the production capacity needed would be of the order of 186 million tonnes at 85 per cent capacity utilization, thereby needing an additional capacity of 37 million tonnes to be created by the year 2006-07.

99. The Power sector is at the core of the overall socio-economic development of the country. The Tenth Plan envisages capacity addition of 41,110 MW in the power sector. An additional 3000 MW is also proposed through renewable energy sources. To achieve the Tenth Plan objectives, the Government proposes to take a number of new policy initiatives and is committed to carry forward power sector reforms to make the sector competitive and viable. The Electricity Act, 2003 recently notified replaced the previous three Acts relating to electricity, namely the Indian Electricity Act, 1910, the Electricity (Supply) Act, 1948 and the Electricity Regulatory Commission Act, 1998. The Electricity Act, 2003 recognizes trading of power as a distinct activity, allows for multiple licenses for transmission and distribution in the same territory, sets the bases for open access in transmission and permits State Electricity Regulatory Commissions (SERCs) to allow open access in distribution of electricity in phases. All this would ultimately encourage efficiency and competition in the sector. Under the arrangement of one time settlement of outstanding dues of State Electricity Boards (SEBs) as on September 30, 2001 payable to Central Public Sector Undertakings (CPSUs) of the Ministry of Power, Department of Coal, Department of Atomic Energy and the Ministry of Railways, twenty-four states had signed the tripartite agreement with RBI and Ministry of Power in March 2003. The four North Eastern states viz. Arunachal Pradesh, Manipur, Mizoram and Tripura have not yet signed the tripartite agreement.

100. The actual capacity addition of 2979.40 MW in 2002-03 was about 73 per cent of the planned capacity addition programme of 4109 MW for the period. Against a target of 545.5 Billion Units (BU), the actual generation during the year was 531.40 BU, representing a shortfall of 2.6 per cent. The target for All India Plant Load Factor (PLF) was set at 70.8 per cent for the year 2002-03 and the actual achievement was higher at 72.1 per cent.

101. Under Rural Electrification programme, 83.4 per cent of the total 5.87 lakh villages in the country have been electrified so far. The balance of around 80,000 villages to be electrified include some 62,000 villages to be electrified through grid extension by the end of Tenth Plan period. The remaining 18,000 villages, which are located in remote areas, are proposed to be electrified through decentralized non-conventional energy sources like solar, small hydro and biomass by the end of the 11th Plan (five thousand villages targeted for Tenth Plan). The programme has been geared up to meet the objective of covering all households by 2012. Multiple central and state level initiatives have been designed to ensure electricity for all by the end of the Eleventh Plan. Schemes such as the Prime Minister

Gramodaya Yojana, (PMGY) and the Minimum Needs Programme are aimed at electrifying un-electrified villages. System improvement, load intensification and increasing household coverage in the rural areas are supported through the Kutir Jyoti Programme, the New Accelerated Rural Electrification Programme (AREP) and the ongoing Rural Infrastructure Development Fund (RIDF) operated by the National Bank for Agriculture & Rural Development (NABARD). The newly introduced AREP programme offers an interest subsidy of up to 4% on loans taken for rural electrification. Power Finance Corporation (PFC) has been allowed, for the first time, to provide funding for rural electrification so as to complement the efforts of the Rural Electrification Corporation (REC).

102. India is endowed with abundant renewable resources, i.e. solar, wind, small hydro and biomass including agricultural residues. Harnessing these resources is best suited to meet the energy requirement of rural areas particularly remote and far-flung villages situated in difficult terrains where decentralized renewable energy is found to be the only option. Such decentralised energy supply is necessary to meet the energy for basic needs like cooking, heating and lighting. In addition, the renewable energy programmes can also supplement the conventional power generation through grid connected wind, biomass, solar and small hydro projects. During the Tenth Plan, Ministry of Non-Conventional Energy Sources (MNES) proposes to achieve 3075 MW of power generation through renewables. This includes 1500 MW of wind power, 750 MW of biomass power, 600 MW of small hydro based power, 80 MW of power from energy recovery from waste, 140 MW of solar thermal power and 5 MW of solar photo-voltaic power. Significant targets for the Tenth Plan include 15 lakh biogas plants, 14 lakh SPV lighting systems, 15,000 SPV pumps and 30,000 SPV generators. During 2003-04, it has been proposed to install 1.50 lakh family size biogas plants, 53,000 home lighting systems, 600 solar generators, solar power plants equivalent to 0.45 MW, 1600 SPV pumps, 250 MW of wind power, 125 MW of biomass power, 5 MW equivalent biomass gasifier systems, 80 MW small hydro power and 13.30 MW equivalent capacity of energy from urban and industrial wastes.

103. The Tenth Plan formulation represents a paradigm shift over previous Plans in respect of re-structuring through disinvestments and entry of private parties in marketing and distribution of petroleum products. India's oil import dependence is likely to grow in future. The thrust areas identified for the petroleum and natural gas sector in the Tenth Plan have been acceleration of exploration efforts through competitive bidding under the New Exploration Licensing Policy (NELP) especially in deep offshore and frontier areas; improved/enhanced oil recovery; strategic storage and globalisation measures to enhance energy security by acquiring equity in oil and gas/LNG abroad; setting up of regulatory mechanism to oversee consumer interests and developing the hydro-carbon sector as a globally competitive industry which could be benchmarked against the best in the world through technology upgradation and capacity building in all facets of the industry.

104. The achievement in exploratory and development drilling for 2002-03 is anticipated to be 456.08 thousand meters and 474.67 thousand meters respectively. The target for exploratory drilling is kept at 557.86 thousand meters in 2003-04 which is 22.3 per cent more than achievement in 2002-03. The target of development drilling of 501.45 thousand meters in 2003-04 is 5.6 per cent more than the anticipated achievement in 2002-03. The crude oil production during the year 2002-03 was 33.1 million tonnes against the target of 33.08 million tonnes. The target proposed for the year 2003-04 is 33.50 million tonnes. The natural gas production for the year 2002-03 is expected to be 31.39 billion cubic meters (BCM) against the target of 31.37 BCM. The target for the year 2003-04 for natural gas

production is 31.30 BCM.

105. The country has achieved self-sufficiency in refining capacity. The refinery sector has since been de-licensed. The setting up of additional refining capacity would depend upon several factors such as duty structure, domestic demand and import and export possibilities. The refining capacity as on 1.4.2003 was 116.97 MMT. No addition of refining capacity is expected during the year 2003-04. The Working Group on Tenth Plan had estimated the demand for petroleum products in 2002-03 at 111.23 MMT. The anticipated consumption of petroleum products in 2002-03 is, however, only 104.14 MMT yielding a growth rate of 3.7 per cent over the actual consumption of 100.43 MMT in 2001-02. The demand for petroleum products is growing at a pace well below the projected levels. The demand/consumption of petroleum products is estimated to be about 107.16 MMT at the end of 2003-04. The Petroleum Regulatory Bill, 2002 has been introduced in Parliament. In a major policy decision Government has decided to introduce ethanol blending of the petrol. The sale of 5 per cent ethanol blended petrol was introduced in 9 states and 4 UTs. The remaining States and Union Territories would be covered in the second phase.

106. An efficient transport system is a pre-requisite for sustained economic development. It is the key infrastructure support system that plays a crucial role in the development of backward regions by integrating them with the mainstream economy and opening them to trade and investment. Besides, transport has an important role in promoting national integration, which is particularly important for a large country like India. In a liberalized regime, the importance of efficient transport network increases further for raising productivity and enhancing competitive efficiency of the economy in the world market.

107. The roads network lie at the base of developmental process and play a key role in national integration and socio-economic development of the country through connecting remote areas and creating conducive environment for domestic and foreign investment. The present road policy in India has two basic tenets, viz. accessibility and mobility. The accessibility objective is to be achieved through improved rural roads network. Pradhan Mantri Gram Sadak Yojana (PMGSY) has been launched for this purpose to provide all-weather road connectivity in rural areas. Mobility is to be facilitated through improvement in capacity and strengthening high-density corridors. The National Highway Development Project (NHDP) is the main initiative in this regard and it aims at 4/6-laning of Golden Quadrilateral and North-South, East-West corridors. During 2003-04, apart from focus on improvement of low grade sections, rehabilitation and reconstruction of weak bridges, construction of bypasses and 4-laning and 2-laning, emphasis will also be on improving the riding quality of the existing highways. Remote areas, such as North-eastern region, will continue to require greater attention during the year.

108. National Highway Development Project, comprising Golden Quadrilateral (GQ) and North-South, East-West corridor projects, is being executed by the National Highway Authority of India (NHAI) and envisages four / six-laning of the existing network. There have been some slippages in the completion of GQ. Against the total length of 5846 kms of GQ, 1327 kms was 4-laned, 4383 kms was under implementation and contract for 136 kms was yet to be awarded as on March, 2003. Phase II of the NHDP programme (North-South and East-West corridors) is likely to be taken up during 2003-04 under which, 6369 kms of National Highways would be 4/6 laned.

109. The Indian Railway is one of the largest in the world with a network of about 63,000 route km. and is the principal mode of transportation for bulk freight and long distance passenger traffic. In the Tenth Plan, major thrusts have been on capacity expansion through modernisation and technological upgradation of the Railway system to cater to the ever increasing freight and passenger traffic besides improving safety and reliability of services. The National Rail Vikas Yojana has been launched to accelerate investment in railways infrastructure for removing the capacity bottlenecks in the critical sections of the network. Keeping in view the objectives and thrust areas of the Tenth Five Year Plan, augmenting capacity of high-density corridors and improving quality of services are priority areas for the Railways in 2003-04. As regards passenger traffic, a higher target of 5177 million passengers has been kept for 2003-04 as against 5022.12 million passengers in 2002-03. The major programmes in 2003-04 include acquisition of rolling stocks, 3850 km. track renewals, 775 km. gauge conversion, 350 km. railway electrification and 225 km. new railway line construction. The Railways are exploring various options to promote private/public participation in rail projects through different models. To undertake Surendernagar - Rajula city – Pipavav gauge conversion project SPV has been formed with equity participation by the Ministry of Railways and its PSUs on the one hand and Gujarat Pipavav Port Ltd. (GPPL) and others on 50:50 sharing basis. The old BOLT scheme has been replaced by new BOT scheme, which envisages private participation by a consortium of construction contractors and financiers.

110. The ports act as trans-shipment points between water transport and surface transport and therefore, play a crucial role in the transportation system for facilitating international trade. Twelve major ports along the coastline of India handle about 75 per cent of the port traffic of the country and the remaining 25 per cent is handled by minor / state ports. The thrust in the Tenth Plan is on creation of common user general cargo facilities with focus on container traffic and improvement in the efficiency and productivity through private sector participation and by introducing organizational changes. The major schemes / works to be taken up under port sector during 2003-04 include – river regulatory work for improvement of river draft at Hooghly Estuary, modernisation of Westquay and extension of Northquay at Chennai Port, construction of additional general cargo berth at New Mangalore Port, procurement of four 20 tonne wharf cranes in replacement of existing wharf cranes at Kandla Port etc.

111. Inland Water Transport (IWT) is an energy efficient, environmentally clean and economical mode of transport. India is richly endowed with waterways comprising river systems and canals. It is estimated that a total of 14,544 km. of waterways could be used for passenger and cargo movement. However, the capacity of the sector is grossly under utilized as most navigable waterways suffer from hazards like shallow water and narrow width of channel during dry weather, silting of riverbed, erosion of banks, absence of adequate infrastructural facilities like terminals for loading and berthing and surface road links.

112. Civil aviation, the fastest mode of transport for movement of passenger and cargo traffic, is broadly structured into 3 distinct functional entities, viz., regulatory cum development, operational and infrastructure. The main objective of the civil aviation development in the Tenth Plan is to provide world class infrastructure facilities and efficient, safe and reliable air services to meet domestic and international travel needs of trade and tourism. In line with development strategy for the Tenth plan, the emphasis in the year 2003-04 would be on up-gradation and expansion of airport infrastructure, improving safety of air services and providing air connectivity to inaccessible areas.

113. Information Technology (IT) has already demonstrated its revolutionary effect in all sectors of the economy particularly in the science & technology, trade, industry and services sector. Despite a slow down in Information & Communication Technology sector revenue globally, the Indian software and services industry recorded a growth rate of over 26 per cent in dollar terms in 2002-03 by achieving a production of \$12.7 billion (Rs. 59,900 crore) against \$10.04 billion (Rs. 47,374 crore) in 2001-02. India exported software worth \$10 billion (Rs. 47,500 crore) in 2002-03 which is about 28 per cent higher in dollar terms against \$7.8 billion (Rs. 36,500 crore) in 2001-02. By the terminal year of the Tenth Plan (2006-07), the industry is projected to account for about 7 per cent of India's GDP and 35 per cent of exports against the present level of 2.4 per cent and 20.4 per cent respectively. It is envisaged to increase India's share in global IT market to a level of 6 per cent by 2006-07 against 2 per cent at present. The IT Enabled Service (ITES) sector is emerging a fast growing segment of the IT industry for employment generation and wealth creation. The ITES sector registered a growth of 65 per cent in 2002-03 by achieving a turnover of Rs. 11,700 crore against Rs. 7,100 crore in 2001-02. Indian IT software & services industry presently provide direct employment to 6.50 lakh professionals.

114. The major programmes and thrust areas where initiatives have been taken for IT sector include establishing e-governance to improve efficiency, transparency and accountability at the government – citizen interface, issuing multi application smart cards, improving quality of education at school and college level by providing IT connectivity through Vidya Vahini and Gyan Vahini programmes, setting up computer emergency response team (CERT) to ensure security of IT assets, setting up infrastructure for issuing digital signature and formulation of a national hardware development policy to boost domestic manufacturing. Commissioning of Community Information Centres at 487 blocks in all North Eastern states & Sikkim, development and delivery of high-performance super computer *PARAM PADAM*, setting up software technology parks at five new locations, setting up video-conferencing in a number of districts etc., were major achievements in 2002-03. Upgrading ERNET and NICNET infrastructure and expanding services, implementing e-governance are some of the major programmes proposed to be taken up in 2003-04.

115. Telecommunications is one of the prime movers of modern economy with immense growth potential. The Indian telecom network as on March, 2003 comprises 536.85 lakh communication lines including cellular connections and over 38 lakh Internet connections. Out of 6.04 lakh villages in the country, 5.14 lakh villages have been covered up to March 2003. The major targets envisaged for the Tenth Plan for the telecom sector include achieving an overall tele density of 9.91 per hundred by end of the Plan against 5.11 at present, making available telephones on demand, achieving telecom coverage to all villages, providing reliable media to all exchanges and high speed data and multimedia capability to all towns with a population more than two lakh. The major targets for the year 2003-04 are to provide 64.11 lakh new telephone connections, 29,600 village public telephones, 11.47 lakh Trunk Auto Exchange (Tax) lines and 8.61 lakh new connections in the rural areas. Expansion of the telecom network, implementing Universal Service Obligation (USO) fund for extending telephone network to rural / remote areas, pursuing village public telephony, increasing spectrum allocation for civilian purpose are some of the important activities envisaged during Annual Plan 2003-04.

116. An efficient postal system is a vital segment of the modern communication system. Indian Postal System with a network of about 1.55 lakh post offices is the largest in the

world. The post offices are envisaged to be given a fresh look during the Tenth Plan through upgrading infrastructure & technology, modernizing postal operations and converting them into multi-product and multi-services outlets with a view to enhance productivity. Information Technology will play a major role in transforming the sector by improving efficiency and quality of services besides introducing new services. It is also envisaged to make postal sector self-financing by the end of Tenth Plan. A major reform envisaged for the sector during Tenth Plan will be the setting up of an independent regulatory body which, besides other things, would look after the function of tariff fixation. The priority agenda drawn up for Annual Plan 2003-04 for the postal sector seek to replace the Indian Postal Act, 1898 by a forward looking legislation to take care the needs of competition, convergence and other new developments. Major physical targets for the year 2003-04 include opening of 20 Departmental Sub-Offices (DSOs), 200 Extra Departmental Branch Offices (EDBOs), 900 Panchayat Sanchar Sewa Kendras (PSSKs) besides computerization of 200 major post offices, 10 postal account offices, 3 circle offices and 37 regional offices.

SCIENCE & TECHNOLOGY AND ENVIRONMENT

117. Science and Technology (S&T) have long been recognized as the motive force behind economic development and the rising living standards of the people and have in the process become so deeply embedded in the life of the people that none of the human activities can be said to be devoid of the developments in the field of Science and Technology. The developments in S&T have helped to overcome many of the problems faced by the mankind including eradication of some of the important communicable diseases, food and energy shortages etc. Today, however, with the advancements in S&T, many newer problems have posed greater challenges to the scientific community. Keeping pace with the developments that have taken place in the field of S&T across the globe, India has made significant progress in the various spheres of science and technology.

118. Recognizing the changing context of the scientific enterprise and to meet the present national needs in the new era of globalization, the “Science and Technology Policy – 2003” was announced by the Government. The Policy seeks to build a new and resurgent India that continues to maintain its strong, democratic and spiritual traditions, that remains secure not only militarily but also socially and economically. The policy will be implemented so as to be in harmony with the world view of the larger human family all around and to ensure that S&T truly uplifts the Indian people and indeed all of humanity.

119. S&T programmes during the Tenth Five Year Plan have been focused to strengthen application oriented research and development activities for technology generation, promote human resource development, especially attracting the brightest young students to take up science as career, encourage research and application of S&T for forecasting, prevention and mitigation of natural hazards particularly floods, cyclones, earthquakes, droughts and landslides and integrate the developments in science and technology with all the spheres of national activities and harness them for improving livelihood, employment generation, environment protection and ecological security.

120. Major programmes of the Department of Atomic Energy for the year 2003-04 include continued operation of Fast Breeder Test Reactor (FBTR) at Kalpakkam and further raising reactor power to reach nominal power level in a phased manner and taking up studies on development of materials like thorium alloys, refractory alloys etc., for future nuclear power programmes. Development of improved vaccines and diagnostics for major emerging

diseases, etc., in the area of Biotechnology and under the space sciences, launching and operationalizing INSAT-3E satellite, launching of IRS-P6 satellite to provide continuity of remote sensing data, launching of GSAT-3 (EDUSAT), a satellite dedicated for spreading education at all levels in the country and commissioning of second launch pad at Sriharikota are some of the major programmes envisaged for the year 2003-04.

121. Programmes on environmental management to promote health considerations, focusing on poverty alleviation by enhancing access of the poor to natural resources for livelihood and increasing the awareness level on environmentally sound living process are attempted in the Tenth Plan. Some specific projects have also been taken up to address environmental bottlenecks in specific areas like Taj Protection Mission, Biodiversity, conservation of Mangroves, Coral Reefs and Wetlands and Biosphere Reserves.

122. Cleaning of major polluted rivers by 2007 and other notified stretches by 2012 is one of the monitorable targets under Tenth Plan. Under National River Conservation Plan (NRCP) polluted stretches of major rivers have been identified for sewage collection and treatment. The NRCP at present includes works in 155 towns along 28 polluted stretches of rivers spread over 17 states. This project was started with 100 per cent funding by the Centre. However, given resource constraints, states have to share 30 per cent of the cost during the Tenth Plan. The scheme plans to tackle river pollution by setting up additional sewage treatment plants.

123. Sustainable development is being ensured through a series of schemes by the help of environmental impact assessment, eco-regeneration, promotion of environmental research, extension, education and training for capacity building, international co-operation and creation of environmental awareness among all sections of the country's population. These activities are supported by a set of legislative and regulatory measures aiming at preservation, conservation and protection of environment.

124. The Tenth Five Year Plan objectives for the forestry sector include bringing 25 per cent of land area under green cover and universalization of Joint Forest Management. Recent assessment has shown that the green cover in the country is 23.03 per cent. Extending green cover beyond this would require taking up tree planting movement outside the limits of forests for which agro-forestry systems have been proposed. Dovetailing with this objective, to ensure livelihood security of rural communities, promotion of bamboo resources, trade and technology and bio-fuels have been chosen as thrust areas and it is proposed to undertake these activities in a Mission mode.

125. A comprehensive National Afforestation Scheme, Integrated Forest Protection Scheme and another on Development of National Parks and Sanctuaries have been introduced. India Eco-development Project is expected to be extended till June, 2004. It has also been proposed to reinforce protection of wildlife in the forest areas outside the limits of Sanctuaries and National Parks.

3.2 Evaluation of Plan Programmes

126. The Programme Evaluation Organization, Planning Commission undertakes evaluation of the central and the centrally sponsored schemes to assess their physical and financial performance, the efficacy of the implementation/delivery mechanisms and impact on the beneficiaries. The findings of the evaluation studies are made available to the implementing ministries and the concerned subject divisions of Planning Commission for mid-course corrections in design and implementation. In the recent past, feedback from the various ministries and divisions of Planning Commission indicates that the findings and recommendations of PEO studies have been useful in bringing about improvement in project/programme design/implementation and in restructuring and weeding out many plan schemes and bringing about convergence of similar schemes.

127. The Tenth Five Year Plan points out that one of the most common reasons for the failure of programmes and schemes is the faulty and incomplete design of the programmes/projects/schemes. Care and attention must be taken to formulate programmes, projects and schemes in a more systematic and professional manner. It is essential to strengthen the existing mechanisms for monitoring and evaluation, in order to make sure that plans are being implemented as envisaged and the impact is also as planned. Such a strategy would definitely contribute to efficiency in resource use and improved performances of plan programmes. To make evaluation an effective tool for this, capabilities of evaluation organisations will have to be enhanced. This, however, requires greater flow of physical and financial resources to the Evaluation Organisations established in various States/UTs and at Central level.

128. An attempt is being made to improve the infrastructure of PEO and to associate NGOs/Research Institutes so as to enable it to respond to the increasing demand for evaluation and to discharge other related responsibilities. In recent times, apart from conducting evaluation studies, PEO have undertaken other activities which, inter alia, include: organising training programmes for its staff members in reputed institutions (IIPA, NIRD), increased interaction with the state level evaluation organizations, Internet/NICNET connectivity to PEO field units to increase the speed of transmission and processing of data. Staff of the field units of PEO are being trained in association with NIC for data entry of schedules of the evaluation studies to facilitate direct transmission of data through Internet/NICNET. In order to provide an exposure in latest techniques and developments taking place at international level, participation of the officers of PEO is being encouraged in the international training programmes which are being organized by World Bank, UNDP and Evaluation Organizations of other countries.

Recent Evaluation Studies

129. The important programmes evaluated by PEO during the last few years are: Employment Assurance Scheme (EAS), Functioning of State Pollution Control Boards (SPCB), Khadi & Village Industries Programme (KVIC), Social Safety Net Programme (SSNP) for Primary Health Centres (PHCs), Member Parliament Local Area Development Scheme (MPLADS), National Project on Bio-gas Development (NPBD), Statutory Development Boards (SDBs) in Maharashtra and Integrated Dairy Development Project (IDDP).

Khadi and Village Industries Programme

130. The findings of the study shows that inadequate linkage between production and sales strategies has resulted in accumulation of stocks, low return on investment, non-performing asset build-up and low production and shrinking employment opportunities. The budgetary support has come down considerably with the introduction of MMS (Margin Money Scheme). The study reveals that another area of concern is the high raw material to output ratio. Due to part-time employment in khadi sector, the income of workers is low compared to those of village industries. Many poor households actually crossed the poverty line with the help of additional income from the KVIC programmes.

Social Safety Net Programme (SSNP)

131. The main findings of the study reveal that the programme suffers largely due to the lack of proper infrastructure facilities. The other factors such as lack of posts of lady doctors, the absenteeism among the doctors from their work places, behaviour of para-medical & auxiliary para-medical staff has worsened the situation. The beneficiaries are dissatisfied with the functioning of PHCs. The main reasons for the low-income group households to stay away from the public health care delivery system are the non-availability of medicines, indirect cost on transport and high opportunity cost in terms of foregone income (due to loss of wage income say).

Member Parliament Local Area Development Scheme (MPLADS)

132. The impact of the scheme as felt by the local people indicate that about 65% of the created assets have been rated as good and overwhelming majority of them have opined that the created assets are as per the felt needs and have improved their quality of life. The study reveals some major flaws in the implementation such as preference for roads & bridges and community works, meager allocation in spite of large unspent balance, weak monitoring and supervision and lack of maintenance. The study suggests that there is a need for revitalizing the scheme in terms of financial management, inter-departmental coordination for implementation and involvement of PRIs for identifying the proper works, monitoring and maintenance of the created assets.

Evaluation Study of the National Project on Bio-gas Development

133. The study reveals that the percentage of plants in working condition is very low and sanitary linked plants have a lower acceptability due to socio-psychological inhibitions in respect of routine operation of these plants. Most state level biogas cells are overstaffed, while in districts, staff deficiency was felt. The household demand for family type biogas plants is influenced by factors like availability of alternate convenient fuels (LPG), distance of a village from the nearest town and inconvenience in handling and maintaining biogas plants. As for the community biogas plants, the MNES has almost discontinued the promotion of community biogas plants in the past five years.

Statutory Development Boards (SDBs) in Maharashtra

134. The findings of the Study clearly indicate that not only did the Boards discharge their assigned functions and responsibilities reasonably well, but they have also brought about important changes in the planning process of Maharashtra for balanced regional development.

However, the role played by the Governor's Office as an arbiter and in directing the activities of the Boards towards constructive purposes has been a very critical input towards this achievement. Also, subjecting the activities of the Boards to normal administrative procedures has helped these Boards in discharging their responsibilities efficiently and objectively. Therefore, the purpose of constituting the Boards for moderating and defusing socio-political tensions arising out of unacceptably large gaps in the level of development across regions has, by and large, been fulfilled. PEO has suggested for continuance of the Boards beyond 2004 with their redefined role.

Integrated Dairy Development Project (IDDP)

135. The findings of the study tend to suggest that except for a few isolated cases, the objectives of IDDP have not been realized. The areas of weakness in the scheme relate to several aspects of planning and implementation. The Dairy Cooperative Societies (DCs) is the linchpin of IDDP and its viability, sustainability and effectiveness are crucial to the success of the scheme. For their viability and effectiveness, the activities of DCSs should not remain confined to just procurement of milk, but be oriented to raise local milk production and marketable surplus. The DCSs should be geared to provide a package of services, which include fodder delivery, veterinary services, awareness generation and capacity building.

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136. The following evaluation studies/activities are completed/ in progress:

- (i) Evaluation Study on Functioning of Statutory Development Boards in Maharashtra. - **Completed**
- (ii) Impact Study on Integrated Dairy Development Project in Gujarat, Nagaland and Orissa. - **Completed**
- (iii) Evaluation Study on Growth Centres Scheme - In progress.
- (iv) Evaluation Study on Targeted Public Distribution System (TPDS). – In progress.
- (v) Evaluation Study on Decentralised Training Programme - In progress.
- (vi) Evaluation Study on Mid-day Meal Schemes - In progress.
- (vii) Evaluation Study on Work Force Management Options and Infrastructure Rationalisation in Primary Health Care Services – In progress.
- (viii) Evaluation Study on Impact of CS Schemes in Anantnag, Kupwara, Rajouri and Doda districts of J&K – In progress.

137. During 2003-04, the PEO proposes to undertake the following schemes for evaluation:

1. National Scheduled Tribes Finance and Development Corporation (NSTFDC)
2. Special Central Assistance (SCA) to Tribal Sub-Plan
3. Hostels for SC Boys and Girls
4. Sarda Sahayak Project in U.P.

Other Activities

138. In addition to the above mentioned activities, the PEO has provided requisite material and guidance in preparation and finalization of the report on 'Development Evaluation in India – Contemporary Issues and Approaches' published by CAG and also provided technical guidance and assistance to the Ministry of Human Resource Development, Department of Elementary Education in sampling design as well as drawing of samples for the evaluation of

learners /beneficiaries. Officers of PEO Headquarters and Regional Evaluation Office, Lucknow visited four districts as Observers during the conduct of examination of the beneficiaries being carried out by the State Resource Centre.

					Annexure 3.1.1
Public Sector Plan Outlay and Expenditure for the Tenth Five Year Plan (2002-07)					
and during Annual Plans					
					(Rs. crore)
	Item	Tenth Plan Outlay	2002-03	2002-03	2003-04
			(B.E.)	(RE)	(BE)
		(At 2001-02 prices)	(At current prices)		
	1	2	3	4	5
	Central Sector				
1	Outlay	893183	144038	136867	147893
	Budgetary Support	405735	66871	68219	72152
	I.E.B.R.	487448	77167	68648	75741
	States & Union Territories				
2	Outlay	632456	103859	114089	120974
	Budgetary Support	300265	46629	45871	48822
	Own Resources	332191	57230	68218	72152
	Total Public Sector (1+2)	1525639	247897	250956	268867

Central Sector Plan Outlay and Expenditure for the Tenth Plan (2002-07) and Annual Plans								
								(Rs. crore)
		Tenth Plan						
		Outlay	2002-03	2003-04	2002-03	2003-04	Total	Per cent of
	Heads of	(At 2001-02	(R.E.)	(B.E.)	(R.E.)	(B.E.)	(2002-04)	Tenth
	Development	Prices)	(At current prices)		(At 2001-02 prices)*			Plan
	1	2	3	4	5	6	7	8
1	Agriculture & Allied Activities	21068	3214	3840	3145	3677	6822	32
2	Irrigation & Flood Control	3600	381	443	373	424	797	22
3	Rural Development	79724	11282	6471	11041	6197	17238	22
4	Energy	318183	36825	43379	36037	41543	77580	24
5	Industry & Minerals	40372	7114	7598	6962	7276	14238	35
6	Transport	147448	27812	28784	27217	27566	54783	37
7	Communications	98956	14214	14903	13910	14272	28182	28
8	Science & Technology and Environment	27570	4022	4696	3936	4497	8433	31
9	General Economic Services	11087	1588	3945	1554	3778	5332	48
10	Social Services	139002	30013	33395	29371	31981	61352	44
11	General Services	6173	402	439	393	420	813	13
	Total	893183	136867	147893	133939	141631	275570	31
	* Price rise =	2002-03/2001-02=2.186						
		2003-04/2002-03=2.186						

Annexure 3.1.3

Budgetary Support and Expenditure for the Tenth Plan (2002-07) and Annual Plans - Central Sector

							(Rs. crore)	
		Tenth Plan						
		Outlay	(2002-03)	(2003-04)	(2002-03)	(2003-04)	Total	Percent of
	Heads of Development	(At 2001-02 Prices)	(R.E.)	(B.E.)	(R.E.)		(2002-04)	Tenth Plan
			(At current prices)		(At 2001-02 prices)*			
	1	2	3	4	5	6	7	8
1	Agriculture & Allied Activities	21068	3068	3719	3002	3562	6564	31
2	Irrigation & Flood Control	3600	381	442	373	423	796	22
3	Rural Development	79724	11282	6471	11041	6197	17238	22
4	Energy	51600	4460	5468	4365	5237	9601	19
5	Industry & Minerals	11786	2991	3079	2927	2949	5876	50
6	Transport	65350	13571	14679	13281	14058	27338	42
7	Communications	7944	936	335	916	321	1237	16
8	Science & Technology and Environment	27570	4022	4696	3936	4497	8433	31
9	General Economic Services	10587	1586	3946	1552	3779	5331	50
10	Social Services	120333	25520	28880	24974	27658	52632	44
11	General Services	6173	402	439	393	420	814	13
	Total	405735	68219	72152	66760	69098	135858	33
	* Price rise =	2002-03/2001-02=2.186						
		2003-04/2002-03=2.186						

					Annexure 3.1.4	
	Outlay and Expenditure of States & UTs during					
	Annual Plans of Tenth Five Year Plan (2002-07)					
					(Rs. crore)	
		Tenth Plan				
		Outlay	2002-03			
	Heads of	(At 2001-02	(B.E.)	(R.E.)	(B.E.)	(R.E.)
	Development	prices)	(At current prices)		(At 2001-02 prices)	
	1	2	3	4	5	6
1	Agriculture & Allied Activities	37865	6244	5671	6110	5431
2	Rural Development	42204	9357	8594	9157	8230
3	Special Area Programmes	20879	1046	1054	1024	1009
4	Irrigation & Flood Control	99715	16521	15724	16168	15058
5	Energy	85744	17474	16778	17100	16068
6	Industry & Minerals	18567	2615	2362	2559	2262
7	Transport	78529	12217	11056	11956	10588
8	Communications	12	11	11	11	11
9	Science & Technology and Environment	2854	369	337	361	323
10	General Economic Services	27543	2772	2422	2713	2319
11	Social Services	208389	32078	30057	31392	28785
12	General Services	10155	3155	2800	3088	2681
	Total	632456*	103859	96866	101637	92766
* includes allocation of Rs. 590948 crore Plan resources of States/ UTs and Rs. 41508 crore, additional outlays proposed by the Planning Commission.						

							Annexure 3.1.5	
Outlays & Expenditure during Tenth Five Year Plan (2002-07) and								
Annual Plans 2002-03 - States and UTs								
							(Rs. crore)	
			Tenth Plan					
			Approved		2002-03			Percent of
			Outlays	(B.E.)	(R.E.)	(B.E.)	(R.E.)	Tenth
	State and UTs	(At 2001-02						Plan
		Prices)	(At currant prices)	(At 2001-02 prices)				
	1	2	3	4	5	6	7	
1	Andhra Pradesh	46614	10100	8553	9884	8191	18	
2	Arunachal Pradesh	3888	676	676	662	647	17	
3	Assam	8315	1750	1750	1713	1676	20	
4	Bihar	21000	2964	2314	2901	2216	11	
5	Chattisgarh	11000	1757	1774	1719	1699	15	
6	Goa	3200	586	586	573	561	18	
7	Gujarat	40007	7600	7600	7437	7278	18	
8	Haryana	10285	2034	1819	1990	1742	17	
9	Himachal Pradesh	10300	1840	2042	1801	1956	19	
10	Jammu & Kashmir	14500	2200	2200	2153	2107	15	
11	Jharkhand	14633	2652	2652	2595	2540	17	
12	Karnataka	43558	8611	8421	8427	8065	19	
13	Kerala	24000	4026	3425	3940	3280	14	
14	Madhya Pradesh	26190	4821	5598	4718	5361	20	
15	Maharashtra	66632	11562	11562	11315	11073	17	
16	Manipur	2804	550	550	538	527	19	
17	Meghalaya	3009	545	480	533	460	15	
18	Mizoram	2300	430	489	421	468	20	
19	Nagaland	2228	424	427	415	409	18	
20	Orissa	19000	3100	2550	3034	2442	13	
21	Punjab	18657	2793	2793	2733	2675	14	
22	Rajasthan	27318	5160	4371	5050	4186	15	
23	Sikkim	1656	350	370	343	354	21	
24	Tamil Nadu	40000	5750	5754	5627	5510	14	
25	Tripura	4500	625	625	612	599	13	
26	Uttar Pradesh	59708	7250	6393	7095	6122	10	
27	Uttranchal	7630	1533	1534	1500	1469	19	
28	West Bengal	28641	6307	3683	6172	3527	12	
29	Total UTs.	29375	5863	5874	5738	5748	20	
	Total	590948	103859	96866	101643	94794	16	

Annexure 3.1.6					
State Plan Expenditure - Variation over approved outlays					
					(Rs. crore)
			2002-03		Per cent
Sl. No.	State		(B.E)	(R.E)	Variation
1	2		3	4	5
1	Andhra Pradesh		10100	8553	-15
2	Arunachal Pradesh		676	676	0
3	Assam		1750	1750	0
4	Bihar		2964	2314	-22
5	Chattisgarh		1757	1774	1
6	Goa		586	586	0
7	Gujarat		7600	7600	0
8	Haryana		2034	1819	-11
9	Himachal Pradesh		1840	2042	11
10	Jammu & Kashmir		2200	2200	0
11	Jharkhand		2652	2652	0
12	Karnataka		8611	8421	-2
13	Kerala		4026	3425	-15
14	Madhya Pradesh		4821	5598	16
15	Maharashtra		11562	11562	0
16	Manipur		550	550	0
17	Meghalaya		545	480	-12
18	Mizoram		430	489	14
19	Nagaland		424	427	1
20	Orissa		3100	2550	-18
21	Punjab		2793	2793	0
22	Rajasthan		5160	4371	-15
23	Sikkim		350	370	6
24	Tamil Nadu		5750	5754	0
25	Tripura		625	625	0
26	Uttar Pradesh		7250	6393	-12
27	Uttanchal		1533	1534	0
28	West Bengal		6307	3683	-42
	Total		97996	90992	-7

Annexure 3.1.7

Growth of Industrial Production (at 2-digit level)

(Base Year 1993-94)

Classi - fication	Industry Description	Weight	Average Growth	Index of Industrial		% Growth
			During Ninth Plan (1997-2002)	Production *	2001-02	2002-03
1	2	3	4	5	6	7
20-21	Food products	90.83	3.3	152.0	168.0	10.7
22	Beverages, tobacco and related Products	23.82	10.9	224.8	286.1	27.3
23	Cotton textiles	55.18	0.7	124.5	121.5	-0.9
24	Wool,silk and man-made fibre textiles (except cotton)	22.58	7.8	218.5	226.7	3.8
25	Jute and other vegetable fibre textiles	5.9	0.6	99.6	108.0	8.4
26	Textile products (including wearing Apparel)	25.37	2.5	166.3	192.2	15.6
27	Wood and wood products;furniture and fixtures	27.01	-6.8	92.8	76.3	-17.8
28	Paper and paper products and printing, publishing & allied industries	26.52	5.1	169.0	178.4	5.6
29	Leather & leather and fur products	11.39	8.0	158.0	153.4	-2.9
30	Basic chemical and chemical products (except products of petroleum and coal)	140.02	10.8	185.0	192.4	4.0
31	Rubber, plastic, petroleum and coal products.	57.28	7.2	170.4	178.7	4.9
32	Non-metallic mineral products	43.97	10.5	220.7	231.8	5.0
33	Basic metal and alloy industries	74.53	1.9	156.0	170.3	9.2
34	Metal products and parts, except machinery and equipment	28.1	5.3	142.6	151.7	6.4
35-36	Machinery and equipment other than	95.65	4.5	198.3	201.9	1.8

transport equipment

Annexure 3.1.7 Contd.

1	2	3	4	5	6	7
37	Transport equipment and parts	39.84	4.1	203.3	233.6	14.9
38	Other manufacturing industries	25.59	1.3	173.2	172.4	-0.5
	Mining and quarrying	104.73	2.0	131.9	139.6	5.8
	Manufacturing	793.58	5.5	172.7	183.1	6.0
	Electricity	101.69	5.4	159.2	164.3	3.2
	General Index	1000	5.2	167.0	176.7	5.8

* Annual Averages

Source: Central statistical organisation

Annexure 3.1.8

Performance of Infrastructure Sectors

Sl. No.	Industry	Unit	Weight	2001-02	2002-03	Per cent Growth Over 2001-02
1	Coal	Mill.tons.	3.22	322.6	336.5	4.3
2	Electricity	Bill.Units	10.17	515.3	531.4	3.1
	i. Thermal			422.0	448.4	6.3
	ii. Hydel (Including nuclear)			93.3	83.0	
3	Finished Steel	Mill.tons.	5.13	13.1	14.5	10.7
4	Crude Petroleum	Mill.tons.	4.17	32.0	33.1	3.4
5	Petroleum Refinery	Mill.tons.	2.00	107.3	112.6	4.9
6	Cement	Mill.tons.	1.99	107.0	116.0	8.4
Total Infrastructure Industries			26.68			5.3

Source : Ministry of Statistics and Programme Implementation.

3.3 Policy Agenda For The Plan

139. The Tenth Five Year Plan marks the return of visionary planning to India after a long interregnum of cautious optimism. During the past two decades, India has no doubt been one of the ten fastest growing economies in the world. The Tenth Plan aims to take the country even further ahead. The targets that have been set for the Tenth Plan, both as far as economic growth and social development are concerned, are no doubt ambitious. However, they are imperative to realize the extent of improvement in the well-being and quality of life of the people that is desirable.

140. Achievement of the Tenth Plan targets will require implementation of wide range of policy reforms in most of the sectors. For the Annual Plan 2003-04, the government has identified **thrust areas of reforms**, as indicated in the **Annexure**. To ensure timely and effective implementation of the identified policy reforms, items in Category-I of the Annexure will be monitored by the **Prime Minister** and items those in Category-II will be monitored by the **Committee of Secretaries (COS)** constituted by the Government. While the policy reforms have been judged essential for attaining the desired results during the Tenth Plan period, some of them affect the way the entire economic system functions and the others are more limited in scope, impinging either upon the budgetary process of Government or on specific sectors. It should not, however, be thought that the order in which policy reforms have been put in the Annexure indicate any kind of prioritization. They all are equally important, since in any integrated economic system the cross-linkages can be substantial, and quite often not easily measurable. It is re-emphasized that the success of the Tenth Five Year Plan hinge critically upon the adoption of the policies outlined in this chapter. The following sections give a brief outline on some of the policies.

141. The **Economy-wide policy** measures include simplifying laws and procedures for investment including revision in Foreign Direct Investment (FDI) policy, reshaping content of Special Economic Zones (SEZ) and a Competitive Economic Zone Policy to create world class infrastructure through private participation and hassle free regulatory regime in various areas including taxation, customs, labour etc., in SEZs, reforming anti-dumping cell into an autonomous, quasi-judicial international trade commission with the mandate related to WTO disciplines, formulation of long term policy for fertilizer sector, formulation of a national policy on subsidies to identify subsidy norms and exit strategy for the existing subsidies that are inconsistent with the policy, disinvestment of public sector undertakings, making necessary amendments in Essential Commodity Act to liberalize the framework for storage and movement of goods.

142. The much needed reforms for **Public finances** will have to be initiated at three levels, the Central, the State and at both the Central and State levels in case of certain specific policies. The reforms in this regard include comprehensive computerization of the Income Tax system, revision of custom and central excise codes to ensure transparency and better administration, processing Kelkar Committee Report on Indirect Taxes, finalization and operationalization of the proposed new pension scheme to government officials, implementing Expenditure Reforms Commission (ERC) recommendations to reduce wasteful expenditure, set up Rail Tariff Regulatory Authority to rationalize tariff, drafting road map and modalities for corporatisation of postal sector and setting up of the Petroleum Regulatory Board.

143. **Improving governance** is imperative for growth and prosperity. The agenda with regard to improving governance include expediting finalization and subsequent implementation of National Action Plan on e-governance, addressing issues related to setting up of National Institute of SMART (Simple, Moral, Accountable, Responsive and Transparent) Governance, follow up machine-readable Citizen Identity Card Scheme, civil service reforms to improve transparency, accountability, honesty, efficiency and sensitivity in public administration at all levels, devising steps to ensure corporate governance, implementing judicial reforms and ensuring speedy justice and finalisation of national policy on slums.

144. In order to **create a productive base** in the country there is need to operationalize and optimize every building block of development. Reforms identified for the same would require creation of an Apex Committee to develop an Integrated Energy Policy, formulation of various policies announced in the Electricity Act 2003 for reforming the power sector, early enactment of the Coal Mines (Nationalization) Amendment Bill 2000 to enable private participation in non-captive coal mining and introducing competition in each segment of coal production, facilitating credit availability to SSIs to achieve higher coverage of SSI/tiny units under Credit Guarantee Trust Fund Scheme besides ensuring adequate funds for technology upgradation, reforms in labour legislation, examining issues related to treating telecom sector as infrastructure sector to achieve targeted tele-density laid down in NTP, 1999 and the Tenth Five Year Plan, and comprehensive review of Spectrum Allocation Policy to ensure its optimum utilization.

145. Ensuring **social justice** to the citizens is the prime duty of the Government. The reforms proposed in this regard include development and implementation of disabled friendly policies in the public / private sector, formulation of a Social Security Scheme for the old and the disabled, finalization of the children's charter and the National Plan of Action for children and operationalising the National Policy for Empowerment of Women.

146. Keeping in view that about seventy per cent of India population live in rural areas, it is necessary to **invigorate rural economy and infrastructure**. The reforms proposed in this regard include preparation of a National Action Plan with a view to increase agricultural productivity and doubling food production by 2010, encourage crop diversification and cost efficient agricultural production, development of policy framework for greening of waste lands, putting in place an effective system of monitoring to ensure proper utilization of development funds at the district and lower levels, finalisation of Action Plan and institutional machinery for National Programme on Interlinking of Rivers, and enactment of central legislation for control of ground water exploitation and rain water harvesting.

147. Improvement in the **health and quality of life** is an indicator of national development. It is proposed to devise suitable policy interventions to encourage doctors to serve in rural areas and strengthening of infrastructural / institutional capacities for health care services.

148. The content, intent and design of policies are a reflection of the strategies to achieve desired goals of the Tenth Plan, besides achieving a GDP growth rate of 8 per cent per annum and other key objectives like reduction in poverty ratio, increasing gainful employment, reducing gender gaps in literacy etc. Fortunately, there are good indicators in the current year i.e. 2003-04 which have improved the economic outlook. The manufacturing sector, electricity generation, steel industry etc., are performing well. The farm sector is expected to

grow at about 6.0 per cent, generating higher incomes in rural households and adding momentum to the demand for industrial goods. The other positive signs are the huge stocks of food grains and foreign exchange reserves. Exports, too, are growing at a double digit rate and inflation has also remained low. In order to sustain the growth momentum, the government has resolved to implement a series of policy reforms which are envisaged to address issues hindering growth and bring about radical changes in the approach of doing the business. Monitoring of implementation of the policy reforms at the apex levels of the government will ensure speedy results on ground.

Category-I. Thrust Areas to be monitored by Prime Minister		
No.	Ministry/ Department	Proposed Reform
1	Administrative Reforms/Information Technology	Monitor and expedite finalisation and subsequent implementation of National Action Plan on e-governance. Work out and monitor timelines for various proposed actions. Similarly address issues related to setting up of NISG.
2	Agriculture and Cooperation, Agriculture Research and Education	Preparation of a National Action Plan, focusing on measures to be undertaken, during the next 10 years, towards increasing agricultural productivity and doubling food production by 2010.
3	Agriculture and Cooperation, Food & PD	Formulate a crop neutral income support scheme to overcome the shortcomings in the MSP, encourage crop diversification and cost efficient agricultural production. Also prepare policy to encourage decentralized procurement including private trade participation.
4	Atomic Energy	Formulation of a National Agenda on utilisation of nuclear technology for developmental applications.
5	Civil Aviation	Formulation of a new Civil Aviation Policy to comprehensively address issues related to the Civil Aviation Industry.
6	Commerce	Formulating appropriate policy and creating enabling environment to increase India's share in world exports from the existing level of 0.6% to 1%.
7	Development of North-East/MHA	Revitalising North-Eastern Council to ensure territorial integrity of the States of the NE. Special developmental, administrative and security related programmes including fencing of remaining portion of Indo Bangladesh border and construction of roads.
8	Environment and Forests	Formulate National Environment Policy to harmonise the demands of development and environment.
9	Finance (Economic Affairs)	Develop Government's Philosophy on Regulation with necessary sectoral variants to be the underlying basis for Regulatory arrangements across various sectors. Base Paper could be prepared by PMO/DEA.
10	Finance (Economic Affairs)	Formulate a National Policy on Subsidies, which would identify target groups, goods & services, subsidy norms, and an exit strategy for existing subsidies which are inconsistent with the policy
11	Finance (Revenue)	Comprehensive computerisation of Income Tax system to benefit IT payers and improve tax administration.
12	Health and Family Welfare	Monitor implementation of National Population Policy, especially initiatives overseen by empowered Action Group in MoHFW to focus on the eight States that are lagging behind (UP, Bihar, MP, Rajasthan, Orissa, Uttaranchal, Jharkhand and Chattisgarh).
13	Human Resource Development	Prepare specific Action Plan to provide the legal/institutional mechanism to operationalise the fundamental right to elementary education.
14	IT/Home	Devise the content of the proposed machine readable identity card scheme to cater for/enable linkages across sectors/data bases to facilitate use of the number as the underlying cross-linked identification number for all possible governmental intervention
15	Land Resources/Agriculture	Finalise policy, institutional arrangements and content related to PM's Jal Samvardhan Yojna and facilitate its implementation.
16	Personnel & Training	Civil Service Reforms to improve transparency, accountability, honesty, efficiency and sensitivity in public administration at all levels.
17	Power	Formulate a Policy for Rural Electrification that creates an enabling, de-regulated environment for private initiative and encourages the use of Non-Conventional Energy Sources.
18	Power	Institutionalize mechanisms for accelerating private/FDI investment including SPVs, BOT, Disinvest & reinvest, etc.
19	Rural Development	Develop policy framework for greening of wastelands through people's participation and PPP
20	Rural Development	Implementation of PM's announcement at the National Conclave on PRI's held in April 2002 to bring about financial/administrative empowerment of PRI's, which would enable PRI's to, inter alia, raise funds through the market, user charges etc.
21	Rural Development	Monitor implementation of PMGSY and examine possibilities for allocation of greater resources, including from MFIs, which was under consideration.

No.	Ministry/ Department	Proposed Reform
22	Rural Development	Monitor implementation of SGRY with a view to ensuring efficacy in the creation of work opportunities. The efficacy and effectiveness of the food for work element in the scheme may be studied by Planning Commission, in light of poor management of this aspect.
23	RD assisted by other Development Ministries	An effective system of monitoring be designed and put in place to ensure proper utilisation of development funds at the district and lower levels.
24	Road Transport & Highways	Timely completion of the Golden Quadrilateral and North-South and East-West Corridors.
25	Space	Formulation of a National Agenda for the utilisation of space technology for developmental applications.
26	Textiles	Speedy implementation of the assistance package announced by PM for the weavers and artisans.
27	Urban Development	Ensure finalisation of Model Municipal Law and facilitate necessary followup actions for adoption by States.
28	Urban Employment and Poverty Alleviation	Finalisation of National Policy on Slums.
29	Water Resources	Promotion of participatory irrigation management, rationalisation of water charges and fixing norms for establishment component in O&M.
30	Water Resources	Finalization of the Action Plan and Institutional Machinery for the National Programme on inter-linking of rivers
31	Water Resources/Law	Enact Central Legislation for control of ground water exploitation and rain water harvesting and encourage States to adopt model bill to regulate/develop ground water resources.

Category-II. Thrust Areas to be Monitored by Committee of Secretaries

No.	Ministry/ Department	Proposed Reform
32	Agriculture	Formulate and enact model legislations on contract farming, Joint Stock Companies in agriculture based on land equity and lease of waste land for cropping and afforestation.
33	Agriculture	FASAL to be made operational; results to be disseminated on Internet.
34	Agriculture (DARE)	Action to be completed on GVK Rao Committee Report.
35	Agriculture Research & Education	IPR issues related to Genetically Modified planting material and seeds like Bt cotton.
36	Animal Husbandry & Dairying	Devising suitable interventions to improve the quality of marine as well as inland fisheries products.
37	Cabinet Secretariat	Re-engineer all regulatory processes, both upstream (prior to investment approval) and downstream (during implementation); devise incentive mechanisms for adoption at State/Municipal levels.
38	Chemicals & Petrochemicals	Implementation of the recommendations of the Task Force on Chemical Industry
39	Chemicals & Petrochemicals	Drug prices to be further decontrolled on the basis of a clear set of regulatory principles; institutional mechanism for price regulation.
40	Coal	Ensure early enactment of the Coal Mines (Nationalisation) Amendment Bill 2000 to enable private participation in non-captive coal mining. Take suitable supporting steps to ensure fair competition and a level playing field in each segment of coal production.
41	Coal	Improving the quality of coal and encouraging competition through imports by looking at the duty structure
42	Commerce	Implementation of Report of Task Force on Project Exports
43	Commerce	Shape content of SEZ and Competitive Economic Zone Policy, including the Central SEZ Act, to enable world class infrastructure through private participation and hassle free regulatory regime in various areas including taxation, customs, labour etc., in SEZ.
44	Commerce	Legislate mandatory GMP/HACCP certification for all food exports in 2 years. Formulate Plan/MFI - scheme for technical assistance to enable compliance.
45	Commerce / Revenue	Complete introduction of Electronic Data Interchange with regard to foreign trade for on-line filling, data collection etc.
46	Commerce / Finance	To merge existing anti-dumping cell into an autonomous, quasi-judicial international trade commission with a broader mandate related to WTO disciplines (on the lines of US ITC) and equipped with the technical capabilities of the erstwhile BICP, augmented by WTO related legal capacities. To firm up the statutory basis for imposition of anti-dumping etc. duties on the findings of the ITC.
47	Consumer Affairs	Make necessary Amendments in Essential Commodities Act to liberalise the statutory framework for storage and movement of goods.

No.	Ministry/ Department	Proposed Reform
48	Consumer Affairs	Prepare National Action Plan for Consumer Awareness, Redressal and Enforcement.
49	Consumer Affairs	Comprehensive review of the functioning of the BIS with a view to strengthening its core competencies and exploring the possibility of outsourcing some of its activities.
50	Consumer Affairs	Remove all legal restrictions on futures trading in agricultural commodities, but provide an autonomous regulator, if necessary. NOTE: THIS NEEDS TO BE LINKED TO COMPLETION OF ONGOING EFFORTS TO SET UP THE NATIONAL COMMODITIES EXCHANGE/OTHER COMMODITY EXCHANGES AND IMPLEMENT PRUDENT REGULATORY / OPERATING PRACTICES BASED ON PROPOSED STUDY.
51	Culture	Develop a prudent National Policy on heritage sites. Formulate guidelines and contracting frameworks for, and introduce Public Private Partnerships in development and maintenance of historical/heritage sites/monuments, through enabling statutory changes, as necessary.
52	Culture	Formulation of National Cultural Policy
53	Development of North Eastern Region	Streamlining the procedures for sanctioning projects under Non Lapsable Central Pool of Resources for North East.
54	Disinvestment	Evolve a policy of dis-investment for loss making PSUs
55	Disinvestment	Evolve a final view on constituting an Asset management Company for management and disposal of the residual shares of disinvested companies
56	Disinvestment	Evolve a final view on setting up of a 'Disinvestment Proceeds Fund' for the Creation of New assets, investment, employment and retirement of public debt.
57	Drinking Water Supply	Putting in place requisite mechanism to monitor the quality of drinking water and devising effective IEC (Information, Education and Communication) interventions to disseminate information and educate people on health and hygiene aspects of clean drinking water.
58	Drinking Water Supply	Conversion of present ARWSP programme to community level participatory reforms oriented Programme. Also examine steps to facilitate rain water harvesting in rural areas to support this programme and formulate innovative projects for rain water harvesting.
59	Drinking Water Supply	Monitoring the implementation of Plans to provide drinking water to 15503 NC and 1,31,715 PC habitations and undertaking fresh surveys to suitably modify the action plans. Also, expediting installation of one lakh hand pumps in water scarce areas, providing drinking water facilities to one lakh primary schools in rural areas reviving one lakh traditional sources of drinking water.
60	Environment & Forests/Cabinet Secretariat	CRZ notification to be revisited in the light of SC judgement to enable environmentally sustainable use of coastal resources.
61	Environment and Forests	Formulate National Environment Policy to harmonise the demands of development and environment.
62	Environment and Forests	Formulate guidelines and contracting frameworks for, and introduce Public Private Partnerships in development, maintenance and operation of game parks/National Parks.
63	Environment and Forests	Formulate and implement Policy and Action Plan related to Clean Development Mechanism (CDM), including setting up of a regulatory mechanism.
64	Environment and Forests	Monitor implementation of Ganga Action Plan and other schemes to check discharge of pollutants into water bodies. Prepare plan for comprehensive coverage of all important water bodies in the country within a reasonable time frame.
65	Environment and Forests	Devise suitable interventions through Government Agencies as well as NGOs to increase forest cover to 25% by 2007 and 33% by 2012.
66	Environment and Forests/Cabinet Secretariat	Review and Reform the Environmental Clearance system by examining prudent overseas practices, identifying constraints/bottlenecks, incorporating IT and other innovations to address regulatory concerns in a transparent, non-intrusive and predictable manner,
67	Family Welfare	Putting in place suitable institutional mechanism for inter-sectoral co-ordination among related Government Departments to make Family Welfare Programmes people centered. Also, formulate and enact the National Strategy for Social Marketing.
68	Family Welfare	Ensuring 100% coverage under immunization.
69	Fertilizers	Monitor implementation of Cabinet decisions on rationalisation of subsidy scheme for urea and concession scheme for decontrolled fertilisers (DAP, MOP and Complexes).
70	Fertilizers	Formulation of a long term policy for fertilizer sector.
71	Finance (Banking)	Implementation of Action Plan to facilitate Financial Flows to the Unorganised Sector
72	Finance (Banking)/Agriculture	Monitor implementation of two year action plan to issue Kisan Credit Cards through Commercial, Cooperative and Regional Rural Banks to all eligible farmers.
73	Finance (Banking)/SSI	Facilitate credit availability, including collateral free credit to SSIs and achieve higher coverage of SSI/tiny units under Credit Guarantee Trust Fund Scheme. Also, ensure availability of adequate funds for technology upgradation/modernisation, modern testing facilities, quality certification labs and upgradation of skills.

No.	Ministry/ Department	Proposed Reform
74	Finance (Company Affairs)	Devise and implement various steps to ensure transparency in corporate governance, including implementation of the Naresh Chandra Committee Report, taking into account international best practices and recent developments in various countries.
75	Finance (Economic Affairs)	Implement proposed programme for using the visual media to create awareness about economic reforms, on the basis of the concept paper made available to Department of Economic Affairs after PM's approval.
76	Finance (Economic Affairs)	Revise policy on FDI, procedures for FDI clearances, strengthen facilitation.
77	Finance (Economic Affairs)	To devise and implement an institutional mechanism for independent, expert investigations on complaints relating to public sector financial institutions
78	Finance (Expenditure)	To revise procurement norms to ensure greater transparency, competitions, fairness, and elimination of discretion in procurement of goods & services by Government
79	Finance (Expenditure/ Cabinet Secretariat)	Implementation of the ERC Recommendations and related VRS scheme aimed at reducing wasteful expenditure.
80	Finance (Revenue)	Process Kelkar Committee Report on Indirect Taxes
81	Finance (Revenue)	Comprehensive Revision of Customs and Central Excise Code etc. to be accomplished to ensure transparency, overcome absence of direction, elimination of unnecessary stages and mandatory time lines.
82	Finance Ministry/Planning Commission	Develop standard models of public-private partnerships for different categories of public services FOR IMPLEMENTATION AND OPERATION OF PUBLIC PROJECTS/SCHEMES TO MAKE THEM THE DEFAULT OPTION FOR ALL GOVERNMENT PROGRAMMES IN THE 10TH PLAN.
83	Finance/DEA	Operationalization of the National Pensions Regime announced in the last Budget
84	Finance/DEA	Finalization & operationalization of the proposed New Pension Scheme for Government Servants
85	Finance/DEA	Finalization and implementation of proposed Medical Insurance Scheme for the unorganized sector, including BPL families, announced by FM in the last Budget
86	Food and Public Distribution	Encourage the participation of private traders in the procurement and export of food grains.
87	Food and Public Distribution	Consider removal of restrictions on Fair Price Shop (FPS) dealers and commodities to be sold through them. Envisage/promote FPS management by village grain dealers, village self help groups and NGOs, where they exist.
88	Food and Public Distribution	Draw up a detailed blue print for enhancing private participation through PPP and other means in creation of storage capacity and formulate policy for establishment of decentralised grain banks with private participation.
89	Food and Public Distribution	Introduce steps to reform FCI functioning, including steps to outsource various operations and reduce/redeploy manpower in a phased manner, to ensure more efficient and cost effective operations.
90	Food and PD/Banking	Devise / put in place the system for hypothecation and pledging of farm produce, stocked at godowns, by financial institutions for giving credit to farmers on the basis of the receipt/ proof of storage, as also steps to enable marketability/exchange of the storage.
91	Food Processing Industry	(i) Comprehensive revision of Food Adulteration Act and other food laws for a new integrated food law, (ii) Institutionalize consultation with industry on multilateral negotiations in the food sector, (iii) Strengthen quality control system for inputs and produce in agriculture in this context.
92	Health	Suitable policy interventions to encourage the doctors to practice in rural areas.
93	Health	Setting up of a Drug Regulatory Mechanism including the regulation of the issue of spurious drugs.
94	Health	Mainstreaming ISM&H and utilising services of ISM practitioners for improving access to health care.
95	Health	Effective interventions to improve the quality of CGHS services. Also, review the functioning of super speciality institutions like All India Institute of Medical Sciences (AIIMS) to improve the quality of services.
96	Health	Infrastructure /Institutional capacities to be strengthened by a Plan/MFI scheme
97	Heavy Industries & Public Enterprises	Formulating and implementing schemes for technology upgradation in order to improve the competitiveness of the Indian industry vis a vis global players.
98	Heavy Industries & Public Enterprises	Revamping the MOU System.

No.	Ministry/ Department	Proposed Reform
99	Home	Finalisation of the National Disaster Management Plan and related implementation Machinery premised on maximum use of existing infrastructure, equipment, facilities and resources.
100	Home	Creation of one lakh jobs in J&K in next two years.
101	Human Resource Development	Develop transparent time bound accreditation process of Institutes of Higher Education.
102	HRD (Sec. and Higher Edu.)/I&B/Culture	Enact changes in relevant IPR statutes/policy to check film/music piracy.
103	Human Resource Development	Establish a policy, regulatory, and legal framework for establishing private universities and professional colleges, as well as vocational education. Establish a policy framework for setting up endowments by the private sector in existing universities/ colleges. Establish a comprehensive scheme of loan scholarships using institutional finance for all categories of students (BPL APL)
104	Human Resource Development, Science & Technology, Finance, Commerce	To establish models of public-private partnerships for collaborative R&D between Universities and private cos for sharing of costs and benefits (IPRs) on the lines of the practice in CSIR.
105	Information & Broadcasting	Formulate special packages for expansion and implementation of broadcasting infrastructure in J&K, North East and border areas.
106	Information & Broadcasting	Use of Media for education of masses particularly on health, hygiene, literacy etc.
107	Industrial Policy & Promotion	Identify Industrial clustures with high growth potential for need based and specifically designed interventions.
108	Information Technology	Setting up a Task Force on human resource development in IT to prepare long term strategy for significantly increasing the number of well trained IT professionals.
109	IPP/Finance	Introduce policy measures to promote R&D investments through FDI. Consider treatment of earnings from R&D Exports as those from any other export earnings for Income Tax purposes.
110	IT/Revenue	Prepare strategy for rationalization of tariff structure to cope with the zero duty regime on finished products that will come into place after 2005.
111	Labour	Finalise position of the Government on the recommendations of the Fourth Labour Commission
112	Labour	Reforms in Labolur legislation, including Contract Labour (Regulations and Abolition) Act, 1970; Industrial Disputes Act and other Acts.
113	Land Resources	Enactment of Resettlement and Rehabilitation bill for project affected families.
114	Land Resources	Enactment of amendments to the Land Acquisition Act 1894.
115	Law and Justice	Revision of court fees (including strict insistence on payment of court fees before notices are sent out to respondents or ex-parte injunctions are issued) is needed to cover costs of judicial administration.
116	Personnel	Process and implement the Surendra Nath Committee Report on personnel/civil service issues.
117	Petroleum and NG	Formulate an Action Plan for setting up a strategic petroleum reserve.
118	Petroleum and NG	Develop a National Policy on India's Hydrocarbon sourcing subsequent to completion of the study on India's Hydrocarbon Security.
119	Petroleum and NG	Passing of the Petroleum Regulatory Board Bill 2002 and setting up of the Petroleum Regulatory Board. Content of Rules to be framed under Act may be prudently determined.
120	Planning Commission/Concerned Ministries	Create an apex committee to develop an Integrated Energy Policy to govern demand and supply side issues and address natural resource utilisation, environmental and equity concerns.
121	Posts	Take necessary action for replacing the Indian Post Office Act, 1898 by a forward looking legislation to take care of the needs of competition, convergence and other new developments.
122	Posts	To draw up a road map and work out modalities for corporatisation of the postal sector
123	Posts	Undertake computerisation of postal activities and ensure reliable connectivity of post offices across the country so as to provide quality services comparable to international standards. Also, reorient future business development with special emphasis on services like speed post, express parcels, e-post, e-billing, payments and presentment (EBPP), e-commerce.
124	Power	Formulate rules etc. foreseen under the Electricity Act
125	Power	Complete pilot phase of programme for energy efficiency in Government buildings and prepare action plan for wider dissemination and implementation

No.	Ministry/ Department	Proposed Reform
126	Power	Turn around of SPUs.
127	Railways	Set up Rail Tariff Regulatory Authority to rationalise rail tariff.
128	Railways	Develop a Policy framework to categorise backlog/future Railway projects for implementation through Govt., MFI and PPP funding.
129	Railways	Formulate policy for outsourcing non-core railway activities.
130	Railways	Modernisation of Railways with special emphasis on computerisation of freight traffic, improved signalling and railway tracks.
131	Road Transport & Highways	Two-laning of the National Highway Network including two-laning of 4000 kms and four laning of 800 kms non NHDP stretches.
132	Road Transport & Highways	Action plan to deal with growing encroachments on the National Highways.
133	Rural Development	Preparation of a national policy on Land Use/Resource Management.
134	Science & Technology	Development of Models of public private partnerships for collaborative R&D between Private Companies and Governmental S&T Institutions as well as Universities, to share the costs and benefits (IPRs).
135	Science & Technology	Establishing Centres of Excellence and modernisation of National Laboratories to strengthen R&D
136	Science & Technology	Complete the transition to a new IPRs regime to leverage our comparative advantage in knowledge based industries.
137	Secondary & Higher Education	Replacing the existing scheme on vocationalisation of education with a new scheme based on modular approach and with emphasis on competence.
138	Shipping	Enact policy on major and minor ports, including Major Port Trusts Amendment Bill 2001.
139	Shipping	Encourage gradual shift of domestic cargo from the rail and road modes to inland water transport, increasing its share from the present level of less than 1% to atleast 2%.
140	Shipping	Formulate and adopt a National Policy on Major / Minor Sea Ports to facilitate private / FDI investment, and if necessary an autonomous statutory regulatory agency for tariff setting.
141	Social Justice and Empowerment	Develop and implement disabled friendly policies in the public/private sector.
142	Social Justice and Empowerment/DEA	Develop a social security scheme for the old and the disabled. This effort may be linked to the ongoing action in DEA on addressing lifetime concerns on the basis of Concept paper approved by PM.
143	SSI	Process and implement recommendations of the Rakesh Mohan, Abid Hussain, SP Gupta and KC Pant Committee reports on SSI.
144	SSI/Cab. Sec.	Process/implement ASCI report on procedural/regulatory reform of SSI sector along with follow up action on Govindrajan Committee report.
145	Telecom Dept.	Examine issues related to treating telecom sector as an infrastructure sector in order to achieve the targets of tele-density in line with the objectives laid down in the NPT, 1999 and the Tenth Five Year Plan and act upon them.
146	Telecom Dept.	To take necessary steps towards enactment and notification of Communication Convergence Bill, 2000 and put in place the required structure for its operationalisation
147	Telecom Dept./Home/Defense	Take necessary action for comprehensive review of the spectrum allocation policy with a view to ensuring optimum utilization.
148	Textile	Creation of enabling environment and interventions to increase India's Share in world textile trade from 3% to 10%
149	Tourism	Introduce Public Private Partnerships in development, maintenance and operation of tourism infrastructure.
150	Tourism	Preparation and implementation of an Action Plan to provide tourists protection from service providers with dubious bona-fides, security and emergency services.
151	Urban Development	Preparation and implementation of a plan to mainstream PPP in Government Civil Works, on lines of NHAI projects, to enable improved quality and better value for money, through competition and performance based payments based on effective monitoring
152	Urban Development	Constitute expert group to review the mandates of DDA and other Urban Development agencies and take suitable followup action on its recommendations.
153	Urban Development	Formulate a National Policy on Urban Transport.
154	Urban Development	Monitor VAMBAY scheme for slum dwellers.
155	Urban Development	Formulate and implement guidelines for use of surplus government land for BPL housing and capital investment
156	Urban Employment and Poverty Alleviation	Formulate national policy and model legislation for the urban informal sector. (RELATES TO STREET VENDORS AND RICKSHAW PULLERS)
157	Urban Development	Timely completion of the Delhi Metro Railway Transport System.

No.	Ministry/ Department	Proposed Reform
158	Urban Development/Urban Employment and PA	Ensure finalisation of City Challenge Fund, Pool Finance Development Facility and URIF under a single platform and facilitate necessary followup actions.
159	Urban Employment and PA	Restructure Swarn Jayanti Shahri Rozgar Yojana (SJSRY) with special focus on micro credit for urban informal sector and a national level review.
160	Water Resources	Introduction of rain water harvesting and Artificial Recharge of ground water in the curriculum of NCERT as well as the package being prepared by Vidya Vahini Project.
161	Women and Child	Finalise the Children's Charter and the National Plan of Action for Children, including Identification and prioritisation of child friendly amendments required to existing laws and their enactment.
162	Women and Child	Operationalising the National Policy for Empowerment of Women.
163	Youth Affairs & Sports	Setting up of Youth Development Centres (YDC) in each of the 5000 blocks in the country, for functioning, among others, as Information Technologies Centres.