

CHAPTER 1

OVERVIEW

The Ninth Five Year Plan (1997-2002) has been formulated in the context of three important dimensions of state policy and against a perspective of development for fifteen years. Quality of life, generation of productive employment and regional balance summarise the main dimensions of its state policy. The Plan focussed on accelerated growth recognising a special role for agriculture for its stronger poverty reducing and employment generating effects, which will be carried out over a fifteen year period of framework of consistent policies. It recognised the need for well-designed set of policies for ensuring food and nutritional security. A need is also felt to tackle the health and environmental consequences of increasing population density, lack of safe drinking water and inadequate urban sanitation through a proper urbanisation policy with programmes for disease surveillance, epidemic control and urban solid and liquid waste management complemented by a strengthened and expanded system of primary health care and measures for women and child development; primary education, particularly for women, and a wide spread and properly targeted public distribution system.

2. The focus of employment strategies will be shifted towards creating conditions whereby employment opportunities should not only expand but also lead to significantly better living and working conditions upholding the dignity of labour. In view of the high incidence of underemployment and increasing casualisation of labour, there is need to enhance employment opportunities for the poor particularly for those who are in seasonal occupation. A primary objective of state policy should be to generate greater productive work opportunities in the growth process itself by concentrating on sectors, sub-sectors and technologies which are more labour intensive and in regions characterised by higher rates of unemployment and underemployment.

3. Public investment in infrastructure will have to be deliberately designed in favour of the less well off states in order to correct large regional imbalances. The reduction in regional disparities may be achieved through greater focus on agriculture in backward areas and integration between the rural areas and the rest of the country through improved connectivity. Appropriate public intervention will be made in the regions with relatively high levels of income and low human development indicators and poor provision of social infrastructure, such as safe drinking water, primary health care and primary education facilities. The efforts to attract investments and to promote growth and development by State Governments will need to be guided by a spirit of co-operative federalism to arrive at a set of public policy initiatives and action in which a common position would be taken by all states in their collective interest. In view of the inter and intra-state differential, it is necessary to move away from the concept of competitive policy formulation to a framework of co-operative federalism, wherein neighbouring states adopt a common set of strategies for development of their backward areas.

4. The year 2000-01 is the fourth year of the Ninth Five Year Plan (1997-2002) and the Annual Plan for this year would be the first in the new millennium. As we move into the new millennium, there are rising aspirations of the people as well as new challenges which have to be faced. Hence, it is essential to give a fillip to development efforts to tackle the problems of poverty and unemployment and for ensuring basic minimum services to our

people. The main objective of the Ninth Plan is “Growth with Social Justice and Equity” and special action plans have been formulated in the Planning Commission for covering specific aspects of social and physical infrastructure, agriculture, information technology and water policy which have been integrated in the Ninth Plan endorsing the view that the State Governments/Union Territory Administrations should pay attention to areas of weaknesses and also those areas where they have comparative advantage.

5. The economic development of India during 2000-01 has to be viewed against the backdrop of an exceptionally turbulent and unfavourable international economic environment. The Ninth Plan aims at achieving a target of 6.5 per cent annual growth, whereas India’s economic growth has declined from 6.8 per cent in 1998-99 to 6.4 per cent in 1999-2000. It is needless to emphasise that factors like inadequate investment, slackening of aggregate demand, falling export growth due to overall slump in the world trade, erosion in competitive advantage of Indian exports on account of steep depreciation of East Asian currencies, price competition from import in certain key industries, inadequacy of funds due to continuing sluggishness in capital markets (primary and secondary) and other infrastructure bottlenecks have contributed for low growth.

6. Hence, while formulating the Annual Plan 2000-01, the Planning Commission reiterated that:

- (i) the participation of the people in formulation and implementation of the plan is important not only to develop a sense of involvement of the people in the process of economic development but also to ensure optimum output through implementation of various programmes and schemes. Although the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) were given constitutional status, these institutions are yet to be delegated adequate administrative and financial powers in many States/UTs to make them effective instruments of democratic decentralisation. As there is strong evidence that the involvement of Gram Panchayats had helped tremendously in improving the delivery, it is emphasised that these institutions need to be supported and made self sufficient;
- (ii) all efforts need to be made for completion of the ongoing schemes that are scheduled for completion during the Ninth Plan so that they do not spill over to the next Five Year Plan. Simultaneously, new schemes should be avoided, unless absolutely necessary, so as not to spread the resources thinly;
- (iii) ensuring environmental sustainability is an important objective of the Ninth Plan. Environmental pollution and degradation of ecosystems is having a deleterious impact on various segments of our population especially the poor. Environmental sustainability has to be ensured by integrating environmental concerns in the respective sectoral programmes. In this connection, the importance of forestry sector for protection and improvement of environment cannot be over emphasised. The forests not only meet the socio-economic needs of a large number of population but also serve important ecological functions. Protection and management of existing forests may be treated as ‘Plan’ item with a view to give it the desired priority;
- (iv) as the finances in many States/UTs have come under great stress in the last few years as a result of number of factors including stagnant revenues and rapidly increasing current expenditure, economic reforms in various areas such

as rationalisation of tax structure, expenditure reforms, improvement in fiscal administration and management, recovery of user charges and reforms in management of public sector enterprises including their disinvestment are needed; and

- (v) massive efforts are to be undertaken to improve States/UTs' governance in order to have an effective and responsive administrative machinery with a high degree of commitment, motivation, professional competence and above all, integrity so as to restore the confidence of the common man in the reform process of nation building.

RECENT ECONOMIC DEVELOPMENTS AND PROSPECTS

7. The Indian economy is all set to move on to a trajectory of higher growth rates. Economic growth rate during 2000-01 could be well above seven per cent against a growth rate of 6.4 per cent in 1999-2000. Agriculture growth remained subdued in 1999-2000 while the manufacturing and service sectors performed extremely well during the period as shown in Annexure 1.1. Total foodgrains production is envisaged to be 205.91 million tonnes in 1999-2000 which is more than the level of 203.04 million tonnes in 1998-99. The stock of foodgrains in the central pool is well above prescribed buffer stock norms and this augurs well for maintaining price stability in the country.

8. The index of industrial production showed a growth of 8.0 per cent in 1999-2000 compared to 3.9 per cent in 1998-99 indicating a positive turn around in industrial prospects. The manufacturing sector showed a growth of 9.0 per cent in 1999-2000 against 4.3 per cent in 1998-99. The basic and capital goods sectors showed moderate expansion in 1999-2000 of 5.1 per cent and 4.8 per cent respectively while the intermediate goods sector grew by 15 per cent. The consumer goods sector as a whole showed production increase of 5.7 per cent with consumer durables growing by 12.2 per cent and consumer non-durables by 4.0 per cent.

9. While the situation on the economic growth front looks favourable, there are areas of concern on the fiscal front. The non-plan expenditure of the government as a proportion of GDP has increased from a level of about 10.3 per cent in 1995-96 to 11.5 per cent in 1999-2000 and the fiscal deficit as a proportion of GDP has increased from 4.1 per cent in 1995-96 to 5.6 per cent in 1999-2000 as shown in Annexure 1.2.

10. On the taxation front, a single rate central value added tax (CENVAT) to be levied at 16 per cent ad valorem was introduced. In addition, there were to be three rates of special excise at 8, 16 and 24 per cent. The peak rate of customs duty was reduced from 40 to 35 per cent.

11. Broad Money (M3) growth was maintained within a level of 14.0 per cent per annum during 1999-2000. Currency with the public showed an expansion of 14.2 per cent in 1999-2000 while demand deposits grew by 8.3 per cent and time deposits by 15.2 per cent as shown in Annexure 1.3. Expansion in net bank credit to the government was contained at 13.0 per cent in 1999-2000 compared to 17.1 per cent in the previous year. In contrast, growth in bank credit to the commercial sector was higher (15.3 per cent) in 1999-2000 compared to 13.2 per cent in the previous year. One of the factors that had contributed to slow down in Broad Money growth in 1999-2000 was the moderate expansion in net foreign exchange assets of the banking sector which grew only by 8.7 per cent in 1999-2000

compared to 28.0 per cent in 1998-99. In April 2000, the RBI announced a cut in the Cash Reserve Ratio (CRR) by one percentage point to 8.0 per cent which would facilitate credit expansion by about Rs.7200 crore. The bank rate was reduced by one percentage point to 7.0 per cent and the savings bank deposit rate of the commercial banks was reduced by 0.5 percentage points to 4.0 per cent. In the credit policy announced recently, the RBI has made an effort to push the Indian banking system towards global standards.

FOREIGN TRADE

12. Foreign trade determines the ability to achieve targeted and sustainable growth rates of economic development. In order to achieve the accelerating growth in an environment in which the world is becoming increasingly integrated and globalised, the foreign trade policies have been designed with this objective during the Ninth Plan. The process of globalisation is a reality and it needs to be managed so that maximum advantage can be derived from the world market. In order to strengthen the potential of Indian industry to compete effectively in world market, Quantitative Restrictions (QR) on imports have been dismantled from all except consumer goods, and the remaining restrictions will be removed in phased manner by the year 2003. Import tariffs have also been reduced significantly over time and the process of reduction in import tariffs is a continuous one.

13. The country's exports forming about 8-9 per cent of GDP, witnessed a noticeable recovery during 1999-2000 registering a growth of 11.6 per cent in dollar terms (14.9 per cent in rupee terms) against the targeted average growth rate of 11.8 per cent in Ninth Plan. Except agriculture & allied products and leather & leather products all major sectors like chemicals & allied products, gems and jewellery, engineering goods, electronics, textiles, readymade garments etc. have performed well and contributed quite substantially in the export front. The buoyancy in exports is explained partly by the revival of world trade, recovery in the South East Asian economies, upward movement in global commodity prices apart from low domestic inflation and a relatively stable exchange rate. There has been a general increase in exports to all major countries and USA continues to be the biggest market sharing more than 22 per cent of our total exports.

14. The imports forming about 11-12 per cent of GDP, grew by 10.2 per cent in dollar terms in 1999-2000 against the Ninth Plan targeted growth of 10.8 per cent. The POL imports witnessed a sharp increase of 64.3 per cent constituting a share of 20.9 per cent in the total imports. The surge in the oil import bill was caused mainly by about three times increase in international crude oil prices during 1998-99 as a result of an agreed cut in output by OPEC. Now 9 out of the 11 OPEC have agreed to increase the output by 6.0 per cent from April, 2000 and oil prices have begun to fall in the world markets, which would help to reduce our POL import bill.

15. Trade deficit during the year 1999-2000 stood at US \$ 8616 million as compared to US \$ 8245 million in 1998-99. This may not be a cause of concern in view of the comfortable foreign exchange reserves of US \$ 38036 million as on March, 2000. The external debt stood at US \$ 98.87 billion by the end of September, 1999. The external debt indicators show an improvement in the external debt scenario during recent years. External debt to GDP was on its peak at 41 per cent in 1991-92, which has gradually come down to 22.3 per cent by the end of September, 1999. Significant changes have been effected in the EXIM policy toward trade liberalisation, export promotion and infra-structural

improvements. Quantitative restrictions on imports have been gradually removed. The export and import policy for 2000-01 has abolished licensing of 714 consumer products with immediate effect and removal of the remaining 715 items by April 2001. A number of schemes aimed at an export growth of 20 per cent have been announced. A number of Special Economic Zones (SEZs) are to be established (initially at Pipavav in Gujarat and Tuticorin in Tamil Nadu) on the pattern of Chinese export economic zones, which derive 40 per cent of its export from such zones.

PUBLIC SECTOR PLAN

16. Economic growth is the outcome of numerous economic and social factors interacting with each other. Given the resource constraint for developing countries like India, capital accumulation or investment is the key factor for increasing the productive capacity of the economy. For determining the overall rate of investment or its sectoral distribution, market forces, relative prices and incentives play more important role than direct allocation of resources by public authorities.

17. In the development strategy adopted for India, the public sector had been assigned a key role and it accounted for a major share in total investment prior to Seventh Plan. The ability of the Government to determine the structure of the economy through its own behaviour has eroded significantly since the initiation of the Seventh Plan. The significant feature of the pattern of investment is that the share of the private sector on one hand is increasing rapidly and the share of public sector, on the other hand, in total investment, both planned and realised, is decreasing, which is reflected in various Five Year Plans. During the Ninth Plan the share of the public sector in total investment is projected to be 33.4 per cent as indicated in Table 1.1 given below:

TABLE 1.1
Share Of Public Sector In Total Investment

(in percentage)

Period	Planned	Realised
Fifth Plan (1974-79)	57.6	43.3
Sixth Plan (1980-85)	52.9	47.8
Seventh Plan (1985-90)	47.8	45.7
Eighth Plan (1992-97)	45.2	34.3
Ninth Plan (1997-2002)	33.4	

18. An investment of Rs.2171 thousand crore at 1996-97 prices has been projected for the Ninth Plan which is 28.2 per cent of the GDP at market prices. Out of this Rs.726 thousand crore (9.4 per cent of GDP at market prices) pertains to Public Sector. An outlay of Rs.8,59,200 crore for Public Sector has been envisaged for the Ninth Plan which will be shared by Centre, States and the Union Territories in the ratio of 57:41:02 respectively.

19. The Annual Plan 1999-2000 envisaged a total outlay of Rs.192263 crore at current prices against which the Revised Estimates are to the tune of Rs.170863 crore, sharing in the ratio of 56:42:02 respectively among the Centre, States and the Union Territories as shown in Annexure 1.4. In real terms the RE of Rs.142862 crore (at 1996-97 prices) is much less than the pro-rata accounting for only about 17 per cent of the Ninth Plan approved outlay.

20. The overall Public Sector outlay fell short in the first three years of the Ninth Plan due to lower resources mobilisation. The achievement of Public Sector in terms of expenditure by Centre, States and the Union Territories during 1997-2000 is summarised in Table 1.2 given below:

TABLE 1.2
Utilisation Of Public Sector Plan Outlay During 1997-2000 (At 1996-97 Prices)

	(in percentage)	
	Plan Provision	Achievement*
Centre	55	52
States	57	50
Union Territories	46	42

* Includes 1997-98 (Actual) and 1998-2000 (RE).

21. The focus of the Ninth Plan being “Growth with Social Justice and Equity”, the Social Sector has been accorded a high priority. Out of the total Public Sector allocation of Ninth Plan about 21.3 per cent has been earmarked for the Social Sector. During the Annual Plans (1997-2000) the average utilisation by Social Sector was 22.9 per cent which is marginally more than the projected allocation of the Ninth Plan as shown in Table 1.3.

TABLE 1.3
Utilisation Of Public Sector Outlay By Social Sector During Annual Plans (1997-2000)

	(in percentage)
Period	Share of Social Sector
Ninth Plan provision (1997-2002)	21.3
1997-98 (Actual)	20.7
1998-99 (RE)	23.6
1999-2000 (RE)	24.4
Average (1997-2000)	22.9

CENTRAL SECTOR PLAN

22. The Annual Plan 1999-2000 budgeted an outlay of Rs.103521 crore for the Central Sector against which the Revised Estimates are to the tune of Rs.96310 crore at current prices. The shortfall is mainly in the sectors of Industry and Minerals, Agriculture and Allied Activities, General Economic Services and Communication. Except Transport and Irrigation & Flood Control all other sectors have experienced marginal shortfalls in respect of revised estimates over Budget Estimates. During the first four years of the Ninth Plan the Centre could utilise only 85 per cent against the budget allocations as shown in Annexure 1.5.

23. An outlay of Rs.117334 crore has been provided for the Central Sector for the Annual Plan 2000-01. Assuming that the Revised Estimates of 1998-2000 and the provision for 2000-01 materialises, the Central Sector expenditure in the first four years would be about 65 per cent of the total Ninth Plan outlay provided for the Central Sector. While Communications, Transport and Agriculture & Allied Activities have utilised more than 65

per cent of their Ninth Plan allocation, expenditure in most of the other sectors is much below the pro-rata as shown in Annexure 1.6.

24. To conform to the target level of fiscal deficit, the budgetary support for the Central Sector was kept at Rs.203982 crore for the Ninth Plan. In real terms the budgetary support for the Central Sector in the first four Annual Plans (1997-2001) is 69 per cent of the five year provision, which is less than the pro-rata of Ninth Plan provision as shown in Table 1.4. In case of the internal and extra budgetary support a sum of Rs.285379 crore was earmarked for the Ninth Plan period, whereas only 62 per cent of the five year provision is achieved during the first four years of the Ninth Plan due to less mobilisation of internal resources which are mainly borrowings of the Central enterprises.

TABLE 1.4
Financing Of The Central Sector Plan In The First Four Years Of The Ninth Five Year Plan

(Rs. crore at 1996-97 prices)

	Budgetary Support	Internal & Extra-Budgetary Resources	Total Outlay
Ninth Plan (1997-2002)	203982	285379	489361
1997-98 (Actual)	30606	37472	68078
1998-99 (RE)	32888	44509	77397
1999-2000 (RE)	36506	44021	80527
2000-01 (BE)	40695	52427	93122
Total Four Years (1997-2001)	140695	178429	319124
Percent to Ninth Plan	69	63	65

25. During the year 2000-01 Rs.51276 crore budgetary support has been provided for the Central Sector indicating a step up of about 17 per cent over the allocation in the corresponding period (1999-2000) as indicated in Annexure 1.7. Higher budgetary support has been provided mainly in case of General Economic Services (40 per cent), Industry and Minerals (36 per cent), communications (32 per cent), Irrigation and Flood Control (30 per cent) and Science, Technology and Environment (26 per cent). The average utilisation of the Budgetary Support as percentage to outlay during the four years of the Ninth Plan is more than what is provided for the Ninth Plan as shown in Table 1.5 below.

TABLE 1.5
Utilisation Of Budgetary Support During The Ninth Plan
(Percentage To Outlay)

Ninth Plan (Projected)	41.7
1997-98 (Actual)	45.6
1998-99 (RE)	43.2
1999-2000 (RE)	45.3
2000-01 (BE)	43.7

STATES SECTOR PLAN

26. During the Ninth Plan the States Sector was envisaged an outlay of Rs.3,50,138 crore. Assuming that the RE for 1998-2000 materialises, the States sector could utilise only 49.73 per cent in real terms in the first three years (1997-2000), which is lower than the pro-rata of Ninth Plan. Except the states of Himachal Pradesh and Maharashtra, all other States have shown lower performance in respect of pro-rata utilisation of outlays as shown in Annexure 1.8.

27. In the case of outlay for the year 1999-2000, most of the States like Uttar Pradesh, West Bengal, Bihar, Meghalaya, Arunachal Pradesh, Orissa, Haryana and Rajasthan have shown negative performance in respect of expenditure over Budget Estimates as shown in Annexure 1.9. This is a matter of concern.

SOCIAL INFRASTRUCTURE

28. Human development and improvement in quality of life are the ultimate objectives of all Planning. This is to be achieved through policies and programmes aimed at promotion of both equity and excellence. Planning takes into account the resources required for human development and human resources available for carrying out the Plan.

29. Social sector planning ensures that appropriate policy and programme initiatives are taken and adequate investment is provided by the State in the social sector so that the poorer and vulnerable segments of the population can access essential commodities, facilities and services based on their needs.

30. Alleviation of poverty remains a major challenge before the Government. While there has been a steady decline in rural poverty, efforts to protect the poor from destitution, sharp fluctuations in employment and incomes, and social insecurity through specifically designed anti-poverty programmes need to be continued. Schemes for generation of both self-employment and wage employment in rural areas have been redesigned and restructured in 1999-2000 in order to enhance their efficacy/impact on the poor and improve their sustainability. The single self-employment programme of Swarnajayanti Gram Swarozgar Yojana (SGSY) seeks to provide sustainable incomes through micro enterprises to the rural poor. It is conceived as a holistic programme of micro enterprises covering all aspects of self employment viz. organisation of the rural poor into self help groups (SHGs) and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing. In addition, the Jawahar Gram Samridhhi Yojana (JGSY) has been launched to impart a thrust in creation of rural infrastructure including assets at the village level while at the same time increasing the opportunities for sustained employment for the rural poor. The responsibility of implementing the programme has been entrusted to the Gram Panchayats. The Employment Assurance Scheme (EAS) has also been restructured as the single wage employment programme with the primary objective of creation of additional wage employment opportunities during the period of acute shortage of wage employment through manual work for the rural poor living below the poverty line. The scheme has become allocative instead of demand driven scheme and a fixed annual outlay is provided to the States. In keeping with the spirit of democratic decentralisation, the Zilla Parishads have been designated as the Implementing Authorities under the programme.

31. With the view to supplement the efforts of the State Governments for ensuring minimum national level of well being the Centrally Sponsored Scheme of National Social

Assistance Programme provides social assistance benefit to poor households in the case of old age, death of primary breadwinner and maternity. In addition, the launching of a new scheme “Annapurna” was announced in 1999-2000 which seeks to provide 10 kg. of food grains per month free of cost to all such persons who are eligible for old age pension but are presently not receiving it and whose children are not residing in the same village.

32. The Special Action Plan for Social Infrastructure for the Ninth Plan lists Rural Housing as one of the priority areas and new initiatives in this direction have been operationalised. Greater focus has also been given to area development programmes. The Drought Prone Area Programme (DPAP), Desert Development Programme (DDP) and Integrated Wastelands Development Programme (IWDP) are implemented on a watershed basis. Common guidelines for implementation of watershed projects/programmes have been evolved and an effort is being made to bring them under one umbrella/Ministry within the framework of ‘Single National Initiative’. The other major components of the Land Reforms Policy include among others, detection and distribution of ceiling surplus lands, tenancy reforms, consolidation of land holdings, providing access to poor on common lands and wastelands, preventing the alienation of tribal lands and providing land rights to women.

33. Panchayati Raj Institutions have been assigned prime responsibility for implementation of poverty alleviation programmes. The Seventy Third Constitutional Amendment Act, 1992 has given impetus to democratic decentralisation in the country by conferring Constitutional status on the PRIs. It endows the PRIs with the requisite financial and administrative powers to enable them to function as effective institutions of local self-government and envisages the establishment of a democratic decentralised development process through people’s participation in decision-making, in implementation and in the delivery process. In order to achieve this objective, the Constitution provides for devolution of powers and responsibilities upon Panchayats at appropriate levels for economic development and social justice in respect of 29 Subjects as listed in the Eleventh Schedule of the Constitution. These are under various stages of operationalisation in different States.

34. Shelter is the basic human requirement that needs to be met on priority basis and state intervention is necessary in formulating various housing policies and programmes to meet the housing requirements of the vulnerable sections and create an enabling environment in achieving the goal of shelter for all on self-sustainable basis.

35. The Special Action Plan (SAP) started from 1998-99 recognises ‘Housing For All’ as priority area. It sets the target of construction of 20 lakh (7 lakh urban and 13 lakh rural) additional houses every year. During 1998-99, in urban areas 7.5 lakh dwelling units were sanctioned against a target of 7.0 lakh. During 1999-2000, 7.95 lakh dwelling units were constructed as against a target of 7.35 lakh units. The EWS housing achievements were 37939 against a target of 129972 units and for LIG, the achievements were 12354 units as against a target of 63610 dwelling units.

36. India has one of the largest urban systems with a projected population of 289 million in 2001 from 217.6 million in 1991, which is anticipated to increase to around 605-618 million in 2021-2025. Urban Development is essentially supportive of economic development commensurate with the ongoing structural reforms. The process accordingly, was initiated to ensure access to it for all segments of urban population especially the poor and the vulnerable sections of population in urban areas. The positive impact of urbanisation

is often over-shadowed by the evident deterioration in the physical environment and quality of life caused by the widening gap between demand and supply of essential services like water supply, sanitation, solid waste management and transportation.

37. Poverty reduction is an important goal of the urban policy. The Ninth Plan noted that the problem of urban poverty is a manifestation of lack of income and purchasing power attributable to lack of productive employment and considerable under employment, high rate of inflation and inadequacy of social infrastructure, affecting the quality of life of the people and their employability. The scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) launched in December 1997 with a view to ensure development and empowerment, sought to provide gainful employment to the urban unemployed or underemployed poor by encouraging setting up of self-employment ventures or provision of wage employment. The scheme also promotes setting up of neighbourhood groups, community development societies etc. The two components under SJSRY comprise (a) the Urban Self Employment Programme (USEP), (b) The Urban Wage Employment Programme (UWEP). The number of beneficiaries under USEP during 1999-2000 were 1,26,944 including 8,241 women beneficiaries and the beneficiaries under UWEP were about 101.39 lakh.

38. Urban transport is one of the most important components of urban infrastructure. A good network of roads and an efficient mass urban transport system make a substantial contribution to the working efficiency of cities especially for their economic and social, development. The only major scheme currently in operation is the Integrated Multi-modal Mass Rapid Transit System (MRTS) for Delhi, for which the investment proposal for the first phase envisaging introduction of a metro rail system of about 55.3 kms of elevated-cum-surface rail corridors was approved by the Union Government in September 1996.

39. Provision of safe drinking water on a sustainable basis to the entire population in the rural and urban areas with local participation is the basic objective envisaged in the Ninth Plan. Whereas provision of safe drinking water and sanitation is a State subject and primary responsibility of the State Governments, the Central Government has been implementing a large scale Centrally Sponsored Scheme in the case of rural water supply, viz., "Accelerated Rural Water Supply Programme (ARWSP), currently known as Rajiv Gandhi National Drinking Water Mission" to supplement the efforts of the State Governments. Under the project, 56447 villages/habitations are reported to have been provided with safe drinking water supply facilities during 1999-2000, against the target of 90061 villages/habitations.

40. In the case of sanitation, a restructured Centrally Sponsored Scheme with involvement of local people and NGOs has been brought in to force from 1999-2000. Rural Sanitation programme is now gaining momentum in several States. The type of facilities to be provided would be decided based on the felt-need and full participation and involvement of Gram-Panchayats, the people, particularly the women and the NGOs.

41. As employment generation in all the productive sectors is one of the basic objectives of Ninth Plan, to provide adequate labour force of appropriate skills and quality to different sectors is essential for rapid socio-economic development. In this context, during the year 1999-2000 efforts were made for providing the environment for self-employment both in rural and urban areas, elimination of undesirable practices like child labour and bonded labour ensuring worker's safety and social security. Government has set up the Second National Commission on Labour in October, 1999 to rationalise the existing laws

relating to labour for ensuring a minimum level of protection to the workers. Various other schemes aiming at achievement of welfare and social security of the working class and maintenance of industrial peace like training for skill development, services to job seekers, welfare of labour and administration of labour regulations which have been accorded priority during the Ninth Plan are in progress. The existence of child labour in hazardous industries is a great problem in India. Efforts are underway in the Ninth Plan, to modify and improve the existing National Child Labour Project. A major activity undertaken under this scheme is the establishment of special schools to provide non-formal education, vocational training, supplementary nutrition, stipend, health care, etc. to children who have been withdrawn from employment in hazardous industries. During 1999-2000, 91 National Child Labour Projects have been sanctioned in child labour endemic States for rehabilitation of nearly 1.9 lakh children who were removed from the work. A Centrally Sponsored Scheme for rehabilitation of bonded labour, which was formulated in 1978, has now been modified by raising the rehabilitation package and with provision for conducting survey for identification of bonded labour, creation of awareness, conducting evaluation studies etc. Planning Commission has also agreed to provide 100 per cent subsidy to North-Eastern States keeping in view the financial constraints faced by the States. The modified scheme is envisaged to be implemented in the remaining period of Ninth Plan. Since the inception of scheme for rehabilitation of bonded labour 2,51,569 out of 2,80,411 bonded labour have been rehabilitated by March 2000. In order to review the progress and proper monitoring of the scheme and other anti poverty alleviation programmes which are in operation for the purpose of effective rehabilitation of bonded labour, it is proposed that monitoring of the schemes may be done at National, State and District levels.

42. Empowerment of the Socially Disadvantaged Groups viz., Scheduled Castes (SCs) Scheduled Tribes (STs) Other Backward Classes (OBCs) and Minorities is the commitment of the Ninth Plan through a three-pronged strategy of - social empowerment, economic empowerment and social justice. In this direction, one of the important initiatives was setting up of an exclusive Ministry of Tribal Affairs at the Centre in October, 1999 to extend a focussed attention to the welfare and development of the tribal population especially in dealing with their problems of illiteracy, bonded labour, land alienation etc.

43. Education being the most effective instrument for social empowerment, high priority continued to be accorded to the programmes that aimed at improving the educational status of SCs/STs especially among their women and girl children. Nationwide programmes of Pre-Matric Scholarships and Post-Matric Scholarships (PMS) are being implemented. The scheme of Pre-Matric Scholarships for the children of those engaged in un-clean occupations, is an important educational scheme which supplements the governmental efforts in eliminating the most in-human practice of scavenging and to rehabilitate those engaged in the practice. Under the scheme of Pre-Matric scholarships nearly 4.37 lakh students have been benefited. The scheme of Post-Matric Scholarships (PMS), is being implemented through out the country for extending financial assistance to the students pursuing post-matriculation courses in recognised institutions. 22.68 lakh SC/ST students who were pursuing higher education have received post matric scholarships in the year 1999-2000. Another Centrally Sponsored Scheme viz., Coaching for Allied Services extends coaching to candidates through Pre-examination Training Centres to enable them to compete in the competitive examinations conducted by UPSC, SSC, Banking and other Public Undertakings. During 1999-2000 nearly 75 Coaching Centres in 10 States have benefited as many as 12189 SC/ST students.

44. Economic development being crucial for empowering the disadvantaged groups, the strategy of raising them from the levels of below poverty line will continue to receive high priority during 2000-01. A special thrust is being given for training-cum-employment-cum-income generation programmes to make the socially disadvantaged groups economically independent and self-reliant. The existing apex organisations viz., the National Scheduled Cast/Scheduled Tribes Finance and Development Corporation (NSFDC); the National Safai Karamcharis Finance and Development Corporation (NSKFDC); the Tribal Cooperative Marketing Development Federation of India Ltd. (TRIFED) and the State Scheduled Castes Development Corporations (SCDCs) are being strengthened. During the year 1999-2000 as many as 13,474 SCs/STs, 3,00,151 OBCs and 44,381 Minorities have been benefited by NFDC, NBCFDC and NMDFC respectively by way of extending financial assistance and in the year 2000-01 about 2.23 lakh SC/ST persons are expected to get benefit through NFDC. For the economic development of SCs and STs, special strategies of Special Component Plan (SCP) for SCs and Tribal Sub-Plan (TSP) for STs have been in operation to ensure flow of funds in proportion to the population of SCs and STs from all other development sectors through earmarking in their Five Year as well as Annual Plans.

45. The major initiative of setting up of an exclusive Ministry to strengthen the existing national machinery for the welfare and development of the Socially Disadvantaged, clearly reflects the firm commitment of the Government in ensuring social justice to the Disadvantaged. Besides, the on-going special efforts will continue to ensure effective implementation of two Legislations viz., the Protection of Civil Rights (PCR) Act 1955 and the SCs/STs (Prevention of Atrocities) Act, 1989. In this context 98 Special Courts/Mobile Courts have been set up so far in seven States. In addition to this legal protection, there exist four National Commissions to safeguard the rights and interests of SCs/STs, OBCs, Minorities and Safai Karamcharis.

46. Women and Children, who form about 67 per cent of the country's population are the most important constituents of human resource development. Their wellbeing has been accorded high priority in the agenda for national development. Towards fulfilling the Ninth Plan Commitment of 'Empowering Women and Development of Children', coordinated efforts of both governmental and non-governmental organisations will continue in 2000-01. The special strategies and mechanisms that were put into action during the nineties viz., National Commission for Women (NCW); Rashtriya Mahila Kosh (RMK); National Children's Fund and National Creche Fund (NCF); National Nutrition Policy (NNP); National Plans of Action for Children and the Girl Child; Indira Mahila Yojana (IMY), Balika Samridhi Yojana (BSY), Rural Women's Development and Empowerment Project (RWDEP) etc., continue to be in effective action towards meeting the special needs of women and children. Besides, innovative programmes which are specific to women and children viz., welfare and support services, continuing education and vocational training, employment-cum-income generation programmes and awareness generation and gender sensitisation have been playing a complementary and supplementary role to their development programmes in empowering women.

47. Under the programme of 'Support to Training-cum-Employment Programme (STEP)', about 4.42 lakh women have been covered so far under 81 projects launched in 15 States. During 1999-2000, two new projects benefiting about 4500 women have been sanctioned. The programme of Employment-cum-Income Generation-cum-Production Units assisted by the Norwegian Agency for Development Cooperation which aims to equip young

women/girls through training in non technical trades like electronics, watch assembling, computer programming etc., could so far benefit 2.28 lakh young women/girls through 1477 projects. During 1999-2000 about 2469 women will get benefit under the Socio-Economic Programme (SEP) being implemented by the Central Social Welfare Board (CSWB) which aims to extend opportunities for women on the principles of 'Work and Wage' and 'Earn while you Learn'. The scheme of Condensed Courses of Education & Vocational Training programme has benefited 3225 women till January, 2000. During the year 2000-01 all the above programmes will be merged to formulate an umbrella scheme of 'Training and Employment for Women'.

48. Development of children as an investment in country's human resource development has been the major strategy in the Ninth Plan. The nation-wide programme of Integrated Child Development Services (ICDS) continues to be the major intervention for the overall development of children. While the first five years are acknowledged as critical for the development of children, greater stress is being laid on reaching the younger children below two years. The programme caters to the pre-school children below six years and expectant and nursing mothers with a package of services viz., immunisation, health check-ups, referral services, supplementary nutrition, pre-school education and health and nutrition education. The support services like Creche/Day Care Centres will be expanded under the National Creche Fund in the year 2000-01. A total of 4200 ICDS projects became operational by the end of the Eighth Plan. During 1999-2000, it was decided to operationalise 390 more projects in a phased manner during the Ninth Plan with domestic support. In addition, 461 ICDS projects under the World Bank assisted ICDS II and ICDS – APER projects are also appraised for operation.

49. The scheme of Balika Samridhhi Yojana (BSY) launched in October, 1997 was recast in 1999-2000 on the recommendations of the Group of Ministers for raising the status of girl children belonging to the families living below poverty line with an incentive of Rs.500 to mothers on delivery of girl child (limited to two girls) and also ensuring their education with scholarships ranging from Rs.300 - Rs.1000 up to class X.

50. In view of its significance for human resource development as well as economic and social transformation, education needs to be given a high priority in the allocation of resources. Elementary education as a part of the basic minimum needs has been given an over riding priority in the Ninth Plan with emphasis on improving the quality of secondary education through strengthening of educational infrastructure.

51. There are number of Central and Centrally Sponsored Schemes in the education sector and some of the important schemes are District Primary Education Project (DPEP), Operation Blackboard (OB), Non-Formal Education (NFE) and Post Literacy and Continuing Education. The District Primary Education Programme was launched in November, 1994 for achieving universalisation of elementary education with an emphasis to bring out Universalisation of Primary Education (UPE) through improved access and retention and a perceptible increase in the quality of primary education. The scheme is presently covering 163 districts in 15 States and will be further expanded in about 58 districts of Uttar Pradesh, Rajasthan, Orissa and West Bengal. The scheme of Operation Blackboard aimed at improving classroom environment by providing infrastructure facilities, additional teachers and teaching/learning material to primary schools and provision of a third teacher to such schools where enrolment figure exceeds 100 and has been extended to upper primary schools.

Non Formal Education provides education to a large number of girls and disadvantaged children in remote rural areas and urban slums which have no other educational facilities. There are about three lakh NFE centres in the country covering about 75 lakh children in 24 States/Union Territories of which 1.18 lakh centres are being run exclusively for girls. Besides UEE, efforts to promote adult literacy and education have been stepped up over the years by initiating special projects for eradication of illiteracy commonly known as Total Literacy Campaigns (TLC) and Post Literacy Campaigns (PLC). About 450 districts have been approved for Literacy Campaigns where the impetus built up in the first two stages is sought to be sustained together with elements of skill training. During the first two years of the Ninth Plan, 15 TLCs and 90 PLCs projects have been taken up. The scheme of Rural Functional Literacy Programme (RFLP) continued to combat illiteracy through a mix of programmes.

52. During the first two years of the Ninth Plan, 7817 recognised schools under secondary education were opened. The enrolment data shows that the average per school enrolment of the students has gone down from 265 in 1996-97 to 254 in 1997-98. Special efforts are needed to attract students for complete utilisation of capacities generated by heavy investment in the Public Sector. The pass outs of the vocational education stream have not received expected response, some of the important factors being, non-recognition of the qualifications and poor absorption capacity of various sectors of economy. The scheme is being reviewed on the basis of experience gained from its evaluation by the Operations Research Group (ORG) carried out in collaboration with representatives of trade, industry, commerce, labour, NCERT and Ministry of HRD. For improvement of science education and to promote scientific temper among students, number of schemes such as Improvement of Science Education, Computer Literacy and Studies in Schools (CLASS) were introduced which provide assistance to voluntary organisations for undertaking innovative projects in this field.

53. Higher education plays a key role in the entire educational system. The main thrust areas during the Ninth Plan period, continued to be in the direction of relevance and quality improvement, improving access and equity, performance and accountability and making the whole system responsive to the needs of the society. During the first half of the Ninth Plan, quality improvement and the setting up of standards were achieved through continued promotion and nurturing of 12 Inter-University Centres and establishment of three National Information Centres, one for science and two for humanities and social sciences.

54. Technical Education being the most efficient means of creating skilled and technically qualified manpower for the country has great potential for adding value to products and services contributing to national economy thereby improving the quality of life of the people in general. The Indian Institutes of Technology (IITs) and Indian Institutes of Management (IIMs) continue to receive international acclaim and have witnessed a large expansion during the past two years.

55. Improvement in the health status of the population which constitute about one sixth of the World's population has been one of the major thrust areas for the social development programmes of the country which has to be achieved through improving the access to and utilisation of Health, Family Welfare and Nutritional Services with special focus on under-served and underprivileged segments of population. Although the technological improvement and increased access to health care have resulted in steep fall in

mortality rate, the disease burden due to communicable diseases, non-communicable diseases and nutritional problems continue to be high.

56. While there has been relatively organised development in the rural health infrastructure over the years, well planned and organised efforts to provide primary, secondary and tertiary health care services in geographically delineated urban areas are not available. This has resulted in non-availability/under utilisation of available health care facilities and over-crowding at secondary and tertiary health care centres. Establishing good referral services is important for proper functioning of primary health care services. Efforts are underway to improve secondary health care facilities in some States and also to improve diagnostic and therapeutic services in tertiary health care centres.

57. In order to improve efficiency and optimal utilisation of available infrastructure and manpower for effective implementation of on-going national programmes in Health and Family Welfare, attempts are being made at Central level to integrate the activities related to training in all Information, Education and Communication, Sexually Transmitted Disease (STD)/Reproductive Tract Infection (RTI), prevention and management under Reproductive and Child Health Care (RCH) and AIDS control programmes and coordination between HIV and TB control programmes. At State level, the Central Council of Health and Family Welfare has endorsed formation of single Health and Family Welfare Societies at State and District levels.

58. Deteriorating urban and rural sanitation, poor liquid and solid waste management and overcrowding have resulted in an increasing prevalence of common communicable diseases. The re-emergence of diseases like Kala-azar and emergence of new infections like HIV have added to the existing disease burden and control of communicable diseases is becoming difficult because of emergence of drug-resistant pathogens and development of insecticide-resistant vectors.

59. Changing life-styles, dietary habits and longevity have resulted in increasing prevalence of Non-Communicable Diseases (NCDs). Several Central Sector and Centrally Sponsored Schemes for control of NCDs are under implementation. The preventive, promotive, curative and rehabilitative services for NCDs are being made available throughout the country at primary, secondary and tertiary health care levels so as to reduce the morbidity and mortality associated with NCDs.

60. The Indian System of Medicine and Homoeopathy (ISM&H) consist of Ayurveda, Siddha, Unani and Homoeopathy and therapies such as Yoga and Naturopathy. Some of these systems are indigenous and others have over the years become a part of Indian traditions. The ISM&H practitioners have an important role to play in the delivery of health services and it is estimated that there are over six lakh ISM&H practitioners in the country, many of them providing health care services to the population in urban slums and remote rural and tribal areas.

AGRICULTURE AND ALLIED ACTIVITIES

61. Agriculture is one of the most crucial sectors in the Indian economy and along with its allied activities, it contributes around 27 per cent of the Gross Domestic Product (GDP) and provides around 65 per cent employment of the total work force. The growth of

agriculture sector has also a direct impact on poverty eradication. The Ninth Plan aims to achieve a growth rate of about 4.5 per cent per annum in the agricultural output and production of 234 million tonnes of foodgrains by 2001-02. In order to achieve these targets, the agriculture development strategy is essentially on the food security, doubling the food production and making hunger free India in 10 years for which an Action Plan has been drawn.

62. A Regionally Differentiated Strategy has been adopted during the Ninth Plan with due emphasis on checking land degradation, encouraging expansion of minor irrigation, increasing fertiliser consumption, improving input delivery system, increasing credit flow and a wider coverage under crop insurance scheme. To bring in convergence among ongoing programmes and to address the state specific issues, a new concept "Macro management of Agriculture - Supplementation/Complementation of State's efforts through Work Plans" has been approved for implementation from 2001-02. The new scheme will replace a number of ongoing centrally sponsored schemes and allocation to the States will be based on the Work Plans.

63. During first three years of the Ninth Plan, foodgrains production targets could not be achieved. Although moisture deficiency in some areas and floods in some other areas adversely affected the agriculture production in 1999-2000, foodgrains production during the year is likely to reach a record level of 205.91 million tonnes (MT) as compared to 203.04 MT achieved during 1998-99. The sugarcane production is also likely to reach a record level of 309.31 MT. But the production of oilseeds and cotton is likely to decline. For the year 2000-01, foodgrains production target has been fixed at 212 MT comprising 197 MT cereals and 15 MT for pulses.

64. For increasing foodgrains production, various schemes viz., Integrated Cereals Development Programmes (ICDP) in Rice/Wheat/Coarse Cereals Based Cropping System's Areas, Accelerated Maize Development Programmes (AMDP), National Pulses Development Programme (NPDP) and Seed Minikits Programmes are being implemented. The three ICDP programmes are to be merged with the scheme of Macro Management of Agriculture from 2001-02. The AMDP and NPDP will, however, continue to be implemented as separate schemes under the Technology Mission on Oilseeds, Pulses and Maize (TMOP&M).

65. For accelerating the growth in production of cotton, Technology Mission on Cotton (TMC) has been introduced as a Centrally Sponsored Scheme during 1999-2000 in 12 States. The ongoing Intensive Cotton Development Programme (ICDP) has been merged with TMC. The Special Jute Development Programme is being implemented in 8 major Jute/Mesta growing States and from 2000-01, production of jute and mesta is being undertaken under Macro Management approach.

66. Horticulture sector in the country provides immense opportunities for diversification of agriculture and for increasing gainful employment in rural and urban areas, enhancing export earnings and also improving nutritional status of the undernourished population. Agro-industrial base could be substantially widened with the horticulture development. During the Ninth Plan, the sector envisages to boost productivity and improve the quality of the produce and various programmes have been made operational to increase the productivity and quality of existing plantation and to increase availability of improved varieties of seeds and elite planting material. In order to improve infra-structural support, a

programme has been launched for setting up of 12 lakh tonnes of new cold storage capacity, rehabilitation/modernisation of 8 lakh tonnes of existing cold storage capacity and creation of 4.5 lakh tonnes of onion storage capacity. An integrated development of horticulture on Mission Mode has been planned for all round development of North-East region.

67. The National Watershed Development Programme for Rainfed Areas (NWDPR) aims at holistic approach for development of integrated farming systems on watershed basis. Watersheds are now proposed to be developed under Common Approach/Guidelines which have been framed. During 1999-2000, a Watershed Development Fund (WDF) has also been created by NABARD with central assistance to cover 100 priority districts in a period of three years.

68. Livestock farming plays an important role in the socio-economic development of rural community by way of generating rural employment and supplementing family income of the low income groups. The major thrust in the Ninth Plan is on the improvement of production and productivity of livestock through genetic manipulation; production of quality feed and fodder; animal health care and prevention of important livestock diseases. In pursuance of the strategy of doubling food production, the Department of Animal Husbandry and Dairying has reprioritised its plan programmes and identified 11 specific schemes to implement under Special Action Plan for achieving an accelerated growth of livestock products.

69. The Central Poultry Development Organisation is engaged in the high yielding egg-type chicks and fast growing meat type chicks through adopting and development of breeding programme and training in poultry farms. The poultry sector had flourished with active participation of organised sector which controls about 70 per cent of production, management and marketing. A new Centrally Sponsored Scheme "Assistance to State Poultry/Duck Farm" is being implemented for the first time in North Eastern States including Sikkim with hundred per cent Central assistance to strengthen at least two duck/poultry farms in each State.

70. The fisheries sector plays an important role in the national economy particularly in the socio-economic development of the country. It also plays a significant role in supplementing family incomes and generating gainful employment in the rural sector, besides providing cheap and nutritional food to millions of people and provides employment to about 3.84 million fishermen. The main objectives of the fisheries development programmes during the Ninth Plan included optimising production and productivity, augmenting export of marine products, generating employment and improving the socio-economic conditions of the fisher folk/fish farmers. This sector has been one of the major contributors of export earnings and was envisaged to achieve a level of about Rs.5096 crore in 1999-2000.

IRRIGATION

71. Irrigation assumes paramount importance in accelerating economic growth in general and agricultural growth in particular and hence high priority has been accorded to this sector in the Ninth Plan. With the net sown area almost stagnant, further expansion of irrigation including additional irrigation is vital for doubling the food production and making the country hunger-free in the next 10 years as postulated in the Ninth Plan. The Ninth Plan strategy for development of irrigation sector aims at improving water use efficiency by

progressive reduction in conveyance and application losses; to bridge the gap between the irrigation potential created and its utilisation by strengthening the Command Area Development Programme (CADP), institutional reforms and promoting farmers' involvement in irrigation management and to accelerate the development and utilisation of ground water, particularly in the Eastern Region, on sound technical, environmental and economic considerations along with proper regulatory mechanisms.

72. During the Ninth Plan, as part of the strategy, it has been decided to complete the ongoing projects particularly those which were started during pre-Fifth and Fifth Plan periods as a time bound programme to yield benefits from the investments already made. Suitable guidelines in this regard need to be framed on priority for deriving optimum benefits. The Planning Commission has recently identified 43 major irrigation projects which were started during the pre-Fifth Plan period and an exercise has been initiated for their time bound completion.

73. Increasing the effective irrigation area through timely renovation and modernisation of the irrigation and drainage systems, including reclamation of water logged and salinised irrigated lands through low-cost techniques, needs to be implemented especially in the context of the present resource constraints. It is estimated that about 21 m.ha of irrigated area from major and medium projects from pre-Independence period and those completed 25 years ago, require renovation/upgradation/restoration to a great extent in the areas which have gone out of irrigation, either partly or fully, due to deterioration in the performance of the systems. Water Resource Consolidation Project with World Bank assistance is continuing at present in some States for modernisation/renovation of selected irrigation projects. However, there is a need to take steps for improving water use efficiency through modernisation/renovation of existing systems which have deteriorated over the years.

74. Accelerated Irrigation Benefit Programme (AIBP) was launched in 1996-97 for expeditious completion of approved ongoing major/medium irrigation projects. From 1999-2000, minor irrigation schemes, both new as well as ongoing pertaining only to Special Category States and KBK districts of Orissa are eligible under this programme. Further, as per the revised guidelines CLA for the projects is provided to the non special category States in the ratio of 2:1 (Centre:States). AIBP Guidelines (1999) stated that major/medium irrigation projects which are in advanced stage of construction are to be considered for inclusion under this programme except irrigation projects in the initial stages of construction benefiting KBK districts of Orissa.

75. All groundwater and surface water schemes having culturable command area upto 2000 ha. individually are classified as minor irrigation schemes. The ultimate irrigation potential from minor irrigation schemes has been assessed as 81.43 m.ha. comprising 17.38 m. ha. from surface water schemes and 64.05 m.ha. from groundwater schemes. Upto the end of the Seventh Plan, the potential created through minor irrigation schemes was 46.6 m.ha. and at the end of Eighth Plan, it was estimated at 56.60 m.ha. Hence, the balance potential available at the beginning of Ninth Plan works out to 24.83 m.ha. The target of potential creation during the Ninth Plan has been fixed at 7.24 m.ha.

76. The CAD Programme was launched during 1974-75 as a Centrally Sponsored Scheme with the main objective of improving utilisation of irrigation potential and optimising agricultural production and productivity from the irrigated areas by integrating all functions

related with irrigated agriculture and by the end of March 1999, there were 227 irrigation projects covering CCA of 21.95 m.ha spread over 23 States and 2 Union Territories.

77. A High Level Committee which was constituted in 1995 to examine the feasibility and scope of private sector participation in irrigation and multi-purpose projects, in its report concluded that private sector participation is feasible in respect of all irrigation (surface and ground water) and multi-purpose projects. Some States like Maharashtra, Madhya Pradesh and Andhra Pradesh have initiated the action for privatisation of irrigation projects. These projects are envisaged for privatisation on Build-Own-Operate (BOO), or Build-Own-Operate-Transfer (BOOT) or Build-Own-Lease (BOL) basis.

78. The National Water Policy (1987) adopted that the water pricing should be such as to convey its scarcity value to users and motivate them in favour of efficient water uses, besides, at the same time, being adequate to cover annual maintenance and operational charges and recover a part of the fixed costs. Agricultural productivity per unit of water needs to be progressively increased in order to be able to compete with other higher value users of water.

79. Most of the States at present have very low irrigation water rates at substantially varying levels and some of them have not revised them for the last 2-3 decades. Most of the North-Eastern States (except Assam and Manipur), do not even charge any irrigation water rate. The Water Pricing Committee set up by the Planning Commission recommended that full O&M cost should be recovered in a phased manner i.e. over a five year period starting from 1995-96 taking into account the inflation also and that subsequently the individual states may also decide an appropriate action to enhance the water rates to cover one per cent of capital cost also. In addition, the setting up of Irrigation and Water Pricing Boards by all the States and mandatory periodic revision of water rates at least in every five years with an opportunity for users to present their views was also recommended. During the meetings of the Working Group to discuss the Annual Plans 1999-2000 and 2000-01, the State Governments have been requested to revise the water rates to reach a level that at least O&M expenses are covered. They have also been advised to cut down the establishment costs and to improve the collection efficiency of the water rates.

INDUSTRY AND INFRASTRUCTURE

80. With the policy of liberalisation initiated in July, 1991, there has been a consistent movement from the command economy to a market oriented industrial policy regime. The thrust of the new policy is on providing access to capital, technology and market in order to induce greater industrial efficiency and integration of the domestic economy with the global economy. The policy allows freedom and flexibility in business decisions so that the industrial sector can respond favourably to the market forces. Industrial policy review has been a continuous effort on the part of the Government not only to remove procedural hassles faced by the industrial community but also to provide much needed thrust to make India's industrial climate conducive for both domestic and foreign investors. The buzzword of new policy is to make Indian industry globally competitive.

81. There has been a significant upward movement in the general index of industrial production which has recorded a growth of 8.0 per cent during 1999-2000 as compared to a

growth of 3.8 per cent achieved during the previous year. The overall industrial performance since 1994-95 is shown at Annexure 1.10.

82. Sectoral analysis of the performance of the industry during 1999-2000 shows that the manufacturing sector recorded a growth of 9.0 per cent, the electricity sector recorded a growth of 6.6 per cent followed by the mining sector 0.6 per cent over the previous year. The growth rate of 12.2 per cent in consumer durables during 1999-2000 is about three times the growth experienced during 1998-99. The growth rate in the basic goods sector at 5.1 per cent is also nearly three times the growth achieved in the corresponding period of the previous year. The growth rate of intermediate goods sector at 15 per cent is also substantially higher indicating higher growth expectations. The growth rate in the capital goods sector at 4.8 per cent is in keeping with the requirements of the growth achieved in other sectors. For the period 1999-2000, 12 out of 17 industry groups at two-digit level of desegregation have shown a positive growth rate. These include food products; beverages, tobacco and related products; cotton textiles; wool, silk and man-made fibre textiles; basic chemicals and chemical products; non-metallic mineral products; machinery & equipment other than transport equipment; textile products (including wearing apparels); paper and paper products and printing, publishing and allied industries; leather and leather & fur products, basic metal and alloy industries; transport equipment and parts as shown in Annexure 1.10.

83. Infrastructure being the backbone of economic development, performance of infrastructure sector is a key indicator of economic growth. International competitiveness of Indian Industry and future success of India's exports depend upon efficient performance of the infrastructure sector. The achievements by various infrastructure industries indicate that cement and electricity have shown considerably higher growth rates of 6.6 per cent and 2.3 per cent respectively over the targets during 1999-2000. Out of the six industrial sectors under this head, coal production has fully achieved the target set for 1999-2000, and crude oil, petroleum refining and steel have registered a decline of 3.1 per cent, 11.3 per cent and 7.7 per cent respectively during the period, the details of which are shown in Annexure 1.11.

84. Electricity is one of the key inputs for the overall socio-economic development of the country. The Ninth Plan laid emphasis on maximising benefits from the facilities already available in the power sector through improvements in operational efficiency of the power generation units, an overall reduction in system losses and enhancement in the efficiency of the end-use of electricity. The ongoing projects will be accelerated and completed at the earliest and the Plan will provide for advance action to be taken for the Tenth Plan projects with special emphasis on accelerating hydro development during the Tenth Plan onwards to a balanced development of power system in different regions.

85. Out of the total capacity addition of 40,245 MW envisaged for the Ninth Plan period with 11909 MW in Central Sector, 10748 MW in State Sector and the balance 17588 MW envisaged in the Private Sector, the capacity addition during first three years of the Ninth Plan was only 11976 MW accounting for about 29.8 per cent of the capacity envisaged. The slippages were mainly due to delays in equipment supplies and construction work. An addition of 4000.3 MW has been targeted for the year 2000-01.

86. The Ninth Plan envisaged a power generation target of 606.70 billion kwh from utilities by the end of terminal year 2001-02. The power generation during 1999-2000 at 480.01 Bkwh has shown an improvement of 2.3 per cent over the target of 469 Bkwh. The

electricity generation in utilities in 2000-01 is projected at 499 billion units and additional energy of 1.33 billion units is also expected to become available from the Chukha Hydel Project in Bhutan. Against targeted growth rate of 9.0 per cent during the Ninth Plan, the electricity generation during the first three years has achieved a growth rate of 6.63 per cent per annum and if the same trend continues, the generation from the utilities in 2001-02 may be of the order of 546 Bkwh only against the target of 606.7 Bkwh leading to a shortfall of around 61 Bkwh. There is marked improvement in the Plant Load Factor (PLF) in recent years which has increased from 55.3 per cent at the beginning of Eighth Plan to 67.3 per cent at the end of 1999-2000.

87. The Government has enacted the Electricity Regulatory Commission (ERC) Act, 1998 incorporating efficient and environmentally benign policies with the objective of rationalisation of electricity tariff and formulation of transparent policies regarding subsidies. The ERC Act paved the way for setting up of the Central Electricity Regulatory Commission (CERC) at Centre in July, 1998 which is in operation and State Electricity Regulatory Commissions (SERC) at State level. In regard to SERCs, 14 States have since set up their respective SERCs. While the States of Orissa, Andhra Pradesh and Haryana have set up SERCs under their own Act, the other States viz., Uttar Pradesh, Madhya Pradesh, Punjab, National Capital Territory of Delhi, West Bengal, Gujarat, Rajasthan, Tamil Nadu, Maharashtra and Karnataka have set up SERCs under the Central ERC Act.

88. Restructuring and regulatory reforms are under various stages of implementation in various State Electricity Boards. The states of Orissa, Haryana, Andhra Pradesh, Uttar Pradesh and Karnataka have enacted their State Reforms Acts and unbundled/corporatised their SEBs. Rajasthan has also enacted the State Reforms Act. Delhi has drafted its Electricity Reforms Bill. Privatisation of distribution is also emerging as a main focus area. In Orissa, the four subsidiary distribution companies of GRIDCO have been disinvested in favour of the private companies. The Government of UP has privatised distribution in Kanpur.

89. Non-conventional or renewable sources of energy have attached global attention as viable option to achieve the goal of sustainable development. Significant progress has been achieved through the National Programmes in different areas of renewable energy sector. Up to December, 1999, the contribution of renewable energy to the total power generation capacity of the country has been 1600 MW representing a little over 1.5 per cent of the total capacity. India has the largest wind power potential in the world and assessed at about 45,000 MW. The potential of small hydro-electric projects (SHP) is estimated at 10,000 MW against which the achievement so far is 210 MW through 267 projects. Top priority is being accorded to commercialise the SHP sector through private sector participation. Solar photovoltaic systems have also come to occupy an important place in power generation for decentralised applications in providing electricity in remote areas. In the country of our size and population, bio-mass holds considerable promise as an eco-friendly source for generation of power for decentralized applications. "Energy from Waste" has been identified as one of the thrust areas and a National Programme for Recovery of Energy from Urban and Industrial Wastes has been initiated. It was assessed that there is a potential to generate about 1700 MW of power – 1000 MW from urban and municipal wastes and the balance 700 MW from industrial wastes.

90. In case of Rural Electrification, against the target of 2000 villages and 2.50 lakh pump sets, 2078 villages were electrified and 2.58 lakh pump sets were energised during the year 1999-2000. The cumulative achievement under Rural Electrification Programme as on March, 2000 consists of electrification of around 5.07 lakh villages and energisation of 124.74 lakh pump sets against the target of 5.87 lakh villages and potential for 145 lakh electric pump sets (as per 1991 census), thus, achieving 86.4 and 86.0 per cent respectively of their target. During the year 1999-2000, 1,98,416 connections were released (up to end of December, 1999) against the target of 5.40 lakh connections under Kutir Jyoti Programme which is meant to extend single point light connection to the households of people below poverty line including Harijans and Adivasis. The cumulative achievement under Kutir Jyoti Programme is 35.56 lakh by December, 1999.

91. The principal objectives of the Ninth Plan for the development of coal sector are long term planning for coal and lignite development especially with regard to power demand and keeping in view the long gestation period of coal projects to improve productivity, capacity utilisation and new technology adaptation, demand management, facilitating private sector participation to augment domestic coal production to reduce huge gap between demand and supply, more autonomy and responsibility to public sector companies and augmentation of port and rail facilities for improved coal movement.

92. The target for coal demand in the terminal year (2001-02) of the Ninth Plan was set at 412.20 million tonnes (MT) of raw coal excluding 7.70 MT of washery middlings envisaging average annual compounded growth rate of 6.85 per cent in coal demand in the Ninth Plan compared to a growth rate of 5.3 per cent achieved in the Eighth Plan. There has been decline in coal demand in the first two years of the Ninth Plan with a slight improvement in coal off-take has been there in the year 1999-2000. The shortfall in the off take in the first two years is mainly due to lower off take by major consuming sectors like power, steel and cement due to temporary sluggishness in the economy as well as non-materialisation of new coal-based generation capacity addition in the power sector. Besides, thermal power stations regulated their off take by consuming their stock due to resource constraints, which has resulted in non-adhering to the agreed norm of 30 days stock position at load centres. However, in 1999-2000 the anticipated off take has been about one per cent more than the target of demand. The average annual compounded growth in the first three years of the Ninth Plan works out to 2.1 per cent against the revised growth of 4.6 per cent during the Mid-Term Review of the Plan. For the year 2000-01, the assessed coal demand has been 333.85 million tonnes excluding 5.02 million tonnes of washery middlings against the anticipated consumption/offtake of 315.32 million tonnes excluding 4.95 million tonnes of washery middlings in 1999-2000.

93. The coal production target in the first three years of the Ninth Plan could not materialise due to regulation of production by the coal companies in view of the lesser offtake by major consuming sectors and to prevent mounting of pithead stocks. As a result, the average annual compounded growth in the first three years of the Plan has only been 1.4 per cent against a revised growth of 2.86 per cent of the Ninth Plan. The target of coal production for the year 2000-01 has been fixed at 308.07 million tonnes against the anticipated production of 297.86 million tonnes in 1999-2000. Coal companies appear to be reluctant to make new investments for capacity creation and preferring to link the same with commercial fuel supply agreements. Thus taking up of new coal projects is getting delayed which may result in shortfall in coal availability in medium and long term. Further, the

proposed private sector participation in commercial coal mining is also getting delayed. The longer gestation periods of coal projects, which, compared to that of power projects, would underscore the need for taking up of the Ninth Plan identified projects to meet the requirements of power sector during the early Tenth Plan period and beyond.

94. In the process of reforms in the coal sector, the prices of all grades of coal stand decontrolled with effect from January 2000 and the Bill for permitting private sector in commercial coal mining has been approved by the Cabinet and placed for approval of Parliament.

95. The demand for petroleum products in 2000-01 is estimated to be 104.92 million tonnes against the provisional consumption of 95.73 million tonnes during 1999-2000. At the current growth rate, the target of demand for petroleum products of 110 million tonnes set for the terminal year of the Ninth Plan is likely to be achieved.

96. The anticipated production of crude oil in 1999-2000, including production from joint venture and private sector companies, was 32 million tonnes against the target of 33.02 million tonnes (including Pvt/JVC production) and against the natural gas production and dispatch targets of 27.45 billion cubic metres (BCM) (including production of Pvt/JVC) and 19.33 BCM, the anticipated production and dispatch were 27.97 BCM and 19.99 BCM respectively. The crude oil and natural gas production targets for 2000-01 have been estimated at 31.99 million tonnes and 28.81 billion cubic metres respectively. The trend indicates that the crude oil production may fall short of Ninth Plan target of 180.82 million tonnes while that of natural gas production target of 144.53 billion cubic metres is likely to be achieved.

97. The refining capacity at the beginning of 2000-01 has been targeted at 112.54 metric million tonnes per annum (MMTPA). No addition to refining capacity is expected during 2000-01. As per the present estimates, the refining capacity may go up to 129.04 MMTPA against the target of 113.95 MMTPA by the end of the Ninth Plan. The anticipated refinery crude throughput in 1999-2000 was 85.89 MMT against the prorated installed capacity 95.60 MMT. The crude throughput target for 2000-01 has been set at 112.00 MMT.

98. In pursuance of the announcement made by the Prime Minister, a Group was set up for working out specific framework for developing India Hydrocarbon Vision-2025. The Group has since submitted its report. The Vision-2025 envisages to assure energy security through increased indigenous production and investment in equity oil abroad, enhancement of quality of life by improvement of product standard, development of hydrocarbon sector as a globally competitive industry, promotion of free market & healthy competition and to ensure security.

99. The apparent consumption of finished steel during the year 1999-2000 was 25.02 million tonnes (provisional) recording a growth of 6.29 per cent over the previous year as against the targeted growth of 8.85 per cent for the Ninth Plan period. The low growth rate in steel consumption may be attributed mainly to sluggish demand in steel consuming sectors such as construction, capital goods and engineering goods industry, overall economic slow down in the country, lack of investment by Government/Private sectors in major infrastructure projects, continuous reduction in import duty and increase in excise duty and greater competition from import. The production of finished steel during 1999-2000 was

26.71 million tonnes representing a growth of 12.13 per cent over previous year. The share of secondary producers is on continuous increase and it has touched nearly 58 per cent of total production of finished steel. The domestic availability of finished steel (including non alloy, alloy and stainless steel) from all sources for the year 2000-01 is assessed at about 27.99 million tonnes against the demand of 29.63 million tonnes and the excess demand will be met through import. An export target of 4.38 million tonnes of finished steel is set for 2000-01.

100. The domestic consumption of iron ore during the year 1999-2000 was 39.6 million tonnes (provisional) with a growth of 2.86 per cent over previous year. After a major fall in production during 1998-99, it has again picked up to 72.2 million tonnes (provisional) with an increase of 2.83 per cent over previous year. The low growth in production may be attributed to the recessionary condition in steel industry and construction activities causing low off take of the iron ore for the steel plants which are major consumers. To increase further production of iron ore, the Blue Dust Mining project at Bailadila-14 deposit of NMDC has been taken up for implementation and it is expected to be completed by September, 2000. The Bailadila-11B project will have a capacity of 5 million tonnes of iron ore and would be a joint venture of NMDC and M/s Ispat Industries Ltd. The export of iron ore is fluctuating around 30-32 million tonnes and it was 30.1 million tonnes (provisional) during the year 1999-2000. India is one of the major exporters of iron ore in the world, exporting mainly to Japan, China, Iran and ranks fourth in the world after Brazil, Australia and CIS countries. In accordance with the Government policy, the composition of trade in the recent past shows a gradual increase in the share of manufactured exports. Share of iron ore and minerals in total exports is constantly decreasing with their share in total exports shrinking from 3.7 per cent in 1995-96 to 2.6 per cent in 1998-99 and it is envisaged to be further declining.

101. The transport sector plays a very important role in the process of economic growth and development of the country. The transport system which comprises rail, roads, sea ports and airports has witnessed a rapid growth in the last fifty years. The Indian Railway being one of the largest railway systems in the world with a vast network of about 63,000 route kilometers is a principal mode of transportation for long haul freight movement in bulk and long distance passenger traffic and for mass rapid transit in sub-urban areas. The total freight and passenger traffic carried by railways increased over six fold during the last fifty years. The aggregate road length which was 0.4 million kms. in 1950-51 has increased 8-fold to nearly 3.32 million kms. in 1996-97 including road length constructed under JRY. In the Port sector there has been around 13-fold increase in sea traffic i.e. from 19.38 million tonnes in 1950-51 to 251.70 million tonnes in 1998-99. The traffic carried by the Indian Airlines increased from 83 million RTKMS in 1960-61 to 709 million RTKMS in 1998-99.

102. The Ninth Plan emphasised that a comprehensive policy package is necessary to address the diverse issues facing the transport sector. It is imperative to strengthen the Indian railway system in its reach and capacity so that it effectively links the distant parts of the country, helps to develop the economic potential of the backward areas and carries the bulk of the nation's long or medium haul traffic. Similarly, the road network needs to be expanded and strengthened to improve accessibility of the hinterland, especially the rural areas and to facilitate the integration of the isolated parts of the country. The length and breadth and the quality of the highways must be improved greatly as part of a national grid to provide speedy, efficient and economical carriage of goods and people.

103. In spite of the impressive achievements, the transport sector has to gear itself to resolve the various weaknesses and problems with which it suffers. The entire transport system is facing capacity saturation. There is, thus, a pressing need to develop/strengthen the existing network and also to redress the imbalances in the spread of the transport infrastructure and facilities in inaccessible areas including North East and J&K.

104. During 1999-2000 Railways carried 450.0 million tonnes of revenue earning originating freight traffic (revised estimates) showing an increase of 6.91 per cent over the previous year mainly because of general economic upswing in the economy. In case of originating passenger traffic, the achievement of 4630 million in 1999-2000 indicated a growth rate of 3.62 per cent as compared to 1998-99. In terms of passenger kms. there was an increase of around 6.0 per cent during the same period. Wagon productivity during 1998-99 was slightly higher by 0.5 per cent compared to 1997-98. During 1998-99, 260 kms. underwent gauge conversions, 2967 kms. track renewals, 617 kms. were electrified and 167 kms. of new lines added. A target of 475 million tonnes of revenue earning freight traffic has been set for the year 2000-01.

105. The road transport is a dominant mode of transport in the movement of goods and passengers. It is sole mechanised means of surface transport to serve the hilly, rural and backward areas not connected by railways. To keep up the momentum of growth in the post liberalisation era, road development is likely to receive great fillip in the coming years with the National Highway Development Programme ready to take off. The Annual Plan 2000-01 would continue its focus on the removal of deficiencies viz., construction of missing links, improvement of low grade sections, rehabilitation and reconstruction of weak bridges, construction of bypasses and 4-laning and 2-laning of single lane stretches. A National Highway Development Project which consists of Golden Quadrilateral (GQ) linking Delhi, Mumbai, Calcutta and Chennai and North-South Corridor connecting Kashmir to Kanyakumari and East-West Corridor connecting Silchar to Saurashtra is being executed by National Highway Authority of India (NHAI). A special National Highway Development Project (NHDP) will be undertaken during the Ninth Plan with a total length of 11860 kms. including the above.

106. There was impressive traffic growth at major ports in the first year of the Ninth Plan. The traffic handled by major ports increased from 227.26 million tonnes in 1996-97 to 251.66 million tonnes in 1997-98. The traffic growth, however, has been stagnant in 1998-99 and was likely to be 270 million tonnes in 1999-2000. Eleven major ports handle 90 per cent of India's total port throughput. The contribution of five major ports namely Kandla, Vizag, Chennai, Mumbai, and Calcutta/Haldia is 68 per cent of the total traffic handled by the major ports. The traffic handled by minor ports has increased from 24.93 million tonnes in 1996-97 to 35 million tonnes in 1998-99. Currently, nearly 12 per cent of the total traffic is handled by the minor ports. The contribution of Gujarat port is 70 per cent of the total traffic handled by these ports.

107. Telecommunications is one of the prime movers of the modern economy. It is becoming increasingly important keeping in view the trend of globalisation and a shift to knowledge based technology. The technological change in the telecommunications has been specifically rapid and is expected to lead to major change in the structure of industry world-wide.

108. The telecom sector has been undergoing a continuous process of reforms since 1991. The New Telecom Policy (NTP) announced in 1999 modified the Telecom Policy of 1994 for taking care of far reaching technological developments taking place in the sector globally and to implement the Government's resolve to make India a global IT Superpower. It also envisaged that the national long distance service beyond the service area will be opened to the private operators with effect from January, 2000 to build a free and perfect competition in the long distance operations. During the year 2000-01, it is envisaged to add 72.35 lakh net lines of switching capacity, 57.90 lakh new telephone connections, 5.15 lakh lines of Trunk Automatic Exchange (TAX) capacity, one lakh route kms of Optical Fibre System and one lakh Village Public Telephones (VPTs).

109. Development of North Eastern Region of the country has been receiving special attention in view of its strategical location and general backwardness. To accelerate the pace of economic development of the Region, it is envisaged to strengthen the telecom network by adding 131000 lines of switching capacity, providing 116000 Direct Exchange Lines (DELs) and 8016 VPTs during 2000-01 among other facilities.

110. With a view to give a fillip to the economic development and growth in tribal and hilly areas and their integration into the main stream of national life, the Ninth Plan has laid special emphasis on accelerated development of telecom facilities in such areas. During 2000-01, the telecom network is envisaged to be further strengthened by adding 336200 lines of switching capacity, 274600 DELs, 10000 VPTs and 72 Satellite Stations. Under the NCR plan, all areas excluding Delhi are envisaged to receive attention by improving telecom facility and to introduce various value added services in order to make it at par with Delhi. It is envisaged to add 1.11 lakh new connections during 2000-01 under the NCR plan. As rural connectivity is another important focus area, it is envisaged to cover all the remaining villages by the year 2002 for which an enhanced target of one lakh additional DELs has been fixed for the year 2000-01.

111. The postal services is one of the oldest services in India operating for nearly 150 years. The Ninth Plan aims at up-gradation of technology and modernisation of postal operations and making the postal services self-financing at sectoral level. Modernisation of mail processing, counter facilities, money transfer system, development of manpower and introduction of value added services and expansion of postal network in the uncovered and far flung areas are the major priority areas for the Ninth Plan. During the year 2000-01, it is envisaged to open 500 Extra Departmental Branch Offices (EDBOs), 50 Departmental Sub Offices (DSOs) providing equipment to 8000 EDBOs, installation of 466 Electronic Satellite Money Order Systems (ESMOs) and 88 VSATs and modernisation of 15 mail offices. The Plan also envisages construction of 33 offices and 236 staff quarters.

112. Information Technology (IT) which includes all sub-sectors dealing with the generation, transmission and utilisation of information, is emerging fast as technological infrastructure for the services sector with immense potential for employment generation. A new Ministry of Information Technology has been set up in October 1999 as the nodal agency for facilitating all the initiatives in the Central Government, the State Governments, academia, the private sector and successful Indian IT professionals abroad. It has been recommended that each Ministry must allocate 2-3 per cent of its budget on IT promotion as a step towards the development of domestic software industry and a conscious move towards

electronic governance. A comprehensive action plan is envisaged to make India an IT superpower in the next century and achieve a target of US \$ 50 billion in software exports, by 2008.

113. In the telecommunication sector, the Integrated Service Digital Network (ISDN) services have been provided at 91 stations with a customer base of about 9800 (upto December 1999) and 5 more stations were planned to be added with a new customer base of 200 during January 2000 to March, 2000. The internet facilities are available from 65 nodes with a customer base of about 75000 and it was proposed to extend internet access to all SSAs by March 2000.

SCIENCE & TECHNOLOGY AND ENVIRONMENT

114. The major emphasis in the science and technology sector continues to be promotion of applied and basic research leading to innovative and emerging technologies to achieve self-reliance, utilisation of appropriate technologies and integration of science and technology in the socio-economic and rural sectors to fulfil the basic needs. Concerted efforts were made to take up R&D in inter-disciplinary areas and also in new and emerging areas of science & technology particularly in the fields of atomic energy, space sciences, biotechnology, ocean sciences and industrial research and to use them as important inputs in the developmental process.

115. Some of the important achievements have been (i) the successful launch of INSAT-3B satellite to provide business, developmental and mobile communication, (ii) IRS-P4 (Oceansat) satellite carrying two auxiliary foreign satellites; (iii) designing and development of Advance Heavy Water Reactor, (iv) setting up of National Bio-resource Development Board for sustainable development and utilisation of important biological resources; (v) designing and development of Light Transport Aircraft (LTA) and development of Light Combat Aircraft (LCA); and (vi) setting up of a dedicated Indian National Ocean Information Services centre at Hyderabad for generation and dissemination of user oriented ocean data products on operational basis.

116. Action was initiated by Technology Information Forecasting and Assessment Council (TIFAC) on the Technology Vision 2020 and several projects were supported under the Home Grown Technology programme which are likely to result in the development of indigenous technologies. The major programmes/activities initiated include (i) launching of first developmental flight of GSLV; (ii) assembly, integration, testing and launching of GSAT-1 by developmental flight of GSLV; (iii) commissioning of Giant Meter Wave Radio Telescope at Narayangaon near Pune; (iv) initiation of Jai Vigyan National S & T Missions on developing new generation vaccines, bio-technology for herbal product development, establishment of genome research facilities, coffee improvement and national disaster mitigation in Himalayas; (v) setting up of area developmental mission for A&N Islands through S&T and remote medical diagnostic care to rural population through telemedicine; (vi) development of first development flight test of prototype of a multi-role Light Transport Aircraft and (vii) adoption of GIS based information system for monitoring pollution in the coastal waters.

117. There has been increasing awareness in recent years that protection of environment is necessary for sustaining the economic and social progress of the country.

Over the last few decades, India has evolved legislation, policies and programmes for environmental protection and conservation of the natural resources. The Government's policy towards environment is guided by the principles of Agenda 21 which is expressed in the form of statements on forestry, on the abatement of pollution, the national conservation strategy and the policy statement on environment and development. The Ninth Plan strategy for the environment sector is drawn in accordance with the need to develop the required measure to protect the environment in such a way as to achieve sustainable development through social mobilisation and participation of people at all levels.

118. During the year 1999-2000, pollution control and monitoring has been the focus and efforts have been made to improve the quality of life and environment through various schemes and programmes. Towards reducing the vehicular pollution, several important steps were taken such as the supply of unleaded petrol in the National Capital Region, supply of low sulphur diesel (0.25 per cent) in the entire country, enforcement of Euro-I norms in Delhi and Notification of specifications for 2-T oil for two stroke engine throughout the country. During 2000-2001, it has been emphasised to monitor the pollution caused by industrial units set up in industrial estates in backward and rural areas and the percolation of industrial effluents into the irrigation system of the areas adjacent to such estates.

119. The National River Conservation Directorate works towards improving the water quality of major rivers through Ganga Action Plan (GAP)-I & II and the National River Conservation Plan. As the performance of GAP-I has not been satisfactory mainly on account of poor operation and maintenance of the assets created under these schemes by the State Governments, they have been directed to allocate a certain part of their annual budget for operation and maintenance.

120. Planning Commission has suggested that forest protection should be accorded the highest priority and treated as a plan item in the Annual Plan Outlay of the States and sufficient budgetary allocation should be made under this head. Several new objectives have been set in the Annual Plan for the year 2000-01. A Task Force was constituted in the Planning Commission for the development of medicinal plants. A Task Force on Agro-forestry has also been constituted to provide policy directives, legal support and equitable marketing system. The India Eco-development Project is implemented in seven Protected Areas with the assistance of the International Development Agency (IDA) and Global Environment Facility (GEF) with the objective of protecting bio-diversity through eco-development in those Areas. National Afforestation and Eco-Development Board (NAEB) is the nodal agency for afforestation activities in degraded land adjoining forest areas. During 2000-01, a new scheme called Samanvit Gram Vanikaran Samriddhi Yojana (SGVSY) is proposed to be launched as an umbrella scheme integrating the common afforestation and eco-development efforts of various ongoing schemes. All the afforestation schemes except the Area Oriented Fuel Wood and Fodder Project will be restructured and would form a component of SGVSY.