

List of Recommendations

CHAPTER 2 HUMAN DEVELOPMENT

Elementary Education and Literacy

1. The Tenth Plan target of enrolling of all children in schools and EGS/AIE centres by 2003 should be revised to 2005 as about 8.1 million children are still out of school as on September 2004 and the targets for retention and completion should have consequential revisions.
(Para 2.1.3)
2. The remaining 8.1 million hard to reach out of school children should be enrolled in regular schools/EGS-AIE Centres and plans to mainstream 12 million children already enrolled in non-formal education streams into regular schools should be pursued rigorously.
(Para 2.1.21)
3. High dropout rates and quality of education, the two main areas of concern of SSA, should be addressed through specific measures. The teacher-related issues like vacancies, absenteeism, untrained teachers and ineffective training should be addressed urgently.
(Para 2.1.22)
4. Adequate teaching-learning materials and provision of other joyful learning conditions in schools should be ensured, and the child tracking system should be intensified.
(Para 2.1.22)
5. SSA funding pattern of 75:25 between the Centre and states should be maintained till the Mission period i.e. 2010.
(Para 2.1.24)
6. The SSA guidelines should be reviewed to ensure that these optimise investment, meet output targets and cater to special regional circumstances.
(Para 2.1.25)
7. SSA should have a separate component for ECCE, where ICDS is not in operation. Even where ICDS is operating, pre-school component of ICDS should be covered under SSA. This component should include inter-alia need based training of anganwadi workers, supply of TLM like play-way kits, supporting development of curriculum and materials for ICDS and honorarium for ICDS workers for extension of anganwadi timings to the duration of school hours.
(Para 2.1.27)
8. Under MDMS, the States should ensure proper management structures and monitoring arrangements, including social audit, accountability and public private partnership. A concurrent evaluation of MDMS should be launched in all States.
(Para 2.1.29)
9. The factors leading to low learner's achievement, including poor classroom transactions, lack of pupil evaluation and low proportion of female teachers should be addressed effectively.
(Para 2.1.33)
10. Local community should also be involved in monitoring school performance through Village Education Committees and the institution be made responsible for outcomes in terms of quality education.
(Para 2.1.33)

11. Teachers' vacancies at all levels should be filled up urgently and there should be advance planning for future requirements too. Pre-service and in-service training of teachers should be strengthened and all the DIETs, BRCs, CRCs be made fully functional by filling up the vacant faculty positions.
(Para 2.1.33)
12. Teacher Education Scheme should be merged with SSA in the XI Plan in order to ensure effective organisational tie up for quality education.
(Para 2.1.33)
13. The literacy schemes like PLP, TLC Continuing Education, should be transferred to the State Governments along with funds to ensure better participation/ involvement and effective monitoring.
(Para 2.1.38)
14. A new scheme should be launched as a part of literacy programmes, operated through NGOs, to impart functional literacy to 35 plus age group as a sizeable proportion of the 31 crore illiterate persons is in the said age group.
(Para 2.1.38)
15. All NGO operated schemes under adult education should be amalgamated into a single CSS and funds routed through the State Governments.
(Para 2.1.40)
16. Teachers' vacancies at all levels should be filled up urgently and there should be advance planning for future requirements too. Pre-service and in-service training of teachers should be strengthened and all the DIETs, BRCs, CRCs be made fully functional by filling up the vacant faculty positions.
(Para 2.1.48)
17. Suitable taxation and land policies, concessional loan programmes should be evolved to encourage expansion of secondary schools by NGOs, trusts and registered societies in the private sector.
(Para 2.1.49)
18. The focus of public sector should be on opening of new secondary schools in unserved and difficult areas, organising second shifts in thickly populated areas, upgrading existing upper primary schools into secondary schools in specified locations.
(Para 2.1.49)
19. Urgent steps should be initiated to bring about reforms in curricula, review of examination system and the State Boards of Secondary Education should be strengthened to improve the quality of education.
(Para 2.1.51& para 2.1.52)
20. The main emphasis should be on investment in teacher education, pre-service and in-service training, and setting up of laboratories, libraries and greater usage of ICT.
(Para 2.1.52)
21. The secondary schools should focus on reorientation of vocational education and impart vocational training in non-engineering and tertiary sector activities rather than conventional subjects relating to manufacturing sector.
(Para 2.1.71)
22. Vocational education should be geared to meet the local demands and necessary linkages with the local industry, business and trade should be established.
(Para 2.1.72)

II. SECONDARY EDUCATION

16. In order to plan for a major expansion of secondary education in the event of achievement of full or near full retention under SSA, a new Mission for Secondary Education, on the lines of SSA, should be considered.
(Para 2.1.45)
17. The expansion of secondary education should recognize the scope for promoting

III. UNIVERSITY & HIGHER EDUCATION

24. The Knowledge Commission should comprehensively review university education and address some of the deep-seated problems of varying standards, outdated syllabi, inadequate facilities and also recruitment procedures and policies in order to reduce the disparities in academic standards of various Universities.
(Para 2.1.77)
25. A long-term plan should be devised for setting up new colleges and universities, especially in educationally backward districts, strengthening existing institutions and also for expanding 'open' and 'distance' education. These activities should be undertaken in a phased manner, based on a clear perspective plan.
(Para 2.1.82)
26. A separate programme should be launched to improve and upgrade select universities and make these globally competitive. Expert faculty, funds and infrastructure of international standards should be provided to these institutions and supported by appropriate policy changes. Part of the upgradation should be financed by increased fee income.
(Para 2.1.83)
27. A substantial increase in university fees should be combined with an effective scholarship for the deserving students and loan programme by public sector banks should be considered on a priority basis to improve the resource position of Universities and Colleges. The Central Government can give a lead in this matter by introducing the system in the Central Universities.
(Para 2.1.85)
28. A clear policy for inviting private sector investment in higher education should also be formulated.
(Para 2.1.85)
29. The accreditation process for higher and technical education institutions should be made transparent and very effective.
(Para 2.1.87)
30. The expansion of institutions like IITs, IIMs should be considered so that these set standards for technical and management institutions.
(Para 2.1.98)
- ### IV. YOUTH AFFAIRS AND SPORTS
31. Sports Academies should be set up at different locations for training and developing sports infrastructure of international standards and making it accessible to those being trained for international competitive events.
(Para 2.1.105)
32. There should be greater transparency in the functioning of Sports Federations/Associations.
(Para 2.1.104)
33. Disaster preparedness should be included as one of the regular activities of Nehru Yuva Kendra Sanghathan (NYKS) during the current plan itself.
(Para 2.1.109)
34. Greater dovetailing of the resources of the Ministry of Youth and Sports Affairs with those of the various state Governments should be ensured to avoid duplication of efforts.
(Para 2.1.111)
35. Promotion and development of sports at village, block and district levels should be the responsibility of the State Governments.
(Para 2.1.111)
36. Intervention of the central government should be restricted to providing support only for grooming the talented sports persons who have excelled at the district/state levels for major national and international events.
(Para 2.1.111)

V. ART AND CULTURE

37. A National Mission for Monuments should be launched for documentation and conservation of monuments not protected by ASI.
(Para 2.1.112)
38. A programme for preservation of such monuments and development of selected monuments for promoting tourism in different regions should be taken up.
(Para 2.1.112)
39. Various folk and tribal art and culture of different tribes in the country should not only be documented but also conserved, promoted and integrated with tourism related activities.
(Para 2.1.112)

Health, Family Welfare and Nutrition

40. Augment resources for health. If health is a vital dimension of social justice, make an exception for the health sector and treat external grant money (with zero debt burden) as an additionality to the budget. The absence of budgetary constraints will facilitate early availability of grant funding for disease control programmes (HIV/AIDS, TB, Malaria), and for neonatal, infant, and maternal survival. This may well make the difference.
(Para 2.2.12 A (i)).
41. Commence implementation of the National Rural Health Mission (NRHM). Focus on the monitorable targets of the Tenth Plan (accelerate reductions in maternal and infant mortality) and develop a functioning primary health care system, from the habitat to community and district hospital levels, to address the unmet need for critical health care, particularly among the poorest segments of the population.
(Para 2.2.83)
42. Introduce a cadre of skilled birth attendants based upon learning from Kerala, Tamilnadu, Sri Lanka and China. Operationalise health sub-centres and primary health centers to function 24 hours, as in Tamilnadu. Orient, train and co-opt practitioners of Indian systems of medicine to address national priorities across public health programmes, at sub-centre, PHC levels. Set up a 30-50 bedded functioning community hospitals for every 100,000 population, to provide curative care. The community hospital will strengthen supervision over the primary health center and the health sub-centre, and will take comprehensive health services closer to the people. The hospital will have a full complement of trained doctors and nurses to provide comprehensive emergency obstetric care at the apex of the primary health care system (together with a AYUSH unit), and will include disease management, with a functioning referral system to higher facilities. Every health sub-centre, primary health centre and the community hospital may be registered as Rogi Kalyan Samitis.
(Para 2.2.83: 2,3,4)
43. Map the nearly 600 districts across the country using, inter alia geographical mapping systems to identify existing health providers (all systems), register each health provider, and bring those found eligible within an accredited network. Co-opt each health provider in a rigorous training regimen in respect of national health goals and priorities, disseminate health policies and guidelines, and provide updation on public health interventions and treatment protocols. Training programmes being run by national and state level Institutes of Health & Family Welfare could also address this unmet need for widespread training. Grassroot health care providers may be made accountable by institutionalising linkages with self help groups prior to being put through training, as this will increase accountability.
(Para 2.2.107-2.2.113)

44. Include the prevention, care, and support of HIV/AIDS squarely within the National Rural Health Mission. Integrate the National AIDS Control Programme with primary health care (as already achieved with other national disease control programmes like TB and Malaria), and also with the reproductive health programme so that the interventions and messaging on HIV prevention and care reach communities and household levels. Aim to step up treatment for AIDS over the next 12 months, and place 20,000 AIDS patients on anti-retroviral treatment by March 2006.
(Para 2.2.39, 2.83(11))
45. Sanitation is a crucial, currently under-provided, determinant of health status of a population, and could be instrumental in reducing disease burden up to nearly 50%. Implement a National Mission on Sanitation and Public Health (NMSPH) to provide toilets in 100 million households by 2010, at the rate of 20 million households per year. The NMSPH may be executed by village panchayats jointly with civil society mobilized for this task. Dovetail the Total Sanitation Campaign with the NRHM.
(Para 2.2.85 -2.2.88)
46. Introduce a maternity health insurance scheme in the NRHM, to increase institutional deliveries, achieve reductions in maternal and infant mortality, stimulate the development of accreditation systems across rural and urban India, institutionalise multiple partnerships, and contribute to the development of sound, inclusive referral systems.
(Para 2.2.91-2.2.93)
47. Introduce small risk pools led by a consortium of self help groups, to administer financial help to needy households at village levels, in the event of hospitalisation and death.
(Para 2.2.94-2.2.95)
48. Reform the CGHS into a social security and health insurance, and include an accredited panel of diverse health care providers, to cover a wide range of health needs
(Para 2.2.96-2.2.97)
49. Develop a basket of MOUs for carrying forward multiple partnerships at primary, secondary and tertiary levels so that government organizes a seamless provisioning of health care from the habitat right up to the district, secondary and tertiary levels of health care, when and where needed. Illustrative terms of reference for the Forum on Partnerships for health care are:
- o Identify potential areas for PPP in the health sector
 - o Develop specific implementation models in each potential area for civil society and private sector partnership
 - o Develop contracts for each model, specifying deliverables, monitoring mechanisms, basis and terms of payment, dispute settlement, bidding processes, and selection parameters.
(Para 2.2.98-2.2.105)
50. Launch a “Sarwa Swasthya Abhiyan” in a manner similar to the “Sarwa Shiksha Abhiyan”, launched in 2001. Augment financial resources for health by accessing the WB IDA credit for the “sarwa swasthya abhiyan” as is already being done for the “sarwa shiksha abhiyan”.
(Para 2.2.12 A (ii))
51. Set up a National Authority for Drugs and Therapeutics (NADT) and ensure integrated planning to monitor the pricing, availability and quality control of drugs and medicines, to promote the rational use of drugs, to streamline the manufacture of critical bulk drugs and combat the problem of counterfeit and spurious drugs. It would reconcile the interest of both industry and consumers. Government could consider levying a 1

per cent cess on the manufacture and import of pharmaceuticals to be collected along with customs and excise duties so as to mobilise resources to administer the NADT.

(Para 2.2.122-2.2.129)

52. Set up a Public Health Development Authority (PHDA) with a corpus of Rs 500 crores, to set standards for quality assurance in health care; develop national practice guidelines and consumer information; reform professional councils; build capacity in public health, and develop the Information Technology Infrastructure for Health. This will boost consumer confidence, curb malpractices, and create an ethical environment for generating more appropriate health care delivery across the country.

(Para 2.2.106 - 2.2.121)

Science & Technology

53. Activate all the existing apex-level S&T mechanisms for providing policy directives, defining priorities and reorienting the S&T system to suit changing needs as well as for effective programme implementation.

(Para 2.3.56)

54. Set up a national-level mechanism — viz. an Indian Science Foundation — similar to the National Science Foundation (NSF) of the United States for supporting basic research in all fields of science and engineering.

(Para 2.3.57)

55. Make concerted efforts to attract investments in R&D from industry through a mechanism such as the creation of a fund from R&D cess on sales turnover.

(Para 2.3.58)

56. Strengthen research in universities significantly by adopting a multi-pronged approach. Provide incentives to faculty

for undertaking research, augment faculty positions so that teachers can devote sufficient time to research and introduce the concept of research projects at the post-graduate level.

(Para 2.3.59)

57. Provide S&T departments and institutions with greater autonomy and flexibility in their operations, especially greater financial powers, freedom in appointment and placement of scientists and technologists without the usual government ban on recruitments, assuring career prospects for young scientists, etc.

(Para 2.3.60)

58. Activate the science and technology advisory committees (STACs) of various development departments and the inter-sectoral STAC mechanism of DST in order to ensure specific S&T components in terms of technological inputs to improve the effectiveness of various developmental programmes.

(Para 2.3.61)

59. Strengthen the industry-academia interface for smooth transfer of technology and protection of intellectual property rights. Pursue the proposed establishment of industry-S&T interface institutions with technology management centres.

(Para 2.3.62)

60. Strengthen the existing HRD programmes pursued by various departments/agencies. Launch initiatives for creating world-class R&D facilities and providing competitive compensation to the scientists to arrest flight of human capital. Identify and groom bright young students at the 10+ stage itself, ensuring them reasonable, assured career opportunities by creating positions at different levels including supernumerary positions.

(Para 2.3.63)

61. Activate the states' S&T councils so that they can act as an effective vehicle for

dissemination and transfer of technology at the state/Union Territory level. This will provide a new dynamism to the application of S&T for development.

(Para 2.3.64)

CHAPTER 3 SOCIAL JUSTICE & EMPOWERMENT

62. Put in place a mechanism to ensure timely disbursement of scholarships to SC/ST students.

(Para 3.9)

63. Formulate and expeditiously operationalize/ implement a national fellowship scheme for SC/ST students for pursuing higher education, especially M.Phil and Ph.D programmes.

(Para. 3.10)

64. Establish primary schools in localities with concentrations of Muslim population during the remaining period of the Tenth Plan, with buildings, equipment and teacher-pupil ratio according to the prescribed standards.

(Para.3.27)

65. Ensure that all the marginalized and deprived settlements, located on the outskirts of the main habitations, are provided with basic services.

(Para 3.32)

66. Involve the NGOs and Corporate sectors in complementing the government's efforts for the welfare and development of the disadvantaged groups.

(Para 3.33)

67. Set up a Central bureau for screening and accrediting NGOs

(Para 3.34)

68. Evaluate the activities of the various National Institutes for Persons with Disabilities from time to time and modify their training programmes to make them more relevant to available job opportunities.

(Para.3.41)

69. Promote credible voluntary organisations in states where their presence is weak.

(Para 3.43)

70. Evaluate the functioning of Artificial Limbs Manufacturing Corporation (ALIMCO) to assess how it caters to the needs of the poorer segments of the disabled population.

(Para 3.48)

71. Prepare, on priority basis, the Action Plan to operationalise the National Policy on Older Persons.

(Para 3.55)

72. Utilise funds available under Special Central Assistance (SCA) to Tribal Sub-Plan (TSP) and grants under Article 275 (1) of the Constitution for provision of minor irrigation facilities to the tribals and for the development of forest villages predominantly inhabited by tribals on a priority basis.

(Para 3.82 and 3.87)

73. Work towards ensuring that tribals are not denied their traditional rights over forest land and forest produce, including tendu leaves through enactment of suitable legislation conferring ownership rights to the tribals living in forests

(Para 3.89)

74. Enact suitable legislation to confer ownership rights to tribals living in forests. Plug loopholes in the administrative procedures relating to restoration of alienated tribal lands.

(Para 3.89)

75. Ensure effective implementation of the National Policy on Relief and Rehabilitation of Project Affected Families in tribal areas.

(Para 3.92)

76. Monitor the allocation of funds in the TSP areas and implement programmes with the active involvement of the tribals.

(Para 3.93)

77. Devise suitable welfare and development programmes for the nomadic and semi-nomadic tribes.
(Para 3.95)

78. Standardise procedures for the identification of NGOs to weed out spurious ones.
(Para 3.96)

CHAPTER 4 WOMEN, CHILDREN AND DEVELOPMENT

79. Expand the day care/crèche services by integrating them into ICDS. These services are essential requirements not only for children below two years age but also for working mothers.
(Para 4.24)

80. Complete the universalisation of the ICDS in a time-bound manner. Redesign the scheme to ensure qualitative improvement in the services delivered.
(Para 4.24 and Para 4.50)

81. Provide supplementary nutrition to all children under ICDS. Amend the funding pattern so that the cost of supplementary nutrition is shared by the Central Government.
(Para 4.24)

82. Strengthen the pre-school education component of ICDS in order to ensure smooth transit of children in the three to six years age group to formal education. Anganwadi workers need to be trained accordingly.
(Para 4.24)

83. Formulate and implement sector-specific WCP and gender budgeting in order to ensure gender justice. All Ministries/ Departments should strictly adhere to the plans. Develop a mechanism for regular assessment of the gender impact of all programmes.
(Para 4.34 to 4.36)

84. Launch a focused and intense literacy campaign for adolescent girls and young women, especially in the backward districts, in order to bring them together and further catalyse women's organisations towards empowering them with knowledge and political standing.
(Para 4.40)

85. Formulate a gender-sensitive resettlement and rehabilitation policy, especially to safeguard the interests of widows, elderly and divorced women plus female-headed households in instances of natural or man-made calamities and displacement.
(Para 4.42 to 4.44)

86. Undertake a high-powered inter-ministerial review (under the chairpersonship of the Prime Minister) of gender justice in order to bring the Tenth Plan back on track regarding its commitment to gender justice. Alternatively, consider a Prime Minister's Mission on Women, Children and Development.
(Para 4.7)

CHAPTER 5 AGRICULTURE AND FOOD SECURITY

87. Increase investment and input use and improve use efficiency of the latter. This should address the issue of low investment and low growth of input use, and of higher capital output ratios and low factor productivity growth experienced since the mid-1990s.

88. Step up public investment, particularly in irrigation and water resources management; watershed development and reclamation of waste/degraded land; and provision of essential infrastructure such as roads, markets and electricity.
(Para 5.43, 5.91)

89. Focus on reducing those subsidies that lead to distortions and have deleterious effects on natural resources and cropping patterns, instead of viewing subsidy reduction as a

- means of mobilising resources for agriculture-related investment.
(Para 5.44, 5.45, 5.46)
90. Work out some innovative mix of proper utility pricing, community control and provision of subsidies on water conservation techniques in the regions displaying acute water stress, i.e., over-exploited and dark blocks, particularly in low rainfall regions. Proper pricing of water and electricity are essential elements of any solution to the problem of over-exploitation of groundwater. But this must be done within an acceptable framework, such as metered supply, a part of which is subsidised.
(Para 5.52)
91. Re-examine fertilizer subsidies in order to improve the nutrient balance and also to target this more to smaller holdings, for example, through higher subsidy on fixed quantity per farmer.
(Para 5.76, 5.77 & 5.78)
92. Reform and rejuvenate support systems such as agricultural research, extension and credit and delivery systems of inputs such as seeds, fertilizers, pesticides, veterinary services etc. Identify specific problems arising at the state level in these areas and link Central assistance to corrective action so that state government efforts become sustainable. In particular, this will involve re-balancing the roles of ICAR vis-à-vis the SAUs, of scheduled commercial banks vis-à-vis cooperatives, and enabling states to induct practices and personnel with the capacity to deal with new challenges.
(Para 5.47, 5.61, 5.66, 5.71, 5.72, 5.109)
93. Focus on the demand side problems, because the experience since the mid 1990s has been that growth of agricultural products exports has slowed down and per capita domestic consumption of most agricultural products have either remained stagnant or declined despite declining relative prices. Undertake some demand side initiatives and, in order to increase rural incomes, diversify cropping patterns. Simultaneously, provide adequate insurance to those carrying out diversification either within agriculture or from agriculture to non-agriculture.
(Para 5.9, 5.26, 5.27 & 5.38)
94. Restore the growth rate of yields per acre of cereals to levels actually attained during the 1980s from the current negligible levels. This is an essential prerequisite for sustainable diversification. Although diversification from cereals to other crops is necessary both in view of changing demand patterns and of sustainability of natural resources, per capita production of cereals has actually been declining over the last decade.
(Para 5.85)
95. Move rapidly to full all-India coverage of welfare schemes like employment guarantee, Mid-Day Meals and the ICDS. Simultaneously, revert to uniform PDS pricing and to the clear-cut and much less expensive objective of stabilising prices at above costs of production. For this, the MSPs should be reasonable and extended to cover the entire country. Differential PDS pricing is not the best way of serving the equity objective since this distorts incentives and leads to heavy leakages.
(Para 5.34)
96. Improve the National Agriculture Insurance Scheme by transition to actuarial rates, increasing accuracy and timeliness of crop estimation methods and making the implementing agency, namely, Agriculture Insurance Company, share some risk. However, since actuarial premia are likely to be high for regions with low and erratic rainfall, a special budgetary subsidy might be necessary for these regions.
(Para 5.84)
97. Undertake policy changes in the area of management of common property resources in the villages to address the problem of the lack of green fodder and

grazing land. Place greater thrust on revitalising milk and other cooperatives at the grass root level to solve the problems in marketing dairy products. Policy roadblocks are discouraging the shift from crop agriculture to animal husbandry, dairy and fisheries.

(Para 5.85)

98. Change agricultural marketing laws of the states and facilitate contract farming to help develop the marketing links that are necessary for raising the efficiency of agriculture. Link Central assistance to the initiation of market reforms in order to bring about changes in the Agricultural Produce Marketing Committee (APMC) Acts. However, since transactions costs and contract enforcement can work against small farmers, this must be accompanied by steps to empower cooperatives/ panchayats to negotiate on behalf of such farmers.

(Para 5.87, 5.89)

99. Make demand management of milk and milk products one of the major priorities. Create a buffer stock of milk powder during flush season and use it to introduce a 'school milk programme' along with the ongoing Mid-Day Meal scheme. Similar programmes are in vogue in countries like Bangladesh, Indonesia, China, Germany, Sweden and the United Kingdom.

(Para 5.96)

CHAPTER 6 WATER RESOURCES

100. Improve water use efficiency in order to bridge the gap between supply and demand of water. The recommendations of the inter-ministry Task Group on Efficient Utilisation of Water Resources need to be implemented.

(Para 6.12, 6.15 and Boxes 6.3,6.4)

101. The AIBP needs to focus not only on completing projects but also maximising creation of potential at a given cost. The programme could be reviewed to provide 100 per cent Central funding without

state share and placing of funds directly with project authorities through banks instead of routing them through states. Modern tools like use of satellite imageries should be adopted for monitoring.

(Para 6.21)

102. Fund the large irrigation projects as national projects to enable their speedy completion.

(Para 6.22)

103. Review the ultimate irrigation potential of all major and medium irrigation projects keeping in view actual cropping pattern, siltation, condition of canal systems, hydrology etc.

(Para 6.24)

104. States should set up water regulators on the lines of that being set up in Maharashtra to advise on water tariff for irrigation and water supply.

(Para 6.28)

105. Review Participatory Irrigation Management (PIM), as its intended objectives have not been achieved. PIM groups should be empowered to set tariff and retain a part of it.

(Para 6.30)

106. Implement the recommendations relating to irrigation of the Inter-Ministry Task Group on Development of SC & ST.

(Para 6.32)

107. Review the issue of ownership rights on groundwater, as legislation to control over-exploitation has not been successful. Free power to agriculture should be discouraged.

(Para 6.33, 6.44 and 6.46)

108. Implement the recommendations of the Task Force for Flood Management and Erosion Control.

(Para 6.49 and Box 6.7)

109. Encourage a gradual change in dependence from groundwater to surface

water for rural water supply to tackle the problems of sustainability and water quality.

(Para 6.55)

110. Provide additional requirement of funds in the Tenth Plan for urban and rural water supply and sanitation in order to achieve the Millennium Development Goal relating to drinking water supply and sanitation.

(Paras 6.57, 6.60 and 6.63)

111. Design and launch schemes to assist states in urban solid waste management.

(Para 6.66)

112. Prepare guidelines for Public Private Partnership (PPP) in irrigation and launch pilot projects.

(Paras 6.72 and 6.77)

113. Improve inter-ministerial coordination on water. Irrigation, rural drinking water and land resources should ideally be dealt with in one ministry.

(Para 6.79)

CHAPTER 7 POVERTY ELIMINATION AND RURAL EMPLOYMENT

Self-employment

114. There are a plethora of organisations that support SHGs and the processes of social mobilisation, financing norms and other related activities differ from organisation to organisation. A comprehensive review is needed to evolve a commonality in the approach of different SHG programmes.

(Para 7.15)

115. The SHGs movement must focus on women. At least 50 per cent of the SHG groups should be of women and a minimum of 25 per cent of the women in a village/habitation must be covered under SHGs programmes.

(Para 7.13)

116. The success of SHGs depends on bank lending for economic activities, but credit support has been a major constraint. A 'micro finance equity fund' should be created with contributions from commercial banks, which could be treated as a part of their priority sector lending programme.

(Para 7.9)

Wage employment

117. Merge the SGRY with the NFFWP. These programmes may be subsumed in the National Rural Employment Guarantee Act as and when it becomes operational.

(Para 7.29)

118. Consider the question of paying wages under SGRY and NFFWP only in cash. At present wages under these programmes are paid partly in cash and partly in the form of food grains valued at BPL rates. It is felt that there is an excess flow of foodgrains for the poor through the wage employment schemes as also TPDS, Antyodaya Anna Yojana and other food based programmes.

(Para 7.23, Box 7.4)

Rural Housing

119. Change the allocation criteria for IAY and base it on 75% weightage for housing shortage and 25% weightage for poverty ratio instead of the present 50:50weightage.

(Para 7.37)

120. Priority should be given to landless SC/STs including primitive tribes in provision of free houses. Other BPL families could be covered on the basis of relative deprivation index of shelter i.e households who do not have land/plot to construct IAY houses and also households who have received minimum score in the overall poverty ranking, once the BPL Census, 2002 results are ready.

(Para 7.37)

121. Explore the possibility of credit linked housing programme through institutions like HUDCO, National Housing Bank and State Housing Boards etc. Also consider the possibilities of linking the housing credit with income generated under the SGSY and Wage Employment programme after the NREGA is enacted as is being done by NGOs like SEWA.
(Para 7.37)

Urban Anti Poverty Programmes

122. Strengthen the micro-credit financing institutions to provide finance to encourage self-employment among the urban poor.
(Para 7.50)
123. Link training for skill upgradation under SJSRY to employability to establish a positive correlation between the number of persons trained and the number of persons employed or who set up micro-enterprises.
(Para 7.51)
124. Evolve a strategy to utilise the services of employment exchanges in the urban areas which can act as the focal point for the placement of unemployed youth trained under SJSRY in organised or unorganised sectors.
(Para 7.51)

Public Distribution System

125. Examine the rationale and structure of PDS, especially in the context of the several food-based schemes which have been introduced/expanded recently.
(Para 7.61)
126. Set up a Food and Nutrition Security Watch for monitoring outcomes of specific interventions and overall food availability in the country and to ensure that pockets of food insecurity and hunger receive adequate supplies of foodgrains.
(Para 7.62)

Land Reforms And Watershed Development

127. Revisit the issue of tenancy, as access to land is still a major source of livelihood for the poor.
(Para 7.67)
128. Work towards convergence of watershed programmes implemented by Ministry of Rural Development, Ministry of Agriculture and Planning Commission under the Department of Land Resources.
(Para 7.88)
129. Develop a framework for conjunctive use of surface and ground water in watershed development projects.
(Para 7.98)
130. Prepare guidelines on technical inputs, social process and accounting and auditing manuals for watershed programmes.
(Para 7.95)

CHAPTER 8 LABOUR AND EMPLOYMENT

Creation Of Employment Opportunities

131. The bulk of the employment creation is bound to result from the growth of the economy and therefore, efforts should be made to accelerate growth, especially in the labour-intensive sectors. To create additional demand for labour in rural areas, the National Rural Employment Guarantee Act be enacted, as a follow-up of the National Food For Work Programme.
(Para 8.16, 8.18, 8.19)

Vocational Training

132. Modify the course contents of the NCVT to include a module on shop floor training.
(Para 8.22, 8.23)
133. The NCVT system should allow the industry associations to design courses and award certificates to successful trainees.
(Para 8.23)

134. Establish recognising/accrediting agencies for vocational training institutes. Such agencies should also assign a grading to the existing ITIs.

(Para 8.24)

135. Assistance to State Governments for ITIs should be subject to the condition that they are organised as autonomous bodies.

(Para 8.25)

136. Develop a framework of National Qualification Pathway to interlink vocational education, vocational training and academic education in order to facilitate inter-stream movement of students and vocational trainees.

(Para 8.28)

Employment Information Services

137. Amend the Employment Exchanges Act to encourage a role for private employment information services in the collection and dissemination of information.

(Para 8.48)

138. Relocate employment exchanges to rural areas. The employment information services need to be provided in the e-governance mode to support the new initiatives at providing employment guarantee in the backward districts.

(Para 8.47)

Labour Laws

139. The Indian Labour Conference should deliberate upon the recommendations of the Second National Commission on Labour and a decision taken by the Government in the light of the NCMP.

(Para 8.45)

Social Security

140. State Governments should enact legislation for the welfare of unorganised workers, which should clearly identify the resources to be raised, benefits to be

given as well as the institutional mechanism.

(Para 8.34, 8.35, 8.38)

141. The Government should provide welfare services to the unorganised workers such as compensation for accident at work, death, and old age pension in the 'risk cover mode' as distinct from the 'direct ex-gratia payments'.

(Para 8.40)

CHAPTER 9 TRANSPORT & COMMUNICATIONS

Railways

142. Implement an integrated modernisation plan by following a corridor approach. The Railways is saddled with old technology and this is a major reason for freight traffic throughput being four times lower than the Chinese railway system. There is a need to modernise the rolling stock, tracks, signalling system apart from introduction of information technology for increasing customer satisfaction. The modernisation, particularly of the Golden Quadrilateral and its diagonals, would lead to 100 per cent increase in the average speed of freight trains which, at present, is as low as 28 km. per hour.

(Para 9.1.19)

143. Rationalise the investment strategy. Future investment must be linked up with augmentation of capacity and improvement in the quality of services. An exercise for prioritisation of railway projects, particularly ongoing new railway lines, should be taken up on yearly basis. The Railways, however, need to observe caution, while sanctioning new projects, keeping in view financial viability and operational essentiality in order to avoid further stress on scarce resources.

(Para 9.1.17)

144. Ministry of Railways may prepare a paper in consultation with the Planning Commission on tariff setting mechanism

including the need for a Rail Tariff Authority. Meanwhile, Railways would move towards evolving a fare structure, even if gradually, linked to a rational indexing of the line-haul cost to the tariff.
(Para 9.1.18, 9.1.23)

145. Carry out organizational reforms. The elements could be :

- setting up a fully computerised accounting system to ensure conformity with internationally accepted accounting practices;
- making production units as profit centres;
- giving uneconomic lines to the private sector on concession basis; and
- outsourcing non-core activities

(Para 9.1.24)

146. Encourage public-private partnership in the development of high density corridors, introduction of tourist trains, additional goods trains between major commercial and industrial centres and between collieries and power stations.

(Para 9.1.13 and 9.1.14)

147. Allow competition in container movement. Allowing more players other than CONCOR is necessary for smooth movement of container traffic. As the Ministry of Railways has already announced that organisations other than CONCOR will be considered for the movement of container traffic, it is important that the Ministry evolves the policy framework expeditiously.

(Para 9.1.22)

148. Formulate a plan indicating a specific time frame for augmenting capacity in specific saturated routes to meet the growing requirements keeping in view the expected traffic growth. Some of these projects may be implemented by RVNL independently or through joint ventures/ PPP.

(Para 9.1.12, 9.1.16)

Roads

149. The Ministry of Shipping, Road Transport & Highways (MoSRT&H) should prepare a detailed programme for the next two years keeping in view the level of budgetary support available and the need for leveraging this to the maximum extent by adopting a proper mix of engineering, procurement and construction (EPC) and BOT projects.

(Para 9.1.45, 9.1.46, 9.1.47)

150. MoSRT&H should prepare monitorable milestones and targets for the proposed programme that includes Special Accelerated Road Development Programme for North-East (NHDP- NE), NHDP- III (10,000 km on BOT basis), NHDP-IV (for 20,000 km), NHDP-V (6-laning of 5,000 km), NHDP-VI (1,000 km expressways) and NHDP-VII (for ROBs, bypasses etc.).

(Box 9.1.2, para 9.1.37, 9.1.38, 9.1.39, 9.1.49)

151. Evolve a Model Concession Agreement for BOT project.

(Box 9.1.2, para 9.1.47)

152. Enhance the institutional capacity of the NHAI by making it a multi-disciplinary professional body with high quality financial management and contract management expertise.

(Box 9.1.2)

153. A Committee of Secretaries (CoS) must address inter-ministerial issues including bottlenecks in ongoing projects.

(Box 9.1.2, para 9.1.50)

154. Develop a system to collect and analyze information on traffic and inventory, assets condition etc.

(Para 9.1.47)

155. Draw up a Model Concession Agreement on the operation, maintenance and tolling of the completed stretches of the NHDP.

(Box 9.1.2)

156. Set up a dedicated organization for road safety and traffic management.
(Para 9.1.51)
157. Enact a law for economic regulation and dispute resolution for public-private partnerships.
(Para 9.1.47)
158. Leverage the cess amount from Central Road Fund available for the PMGSY for raising resources.
(Para 9.1.44)

Ports

159. Increase the scope of private sector participation in the development of ports. This would require revision of guidelines and delegation of more powers to the ports to increase operational efficiency. The government/public sector would need to step in to provide common user facilities like capital dredging, where necessary.
(Para 9.1.59, 9.1.60)
160. Preparing Perspective Plan for long-term development of each major port.
(Para 9.1.61)
161. Implement organisational changes like corporatisation in order to achieve efficient management, get institutional funding and attract private investment.
(Para 9.1.64)
162. Rationalise manning scales to improve productivity.
(Para 9.1.65)
163. Improve productivity of major ports through upgrading technology.
(Para 9.1.66)
164. Review the role of TAMP. This is necessary since more private operators are coming up in ports.
(Para 9.1.67)

Civil Aviation

165. Formulate a civil aviation policy keeping in view the role of the sector in the inter-modal context and the promotion of trade and tourism.
(Box 9.1.6, Para 9.1.85, 9.1.86)
166. Speed up the modernisation of Delhi and Mumbai airports, as they handle the bulk of air traffic.
(Box 9.1.6, Para 9.1.83)
167. Draw up a plan for development of all airports. Chennai and Kolkata must be restructured on the lines of proposed restructuring of Delhi and airports.
(Box 9.1.6, Para 9.1.83)
168. Prepare Model Concession Agreements for development of airports in order to promote PPP.
(Box 9.1.6)
169. Revamp the Airports Authority of India with multi-disciplinary staff to meet the long-term goals of the civil aviation sector.
(Box 9.1.6)
170. Set up a statutory regulatory body for economic regulation and dispute resolution.
(Box 9.1.6, Para 9.1.88)
171. Consider permitting equity participation by foreign airlines in the domestic air transport operations in order to get the necessary expertise.
(Para 9.1.87)

Information & Communication Technology

172. To work out and implement in a time-bound manner an action plan for optimum utilization of spectrum including technology upgradation and allocation of appropriate spectrum for the defense, paramilitary and other organizations so that surplus spectrum is released for civilian use. Necessary funds need to be provided through plan route.
(Para 9.2.15)

173. Put in place policy regime aimed at lowering the costs of PC to make it affordable as to encourage large scale PC penetration in the rural areas.
(Para 9.2.22)
174. Devise a system aimed at substantially reducing the cost of international bandwidth.
(Para 9.2.22)
175. To initiate necessary legal and other measures to transfer the resources accruing through the USO levy to USO Fund to promote rural telecom services. Pending this, Plan route may be preferred over the non-Plan mode.
(Para 9.2.32)
176. Take necessary steps, including fiscal measures, for encouraging domestic manufacture of PC components to bring the prices to affordable level.
(Para 9.2.37)
177. Promote creation of content in local languages suited to local needs.
(Para 9.2.37)
178. Take necessary steps to ensure availability of uninterrupted power supply.
(Para 9.2.37)
179. Promotion of IT in the domestic market on a larger scale including promotion of low cost technology alternatives such as Linux.
(Para 9.2.37)
180. The Department of IT and the Department of Telecommunications needs to evolve a suitable policy framework for encouraging Rural Content Providers (RCPs).
(Para 9.2.40)
181. Leveraging the postal network for building a nationwide delivery mechanism for ICT connectivity and e-Governance efforts.
(Para 9.2.41)
182. Leveraging the postal network for building a nationwide delivery mechanism for ICT connectivity and e-Governance efforts.
(Para 9.2.41)
183. Adopt a promotional policy for setting up shared access to connectivity (including broadband wherever feasible) for front-end infrastructure for delivery of services as part of multi-product multi-service retail outlets or centres based on PPP model. This may take the shape of public teleinfo centers, kiosks, community information centres etc.
(Para 9.2.43)

CHAPTER 10 ENERGY

General

184. Improve regulation by:
- Creating a Regulatory Academy.
 - Institutionalising the selection of regulators and their impact assessment under the Regulatory Academy
 - Mandating training for all regulators
 - Granting financial autonomy to regulatory institutions.
 - Limiting the quasi-judicial role of regulators to tariff setting and dispute resolution.
 - Providing for system to make regulators accountable to Parliament
 - Mandating annual reports from all regulators in compliance with the Act
(Para 10.1)
185. Develop a debt pool that would provide up to 20-year loan funding for energy projects.
(Para 10.4 & 10.30)
186. Establish and enforce energy efficiency standards. The Bureau of Energy

Efficiency (BEE) and Petroleum Conservation Research Association (PCRA) must be required to develop such standards for an initial set of energy intensive industries and appliances and develop modalities for a system of incentives/penalties for compliance/non-compliance.

Power Sector

187. As far as possible the power generation and transmission projects taken up for construction in future must be bid out competitively on level terms. At some points of time in future, this should become a mandatory requirement. Respective Regulators may grant exemption after allowing due process through public hearings.

(Para 10.32)

188. CERC must review compliance with the tariff guidelines it issues the state Electricity Regulators, especially with respect to returns on equity or net capital employed.

(Para 10.27)

189. All Central assistance to state governments for the sector must be linked exclusively to loss reduction and improved viability.

(Para 10.31)

190. Project finance must replace corporate finance as the norm, starting with projects taken up for construction in the Eleventh Plan to ensure that financial institutions appraise projects purely on their individual merit.

(Para 10.4 & 10.30)

191. Promote an industry structure that embodies the following elements to ensure efficiency and growth:

- Multiple generators with access to transmission and distribution
- Transco – a regulated monopoly only providing carriage
- Competition in distribution through separation of content from

carriage and regulated wheeling charges

- Flexible and enabling captive regime
- Consumer choice through open access
- Independent load dispatch at regional and state levels
- An independent planning body for transmission network
- New technologies such as distributed generation with waste heat recovery where feasible.
- Demand side management
- Energy conservation and energy efficiency with incentives for Megawatts.

(Para 10.26 & 10.27)

192. Operationalising open access to consumers requires:

- Respective regulators to notify normative wheeling tariffs for different transmission voltages up to 66 KV.
- State regulators to notify normative wheeling tariffs for accessing distribution networks.
- Respective regulators to notify norms for differential time-of-day pricing for electrical energy at the bulk and retail levels.
- Identifying cross subsidies and replacing them with direct subsidies over time.

(Para 10.27)

193. States need to notify rural areas as required by the Electricity Act, 2003. Such notification could see the emergence of independent rural suppliers of electricity.

(Para 10.25)

194. Undertake an independent review of the APDRP programme in order to improve its functioning and impact on AT&C loss reduction.

(Para 10.21)

195. Develop up to 20,000 MW of coal based coastal thermal generation capacity by 2012. These plants can either fire domestic coal (moved by sea) or imported coal.
(Para 10.51)

Nuclear Power

196. An independent review of NPCIL's current construction costs and construction periods against international benchmarks.
(Para 10.35)
197. Seek 20,000 MWe of additional nuclear power capacity under bi-lateral arrangements, based on a competitive power tariff, to be built over the next 10-12 years. Alternatively, India must seek nuclear fuel on competitive terms for a similar level of capacity to be built by NPCIL in the next 12-15 years
(Para 10.38)

Coal Sector

198. Pending the passage of the Coal Bill 2000, increase the number of players in coal mining through captive mining. Increase the flexibility of captive mines by permitting captive block holders to sell incidental coal surpluses during development and operation of the block to CIL or directly to currently linked end users; and allow group-captive mines. Set a target for the Ministry of Coal to achieve at least 50 mt of captive production by 2012.
(Para 10.4 & 10.44)
199. Amend Section 3 fo the coal mines (Nationalisation) Act, 1973 to facilitate offering of coal blocks to potential entrepreneurs through competitive bidding.
(Para 10.40)
200. Restructure CIL. One possibility could be dismantling of the holding company structure, extending autonomy to the individual coal companies, allowing these

coal companies to compete with one another and reviving the loss making coal PSUs.
(Para 10.40)

201. Permit trading and marketing of coal by removing it from the list of essential commodities.
(Para 10.40)
202. Make available about 10 per cent of the domestic production through e-auctions open to traders and actual users.
(Para 10.40)
203. Promote additional thermal coal imports (through MMTC or any other body) under long term supply contracts similar to those followed by Japan. Starting with a commitment to import an additional 5 mt by 2006-07, negotiate up to 50 mt of thermal coal imports by 2012 at prices competitive with domestic coal. Such coal imports could feed coastal power plants. Further, the Ministry of Coal should encourage captive mines and/or equity coal in the source countries in support of such imports.
(Para 10.47)
204. Change grading and pricing of non-coking coal from the existing useful heat value (UHV) (based on excessively wide bands for grading coal on the basis of an obsolete empirical formula whose validity is in doubt) to the international practice of pricing coal based on gross calorific value (GCV). This is expected to encourage efficient use and promote use of washed coal.
(Para 10.48 & 10.49)
205. Amend the provisions of Contract Labour (Regulation & Abolition) Act, 1970 to facilitate offloading of certain activities in coal mining for improved economics of operations.
(Para 10.40)
206. Replace coal linkages with fuel supply agreements. As a step towards abolishing

- coal linkages completely, these linkages could be made tradable in the first instance.
(Para 10.40)
207. Promote in situ coal gasification and tapping of coal bed methane.
(Para 10.54)
208. Rationalise rail freight rates for coal transport.
(Para 10.49)
209. Extend infrastructure status to the coal industry. Lower duties on capital goods imported for coalmines.
(Para 10.39)
210. Institute an independent regulatory mechanism for the coal sector.
(Para 10.40)
211. Review the royalty on coal and consider switching to an advalorem basis.
(Para 10.60)
- Petroleum and Natural Gas Sector**
212. Restructure the oil and gas CPSUs in order to promote effective competition.
(Para 10.77)
213. Review the current pricing of crude (both domestic and imported), natural gas and all its components, petroleum products and pipeline transportation and other services.
(Para 10.73 & 10.74)
214. Introduce price competition in all petroleum products. Impose universal service obligations by requiring a percentage of sales in notified areas but allow differential pricing in different markets to reflect cost of supply. States may choose to subsidize prices in remote areas.
(Para 10.73)
215. Bid out subsidies for LPG and kerosene.
(Para 10.73)
216. Encourage competing private participation in each element of the oil and gas industry (exploration and production, refining, marketing).
(Para 10.77)
217. Rationalise the tax and duty structure prevailing in the oil and gas sector
(Para 10.75)
218. Declare authorised end uses (as long as demand exceeds supply) for domestic natural gas and piped natural gas imports. Allow the market to determine the price of natural gas for these recognised end uses. LNG may be sold for any end-use and could compete with natural gas to meet any residual demand for the authorised end uses.
(Para 10.84)
219. Increase emphasis on acquiring equity oil and gas abroad. Develop capacity and structures that provide better assessment/control of commercial and political risks of such investments.
(Para 10.80)
220. Increase emphasis on transnational pipelines and LNG imports.
(Para 10.81)
221. Develop transportation and distribution assets in the oil and gas sector that provide services under common carrier principles applicable to natural monopolies.
(Para 10.85 & 10.87)
222. Modify the Petroleum and Natural Gas Regulatory Bill, 2004 to include regulation of upstream sector.
(Para 10.78)
223. Allow foreign operators to bring technology and investment to recover oil/gas from currently abandoned and/or marginal fields on economic considerations.
(Para 10.82)

Non- Conventional Energy Sources

224. Switch incentives and support from the supply driven programmes to demand driven programmes and technologies
(Para 10.96)
225. Explore alternative subsidy structures that encourage utilities to integrate wind, small hydro, cogeneration etc. into their systems.
(Para 10.96, 10.98 & 10.102)
226. Phase out capital subsidies linked to creation of renewable capacity with subsidies linked to renewable energy generated.
(Para 10.96)
227. SERCs to mandate purchase of energy from renewable sources as per the provisions of the Electricity Act.
(Para 10.27)
228. Improve coordination and synergise the various programmes of MNES with similar programmes of other Central ministries and state governments.
(Para 10.12, 10.99 & 10.10)

CHAPTER 11 URBAN INFRASTRUCTURE

229. Step up investments in urban infrastructure in a major way in order to bring our cities on par with those in the emerging economies of Asia. Intensify urban reform efforts on a substantial scale. Enhance Central assistance for urban development and link all such assistance with urban reforms to be undertaken by the states and ULBs.
(Para 11.4, 11.14, 11.15, 11.41, 11.42,11.45,11.50)
230. Encourage each city to prepare a perspective plan encompassing all aspects of urban infrastructure including water supply, sanitation, drainage, sewerage and urban transport. This is necessary to enable enhanced investment. Build a reliable database on urban infrastructure

and services as an integral part of the plan.

(Para 11.12, 11.45)

231. Implement reforms in urban governance. These are needed for augmenting the resources of ULBs to undertake investment and for maintaining the assets that are created. The goal must be to set in motion a virtuous cycle of urban growth leading to better resources, which are then used for improved infrastructure and further growth of the cities. Include, as part of the reforms measures for decentralisation, making the elected ULBs institutions of self-governance. In addition, the reforms must encompass, among other things, accounting reforms, enactment of laws for public disclosure and community participation, transfer of all civic services to ULBs, introduction of e-governance, reform of property tax and levy of reasonable user charges.
(Para 11.14, 11.15,11.41,11.42, 11.45,11.50)
232. Design a two-track approach for Plan assistance, with focus on urban reforms and e-governance.
- On the first track, merge all schemes of the Government of India for urban infrastructure and civic amenities. In future, make normal levels of assistance available on a platform of reforms. Such allocations would be conditional on urban reforms being carried out by the state governments and the ULBs.
(Para 11.41, 11.42)
 - On the second track, take up the million plus cities, the capital city in every state and a small number of other cities that are of historical importance for a considerably enhanced level of Plan assistance through the National Urban Renewal Mission.
(Para 11.45)
233. Undertake reforms of urban land ceiling, rent control and stamp duty in order to

unleash housing activity in the urban areas. For the urban poor, a three-pronged approach is needed, involving availability of land, cheap and easy credit and promotion of low cost building material and technology.

(Para 11.50, 11.51)

234. Formulate a National Slum Policy. A single comprehensive Integrated Housing and Slum Development Programme should be evolved, merging the existing schemes of VAMBAY and NSDP.

(Para 11.56, 11.58)

235. Formulate a National Urban Transport Policy and undertake road-rail network planning for improving connectivity.

(Para 11.31, Box 11.1)

CHAPTER 12 INDUSTRY

Fiscal Policy

236. Reduce the cumulative incidence of indirect taxes and customs duties. The peak customs tariff needs to be brought down to 10 per cent and the simple average to even lower levels. The inefficient and distortion-riven system of cascading taxes needs to be changed to a full VAT system at both the Central and state levels. As recommended by the Kelkar Task Force, the total tax burden on most goods – by the Centre and the states – should be no more than 20 per cent.

(Para 12.37)

237. Rectify the inverted duty structure. It is imperative that urgent attention is paid to rationalisation of the inverted duty structure on certain specific segments.

(Para 12.38)

Initiatives For Food Processing

238. Enact an Integrated Food Law at the earliest. The absence of such a law is a major impediment to the growth of the

food processing industry. A Group of Ministers is examining the issue.

(Para 12.47)

239. Amend the Agricultural Produce Marketing Committee (APMC) Acts to allow contract farming. This is important for the growth of the food processing industry.

(Para 12.48)

Labour Market Reforms

240. Build a consensus on the need to amend labour laws to remove some of the rigidities that adversely affect the competitiveness of the Indian manufacturing industry and can also be a constraint on the expansion of employment in labour-intensive manufacturing activities. Till such time as a consensus emerges, selective exemption from the applicability of some of the laws could be considered for SEZs, EOUs and the proposed SERs.

(Para 12.31, 12.32)

Scarcity of Fuel and Feedstock

241. Take steps to address the supply side constraints on the availability of adequate quantities of coal of the required grades for units that use non-coking coal. Coal should be removed from the Essential Commodities Act and the process of trading commenced in a non-disruptive way by permitting trading in imported coal and allowing existing coal linkages to be made transferable. Adequate supply of domestic natural gas/LNG at internationally competitive prices to fertilizer and steel units must be ensured. The recommendations of the inter-ministerial group need to be implemented at the earliest.

(Para 12.44)

242. Seriously consider initiatives like Joint Forest Management for growing fibre for use by the paper industry.

(Para 12.44)

Exit and Entry Policy

243. Address the problem of long drawn out liquidation procedures. Remove the legal impediments in the way of the of the National Company Law Tribunal (NCLT) established by the Companies (Second Amendment) Act, 2002.
(Para 12.41)
244. Mandate hosting on the relevant websites the status report on all pending investment proposals at both Central and State government levels.
(Para 12.40)

Small Scale Sector

245. Adopt a promotional approach to the SSI sector. There is growing realisation that the policy of reserving the manufacture of certain items exclusively for small-scale units is unsustainable and prevents them from attaining economies of scale and dealing with competition. Make further progress on dereservation in September 2005.
(Para 12.43)
246. Raise the ceiling on investment in plant and machinery to Rs. 5 crore for SSIs. Allow small-scale industry to graduate smoothly into medium enterprises.
(Para 12.84)
247. Address the problem of multiple inspections and consequent harassment of small scale units. Expedite the recommendations of the Committee established for the purpose.
(Para 12.91)
248. Provide the SME sector with adequate term and working capital loans. Credit rating, capacity building in project appraisal and compliance with RBI instructions on collateral-free loans are some areas which merit consideration.
(Para 12.89)

Skilled Manpower

249. Take steps to stem the decline in the quality of education for engineers.
(Para 12.45)
250. Increase the capacity of ITIs for training, upgrade the quality of training and make it demand driven.
(Para 12.46)

Industrial Subsidies

251. Review the subsidy schemes for geographically disadvantaged states and adjust them in light of experience. Consider replacing differential taxation with direct subsidies.
(Para 12.58, 12.60)
252. Conduct a rigorous scrutiny of the industrial subsidy scheme and consider phasing out, within the next two years, those which are not found to be justified in economic terms.
(Para 12.58, 12.61)

Public Sector Enterprises

253. Make bankability a prerequisite for taking forward rehabilitation proposals of sick CPSEs. The norm in developing the financial package must be that the government takes the responsibility for strengthening the equity base while financial institutions provide the loan. Private sector involvement should be sought through transparent means, particularly in cases in which it is felt that the CPSE would benefit from the technical, managerial and commercial expertise available in the private sector.
(Para 12.55)

Handloom Sector

254. Constitute a Steering Committee for Handlooms to take the industry from its present weak position to a position of strength by ensuring the linkage of its strong production base with

contemporary market, strengthening delivery mechanisms, performance evaluation and course correction in existing institutions. Such a committee will also provide inputs for policy formulation.

(Para 12.92)

Mineral Sector

255. Set up a high level committee to consider the whole gamut of questions related to development of mineral sector including procedural delays, requirement for infrastructure, expeditious clearance from the environmental angle and other related issues.

(Para 12.73)

CHAPTER 13 TOURISM

256. Set up budget hotels in order to maintain India's competitiveness as a tourist destination. To speed up the creation of additional rooms it is necessary to:

- increase the supply of land by making available sites on Central government land (e.g. cantonment and railway land) and state-owned land for construction of hotels;
- relax the municipal and zone restrictions;
- facilitate identification of hotel sites and their allocation by state governments to deserving entrepreneurs with facilities for speedy single window clearances through various governmental bodies;
- recognise and approve residential lodges and inns in cities such as Delhi, Agra and Jaipur;
- approve and register paying guest arrangements; and
- consider basing the luxury tax on the actual room rent charged rather than on rack rates.

(Para 13.24, 13.25, 13.26)

257. Develop the major airports at New Delhi and Mumbai into world-class airports. Upgrade other international airports as well, in order to meet the requirement for growth of international and domestic traffic at the rate of 12 per cent per annum.

(Para 13.8)

258. Increase the number of international flights, which are currently affected by the restrictive bilateral regime. The present ad-hoc arrangement, in which an open-skies policy is introduced during the rush tourist period every year, militates against long-term planning by airlines and the cost of travel remains high.

(Para 13.8)

259. Bring down sales tax on ATF, currently ranging from 4 per cent to 36 per cent in various states, to a uniform level of 4 per cent by notifying ATF as a 'declared good' attracting only Central sales tax. ATF constitutes 30 per cent of the operating cost for domestic flights and one-third of its cost is on account of taxes.

(Para 13.8)

260. Take up work relating to road connectivity of 20 world heritage sites and other places of tourist importance identified by the Ministry of Tourism. This involves the improvement of State Highways and District Roads and should be undertaken during the Tenth Plan period after notifying the State Highways and District Roads as National Highways.

(Para 13.23)

261. Put in place a policy for national level tourist vehicle registration with provision for free movement, without taxes at entry and exit points for hassle-free movement and lower cost for the tourists.

(Para 13.9)

262. Introduce a scheme under which tourists can pay concessional entry charges if they visit a number of heritage sites

during their trip. Open up hitherto undeveloped archaeological sites for development and maintenance through public-private partnerships

(Para 13.17)

263. Modernise and update the curricula of institutes offering courses in Hotel Management/Catering Technology/Tourism. This must be done in addition to initiating large-scale Master Trainers and Training of Trainers Programmes and exposing existing trainers to the changes in the hospitality industry through refresher courses.

(Para 13.11)

264. Prepare an integrated plan for improving the connectivity and urban infrastructure in Buddhist sites, which have potential to attract large international tourist traffic from East and South East Asia. The plan, to be prepared by the Ministry of Tourism in collaboration with the concerned state governments, should include proposals for special trains like the Palace on Wheels and the Deccan Odyssey through public private partnership arrangements.

(Para 13.23)

CHAPTER 14 ENVIRONMENT AND FORESTS

265. Conduct a series of CDM capacity Building Workshops at national, regional and State levels for popularizing the mechanism among stakeholders

(Para 14.15)

266. Take an inventory of the assets created under various river action plans and their operational status.

(Para 14.23)

267. Link the Central assistance to a reforms driven program for improving urban governance for efficient operation of treatment facilities created.

(Para 14.25 – 14.29)

268. Motivate the states to adopt JFM for all afforestation programmes in addition to the NAP

(para 14.37-14.39).

269. Encourage sustainable management of NTFP resources for improving the income of the primary collectors by development of value addition chains .

(Para 14.40)

270. Ensure that, apart from converting the forest villages into revenue villages, specific development programmes are undertaken for economic upliftment of the tribals and other people living in forest villages

(Para 14.41)

271. Undertake an evaluation of the impact of the central assistance provided regularly to the sanctuaries for development of habitats

(Para 14.42 – 14.44)

272. Make close monitoring of the status of tiger population a concurrent activity in project tiger areas

(Para 14.48)

273. Establish a national database on the forestry sector linking with the States for effective monitoring of the forestry related programmes

(Para 14.52)

274. Make the proposed National Institute of Animal Welfare in Balabhgarh, Haryana, fully functional

(Para 14.53)

275. Launch the national mission for promotion of bamboo based value added high volume products, for income generation in the rural area

(Para 14.34)

276. Launch the National Biodiesel Mission for production of biodiesel from non-edible oils obtained through cultivation of suitable species.

(Para 14.34)

277. Initiate a programme for afforestation of available community and public lands through Panchayati Raj Institutions for development of common property resources and green cover.
(Para 14.34)
278. Implement the action plan to deal with the problem of gregarious flowering of Muli Bamboo in the North East .
(Para 14.34)
279. Create an enabling environment for people's involvement in growing trees by awareness on forest laws, rationalising forest produce transit rules and encouraging farm and agro forestry .
(Para 14.34)
280. Ensure that urban Development Planning has an inbuilt component of greening integrated in landscape development plans
(Para 14.34)
281. Integrate forest development plans on the lines of the Integrated Tribal Development Projects in order to ensure rational development planning in fringe villages.
(Para 14.34)
284. Where the NCMP allows sale of equity of Central PSUs, additional resources may be available. Whether and how this can add to Plan finances would however depend on the way the Fund set up for this purpose is designed. This matter needs to be examined.
285. Rationalisation of domestic indirect tax structures is required not only to increase buoyancy and reduce cascading but also for customs duties to provide true protection to domestic industry. The transition to VAT enables reduction in economic disparities and should encourage investment. Its expansion to all States and a future move to the destination principle should further strengthen its structure. The goal should be movement to a comprehensive consumption tax regime at the level of both the States and the Centre.
(Para 15.25, 15.26, 15.44)
286. The power sector continues to be a burden on State finances with effects related to the operation of Central public sector utilities also. Comprehensive reform in this area will have a significant effect on Plan financing as a whole.
(Para 15.52, 15.53)

CHAPTER 15 FINANCING THE PLAN

282. The feasibility of financing the remaining part of the Tenth Plan will depend very critically on the ability of the Centre to increase its tax revenues. This requires expeditious removal of exemptions and an approach that takes into account effects likely from reduction of customs duties. Slippage in this area could lead to a tradeoff between FRBM targets and growth in the early years of the Eleventh Plan.
(Para 15.20, 15.23)
283. In view of the limitation on expenditure by fiscal legislation, the Special Purpose Vehicle for financing infrastructure announced in the budget provides a mechanism for directing additional resources to infrastructure and needs to be operationalised at the earliest.
287. The TFC has correctly pointed towards a shift of State borrowings from the Centre to markets to enable them to raise resources in an autonomous and responsible manner. However, balance sheets of States need to be cleaned before they are made to depend upon the market for loans. Debt relief offered by the TFC is limited to interest on Central loans with debt write-off is conditional on States being able to eliminate their revenue deficits. This is inadequate for severely debt-stressed States. Because of their high and inelastic interest burden, some of these States will not be able to eliminate their revenue deficits and become ineligible for debt relief. Such States will not only have to forego the full TFC benefits but are also likely to face higher costs in future market

borrowings. This needs to be rectified urgently through a more case sensitive approach.

(Para 15.41)

288. If States are to have the option of not borrowing from the NSSF, the maturity transformation currently made by this fund should be removed. In parallel with market loans, States should be on-lent at the same maturity as collection and at rates which differ only by a reasonable commission charge.

(Para 15.49, 15.51)

289. The whole area of Centrally Sponsored Schemes remains unresolved. Although the NCMP mandates reduction in the number of such schemes, it also suggests large increases in expenditure on some of these schemes. This is an outcome of the fact that expenditure compression in the past has led to cuts in areas such as health and education. The issue needs to be approached with greater sensitivity to the nature and quality of expenditure compression in future fiscal responsibility measures.

(Para 15.58, 15.59)

CHAPTER 16 THE INTERNATIONAL CONTEXT

290. Calibrate the reduction of agricultural tariffs to the progress made by the major industrialised countries in bringing down the level of subsidies that hugely distort international markets. Reduce industrial tariffs to a maximum of 10 per cent within the next two years and an average which is lower.

(Para 16.39, 16.45)

291. Intensify autonomous action for introducing trade facilitation measures to reduce transaction costs and the time taken for customs clearance, for both import and export consignments, in order to make industry more competitive.

(Para 16.51)

292. Cut administrative and procedural hurdles that delay the fruition of FDI intentions; enhance investment in power and transportation infrastructure and make changes in the restrictive labour policies. Continue the process of liberalisation by further increasing the ceiling on FDI in telecommunications, financial services and civil aviation and allowing FDI in areas such as retailing, which remain excluded from its purview.

(Para 16.53)

293. Exercise caution in entering into new RTAs with limited preferences, as they result in negligible trade flows, while adding considerably to the administrative burden on customs. On the other hand, joining comprehensive FTAs with South, South Eastern and East Asian countries is necessary for geo-political reasons.

(Para 16.44, 16.45)

294. Adopt a proactive approach in WTO negotiations in order to improve market access for Indian goods and services in international markets through ambitious non-discriminatory trade liberalisation of world trade. In non-agricultural market access, press for the average tariff level of each country being taken as a factor in the harmonisation formula to be adopted as the core modality for tariff reduction. As for sectoral approach in product groups of interest to developing countries, India should press for them being allowed to retain tariff at the modest level of 5 per cent while others eliminate tariffs.

(Para 16.33, 16.35, 16.36)

295. Seek a fundamental reform in world agriculture, with the major industrialised countries eliminating all forms of export subsidies and bringing about very substantial reduction in domestic support (not only amber and blue box but green box measures as well) and improvement in market access. India should table substantial offers on market access which should be conditional on the industrialised countries bringing down

the levels of support and market access barriers to the desired extent.

(Para 16.39)

296. Pursue the proposals for liberalisation of Mode IV in the negotiations on services and, in return, be willing to put on the table the existing regime in all service sectors for binding commitment as well as to make additional liberalisation efforts. India should also seek to lock in, to the maximum extent possible, the somewhat liberal regime that now exists in the industrialised countries in respect of Modes I and II, by proposing across-the-board binding commitments in the area by all WTO members.

(Para 16.42)

297. Pursue the proposal, in the negotiations in the area of rules, for making non-actionable the rebate of duties on capital goods used in the production of exported products. Separately the DEPB scheme of export incentives should be redesigned so as to make it non-counter available by conforming to the requirements of a substitution drawback scheme as laid down in the WTO Agreement.

(Para 16.27)

CHAPTER 17 GOVERNANCE

Decentralisation and Panchayati Raj

298. Transfer of the three Fs – functions, funds and functionaries – to the PRIs, commensurate with the responsibilities assigned to them.

(Para 17.5)

299. Empower the Gram Sabhas, which are the foundation of the Panchayati Raj system.

(Para 17.19)

300. Give greater attention to training and capacity building of the Gram Sabha members.

(Para 17.21, 17.22)

301. Notify the division of functional responsibilities between the three tiers of the Panchayati Raj system on the basis of activity mapping.

(Para 17.23)

Institutional and Administrative Reforms

302. Enhance the productivity of the civil service through rightsizing of government. Identify the surplus staff, set up an effective redeployment plan and devise a liberal system for exit.

(Para 17.32)

303. Ensure openness and transparency in the functioning of government. Press for the adoption of Right to Information legislation across the country. Subject departments with extensive public dealing to social audit at periodic intervals.

(Para 17.33 – 17.34)

304. Ensure accountability of public servants for their actions.

(Para 17.35)

305. Persuade the States to institute mechanisms for providing security of tenure to civil servants and discouraging their frequent and arbitrary transfers

(Para 17.39)

306. Speed up reforms that will speed up the judicial process. This has to be done through:

(Para 17.38 – 17.40)

- Empowering the presiding officers the courts to exercise better control over their case lists or List of Businesses.
- Bringing the counsel-client relationship and counsel fee-payment system under some principled regulation
- Providing greater finality to the adjudicatory processes
- Moving from a two appeal system to a single appeal system

307. Use the benefits of information technology to manage casework and speed up processes. Allow e-filing of complaints, statements, affidavits and other documents. Permit video-conferencing for examination of witnesses in certain situations. Allow audio/video recorded versions of evidence.

(Para 17.42, 17.43)

308. Pursue amendments to the Evidence Act, Criminal Procedure Code and Civil Procedure Code.

(Para 17.44)

e-Governance

309. Push for political ownership at the highest level and a national vision for e-Governance. In the absence of such ownership, e-Governance would remain a purely technology initiative and would not penetrate into day-to-day use.

(Para 17.55)

310. Build up India's e-readiness in a systematic way by overcoming infrastructural inadequacies, re-engineering the processes to weed out outdated procedures and making them user friendly, strengthening e-governance drivers, building institutions for capacity building and training and putting in place appropriate laws.

(Para 17.55)

311. Design applications to respond to citizen's needs and aspirations.

(Para 17.56)

312. Implement projects in stages of increasing complexity; providing information in the first stage and then moving on to providing interactive forms and finally a payment gateway where monetary transactions can take place.

(Para 17.56)

CHAPTER 18 REGIONAL BALANCE AND PLANNING

313. The objective of bringing about greater regional balance must be the overriding

consideration for determining the use of Central funds that flow as Central assistance to State Plans

314. A Backward Regions Grant Fund (BRGF) mandated to address regional balance concerns could be structured with the following two windows:

- Backward Districts Window: This could be an area-targetted grant facility, broadly on the lines of the existing RSVY. Initially the window will consist of all backward districts from RSVY list. This list will be enlarged to cover the hard core backward states, viz. Bihar, Orissa, Jharkhand, Chhattisgarh, Assam, East UP and East MP, more intensively. Transitional provisions will be made for 32 districts (from the list of 55 naxalite activities affected districts) which are not strictly backward districts in the RSVY list, for the remaining two years of the Xth Plan, whereafter they will be covered under a separate programme for Development of Districts affected by extremist activities.
- Compared to the provisions of the still nascent RSVY, a greater emphasis may be placed on human development indicators for identification of target regions and districts. Elimination of minimum normative gaps in local area developments; in physical infrastructure; in social attainments in health and education and land productivity should be the prime objective of financing interventions from this window. The selection will be based on objective parameters subject to minor changes in consultation with states.
- State Infrastructure & Reforms Window: This could also be a grant facility for providing viability gap funding which will enable resources to be leveraged for core infrastructure projects at inter

district or state level in less developed states. These projects will include projects that would otherwise be considered as not viable financially but are necessary for removing backwardness. The amounts to be made available to states will be in proportion to the population residing in their backward districts.

(Para 18.35 - 18.37, 18.5, 18.6)

315. Unlike the past practice, tripartite agreements or contracts between Central, State and local governments should be entered to incentivise appropriate State level policies that will improve regional balance. The role and the responsibilities of the State Governments should be factored in if the BRGF is to achieve its stated purpose. The emphasis has to be on outcomes, and necessary institutional reforms. Ignoring ground realities will not help. These agreements should link releases to achievement of listed outcomes in accordance with agreed schedules and also provide for strengthened and responsive delivery systems and for suitable remedial action by Government of India in case of misuse of funds

(Para 18.28 - 18.31)

316. Convergent management of relevant ongoing Central Government initiatives like the National Food for Work Programme, Sarva Shiksha Abhiyan and Mid Day Meals that, by their very nature, facilitate pro-equity resource flows to less developed states, should be achieved. This

can be done effectively through the mechanism of a district plan, and would need to be accompanied by a determination of clear cut outcomes.

(Para 18.29, 18.39)

317. The Planning Commission should be the bridge between the Centre and the states that its present role enables it to be. This is necessary because the Planning Commission is the only agency that directly supports the development Plans of states and is engaged in a regular development dialogue with them. This means that the Commission must see itself in a more proactive role in championing the cause of the states with Central ministries in key policy issues that have strong equity and regional balance dimensions. In a liberalised, market-driven policy environment, the responsibility of the Commission is greater in that it has to ensure a level playing field for less developed states and regions. Simultaneously, the State Plan allocation and dialogue process should be reoriented to focus more on macro-policy issues, equity and regional balance concerns, and promotion of decentralised planning structures. In line with its original mandate, the Commission's role and influence must be leveraged more effectively with both the states and the Central ministries for bringing about greater inter-state and intra-state regional balance.

(Para 18.3, 18.19, 18.23)