

MEETING

OF

NATIONAL DEVELOPMENT COUNCIL

(JULY 24, 2010)

SPEECH OF JENAB OMAR ABDULLAH

CHIEF MINISTER, J&K

I- INTRODUCTORY REMARKS

1.1 I am grateful for the opportunity given to me to share the perspective of Jammu & Kashmir – a state that has been grappling with the challenge of development in extremely difficult and trying circumstances for more than two decades. But before I do so, let me express, on behalf of the people and Government of Jammu & Kashmir, our deep gratitude to the Hon’ble Prime Minister of India and the Chairperson of the UPA for their unstinting support, particularly for accelerating the pace of development in the State. In particular, the initiatives under the Prime Minister’s Reconstruction Plan (PMRP) of Rs. 30,000 crore have gone a long way in the restoration and reconstruction of the economic infrastructure ravaged by years of strife and militancy. We also thank the Central Government for providing necessary financial resources for sustaining our plan sizes; far in excess of our own capacity to fund such plans. The Thirteenth Finance Commission Award of Rs. 40,557 crore has indeed addressed, to a large extent, some of our immediate fiscal concerns. The Grant-Loan combination of Rs. 2300 crore will help us in neutralising our structural liability with the J&K Bank, and provide the State Government substantial relief and insulation against a possible debt trap.

1.2 Sir, the recent happenings in the Kashmir Valley have caused all of us untold pain and agony. It is the

fundamental duty and responsibility of my Government, elected through a credible process that witnessed unprecedented participation of the people, to protect human lives. While our hearts go out to the families who have lost their near and dear ones, it must be recognised that such incidents are a disturbing demonstration of the continued instigation of innocent people by the forces inimical to peace. I am acutely conscious that pursuing an agenda of 'principled politics' and 'good governance' is not an easy task. Yet, the challenges unleashed by politics of disruption and division, must be met through our very determined and collective response; cutting across political ideologies and party positions. As we deal with disruptive elements in a decisive and determined way, we must take every necessary and special step to rebuild, particularly in the young hearts and minds, lost faith and trust. Amendments to the Armed Forces Special Powers Act (AFSPA) and re-orientation of the security forces to the changing security situation in the State, will create the necessary enabling environment for restoring to a certain extent the pride and self-esteem of our people. Time bound implementation of the recommendations of the Working Groups will also provide a viable platform of building greater stake-holdership.

1.3 Sir, on many occasions, I have said that J&K is not a problem of economics but that of politics. Economic reconstruction of Jammu and Kashmir, in my opinion, is

inextricably linked with the political resolution of the grievance and aspirations of a pluralistic society as ours. While all steps need to be taken to pursue the external dialogue process, the need for initiating internal dialogue with diverse political opinion, and in an inclusive manner, has never been greater than today. Under the aegis of the Hon'ble Prime Minister's Round Table Conference, five Working Groups stand constituted. Appreciable progress has been achieved on the recommendations of the Working Group I and II for the improvement in the conditions of the people affected by militancy and for trans-LOC movement of people and goods. However, lack of banking and communication facilities between POK and our State have adversely affected the trade. We need to further build on the recommendations of the Working Group III and the Prime Minister's Task Force on economic development of J&K, both headed by Dr. C. Rangrajan, for a sustained and inclusive development of J&K. Similarly, there is positive movement on many of the recommendations of Working Group IV with regard to e-governance and Right to Information. The recommendations made by the Working Group-V with regard to the Centre-State relationship also call for an informed discussion between the Centre and the State so as to move forward in a time bound manner.

II. THE FISCAL SITUATION

2.1 Economic growth, over the years, has been slow but certain. Last year, the state economy grew at 6.87% as compared to 6.12 % of the previous year. Broadly, the growth momentum has been propelled by increased economic activity in the construction sector, in the trade and hotels segment, transport, communications and other services. However, we have fallen short of the Eleventh Plan targets and the trends at the national level. In particular, the growth in the agriculture, at 1.74%, is not encouraging. Per Capita Income is also lower than the national average. Huge inter-district variations in growth are discernible. Credit-Deposit ratio lags far behind the national average. We are taking steps to reverse the trends over the medium term.

2.2 On the revenue income, the tax story has been positive and encouraging. The switch-over to the Value Added Tax (VAT) has been successful. Tax revenue has shown an increase by 49% in 2008-09 (Rs.2683 crore) as compared to the year 2006-07 (Rs. 1799 crore). A growth rate of 17% in our VAT collection is one of the best in the country and did receive a word of appreciation from the Thirteenth Finance Commission. Next year, we have become even more ambitious and are targeting a VAT growth of 26%. However, the non-tax revenues have remained stagnant; with a burgeoning power deficit of more than Rs. 1500 crore.

2.3 While our own tax and non-tax revenues including share of Central taxes for 2010-11 account for only Rs. 7873

crore, the non-plan revenue expenditure (NPRE) has been estimated at Rs. 16,720 crore of which about Rs. 15,290 crore goes towards payment of non-plan salaries, pension, interest payment, loans repayment and power purchase. For counter insurgency requirements, the State police force was expanded beyond norms, which interalia includes 20 India Reserve battalions raised thus far in the State. The State Government alone will have to shoulder the entire cost of such a large constabulary in the long run. The salary bill of police force has surged from Rs. 52 crore in 1988-89 to about Rs. 1400 crore in 2010-11; necessitated by the compulsions of the prevailing situation. We are not in a position to sustain such a huge expenditure. I earnestly request the Centre to share the burden on account of police establishment, maintained beyond the average national norm, by way of reimbursement under SRE. Notwithstanding this, I also deem it appropriate to reiterate our request of induction of additional 30,000 young men and women into the state police so as to enable them to progressively takeover law and order responsibilities from the CRPF.

2.4 The unemployment problem is the biggest challenge that our Government faces. Already, we are supporting a large contingent of over 4.10 lakh government employees. There are serious limitations on providing jobs in the Government Sector. As of now, 5.9 lakh youth are registered for employment at our district centres. The

number of State civil pensioners has swelled to over 1.15 lakhs. Our annual Salary bill, after the implementation of Sixth Pay Commission, has soared to Rs. 9000 crore. Pension payments have reached a level of Rs. 1800 crore. The State Government employees are agitating for payment of arrears aggregating Rs. 4200 crore on account of the pay revision. We have repeatedly been making requests to the Central Government for bailing states like us out of the almost fatal blow of the Pay Commission revision.

2.5 On our part, a number of initiatives have been taken to improve the obtaining fiscal situation. These measures include tighter fiscal discipline, revision of tariff or tax rates and improved collection efficiency of tax as well as non-tax revenue. We have enhanced VAT by 1% on both the floor rates. We have also increased service tax by 2%. A 25% increase has been imposed on the Toll Tax. With a view to arresting the ever increasing burden on account of pensions, we have introduced a Contributory Pension Scheme for new entrants joining Government service on or after January 1, 2010. Although the impact of the new dispensation will not be visible for twenty years, it is a step towards saving posterity from a huge NPSE burden. Several other expenditure compression measures are also on course to bring about a gradual turn around in the State finances.

III. ELEVENTH PLAN PERFORMANCE

3.1 The first part of today's agenda is to take stock of the plan performance under the Eleventh Plan. I have had an occasion to go through the Mid Term Appraisal (MTA) document compiled by the Planning Commission. In our case, Institute of Social Science, New Delhi was assigned the basic appraisal work. While one part of the study has attempted to critically evaluate performance against thirteen quantifiable indicators, the second part of the study has sought to analyze the performance under sixteen identified flagship programmes.

3.2 The first three years of the Eleventh Plan have particularly led to positive gains both in the infrastructure and social sectors. It may be recalled that the plan size of Rs. 25834 crore agreed for the Eleventh Five Year Plan (EFYP) in case of J&K is 78% higher than the Tenth Plan allocation. Several opportunities for economic activity have been unlocked by such a high level of capital expenditure; particularly in the infrastructure sectors.

3.3 Thanks largely to the intervention under the Sarva Siksha Abhyans (SSA), massive expansion and infrastructure development was registered in the elementary education sector. SSA interventions have led to improvement in the Literacy rate from 55.50% in 2001 to 65.67% in 2008. The gender gap in literacy is narrowing and has reached a level of 16 percentage points down from 23 percentage points between 2001 and 2008. The drop-out rates both at Primary

and Upper Primary Level have appreciably declined. Number of Out of School Children (OoSC) has reduced from 3.67 lac in 2002-03 to 0.39 lac in 2009-10. Gross enrolment ratio at Primary Level now stands at 97.25%; and in respect of the Upper Primary Level it is at 94.74%. In view of the change in the funding pattern of SSA, we are facing a huge financial burden. We reiterate our request for changing the funding pattern in our case to 90:10, at par with the north eastern states; and for continuation of such a funding arrangement for a minimum period of ten years.

3.4 We are better than the national averages in most health indicators like the birth rate, death rate, child sex ratio, institutional deliveries and breast feeding. We have witnessed considerable improvement in reducing the Maternal Mortality Rate (MMR). The appraisal indicates that the incidence of malnutrition in the State has declined over the years. The sex ratio (at 923) reflects a visible and gradual improvement over the past situation. The increase in Infant Mortality Rate (IMR) from 48 in 2001 to 52 in 2006 is, however, a cause of concern. Several interventions under NRHM particularly establishment of Baby Care Corners, training of medical and paramedicals in skilled births and management of neonatal childhood illness have led to positive results and the IMR has gone down to 49 in 2008. In order to achieve the target IMR (of less than 30), a

Comprehensive Action Plan has been formulated, spread over a period of 5 years in two phases.

3.5 We have drawn a Health Infrastructure Development Plan at Rs.2627 crore aiming at completion of ongoing health projects , construction of institutions presently in rented accommodation, construction of residential quarters and providing of much needed equipment. Funding for this initiative needs to be considered.

3.6 In so far as flagship programmes are concerned, gaps have been reported between availability of resources and actual utilization under most of the schemes; indicating shortfalls in financial delivery. The physical progress in most of the schemes is almost half of the financial delivery. In some of the schemes like the NREGA and IAY, the allocation of funds to districts has been uneven from the point of view of procedures. Adequate monitoring mechanisms for schemes such as Indira Gandhi National Old Age Pension Scheme (IGNOAPS) need to be put in place. There is a huge unmet demand for IGNOAPS as the scheme has so far covered only 25% of the demand.

3.7 While the programmes like Horticulture Technology Mission have been major success stories in J&K, the performance under other schemes such as Total Sanitation Programme is far from satisfactory. The progress under

PMGSY was very poor during the first six years of implementation. Significant improvements have taken place during the past eighteen months. JNNURM faced initial problems on account of utility shifting and incomplete DPRs. The performance has now picked up. We have taken a serious note of the lower physical achievements under the ARWSP. The interventions under the Accelerated Irrigation Benefit Programme (AIBP) have minimised drought impacts. However, we recognise that utilisation of the created irrigation potential has not been upto the expected level.

3.8 I am reviewing each of the flagship programmes at my own level in a time bound manner. Necessary institutional and monitoring measures will be undertaken to speed up the pace of delivery under these programmes.

3.9 As we implement the Annual Plans, we have attempted to streamline the processes relating to planning and execution of projects. One of the key strategies has been to implement the schemes under a ‘projectization’ mode for immediate and a visible impact on the ground. Such a strategy has also led to targeted utilisation of Special Plan Assistance. Last year, projects of the value of Rs. 700 crore were placed under the “projectised” category. The work on upgradation of roads in Srinagar and Jammu cities and in the rural areas of the other districts and the completion of 61 bridges was a positive outcome of this effort.

3.10 While on monitoring, the State Government has put in place third-party and independent monitoring of various works and schemes through NABCONS, a consulting organization of NABARD. In the first tranche, a bouquet/basket of 150 projects, with financial outlay of around Rs. 700 crore, has been given to NABCONS. Similarly, for the "Transmission and Distribution" project under the PMRP, envisaging a financial delivery of Rs. 500 crore during the current year, M/S Mckinsy is being engaged for formulating, field-testing and actually grounding a monitoring system for mega projects, on a pilot basis.

3.11 Private sector involvement in health, hydel power, tourism, floriculture, animal/sheep husbandry, communication, agriculture, horticulture sectors can also be of great avail in growth of the Gross State Domestic Product (GSDP). We shall welcome any interest in this regard from the private sector. Only recently the 690 MW RATLE HEP has been allocated to a private player under a tariff based competitive bidding mechanism. The State Government is working on a comprehensive Public Private Partnership Policy (PPP) framework, particularly to attract private investment in core infrastructure and social sectors. Currently, a Sub Committee of the State Cabinet is working on the PPP framework.

IV. APPROACH TO THE TWELFTH PLAN

4.1 In terms of formulation, I think the most important change is to move away from output to employment. All our ten five year plans so far have focused on aggregate growth of output. While the focus on output is important, there have been changes in the structure of economy and its growth, which have resulted in the serious issue of employment generation. We have all been hoping that growth will generate employment but the fact is that neither the expected level nor the kind of employment that is required has been forthcoming. On the contrary, the employment elasticity has gone down from 0.6 to 0.15.

4.2 We need to target employment growth as a key variable; not as a derived variable. In addition to the sectoral allocations, which have to be made on employment intensity basis, we will need direct interventions to redress the situation. If we continue to formulate the plan in terms of the Gross Domestic Product and its rate of growth, no matter how serious and sincere our efforts at implementing the Mahatma Gandhi National Rural Employment Guarantee Act are, it will not deliver the desired results. So, shift from output to employment, as our frame of reference, is essential.

4.3 If we go ahead with this, then the growth scenarios projected in the Approach Paper will have to include the

structure of growth and desired employment elasticity in addition to revenue buoyancy estimates. I think our approach should be to maximize the employment elasticity within each growth scenario. We may well find that a growth of 7.5 per cent could be more meaningful for us rather than a 9 per cent one. There will be trade offs but we have to make some decisive choices.

4.4 Apart from the focus on promotion of sustainable livelihoods both in the urban and rural areas, the most important priority will be the upgradation of human resources – through skill upgradation and entrepreneurship development, to enhance employability of our young men and women. There is huge scope for livelihood – based interventions in sectors such as agriculture, horticulture, animal husbandry, handlooms, handicrafts, tourism & travel. Similarly, there is demand for skilled manpower in construction sector, processing and manufacturing enterprises and trade & small business. Efforts are underway to diversify agriculture. Activities like apiculture, sericulture, milk collection and processing, backyard poultry, mutton and wool production and packaging of fruit and flowers can lead to import substitution of Rs. 350 crore on account of just the poultry and meat. Similarly, revival and modernization of handicraft and handloom sector through skill upgradation, technology transfer, design interventions, credit support and strengthening of market networks can unlock vast

employment opportunities for our people who are gifted with an exceptional creative talent.

4.5 To face the challenge of unemployment in a holistic manner, the State Government has recently introduced Sher-e-Kashmir Employment & Welfare Programme for the youth on December 5, 2009. The policy aims at covering a total of 5 lakh youth over a period of 5 years. District Employment and Counselling Centres are now in place. The first ever credible base/data line has been established regarding unemployed youth – qualification wise and gender wise – for better tracking of coverage and impact. An Employment Facilitating Agency has been set up for restructuring existing employment schemes. Further, an Overseas Employment Corporation has been set up to explore avenues of employment outside the State.

4.6 All necessary modalities for engaging and deploying 8000 young persons on honorary basis in nation and state building activities, as announced by the Hon'ble Prime Minister, have been worked out for kickstarting the initiative at the earliest in collaboration with the Union Ministry of Youth Affairs and Sports.

4.7 The State Skill Development Mission stands constituted under my Chairmanship. ICRA has been engaged for skill mapping to be completed in three months.

Draft Action Plan for Mass Skill Development in the State has been prepared. We propose to cover, under the Mission, 40 lac young men and women between 2010 to 2022. Under the PMRP, 9 Industrial Training Institute (ITI) buildings have been completed. 11 Women Wings have been added to existing ITIs. A project for upgradation/modernization of existing ITIs (Rs. 37 crore) is under implementation. 18 Polytechnics (Rs. 12.30 crore per unit) are being set up. The expanded infrastructure will provide the necessary impetus to self-employment of skilled manpower in emerging sectors of State's economy.

4.8 We are grateful to the Hon'ble Prime Minister of India who has announced that the Central Government will host upto 8000 youth from the State every year in ITIs outside J&K to take advantage of the modular Skill Development Programmes in sectors that have high potential. Necessary steps are being taken to operationalize the initiative. Through the forum of the National Development Council, I make a fervent appeal to India Inc to walk an extra mile to provide gainful employment opportunities to our young men and women commensurate with their talent and potential. This would require special recruitment drive to be launched by them for the youth of Jammu & /Kashmir.

V. HIGH FOCUS AREAS

5.1 I shall now attempt to focus on the second part of today's agenda; more specifically on certain high focus areas listed for discussion. In the power sector, J&K has utilized just 11.5% (2300 MW V/s 20,000 MW) of the available hydel potential. Undoubtedly, we could be the leaders in hydroelectricity generation.

5.2 The Central Government has set for itself an ambitious target of 1 lac MWs of power which can be achieved in a significant way by supporting us in harnessing the unutilized available hydel potential.

5.3 The Central Government may also consider assisting the State Government in carrying out necessary Survey and Investigation; leading to the preparation of a shelf of bankable Detailed Project Reports for such projects to be taken up during the Twelfth and Thirteenth Five Year Plan periods.

5.4 Certain concrete steps have already been taken by us. Over the Eleventh and Twelfth Five Year Plans, six projects (2710 MWs) will be executed in the State Sector, while three projects (1799 MWs) will be completed in the Central Sector. Further, six projects of 2120 MWs will be taken up under the Joint Venture mode. The grant of a special financial support of Rs. 2800 crore, to meet the equity requirement of 30% on behalf of the State Government for Joint Venture

projects with NHPC/PTC, could go a long way in realising the above objectives. The huge potential for the development of geo-thermal energy in Ladakh area requires to be tapped as well. We expect the Government of India to extend a helping hand to the State Generation Company in this regard.

5.5 My State continues to be put to untold hardships and disadvantages on account of the discriminatory provisions contained in the Indus Water Treaty. We have lost our right of impounding and optimally utilizing the waters of the Indus, Chenab and Jhelum rivers to take care of the seasonal variations in power demand as well as the increasing irrigation requirements. We would not have been forced to buy costly power during winter under short term arrangements. We have not been compensated for this loss despite the intent to do so; as expressed on several occasions. The Working Group on Economic Development of J&K constituted by the Hon'ble Prime Minister had, interalia, recommended transfer of Dul Hasti HEP (390 MW) to the State. The recommendation still remains un-implemented.

5.6 Since the available hydel potential is "the most precious resource" of our otherwise "resource deficit" State, we need to suitably leverage the hydel resource. We have been asking for the enhancement of the quantum of free power (Home State share) available from the Central Generating Stations set up within the State, to a minimum of

25% against the present free power of 12% and reiterate it here as well.

5.7 Under the Re-structured Accelerated Power Development Reforms Programme (R-APDRP), we have taken the requisite steps to operationalize the scheme in the 30 identified cities and towns. However, I would urge request the Government of India to consider bringing of towns having population upto 5,000 as per Census 2001, under the ambit of the programme.

5.8 State Government has launched a massive solar energy programmes in the border and tribal areas and in areas without Grid Connectivity. A massive Rs.473 crore Ladakh Renewal Energy Initiative has been sanctioned by the Union Ministry of New and Renewable Sources of Energy. 273 villages are being provided Solar lanterns. 32 Solar Power Plants (SPPs) and 05 Solar wind hybrid systems being installed in various institutions. 56 Micro Hydel Projects (3040 KW, Rs.45.64 crore) are under execution. Efforts to put up 1000 Bio-gas plants are under way. 500 water mills will be upgraded. Two wind masts have been commissioned while 06 more are under installation.

5.9 The need to create proper urban infrastructure is a challenge that we all face. Like the other states in the country, JNNURM is under implementation in J&K. 80

projects at a cost of Rs.1223.47 crore have been sanctioned. An amount of Rs.370.38 crore has been released by the Central Government as first instalment. Most of the JNNURM projects involve huge costs for land acquisition and utility shifting. Since it is beyond the capacity of the State Government to provide such costs, our request is that land acquisition and utility shifting costs must be made a part of the overall project cost.

5.10 I must admit that despite a strong intent on the part of the State Government, no significant progress has been made so far as regards the implementation of the reforms mandated under JNNURM and under the ADB Loan Covenants. We are acutely conscious that further releases under the JNNURM and the ADB loans are contingent upon achievement of reform bench marks. We do fully recognise that apart from the linkage of the reform process with financial releases, such reforms will serve the larger interest of the Urban Local Bodies, the State Government and in general the people at large. Accordingly, we have now, in consultation with the Union Ministry, worked out a two-year reform road map and are fully committed to its time-bound implementation. I am personally heading a High Level Ministerial Group to oversee its implementation.

5.11 Connectivity is crucial to delivery of public services in a state like J&K. PMGSY has given a big boost to rural

connectivity. 885 schemes costing Rs. 2200 crore have been sanctioned for connecting 829 habitations. We have fully utilised the released amount of Rs. 777.81 crore. While connectivity is all important, equally or perhaps more important are the environmental aspects relating to construction of roads, particularly in terms of the impact on our forest resources and green cover. We are taking all possible care to ensure that the environmental concerns are addressed in the most appropriate manner.

5.12 Protection of water bodies and rivers is another priority for us. We are presently working on conservation of water bodies like Dal-Nigeen lake, Wular Lake, Tsomoriri Lake and Surinsar-Mansar lake under financial support from the Central Government. We have also prepared plans for restoration of Jehlum and Tawi rivers. We have drawn a project proposal on "Integrated Forest Resources Management" and posed it to the Union Ministry of Environment and Forests, for external funding. The estimated cost of the project is Rs. 600 crore, to be executed over a span of seven years. All clearances need to be fast tracked.

5.13 Consequent upon Punjab procrastinating for decades together for providing 0.475 MAF of gravity water into Ravi Canal for irrigation purposes after constructing the Shahpur Kandi barrage, our State has suffered a loss of more than Rs.8000 crore on various counts. A link canal taking off from

the upstream of Ranjit Sagar dam near village Satwain is now proposed to be constructed by the J & K State Government. The construction of the "Link Canal" is estimated to cost around Rs. 550 crore. We look to the Central Government to fund this investment to compensate us in some measure for the huge losses suffered by us for no fault of ours.

5.14 We fully endorse the need to improve production and productivity both under horticulture and agriculture. In the J&K situation, we propose to adopt a number of measures such as seed replacement, rejuvenation of senile orchards, introduction of dwarf varieties or high yielding species, extension of horticulture to unirrigated agricultural lands, introduction of sprinkler / drip irrigation, rain-water harvesting, sinking of dug / bore wells. Most importantly, we lack post harvest handling of fruit, particularly proper storage of fruit for strategic and slow release into the market. Establishment of Cold Atmospheric (CA) stores and introduction of refrigerated vans for transportation of fresh fruit to long distances outside the state would require huge investments – both under the public and the private sectors. We are grateful to the Hon'ble Prime Minister for announcing a National Mission on Saffron.

5.15 Our revenues from forests have declined consequent upon the 1996 judgment of the Hon'ble Supreme Court

banning green felling. It is now only in respect of dry and diseased trees and trees uprooted by winds/storms that some revenue is collected, which hardly covers the cost of maintenance and watch & ward of the huge forest area. There is a case for compensating us, with a recurring annual grant of Rs. 500 crore, in lieu of the contribution made by us in maintaining ecological equilibrium, through preservation of the green cover, for the benefit of entire nation.

VI. CONCLUDING REMARKS

6.1 On the occasion of the visit of the Hon'ble Prime Minister to Srinagar in October 2009, the State Government had highlighted the need for state-specific flexibility in the guidelines of various Centrally Sponsored Schemes to factor in local needs and circumstances. Based on the discussions in the meeting chaired by the Hon'ble Prime Minister, the State Government has since concretized its recommendations and submitted the same to the Planning Commission. A positive consideration of the proposals will speed up the pace and quality of implementation of such programmes.

6.2 Similarly, as decided in the meeting at Srinagar, the State Government had constituted a Task Force to prioritize its developmental requirements and submitted the same to the Planning Commission for positive consideration. The more pressing of the developmental requirements, as

articulated in the Report, may kindly be considered for funding by rejigging of existing allocations under the PMRP; and also by way of provision of additional central assistance. These projects will go a long way in putting back the State's economy on the path of long-term and sustained recovery.

6.3 On our part, let me assure you that the focus of the State Government will be on transparency and accountability in governance; inherent challenges notwithstanding. A Grievance Cell has been created in my Secretariat to provide access to all citizens for redressal of their grievances. A system of public hearing through Awami Mulakats has begun with an overwhelming public response. Right to Information Act has been amended. Lok Adalats have been made functional to provide speedy disposal of the cases. IT-enabled solutions are being worked out for revamping the Public Distribution System. The State Government is making all necessary preparations for operationalizing the Unique Identity Project (UIP). We are also at the advanced stage of preparation for holding elections to the Panchayats and the Urban Local Bodies. Preparations are in full swing to conduct these elections later this year; thereby ushering in the process of democratic decentralization in the truest sense. Empowerment through these democratized and re-energised bodies will further open up governance for people at the cutting edge level.

6.4 I shall conclude by making a general request with regard to release of funds – whether under the Plan, the PMRP or for the Flagship Programmes. Once enabling decisions have been taken at the appropriate level to provide resources to fund public investments under approved plans and programmes, there should be no delay in making actual releases of funds. This assumes critical importance in the J&K context; considering the limited working season available for delivery of developmental programmes and disruptions caused by the obtaining security circumstances. Also, the State Government's flexibility on deployment of funds should not be continually questioned once a firm commitment of resources has been made and money released. I am sure the Planning Commission, and more particularly the Union Finance Ministry, shall look into our sensitivities in this regard.

6.5 At the end, notwithstanding the various difficulties we are facing there, we in J&K are fully confident of delivering on the promise of development. We are committed to the deepening and widening the growth effort to build on peace gains. We shall take every care to carry forward the development process in an inclusive and equitable manner in which each citizen of the State is able to find positive avenues of leading a purposeful and dignified life.

6.6 I thank you for your time and patience.