



Government of Karnataka

Speech

of

Shri. B.S. Yeddyurappa

Chief Minister of Karnataka

At the 55th meeting of the

National Development Council

in New Delhi

on

24th July, 2010

Hon'ble Prime Minister, Ladies and Gentlemen

1. It is indeed a privilege to participate in the National Development Council meeting to consider and approve the Mid Term Appraisal document of the 11th Five Year Plan. The Appraisal document rightly points out that we must strengthen weak areas such as agriculture and improve infrastructure to meet the needs of a growing economy. My Government has taken up a series of developmental and welfare programmes to bring about a qualitative change in the life of citizens.
2. Karnataka is one of the few major States to have consistently raised more resources than were projected in the Five Year Plans. The 11th Plan outlay for Karnataka is Rs.1,01,664 crore, which is 133% higher than the 10th Five Year Plan outlay of Rs.43,558 crore. The realisation of Plan expenditure in the first three years of the 11th Plan is 56%. This achievement compares favourably with achievement of 51% by all the States and 48% by the Central Government. In spite of the adverse impact of the economic slowdown on the state tax collections during the past two years, the State Government has maintained the revenue surplus and limited the fiscal deficit to the levels suggested by the Central Government.
3. Controlling inflation during the remaining period of the 11th Plan should be a major priority as it compromises agenda of inclusive growth. During the previous two Plan periods, the inflation could be managed at around 5%. However, during the current Plan period, and especially during past one year, the double digit inflation is crippling the common man and the economy.
4. Few pre-requisites to the GDP growth are low inflation, stable Rupee and high foreign exchange reserves. Even if an overall GDP growth of 8.1% is achieved, the much lower growth in the agriculture will further increase the inequalities. Maximizing the growth to improve the well being of the people will require that allocations are made in an objective manner to harness the development potential of different regions. **Measures for resource transfer from Central government should be a combination of policies to reduce backwardness and reward performance.**

5. Our economy is driven primarily by the domestic demand. However, the exports of some sectors like textiles & Information Technology also provide a significant support to the overall economic growth. The appraisal document brings out likelihood of sluggish growth of exports during the next two years. **There is need to provide support to the key drivers of major exports.**
6. We support the need for fiscal prudence in managing the government borrowings in a sustainable manner. However, the proposed 'one size fits all' approach to fiscal consolidation by mandating uniform 3% fiscal deficit should be revisited. Karnataka's debt sustainability parameters in terms of debt to GSDP ratio and interest payment to revenue receipt ratio are much better than the norms suggested by the Finance Commission. **As the State Government can effectively absorb more debt, it should not be denied an opportunity to invest in its future by using the additional borrowings in the growth accelerating infrastructure.**
7. The uncertainties arising from the impact of GST on the State Government's resources for the plan financing are a major concern. The assurance by the Central Government regarding compensation for a limited period is welcome. **However, the finally selected GST rate should not compromise ability of the states like Karnataka with high tax effort.** Further, the rate should be treated as the floor rate without limiting autonomy of the states.
8. **As brought out in the mid-term appraisal, 91% of the expenditure on the centrally sponsored programmes is on 20 odd schemes only. The smaller outlays of the remaining schemes make them at best demonstration schemes with limited effectiveness and large management costs. Such smaller schemes may be discontinued and the resources transferred to the states.**
9. The projections regarding the Plan outlay of the Centre in the appraisal document seem to suggest that the Central Assistance to the States during the current year and next year is likely to almost remain stagnant with mere 2 to 3% growth, whereas the Gross Budgetary Support for Central Plan is

expected to increase by 16 to 17%. Appropriate corrective measures are necessary to avoid such imbalance.

10. We are proud to release our '**Vision-2020**', a document which indicates the goals, which we plan, to achieve by the year 2020. We have prioritised increased rural income through greater viability of agriculture and allied activities, focus on job-oriented growth and skill development, developing the State as a vibrant knowledge society, making available quality healthcare, sustainable urbanization and industrialization, empowering women and socially backward and vulnerable groups, improved energy availability and developing infrastructure, preserving heritage, sustainable environment and natural resource management, building Bangalore's global leadership and improving Governance and decentralization.
11. **The year 2009-10 witnessed the heaviest rainfall of the century in 15 districts of our State. We had submitted a memorandum seeking financial assistance of Rs.7047 crore for emergency relief measures. While we thank Gol for releasing Rs.1457 crore from NCCF, we would like to state that the assistance was inadequate to the magnitude of the calamity our people suffered. Our people deserve and expect more assistance from the Central Government.**
12. Karnataka is one of the five leading industrialized states in the country and offers enormous opportunities for investments in different sectors. The proactive Government, availability of abundant natural resources, vast pool of skilled manpower, excellent infrastructure facilities and peaceful industrial relations have all made the State a **preferred investment destination**.
13. The **Global Investors** meet held recently in Bangalore, has received tremendous response. **Over 400 companies from India and abroad have signed MoUs for a total investment of over Rs.5 lakh crore.** This is expected to provide **employment to about 9 lakh people** in the State.
14. Bangalore, the IT capital of the country contributes \$14 Billion to the export earnings of the country and is the fastest growing metropolis after Delhi. The city is facing a severe deficit of infrastructure, resulting in major constraint on the export potential. **The required investments are beyond the capacity of the civic agencies and the State Government. The**

Central Government should actively assist the State in addressing this constraint.

15. The Government has resolved to provide all necessary facilities in the next three years so that children of every school in the State can acquire education at least up to 10th standard.
16. Particular emphasis will be on girls' education. The scheme of providing free bicycles to the boys and girls studying in high schools has given great encouragement to the rural children for continuing their studies. The State has one teacher for every 28 students compared to national yardstick of one teacher for every 40 students.
17. In the higher education, the State aims to increase the gross enrolment ratio from the present 12% to 20% by 2015. We have established **Knowledge Commission**, State Council for Higher Education and a Centralized Research Fund at the University Level to stimulate innovation and excellence with an aim to transform Karnataka into a knowledge society. We are introducing science and commerce and applied streams to all the degree colleges in the State to improve employability of our graduates. **We need technical and resource support for this from all possible sources.**
18. **Government of India assistance is sought to extend Mid-day meal programme for high school students of 9th and 10th standard, providing central aid under RMSA to provide infrastructure for high schools started by the State by relaxing the existing norms, to provide sufficient funds to implement Right to Education Act, to accord sanction to the proposal of Government of Karnataka to set up IIT in Karnataka.**
19. Our State is gearing up to fulfil the constitutional obligation of '**Right to Education**' for all our children up to the age of 14. Special care is being taken for those who have been left out like girls, SC, ST and minority and the differently abled children. We are vigorously implementing **Sarva Shiksha Abhiyan** and have initiated **Madhyamika Shiksha Abhiyan**. We have improved enrolment and retention and are taking all steps to improve the quality of education in Government Schools.

20. **Declining gender ratio** is an important concern for us. We are taking all measures to encourage equal participation of women in social, economic and political life. **Bhagyalakshmi** an incentive scheme to assist poor parents to bring up girl child with confidence has shown encouraging results in terms of increased registration of female births; Anganawadi and school attendance and changing social attitude towards them.
21. We have taken various initiatives in the health sector. Mortality rates were high in rural areas due to lack of transport and treatment facilities during emergencies. Deaths were mainly due to non-availability of timely medical care. **An emergency ambulance scheme called 'Arogya Kavacha – 108'** has become a boon in all such cases. **Over 1 crore calls were attended to, resulting in saving 4.5 lakh lives.**
22. My Government has launched a **Comprehensive Nutrition Mission**, which will address the scourge of malnutrition and anaemia particularly among children and women in a sustainable manner and also provide nutritional security to all the vulnerable groups.
23. We have converted **975 PHCs into 24 x 7 health centres**. A new scheme is launched to provide free medical check-up and treatment to all girl children registered under the Bhagyalakshmi scheme.
24. A new scheme called **'Vajpayee Arogya Shri Yojana'** started recently in Gulbarga Division seeks to help BPL families by providing free treatment including surgery. This scheme will be expanded to other divisions.
25. We have identified 114 blocks as **comparatively backward** in terms of economic and social infrastructure and have **provided them over Rs.6700 crore in first three years of the Plan as an additionality** for development and correcting imbalance. These additional allocations will be used to improve the educational and health facilities in these areas and also to provide necessary infrastructure such as roads and irrigation facilities.
26. A large proportion of the state's workforce continues to remain in traditional and low-productive sectors with low income due to lack of marketable skill. We have launched an ambitious programme to provide **employable skills** to our needy adolescents, women and youth to enable them to get

sustainable livelihood and participate constructively in the nation building. We are transforming our Employment Exchange into **skill and employment counselling and facilitation centres** and have brought through our **job melas** prospective employers nearer to the job seekers. **We earnestly seek national and international financial and technical support for this daunting challenge.**

27. We have initiated a new Public-Private-Partnership policy for skill development through establishing new **ITIs / ITCs** by providing subsidy on land and capital investment. Rs.6000 per trainee per annum is also provided as further incentive.
28. We fully endorse that the manufacturing units in India are burdened by a plethora of regulations and there is an emergent need for greater flexibility of labour laws to encourage labour intensive manufacturing and expansion of organized sector. But never the less we have to take steps simultaneously, to reach the benefits of standard working conditions, social security and workers' rights to all the workmen. **As we know the rationale of the global labour standards being that countries do not compete on compromising with the standards, hence we do not endorse the view that the review of labour legislation should be in individual states. We have to build a national consensus to have uniform core labour laws as per the international standards for the whole country.**
29. To bring transparency in the administration, the Govt. has introduced **e-tendering** for all procurements exceeding Rs.5 lakh.
30. **Video Conferencing** facility is made available to all the district headquarters under **Karnataka State Wide Area Network (K-SWAN)**. It will be extended to taluk headquarters in the coming days. Over a crore citizens are availing the services of electronic land record etc. through **Nemmadi Centres**.
31. '**Janaspandana**' is the fulfilment of the dream to ensure that the Government facilities and benefits reach the grassroots level. The common man is provided on-the-spot solutions of their **grievances** through the novel system of governance.

32. Karnataka One Centres on the lines of "**Bangalore One**" are being opened in Tier-2 cities to provide citizen centric services at one place. **Over 1 crore citizens are availing the services of these centres.**

Agriculture

33. The Paper rightly emphasises the need to address the problem of deceleration of agriculture and the crucial role that agriculture would have to play if higher growth rate is to be achieved in the 11th Plan. Agriculture is the best bet for an assault on poverty. Amelioration of problems of the farming community will have a positive effect on the secondary and tertiary sectors and the overall growth of the economy.
34. The food production scenario has almost stagnated in my State for the past one decade at around 110 lakh tons excepting 122 lakh tons in 2007-08. In order to boost the productivity, there is an urgent need to provide support to the farmers in terms of technology, input, credit and market linkages.
35. It has been possible during the last two years to **increase crop productivity by about 35-44% in six crops by conducting soil quality tests and supplying necessary micronutrients** in about 2.25 lakh hectares of land in 6 districts under 'Bhoochethana' programme. The programme is being extended to 12.5 lakh hectares in the current year and will gradually be extended to all the blocks from the present coverage of 43 blocks. We are also promoting **organic farming**. We have already taken up 71,000 hectares under organic farming. Around 52,000 farmers have enrolled themselves on a voluntary basis.
36. The State has launched '**Jalasiri**' campaign for **water recharging** in villages with a target of setting up 2 lakh water harvesting structures like check dams and bandharas at a cost of Rs.500 crore. We are setting up **Antharaganga Micro-irrigation Corporation** to focus on **drip irrigation**.
37. The Government of Karnataka is contemplating to bring out '**Karnataka Agri-Business Development Policy**' during this year in order to attract more investment in agri-processing and value addition sectors **through PPP mode including promotion of agri-logistic parks.**

38. Karnataka State desires to put forth the following issues and strategies for increasing the productivity and sustaining the livelihood of farming community:

- **Supply of quality seeds to the farmers in time is a major issue for which the ICAR/SAUs should provide the necessary breeders / foundation and parental lines of hybrids in large quantities for production and supply of certified seeds to the farmers through private and public sector agencies.**
- **There is a need to streamline the procedure for timely delivery of allotted fertilizers to different districts / destinations by the railway authorities.**
- **There is a need to provide technological support, organising group extension and empowering farmers with increased credit in-flow and effective market network so as to increase the productivity by 20-25%.**
- **The State Agricultural Universities need to be provided with sufficient financial support from the ICAR for strengthening their research and education capabilities.**
- **The minimum support price for paddy, coconut, maize, jowar and other crops needs to be fixed based on different regions and agro-climatic zones to overcome the problem of States like Karnataka where the productivity is low as they are cultivated in dry land areas.**

39. **Besides simplifying, it is desirable to revisit the formula of RKVY for allocation of funds to the States, considering the drought, floods, extent of land holding by small and marginal farmers, dryland area etc.**

40. We would also like to express our concerns regarding **Agriculture GSDP estimates** and would like Planning Commission to revisit crop estimation methodology to make it effective through the use of modern technology.

41. The State has taken up a novel programme, '**Nirantara Jyothi**' to provide quality power to rural area. The scheme envisages **bifurcating** the existing rural feeder into agriculture and non-agriculture **feeders**. It helps regulating the hours of power supply to Irrigation pumpsets and continuous power supply to villages and village industries. The pilot project implementation of 'Nirantara Jyothi' in 4 towns of the State is completed. The State-wide implementation of the scheme is planned at a cost of Rs.2122 crore. **The State requests Centre to consider for financial assistance for implementation of the scheme as it benefits the large rural masses.**

Water Resources

42. The need for continued emphasis on irrigation in the 11th Plan is, needless to say, obvious given the increase in agricultural productivity that the Paper envisages.
43. Of the total of 106 lakh hectares of land suitable for cultivation, irrigation facilities have been provided to 37 lakh hectares. The Government is determined to increase the irrigation potential by utilizing all the available sources of funds. As many as 14 irrigation projects languishing since the last several years have been completed.
44. Improving performance of irrigation schemes and bridging the gap between the potential created and the potential utilised needs to be given importance by **including command area development under AIBP coverage.**
45. I agree that ground water exploitation and providing a cess on the use of power for agriculture in those areas cannot be limited to groundwater use alone. **The State is actively considering introduction of groundwater regulatory bill.**
46. While I agree that the future water management has to give a greater emphasis on **micro irrigation** strategies, it is high time that the Government of India thinks of creating incentives by subsidizing the introduction of drip and sprinkler irrigation systems on a large scale so as to ensure that not only indiscriminate use of water is avoided, but also to ensure that farmers use the water in a more scientific way.

47. While I appreciate in-principle the need for integrated water resource management (IWRM), I would like to caution the Government of India that still the IWRM in irrigation sector is more at a conceptual level than at an implementable level. While there is a need to integrate all the sources of water to maximize the use of every drop, we also look at the strategies that can enhance and maximize the effective use of water whether it could be surface water, rain water or ground water so as to ensure that the **water scarcity will not hit us in future. The State is in the process of formulating an IWRM project with ADB assistance.**

Power

48. Power is a major factor in the all round development of the State. The State is facing a demand supply gap which needs to be tackled on priority.

49. On our part we have taken the following measures towards achieving **energy sufficiency** in a time frame of 5 years:-

- Signing of MOU with NTPC for establishing 4000 MW Coal based UMPP at Kudgi in Bijapur district.
- Signing MOU with BHEL for establishing 1600 MW Coal based power project at Yeramarus in Raichur district.
- Signing MOU with BHEL for establishing 800 MW Coal based power project at Yedlapura in Raichur district.
- Setting up of 1600 MW pit head coal based power project in Chattisgarh State by KPCL.
- Establishing BTPS 2nd and 3rd unit.
- Establishing 400 MW Hydro power station at Gundia.
- Establishing Gas based power projects of 2100 MW each at Belgaum, Gadag and Harapanahalli and 1400 MW Combined Cycle plant at Bidadi.
- Establishing 1320 MW Coal based power projects at Gulbarga and Ghataprabha through private participation.

- Addition of 4000 MW capacity through renewable energy sources – the State had announced ‘Renewable Energy policy’ to promote and encourage the development of Green energy.
50. We would like to **thank Government of India** for assistance to the State Power Sector through the **Rajiv Gandhi Gramina Vidhutikarana Yojana (RGGVY)** and the **Restructured Accelerated Power Development and Reform Programme (RAPDRP)**. You will be happy to know that Karnataka is among the first States to receive substantial loans sanction of Rs.392 crore under RAPDRP part-A and is under implementation and will be completed in next one and a half years. We hope to roll out part-B of the programme for which Rs.800 crore has been sanctioned and will be completed in next 3 years.
51. **The State’s daily allocation from Central Generating Stations (CGS) is 1543 MW. In terms of size, population and demand this compares rather unfavourably with that of our neighbours. We have repeatedly stressed that, in relation to our requirement, Karnataka’s share from CGS has to be increased and brought on par with other comparable States.**
52. Electricity cannot be traded as a consumer commodity without proper safeguards. The **regulatory mechanism** should be strengthened and should dispose off the disputes in a speedy manner to prevent traders/generators from misusing the provision of **open access**.
53. To improve the distribution efficiency, the State is intending to identify distribution circles for franchising where the parameters of efficiency viz., technical losses, theft & pilferage, poor collection efficiency, transformer failure rate are more. The studies are being conducted in this direction.
54. The issues before the Centre which the State requests for help in it’s endeavour for adding the Capacity are as follows:
- **Coal linkage sanctions for the Thermal Projects at Kudgi, Yermarus, Edlapur, BTPS – III Unit and Private Generations at Gulbarga and Ghataprabha.**

- **Captive coal block allocation and clearances for fuel supply to Chhattisgarh Plant.**
- **Nuclear Power Corporation to take necessary action for expansion of Kaiga Plant by 2 X 700 MW capacity.**
- **The State requests for establishment of 2000 MW Nuclear Power Plant at Mannur in Bijapur District.**
- **The State requests for a maximum allocation of gas from K-G Basin to facilitate establishing Gas Based Power Stations in the State.**
- **Request for establishing two numbers of 765 KV Stations near Raichur and Tumkur District to evacuate power from UMPP in Maharashtra and meeting the demand of Bangalore respectively.**

Urbanisation

55. Karnataka is ranked as the fourth most urbanized among the major States in India with approximately 34% of State's 53 million population living in urban areas (2001 Census). The State's high urban growth was primarily caused by migration and natural increase, rather than reclassification of settlements. The urban areas, if properly developed, have the potential for emerging as major engines of growth and employment. With relatively slow growth in agriculture, we are already witnessing greater migration to urban areas. The rapid pace of urbanization has left a huge 'infrastructural deficit' in all the cities/towns.
56. Bangalore is the IT Capital of India and over the last decade it has emerged as the strongest IT hub in the country. The IT sector in the city is growing in geometric progression. While these developments have undoubtedly improved the standard of living in Bangalore, they have also greatly added pressure on the infrastructure of the city.
57. In keeping with Bangalore's reputation, world class infrastructure facilities are being provided. Excellent roads, drainage, drinking water, flyovers, over bridges, underpasses and many other steps are being executed to improve and ease the traffic. Steps are taken for the beautification of the city. Metro

Rail project is expected to emerge as the alternative mode of transport to the over-burdened public transport system. Steps for rejuvenation of water sources and improvement of tanks and lakes are being taken up.

58. Simultaneously, steps are being taken for the development of Tier 2 and 3 cities on a scientific basis. The State has launched a special package for development of 7 city corporations and small & medium towns under **Chief Minister's Nagarothana Yojane**. Rs.100 crore each is provided to the City Corporation and Rs.30 crore each to the district headquarters. Rs.5 crore each to taluka level ULBs and Rs. 2 crore each to other ULBs is also provided. All these measures are likely to provide solution to the mounting urban problems.
59. We welcome the focus on infrastructure proposed by the Appraisal document for the 11th Plan. We have also initiated several steps to bring in **Public Private Partnership** in infrastructure projects. However, as has been rightly observed in the Paper, such projects are feasible only in developed regions where their economic viability makes them attractive. **I have been emphasising the need to provide good quality infrastructure to the backward regions of the State, where PPPs are not possible. For this, the assistance of the Central Government is critical.**
60. Karnataka has initiated **comprehensive reform in urban sector** including human resources, GIS based property survey, accounting, service delivery and performance monitoring.
61. Under JNNURM the reforms are implemented at state level as well as ULB level. The process involved for implementation of reforms are lengthy specially those that depend on policy changes or formulation of new policies. Hence exact time line cannot be adhered to. However, when it comes to projects, time lines are indicated in the contracts and hence timely disbursement of money is critical for completion. Delays may cause litigation as well as escalation in costs. Hence, Government of India is requested to de-link the two.
62. As far as the signing of MoU in respect of the **Bangalore Metro** Project is concerned, the draft MoU proposed by the Government of India contains

certain provisions that places onerous responsibility on the State government for funding the project i.e., cost escalation due to change in scope or beyond the time cycle, finance cash losses & conditionality of raising foreign loan etc. As project implementation is the joint responsibility of Centre & State and the **cost and time overruns are often beyond the control of State Government, such conditionalities are unreasonable. Centre is requested to desist from insisting on unilateral changes in already agreed MoU.**

63. Detailed Project Report (DPR) for Bangalore Metro Rail Project Phase-II covering a distance of 51 kms at a tentatively estimated cost of Rs.14,774 crore, has been prepared through Delhi Metro Rail Corporation. The proposal is being taken up for approval from the State Government. **The State Government will be coming up with the Metro Phase-II expansion for approval on joint venture with equal equity holding from State & Centre. Support of Centre for the proposed Metro-II expansion project is requested.**

Social Welfare

64. The Government is striving for inclusive growth to render justice to SC/ST, BC and minorities. Our priority is to improve educational levels, providing training and skill upgradation of unemployed youth, providing subsidy linked loan schemes for income generating activities and providing essential services to the colonies / localities where the weaker sections are living. Providing drinking water, roads, electricity, sanitation and drainage works are on our priority list. The Government is taking steps to provide house sites / houses to SC/ST on priority under various Central and State housing programmes. The State programme called "Ashraya" Housing scheme is being implemented through Rajiv Gandhi Rural Housing Corporation by providing 50% of the target exclusively to SC/ST. Additional houses are also being provided under Ambedkar Housing Programme. The unit cost is raised from Rs.40000 to Rs.63000.
65. **The Central Government may consider extending financial assistance to setup Residential schools for SCs and STs; raise the scholarships to post-metric students (presently maximum Rs.740 per month)**

keeping in view the increasing costs; increase the present family income limit of Rupees one lakh so that many other students avail the benefit of scholarships in higher education.

66. We welcome the move to develop **new guidelines of SC/ST Sub Plan, taking into account the practical difficulties** in the existing guidelines, so that it can be implemented more effectively in future. As the core infrastructure development is one of the most crucial and inevitable area of Plan expenditure we need to evolve norms to apportion such investments for SC/ST Sub Plan.

Need to Ban Export of Iron Ore

67. The issue of over exploitation of mines and illegal mining has been a major concern of all the mineral rich States in India. Despite efforts by various State Governments, these problems are persisting across the States. A major reason is the indiscriminate export of iron ore and other such minerals. Unless certain curbs are placed on export of iron ore, etc. undue exploitation and illegal mining are likely to continue.
68. The experts have warned that if we allow the mining activity to continue at the present rate, it will create **ecological imbalance** resulting in the large scale migration of people.
69. It is estimated that nearly 58% of the iron ore extracted in India is exported. There is an urgent need to arrest this trend. **We have to find ways and means to create value addition within the country itself rather than blindly exhaust our natural resources through indiscriminate exports.**
70. Karnataka is one of the mineral rich State in the Country. The current level of production of iron ore in the State is around 49 million tonnes. Of this, nearly 70% is in the form of fines and 30% in the form the lumps. There is adequate capacity within the State and the country to utilise the lumps. As far as fines are concerned, currently Karnataka has the capacity to utilise nearly 50% of the fines it produces. In the recently concluded Global Investor's Meet held at Bangalore, 7 major steel producing companies have

entered into MoU with the State Government for setting up of integrated steel plants with a total capacity of 40 million tonnes per annum. Even if some of these plants materialise within the next 3 - 4 years, the entire quantity of iron ore fines generated in the State can be fully utilised within the State itself. Similarly, all the proposed new steel plants across the country will be having **beneficiation** plants and therefore can utilise fines produced in the country. **Beneficiation of iron ore and domestic steel production will generate huge revenues to the State as well as to the central Government.**

71. In the above background, the present Government in Karnataka took the initiative to be the first State to introduce a **new Mining Policy** by which fresh leases and renewals of existing mining leases in respect of iron ore are given only if there is value addition within Karnataka.
72. **I sincerely urge the Government of India as well as other State Governments to encourage a value addition and to consider a ban on the export of iron ore.**

Environment

73. I am of the view that when uniform National Ambient Air Quality standards are applicable for the entire country, the CPCB shall also **come out with scientific inputs and fix up consent fee for operation by taking into account weighted average of pollution loads, its negative externalities and inequalities created in Air pollution.**
74. Consent fee is to be so fixed based on the capacity of the plant that there shall not be any scope of discretion/different interpretation by the officials of the State Pollution Control Boards.
75. I therefore impress that the capacity of the State Pollution Control Boards is to be built up by the CPCB in monitoring the pollutants as pre-requisite. Apart from this, I also suggest that CPCB shall also develop the Pollution Standard Index wherein air quality is to be classified and published.
76. Further other environmental issues which needs redressal are availability of quality of water, both surface and ground water and management of waste disposal. More than 80% of the rural public depends on ground water,

which contains higher amount of fluoride, iron, dissolved salt and nitrate in particular and this needs suitable treatment before consumption. Unscientific disposal of waste also contaminates ground water, soil and creates pollution hazards.

77. Utilisation of CFL and fluorescent lamps as energy saving alternatives to the incandescent bulb has grown exponentially. However, its safe disposal is an issue to avoid mercury poisoning / contamination of soil, air and water. As such, it is necessary to develop a **safe and effective programme for recycling of CFL and fluorescent lamps in mega cities. The Government of India is requested to support such safe recycling units.**

Concluding Remarks

78. The State Govt. is making conscious efforts to identify experts in various fields from industry and academia and make use of their vast experience, knowledge and services. **Several special task forces** have been constituted to brainstorm, implement and monitor developmental programmes under the guidance of these experts.
79. **Greater fiscal discipline, aggressive resource mobilisation and effective implementation are critical to achieving the goals set for development. Greater cooperation between the Centre and the states in major projects and a genuinely participatory approach to planning in keeping with the spirit of federalism are necessary for achieving higher economic growth and human development. The interests of our farmers must be nurtured and protected because agriculture is still the cornerstone of our economy.**
80. We must foster the public/private partnership and introduce major reforms to make governance more effective and accountable. The principal beneficiaries of investment should be those who constitute the most vulnerable sections of our society. Only then can we hope to have a society based on equity and social justice.
81. The need for regulating revenue expenditure for enabling more public investment in the capital formation is well accepted. Further, in our zeal to

create assets, we should not ignore the necessity to maintain existing ones. A related issue is inadequate direct return on large investments made earlier in power and irrigation projects. **We should build a national consensus on subsidies, especially support to electricity sector. The Central Government is requested to take a lead in building such consensus.**

82. Non inclusive growth and neglect of balanced regional development including the development of tribal areas is leading to the left wing extremism and violence which is evident in some parts in the country, and is certainly the most daunting and emergent internal challenge which we have to face together with utmost urgency and care. While the grievances of the excluded should be met expeditiously with special grants and incentives, we should not be complacent to deal firmly and decisively to curb the violence and breach of peace.
83. Today's meeting is crucial for finalising India's development strategy. The role of Government remains critical in the areas of equity and social justice. Good governance is key to introducing a people friendly plan. I trust many of our recommendations will find acceptance in the Appraisal report.

Jai Hind

Jai Karnataka