



GOVERNMENT OF GUJRAT

SPEECH

OF

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NATIONAL DEVELOPMENT COUNCIL**

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**Honourable Prime Minister. Deputy Chairman of the Planning Commission,
fellow Chief Ministers. Ladies and Gentlemen.**

It is my proud privilege to address this august forum of NDC, and in the following I would like to submit before you the steps taken by State Government in various sectors of developments.

An overview of State Economy:

The state's economy during the year 2003-2004 registered an impressive growth rate of 15.4 %, as compared to 7.75% and 10.15% in the previous two years respectively.

We are confident that this growth rate would be sustained through the current and next year also, and may overshoot the target of 10.2% growth rate fixed by the Planning commission for Gujarat, for the 10th Plan period.

Plan Size and Achievement

The Plan size of Gujarat State for the 10th Plan has been fixed at Rs. 47000 crore as against the plan size of 9th Plan of Rs. 28000 crores. For the first year of 10th Plan 2002-03 against the revised outlay of Rs. 6000 crores, we achieved 90% expenditure of Rs. 5431.90 crores, because of the effect of earthquake on our economy. In the second year 2003-2004 against the revised outlay of Rs. 6740 crores, we have incurred an expenditure of Rs. 7584.69 crores registering 112.53 % achievement. The first estimates of the total expenditure during 2004-05 are at Rs. 9838 crores which is 114% of the plan allocation of Rs. 8610 Cr. With this, the expenditure of the first three years is already 49% of the 10th plan target. For the current year i.e. 2005-2006, an outlay of Rs. 11000 crores has been fixed and approved by Planning Commission. In the last year of the Xth Plan we hope to achieve the target of Rs.47000 crore set for Gujarat.

Financial Reforms

A series of natural calamities and the global recession in the beginning of 2000-01 had adversely affected the State's finances. The revenue deficit had

mounted to as high as Rs.6700 crores by 2001-02. The State had to resort to ways and means advances frequently. During 2001-02, a series of fiscal reform measures stressing both the expenditure and the revenue side was initiated and a number of hard decisions were taken. The impact of these measures started showing results immediately and the financial position of the State has been improving since the year 2002-03.

The State Government has been able to increase its revenue receipts, both tax and non-tax and to contain the non-plan revenue expenditure. The revenue expenditure which was Rs.22717 crores in 2001-02 is expected to go Rs.24656 crores in the budget estimates of 2005-06, a rise of only 8.55%. On the other hand, the revenue receipts which were Rs. 15986 crores in 2001-02 is expected to go upto Rs.23217 crores in 2005-06, a rise of 45.23% in the same 5 year period. The revenue deficit which was Rs.6700 crores in 2001-02 is expected to come down to Rs.1438 crores during 2005-06.

The State signed a Memorandum of Understanding with Govt. of India, Ministry of Finance as a part of its Medium Term Fiscal Reform Programme and became eligible to draw the incentive grant for the year 2002-03, for its fiscal performance. The State Government has already enacted the Fiscal Responsibility & Budget Management Act which lays down milestones for fiscal performance over the next 5 years. The State Government is confident to achieve these milestones.

The State Government has been able to achieve healthy buoyancy in revenue receipts through better tax compliance due to rationalization of tax rates and better enforcement and revision of user charges. The State's own tax which was around Rs.8700 crores in 2000-01 is expected to be more than Rs. 14000 crores in the current financial year of 2005-06, a rise of more than 75% in five years.

The State Government has enacted the Gujarat States' Guarantee Act limiting the guarantee to Rs.20000 crores. However, taking pro-active measures the guarantee outstanding as on today has been kept at a level of Rs. 15683 crores.

In the last three years, the State Government has swapped Rs.9596 crores of high cost debt by low cost borrowings, pre-paid Rs.628 crores of high cost debt and has restructured Rs.390 crores of high cost institutional loans. As a consequence, the average rate of interest on the total debt which was 12.10% in the year 2001-02 has come down to 9.42% as at present which has resulted in significant savings in the interest payment.

To take care of the risk of devolvement of any government guarantee, the State Government has set up a Guarantee Redemption Fund outside the State's Consolidated Fund, which is managed by the Reserve Bank of India. It has a balance of Rs.965 crores as on today. To take care of the repayment of the market borrowings which are due for payment during the year 2012 to 2014 a Consolidated Sinking Fund has been created which is also outside the State's Consolidated Fund and which is managed by the Reserve Bank of India. The balance in this Fund as on today is Rs.1020 crores.

The State Government has introduced the Defined Contribution Pension Scheme for employees joining the Government service and the service of Boards and Corporations from 1.4.2005.

A Green Revolution in the making in Gujarat:

Agricultural Diversification

Government of Gujarat has prepared Agro-vision 2010, a model blue print for all round development of agriculture in next ten years. Emphasis has been given on the cultivation of high value, low volume crops. Accordingly the area projected under some of the low value crops like bajra and jowar is less and still maintaining the production level by exploiting the production potential of the crops.

The trend in area shift shows that the area under total Cereal crops decreased from 38.00 lakh ha. in 1990-91 to 27.35 lakh ha. in 2001-02. The major reduction in area is observed in Jowar and Bajra crop. The area under pulse crops has also reduced to 7.30 lakh ha. in the year 2001-02 as compared to 9.40 lakh ha. in 1990-91. The area under groundnut has remained constant with seasonal

variation. A major shift was observed in case of Sesame and Castor, where Sesame has covered 3.79 lakh ha. area in 2001-02 and Castor has covered about 4.58 lakh ha. in 2000-01. A significant diversion was observed in Middle Gujarat where the area under tobacco was replaced with Banana to the extent of approximately 50,000 ha during last 10 years. The message for further diversification can be given to farmers provided ICAR/ SAU institutions make alternate crops with sound economics available to them.

More effort needs to be made for propagation of horticulture / plantation crops, as an important tool for diversification, in view of changing dietary pattern and also to meet growing fruits & vegetables demand. Area under horticulture is constantly increasing in the state. The area & production of horticulture crop was 5.98 lakh Ha (5 % of total cropped area) & 59.03 lakh tons in 1998-1999 which increases up to 9.65 lakh ha.(9.65 % of total cropped area) & 90.95 Lakh ton respectively in 2004-05. It is targeted to cover 19.00 lakh ha. of land under horticulture by year 2010 in the state. Gujarat has most diversified agricultural pattern having equal distribution of Cereal, Oil seed & Commercial crops. More emphasis needs to be given to development of Horticultural crops. Fruits & vegetable crops need to be included as potential crops for diversification against upland paddy & coarse cereal in the state.

State Government has introduced a scheme to promote horticulture through **Wadi (fruit orchards) scheme in tribal areas**. Many non-Governmental organizations are also actively participating in it. Rashtriya Shram Vikas Yojana has also approved outlays on wadi yojana. It is now well established that if we implement this scheme it will give farmers in tribal areas sustainable livelihood and a chance for value addition to their products. We need to promote this activity significantly.

Flow of the Production credit

The State of Gujarat mobilized Rs.6040 crores against its target of Rs. 6091 crores for the year 2004-5 (being the first year) under the doubling of the rural credit programme in 3 years.

We welcome the recommendations of the Vaidyanathan committee report for the revitalization of the rural credit structure. Both the primary credit societies as well as the district central cooperative banks would benefit from the revitalization package that may be evolved on the basis of the Committee report. We hope that instead of developing a uniform package for the whole country, state specific packages would be developed to suit specific needs of each state.

As per the latest data available as of 31/3/2004 there are 37.81 lacs Land Holders in the State of which 22.65 lacs have been enrolled as members of the PACs. In terms of percentage coverage, besides the Cooperative Banks, other lending agencies like commercial banks and RRBs are also engaged in providing agricultural finance to the farmers. Almost all the agriculturists have been covered in the fold of institutional lending of which the coverage by cooperatives is about 2/3rd of the total.

Integrated credit planning is done under Service Area Approach based on the potentialities for development and requirement of credit at grass root level. Kisan shibirs in collaboration with DCCBs are organized with a view to guide farmers and representatives of PACS about new cropping techniques and crops.

Rejuvenation of Extension System

In Gujarat we have now a well established system of providing information to farmers by using various mass media and information technology.

The Agriculture experts give talks on various Agricultural subjects regularly on Television and Radio, which play important role in transfer of technology.

We have also started **Kisan Call Centers** in the state, on which farmer's from any where in Gujarat, can ask their question related to agriculture and allied subject toll free 24 hrs a day.

Other than this, the state has launched website of Department of Agriculture, which provides information regarding the department's motto, activities, cultivation practices of crop, information on various schemes and various forms for availing benefits of scheme etc.

State organizes SATCOM programme and video conferencing before pre Kharif and Rabi season to provide guidance to farmers regarding various latest varieties of crops and cultivation practices as well as to guide the grass root level extension functionaries.

As per the policy framework for extension reforms, state has initiated work to implement new extension approach "**ATMA**" (**Agriculture Technology Management Agency**) in selected eight districts of state on pilot basis.

Recently it has been decided to use computers at village level to deliver agricultural price data. Under the e-gram project all 18,000 villages are to be given PCs by December 2005.

Delivery system of Agricultural Inputs:

In Gujarat state, the co-operative, private, agro-service centre, agri-business centre, depot of GNFC, GSFC and various federations are distributing the agri-inputs among the farmers. There are about 12043 licensed outlets of seeds, 11027 licensed outlets of fertilizers and 13935 outlets for pesticides in the state. With this the existing infrastructure is sufficient for providing agro-inputs to the farmers.

Agro Industries:

144 Projects of Agro Industries with investment of Rs. 274 crores have been set up in the State. To facilitate export of perishable agriculture produce, an Air Perishable Cargo Complex set up at Ahmedabad International Airport

Krishi Mahotsav:

The Government celebrated Krishi Mahotsav from 11th May to 10th June 2005 wherein all the 18000 villages and millions of farmers in Gujarat were involved in the farm related activities. The objective is to revitalize agriculture operations with a view to "**double the per capita income of the farmer**" within next 5 years and to bring in convergence of all agriculture related programmes at village level. **Krishi Raths** numbering 228 have visited all villages with Govt.

officials, agriculture experts, representatives of banks and others connected with agriculture and farming technology. In this mass contact programme activities undertaken are drip irrigation projects with financial outlay of Rs 1500 crores financed through Gujarat Green Revolution Company, issue of 1.5 lakh **Kisan Credit Cards**, construction of 8568 check dams, promotion of SHGs, issue of agriculture loans under "Doubling of agriculture credit" scheme and focus on animal husbandry activities and other farm and non farm activities, awareness on cropping pattern, water conservation, land development, modern agriculture practices and equipments, Soil Health cards etc.

Soil Health Card Programme

Soil analysis is necessary to understand the fertility status and the deficiency of nutrients and to decide which nutrients are required to be applied and at what rate. Accordingly this programme is continued in its totality and phase wise it will cover 37 lakh farmers of the state. Under this programme 2.05 lakh soil health cards have been distributed and about 6.00 lakh more will be distributed during the current year. It is planned to collect 30 samples from each village for soil analysis.

Soil health cards include the information like the name of farmer, survey number of his field, soil analysis data,, fertilizer needed for that kind of soil, details of the assistance to be given under various agriculture and related programmes. Details regarding cattles and horticulture crops are also given,. Under this programme a team per taluka including agriculture scientist of Agricultural University is giving direct guidance to farmers.

A master data bank will be created at the state level which will be helpful in village level cropping planning, increasing productivity with balanced use of fertilizer. It will also promote organic farming in the state.

The achievements of the Krishi Mahotsava are given in the table below :-

Krishi Mahotsav - 2005

Agriculture Kit Distribution	90754
Horticulture Kit Distribution	90563
Animal Husbandry Kit Distribution	90491
Shram yogi kits	46130
Soil Health Card Distribution	953370
New soil sample	548612
Kisan credit card	153146
Animal Vaccination	4375848
KhetTalavadi	31611
Certificates for change of tenure	52175
Bankable Scheme	22126
Entry certification	20851
Wadi yojna	15162
Participation of farmers in kisan shibir	2813534
No. of farmers given guidance for marketing system by APMC	271598

Dairy Development

Dairy development has become a major source of supplementary income for farmers in Gujarat. Saurashtra and Kutch region did not benefit from this movement on account of structural problems. We have recently handed over the assets of Gujarat Dairy Development Corporation in Saurashtra and Kutch region to National Dairy Development Board (NDDB). We look forward to recommissioning of six dairies in this region under Mother Dairy scheme of NDDB. We have made a detailed presentation to the Ministry of Agriculture on various issues afflicting agriculture in the State. I am happy to inform that Ministry of Agriculture, Government of India has given encouraging response to our proposals.

Research and Development-Agriculture Universities

Last year we created four Agricultural Universities, **each to be a centre of excellence for that area**, to take care of individual problems of specific region. The unified structure earlier had many limitations and was not able to focus upon specific areas and products. I am happy to inform that all four Universities have become not only well established but are now pro-active in their interaction with farmers. They have promoted new ideas and products by organizing Kisan Melas in their campus. We have been able to bridge the gap between educational institutions, its research and the farmers in the field. During the **Krishi Mahotsava**, 750 scientists fanned out to hundreds of villages to talk directly to the farmers in their villages providing technical solutions to their problems. In order to accelerate this process we have requested for a one-time grant of Rs. 50 crores to each of these new Agriculture Universities so that these educational institutions are able to further develop their research & development capacities to match the specific needs of the farmers in the region.

Bio-diesel

Gujarat is the first state to have started the use of Bio Diesel on commercial basis in the State Road Transport Buses. Due to its importance in producing bio-diesel, awareness regarding Biodiesei plantations is rising among the formers in Gujarat and a demand has arisen in the market.

Forest Department has started seed sowing on the boundary trenches and inside the plantation also each year. It has also distributed 1.8 lakh seedling of Ratanjyot to Agriculture Department.

Ministry of Agriculture, Government of India's National Oil Seeds and Vegetable Oils Development Board (NOVOD) has sanctioned a project for Rs. 62.61 lakh for raising Ratanjyot seedlings through Forest Department of Gujarat. Under this project against the target of 5 lakh, a total of 9 lakh seedling of Ratanjyot were raised and planted in farm lands and revenue waste lands in the districts of Gujarat in the year 2003-04 and 2004-05 by Social Forestry wing of the Forest Department. The beneficiaries were farmers.

As per project sponsored by NOVOD, trainers training and farmers training programme for effective implementation and management of the project were conducted. To facilitate the oil extraction from Ratanjot seeds, as an initial step, one oil expeller machine has been established at NSIC (National Small Industries Corporation) in Rajkot. It has been tested and found satisfactorily working. During the test the oil extracted was found roughly 30% of seed weight. NOVOD has sanctioned in the year 2004-05 a project costing Rs. 74.80 lakh for plantation of elite varieties of Neera Karanj and Jatropha over 400 ha. (5,90 lac plants),

Contract farming and modernization of agricultural markets

State Government has initiated efforts towards modernizing agricultural markets. We have put the contract farming scheme in operation from 31st March 2005.

We plan to make available computers with internet connectivity to each of its 18,000 villages and we will use this facility to make available prices of agricultural commodities to farmers at their door step.

We would also make available real time agricultural prices available at all taluka panchayat offices as well as APMCs, prices of agricultural commodities via electronic boards in collaboration with the National Multi-commodities Exchange.

Gujarat Green Revolution Company Ltd.

State of Gujarat has very limited water resources. Rainfall distribution is erratic. As a result very limited area of the State could be brought under irrigation, in order to inspire the farmers of the State to maximise agricultural production at minimum cost and to increase their income by adopting scientific management of water and to bring in revolutionary transformation of the agriculture scenario, the State Government has embarked upon "**Jal Sanchay Abhiyan**" (drive for conservation of water). As a part of this campaign the State Government has put into implementation an integrated scheme having estimated cost of Rs. 1500 crores for providing assistance to the farmers of the State for adopting micro irrigation / drip / sprinkler. In order to ensure smooth and uniform implementation

of the scheme, the State Government has established "Gujarat Green Revolution Company Limited". The company would promote, encourage and assist the farmers in implementing Drip / Sprinkler irrigation system on farm, so that water available from various sources is used economically and efficiently. Preference is given to water scarce area, It is also planned to make available to the farmers under the scheme technical know-how, agriculture inputs like seeds, bio-fertilizer, manure, gypsum, anti-fungus medicines etc. and also certain additional services like analysis of soil and water through this company. The scheme has received tremendous response and numbers of farmers are coming forward to establish the scheme in their fields, in coming years this would lead to second green revolution in the country.

Lasting Solutions for the Water Crisis in Gujarat: Sardar Sarovar

Sardar Sarovar is an Inter-state and multipurpose project. As per the approved time schedule by Narmada Control Authority, following the judgement of Hon'ble Supreme Court, most of the project works are to be completed during the 10th Five Year Plan i.e. between 2002-2007.

Hon'ble Supreme Court has prescribed the procedure for raising the dam height which includes consultation by R&R Sub Group with respective GRAs constituted in three States, recommendation by R&R Sub Group and Environment Sub Group and final approval by Narmada Control Authority.

During the 10th Five Year Plan the work of the Dam has been completed upto 110,64 mtrs. R&R is a condition precedent to raising of the dam height. Govt. of Gujarat has successfully completed the R&R of the PAFs affected /likely to be affected of Gujarat, Madhya Pradesh and Maharashtra at EL 121.92 mtrs. and who opt to resettle in Gujarat. Total 11,409 PAFs have been resettled in 236 R&R sites across 7 districts of Gujarat. The consultation process by R&R Sub Group with GRA-Gujarat has been also completed on 8th February 2005. Govt. of Gujarat is in possession of sufficient land for R&R in already developed sites as mandated by NWDT Award and as per the provisions of liberalized R&R package of Govt. of Gujarat. At 121.92 meters, hydro power production will increase to 990 MW one of which the share of Madhya Pradesh would be 557 MW and Maharastra 267 MW.

Therefore, it is in the interest of all participating states to expedite NCA's clearance for EL 121.92 meters.

Sujalam Sufalam Yojana

State Government has launched Sujalam Sufalam Yojana in the ten worst affected districts of Gujarat to solve water problem caused due to excessive ground water extraction in the region. Most of the area of the 10 districts is now ranked over exploited and included in the dark category. New tube wells are already banned in these areas since December 2003. Hence, for agriculture and dairy development; the Government has decided to divert the surplus river water of South Gujarat and Central Gujarat rivers to these districts. The planning, design, estimates and principle approval of this scheme amounting to Rs 6237 crore has been completed. NABARD has also appreciated scheme and already sanctioned Rs 667.76 crores in the year 2004-05 while the proposal of 899.78 crore is pending with NABARD. The Planning Commission in its meeting recently held at New Delhi also appreciated Sujalam Sufalam Yojana. State Government is according highest priority to complete this project at the earliest. In the year 2004-05, Rs 800 crore for Sujalam Sufalam Yojana has been allotted. Similarly in the year 2005-06, Rs 733.04 crore has been earmarked. All the major works like Sujalam Sufalam Spreading channel lift irrigation schemes for filling up dam & ponds, more than 300 big check dams on rivers of North Gujarat, Surendranagar, Panchmahal, Dahod and work of Kadana High Level Canal and Panam High Level Canal are in progress. Major critical activities will be completed by Dec. 2005. **A total of Rs 1217 crores has already been spent on this scheme by the end of May, 2005.** On completion of this yojana the state will save 2794 MW of power & save Rs. 1091 crores of agriculture subsidy and achieve additional agriculture production of Rs.2300 crores per annum.

Water Harvesting & Water Conservation Schemes

State Government is proud to be a pioneer in the country to execute more than 1 lakh nos of check dams and boribundhs, in a period of last 5 year. We launched a unique scheme called **Sardar Patel Sahbhagi Jal Sanchay Yojana** which is a people participation scheme & was launched after detailed discussion

with farmers / beneficiaries in the year 2000, in which farmers groups have contributed approximately Rs 250 to Rs 300 crore. In addition to this, 200 big checkdams have been constructed across the rivers and 300 such check dams are under progress with participation of charitable trust and industrial houses. Financial assistance is also availed from NABARD for these big check dams. Planning Commission and Central Government have already appreciated this scheme.

IIM, Ahmedabad, in its study has evaluated and concluded that Sardar Patel Sahbhagi Jal Sanchay Yojana is very useful for permanent solution of water crises in the State. Important Achievements of the Scheme are as follows:

1. **Ground water recharge** - The study has indicated that recharge of 138.47 MCM of runoff water during a drought year became possible. In a normal rainfall year with 2 overflows assumed, the generated capacity could be 307.71 MCM.
2. **Benefit to wells** - In total 62225 wells were benefited from the Checkdams constructed in the five reference districts.
3. **Benefits to agriculture** - About 20 lac bighas of land could be protected against draught due to 10257 checkdams.
4. **Cost benefit** - Expenditure per checkdam was Rs. 1,58,000. Total benefits of Rs. 2,51,582 could be obtained in three years.
5. **Drinking water problem** - About 70 % of farmers opined that shortage of drinking water and of grass could be lessened.
6. **Impact on land prices** - Average price hike of Rs. 19,244 per bigha was estimated.
7. **Benefits experienced by people** - In some villages people had to buy water through tankers for ten to eleven months at the cost of Rs. 200 to Rs. 250 per month. This period was curtailed by six months due to check dams. The hand pumps which were found dried up earlier were also found live

because of recharge.

The fourth phase of Sardar Patel Sahbhagi Jai Sanchay Yojana has been launched on 1st April 2005, with financial contribution in proportion of 80:20 (Govt:Beneficiaries) all over the State. Overwhelming response from beneficiaries has been received to this scheme. It is targeted to construct 15000 check dams under this scheme during the year 2005-06.

Participatory Irrigation Management

The Government of Gujarat has taken several steps to cover command area of irrigation projects of the State under participatory irrigation management with the aim of involving farmers for overall improvements of irrigation system's performance. The scheme was successfully introduced in about one lac hectare even though the legislation for PIM is not yet operative. In the North Gujarat region most of the command of major projects like Dharoi, Guhai, Mazam etc. are covered under the PIM. The Government of Gujarat is keen to further popularize PIM and improve water use efficiency. The Mid Term Appraisal by the Planning Commission has also appreciated the efforts of State Government in this area.

Interlinking of Rivers

In Gujarat State, 71 % of the Geographical area comprising of North Gujarat, Saurashtra and Kachchh regions of the State are water deficit, while the South and Central Gujarat regions of the State, comprising of 29 % area have surplus water resources. Large quantities of monsoon flow of South Gujarat region is flowing in to the sea without any utilization. Govt. of Gujarat has decided to implement inter basin transfer of water from South Gujarat region to the needy North Gujarat, Saurashtra and Kachchha regions. Various rivers are linked with Narmada Main Canal. The work of more than 10 link canals / spreading channel within the State are taken up and some of these are already functioning.

Drinking Water

State Government has accorded highest priority to assured availability of safe drinking water to all. We are creating State wide Drinking Water Grid, which

on completion in the year 2007, would provide drinking water to about 14,000 villages and 154 towns, covering three-fourth population of the State, The grid includes construction of 2,700 km long bulk water transmission pipelines, massive distribution network connecting all these villages and towns, water treatment and filtration plants, in-village and in-town water storage and distribution infrastructure. We have completed half the grid taking Narmada water from South Gujarat all the way to villages and towns of North Gujarat, Saurashtra and Kutch.

To manage and distribute this water, massive decentralization and capacity building programmes have been taken up. We have universalized the sector reform programme in the State, wherein 90 percent cost of the scheme is provided by the Government and rest including operation and maintenance expenses is borne by the village community. During last two years. 2,835 villages, at a cost of Rs.392 crore, have participated in this programme. As a result we brought down tanker deployment substantially. In Gujarat, we have to transport water from long distances to almost two-third parts of the State, which is drought prone and desert. This is very costly. It is necessary that the Government of India allocates special funds for infrastructure development to enable the bulk water transfer to these regions for drinking water security in the State.

A Campaign to provide Literacy to every child: Enrolment Drive: Shala Preveshotsava :

A special campaign for 100 % enrollment in Primary Schools is being held every year. During last two academic years, all Ministers, including myself, senior level government officers, MLAs and MPs of the State camped in the villages for three days where female literacy rate had been less than 35% and ensured 100% enrolment of girl children in the schools. Considering the overwhelming public participation in the programmes, the State has announced Rs. 10007- **Vidya Laxmi Bond** for every girl child enrolled, which would be encashed after 7th year after successful completion of primary school. Simultaneously, Government of Gujarat also has organized "**Chief Minister Kanya Kelvani Nidhi**" to provide financial assistance. The enrolment drive organized by the State for girl children has been lauded by Government of India and Ministry of Human Resource

Development is taking steps to replicate the same in other States.

The following year wise figures reflect the actual achievement through the enrollment drive programmes.

Year	increase in the number of students enrolled
1998-1999	33,558
1999-2000	1,40,583
2000-2001	3,18,305
2001-2002	3,35,000
2002-2003	3,50,000
2003-2004	3,82,000
2004-2005	3,85,000

With these efforts we have been able to achieve reduction of the dropout ratio from 49 in 2001-02 to 10.16 in 2004-05 for std I to IV.

Sakshardeep Programme-2004

The Literacy Campaign Sakshardeep Programme-2004 was organized in all districts. Low literacy areas were covered during the campaign. The trainers of various educational institutions have undertaken the teaching work to make people literate. Teaching was carried out during the evening hours from 7.00 to 10.00. In all 51,206 trainers and 1,07,000 primary teachers have extended their services during the campaign. Total participation was 8,06,403 comprising of 3,07,427 males and 4,98,975 females.

The State is committed to eradicating illiteracy in next five years. Children moving along with the migrating parents who work in sugar and other project-based industries had been the major reason for perennial high level drop-outs. To solve this problem, directions have been issued so that these industries may start their own primary schools and provide opportunity for continuous education to these children. To achieve 100% literacy from the current level of 73%, alternative education, adult literacy camps and bridge courses are being planned for the next

five years. The recently conducted "Sakshardeep" drive (in December, 2004) where students, communities and private sector organizations were mobilized to organize literacy camps in large scale is an excellent example of **public-private partnership in education**. Similar campaigns are planned to tackle problems of illiteracy and reach 100% literacy in next five years..

Mid Day Meal Programme

The Mid Day Meal scheme provided hot cooked meals to 36.58 lakh children studying in standard I to VII in 30,567 Government Local bodies and govt. aided primary schools for more than 200 days through 29,198 Mid day Meal centers in rural and urban areas providing part time employment to 83,944 persons during the year 2004-05. Against a provision of 18,400.00 lacs, an amount of Rs. 17,041.49 lakhs has been spent during 2004-05. The Government of India provided free of cost foodgrains. @ 100 gms. Per child per for std. I to V For this scheme the total provision for the year 2005-06 is made for Rs. 161.08 crores.

Improving teaching quality and controlling teacher absenteeism in primary education

In Gujarat, Teachers' Training has followed a more interactive and a two - way process rather than the earlier one-way, lecture-based communication. Teacher training is organized at district level by the respective District Institutes of Education & Training (DIETs), who have been empowered identify their pedagogical and teachers training requirements and are planned accordingly.

Teachers are being trained in various aspects of modern pedagogy, viz. preparation of child centred and contextual TLM, effective teaching of Hard Spots of all the subject, New Textbooks, school level management of educational planning and implementation of Sarva Shiksha Abhiyan (SSA) in all the districts as well as the Municipal Corporation Areas of Gujarat. The training programmes are conducted by the respective District Project Offices at the B.R.C. level, while DIETs conduct the training at both BRC and CRC levels.

Village Education Committees, CRS and BRC Coordinators monitor the working of the schools including regular attendance by teachers.

During last year i.e. 2004-2005 the training programme for 9,06,785 man - days were conducted by respective District Project Offices at the BRC level, while DIETs conducted the training programme for 6,49,141 man-days at both BRC and CRC levels.

Towards Creation of a Healthy and Disease free Gujarat:

I am happy to state that through intensive and focused efforts, our State has nearly achieved the goal of 21/10,000 in respect of Leprosy Control a decade ago. We are now concentrating on a few pockets in South Gujarat, which still report a comparatively higher prevalence rate. Gujarat continues to lead the country in the implementation of Blindness Control Programme with 853 cataract surgeries per 100,000 people. More than 95% surgeries are IOLs. We are now focusing on the under-served remote rural and tribal areas to address the equity aspects of healthcare. Diabetic retinopathy is another focus area in our healthcare programme, which is now a major area of concern in the state.

The Revised National TB Control Programme has been extended to all the districts in the State. Our state has surpassed the national targets for case detection and cure of detected patients. Gujarat also continues its pioneering efforts in the School Health Programme where more than 84 lakh children have been covered and 68000 children received referral services close to their villages. About 500 children with heart ailment, kidney diseases and cancers have been provided free treatment by the state in the tertiary care institutions.

Keeping pace with the developments at the national level, we have integrated the Health and Family Welfare Departments at the state level for greater co-ordination, operational effectiveness and savings in administrative expenditure in the delivery of healthcare. The process for integration of the separate societies for the RCH programme, Leprosy control, TB, Blindness control and HIV AIDS has been initiated and is likely to be operationalised during the current year.

A comprehensive programme has been launched in the state for reduction of maternal mortality, which has remained constant at the level of 389/100,000 for the last few years. Our state has prepared its PIP plan for the phase 2 of the RCH programme for 2005-2009 after a long consultative process and has submitted the same to the Govt. of India. Mapping of the rural health infrastructure has been carried out with the help of Institute for Space Applications. Out of 271 CHCs, 48 CHCs have been identified for up-gradation of referral services. We have completed regrouping and upgrading 21 CHCs in the current year. These upgraded CHCs will have 4 specialists like Surgeon, Gynecologist, Physician and Anesthetic on contract basis.

Immunisation programme has been strengthened. Immunisation sessions will be held on every Monday in Government institutions and on Wednesday in the village sub centres. State level Programme Officers have been made Liaison Officers and regular visit are carried out by these officers on Wednesdays for qualitative assessment/supervision of immunisation sessions and validation of the immunization figures. The state has been polio free for the last two years and our experts have been helping other states for the same. We intend to launch a special scheme for providing insurance cover to the expectant mothers and neonates in the forthcoming year to reduce the mortality/morbidity of the mothers/children. We are at an advanced stage of discussions with the insurance companies and we estimate the expenditure to be about Rs.50 crores to cover the estimated 13 lakh births in the state. The scheme has been presented to the Health Ministry, who have shown keen interest in the matter.

National Rural Health Mission is one of the most laudable programmes launched in the country. I am sure that this will help in reducing the disparities among the population residing in various regions.

Gujarat Government has accorded high priority for improving quality of life of people in the State. The State intends to provide integrated reproductive and child health services by improving maternal and child health cares by reducing maternal mortality, child mortality and population stabilization.

To be specific, the goals are;

- Reduction of infant mortality rate from the prevailing level of 60 per 1000 live births to 16 by 2010,
- Reduction of maternal mortality from current level of 389 per 100000 live births to less than 100 by 2010.
- Achieving replacement level of fertility of 2.1 by the year 2010

Equity in the provision of health services is an underlying principle. Gujarat recognizes the need for an area-specific approach to reach out to indigent and marginalized sections of society. The State has not only achieved 100 % targets in establishing health infrastructure but the availability, access, utilization and quality of primary health care has been ranked good.

Process of decentralization was initiated in 1963 when three tier Panchayati Raj System was introduced in the State. Powers of recruitment of non-gazetted employees are delegated to the District Panchayats. Medical Officers of PHCs are empowered by delegation of powers. A new structure of Block Health Offices has been created in the entire state. The State also plans to integrate AYUSH with the modern system of health provision in next couple of months.

Under School Health Programme, medical check up of more than 90 lac school children and ICDS beneficiaries is carried out every year. Children needing specialist and super specialist care are provided services free of cost including Cardiac Surgery. More than 35000 children are provided spectacles. State is also fore runner in leprosy eradication programme. Reconstructive surgery camps are organized every year and leprosy patients with deformity are operated. The State has achieved the goal of leprosy elimination.

37% population of the state resides in urban and slums where primary health infrastructure is deficient. State has approved the budget for creating urban health infrastructure in 141 urban areas. This will provide Primary Health and RCH services to the urban poor residing in the slums. To fill up the gaps between the community and the health system a cadre of community based health volunteers has been created. This will help interface between the community and the health

system so as to reach services close to the people.

I am sure that the implementation of RCH - II and the National Rural Health Mission will go a long way in sustaining the health gains and thus in improved quality of life of people.

Empowering Tribals through Gujarat Pattern Approach:

The proportion of tribal population in Gujarat is 14.76 percent of the total population spread over in 12 districts. State Government is determined to involve local tribals in the process of formulation, planning, and execution of developmental programmes suited to the local conditions. Gujarat Pattern was launched by the Government in 1997 with earmarking a separate fund of Rs. 200 crores as discretionary fund to be placed at the disposal of Tribal Development Department to frame programmes / schemes suited to local tribal needs through District Adijati Vikas Mandals headed by concerned guardian minister of the district.

During the last five years, 33105 works in different sectors like health, education, roads, bridges, soil and moisture conservation etc. were successfully implemented at a cost of Rs.774 crores with creating big impact in Tribal Areas. Infrastructure development has been given priority and excellent roads could be seen now in tribal areas even at par with non-tribal areas. A total of 2786 Kms. of roads with an expenditure of Rs. 106.79 crores and 2150 check-dams with an expenditure of Rs. 114.39 crores have been completed to facilitate infrastructures in this remote belt.

New Agricultural Vistas in Tribal Areas

Tribal farmers have very small land holdings and are not in a position to carry out their livelihood with small return from land. Fruit plants like Mango / Cashew can grow up very well in Gujarat and may give sufficient return for years together. The Wadi Programme (Fruit Orchards) is successfully taken up in 15663 acres in the last two years.

Fruit Orchards schemes has been acclaimed widely in tribal areas

because of the fact that it has helped poor tribals in gaining economic benefit with the production of fruits in the near future and also improving environment as a whole.

New agriculture based schemes like Aromatic crops, fruit orchards, Vermiculture, floriculture, Jatropha cultivation has been introduced in tribal areas. Direct benefit goes to the poor tribals. Mushroom cultivation introduced in tribal area is becoming very popular as it gives economic benefits to poorest of poor who do not possess even land. As part of white revolution, 7504 beneficiaries have been provided milch cattles while aromatic plantation has been carried out in 357.02 acres. Fruit orchards have spread up in 15663 acres covering below poverty line families. A total of 4188 beneficiaries have got the benefit of Vermiculture, while 2,31,244 families have been assisted under 20-Point Programme. Pre S.S.C. Scholarship was awarded to 21,39,975 students while 2,29,123 students under Post Matric Scholarship got the benefit during the last two years.

Sanads for forest land for Tribals

Gujarat Government has dereserved 21082.33 hectares of forest land for regularising the unauthorised cultivation on forest land by 34441 tribals in 12 districts. Out of them as on 1-6-2005, sanads have been issued to 34248 persons for 21011.84 hectares of forest land by the Revenue Department and only 193 persons for 70.49 hectares of forest land the pending for issuing the Sanads.

A Special Impetus for Women & Child Development:

An integrated approach to Woman & Child Development work has been initiated and put in practice by the Government through various institutes, convergence of existing services, resources, infrastructure and manpower available in woman specific and development related sectors.

Women development activities like legal aid centres, adolescent girls, assistance to Gujarat Economic Development Corporation, creches for children of working women, financial assistance for rehabilitation of destitute widows and

training schemes will be continued during the year 2005-06.

Four regional dowry prohibition offices have been established in the State. Rape and Gender based violence intervention unit will be established at the cost of Rs. 10/- lakhs. The Women Economic Development Corporation will be strengthening to cover more women beneficiaries under the bankable scheme of Ghar Diwada. There are four remand homes running for the implementation of Juvenile Justice Act. 37961 Anganwadis will be operationalised under Integrated Child Development Scheme. Supplementary nutrition will be provided to 24.80 lakhs beneficiary children, mothers and adolescent girls. 1200 Anganwadis will be constructed with the assistance of Government of India and other funding agencies. 25 per cent matching grant of Rs.5 crores will be provided by the State Government to complete construction of these centres. A new scheme of training of widows of the age group of 18 to 40 years for their rehabilitation in various skills will be introduced at the cost of Rs.7.20 crores.

Government of India has revised norms of unit cost of ration per day per beneficiary under ICDS from Rs.1.00 to Rs.2.00 for unit of 300 calories and 8 to 10 grams of proteins. The State Government has made an upward revision in unit cost per beneficiaries per day ration of Supplementary Nutrition from Re. 1.40 to Rs.2.00 from 1 /4/2005.

The Gujarat Year of Urban Development - 2005 :

Gujarat is one of the most urbanized state in the country with 38 per cent urban population. Cities and towns are centres of economic activities and contribute immensely to the national economy. It is necessary that infrastructure facilities are made available in these towns/cities to ensure that they become excellent place to work and live. However, most of the towns lack adequate infrastructure (such as roads, public transport, drinking water, sewerage and solid waste management systems). Even when infrastructure projects are carefully planned the pressure of migration into urban centres sometimes overtakes development process. The development of better roads, public transport, water supply, sewage system and the improvement in the quality of life of the urban poor is an area of focus for the urban development. To address the urban development

issues, Gujarat has taken a lead and has declared this year as '**Urban Year-2005**', to give total focus on urban centres and make them environmentally sustainable. This objective will be achieved through the following strategies.

- Strengthening Towns and Regional Planning Practices.
- Strengthening Urban Governance/Management.
- Ensuring adequate investment in Urban infrastructure augmentation.
- Protection of Environment Conservation and natural resources.
- Providing access to service land, shelter and work places for urban poor
- Strengthening urban transport system.

All these strategies are keeping with the spirit of 74th Amendment and guideline issued by Government of India from time to time. Model Municipal Laws, Modern Accounting system, e-governance, levy of user charges in various services and public private participation are key reforms being attempted this year. Above all our motto is to involve public participation in all this programme to ensure a sense of ownership among the citizens, leading to better urban governance. Some of the unique programme taken up during this year includes conservation of urban heritage and history and covering more than 50% of Urban population with pipeline, gas grid. To tackle the problem of shelter for the urban poor we plan to construct about 30,000 houses during this year. In order to mobilize the efforts and resources the State Government has launched **Gujarat State Urban Development Mission** and formed '**Urban Infrastructure Development Fund**'. The main emphasis under the Urban Mission would be infrastructure development in the form of roads, drainage system, housing for urban poors, potable drinking water supply, construction of pay and use toilets, developing green belts, introducing CNG based buses and privatisation of public transport system. A public awareness campaign has also been initiated to enlist the support of all the sections of society to develop the urban areas which will be more livable, competitive, vibrant and centre of economic growth.

State Government has taken up the "**Sabarmati Riverfront Development Scheme**

which is the first of its kind in the country. In its first phase a 9 kilometers long riverfront is being developed by reclaiming and structuring the riverbanks. While the Govt of India is yet to formulate the final guidelines for the National Urban Renewal Mission, it is requested that such Riverfront development projects be made eligible for assistance under the above scheme.

We have also undertaken feasibility study for developing a **Mass Rapid Transport System** between Ahmedabad and Gandhinagar and various transport options are being evaluated .

Gaurav Path Yojana

This is a scheme to be implemented totally with the peoples'contribution. Under this each Urban Local Body is to identify one street for beautification, to be designated as the Gaurav Path, and which would be most modern boulevard in that ULB. Other rquirements include all encroachments to be removed, uniform color code for buildings, common signage, roads with central verge and lighting, proper foot-paths and provisions for greenery .

Urban Sector Reforms

Government of Gujarat has initiated several reforms in urban sector. Repealing of Urban Land Ceiling Act, Rationalization of stamp duties, reform in rent control laws, area based property tax, introduction of double entry accounting system, and amendments in The Bombay Provincial Municipal Corporation Act, 1949, Gujarat Municipalities Act, 1963. We are framing new policy for slum dwellers and street vendors.

The Legendry Smooth Roads of Gujarat:

Gujarat has at all times been known for the smooth well maintained roads, not only the high ways but even the district and village roads. The phenomenal increase in the traffic due to multitude of ports, industrial clusters new markets and

tourism keep the demand for continued development of these roads. I delineate below the planning and strategy for the same

Privatisation

Gujarat is one of the most prominent industrial States of India with a long history of private enterprise. The tradition of private enterprise has been supported by industry and investment friendly policies of the State Government with a positive approach to private business. The Roads and Buildings Department (R&B), Government of Gujarat (GoG) has implemented two road projects namely Vadodara Halol Toll Road Project and Ahmedabad Mehsana Toll Road Project with private participation. These were the first large Private Sector participation projects undertaken in the road sector using a framework which has been adapted to what is currently called the "Model Concession Agreement" of documentation and was one of the first states to set up what is now commonly used Special Purpose Vehicle (SPV). These two projects have continuous service road all along the project corridor, which are toll free for local traffic. The local and slow moving traffic ply on service roads and hence the road users of toll road get maximum return for their toll. In continuation the state has taken up projects to provide two lane roads with paved shoulders with private investment. This includes Deesa - Panthawada - Gundri, Himatnagar by-pass, Kim - Mandvi, Suigam-Sidhada and Bhuj- Nakhtrana. Possibility of taking up stretches of Pragtipath on BOT basis is being examined.

Core Network

Gujarat state has road network of 74018 km. length achieving village connectivity as high as 98.70%. Considering industrial development, ports, APMC and important cities state has defined a core network of 8954 km. This core network includes 2910 km. of National Highway which is being upgraded under NHDP and other Programmes of Government of India. This leaves 6044 Km. of state highways which requires to be upgraded on priority. In order to achieve assumed GDP investment to upgrade road infrastructure is essential from various sources of plan / non plan funds.

World Bank assisted State Highway Project

The state has successfully implemented World Bank assisted Rs. 2000 cr. project to upgrade 1850 km. of state highways. The project is at an advanced stage. The visiting W.B. team has expressed satisfaction for the quality and progress of the project. Also the project has been rated as best practice for environment and social issues.

ADB assisted resurfacing of Rural Road

The work of improving 651 Rural Roads measuring 3288 km. benefiting 1128 villages in 11 districts at a cost of Rs.184 Cr. was approved. The work of 3030 Km. is completed.

An excellent road network is essential for rapid development of any state. Gujarat has initiated ambitious schemes to improve road infrastructure to maintain present phenomenal growth.

Gujarat has initiated a programme to upgrade/improve state roads passing through urban areas with facilities like widened / divided 4-lane highway, storm water drain, footpath, street light and modern road furniture under "**VIKASPATH YOJANA**". This programme will upgrade about 400 km. in 111 urban areas at a cost of Rs. 165 cr. In order to connect extremes of the state with high speed corridors state has taken up ambitious project under "**PRAGTIPATH YOJANA**". Nine corridors have been defined measuring 3710 km. length. These long distance corridors will also provide convenient linkage to industrial areas, ports, agricultural markets, tribal area and inter state connectivity. The estimated cost to develop these corridors is Rs.1027 cr. and is proposed to be completed within period of three years.

Approach road linking villages and roads connecting Taluka and District are important for development of rural area. These cater to the social requirement like health and education apart from transportation of agriculture produce. The state has taken up improvement of roads connecting villages having population more than 3000 under "**KISANPATH YOJANA**". Under this scheme it is proposed to

improve about 2425.95 km. of rural roads. This will upgrade the connectivity to APMC and interlink between Taluka to Taluka and Taluka to District.

The development of Industries and Infrastructure in the New Economy :

The State Government has declared its Industrial Policy, Tourism Policy and Mineral Policy to help Industries Sector' in a fast changing global scenario in Post-WTO era. In consonance with the Exim Policy of the Central Government, the State Government has enacted SEZ Act with the amendment in the Industrial Disputes Act. Gujarat is the only State to have such a flexible Labour Policy applicable to SEZ Units. Similarly, Gujarat is the only State which has got maximum (seven) number of zones approved.

The Government of Gujarat has proposed to set up various Industrial Parks at Ahmedabad, Surat, Jetpur, Kudasán, Ichapor etc. The events like **Vibrant Gujarat, Patang Mahotsav, Navratri Mahotsav** etc., are organized to attract more investments and to show case the potentialities of Gujarat. MOUs signed during such events for setting up industries are closely followed up by the State Government for their implementation. The Government of Gujarat has identified 76 Industrial and 25 Cottage Industrial Clusters which are being developed during the 10th Five Year Plan period.

Vibrant Gujarat: Global Investors' Summit

We held the programme of **Vibrant Gujarat** in the year 2003 during which MOUs for 76 projects worth Rs.66000 crores were signed, of which, 61 projects worth Rs.58922 crores are at an advanced stage of implementation and 15 projects have already gone into production. During last Navratri Festival, we have promoted Tourism under its various facets including Spiritual tourism, Heritage tourism, Medical tourism, Adventure and Eco-tourism. Government has also organized international Kite Festival during January 2005 alongwith "**Global Investors Summit**" with a view to show-case Gujarat as most Vibrant as well as Favourable and Potential destination for making investments. The Seminars were also conducted on different important core-subjects concerning various Government Departments. As a result, Government could sign 226 M.O.U.S. worth

Rs. 1,06,1607- crores for investments in different sectors during this summit.

For attracting funds for infrastructure development, two new funds are being set-up, (1) **Gujarat Infrastructure Development Fund** and (2) **Gujarat Charity Fund**. Apparel Parks and Gems and Jewellery Parks at Ahmedabad and Surat are being set-up. Bio-technology Park at Savli is under implementation. High-tech Textile Parks are being set-up and lastly, total 6 new Special Economic Zones are being set-up. Other 2 Zones are already operational.

The approach paper for Mid-term Review by the Planning Commission has identified construction industry for large scale employment creation for unskilled and semi-skilled labour. Gujarat is one of the foremost States to abolish ULC Act in order to encourage construction industry by making available large chunks of urban lands. Secondly, Gujarat has amended Rent Control Act with a view to allow reasonable market rent to the landlord to encourage housing construction.

Gujarat has excellent industrial peace and lowest man-days lost in the country.

We have introduced Voluntary Self-Certification for industrial units, regarding adhering to requirement of various labour laws. This policy has reduced frequent visits of Labour Department officials to the industrial units. Further, the visit of Labour Department officials to be undertaken once in a year, will be called a "Development Visit" rather than a "Regulatory Visit" .

I would like to put here following Proposals pending with the central Govt.

- Industrial Park Act is pending with the GOI. The GOG has not received the approval along with flexible labour policy, i.e., amendment to ID Act to be made applicable to the units in Industrial Park.
- Extension of time limit for setting up units in Kutch from 31-12-2005 to 31-12-2006.
- Need for reduction in Railway Freight for salt - Thousands of small salt workers is involved in the Salt Industry.
- Import duty on Soda Ash - should not be reduced further since the domestic

industry is already in trouble. . .

- Super fast Ahmedabad Bombay Railway line and pending gauge conversion.
- Jute Packaging order has made jute packaging compulsory for sugar and foodgrains, thereby affecting several small scale HOPE/ woven sack units in Gujarat. GOI is requested to review this decision.

The Import Duty on Ships, which are coming here for ship-breaking, is 5%, which has affected the ship-breaking industry negatively. The same may be reduced,

Restructuring Public Sector-The third Model

Gujarat has had the advantage of having the first ever pilot project of any multilateral institution like ADB for a programme related financial assistance, as a part of which a comprehensive public restructuring plan was formulated which is under implementation at present. Such recommendations normally have suggested either closure, disinvestment or unbundling as the measures to be adopted. We have successfully been able to wind up a number of PSUs and the others are under restructuring.

However, in a unique way we have also experimented successfully transforming sick units like GSFC and GACL into profit making units today by bringing in managerial reforms on a sustained and a determined manner.

Public Private Partnership in Infrastructure Enabling legislation

Gujarat realised way back in 1999 that a necessary legislation is required for infrastructure development through public private partnerships as it signals the commitment of the government to private sector and also assures permanence of policy guidelines as compared to administrative fiats. The legislation levels the playing field and provides transparency and consistency in the rules to be applied. It also provides the broad policy framework for PSP and a common set of guidelines for implementing PSP options.

Gujarat has enacted the GID Act in 1999, the first such state level law in the

country, also called the BOT Law. It has also enacted the SEZ Act, Industrial Park Act, a Draft Water Act.

Policy reforms

The State requires to implement policy reforms across various infrastructure sectors such as power ports, roads, I.T. , water, industrial parks etc. These reforms address sector specific issues with respect to public private partnerships, defines the structure of the sector, prescribes role for private sector and government, defines termination and transfer issues and government position on fixing user charges. In short the sector policy, defines roles, responsibilities and rights during the various stages of project implementation of government and private sector partner.

We have framed the Road policy- 1996, port Policy - 1995, Power Policy -1995, IT Policy - 1999 and gas distribution policy - 2002.

Sectoral / Project Planning

A sectoral / project planning in infrastructure development with respect to public private partnerships is highly essential for the State. The sectoral planning develops vision for the state, identifies the thrust areas, does a detail listing of the shelf of projects, helps in integrated planning, gives sector level physical plan, and helps in estimation of financial requirements.

Gujarat has done a sectoral planning exercise in the field of infrastructure development through **Blue Print for Infrastructure - Gujarat, Vision 2020.**

Sector Regulation:

Adequate regulatory structures are required to control both technical and economic performance. Regulation of tariffs and other economic factors is particularly undeveloped which results in discouragement of public private partnerships. The basic objectives of regulation is autonomy, accountability, transparency and predictability. More importantly, the regulatory mechanism ensures consultation between the public and private sector and dispute resolution

between the providers and users of the network.

Gujarat has a regulatory commission for the power sector in the form of GERC which has been formed in 1998. A study for separate regulator for the Port sector is under progress in the State.

Energy- the Critical Input for Economic Development:

The per capita consumption of energy in Gujarat, as in 2004-05, stood at 972 units which is very close to the year 2012 target of the National Energy Policy of 1000 units. The demand of power is an ever increasing factor in the march of the state towards its development.

The power being a critical element in the development of the State, various steps have been taken for its growth. The installed capacity which was 315 MW in the year 1960-61, has increased to 8683 MW. Number of Sub-stations and the no. of consumers, during this period have been increased from 42 & 1.4 lacs to 805 and 79 lacs from 1960 to 2004-05 respectively. Sufficient investments were made for augmenting the Transmission and Distribution System to ensure power supply to the far flung areas of the State. The per capita consumption of power in the state is much higher than the national average. Further, Gujarat Electricity Board has also achieved 100% electrification of villages, making it one of the most advanced States in the country, in terms of consumption of power.

With regard to the reforms and restructuring of the power Sector, the Government enacted the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003. Under the Act, State Government restructured GEB into a generating company, a transmission company and our distribution companies. A trading Company with the activities of residual GEB has also been created. All the companies have started functioning w.e.f. 1 st April, 2005. The corporatisation plan of GEB will ensure the running of the said corporate entities on sound commercial lines and help them become financially independent and efficient to meet the upcoming challenges in the Power Sector.

We have improved the PLF of generation units from 64% in 2003-04 to

70% in 2004-05. Further GEB has brought down its losses by Rs. 900 crores from Rs.1932 crores in 2003-04 to Rs.1050 crores in 2004-05. Moreover we have successfully renegotiated old PPAs with the IPPs to reduce the cost of power purchase by Rs. 558 crores per annum for State utility.

Jyoti Gram Yojana

With a view to providing 24 hours of power supply to domestic consumers and also to boost up the agro based and small industries as well as educational activities in rural areas, Government introduced the " Jyoti Gram Yojana " with public participation which is getting tremendous response. Within a time spell of only one and half years, more than 10000 villages are covered under the scheme with the expenditure of approx. Rs. 1000 crores when completed. It is targeted to cover all villages (18000) by December, 2005. **Accordingly, Gujarat would become the first State in the country which provided 24 hours power supply to rural population at par with the urban areas.** Gujarat is the pioneer State in the country to implement such a revolutionary scheme.

The **pilot evaluation study** reveals that the scheme ensures the upliftment of village economy and also helps in the overall growth of the villages. Benefits of the scheme are numerous. The increase in small scale industries has generated additional employment. It will also reduce the migration of village population. This scheme will also lead to availability of modern health and educational facilities in rural areas. On the part of the utility, the study reveals that there is remarkable saving of electricity on account of separating the agricultural feeder and village feeder. The failure rate of distribution transformers has been reduced remarkably. On increase in consumption by consumers in villages, the revenue of the utility has also improved.

Petroleum Regulatory Board Bill

Govt. of India is considering the proposed Petroleum Regulatory Board Bill. The basic intention of the bill is to regulate the refining, processing, storage, transportation, distribution, marketing and sale of petroleum products.

Since the State is having several gas fields and since the state has already taken initiatives in establishing the network of local gas distribution in the State by laying down gas grid network for transportation of gas across the State, the State Govt. has requested the Govt. of India to make certain amendments in the proposed Bill to protect the works already undertaken in the State and has further requested to introduce a two tier regulatory system i.e. Central Regulator and has State Regulator. The Central Regulator may look after the inter state and cross border pipelines while the State Regulator may look after the intra State Gas Grid Network as well local distribution network.

It is necessary that the Govt, of India agrees to incorporate these crucial charges in the proposed Bill.

Prevention of Power Theft and Malpractices :

The State has made vigorous efforts to curb the power theft. A total of 74 installation checking squads are working to detect the pilferage of power under the control of a Senior IPS Officer. During the year 2004-05, more than 20 lacs connections were checked and power theft to the tune of Rs. 17718.52 lacs have been assessed. Special Courts and the Appellate Committees under the new Act have already been constituted.

Draft Tariff Policy:

Recently Central Government has formulated a Draft Electricity Tariff Policy wherein State Government has represented that the harnessing of Captive Power Generation capacity should not be at the cost of the State utility. In view of the prevailing lower interest regime and reduction in cost of capital return on investment in electricity sector should be below 14%. It has also been represented that reasonable time frame should be provided for the recovery of "Regulatory Assets" by the regulators.

The Proposed Gujarat Motor Vehicles (Use of Fuel) Regulation, 2005

With the prime objective of preventing pollution of air caused by emissions from motor vehicles in the State and also in pursuance of the Hon. Supreme

Court's directive, in this regard, the State Government has decided to enact a legislation for compulsory switch over of motor vehicles into CNG mode. A draft Bill, approved by the State Cabinet, was forwarded on 4.2.2005 to Ministry of Home Affairs, Gol for administrative approval. I take this opportunity to request the Government of India to accord concurrence to the proposal expeditiously.

Allocation of Gas for Pipavav Power Project:

Gol had conveyed in June, 2000 'in principle' an approval for the allocation of 2.25 MMSCMD of gas for 615 MW the proposed Power Project at Pipavav in Gujarat. However, recently Gol has informed that in terms of Production Sharing Contract between Central Government and Joint Venture of Panna, Mukta and Tapti fields, the JV has been allowed to market the gas at market related price w.e.f. 1.4.2005. The reversal of Gol decision has come as a shock to us. I have, therefore, requested the Hon. Prime Minister to intervene in the matter and issue suitable directives to the Operating Committee of the Tapti Gas Fields for supply of committed natural gas for the project, at the same price as charged by GAIL at present on the HBJ pipelines. The Pipavav Power Project is essential for stabilizing the Grid in the Saurashtra region of the State.

Non-conventional Source of Energy:

To exploit available potential from non-conventional energy sources which are environment friendly, the State Government has already declared incentive schemes for wind power, bagasse based co-generation, energy generation through solar photo voltaic cells, geo-thermal sources, municipal and urban solid waste, biomass etc and also for small, mini/micro hydel generation.

Recently State Government signed MoUs with five Companies for setting up Wind Farms and Mini/ Micro Hydro Power Project for 1625 MW capacity with an estimated investment of approx. Rs.8000 crores.

Information Technology- The tool for Efficient Management

The State Government was one of the first state in the country in creating a **Gujarat State Wide Area Network** (GSWAN) which is the largest IP based

network in the Asia Pacific and it connects the state capital to 25 districts and 225 Talukas. The State has also an intranet and more than 108 websites hosted on the intranet. The state has also got data center, there is also a Center of Excellence for e-Governance for capacity building.

Under the **Gyan Ganga project**, 140 Kiosks have already been operationalised in several Taluka and 2500 villages will be networked by the end of 2005. The project is using the CORDECT technology based on Wireless in Local Loop which has been specially developed by IIT, Madras. The State Government has also started computerization of Gram Panchayat (first phase nearly 5000 Gram Panchayat) and which has been popularly named as e-Gram.

In most of the Municipal Corporations viz. Vadodara, Ahmedabad, Rajkot, Surat the facilitation centers have been initiated and number of services are being integrated. BOOT & PPP models have been used for these projects.

Development of Biotechnology

The state is undertaking activities for promoting Biotechnology development, establishing Centre of Excellences, providing financial support in biotechnology research, encouraging Biotechnology entrepreneurship by establishing Gujarat Biotechnology Park, Fund developing Biotechnology Park, undertaking Human Resource Development.

The State is supporting promotion of three biotechnology projects and biotech organizations. Our focus is on institutional development Research and Innovation, Human Resource Development Infrastructure Development and facilitating measures. Support along these lines, is needed in Agriculture, Animal Husbandry, Industry, Healthcare Marine, Forestry and Environment Sectors. This needs a higher allocation for the next five years, till a strong foundation is established.

Center for Marine Biotechnology

Gujarat has a 1600 km long coastline, with an amazingly vast variety of marine life. The Gulf of Kutch is home to one of the two Marine National Parks of the country. The Central Salt and Marine Chemicals Research Institute at

Bhavnagar in Gujarat have already initiated research and development work in Marine Biotechnology. The Government of Gujarat proposes to capitalize on the vast potential of Marine Biotechnology further.

Indian Institute of Biotechnology

Gujarat has tremendous potential to contribute in utilizing Biotechnology in the production of Drugs, Vaccine, medicine, pharmaceutical and in the field of healthcare. This is so due to strong industrial, manufacturing and entrepreneurial culture in the State. Talented and skilled human resources to carryout these activities need to be developed. With this aim, it is proposed to establish a Center of Excellence in the State preferably located in Gandhinagar as "Indian Institute of Biotechnology". This institute should have provision of graduate and post graduate courses alongwith research facility for doing masters to cater to the need of Biotechnology industry. It is envisaged that, this institute would be on the lines of IIM, IIT's and Indian Institute of Information Technology.

Strengthening of Panchayati Raj Institutions through peoples' participation.

Gram Sabha

Gujarat has been the laboratory of Panchayati Raj since 1963 itself, when the Panchayat's Act was implemented in right earnest without any significant incidence of general supersession of the panchayats at any of its three tiers.

For people empowerment and public participation, a novel experiment of Gram Sabha was started by the Government last year.. From October-04 till today a total of 8 rounds of Gram Sabhas have been completed for the 18000 villages of Gujarat. During this campaign 1.34 lakh Gram Sabhas were held, a total of 100.89 lakh villagers attended the same while 6.14 lakh issues were raised in the Gram Sabhas out of which 3.34 lakh issues were disposed off on the spot and total 5.92 lakh issues have been disposed off till now.

Samras Gram Panchayat

Such Village Panchayats are awarded certification as "Samras Gram

Panchayat", in which the Villagers elect their representatives without contest in the Village Panchayat. For such village panchayats an amount of Rs. 1.0 lakh award is given if the population of the village is above 5000 and Rs. 0.60 lakh is given if the population is less than 5000 as a grant. The fund is utilised for the development works of the village. 3780 Village Panchayats have been declared as "Samras Gram Panchayat".

Teerth Gram Yojana

The main objects of the Teerth Gram Yojana are unity, communal harmony, Peace and all-around development of villages. This scheme is to be implemented from the current year 2004-2005. It is decided to Award Rs. 1.00 lakh to Teerth Gram Village. Almost 200 villages have been declared as Teerth Gram so far at the end of March-05.

Panchavati Yojana

The main objects of the Panchavati Yojana is to provide facility for recreation in villages and encourage environmental friendly activities like play ground for children, plantation of trees and development of natural sites with tourism potential with the assistance as matching grant from MP & MLA local area development fund to be taken.

Administrative Reforms Citizens Charter

With a view to ensuring transparency and openness in administration and making the delivery system more responsive, Citizens Charter has been implemented at the District level. It also is proving to be an interacting tool with the general public and resulting in providing better Public service. Under this programme, different offices under 23 Departments of the Government have published a total number of 305 Citizen's Charter. Under this Programme, Public Facility centres are set up in the main offices of all the Districts.

Public Grievances Redressal Mechanism

To achieve the very spirit of "The Government - For the people", the Government

of Gujarat has taken steps towards building this mechanism. As part of which, the following initiatives have been taken:

Jan Sampark Karyakram

For on the spot disposal of grievances, District wise Prabhari Mantri/ Prabhari Sachiv are appointed. They visit the Districts designated to them on regular intervals.

Public grievances redressal officers

For attending to Public grievances and speedy disposal of the same, public complaint redressal officers have been appointed in all the Departments of Sachivalaya and all the Government offices. .

Lok Prahri Tantra

In order to see that public grievances are redressed at a faster speed and to provide connectivity between the general public and the Administration, four Retired District Judges have been appointed as Lok Prahris.

Lok Prahari offices have been set up for hearing Public grievances of the people of the Districts of Ahmedabad, Vadodara, Surat and Rajkot. Recently, the Districts of Kheda, Gandhinagar, Anand, Rajpipla, Junagadh, Navsari, and Valsad have also been included under this scheme.

Karmayogi Maha-abhiyaan:

Karmayogi Maha-abhiyaan has been launched by the State Government to reach out to all the state government employees spread over every nook and corner of the State covering all 25 districts and 225 talukas, It is an attempt to bring about changes in the culture of both administration and development.

It is a unique attempt by any State Government in the country to involve its employees as major partners and key stakeholders in improving the quality of administration and governance.

The following are the key initiatives under this programme:

V-Governance Training

Governance is as good as the Human resource employed. Recognizing the fact that human capital formation in the Government is the most significant strategic initiative required to be undertaken, Vibrant Governance training initiative has been institutionalized by the Government of Gujarat. The transformation initiative is focused on improving services to citizens, business and industry. All the Government staff, across all levels, is being involved in this initiative.

The objectives of this programme are, to expose government personnel to the need of being responsive to changes and inculcate the ability to adapt meaningfully; to augment capacity building; to facilitate attitudinal and behavioral fine-tuning to usher in personal as well as professional growth and cultivating positive approach, proactiveness, cost consciousness, better work processes etc.

The general feed back received from the personnel trained so far under this programme has been extremely positive and encouraging. After training the secretariat staff, presently the training is being imparted to the personnel at the district level. This perhaps is the pioneering effort, only of its kind any where in the country.

Karmayogi Sarvabhipray

The Government has initiated 'Karmayogi Sarvabhipraya' to take creative inputs from employees and officers and to encourage their active and emotional contribution in administration and development. In this context, suggestions for reformation in administration have been obtained from 3.5 lacs employees of the state government.

The objective of the project is to establish emotional bond of the employees with the government, so that each one of them becomes partners in progress. It also aims, apart from creating a database of government employees, to trigger introspection and inspiration among the employees and motivate them to perform better.

Conclusion

In the end, Sir, I would like to reiterate that State Government has engaged itself in a systematic, scientific and professional manner to analyse all dimensions where development is crucially required to be carried out to meet with the challenges of the New Economy. We have taken care to launch developmental efforts in all required directions with complete involvement of all the people of Gujarat. We are confident of achieving the targeted results due to the campaign approach in time bound manner. I would, therefore, like to take this opportunity to commit the services of the State of Gujarat as the growth engine of the developmental Efforts of the Great Country to which we all proudly belong.

Vande Matram and Jai Hind