

GOVERNMENT OF PUNJAB



Text of Speech

Of

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Respected Prime Minister, Hon'ble Deputy Chairman, Planning Commission of India, Esteemed Members of the National Development Council (NDC), Ladies & Gentlemen,

At the very outset, I would like to compliment Dr. Manmohan Singh Ji, Hon'ble Prime Minister of India for convening the meeting of the National Development Council (NDC) for mid-term appraisal of the 10th Plan and thank him for providing me an opportunity to express my views in the matter and also to touch upon important issues of relevance and special interest to Punjab. I must also congratulate Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission and his colleagues for preparing a very exhaustive Agenda for the Mid-Term Review of the 10th Plan, flagging very relevant critical issues for discussion and decision by the National Development Council.

2. The Indian economy is growing well, although we need to work harder at achieving the targets that we have set for ourselves. The average growth rate of 6.5 per cent in the first three years of the Tenth Plan is better than the average growth rate over the past two decades, but it is well short of the growth rate target of 8 per cent. While growth in the current year is expected to accelerate to 7.6 per cent, the average growth rate in the Tenth Plan period is now expected to be below 7 per cent. An important factor behind the slow growth of GDP is the inability of the investment rate in the economy to pick up. Although public investment is constrained by the poor finances of the Centre and the States, private investment has also not shown the expected growth, reflecting the need for improving the overall investment climate in the country.

Punjab Economy

3. I would now briefly dwell upon the status of the Punjab economy. The growth rate target for the Punjab for the 10th Plan was fixed at 6.4 per cent, against the national target of 8 percent. Punjab has actually achieved an average growth rate of only 3.5 per cent in the first three years of the Plan, and the achievement of the targeted growth rate of 6.4 per cent for the five year period does not seem to be feasible, mainly due to productivity fatigue in the Agriculture Sector and low public and private investment.

4. Agricultural stagnation has been accentuated with low investment in the sector.

The State could not attract any major large or medium industry because of the fears with regard to law and order problems arising from the record of militancy and terrorism for over a decade. The industry rather shifted from Punjab during this period. Now, industry is moving out to the neighbouring States of Jammu & Kashmir, Himachal Pradesh and Uttranchal due to major concessions given by the Government of India to industries being set up in these States. To arrest this trend, the Government of India is requested to provide similar concessions to the State of Punjab as are being given to the other neighbouring States.

Fiscal Status

5. Our Government assumed office in February, 2002 and inherited a very grim financial position. The revenue deficit was at an all time high at Rs.3781 crore and fiscal deficit was at Rs.4959 crore in 2001-02. The debt stock was Rs.32,496 crore at the end of 2001-02, which is 460% of the revenue receipts. There was a large shortfall in the transfer of funds to Urban Local Bodies (ULBs) and the Panchayati Raj Institutions (PRIs) as per the recommendations of the First and Second Punjab Finance Commission. Responding to its commitment to restore financial health of the State, our Government took a number of steps in its very first year, to ensure fiscal consolidation. These included doing away with free power and water for irrigation, rationalization of user charges for various social and economic services, compression of non-productive expenditure and disinvestments in PSUs. It took more than three years for these measures to bear fruit. No doubt, even today, the State's finances are under stress, but we are happily past the days when no funds could be released for various development projects.

6. During the last three years, various fiscal indicators have also shown signs of improvement. The revenue deficit, which was 5.38% of GSDP during 2001-02, is likely to come down to 2.28% at the end of 2005-06. Fiscal deficit which was 7.05% of GSDP at the end of 2001-02, is likely to come down to 4.62% of GSDP in the current fiscal. Committed expenditure on salaries, pensions and interest payments which consumed 118% of the revenue receipts during 2001-02 is likely to come down to 80% during 2005-06. Debt stock, which was more than 460% of the revenue receipts of the State at the end of 2001-02, is likely to come down to 355% of revenue receipts at the end of

2005-06.

7. The mounting debt burden of the State is a cause of worry. The State has been raising loans to meet its developmental and non-developmental needs. The large proportion of high cost Small Saving Loan tends to increase the interest burden of the State. In the face of huge negative balance in the State's Revenue Account, whatever little development effort has been made is debt funded. It is in this context that we have been requesting the Government of India to recommend our case for Structural Adjustment Loan (SAL) from the World Bank, so as to provide the State Government much needed fiscal space. I would like to reiterate the State's request for SAL.

8. On our part, we have swapped high-cost debt to the tune of Rs.5329 crore with low-cost debt, with a view to reduce the debt burden of the State. The recommendations of the Twelfth Finance Commission, and their acceptance by the Government of India, are also likely to provide some relief to the State on the debt front. However, Punjab still continues to be highly debt stressed. This problem has been further compounded by the Special Term Loan to the tune of about Rs. 5800 crore, that the State Government was advanced by the Union Government during 1984-85 to 1993-94. The State is now required to repay these loans with interest, despite the Union Government's decision to waive them off. The matter was referred to the Eleventh Finance Commission and the Twelfth Finance Commission, who recommended moratorium on repayment and interest, which is to expire at the end of 2006-07. As recommended by the Eleventh Finance Commission and reiterated by the Twelfth Finance Commission, the State Government has already lodged a claim with the Union Home Ministry for reimbursement of security related expenditure incurred by the State Government during the period of militancy. This matter needs to be expeditiously brought to a finality, by giving the State much deserved relief.

9. As per the recommendations of the Twelfth Finance Commission, which have been accepted by the Government of India, from the current financial year, all Central Assistance to the States will be only in the form of grants. Under the existing system, a part of the Normal Central Assistance and Additional Central Assistance is being received in the form of loan. Out of total Central Assistance of Rs.872 crore on various counts for the Annual Plan 2005-06 of Punjab, Rs. 572 crore are in the form of loans.

Till a road map for switching to the new system is drawn-up and issues relating to loan caps, instruments and instrumentalities of accessing the capital market and related regulatory issues are fully addressed, the Central Government may continue on behalf of the State Governments, to raise loan from the market to the extent of loan portion of the central assistance on various counts to enable states to fully implement the Annual Plan.

10. From this year, the Planning Commission of India has discontinued the P.M.G.Y. programme, which aims at providing basic minimum services to the people in rural areas. The Government of India is requested to reconsider its decision and provide funds for these schemes, as the State is not in a position to fund these essential schemes due to resource crunch.

11. Mr. Prime Minister, Sir, I would now like to touch upon the performance of the 10th Plan. An expenditure of only Rs.5570.00 crore has been incurred against the approved outlay of Rs.9095.00 crore in the first three years of the 10th Plan, indicating a plan performance of 61%. The State could not implement the Annual Plans fully during the first three years of the Tenth Plan due to acute resource constraint. The programmes relating to the welfare of weaker sections, agriculture diversification and infrastructure development have been the worst affected.

12. The State Government is committed to arrest this decline and put the State's economy back on the high-growth trajectory by adopting a fiscal strategy consisting of two main planks. First, fiscal discipline has been enforced so as to overcome the situation of financial distress that the State faced. Second, a number of new development initiatives have been implemented with the objective of increasing investment, improving social indicators, and better governance. The focus of these new development initiatives has been on infrastructure, human resource development, capital formation, improving the quality of life, and reinventing governmental delivery systems. Our major initiatives are:

- a) Reducing and redirecting subsidies including power and water subsidies.
- b) Engaging the World Bank to finance three projects for roads, rural water supply, primary health care and to provide a structural adjustment loan. We

request Govt. of India to use its good offices for early clearance of these projects.

c) Addressing the public health, human development and equity concerns of inadequate water management infrastructure in both urban and rural areas, by initiating a Punjab Accelerated Infrastructure Development Programme under which State Government has set up a Municipal Development Fund and a Village Development Fund. With a corpus of Rs 300 crore these funds will access the capital market to the extent of another Rs 1,200 crore and provide a window for PRIs and ULBs to finance their water management infrastructure including O&M in a financially viable manner.

d) Investing in rural infrastructure with NABARD funding for roads, irrigation and water supply.

e) Encouraging public private participation especially in infrastructure, transport, real estate, education and health.

f) Improved and alternative delivery system for services to enhance the quality, coverage, efficiency and cost-effectiveness of public services.

g) Promoting marketing and processing of agricultural produce by facilitating contract farming, farm-gate purchase, food parks and cold chains.

h) Enhancing investment in the primary sector by public investment in irrigation, setting up an Agriculture Infrastructure Research and Development Fund, setting up a Farmers Commission, setting up a University of Animal Sciences.

i) Providing financial & functional autonomy to co-operatives to double credit to agriculture in three years. For this we request that credit refinance by NABARD for 6% Crop loans be enhanced from 35% to 75%.

13. One result of these initiatives is that a climate conducive to investment by the private sector has been created in the State. I am happy to mention that despite the liberal tax exemptions available in our neighbouring hill States, there has been investment of about Rs 8,500 crore by industries in Punjab. This does not include the

investment in Bathinda Refinery, for which I am grateful to Prime Minister for his benevolent intervention to remove the conditions of sales tax exemptions for the Refinery which were considered deleterious for the State's economy.

14. Similarly, infrastructure projects in various forms of public private participation including BOT have taken off in roads, bridges, bus stands, ITI's and polytechnics.

15. The Government's concern for the welfare of the poor and destitute is reflected in its decision to set up a dedicated Social Security Fund with earmarked sources of receipts. This Fund will be applied toward old age pensions, and assistance to widows, orphans and disabled persons.

Empowerment of Panchayati Raj Institutions (PRIs)

16. To comply with the 73rd constitutional amendment, the Punjab Government has taken concrete steps to empower the Panchayati Raj Institutions (PRIs). Six departments namely Social Security, Welfare of Scheduled Castes and Backward Classes, Public Health, Rural Development and Panchayats, Health and Family Welfare and School Education have already devolved some functions and powers to PRIs such as sanctioning and disbursement of social security pensions, providing nutrition to children and single village water supply schemes etc. Gram Panchayats have been authorized to execute works upto Rs.10.00 lakhs, the Panchayat Samities upto Rs.20.00 lakhs and Zila Parishads without any limit.

17. State Government is committed to the implementation of the National Common Minimum Programme (NCMP). The main components of NCMP have already been included in the Annual Plan 2004-05 and the Annual Plan 2005-06. We are confident that NCMP would be fully implemented in the remaining period of the 10th Plan.

18. Mr. Prime Minister, Sir, I would now turn to various sectoral programmes forming part of the 10th Plan.

Agriculture

19. The pioneering role played by Punjab in Indian agriculture and national food security is well known. Agriculture growth rate which was 5% per annum in 1980s has

declined to 1.9% in 2003-04. The scope of growth in net sown area, irrigated area and cropping intensity is minimal as all these sources of growth have been exhausted. The foodgrain production, primarily wheat and rice, is almost stagnant. Excessive use of chemical fertilizers and pesticides has not only led to increase in the cost of cultivation and thereby decline in margin of profit for the farmers, it has polluted the soil and water resources of the State extensively. The socio-economic condition of farmers particularly small and marginal farmers is deteriorating day by day. The present production system is not sustainable because of declining water table and degradation of agro-ecology. There has been a significant increase in the cost of cultivation due to increase in cost of inputs such as seeds, pesticides, diesel and agricultural machinery etc. Consequently, the rural indebtedness is increasing. There is a dire need to diversify the rice-wheat based cropping pattern. In addition, we also need to find a more desirable and financially viable solution of the ever-increasing rural indebtedness.

20. It is suggested that MSP for Basmati may also be fixed so that there is varietal diversification and also a boost to the basmati exports. Further, capacity of the NAFED may be built enough financially and otherwise to ensure the procurement of other crops such as maize, pulses, oilseeds etc. for which MSP is routinely announced. MSP has no meaning, without effective procurement support.

21. Punjab State accounts for about 8% of the total fertilizer consumption in Indian agriculture. However, the non-availability of fertilizers, particularly of phosphatic fertilizers (DAP) seriously affects the sowing and production of the crops. Also, there is a need for regionally differentiated concessions for different states to offset their locational disadvantages. The allocation of nitrogenous fertilizers (Urea) should also be increased for Punjab, and its timely availability be ensured.

22. As regards fruits and vegetables, the overwhelming problem is one of lack of modern cold storage facilities in the State where farmers can store produce and market the same when the prices are favourable. Investment in food processing industry on the part of the private sector is being encouraged, which would also help farmers of fruits and vegetables through backward linkages of such investments. The State amended its Agriculture Produce Market Act to enable the private sector to set up such markets. It needs to be liberally supported from the Horticulture Mission Fund for this purpose.

Irrigation

23. Mr. Prime Minister, Sir, Punjab is predominantly an agrarian economy and irrigation plays an important role in sustaining its growth. In order to ensure optimal utilisation of over exploited water reserves, the strategy of our Government is to complete the ongoing work of remodelling and reconditioning of the existing canal system by arranging adequate funds from different sources for this crucial sector. I would like to draw your special attention for the release of balance Central Loan Assistance under Accelerated Irrigation Benefit Programme (AIBP) so that the on going projects of National priority in the State may be completed, which include projects such as the Shahpur Kandi Dam project (Rs. 78.15 Crore), remodelling of UBDC system (Rs. 20.00 crore), for providing Irrigation facilities below Talwara (Rs. 17.98 crore) and for the completion of Kandi Canal (Rs. 29.60 Crore). Beside this, on the recommendation of Committee constituted for optimal utilisation of waters of the Indus System, our Government has already submitted a proposal costing Rs. 19.94 crore to the Ministry of Home Affairs for the rehabilitation of Madhopur, Harike and Hussianiwala head works. I take this opportunity to request you for an early release of Central Assistance under AIBP for the timely completion of these projects.

24. The State Government is also proposing a project at a cost of Rs. 98.78 crore for the rehabilitation of first Patiala feeder and Kotla Branch, which is one of the oldest canal system in the State and its channels are in a deteriorated condition. The completion of this project will enhance water Irrigation capacity of the State by 20%. An early approval of this project under AIBP is solicited.

25. The canal system in Punjab requires urgent repair, maintenance and upgradation due to several years of neglect caused by paucity of funds and the increasing demand for surface irrigation due to the rapid and alarming depletion of ground water. We are committed to provide adequate water in canals upto the tail ends. For this we have launched a major canal rehabilitation programme funded on the non-plan side by utilizing resources from user charges. Unfortunately the user charges suffice only for routine maintenance and not for the major rehabilitation which requires Rs.200.00 crore. Out of this we will provide Rs.100.00 crore in the non-plan budget and request Rs.100.00 crore plan central assistance, as a one-time measure.

Co-operation

26. Ever since the inception of cooperative credit movement in the country, the Punjab Cooperatives have played a significant role not only in ushering in the green and white revolutions but also in sustaining them. I am glad to inform this apex policy framing body that we are already in the process of removing undue control on the cooperatives, so that these Institutions could work as independent and autonomous bodies. In order to give an added impetus to the cooperative movement in the State in light of the Union budget, our Government is committed to double the agricultural credit within three years for the farmers of the State. The steps taken in this direction include; removal of maximum ceiling on agricultural credit, revision in scale of finance per acre, additional limit of Rs.1000 per acre for purchase of diesel, reduction in the rate of interest on crop loans to 10%. It will help the State to achieve agriculture credit target, if the NABARD refinance is increased from 35% to 75%.

27. In pursuance of the recommendations of the Vikhe Patil Committee constituted in September, 2001, a sum of Rs.360 crore was required to be paid to the State Government Cooperative Credit Institutions for their revitalization. Though the Committee had recommended that the share of rehabilitation package should be in the ratio of 40:60 by the State Government and the Government of India, yet in view of the severe constraint on resources of the State Government, it is requested that the entire funding should be done by GOI.

Animal Husbandry

28. Live Stock Sector in Punjab is playing a vital role in the rural economy of the State. Our Government has taken up the work of Herd registration to conserve indigenous well adapted cattle & buffalo breeds which had been neglected over the years. A nucleus bull breeding farm in Ludhiana District has been set up so as to produce a future buffalo bull of high genetic potential. A project for setting up of Bull Semen Bank in Patiala District, costing Rs.10 crore has already been submitted to Government of India for approval and for inclusion in the National Project on Cattle and Buffalo Breeding (NPCBB) programme for the current year. I take this opportunity to request you for early approval/release of central assistance for this purpose.

29. In order to boost veterinary education, research and extension, Our Government has already decided to set up a University of Veterinary & Animal Sciences. With the coming up of this University, there will be a landmark improvement in the livestock production and quality of milk and milk products.

30. To improve the genetic germ plasm in lactating animals Embryo Transfer Technology (ETT) is the best choice to have more than one calf a year. It may go upto 50 in the life span of the animal, whereas ordinarily we can have only 5 to 6 calves from the female in its life span. This project with a total cost of Rs.5.00 crore has already been submitted to the Government of India for approval.

Industries

31. Punjab's economy can benefit from its comparative advantages in a free trade environment, provided we make the right investment in capital, infrastructure and skills. An important event in this regard is the phasing out of textile quotas under the Multi Fibre Agreement. We are facilitating the setting up of textile parks in the State, as also industrial clusters for apparel, steel, sports goods, auto parts and bicycle parts. Industrial projects are cleared quickly under a Single Window Service. An Empowered Committee clears mega projects with investment above Rs 100 crore; so far 35 such projects have been cleared with investment of Rs 8,500 crore.

32. The proposed Special Economic Zone (SEZ) at Amritsar will have a significant impact on investment and employment in Punjab. We have identified the site and request early clearance, as well as a one-time special grant of Rs 200 crore to set up the SEZ.

33. Punjab's first oil refinery is proposed to be set up at Bathinda by HPCL. The State Government has provided a comprehensive package of incentives and support for this important project. We request that the Ministry of Petroleum may execute this project in a time bound manner.

Science & Technology

34. To meet the future needs of accelerated development of Bio-technology and its

applications, Our Govt. has proposed to establish National Institute of Biotechnology in the State. The proposal is based on two most successful models- Central Institute for Genetic Engineering and Biotechnology (CIGB) at Havana (Cuba) and the Plant Biotechnology Institute (PBI), Saskatoon (Canada).

35. I recently had the opportunity to visit the Plant Biotechnology Institute, Saskatoon during my visit to Saskatoon (Canada) on 21st May, 2005. I was impressed by the presence of the Biotechnology Industry on the campus of PBI. As, such a presence not only ensures public - private partnership but also helps to vastly improve the quality of human resource produced by the institute, I, therefore, felt very strongly that the existing model of the PBI is in deed worthy of consideration and replication in Punjab. I had an opportunity to interact with the team of experts of the institute led by Director General Dr. Kutty Kartha. They were willing to work and cooperate with the State of Punjab to establish the proposed National Institute. I take this opportunity to request the GOI to grant approval to establish National Institute of Biotechnology in Punjab.

Power

36. We are happy to observe that the National Electricity Policy aims at ensuring that the growing demand for power would be fully met by the year 2012. This will be possible only if targets for additional generation capacity and transmission infrastructure are met by power utilities both in the public and private sector. The power shortage in Punjab can be alleviated by setting up a dedicated coal-based plant of 1,000 MW capacity in the central sector or by an independent power producer, and by extending the gas pipeline from Panipat to Ludhiana to feed a 1,000 MW gas-based power plant.

37. Power sector reforms are being undertaken in Punjab in accordance with the Electricity Act, 2003. It has been the experience in other states that mere unbundling of the State Electricity Board, unaccompanied by financial restructuring, tariff rationalisation, operational improvements and restructuring the organisation, has not succeeded. Therefore, we have worked out a comprehensive plan that includes a financial package to ensure that the new utilities are viable and not shackled with the accumulated losses of the composite PSEB. This will cost us about Rs 3,500 crore, for

which we require one-time central assistance by way of transition funding.

38. Sir, I congratulate you on the recent initiative being taken on the new rail freight corridor from Mumbai to Delhi and from Delhi to Kolkata. Sir, I strongly urge you to consider extending the corridor from Delhi to Amritsar.

Infrastructure

39. Good roads are an important determinant of economic growth. State Government has posed to the World Bank a project of about Rs 1,100 crore for upgrading State Highways. A NABARD assisted project of Rs 250 crore is being executed to improve important rural roads. The National Highways passing through Punjab need urgent widening and strengthening. Out of 1717 km of National Highways, about 125 km need four-laning and 635 km need widening and strengthening in view of traffic density. These projects are estimated to cost Rs 1,235 crore, which may be provided by Government of India this year and next year.

40. State Government is in the process of inviting bids for the construction, operation and maintenance of 18 road corridors, measuring nearly 1,000 km on BOT basis. We hope to award these works during this calendar year.

41. Our efforts to invite private participation in infrastructure provision and operation have borne fruits in diverse sectors such as bus terminals at our major cities of Amritsar, Jalandhar and Ludhiana; ten ITIs and four polytechnics at different locations. We are in the process of finalising a policy on alternative service delivery models in the education and health sectors. I am happy to note that these modes of service delivery find an important place in the recommendations contained in the review document of the Tenth Five-Year Plan.

Border Area Development Programme

42. The Border Area Development Programme is being implemented in 17 border blocks of the State in the districts of Amritsar, Gurdaspur and Ferozepur. Under the programme, schemes which address problems such as inadequacies relating to provision of additional needs, strengthening of social infrastructure, filling up of critical

gaps in the road network are taken up. Besides, the security related schemes are also included in this programme. In view of the high security sensitivity at the border, private investment is not taking place leading to poverty, unemployment and low level of development in these areas. The annual allocation is stagnant at Rs.10.08 crore for the last many years, which is very meagre. The Central Government is requested to enhance the allocation to at least Rs.50.00 crore per year for this programme, to the State of Punjab, with highly sensitive borders.

43. The State of Punjab has one of the longest international border (approximately 553 Kms with Pakistan). The condition of roads and bridges in this border belt is very poor due to frequent movement of heavy army vehicles. The Border Roads Organisation of the army maintains about 20,000 Kms of defence roads of strategic importance in the country. Percentage of Roads maintained by Border Roads Organization in Punjab is however less than 1%. There is a strong case for the State to seek funds for the development of these roads in the border belt in view of security related problems. It has been estimated that roads in the three border districts of Punjab i.e. Ferozpur, Amritsar, Gurdaspur need immediate upgradation at an approximate cost of Rs. 982.50 crore which is bound to escalate if not provided now. Govt. of India should also consider to make the districts of border area instead of block being a unit under BADP to ensure all round and balanced development of the border districts as compact unit.

Employment

44. Punjab continues to be plagued by the maladies of unemployment, under-employment and disguised unemployment. A sizeable section of the growing agriculture workforce is being rendered surplus, due to stagnation in agriculture and lack of alternative employment opportunities. This growing young and educated pool of unemployed is a matter of concern due to the implications of possible social unrest. Our State's industrial policy has succeeded in attracting investment in industry in the IT sector. However, the bulk of employment in Punjab is of an unskilled and low value added nature, which is unsuited to the skills and expectations of the youth. Therefore, we need urgent measures to generate high-wage employment by integrating the State with the National and Global Economy. In this context, I strongly urge the Government

of India to upgrade and modernize Amritsar International Airport, support our effort to build a new Airport near Ludhiana and to commission a feasibility study for an Expressway connecting the National Capital Region to Amritsar and Srinagar. This Expressway should consist of a high speed rail and a six lane highway which will benefit the States of Haryana, Himachal Pradesh, Punjab and Jammu & Kashmir. Employment generation requires growing enterprises, which in turn require flexibility in labour laws. The recommendations made by 2nd National Labour Commission have been discussed on a number of times in the National and State fora. Now a consensus needs to be evolved in the context of the National Common Minimum Programme (NCMP).

Rural Development

45. There is a wide disparity in devolution of funds for Poverty Alleviation Programmes among the States. State of Punjab has a share of 0.7% of the pooled funds for this purpose, whereas the share of some of the other states is as high as 18%. This aberration has occurred because of one definition of "Population below poverty line" applied uniformly across the States. It is suggested that the formula for the determination of families living below poverty line should be reworked. The methodology contained in the report of the Expert Group (Lakdawala Committee) for this purpose has consumption expenditure as its basis. Cost of living should also be given due weightage. Pending such a decision, a State like Punjab should be compensated by higher allocation of funds for rural road network and other rural infrastructure facilities to ensure strengthening of the existing infrastructure.

Water Supply & Sanitation

46. In Punjab, 2444 villages are still to be provided with potable drinking water supply. As per Government of India guidelines, all the problem villages/habitations are required to be covered by 31.3.2005. It seems to be a remote possibility in view of the financial crunch in the state. The balance villages can be covered in the next 5 years subject to the annual availability of Rs. 190.00 crore for coverage up to 40 LPCD level and 225.00 crore for 70 LPCD level. The drinking water is a basic necessity. Government of India is, therefore, requested to give liberal assistance to take up this

massive programme.

Urban Development

47. Punjab has already signed a Memorandum of Agreement (MOA) with the Ministry of Urban Employment and Poverty Alleviation for undertaking Urban Reforms. In seven areas identified by the Government of India for Urban Reforms, the State has already undertaken Repeal of Urban Land Ceiling and Regulation Act, and the concept of e-Governance has already been introduced in Corporation towns. Computerization of Property Tax, Grievance Redressal system, Tax Billing, and Birth & Death Certificates is under process. Computerized registration of Property has already been introduced in most of the Districts.

48. Punjab is the fifth major urbanized state of India. Urban population now constitutes 33.92 per cent of the total population of the State. 74 per cent of the urban population in the State has already been covered for potable drinking water whereas only 52 per cent of the urban population is provided with sewerage facilities. An estimated Rs.2460 crore would be required to undertake the remaining coverage of water supply and sewerage. A new Municipal Development Fund has been created in the State for this purpose with a corpus of Rs. 200 crore which will be used to leverage funds from the capital market to the extent of Rs. 800 crore. State Government has revised user charges and provided a window for urban local bodies to access funds for water management projects provided they fully meet the obligations of operation and management.

49. The National Slum Development Programme with Additional Central Assistance is being implemented in 24 towns for providing basic amenities.

50. "Guru Ram Dass Development Project" for the 100 per cent coverage of water supply/sewerage facilities to the residents of Amritsar at an estimated cost of Rs.257.00 crore has already been sent to Government of India as per the announcement made by Hon'ble Prime Minister of India during his visit to the Holy City Amritsar on 1st September, 2004. An early clearance of the project is solicited.

Health

51. The State has submitted a comprehensive project namely "Reproductive, Child Health & Family Planning (RCH-II) Programme Implementation Plan" (PIP) for the Financial Year 2005-10 with an outlay of Rs. 1121.76 crore to the Government of India. Under this project, a completely different approach will be adopted to reduce Maternal Mortality Rate (MMR), Infant Mortality Rate (IMR) and Total Fertility Rate (TFR). I take this opportunity to request that funds to the tune of Rs. 514.57 crore may be provided to the State Government for implementation of this project.

52. Our Government is in the process of finalizing a project for providing specialized healthcare services in the rural areas through Telemedicine, by connecting District Hospitals, Sub Divisional Hospitals and Remote Community Health Centres/Primary Health Centres with Medical Colleges, AIIMS New Delhi, PGIMER Chandigarh and PGIMER Lucknow. The total project outlay will be around Rs. 15.00 crore, which will be implemented in two years.

53. Our Government has submitted a proposal for "Cobalt Therapy Unit" and "Oncology Wing" in Civil Hospital Hoshiarpur, Civil Hospital Bathinda and "Regional Cancer Centre" at Civil Hospital, Jalandhar. Under this programme, various endeavours have been made for the prevention and treatment of cancer as well as for the education of masses about the signs and symptoms of cancer for its early detection. I request GOI to provide funds for implementation of this project.

54. Anti-Leprosy services are also provided at all the district and sub-divisional Hospitals. Medicines are being provided free of cost. To check the increasing Allergic Skin problems, Health Education is being provided regarding use of chemicals/cosmetics, pesticides etc. Skin specialists have been posted in all the district hospitals where OPD services are being provided.

55. The State has low prevalence in HIV/AIDS. The AIDS prevalence among High Risk Group (HRG) is only 1.20% and 0.25 % among low risk Group (LRG). Government has opened up clinics in all the district hospitals to check the sexually transmitted diseases HIV and AIDS. The State Government has submitted a complete proposal to NACO (National AIDS Control Organization) for establishment of an Anti Retrovirus

Treatment (ART) Centre at Jalandhar on the pattern of PGI to provide free curative health services for HIV/ AIDS patients.

Education

56. Our Govt. is laying great stress on improving the quality of education by extending/upgrading infrastructural facilities in Government Schools. In order to improve enrolment retention and reduce drop out rate of students and to improve nutritional status of students studying in primary schools, Mid Day Meal Scheme (MDMS) is being implemented in a proper way, despite constraint on state resources.

57. At the start of the Sarva Shiksha Abhiyan in Punjab, there were around 3.2 lakhs out-of-school children. This number has come down to around 88,000 (Sept. 2004) .At present, under SSA Punjab is running 2944 Education Guarantee Schemes (EGS) Centers covering 83, 235 children. The remaining out-of- school children are slightly difficult as they are overage, with low motivation and may have low learning skills. For them, two Bridge Courses have been developed with the aim to main stream them to the formal education system .

58. Under SSA 2,433 additional classrooms, 87 new school buildings , 58 Block resource centers & 77 cluster resource centers have been completed. Around 22,000 bicycles to deserving girls from poor families (out of which 11,000 to scheduled caste girls) living in remote areas and studying in upper primary schools have been distributed.

59. Punjab Govt. has launched an ambitious Information and Communication Technology (ICT) Project for computer education in government schools. State has 5422 upper Primary Schools and out of which only 1299 schools have been covered due to paucity of funds. G.O.I, is requested to cover ICT Project under SSA so that remaining 4123 schools could be covered to make students computer savvy.

60. The project comprises a computer literacy programme, computer aided learning and teacher training. Under the Computer Literacy Program students of class 6th to 12th are being imparted compulsory computer education based on CBSE/NCERT guidelines. In the first phase 1299 government schools with more than 300 students each are

covered under the project. 1645 modern computer labs having 18,223 computers are working and connected through LAN (local area network) and to the internet. Special textbooks cum workbooks have been developed and given free to the students. About 3,000 well qualified computer teachers have been appointed on contract basis. Computer Aided Learning is being started in primary and upper primary schools. In the first phase 1299 upper primary and 3897 primary Schools are being covered. A variety of new courses in new and emerging areas such as Information Technology, Bio-Technology, Environmental Sciences, Fashion Designing, etc. have been introduced.

61. State Govt. has decided to set up an Indian Institute of Technology(IIT) alongwith an Indian Institute of Management The process of selection of site for this project has already been initiated. G.O.I, is requested to provide liberal central assistance for this institute.

Welfare

62. Punjab is suffering from a major problem of an adverse sex ratio. As per the 2001 census there are 874 females per thousand males in Punjab, which is the lowest among all States except Haryana. In Punjab, the "Pre-Natal Diagnostics Techniques (PNDT) Regulation and Prevention of misuse Act, 1994" is being enforced and an awareness campaign has been undertaken at a large scale through advertisements/print media, and plays etc. To boost our efforts, Govt. of India is requested to provide liberal central assistance to combat this menace.

63. Our Government has formulated a Policy for the empowerment of Women and is implementing various schemes for raising their educational and economic status. Women self-help groups have been formed and these groups are involved in economic activities to make the women self reliant.

64. The scheduled castes in Punjab constitute 28.85% of the total population, which is highest in the country. The State Government has set up "The Punjab State Scheduled Caste Commission" to safeguard the interest of SCs. The Commission would investigate and monitor all matters relating to safeguards provided to SCs under the Constitution of India and would evaluate the working of such safeguards.

65. There are more than 3,00,000 houseless SCs living below the poverty line in the rural and urban areas. In the year 2001-02 and 2002-03, an amount of Rs.10.00 crore each was provided by the Government of India and 8440 beneficiaries were provided houses and 178 beneficiaries were provided plots. State Government proposes to provide houses to all these houseless SCs, but is not in a position to provide funds due to constraint on resources. In the Annual Plan 2005-06 an amount of Rs.50.00 crore has been earmarked for the construction of 25,000 houses to cover the poor houseless SCs in rural as well as urban areas. Government of India is, requested to provide liberal Central Assistance for this purpose.

66. State Government is committed to take various measures for raising revenue and compressing unproductive expenditure for achieving these targets. The State Government expects to fully implement the Annual Plan of Rs.3550 crore for the current year and we will formulate a realistic plan for the next year on the basis of available resources.

67. Sir, we in Punjab fully share the vision of development with social justice which you have outlined in your address and which is spelt out in the Mid-term Appraisal of the Tenth Plan. Punjab at one stage was the fastest growing state in the country. The state passed through some very difficult times. We in the Punjab government today are determined to restore the position of Punjab as the best performing state of India.

68. In the end, I would like to once again thank the Hon'ble Prime Minister and his esteemed colleagues for giving me an opportunity to express the views of our Government on important aspects relating to the development of the country and the specific problems which the State is facing.

JAIHIND