



The Growth Engine of India
GUJARAT

SPEECH OF
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**AT THE ANNUAL PLAN DISCUSSION
IN THE PLANNING COMMISSION**

NEW DELHI 24TH JUNE, 2011

As we enter into the last year of the Eleventh Five Year Plan

**and look towards the Twelfth Five Year Plan,
we need to look back at our performance and
achievements in the past decade.**

The last year of the first decade of the 21st century also happened to be the Golden Jubilee Year of the State making our performance and achievements in 2010-11 special.

In the Golden Jubilee Year we established new benchmarks and standards of performance for ourselves and set ambitious targets called "Swarnim Siddhis" or Golden Goals. Improving HDI and inclusive growth, promoting better governance, empowering youth and women and ensuring active participation of people in governance remained our major priorities.

To give citizens a sense of security, Quick Response Teams and Bomb Disposal Squads have been established in all major cities having police commissionerates and all border districts. Women Police Stations have been set up in all districts of the State.

There has been unprecedented public participation in various innovative events during the Golden Jubilee Year. Whether it was the 'Vanche Gujarat' programme involving half a crore people or 'Samaydaan' of 5 crore man-hours or a new record in tree plantation or participation of 1.3 million children over 24 days in 'Swarnim Khel Mahakumbh' or one lakh people learning Sanskrit or over 20,000 people participating in a chess tournament establishing a new world record!

A matter of great satisfaction was the presence of 101 countries and 19 States of India during "Vibrant Gujarat Global Investors' Summit: 2011", with partnering of developed nations like Japan and Canada. The summit witnessed the signing of 8,380 MOUs garnering an investment of Rs. 20.83 lakh crore which re-emphasizes that Gujarat remains the favorite destination of investors, both national and global.

State of the Economy

Gross State Domestic Product (GSDP) at factor cost at current prices in 2009-10 has been estimated at Rs. 4,29,356 crore as against Rs. 3,67,745 crore (revised estimates) in 2008-09, registering a growth of 16.8% during the year. At constant (2004-05) prices, GSDP at factor cost in 2009-10 has been estimated at Rs. 3,31,633 crore as against Rs. 3,00,847 crore in 2008-09, showing an increase of 10.2% during the year. While Gujarat accounts for 4.95% of India's population, its share in the country's GDP for the year 2009-10 at current prices works out to 7.0% while at constant (2004-05) prices it is 7.38%.

The share of primary, secondary and tertiary sectors is 14.2%, 38.6% and 47.2% respectively to the total GSDP in 2009-10.

Per Capita Income:

The Per Capita Income at current prices has been estimated at Rs.63,961 in 2009-10 (National per capita income Rs. 46,492) as against Rs. 55,140 in 2008-09, registering an increase of 16% over the previous year.

Per Capita Income at Current Prices :
Gujarat & All India



Growth Performance:

The growth performance of the State economy in the last ten years is shown in the table below:

The overall performance of the State Economy as measured through Gross State Domestic Product (GSDP) indicates high growth trajectory in the first decade (i.e 2001-02 to 2010-11) with average annual growth rate of 10.3%.

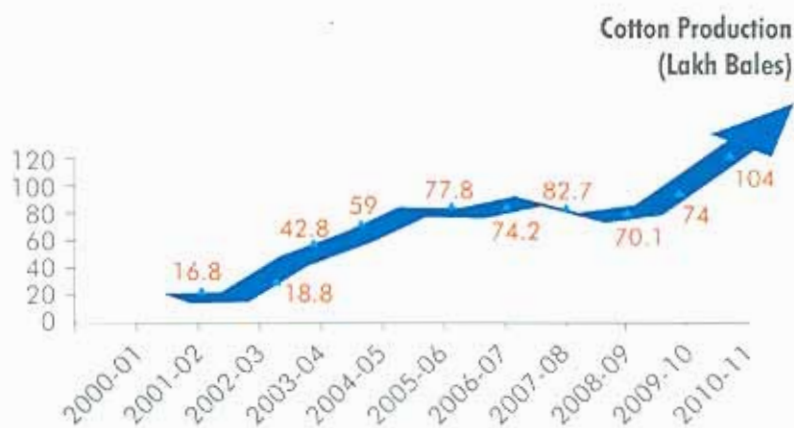
The State was affected by the global economic meltdown during the year 2008-09 when it registered an average annual growth rate of 6.96%, But, it has speedily recovered from the impact of global meltdown and achieved double digit growth rate of 10.23% in 2009-10 and 11.58% in 2010-11.

Performance of the State Economy in the First Decade of 21st Century
(Rs. Crore)

| Year | Agriculture | Growth (%) | Industry | Growth (%) | Services | Growth (%) | GSDP | Growth (%) |
|--|-------------|-------------|----------|-------------|----------|-------------|----------|-------------|
| 2000-01 | 16,230 | - | 38,046 | - | 62,422 | - | 1,38,776 | - |
| 2001-02 | 21,721 | 33.83 | 38,050 | 0.01 | 67,567 | 8.24 | 1,50,896 | 8.73 |
| 2002-03 | 19,964 | -8.09 | 43,910 | 15.40 | 73,154 | 8.27 | 1,62,796 | 7.89 |
| 2003-04 | 28,834 | 44.43 | 49,179 | 12.00 | 79,307 | 8.41 | 1,87,249 | 15.02 |
| 2004-05 | 26,746 | -7.24 | 55,443 | 12.74 | 89,321 | 12.63 | 2,03,373 | 8.61 |
| 2005-06 | 33,982 | 27.05 | 65,683 | 18.47 | 1,00,263 | 12.25 | 2,33,776 | 14.95 |
| 2006-07 | 33,616 | -1.08 | 72,537 | 10.43 | 1,11,383 | 11.09 | 2,53,393 | 8.39 |
| 2007-08 | 37,155 | 10.53 | 78,244 | 7.87 | 1,24,747 | 12.00 | 2,81,273 | 11.00 |
| 2008-09 | 33,592 | -9.59 | 81,893 | 4.66 | 1,41,106 | 13.11 | 3,00,847 | 6.96 |
| 2009-10 | 33,677 | 0.25 | 90,884 | 10.98 | 1,56,542 | 10.94 | 3,31,633 | 10.23 |
| 2010-11 | 39,277 | 16.63 | 99,972 | 10.00 | 1,75,706 | 12.24 | 3,70,032 | 11.58 |
| Avg. Annual Growth (2001-02 to 2010-11) | | 10.7 | | 10.3 | | 10.9 | | 10.3 |

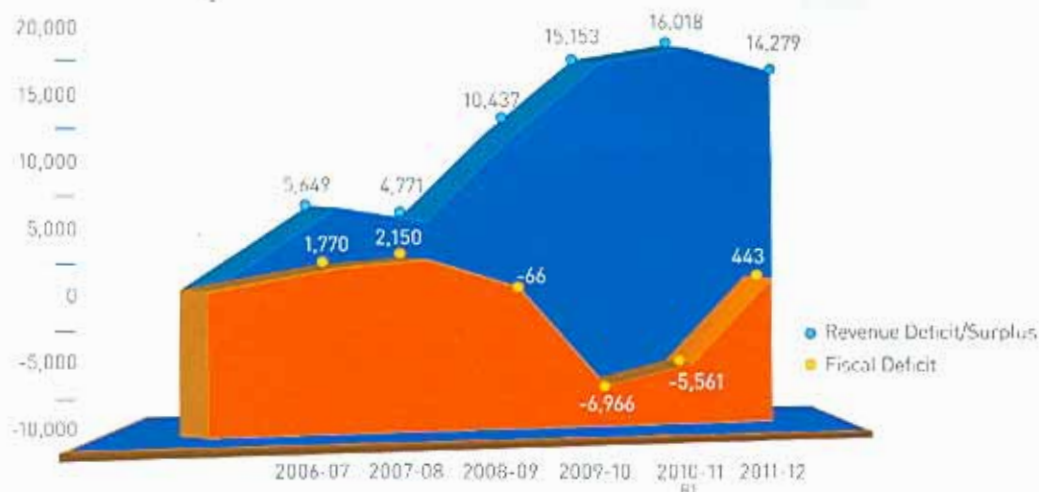
It is expected that the economy would achieve the targeted growth of 11.2% during the Eleventh Five Year Plan.

Despite suffering from lower (approx. 25% deficit) than the normal rainfall (800-900 mm) mostly once in every triennium ending, the State Agricultural economy performed at an average annual growth rate of 10.7% during the first decade of 21st century. Cotton, wheat, fruit crops and milk have played a vital role in sustaining the agricultural growth.



Fiscal Discipline:

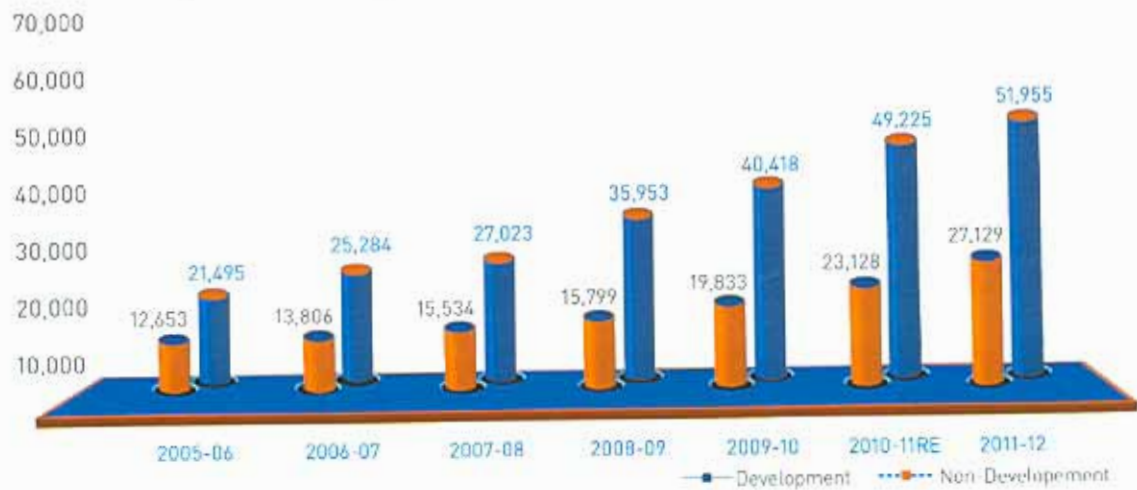
Trends in Revenue & Fiscal Deficit



The process of fiscal consolidation in Gujarat goes beyond meeting the targets for prudent debt management and credibility in budgetary operations fixed under the Gujarat Fiscal Responsibility Act, 2005. The gross fiscal deficit as per budget estimates for 2011-12 stands at 2.43% of GSDP. On the revenue side, surplus has been achieved in budget estimates for 2011-12. The debt stock is estimated to decline to 22.01% of GSDP below the 27.1%.

| Details | 2009-10 | 2010-11(R.E) | 2011-12 |
|----------------------------------|----------|--------------|----------|
| Revenue Deficit / Surplus | -6,966 | -5,561 | 443 |
| Fiscal Deficit | -15,153 | -16,018 | -14,279 |
| Public Debt | 98,009 | 1,13,125 | 1,29,446 |
| GSDP (current prices) | 4,29,356 | 5,14,750 | 5,88,102 |
| % Fiscal Deficit to GSDP | 3.53 | 3.11 | 2.43 |
| % Public Debt to GSDP | 22.83 | 21.98 | 22.01 |

There has been a steady rise in developmental expenditure over the last few years on account of greater public spending in education, health, nutrition, water supply, welfare of weaker sections, agriculture and irrigation; and by controlling non-developmental expenditure through restructuring of debt, reduction in cost of borrowing and rightsizing of staff etc.



GUJARAT AND THE 11TH PLAN

The size of the Eleventh Plan for Gujarat was envisaged to be **Rs.1,11,111 crore.**

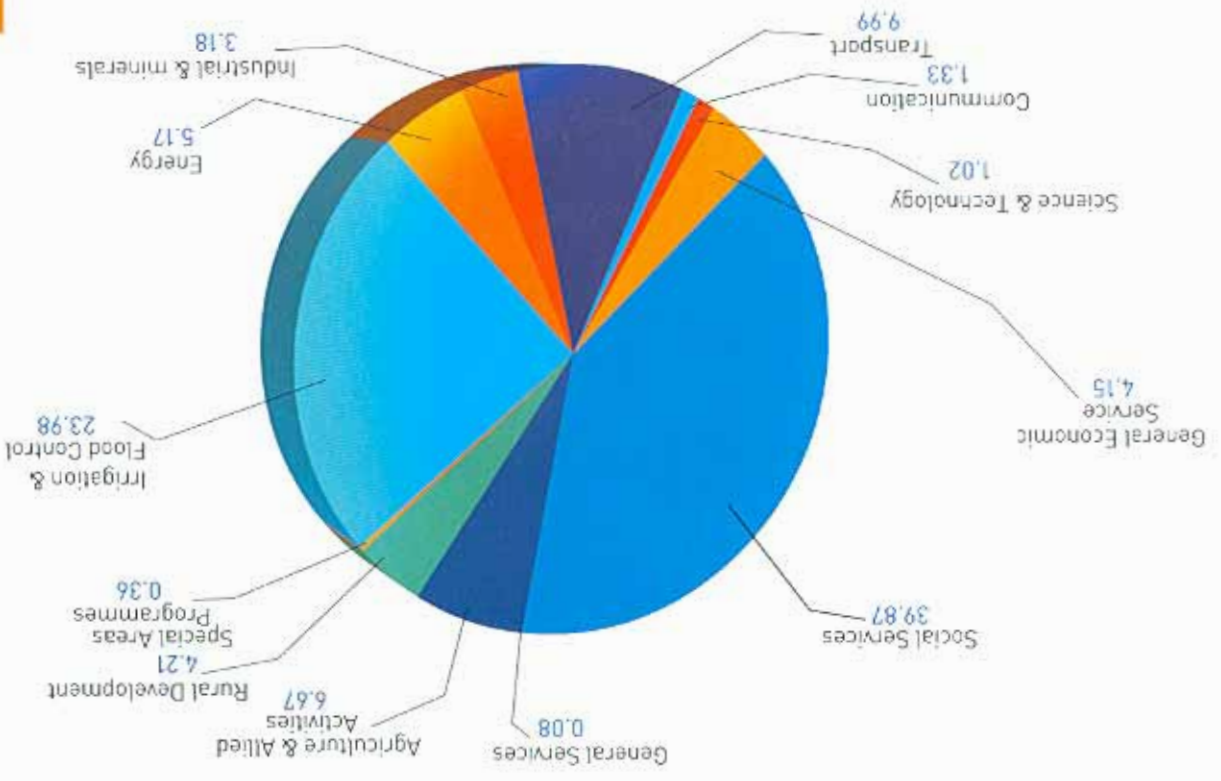
However, the final size of the Eleventh Plan is expected to cross **Rs.1,27,652.68 crores.**

Annual Development Plan 2011-12

For the year 2011-12, the State has already presented its budget. This includes an estimated expenditure of **Rs. 37,152.6840 crore** for the State Plan.

| HEAD | Allocation (Rs in crore) |
|----------------------------------|--------------------------|
| AGRICULTURAL & ALLIED ACTIVITIES | 2,477.6567 |
| RURAL DEVELOPMENT | 1,563.4181 |
| SPECIAL AREAS PROGRAMMES | 134.0000 |
| IRRIGATION & FLOOD CONTROL | 8,910.5680 |
| ENERGY | 1,919.0100 |
| INDUSTRY & MINERALS | 1,181.5817 |
| TRANSPORT | 3,710.7652 |
| COMMUNICATIONS | 493.7067 |
| SCIENCE & TECHNOLOGY | 378.1168 |
| GENERAL ECONOMIC SERVICES | 1,540.2742 |
| SOCIAL SERVICES | 14,814.0064 |
| GENERAL SERVICES | 29,5802 |
| GRAND TOTAL | 37,152.6840 |

For the Eleventh plan period as a whole around 42% of plan allocation has been made for the social sector keeping in mind the overall objective of improving the HDI of the State.



Health

Improvement in the Human Development Index remains at the core of development efforts in Gujarat. The State is committed to provide better health care to the poor and vulnerable sections of society. Various schemes are being implemented to reduce the Maternal Mortality Ratio and the Infant Mortality Rate. Cashless health care services are provided to all BPL patients and pregnant mothers and new born irrespective of their income status in Government Health facilities throughout the State. The State has an elaborate network of 108 Emergency Service comprising 453 Ambulances and a State of the Art – round the clock Call Center that has been providing services at par with international standards. About one third of the patients of the emergency cases attended by this facility are pregnant mothers.



Addressing Infant Mortality Rate

In its Golden Jubilee Year, Gujarat has achieved a reduction of 2 points in IMR in each of last two years' SRS and reduction of 3 points in rural IMR in last SRS. Reduction of Infant Mortality Rate from current 48 per thousand live births to 30 by 2015 is an important goal for Gujarat.

eMamta (Online Mother and Child Tracking System)

The State government has introduced a Mother & Child name based tracking Information Management System called "eMamta" in collaboration with NIC, Gujarat. One of the first of its kind, the system has been conceptualized and developed by Gujarat and the Government of India has adopted the system for replication in all the other States of India.

The main objective of eMamta is to provide comprehensive and quality Maternal and Child services and real time reports while ensuring inter-departmental coordination and efficient stock management.

Mamta Abhiyan

The State government has launched the Mamta Abhiyan strategy across the State. The main objective of this strategy is to strengthen PNC visit, routine immunization, growth monitoring, counseling, micronutrient supplementation, linkages with referral services and tracking of mother and child.



Home Based New Born Care

ASHA and ANMs are deployed for Home Based Post Natal care. They are trained to identify warning signs in children during post natal visits and treat them at home or refer them to appropriate health facilities as per their condition. Under Navjat Shishu Shuraksha Karyakram new-born care and resuscitation training is provided. The aim is to have at least one NSSK trained person at each delivery.

Bal Sakha Yojana

Bal Sakha Yojana was launched in 2009 to make expert care by private pediatricians accessible to all BPL and tribal children. 266 pediatricians have been empanelled in the scheme and 1,36,950 newborns have been treated under the scheme to date.



Quality Services

Quality health services and efficiency of government managed hospitals is the key to building trust and confidence. It has been decided to improve the standards of medical services of district hospitals gradually as per the standards of National Accreditation Board for Hospitals and Health Care (NABH). Gujarat is the first State in India to have five NABH accredited Primary health centres, 2 District Hospitals, 4 Blood Banks, Food and drugs laboratory at Vadodara and 2 Medical college Laboratories in the state have received NABH/NABL Accreditation. It is planned to obtain NABH accreditation for 6 teaching hospitals, Gujarat Spine Institute, Ahmedabad, 2 Dental Colleges, 2 Mental Hospitals, 26 Community Health Centers and 28 PHCs. An outlay of Rs. 54.45 Crore is provided to create infrastructure facilities, manpower and renovation as per NABH/NABL.

Human Resources for the Health Sector

One of the critical shortages facing the health sector is the shortage of doctors and paramedical staff. The State government plans to set up 7 medical colleges in the government sector and a large number of nursing training institutions. The approval for one medical college has already been received and some more are expected in the near future. In addition, medical colleges are also being set up in the Public Private Partnership mode. It is expected that the capacity for producing MBBS doctors will increase from 1905 to around 3000 in the next 2 to 3 years. The State Government is also taking active steps to substantially increase the number of post graduate seats to about 1300.

The School Health Programme

The School Health Programme of Gujarat has been scaled up this year into a full fledged "School Health Week". During the five day week, cleaning of water sources in the villages, nutrition, creating awareness on health and sanitation activities has been taken up. It is probably the first time that any State Government has taken up a comprehensive health programme on such a large scale covering the entire State comprising of 18600 villages with 1.5 crores children. More than 144 lakh children got benefit of Health examination, about 15 lakh were treated on the spot and 1.2 lakh children were examined and treated by specialist doctors under the School Health Programme in 2010-11.

Super specialty services have been provided to 268 Children suffering from Heart diseases, 1012 children suffering from Kidney diseases and 125 Children suffering from Cancer free of cost.

Women and Child Development

Health and development of mothers and children is critical for the well-being of the State and is an area of the highest priority for the State government. Budget provision for this sector in the last 5 years has been increased by more than 400% from Rs. 297.83 crore in 2006-07 to Rs. 1280.89 crore in 2011-12. Anganwadi centres are the primary infrastructure for service delivery. All anganwadi centers in the State have been provided with cooking gas connections and facilities of electricity, fans, water and toilets.

In order to ensure that services are delivered to the remotest centers of the State, GIS mapping is done of Anganwadi centers and every year 3333 Anganwadi buildings are being constructed.



Expansion of Anganwadi centers and ICDS field staff

In the last five years, there has been a substantial increase in the number of Anganwadi centers from 41,484 to 50,226. The strength of ICDS field staff has gone up from 85,045 to 1,01,402 by creating 76 CDPOs, 382 supervisors, 8742 Anganwadi workers and 7152 Anganwadi helpers.

Mobile Anganwadi Vans

To address the needs of socially excluded population in interior areas, State Government has started Mobile Anganwadi Vans. During 2010-11, 1.71 crore was spent and all districts were provided mobile Anganwadi vans.



Education

The 2011 Census results indicate that the literacy rate in Gujarat has improved significantly. While the overall literacy has improved from 69.14% in 2001 to 79.31% in 2011, major improvement is also achieved in female literacy from 57.8 in 2001 to 70.73 in 2011.

| HEAD | 2001 | 2011 |
|------------------|---------|--------|
| General Literacy | 69.14 % | 79.31% |
| Female Literacy | 57.8% | 70.73% |

Many major States like Karnataka, Andhra Pradesh, Uttarakhand, Assam, Haryana, Orissa, Chattisgadh, Madhya Pradesh, Uttar Pradesh, Rajasthan, Bihar, Jharkhand are behind Gujarat in effective literacy.

Recruitment of Teachers

In line with the national trend, standard 8 is now being shifted to primary schools. To meet with additional requirement of teachers for this, 10,000 teachers were recruited last year and in the current year, there is a plan to recruit another 10,000 new primary teachers.

New Recruitment Rules have been framed to provide for subject specific teachers for Maths, Science and English to improve the quality of education in upper primary level. These teachers would have to be at least graduates in their subject. Recruitment Rules are being modified to include Teacher Eligibility Test so as to further improve the quality of teachers being recruited.

Gunotsav

The State has undertaken a massive exercise for quality check in primary schools through the 'Gunotsav' programme. It is a first of its kind programme of school rating in the country in which after the self assessment by schools themselves, a team of 3,000 officers of all departments of Government of Gujarat visit 9000 schools to check learning levels of students by administering tests. They also check the infrastructure and co-curricular activities. This initiative has created quality consciousness amongst teachers and parents about the need to improve the quality of education.





New Model Day Schools

In the year 2011-12, it is planned to start 10 Model Day Schools, with a capacity of about 1000 students each, in which the students of neighbouring villages would be brought for study by bus every day. In such schools, very good quality education as well as lunch and other facilities will be provided to the students. As these schools will be established in a cluster of villages, it will also solve the problem of teachers' unwillingness to live and teach in remote areas.

Higher Education

In Higher Education, Gujarat continues to attract more investment. Gujarat now has a total of 36 Universities, including Central University, State Universities and Private Universities. We are encouraging the setting up of specialized Universities. Already Universities are set up for Bio-Technology, Hospitality Management, Defence, Forensic Science, Sports, Animal Husbandry, Teachers' Education etc.

Human Resource Development

Gujarat has a vibrant manufacturing sector. Investors Summits being held every two years have led to the setting up of many industrial units. To meet ever increasing demand for world class skilled manpower vocational training is being given through a pool of 649 vocational institutes with a total capacity of 1,17,722 trainees. All 225 talukas of the State are covered.

New ITIs

36 talukas which did not have Government ITIs are covered with 37 Govt. ITIs during the year 2011-12. To start 37 new ITIs in a single financial year is a major achievement in the Golden Jubilee Year. In the last two years 68 new ITIs have been started and in the last five years, 85 new ITIs were started.

State Government aims to increase 1,000 seats in existing ITIs and introduce new courses as per the demand from industry.

Kaushalya Vardhan Talim Kendras

The scheme's objective is to take vocational training to rural areas as a major RURBAN initiative to address the training requirements of persons belonging to the organized/unorganized sector, school dropouts and women. 150 KVKs have been started to impart training in four different trades which are based on WISH concept (W...Women oriented, I...Industry related, S...Soft skills, H...Hard core traditional courses). Courses are selected according to local requirements and are of short term duration.

More than 10,000 candidates were trained last year, of which 46,710 were women candidates. A provision of Rs. 2,356.50 lakhs is made to start 150 more KVKs in the current year.



Agriculture



Only an improved performance in agriculture can lead to inclusive growth. This is a success formula which has achieved resounding success in Gujarat.

The past year saw a major expansion in irrigation and water management, implementation of drip irrigation and sprinkler irrigation, providing of 7,23,580 Kisan Credit Cards and 23,62,946 Soil health cards for farmers. 3 APMCs were upgraded to create value chains for 5 agricultural and horticultural produce.

Policies in agriculture should be consistent and pro farmer. Uncertainty and agitation in the mind of the farmer is not in the national interest. Meeting the timely requirements of inputs, both qualitatively and quantitatively, is of prime importance. Prosperity in the rural economy is essential for a healthy growth rate of the economy as a whole. **I am constrained to draw the attention of the Deputy Chairman to two specific instances of anti farmer policies and decisions of the Central government which had led to widespread distress, agitation and anger amongst farmers in Gujarat.**

Anti Farmer Policies in Cotton

Gujarat is a major cotton growing State and contributes 1/3 of the national cotton production and more than half of exports. Progressive farmers in Gujarat have adopted modern technology as a result of which the area under cotton cultivation has increased from 16 lakh hectares in 2003 to 26.5 lakh hectares with a production of 1 crore bales of cotton. Frequent changes in policy by Central Ministries have led to erosion of confidence in the international market. In April 2010, export duty was first imposed, then cotton exports were suspended. In May 2010, cotton exports were removed from OGL and subject to licensing. In August 2010, cotton exports were brought back to OGL and in December 2010, the registration process was transferred from Textile Commissioner's office to Director General of Foreign Trade. In October 2010, the export duty was made nil. In April 2011, DEBP entitlement was withdrawn retrospectively from 21st April, 2010. Such frequent changes in policy and arbitrary banning of exports have adversely affected the interests of the nation in general and that of the Indian cotton farmer in particular.



This year prices of cotton have crashed from Rs. 62,500 per candy to Rs. 44,000 per candy. Prices of short staple desi cotton have also come down by 50% to Rs. 25,000 per candy. Arbitrary and anti-farmer decisions have led to widespread distress in the farming community which is getting increasingly agitated on account of millions of cotton farmers being made to subsidize a few in the powerful cotton yarn industrial lobby.

I would urge the Planning Commission to impress upon the concerned Ministries to have consistent pro agriculture sector policies and not to take arbitrary decisions which are anti-farmer and not in the interest of the rural economy.



Shortage of DAP fertilizer

Groundnut and Cotton are the major crops of Gujarat contributing to 45% of total crop coverage and over one-third share in national production. Farmers in Gujarat apply DAP as basal dose for fulfillment of phosphorus requirement of kharif crops as Phosphorus is a slow release and non moveable element in plant nutrition. Government of India sanctioned 4,80,000 MTs DAP for Kharif - 2011. Against the requirement of 2,90,000 MTs of DAP for April-June quarter, 1,71,750 MTs was allotted of which only 1,00,131 MTs has been received till 14th June, 2011. The resultant crisis of DAP availability will negatively impact crop production targets.

If it was expected that disturbances in Middle East/Gulf countries were likely to disrupt production and supply of DAP, then the Department of Fertilizers should have been more proactive as sowing for kharif is a monsoon related feature and well known. Had this been done, a crisis situation in the country could have easily been avoided.

Animal Husbandry

Animal Husbandry is the second largest economic activity next to Agriculture in rural areas. Gujarat produces about 235 lakh liters of milk per day. Of this around 40% is procured by the organized co-operative institutions. In order to increase procurement of milk by the organized sector, assistance is provided to co-operative dairy unions in the form of bulk milk coolers and automatic milk collection systems. This ensures clean milk procurement, better processing and spoilage reduction ensuring better monetary returns for livestock owners. An outlay of Rs.40.81 crore is provided in the Annual Development Programme 2011-12.

There is a need to establish cattle feed factories in areas where dairy activities are not very progressive yet. These units will ensure better availability of balanced cattle feed for animals of the area at subsidized rates. This will render benefits to approximately 1.25 Lakh livestock owners of the area in the State. For this purpose the State Government has decided to give assistance of Rs. 30 crore for establishment of cattle feed factory in the year 2011-12.

WATER MANAGEMENT

The State has adopted an integrated approach for efficient and sustainable water resources development and management. The thrust area of Water Resource Management is to maintain water balance in water deficit areas mainly in Kachchh, Saurashtra and North Gujarat region by way of implementing water conservation methods, efficient and economic use of available water resources by adopting Participatory Irrigation Management, strengthening of existing canal system, and inter basin transfer of water.



WATER CONSERVATION

The State has launched a massive drive for water conservation. Conservation works include small and large check-dams, boribandhs, farmponds, deepening of existing tanks, sim talavadis. Besides these, terrace talavadis and van talavadis are taken up in forest/tribal areas.

Around 5.5 lac water conservation structures have been constructed creating additional water storage of about 1 lac cubic feet –which is 20 % of total storage created in the State and provides indirect irrigation benefit to 5 lac hectares of land, mostly in drought-prone areas. It is planned to construct 5,000 check dams during the year 2011-12.

STRENGTHENING OF EXISTING CANAL SYSTEM

Canal systems of existing projects need periodic renovation for efficient functioning, benefitting the end users. During the year 2009-10, a comprehensive exercise was taken up of benchmarking the performance of the canal system of existing projects. Reappraisal of irrigation potential has also been carried out in view of modification in cropping pattern as well as land use pattern. During the year 2010, as a part of Swarnim Siddhis, about 1 lac hectare area was additionally brought under irrigation by improving the system. It is envisaged to complete the renovation, extension and remodeling of entire canal system of the State over a period of 5 years. Water auditing shall also be carried out simultaneously for each project every year.



MICRO IRRIGATION

As a step towards demand side management, the Government has taken up the initiative for regulating water use for agriculture by spreading micro irrigation technology and has established Gujarat Green Revolution Company (GGRC) in the year 2005 to expedite promotion of micro irrigation.

Uptill now about 2.5 lac hectare area is covered under micro irrigation. During the Golden Jubilee Year, an additional 1 lac hectare area was covered under micro irrigation.

PARTICIPATORY IRRIGATION MANAGEMENT

Besides providing irrigation facilities, steps are taken to ensure that irrigation water is distributed efficiently and equitably in the command area so that it be used efficiently through Participatory Irrigation Management (PIM).

As of today, about 4.05 lac hectare area is being irrigated under PIM. Out of this, about 1 lac hectare area was added under PIM during the Golden Jubilee Year. It is planned to cover the command area of all irrigation projects under PIM by the year 2015.

KALPSAR PROJECT

A 30 kilometer long dam is planned in the Gulf of Khambhat to store approximately 10,000 million cubic meter water. It is also planned to construct a barrage at village Bhadbhut across the river Narmada. The water so stored in the project would help irrigate 10 lac hectares of land and would also provide drinking water to the water scarce area of Saurashtra. This project would also reduce distance between Saurashtra and South Gujarat by about 200 kms and would help arrest salinity from advancing.

Sardar Sarovar Project

Sardar Sarovar (Narmada) Project is an Inter-State multipurpose project on completion of the which benefits will be derived by Madhya Pradesh, Maharashtra, Rajasthan and Gujarat. The State has taken up command area works in a big way. Land is being acquired by obtaining the consent of farmers and almost all the works are taken up. It is planned to complete the project by the year 2014.

The Central Government has recently declared 14 river projects as national assets, and has assured that it would bear 90% of the cost of such projects. Earlier Gujarat had made a request to declare the Sardar Sarovar Project as a national project which has yet to be accepted. Gujarat is, however, determined to complete the Sardar Sarovar Project. A provision of Rs. 6,835 crore has been made in the current year.

The main thrust of the Sardar Sarovar Project is to provide water security to the drought prone and desert areas of Gujarat – particularly in Saurashtra, Kutch and North Gujarat. In Gujarat, 75% of the command area falls under Drought Prone Area Programme (DPAP – 27%) and Desert Development Programme (DDP – 47%) area.



The issue of extending financial assistance under AIBP scheme to DDP areas at par with DPAP areas is pending with the Department of Expenditure, Ministry of Finance for its concurrence and recommendation to the Cabinet Committee on Infrastructure. I would urge Deputy Chairman, Planning Commission to use his good offices to expedite approval as early completion of the project would be in the interest of the nation.

Drinking Water

Gujarat has been a water deficient State - hence long term sustainability of drinking water has been a priority for the State. An ambitious Master Plan for long term drought proofing has been implemented, wherein a State-wide Drinking Water Grid is created for inter-basin water transfer to water scarce and quality affected regions. Till now, 2,193 Kms of bulk water transmission lines, more than 1,17,000 Kms of distribution pipelines and filtration and treatment capacity of 2700 million litres of water per day has been commissioned. 3.58 crore population of 10687 villages and 127 towns has already been covered under this water security grid.

Empowerment of Panchayati Raj Institutions and people was taken up in a mission mode during the Golden Jubilee Year and more than 95 % villages have formed Pani Samittis who are managing the in-village service delivery as well as infrastructure.



We are now focusing on achieving household level water security by providing tap water connectivity in rural areas. More than 70 % household tap connectivity has been achieved which is planned to be taken beyond 90 % in the next year. **“Systemic Innovations for Communitization” of rural water supply was awarded the prestigious CAPAM award in October, 2010 at Malta.**

MAJOR THRUST ON INFRASTRUCTURE

Conventional Power Generation

It is a matter of great satisfaction that Gujarat has achieved self-sufficiency in the Power Sector. Not only this, we have been able to supply power to 12 needy States including Delhi, Haryana, Tamil Nadu, Maharashtra etc. The installed capacity of the State was 9492 MW as on 01.01.2008. After adding further 40% generating capacity in last 3 years, we have



now achieved the installed capacity to the tune of 13,258 MW. Moreover, another 6000 MW capacity will be added in the next 15-18 months. This will significantly contribute to the energy security of the nation.

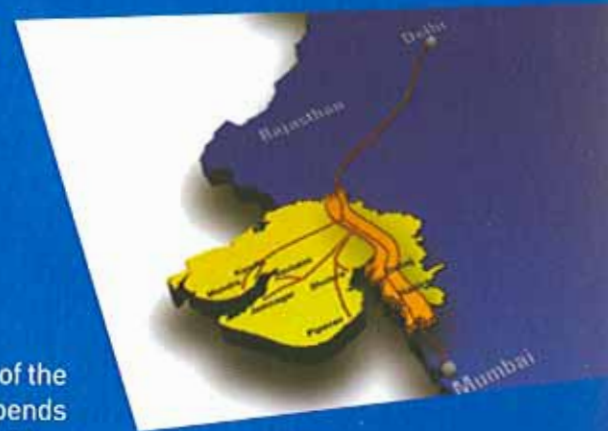
However, it is a matter of regret that we have not been able to supply power to other needy States in view of the constraints being experienced in the Inter-regional Transmission Link. **The transmission constraints at the national level have compelled the State to compulsorily back down the existing Power Generating Capacity.**

Keeping this in view, I would like to impress upon the National Power Grid Corporation to establish adequate Inter-Regional Transmission Infrastructure. If this is done, having achieved the surplus status, Gujarat will be proud to provide assistance to other power "starved" States.

DELHI MUMBAI INDUSTRIAL CORRIDOR

DMIC Project is a flagship project of Government of India. 38% of the Corridor falls within Gujarat. The success of this project depends upon excellent Rail, Port and Highway connectivity to the Corridor. While a number of steps have been taken by State Government and Government of India for enhancing the required connectivity, it needs to be given greater impetus. While the implementation of Dedicated Freight Corridor (DFC) needs to be fast tracked, the connectivity to the ports of Kandla, Mundra and Pipavav needs to be strengthened in a time bound manner. This will enable Gujarat to contribute at least 60% of the envisaged investment of US\$ 90 billion well in advance of the stipulated period of 2020.

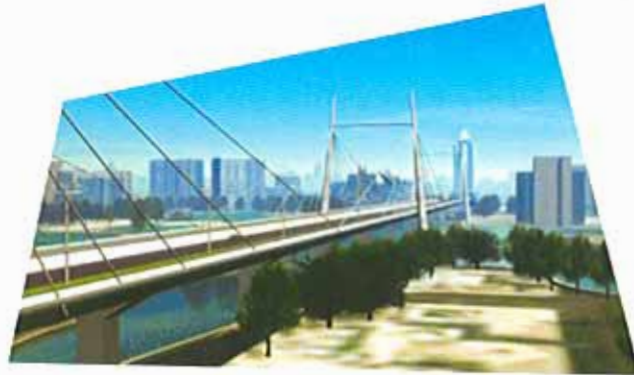
There are a number of infrastructure related Ministries dealing with various aspects of this project. A well coordinated approach is needed to fast track the progress. A coordinated group can be formed so that problems can be sorted out, issues can be resolved and time can be saved.



AHMEDABAD- DHOLERA EXPRESSWAY

Considering the development of upcoming Dholera Special Investment Region (SIR) and development of a new port and Greenfield airport at Dholera, it is planned to have a first of its kind Greenfield Expressway between Ahmedabad- Dholera. This expressway will serve the agricultural, commercial and industrial traffic of Ahmedabad, Dholera, Bhavnagar and its surrounding region including Dholera SIR, which will reduce the journey time to 45 minutes.

This expressway will have unique features of having metro rail along it for which a 50 m. wide ribbon has been reserved within the right of way. The estimated cost of 110 km long expressway is about 2,200 crore.





ROAD CONNECTIVITY

Connectivity between district headquarters has been taken up to widen the roads to 10 meters. A total of 548.7 km of road works are approved at a cost of Rs. 494.4 crore. Work on 160 km is in progress.

It has been also decided to connect taluka HQs where there is no Nagarpalika but State Highway is available. 55 such taluka HQs have identified. During the Golden Jubilee Year first time facilities of Vikas Path to these 55 Taluka HQs were approved. Out of 67 roads of 106 km length, 42 roads of 55.70 km length costing Rs. 73.95 crore are already completed.

RO-RO FERRY SERVICE PROJECT BETWEEN GOGHA & DAHEJ

The road distance between Gogha and Dahej is about 360 Km, while the distance by sea route is only 30 Km. Hence, on commissioning of the Ro-Ro ferry service, the saving in travel distance between Gogha and Dahej will be about 330 Km. Besides, there will also be substantial saving in time, fuel and reduction of carbon dioxide emission in air. Road Traffic Congestion and accidents will be reduced to a great extent. The project has multi fold benefits and will significantly boost the socio-economic condition of the area.

The detailed project report to establish Ro-Ro ferry service in the Gulf of Cambay in Gujarat State connecting 5 (five) locations i.e. Gogha, Jafrabad, Pipavav, Dahej and Suvali by sea route was prepared. As the terminal construction requires high investment, the facilities at different locations will be developed in a phased manner.

The State government has decided to commence the ferry service between Gogha and Dahej in the first phase. It is decided to construct the Ro-Ro terminals at Gogha and Dahej at the cost of Rs. 296 crore. Private operators will run the Ro-Ro ferry service.

MEETING CHALLENGES OF THE FUTURE

USE OF CNG AND PNG

Several steps have been taken to use CNG in vehicles and PNG as domestic fuel, even in rural areas. Lowering dependence on LPG cylinders and kerosene by using greener fuels reduces the subsidy burden on the public exchequer and makes the life of the common citizen easier. **Certain arbitrary decisions taken by the Central government to which I will refer later have tended to penalize the State from being proactive and progressive.**

SOLAR PARK

In the renewable Energy Sector, several dynamic and proactive policy level initiatives have been taken by the State. As a result we will be generating Renewable Energy more than the mandatory requirement.

I am thankful to the Deputy Chairman for agreeing to my request to support the mission of the State to build up capacity in Solar Power and allot Rs. 210 crore as Additional Central Assistance including grants and loans last year.

We have launched the Solar Park well in time. Government of Gujarat has allotted 1080 hectare of land in the remote areas in Patan District to develop 500 MW of Solar Power by the end of this financial year. This historic achievement of the State will go a long way in harnessing the national requirement of energy and also reducing the risk of global warming and the adverse impact of environment. The economy of scale in solar generation will facilitate in bringing down the cost of Solar Power Generation to the Grid parity.

In this context, it is urgently required for the Ministry of Renewable Energy to allot the adequate solar capacity under JN Solar Mission. Unless the State Governments are actively involved and assisted whenever required, the target of achieving capacity of 20,000 MW Solar Power by the end of 2020 may not be achieved.



ENVIRONMENTAL CONSERVATION IN COASTAL AREAS:

Gujarat State has a 1661 km long coastal belt and environmental conservation in coastal areas is important for maintaining a proper ecological balance. Mangrove plantation, mangrove conservation, coastal belt plantations, shelterbelt plantations, conservation of coral reef and coastal wetland conservation are the main activities for environmental conservation. About 2,000 hectares of coastal belt plantations and more than 10,000 hectares of mangrove plantations are carried out every year in different districts of the State. All such activities are very important for coastal sand dune stabilization and providing protection to agricultural crops and human habitations in coastal cities and villages. Mangroves provide a unique habitat for various types of marine life forms.



CENTRAL ASSISTANCE FOR LION CONSERVATION

As per latest census of Asiatic Lions carried out in 2010, there are 411 Lions in Gujarat. State is taking adequate measures to protect lions by creating Gujarat State Lion Conservation Society. Government of Gujarat has submitted a project proposal to Government of India for "The Long-term Conservation of Lion in Gir" involving a total cost of Rs. 262.36 crore. The Central share is proposed as Rs. 236.17 crore. The proposal has been approved in principle by the Planning Commission with a suggestion to meet the requirement from on-going scheme of Integrated Development of Wildlife Habitats. The final decision of Government of India is still awaited.

Inclusive Growth and Proactive Governance

In order to have effective grassroots planning, the decision making process needs to be decentralized. Three Flagship Programmes have been launched in Gujarat-Developing Talukas for balanced regional growth, Vanbandhu Kalyan Yojana for tribal areas and Sagarkhedu Sarvangi Vikas Yojana for holistic development of coastal areas.

Apno Taluko- Vibrant Taluko

In order to empower people locally to guide the growth process, we have initiated the concept of ATVT- a sub district citizen centric approach where governance and development is activated at the grassroots level. Every taluka in Gujarat will be empowered to provide a local platform for driving double digit growth and social development. We are pioneering a new model of growth based on grassroots planning and consent from the people rather than control of the government - which is the essence of democratic inclusiveness.



Vanbandhu Kalyan Yojana and Tribal Welfare

Tribal communities within Gujarat, as in other parts of India, are among the most marginalized and vulnerable of the rural poor due to factors like lower levels of literacy, greater malnutrition and low access to basic facilities. Tribes live in predominantly isolated pockets within hilly and forest terrains. Over 38% of poor families in Gujarat are from the Scheduled Tribes category. Government of Gujarat launched a unique initiative "Vanbandhu Kalyan Yojana" to enable the tribal regions to leapfrog into mainstream development by bridging the gap between ITDP blocks and other parts of Gujarat. Vanbandhu Kalyan Yojana is a quality oriented programme, which is aimed to improve the quality of social infrastructure and civil infrastructure.

In the Golden Jubilee Year a special initiative was taken for providing 6 basic amenities of housing, water, electricity, roads, education and means of employment to all primitive tribes and tribal families living in 385 remote border villages. 4975 families were provided homes, 4,339 families got direct water supply to their homes, 4,156 houses were connected with electricity supply, 114 roads in tribal areas were built, 1865 students were educated and 9934 families were provided means of employment.



In the meeting of the **55th NDC** held on **24th July, 2010** I had stressed that there is an urgent need to take up a strong program for Animal Husbandry including development of small stocks. Perhaps the largest number of non-descript cattle, goats and sheep of the country exist in the tribal areas. These animals are presently a big drain to the local population due to their poor productivity. **A national programme for breed improvement** will enhance the income of tribal areas manifold.

There is also a need to launch a new **Central scheme for promoting minor irrigation** projects in the tribal areas. Although these areas witness high rainfall, due to heavy run off and various regulatory obstacles like Forest Conservation Act, restriction on land alienation etc, very little irrigation potential can be created. A new Central scheme for this purpose will not only bring out better coordination between the Ministries of Forest & Environment and Water Resources Department, but also lead to well diversified development in agriculture, horticulture and fisheries.

It is earnestly urged that the suggestions made above are seriously considered while finalizing the approach to the Twelfth Plan.

Urban Development

Preliminary figures of urbanization from 2011 Census shows that some States are rapidly urbanizing. More than one-third of the total population in Punjab and Karnataka lives in urban areas while in Gujarat, Maharashtra and Tamil Nadu more than 40 % people live in urban areas. The highest decadal rate of increase of urbanization of 5.2 % is in Gujarat making it the most rapidly urbanizing State in the country. It is natural that the predominantly urbanized States in the country would avail of proportionately lower benefits from the large number of centrally sponsored schemes meant primarily for rural areas. There is an urgent need to make special allocations for urban areas in the Twelfth Plan where issues of migration and creating urban infrastructure are already becoming serious. There is also a need to build capacity and improve governance in the newly created municipalities which are severely lacking in civic infrastructure.

Mukhya Mantri Shaheri Vikas Yojana

Government of Gujarat has taken the issue of meeting requirements of urban areas very seriously in recent years. Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana was launched in 2009-10. During the Golden Jubilee Year, Municipal towns were focused upon with the objective of developing them as "Model" towns by providing basic infrastructure of water supply and underground drainage as well as other amenities.

Keeping in mind the rapid industrial development of the State, the pressure of migration from rural areas and other States and need to build modern infrastructure in the seven municipal corporation areas, Government has decided to provide necessary financial assistance linked with efficiency and performance parameters. A new programme of convergence that factors in the infrastructure and other requirements of Municipal Corporation areas that have positive spillovers in the adjoining areas as well is included under the Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana.

A total outlay of Rs. 3,030 crore has been provided for urban development of which Rs. 1579 crore is provided under the Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana.

Metro- Link Express for Gandhinagar & Ahmedabad:

Gandhinagar, the State Capital and Ahmedabad, the largest city of the State are situated in close vicinity to each other and have almost become twin cities. Due to rapid urbanization in these cities (especially Ahmedabad) and the upcoming developments in the region, it has become essential to upgrade the public transport infrastructure for convenient, safe and affordable mobility and reduce the problem of traffic congestion. Government of Gujarat has initiated the development of a metro system connecting Gandhinagar and Ahmedabad. An outlay of Rs. 50 crore is provided in the Annual Development Programme, 2011-12.



Concern for Poor— Erasing Corruption with Efficiency

Corruption and mismanagement as reflected in lack of transparency is often responsible for non translation of objectives of welfare schemes into actual outcomes in the hands of the poor. Leakages in the public delivery systems are required not only to be plugged but a fundamental change in approach and new strategies to deliver distribution is required.

Garib Kalyan Melas

The first phase of Garib Kalyan Melas during 2009-10 were district centric with 22 big districts allotted 2 melas and four small districts being allotted 1 mela each. A small beginning was made in cities, with two melas being held in urban areas.

During the golden jubilee year, 225 rural Garib Kalyan Melas were organized at the taluka level, 18 in A Type Municipalities, 33 in B Type Municipalities and 17 melas in Municipal Corporation areas.

16,57,247 beneficiaries were given financial assistance of Rs. 2,117.53 crore. 1,53,279 SC beneficiaries were given financial assistance of Rs. 99.82 crore. 4,03,558 ST beneficiaries were given financial assistance of Rs. 453.68 crore. 5,57,146 beneficiaries of Socially and Economically Backward Community were given financial assistance of Rs.550.08 crore and 5,43,264 beneficiaries of other categories were given financial assistance of Rs. 1013.95 crore.

Garib Kalyan Melas have been successful as a unique experiment for inclusion by mainstreaming of the marginalized and the poor as well as by eliminating delays in administrative procedures and ending exploitation by middlemen. Garib Kalyan Melas have made the poor aware about their rights and also created hope for betterment in life with dignity.

Mission Mangalam

The programme seeks to mobilise the poor, specially women into collectives such as Self-Help Groups/Producer Groups/Service Groups/other collectives of the poor, build capacities, nurture skills, assist them with micro finance and, through proper market linkages lead them toward sustainable livelihoods.

The State Government has created the Gujarat Livelihood Promotion Company Ltd. (GLPC) as the convergence platform for all livelihood programmes. GLPC has undertaken the task of creating a strategic partnership between large industries and Self Help Groups/Producer Groups. Strategic partnerships are simultaneously being developed with banks, professional institutions, skill development agencies, industry associations, etc. to provide finance, skills and market information to the identified Self-Help Groups/Producer Groups.

GLPC has signed 57 MoUs during the Vibrant Gujarat Summit 2011. 32 MoUs were signed with corporates who have undertaken to implement large decentralised livelihood projects and to impart relevant skill training requisite to meet their standards and to provide assured market linkages to groups. The remaining 25 MoUs were signed with banks and knowledge partners. The total financial commitment to GLPC's Mission in VGGIS 2011 was of the order of Rs. 21,700 crore, promising livelihood potential for about 15 lakh persons.



One of the important initiatives under Mission Mangalam has been a major campaign to provide over Rs. 1,000 crore as micro finance to over 2,00,000 women Self-Help Groups comprising 25,00,000 persons.

Issues pending with Government of India

There are several issues which are pending with various Ministries in the Central government which effect the development as well as the pace of development of the State and its financial resources. I have referred to some of these issues in my speech specially issues pertaining to the Sardar Sarovar Project and two crucial issues agitating the mind of farmers in Gujarat. It is unfortunate that some issues remain pending for years together. There are other issues of adhocism in decision making which increases the financial burden on the common man. What is even more disturbing is a growing list of instances of the Central government breaching the federal dharma. I am taking the liberty of mentioning some of these issues in this august body which I am sure is committed to the development of each and every State of our country.

Non Payment of Royalty on Crude Oil as per Statutory Provisions

Royalty on crude is to be paid at market driven prices as per the policy in force from 2002 onwards. However, MOPNG directed ONGCL to pay royalty on post discounted prices instead of market driven price from April 2008. In spite of a number of representations this issue has remained unresolved for more than three years which has resulted into a financial loss of over Rs. 2,800 crore to the State Government.

Allocation of Gas for 702 MW Gas Based Power Project Implemented by GSPC Pipavav Power Co. Ltd. (GPPC)

CEA has recommended allocation of 2.62 MMSCMD of gas from KG Basin against the State's request for 3.2 MMSCMD. Project is at an advanced stage of completion but allocation is awaited.

Allocation of Gas for 351 MW Gas Based Power Project (Expansion) Implemented by Gujarat State Energy Generation Ltd. (GSEG)

CEA has recommended allocation of 1.31 MMSCMD of Gas from KG Basin as against the State's request of 1.6 MMSCMD of Gas. The commissioning of the project has been held up as allocation from Government of India is still awaited.

Allocation of Low Priced Gas for the purpose of CNG for Transportation Sector in Ahmedabad City

Progressive and proactive steps have been taken to shift to greener fuels and 62 CNG stations have been set up in the State. The price of CNG in Ahmedabad is Rs. 36.65/kg as compared to that of Rs. 29/kg and Rs. 31.47 per kg in Delhi and Mumbai respectively. Request for allocating low priced APM Gas for the Transportation Sector is pending since 2008. This is not only injustice to the State but increases the

The Right of Children to Free and Compulsory Education Act, 2009 (RTE) impinges on the authority of the State Legislature to apportion resources as per its priorities and wish

The financial burden on the State over the next three years is estimated to be Rs. 7000 crore. There is need for allocation of more Grand-In-Aid to States to fulfill the legal obligations under the Right of Children to Free and Compulsory Education Act. This is a major example of the Central government breaching the federal dharma.

Sarva Shiksha Abhiyan is being implemented in Gujarat since 2001-02

During the period 2001-02 to 2008-09, the State has spent Rs.16,146.05 crore for the salary of 1,45,088 teachers and Rs.374.84 crore for the construction of 18,986 classrooms in primary schools. **The proactive steps taken by the State are now being penalized and the expenditure already incurred should be reimbursed.**

Rashtriya Madhyamik Shiksha Abhiyan (RMSA) funding should cover Government aided Schools

Scheme design has created inequity in funding allocation as the scheme excludes aided schools. In Gujarat 90% schools are in the aided sector. In 2009-10, Gujarat's share was only Rs. 27 crore against Rs. 3,418 crore approved by Government of India and works out to less than 1 % of the total for the country. Planning Commission in its Mid Term Appraisal of the Eleventh Plan supports the view that aided schools should be included. However, there is no decision to include aided schools so far.

Government of India has reduced the quota of kerosene sold through the public distribution system (PDS) by 33 %

The quota of kerosene for the State has recently been arbitrarily reduced by MoPNG by misinterpreting data of Census 2011 in terms of underestimating the number of households in Gujarat as well as overestimating the number of households covered by LPG/PNG. Further, if a cut of quota has to be as drastic as 30%, carrying out an independent survey would have been more appropriate as well as waiting for the firm figures of Census 2011.



In Conclusion....

**LOOKING AHEAD TO THE
12TH PLAN**

As we look ahead to the 12th Plan, we will use the experience gained in the 11th Plan and more specifically in our Golden Jubilee Year. Based on the success of our Swarnim Siddhis/Golden Goals, we have developed a **unique 50 point programme** which will become the blue print of development. The 50 point programme contains both the vision as well as the road map for the State's development in the Twelfth plan. Gujarat's development strategy will seek to achieve sustainable double digit growth with uniform growth in agriculture, manufacturing and services. The major focus in our approach will be on improving Human Development Index, ensuring inclusive growth by empowering the poor through improved quality of life and increasing livelihood opportunities, promoting better governance by emphasizing citizen centric governance, empowering youth and women and preparing citizens for the challenges of the future while retaining their cultural identity and ethos.

We envisage a development strategy where people not only partner the growth process but become the drivers of development.



GOVERNMENT OF GUJARAT