

MEETING WITH PLANNING COMMISSION (JUNE 15, 2011)

ON

ANNUAL PLAN 2011-12

Presentation by Jenab Omar Abdullah
Chief Minister, J & K

Structure of Presentation

- Context
- Annual Plan (2010-11 / 2011-12)
- Prime Minister's Reconstruction Plan
- Major Flagship Programmes/Centrally Sponsored Schemes
- Concerns and Responses
- Way forward

Context

- People and Government of Jammu & Kashmir indebted to Planning Commission and Union Finance Ministry for continued support
- J&K passing through a crucial phase: full of opportunities and challenges

Challenges:

- Onerous responsibility of consolidating peace gains
- Extensive public interactions (Awami Mulakats) leading to explosion of public expectations
- Heavy turnout in the historic Panchayat elections held after 28 years: delivering on the promise of good governance becomes central
- Transparency and reforms placing huge burden on timely delivery of public services
- Channelising the energies of youth in state-building activities : addressing unemployment

Opportunities:

- Positive outlook on Summer 2011: favourable security environment: encouraging tourist arrivals and stepped up economic and developmental activity: environment of hopeful optimism
- Positive appreciation of the need for dialogue and reconciliation : engagement by Interlocutors
- Eight point programme apropos the visit of the All Party Parliamentary Delegation to J&K – implementation to foster stake-holdership and address internal dimensions
- Reports of Special Task Forces on Ladakh and Jammu division for deepening the development effort
- Rangarajan Committee recommendations on the Jobs Plan – opportunity for meaningful engagement of youth
- State Finance Commission report on regional imbalances/backlog in development: steps being taken to address concerns relating to equitable development

Economic Situation:

- GSDP at current prices at ₹ 47709 (up from ₹ 43236 crore in 2009-10) reflecting a growth rate of 10.35%
- At constant prices, GSDP at ₹ 37887 crore shows a growth rate of 6.61% (up from 6.48% of last year)
- While the growth trend is positive, the average annual growth rate for the first four years of the Eleventh Plan at 6.48% is below the 8% mark: also below the All India level
- Per Capita Income is up by 5.21% and now stands at ₹ 32496: yet below the national level
- Contribution of Primary Sector to GSDP is 21.10%, Secondary: 29.82%; Tertiary: 49.08% - opportunities of growth in the Primary Sector need to be unlocked
- Tax Story very positive:
 - Total taxes at ₹ 3643 crore growing at 20.34 % (VAT : 19%+)
 - State's Own Tax to GSDP ratio at 7.64%
- Non – Tax resources – extremely worrisome: “drag” of power deficit.

Fiscal Situation

- Fiscal Deficit shows improvement from 9.01% (09-10) to 7.65% in 10-11 (RE)
- Total Outstanding Liabilities as percentage of GSDP have improved to 52.15% (10-11) from 55.60% (09-10)
- Comprehensive changes in the system of registration and assessment of Stamp Duty

Initiatives

- Computerization of VAT administration – Computerization of toll Plaza at Lakhanpur
- E-Treasures: computerized payments
- FRBM in place: implementation being monitored
- Structural deficit of ₹ 2300 crore (overdraft with J&K Bank) wiped out : State Government has moved to RBI's Ways and Means (WAM) framework
- Dy. Chairman has conveyed appreciation on the reformative initiatives of State Govt. on fiscal situation
- CAG in their report of 2009-10, has placed on record his appreciation on improvement in the fiscal situation and establishment of institutional mechanism on fiscal transparency, and accountability in the State

Concerns

- Thanks to Hon'ble Dy. Chairman, Planning Commission, for his letter of Feb 9, 2011; flagging certain development concerns
- Recognize that J&K lags behind in almost 18 socio economic indicators, as compared to the all India numbers
- Endorse the need to step up progress on certain indicators particularly in the Health & Education Sectors such as IMR/MMR/Literacy Rate
- Thank the Planning Commission for observing the positive change in the delivery of flagship schemes – further improvements on the way
- Resource position is under severe strain – a number of fiscal measures taken to tighten the belt
- Presentation shall seek to cover all observations of the Planning Commission

Annual Plan 2010-11 & 2011-12

- Level of expenditure against Plan allocation of ₹ 6000 crore high at 93% (₹ 5572 crore)
- Record high amount of State Share (₹ 850 crore) provided to fully access funding under Centrally Sponsored Schemes / Mega Flagship Programmes
- Personally chaired the meeting of the District Development Boards in each of the districts in both the Divisions to review plan implementation
- Continued emphasis on monitoring:
 - Special monitoring Cell set up in CM's Secretariat :monitored 33 projects valued at ₹ 500 crore;
 - Third Party monitoring by NABCONS covering 109 projects (₹ 248 crore)
- Significant results flowing from the focus on employment generation and support to livelihoods.

Plan size for 2011-12

- A Plan of ₹ 6600 crore (plus PMRP : Rs. 1200 crore) proposed
- Modest step up of 10% being sought
- Considering that the expenditure over the first four years of the Eleventh Plan has been ₹ 18,592 crore (against the total size of ₹ 25,834 crore), the plan size of ₹ 6600 crore is justified

Break up:

- | | | |
|-----------|---|--------------------|
| ➤ Outlay | : | ₹ 6600 crore |
| ➤ Revenue | : | ₹ 1168 crore (18%) |
| ➤ Capital | : | ₹ 5432 crore (82%) |
-
- Highest level of State Share of ₹ 900 crore earmarked to avail a Central share of ₹ 3432 crore.

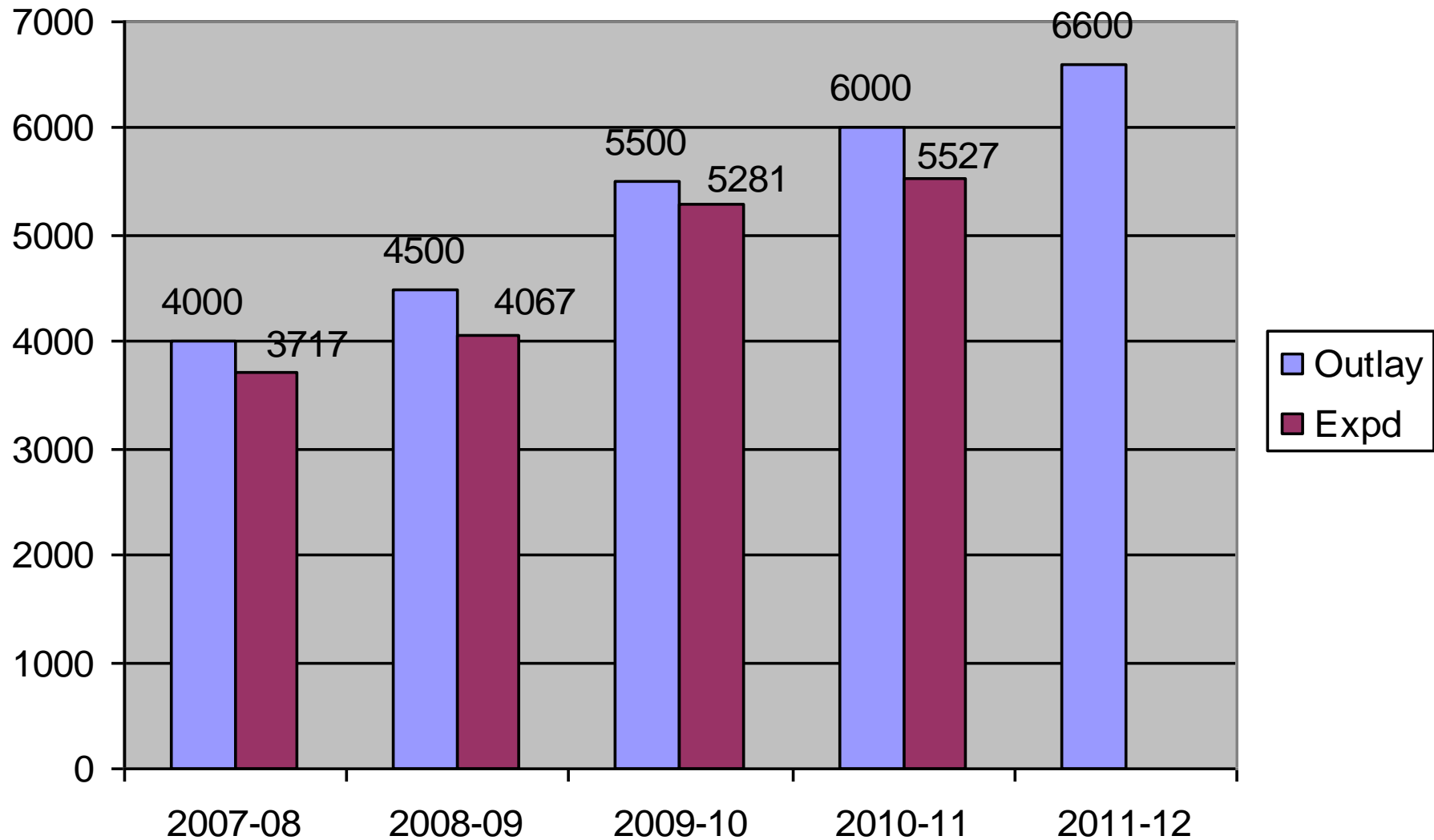
- Further break up is as under:

(₹ in crore)

	2010-11	2011-12
Revenue	924.66	1167.75
Capital	5075.34	5432.23
Normal Schemes	2503.49	2612.81
Projectized Component	700.00	768.65
Negotiated Loan	700.00	700.00
Tied Component	1171.85	1350.79
Total	6000.00	6600.00

Eleventh Plan: Allocations & Expenditure

(₹ in crore)



Prime Minister's Reconstruction Plan (PMRP)

2010-11/2011-12

- PMRP comprises of three elements with the details given below

	<u>₹ in crore</u>	
	Approved Cost	Cumulative Expd. (3/2010)
a) State Sector *	7090.92	4097.97
b) Central Sector projects executed by :		
i) State Agencies	6279.31	1518.74
ii) Central Agencies	19018.98	5252.42
Total	32389.21	10869.13

➤ During 2010-11, the expenditure has been ₹ 572.20 crore against an allocation of ₹ 1200 crore.

➤ The outlay proposed for 2011-12 is ₹ 1200 crore

PMRP : State Sector : Highlights

- 9 Projects (₹1698 crore) completed out of total kitty of 20 projects (₹ 7090 crore) under the State Sector.
- Major State Sector projects like Baglihar – I, Khannabal-Pahalgam road and 14 Degree Colleges and 6 ITIs completed.
- Projects like Narbal-Tangmarg road, Model Villages, Two Room Tenements, 10 Degree Colleges and 8 ITIs are likely to be completed this year.
- Mainly T&D projects, Mughal road and ADB funded project will spill over to the next year: Continued support for Land Acquisition necessary
- Expenditure on Mughal road : ₹ 429.27 crore : project to be completed by July 2011.
- Conservation work on Dal Nageen Lake in full swing: Full expenditure incurred against released amount of ₹178 crore.
- Under T&D, amount of ₹ 920 crore spent against allocation of ₹ 1350 crore.
- 21 schemes (11 Grid Station + 10 Transmission Lines) completed: all other works to be closed during 201-12.

Flagship Programme/ Centrally Sponsored Schemes

2010-11/2011-12

- We thank the Planning Commission for appreciating improvement in delivery of Flagship Programmes.
- Expenditure during 2010-11 of the order of ₹ 2866 crore; highest ever
- Low expenditure under certain programmes mainly due to:
 - late receipt of funds under AIBP (₹ 60 crore in March 2010)
 - only 25% funds released under JNNURM (reform milestones not achieved but reforms are moving in a positive direction)
 - non fixation of contracts under R-APDRP
- Steps being taken to ensure maximum delivery against opening balance of ₹ 1330.55 crore;
 - pace of delivery under NSAP stepped up;
 - for R-APDRP contracts covering Information Technology Implementing Agency, ring-fencing and consultancies in place.
- Outcomes from SSA, NRHM and Technology Mission very positive

Concerns & Responses

Concern – 1

Slippage in Balance in Current Revenues (BCR)

➤ Concern relating to slippage in the BCR is shared:

09-10	- ₹ 5542.17 crore
10-11 (RE)	- ₹ 4387.13 crore
11-12 (BE)	- ₹ 6552.94 crore

➤ During Working Group discussions, additional measures to cut costs and raise resources discussed : BCR improved by ₹ 770 crore

➤ Slippage mainly on account of increase in establishment cost:

- Salaries and pension up from ₹ 915 crore in 88-89 to ₹ 13582 crore in 2011-12
- Police establishment expenditure : ₹ 67 crore in 88-89 gone upto ₹ 3028 crore (2011-12)

➤ Salaries have risen on account of:

- Legacy: past creations
- Burden of the Sixth Pay Commission recommendations
- Sharp rise in DA announced by the Central Government
- Massive expenditure on police establishment : a major part (approximately ₹ 1630 crore) needs to be funded out of SRE (including ₹ 440 crore on 20 IR Battalions)
- Expansion on account of implementation of the CSS/Flagship programme

➤ Initiatives being taken to arrest the trend:

- Recruitment to Groups C and D on stipendiary mode
- Outsourcing of government functions
- Implementation of the New Pension Scheme
- Austerity measures being widened.
- Enhancement in user charges
- Motivating youth for Skill/ Entrepreneurship development

Concern - 2

Burgeoning Power Deficit

- Power Deficit: ₹ 1268 crore (improvement from ₹ 1429 crore last year).
- Power purchase cost gone upto ₹ 2400 crore from ₹ 2050 crore:
- Power collections in 2010-11 at ₹ 820 crore short of target of ₹ 1052 crore though Rs. 120 crore higher than the revenue collected in 2009-10
- Power collections target raised to ₹ 1630 crore in 11-12 as advised by the Planning Commission
- Scheduled power cuts being resorted to contain consumption
- Over 26000 inspections conducted by Inspection Squads
- 30,000 illegal connections brought under tariff network; 135 MWs of load added: Fine of ₹ 1.15 crore imposed

- Energy accounting enforced in respect of sanctioned loan of 25KVA and above
- 68% of 25KVA and above connections provided with shunt capacitors
- A project (₹ 22 crore under NRPC assistance) for installation of shunt capacitors at 33 KV levels taken up for execution
- 70% of energy bill computerized :90% computerization by August, 2011
- Overall, 6.54 lac consumer meters installed so far against a target of 12.68 lac meters
- 1.36 lac meters being installed by June-July 2011 (adding to the already installed 4.76 lac meters) in 30 R-APDRP towns
- 63892 new meters have been installed during 2010-11: 23672 damaged and defective meters replaced
- 1.70 lac additional meters in pipeline: process for procurement of 4 lac meters initiated
- Bijli Adalats being constituted for addressing consumer grievances
- As a follow up of the advice of Hon'ble Dy. Chairman, proposal of introducing Time of Day (ToD). Tariff regime under

Generation:

- Conscious of the need and opportunity to promote Green and clean energy: heavy emphasis being laid on hydel projects to also draw benefits by way of Carbon Points.
- Planning Commission's appreciation for Ratle HEP (690 MW) allotted under tariff based bidding under IPP (BOOT) is encouraging; could become a model.
- Three hydel power projects with total capacity of 329 MW under Central Sector likely to be commissioned in 2011
- Three power projects Pakuldul, Kiru and Kawar (2120 MW) under Joint Venture with NHPC and PTC being taken up after incorporation JV Company: Promoters agreement already signed. Process of registration commenced.
- Kishenganga HEP (Central Sector 330 MW) is scheduled to be completed during the Twelfth Five Year Plan.
- 20 hydel projects under the State Sector, JV and IPP mode, with a capacity of 6185 MW, are under way to be completed over the Twelfth Plan

Transmission and Distribution

- J&K Energy Conservation Act, 2011 in place (last year; J&K Electricity Act 2010 was enacted)
- Bidding process for engagement of Consultant for unbundling and corporatization of T&D sector completed: contract being allotted
- As decided in Working Group discussions, State Government has filled ARR for 2011-12
- Apropos Working Group discussions, steps taken to engage distribution franchisees on pilot basis in Srinagar and Jammu cities
- State Load Dispatch Centre (SLDC) brought under the direct control of Government as pre-cursor to autonomous functioning
- Srinagar – Leh Transmission Line project finalized (Cost : ₹1707 crore) : PGCIL must take up execution at the earliest
- TERI Turn Around Plan: MoP suggestions for extending R-APDRP type programme for Non-APDRP areas for reduction of T&D losses, needs consideration. Proposal for covering additional 288 areas with population of 4000 and above with a tentative cost of ₹ 1740 crore submitted to MoP.

Concern – 3

Progress in RGGVY

- ₹ 519.45 crore spent ending May, 2011 against release of ₹ 661.66 crore from REC (84%)
- Three Tenth Plan projects to be completed by June: remaining scheduled for completion by 2012
- 115 out of 283 un-electrified/ de-electrified villages and 660 hamlets completed
- 33168 BPL households have been provided connections
- The work was slow : has picked up now: being monitored with NHPC and PDC
- Most projects under – financed as sanctioned cost of 12 projects other than Leh and Kargil was reduced from ₹ 570.55 crore to ₹ 379.80 crore. Against this, sanctioned cost of Leh/Kargil projects was enhanced from ₹ 66.84 crore to ₹ 442.2 to provide for evacuation of Power from Nemobazgo and Chhutak HEPs.
- Norm of population of 100 per hamlet and distance 0.5 km for L.T. extension needs relaxation

Emphasis on New and Renewable Sources of Energy

- All the households in un-electrified villages/hamlets being provided Solar Home Lighting Systems. 19,000 households residing in 135 villages covered. 229 villages and 314 hamlets shall be covered before March 2012.
- For demonstrating effective and innovative use of solar systems, 20,000 Solar Home Lighting Systems are being provided to replace use of kerosene and diesel
- 22 hospitals provided Solar Power Plants and other 69 hospitals & 15 Community Information Centres are being provided solar power packs with aggregate capacity of 1.165 MW.
- Solar Lanterns to all the Gujjar & Bakerwal Basties: 15,150 Solar Lanterns are being provided this year

Concern – 4

Achieving Physical Connectivity

- Connectivity is crucial to delivery of public services in a state like J&K
- Total capex under the road sector likely to be around ₹ 1300 crore: unleashing opportunities of wage employment
- During 2010-11 : 112 PMGSY schemes (123 habitations), 83 NABARD schemes and 5 CRF schemes completed
- 2156 Km of road blacktopped : 92 bridges completed last year
- During 2011-12, we propose to complete 120 PMGSY, 80 NABARD and 10 CRF schemes
- Ambitious target of completing 100 bridges adopted: 2500 km of road to be blacktopped
- 9 out of 15 approach roads to Railways Stations in Kashmir Valley made functional
- Expenditure under PMGSY being stepped upto ₹ 309 crore: e-tendering introduced
- Funding arrangements of construction of tunnels and major bye-passes/bridges under PPP mode being worked out with IL&FS and J&K Bank

Concern – 5

Providing Potable Drinking Water

- Focus on uncovered habitations, SC/ST & minority dominated habitations
- Addition of Filtration Plants to all completed schemes to provide quality drinking water a major priority
- During 2010-11, 214 water supply schemes under NRDWP completed with coverage of 903 habitations: 2883 Hand Pumps drilled
- 1096 additional rural schools covered under drinking water facilities in addition to 9842 schools already covered
- 60 water testing laboratories being established at Divisional level under Support Activities (NRDWP) ending July 2011
- Thrust being given on recharge of ground water & sustainability of sources
- J&K Water Resources (Regulation and Management) Act, 2010 enacted for judicious and optimum utilization of water resources: provision for water tariff for different usages in place

Concern – 6

Meeting Urbanization Needs

- Focus on three major aspects: urban infrastructure, urban transport and urban local governance
- Revision/ Preparation of Master Plans for planned development of urban locations
- Establishment of new housing colonies in the two capital cities under finalization
- Development of public utility facilities in urban areas of the state by way of construction of community facilitation halls and development of parks etc
- Management of Urban Transport by up-gradation of existing parking places and creation of Multilevel Parking Places in two capital cities: RITES commissioned to submit Comprehensive Mobility Plan (CMP) for the two cities
- Construction of two modern Abattoirs/Slaughter Houses in Jammu and Srinagar Cities in progress
- Construction/up-gradation of garbage dumping sites at Achan in Srinagar and Kotbhalwal in Jammu
- Road map for Urban Reforms in place-Finance Ministry to consider relaxation in case of J&K for immediate release of funds

Concern – 7

Addressing Health Concerns

➤ Health indicators particularly relating to IMR/TFR/MMR lower than All India numbers

	All India Average	J&K
1 Infant Mortality Rate (IMR)	50	45
2 Total Fertility Rate (TFR)	2.6	2.2
3 Maternal Mortality Rate (MMR)	254	70 *

(-* Interim report of Directorate of Eco.& Statistics 2008)

➤ 66 Community Health Centres and 156 Primary Health Centres made functional as First Referrals Units (FRUs) on 24x7 basis

➤ 125 ambulances procured for transportation of pregnant mothers and sick children

➤ 48 Stabilization Units (250 baby care corners) set up to improve neo-natal facilities

➤ 9500 ASHAs trained for ensuring institutional births

➤ Significant emphasis on infrastructure development:

	Completed in 2010-11	Target for 2011-12
IPD/OPD Blocks of Distt. Hospitals	3	3
Sub-District Hospitals	3	10
Accidental /Trauma Hospitals	2	3
Primary Health Centres	11	23
Sub-Centres/MAC	9	46
Hospital Projects of Medical / Dental Colleges	14	5
	42	90

- Arrangements in place to take up construction of two new 200-bedded maternity hospitals finalized: construction of five nursing schools and a Unani College started

- Manpower requirements are being met:
 - 6403 posts of specialists, doctors and para-medicals created
 - 1000 docs/para-medicals being engaged under NRHM
 - 20% hike being given in remuneration to staff engaged under NRHM

- Equipments being added:
 - CT Scans installed in 03 District Hospitals
 - Procurement of 14 more under process

- Policy initiatives being taken:
 - Drug Policy with essential drug list being finalized
 - 11 health institutions taken up for seeking accreditation from National Accreditation Board for Hospitals and Healthcare Providers

- Deteriorating changes in child sex ratio (down to 859 from 914) a cause of concern:
 - State, Divisional & District Committees being re-energized
 - Steps being taken for effective implementation and monitoring of Pre-Conception & Pre-Natal Sex Selection/ Determination Act, 2002
 - Emphasis on mass awareness and involvement of religious leaders (cash reward of ₹ 25,000/- shall be given for reporting female foeticide)
- As regards Medical Mobile Units, 11 units will be made functional during 2011-12
- Need to implement Rashtriya Swasthya Bima Yojana (RSBY) is fully recognized: Preparatory steps being taken to operationalize the scheme during the current year.

Concern – 8

Widening & Deepening
the Literacy net

- Literacy rate has improved to 68% as per census 2011 (provisional) as compared to 55.52% in 2001: it remains lower than the national average of 75%
- Gender gap has also been abridged: 20.25% in 2011 as compared to 23.6% 2001
- Provisional Census figures show a 15% increase (58% from 43%) in female literacy
- To further step up the literacy rate, three-fold emphasis on extending outreach, upgrading infrastructure and building capacities
- Massive expansion in Primary Education: 10497 Primary Schools opened under SSA, 6651 schools upgraded, 39739 teachers recruited

- 563 model cluster schools established: 484 computer aided learning centres made operational, 4488 children with special needs provided assistive devices
- 99 Kasturba Gandhi Balika Vidyalya (KGBV) sanctioned and 79 KGBVs operationalized-focusing Girl Education.
- 5815 kitchen-cum-stores made functional under Central assistance and 6025 under convergence with State Plan operational to ensure provision of mid-day meal schemes.
- 182 Middle Schools upgraded in 2010-11
- Construction of 19 model schools and 19 girls hostels approved in educationally backward blocks
- 5 Societies registered to implement Adult Literacy Programme-Saakshar Bharat Mission
- Responding to the observation of the Planning Commission, backlog of State Share for SSA cleared in full

Extending Outreach of Higher Education

- Efforts being made to enhance GER (10.38%) to the national average in the Higher Education sector
- Girls account for 51% of the total enrolment of 1.20 lac in the colleges
- As pointed out by Planning Commission, three private Universities required UGC recognition – one has already been covered under S. 12(B) of UGC Act; cases for the remaining two are under process
- As regards accreditation, 16 more colleges likely to be re-accredited by NAAC. Accreditation of the private Universities held up on account of non-coverage under 12(B) of the UGC Act: matter receiving our attention
- UGC funding to Jammu University (117 crore) and to Kashmir University (85 crore) will ensure functionality of off-site campuses
- National Mission on Education launched through ICT coverage in all universities and colleges: two EDUSAT hubs functioning and connected to 40 degree colleges through Satellite Interactive Terminals to ensure transmission of quality study material
- Performance audit of private colleges being conducted

Concern – 9

Promoting Sustainable Tourism

- Tourism an important economic activity: seen as the vehicle of change.
- Good tourist arrivals: we are working quietly.
- Tourism 'Products' well known: what needs to be done is to put J&K back on the confidence map of the country!
- For developing world class infrastructure, private investment crucial: PPP policy looking at all possibilities: Existing Incentive Rules under revision.
- Opening up of new destinations having high tourism potential.
- Focused and regulated development of major tourist destinations by Tourism Development Authorities set up under PMRP.
- Development of new tourism product areas like golf, heritage, adventure, pilgrim and eco-tourism.
- Regulation of tourist trade for tourist facilitation.
- Introduction of technological innovations in the form of e-tourism.

Challenges that need to be countenanced:

- Negative Advisories issued by Europe and America
- Resources for advertisement and publicity need to be supplemented
- Need for upper ceiling in Air fares during tourist season
- Opening up of Leh-Damchuk route for Kailash-Mansarover Yatra
- Frequent flights between Srinagar/Jammu and Leh
- International flights from Srinagar Airport
- Operation of morning and evening flights to and from Srinagar for facilitating week-end tourism

Concern - 10

Building on core competencies :
Handloom & Handicrafts

- J&K known for creative skills of its people: State level Standing Committee set up to address livelihood issues of the artisan community
- Existing rate of stipend enhanced by 3 to 5 times in favour of trainees in elementary and advanced training courses across 553 handicrafts and 100 handloom training centres being run in the state
- Improving access to micro credit for artisans / weavers (loan slabs and interest subsidy doubled)
- Special fund of ₹ 2.50 crore for revival of Kani Shawl , Silk Handloom Sarees and recreation of Antique Pashmina Shawls
- A share capital of ₹ 2.50 crore being provided by JKI for revival of Bemina Woolen Mills

Concern - 11

Boosting Agriculture Growth

- The concern of the Planning Commission for low growth (1.78%) in Agriculture is shared
- Low growth mainly due to fragmented land holdings (0.66 ha): efforts are being made to encourage cooperative farming
- Kissan Welfare Board set up to mobilize and sensitize farmers towards modern practices and technology : Huge Kissan Melas were organized to recognize efforts on enhancing production and productivity
- Seeds Replacement Rate at around 17% very low: way behind the national benchmark: special funding window set up for seed procurement and distribution
- Renewed emphasis on creating additional irrigation:
 - 155 minor irrigation schemes completed in 2010-11: 202 minor and 8 major schemes targeted for completion
- Gap between irrigation potential created and potential utilization being bridged
- Government of Punjab backed out on Shahpur Kadi Barrage project: DPR for 9 km alternate Canal for ₹ 410 crore formulated and posed for central funding: utilization of potential by 1 lac acre will be ensured

- Thanks for encouraging words on positive outcomes under Horticulture Technology Mission and in the Floriculture sector
- As regards, Planning Commission's observation regarding production/productivity of apples, production at 14 MT/hectare remains highest in the country
- Several measures are further being taken:
 - Raising of High Density plant material in public and private nurseries
 - Over 2 lac HD plants actually planted during 2010-11
 - Irrigation infrastructure being created: water harvesting/storage tank, deep bore wells etc.
 - Replacement of non-productive trees and focus on 'top working' of Senile tress
 - Canopy Management being given attention to boost the quality of produce.
- Saffron Mission announced in August 2010: releases made in Sept. 2010; couldn't catch the cropping season
- National Horticulture board set to establish Quality Control lab and marketing facilities in saffron growing areas

- State Government has already taken up capacity building initiatives: 2000 cultivators trained
- 80 Vermi-compost units and new Corm Nursery (6 hectares) set up in saffron areas
- Linkage with private farmers have yielded significant results as regards commercial rearing of fish: fish production record high at 1.97 lac MTs
- Planning Commission suggestion to enhance allocation to Animal Husbandry and Dairy sector implemented: allocations doubled to ₹ 30 crore; additional funding support of ₹ 15 crore under RKVY
- Removal of protocol restriction needed on the import of exotic Germ Plasm to arrest inbreeding problems in Sheep sector
- Last year's commitment to create corpus fund for Zanskair horse and double – humped Camel fulfilled
- Despite turmoil, the expenditure under RKVY programme against last year allocation of ₹ 160 crore was 64%. This year allocation is ₹.103 crore, which needs re-consideration. Saffron Mission also made part of RKVY programme.

Concern - 12

**Strengthening the
Manufacturing Sector**

- Efforts continue to improve investor confidence through policy reforms (State Industrial Policy, Hydel Policy, Solar Policy in place): investment of ₹ 4000 crore garnered so far : package of incentives must continue for 10 more years : incentives need to be brought at par with the NE package
- Simultaneous focus on revival of sick units : two Rehabilitation Committees set up for monitoring of revival measures
- 5000 kanals of land at Khunmoh (Srinagar) identified for setting up of Special Investment Zone (SIZ): ₹ 150 crore required for land compensation
- Working Group-III has recommended ₹ 200 crore for SIZs
- Existing Infrastructure in Industrial Estates requires needs extensive upgradation
- Working Group-III has recommended ₹ 75 crore for development of Existing Industrial Estates
- PM's task force recommended a corpus fund of ₹ 100 crore on Micro, Small and Medium Enterprises:
- ₹ 150 crore also required for rejuvenation of J&K State Financial Corporation in terms of recommendations of the Task Force and Committee headed by Dr. Rangarajan; early releases requested.

Concern - 13

Preserving Environment

- Trade off between development and environment preservation crucial
- Comprehensive Forest Policy in place emphasizing conservation of eco systems and promotion of livelihoods
- A three-tier Council on Climate Change constituted: concept plan has been submitted to MoEF for funding through the World Bank. (Intervention of the Planning Commission solicited)
- Continued focus on augmentation of forest/ tree cover: J&K awarded Indira Priyadarshini Vrikshmitra Award for the 2nd time in 2010-11

- Strict Enforcement of Non-Biodegradable Material Act (Seizure of 313.60 quintals of Polythene Carry Bags during the year 2010-11).
- Study of natural resources using Remote Sensing and GIS technology has been initiated.
- Management Action Plan for prestigious Wular Lake (₹ 386.39 crore) submitted to the MoEF: support from Planning Commission requested.
- Speedy decision on external funding required from Union Ministry of Finance necessary on the Participatory Watershed Management Project.
- Approval of the project viz; Integrated Forest Resource Management (through JICA funding) awaited.

Dal and Nigeeen Lakes:

➤ Conservation Part

- Outlay ₹ 298.76 crore
- Expenditure ₹ 177.70 crore

➤ Rehabilitation part

- Against ₹ 356 crore sanctioned by the Planning Commission, an amount of ₹ 74 crore reflected in PMRP (State Sector): funds not released yet
- Difference of opinion between Planning Commission and Ministry of Finance on inclusion of project in State Sector or Central Sector needs immediate resolution. State Sector may be the preferred option.
- Over 700 plots ready for rehabilitation of families dislocated from the water body

Concern - 14

Addressing Unemployment

- Major Challenge
- Thankful for the constitution of the Special Task Force headed by Dr. Rangarajan to formulate Jobs Plan for J&K
- Union Cabinet has approved a scheme based on the recommendations covering scholarships, skill-transfer and subsequent absorption in private companies and long term training to technically qualified youth by India Inc: early implementation necessary
- Under the State Government's policy (SKEWPY), 51 batches of 1768 entrepreneurs rolled out by Entrepreneurship Development Institute : linked in over 400 cases to bank finance
- Over 1.23 lac unemployed youth have been found eligible for receiving Voluntary Service Allowance through re-activated District Employment & Counseling Centres (DECCs)
- Rural Self Employment Training Institutes (RSETIs) have started working

Concern - 15

Engaging Youth

- 8000 young men and women mobilized as J&K Youth Volunteer Core and engaged in nation/state building activities
- Emphasis on expansion on sports infrastructure (development of stadia, play fields) : additional resources of over ₹ 21 crore provided in the last two years
- Projects worth ₹ 27.40 crore submitted to Union Ministry of Youth Affairs and Sports : need immediate sanction
- Two major events in Football (under 17) for Boys and Girls organized
- 38 medals earned by State Teams in national / zonal competitions
- 1.83 lac students participated in sports activities at the district level
- A number of talent hunt programmes launched to encourage sports in cultural activities.
- Youth Clubs revived: Youth Services and Sports Department and J&K Police holding a number of sports events /programmes.
- Kashmir Premier League under roll-out

Concern - 16

Enhancing Skills

- Skill Development Mission in place- skill Development Policy for addressing 40 lac persons by 2022 being finalized:
 - Skill Mapping done by IMac/ICRA: Four Skill Sector (Tourism, Agro & Food Processing, Heritage Crafts and Industry) identified.
 - Existing capacity within the state (4000 per annum) being enhanced.
- Concern for immediate setting up 18 new Polytechnics is valid: Cabinet set to approve creation of posts, construction plans (type-design/rates) finalized: the scale of funding at ` 8 crore per Polytechnic inadequate and needs review (atleast ` 14 crore)
- All ITIs under PMRP fully functional (except ITI Gurez): 9 constructed, 5 in progress.
- 1550 young men and women deputed outside J&K for skill training: 1673 trained within the State. 12000 youth to be trained in current year.
- Out of 27 ITIs, 23 ITIs have been taken-up for upgradation and strengthening under PPP mode. Remaining 4 ITIs will be covered during this year.

- ITIs recognition being given to Handloom and Handicraft centres.
- A number of proposals submitted to Union Textile Ministry for:
 - Training to 4300 persons in carpet weaving covering textile and apparel, Jute, handicrafts.
 - Mega cluster development for Kashmir Carpet
 - Development of a Gabba, Nandha, Grewel Craft Cluster (25000 artisans) in Anantnag district
- “Skill Development of Youth of J&K” scheme approved only for two years : needs to be extended to the Twelfth Plan
- Setting up of 4 carpet production centres in the Valley to

Concern - 17
Focus on
Women and Child Development

- 90% trainees trained in handicrafts and handloom centres are women.
- 12 existing ITIs provided with Women wings : Nine new ITIs completed at the cost of Rs. 33 crore
- Economic empowerment of about 12000 women by way of disbursement of credit to the tune of 50 crore.
- Micro credit support to Self Help Groups of women: 3000 women covered through credit support of ₹ 8 crore.
- Training to qualified women entrepreneurs belonging to OBC/minorities /BPL and women from backward segments like Hanjis, Mochies etc.

- About 27000 ICDS centres established: over 9 lac beneficiaries being covered
- Council for Rehabilitation of Widows, Orphan, Handicapped and Old Age persons active
- Government keen to set up a Commission under the Child Rights Act
- 60,000 women covered under the Old Age and Widow Pension Schemes.
- 3000 women covered under National Family Benefit Scheme (NFBS).
- 1.91 lac Girl Students covered under various Pre/Post Matric Scholarship Schemes
- Gender budgeting cells set up in certain departments at the Secretariat level
- “Beti Anmol” Scheme launched to incentivise girls to study upto 10+2 level
- Feasibility of setting up an institution on the pattern of NIMHANS under active examination

Concern – 18

Low Participation of Women in MNREGA

- During 2010-11, 55902 works were taken in hand under MNREGA; of which 36290 have been completed (65%)
- Utilization improved: ₹ 378.28 crore in 2010-11 compared to ₹ 194.42 crore in 2009-10
- Women participation in the programme very low due to social restrictions and obtaining economic conditions
- Average persondays per household has improved to 45 days against national average of 47
- 14.67 lac womandays generated during 10-11(7.2%). Efforts are on to provide special facilities like crèches to encourage to encourage women participation

Concern - 19
Promoting Public Private
Partnerships (PPP)

- Cabinet Sub-Committee constituted for preparing a policy paper on feasibility and execution of PPP Projects for J&K, recommended PPP as viable and desirable mode of infrastructure development
- Departments asked to examine the possibility of PPP in their sphere of activity: Tourism, Health and Medical Education and Housing and Urban Developments tasked to identify one or two pilot projects
- High Level Committee headed by the Chief Secretary, set up for according approval to specific PPP Projects

Concern - 20

Implementation of AADHAAR (UID)

- State Level Advisory Board headed by Chief Secretary constituted to oversee implementation of the project
- Memorandum of Understanding (MoU) signed with UIDAI: IT Department in the State Government identified for back stopping activities
- Jammu and Kashmir Bank Limited appointed as Registrar :MoU between Government and Registrar being finalized
- Representatives from J&K Bank and IT Department nominated in the Joint Working Group (JWG) constituted to address project implementation issues
- Comtect and Wipro engaged as Enrollment Agencies by the Registrar (J&K Bank)

Concern - 21

Inadequate Flow of Credit

- Between 2009-10 and 2010-11
 - CD ratio went down from 44.76% to 35.57%
 - 34 banks (1302 branches) increased deposits by 19+%; but advances declined by 5%
 - J&K Bank registered CD ratio of 58.63% (country as a whole) and 38% within the State
- Therefore; banks need to be encouraged to participate in the implementation of the employment policy rolled out by the State Government
- Strong case for pushing up lending up Agriculture and priority sectors
- Request for providing interest subvention to J&K Bank on agriculture loans (a la other Banks) re-iterated

Way Forward

- Year 2011-12 seen as the year of empowerment of people through re-energized institutions of governance
- Roadmap in place to transfer 3Fs (functions, functionaries and Funds) to Panchayats
- After Panchayats, elections to be held to democratize Urban Local bodies
- State Vigilance Commission, State Human Rights Commission, State Accountability Commission being made fully functional
- Credit Institutions like State Finance Commission, RRBs, Cooperative Banks being re-vitalized
- Special Area Development Schemes to be implemented to meet needs and aspirations of people living in far flung areas

- Therefore, development efforts needs to be stepped up
- Full Financing essential to achieve mandated outcomes
- ₹ 6684 crore requires over and above plan assistance to implement ₹ 6600 crore plan

	(₹ in crore)	
	2010-11	2011-12
State's Own Resources	-1680.92	-3393.31
Adjustment of Addl. SPA	-312.40	-312.40
Plan Outlay	6000.00	6600.00
Total Resource Requirement	7993.32	10305.71
Normal Central Assistance available	3386.32	3621.36
Gap in Financing (Funded through SPA/SCA)	4607.00 (SPA:1607 SCA:3000)	6684.35 (SPA:1700 SCA:4984.35)

- Flexibility in deployment of resources will be very crucial so as to enable us to:
 - fund enabling commitments of State Government to implement Expert Group (Rangarajan) recommendations
 - provide development assistance to vibrant PRIs/ULBs
 - earmark critical mass of resource to kick-start implementation of the reports of Task Forces on Jammu & Ladakh
 - meet critical infrastructure gaps/requirements in far flung/backward areas
 - address key recommendations of the State Finance Commission for ensuring equitable development
- Flexibility in CSS guidelines will lead to enhanced delivery

THANK YOU