

## STATUS ON REFORM MEASURES AND ACHIEVEMENTS

### Introduction

The rate of economic growth around 2% per annum in 2001-02 and 2002-03, was one of the lowest ever recorded in Punjab's history. Major reasons for low rate of growth were stagnant agriculture and low private investment in manufacturing sector. There is no further scope of expansion in area and increase in yield of crops like wheat and paddy, which have already saturated. The impact of green revolution has petered out and it requires a second push to increase growth through diversification and value addition. Long years of terrorism/militancy acted as a strong deterrent to private investment in the State. Industry rather shifted from our State to the neighboring states of Himachal Pradesh, Uttaranchal and J&K, due to attractive fiscal concessions given to them by the Government of India. The financial position of the government being dismal, it could not offer any incentives of its own to the Industry to attract private investment in the State. The State Government has now taken number of steps which have started bearing fruits. The year wise growth rate during 10<sup>th</sup> Plan is given as under:-

Sector	Target for 10 <sup>th</sup> Plan	2002-03 (R)	2003-04 (P)	2004-05 (Q)	2005-06 (A)	2006-07 (A)	2002-07 (Av.)
Primary Sector	4.07	(-) 3.50	6.23	4.77	3.39	4.80	3.14
Secondary Sector	8.06	5.69	4.56	4.57	4.53	4.55	4.78
Tertiary Sector	8.00	6.67	7.43	6.48	7.75	7.22	7.11
Over all	6.42	2.41	6.29	5.39	5.38	5.69	5.03

The overall growth rate during 2002-07 is 5.03% against the 10<sup>th</sup> Plan target of 6.42%.

### Fiscal Reforms

- The fiscal parameters have shown marked improvement. Revenue deficit has decreased from Rs.3781 crore in 2001-02 to Rs. 1240 crore in 2005-06 and fiscal deficit came down from Rs.4959 crore to Rs. 2654 crore in the same period.
- Fiscal deficit, which was 6.99 % of GSDP in 2001-02 came down to 2.71% in 2005-06. This has enabled the State Government to fund bigger plan.
- Revenue deficit which was 5.33% of GSDP in 2001-02 came down to 1.26% in 2005-06.
- Revenue deficit as percentage of revenue receipts which was 42.34% in 2001-02 came down down to 7.31% in 2005-06.
- Debt stock which was 460% of revenue receipts in 2001-02 came down to 352% in 2005-06. It is expected to go down to 331% in 2006-07.
- The Committed Expenditure on salaries, pensions and interest payments which was 118% of revenue receipts in 2001-02 came down to 80% in 2005-06
- Punjab Fiscal Responsibility and Budget Management Act, 2003 enacted. Requisite amendments in the act have been made to conform it to the recommendations of TFC.
- Due to improved fiscal position of the State, the World Bank has approved the rural drinking water supply and sanitation project at a cost of Rs. 1819.00 crores and road project at a cost of Rs. 1100 cr.

- Debt swap scheme introduced. State Government swapped debt of Rs 5329 cr with low cost debt during 2002-03 to 2004-05 resulting to reduced interest to the tune of Rs.339 cr per annum
- VAT introduced wef 1<sup>st</sup> April, 2005. Revenue from sale tax/VAT increased from Rs 3816 cr in 2004-05 to Rs 4627 cr in 2005-06, Net increase 21%. The target for the year 2006-07 is Rs 5382 cr.
- Revenue from stamps and registration has increased from Rs.441.31 cr in 2001-02 to Rs 1671 Cr in 2005-06 due to revision of floor value of properties for levy of stamp duty. This is likely to increase to Rs 1750 cr during 2006-07.
- A cess of Rs.1 per ltr on petrol has been levied to fund infrastructure projects through PIDB
- The Punjab State Electricity Regulatory Commission constituted.
- Punjab Infrastructure Development and Regulatory Act 2002 enacted to provide high priority to infrastructure development.

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## DEPARTMENTS

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### Agriculture

- Amended the Punjab Agricultural Produce Markets Act, 1961 to facilitate setting up of private and co-operative agriculture markets.
- An area of more than 5 lac acres involving more than 1 lac farmers brought under crops other than wheat and paddy through contract farming.
- Legislation to protect the contractual rights of farmers being enacted.
- Punjab Farmers' Commission, constituted to make recommendations for rejuvenating the agriculture in the State.
- Agri Credit - Rate of Interest on short term agricultural loans reduced to 7% from the original 14.5%. As per Govt of India policy, Kisan Credit Card Scheme introduced in Punjab. Kisan Credit Cards have been issued to the eligible 8.04 lac members of PACS. Limit of revolving cash credit has been raised from Rs. 3.00 lac to 4.00 lac.
- Private sector like Reliance, ITC (India Tele Communication) and Bharti are making huge investments in agri business in Punjab.
- Four special purpose vehicles namely; a Council for Citrus Juices, a Council for Value Added Horticulture, a Council for Viticulture and a Council for Organic Farming have been set up to promote horticulture crops and their processing.
- Food Park set up at Sirhind at a cost of Rs. 15.10 crore.
- Two multi fruit and vegetable processing projects at a total cost of Rs. 72 crore are near completion.
- Agriculture Diversification Research and Development Fund of Rs.20 Cr set up.
- Punjab Self Supporting Cooperative Societies Act enacted for giving more powers to the Cooperative Institutions and diluting the Government control.
- The Punjab State Rural Business Hubs Council has been constituted vide notification dated 16/3/2006.

## **Animal Husbandry**

- University of Animal Sciences made functional for research and education in animal sciences.
- Construction and strengthening of 12 veterinary polyclinics
- Transfer of 582 rural veterinary dispensaries to PRIs. Dispensaries given to service providers for better quality service.

## **Irrigation**

- Shahpur Kandi Dam Project- Rs.1800 Cr project approved by the State Government in May, 2006. Work likely to be completed by 2010.
- Construction of 70 Km Kandi Canal in the Sub-Mountainous areas to be completed by 31/3/2008 at an estimated cost of Rs.180 Cr.
- Remodelling and Rehabilitation of Channels at an estimated cost of Rs.300 Cr.
- Rehabilitation of Kandi area tubewells at an estimated cost of Rs.48 Cr.
- Construction of Thana and other minor Dams
- In order to rectify the situation, user charges have been introduced at Rs. 80 per acre per annum with a provision of gradual increase every year.
- A legislation on Participatory Irrigation Management is proposed to provide for a statutory framework for the working of Water User's association to look after the maintenance and operation of irrigation and canal systems.

## **Power**

- 13123 villages provided 24 hours power supply.
- To ensure eight hour power supply to farmers during paddy season.

## **Augmentation of Power**

- 500 MW Lehra-Mohabbat Stage-II to be commissioned by March, 2007 at an estimated cost of Rs 1790 Cr.
- 18 MW Mukerian Hydel Project Stage-II to be commissioned by 31/12/07 at an estimated cost of Rs 126.00 Cr.
- 75 MW UBDC Stage-II at an estimated cost of Rs. 765.00 Cr. allotted to private party on BOOT basis.
- MOU for 500 MW GVK Power Plant at an estimated cost of Rs 2000.00 Cr signed with M/S GVK for construction on BOOT basis.
- Micro Hydel Projects on various Canals allotted to private parties

## **Industrial Growth**

- Enacted Industrial Facilitation Act, 2005 to ensure time bound approvals.
- Empowered Committee to clear mega projects with Rs. 100 crore and above set up.
- Projects worth Rs. 79925.52 crore with employment generation potential of 10,89,092 persons approved. Investment of about Rs.7127.10 Cr has already been made in these projects.
- 43 projects in IT, Textile, Agro Processing etc. with investment potential of Rs.11000 Cr cleared.
- Textile Policy approved.
- Bond Scheme for payment of capital subsidy (Rs.500 Cr) to industrialists approved.

- Two SEZs namely Quark and Ranbaxy approved by the Government of India to be set up at Mohali.
- SEZ at Amritsar is being set up by DLF.
- Industrial exports increased from Rs.4000 crore in 2001 to Rs. 12000 crore in 2005-06.
- Abolition of Octroi wef 1/9/2006.

## **Infrastructure Development**

### **Roads**

- PIDB promoted or financed investment of Rs. 494 crore in 2002-05.
- PIDB has a plan to promote an investment of about Rs. 2480 crore in 2006-07.
- Rehabilitation of 11 road corridors measuring 421 km from the State Budget
- 20 road corridors of 760 km length being constructed at an estimated cost of Rs.900 Cr. on BOT basis for 15 years under aegis of PIDB.
- 30 ROBs under construction with PIDB assistance.
- Ring Road and Economic Urban Corridor (62 km) to be constructed in BOT mode.
- Ring Road and Urban Economic Corridor Mohali to be constructed.
- The Bye-passes- for Bathinda, Nawanshehar, Banga, Ropar, Mohali, Garhshankar and Ludhiana ring road to be constructed in EPC mode by PIDB.
- Bus Terminal at Amritsar completed and being run on BOT basis. Three other major bus terminals at Jalandhar, Hoshiarpur and Ludhiana awarded on BOT basis.
- Work on World Bank Project for road infrastructure to be initiated through retro-funding.
- Four laning-under progress: Jalandhar-Amritsar, Amritsar-Pathankot, Chandigarh-Kiratpur, Ambala-Chandigarh.
- Amritsar to Wagha Border NH to be four-laned.
- Upgradation of Infrastructure at Wagha and Attari Land Ports.

### **Urban Infrastructure**

- Rs.22.68 crore provided to 128 ULB under National Slum Development Programme during 2005-06. The work has been completed but UCs are awaited. An amount of Rs.116.87 crore has been released during 2006-07 for repair and strengthening of roads in municipal areas from State Level Initiative(Punjab Nirman Programme). It is proposed to construct 788.506 Km. length of road.
- Municipal Development Fund has been created for providing water supply, sewerage facility as well as setting up of sewerage treatment plant at an estimated cost of Rs.1494.00 crore to be completed in 3 phases. In the phase-I, Water Supply project of 126 towns(Rs.248.83 crore) and Sewerage Project of 72 towns (Rs.451.36 crore) have been approved by the Sector Sub Committee of MDF. The work of water supply is likely to be completed by 31/3/2007 where as work of sewerage completion will take 2 years (30/9/2009).
- Project for Integrated Development of Urban Infrastructure in Bathinda city is being taken up at an estimated cost of Rs.118.63 crore. A sum of Rs.40.00 crore(Rs.20.00 cr as ACA from GOI and Rs.20.00 crore as State share) has been received during 2005-06 for the purpose. During 2006-07, 20.00 crore has been released. An expenditure of Rs.690.13 lacs has been incurred upto 30/9/2006.

## **Rural Infrastructure**

- A sum of Rs.692.90 Cr. has been sanctioned during 2006-07 to the districts under Punjab Nirman Programme for various works like water supply schemes and repair/rejuvenation of tubewells in the rural and urban areas of the State, out of which an amount of Rs 276.54 Cr has been spent. Besides, an amount of Rs 130.37 Cr had been spent during 2005-06.
- 2948 km length new link roads under construction by the Mandi Board.
- Work started in two villages per block in 141 blocks under Village Development Fund. Total estimated cost of the project would be Rs. 169 Cr @ Rs 60 lacs per village.
- Construction of 2,70,000 individual toilets in rural areas under progress at an estimated cost of Rs.180 Cr.
- 13,123 villages provided 24 hours power supply.

## **Education**

### **School Education**

- 5059 Primary and Elementary Schools handed over to PRIs (4827 schools) and MCs (232 schools) for better accountability and quality education. 11,000 teachers recruited.
- ICT Project- 1307 schools covered in 1st phase, 1572 schools covered in IIrd phase and 2433 schools to be covered in IIIrd phase.
- Cooked Mid Day Meal is provided to primary school children.
- EDUSAT – State Hub at Mohali has been installed. Testing of 176 locations for Ist phase has been completed and shipment of the equipment for the remaining locations has been initiated by ISRO. Setting-up of Satellite Interactive Terminals covering 300 schools is under progress at an estimated cost of Rs.12 Cr.

### **Higher Education**

- National Law School has been established. Session started and so students are enrolled.
- Establishment of World Punjabi Centre at Patiala.
- Establishment of Centre of Research on Shri Guru Granth Sahib Studies in Guru Nanak Dev University at total cost of Rs 21.00 Cr to be borne by GOI.
- IISER - Establishment of (Rs.500 Cr.) Indian Institute of Science Education and Research.
- All districts of the State have already been covered under Total Literacy Programme.
- Ten districts have been covered under Post Literacy Campaign.
- One District covered under continuing Education Programme.

### **Technical Education/Vocational Education and Skill Development.**

- 9 ITIs handed over to private parties for running for 33 years. 4 polytechnics have been taken up for development on PPP mode.
- Baba Hira Singh Bhatthal Institute of Engineering Technology at Lehragaga has become operational.
- An International Business School is being established.
- New courses in food processing sector are being started in the ITIs as per the recommendations of GOI.
- Ten centres of excellence have been set up in ten ITIs during 2006-07- 8 with the assistance of GOI and 2 with the assistance of World Bank.

## **Medical Education**

- PIMS – Construction of Punjab Institute of Medical Science, Jalandhar nearly completion. The matter regarding operationalizing PIMS in PPP mode is under process.
- Major upgradation of three Government Medical and two Dental Colleges Plan.

## **Health**

- 1186 Rural Dispensaries transferred to PRIs. Being run by service providers.
- Conferring functional autonomy on the district and sub-divisional level hospitals for collecting user charges and other works.
- Tele-medicine project launched. 3 hospitals connected with PGI and 3 Govt. medical colleges. Finally, all hospitals to be connected.
- National Rural Health Mission launched. It is being actively implemented.
- Sanjivani Health Care Scheme was launched on 31/3/2006. 5.73 lakh members of the cooperative societies have been enrolled as members. The beneficiaries are getting treatment under this scheme. As on 30/4/2006, 110 members of this scheme have got cashless treatment of Rs.8,45,542. The premium for the head of the family is Rs. 300 per year and for other members Rs. 30 per member per family. The family is entitled to medical claim of Rs. 2 lakh per year.

## **Gender Balancing**

- Sex Ratio - Following steps have been taken by the Health Department - (1) Organisation of exclusive Girl Child Competition. Total of 17,148 girl children have been honoured and a sum of Rs 67.06 lac has been utilized during 2006-07. (2) Multi-Media campaign against Foeticide (3) Balri Rakshak Yojana- 108 cases were registered till Dec., 2006, of which 80 beneficiaries have been covered till now. (4) Janani Surksha Yojana- 5966 beneficiaries have been covered up to 31.10.2006. (5) prizes for informers & payment to decoys- Rs 5000/- per case (6) honoring of panchayats - Rs 2.5 lakh for 10 panchayats who achieve child -sex ratio above 950 and Rs 3 lakh for panchayats achieving a child sex ratio of more than 1000. Village Panchayats of Jala Majra, District Nawanshahar has been given a grant of Rs 3 lac. (7) Deptt has directed the Civil Surgeons to monitor all pregnancies. (8) Outcome- Because of multi pronged campaign involving strict enforcement of the PNDDT Act according to the findings of the survey conducted in the sub center level villages (2858) there were 817 girls to every 1000 male which shows significant improvement over the year 2001 when sex ratio was 798:1000.

## **Water Supply and Sanitation**

- Revival of all defunct water supply schemes and rejuvenation of sub optimal schemes at an estimated cost of Rs.109.00 crore. An amount of Rs.50.00 crore has been released out of which Rs.7.85 crore for revival of non functional scheme & Rs.42.15 crore for rejuvenation of scheme not functioning at optimal level.
- Operation and maintenance of water supply schemes entrusted to PRIs through long term group contracts.
- Covering all the urban population in 126 towns with sewerage facilities under MDF. A project for providing sewerage in phase-I in 72 towns at an estimated cost of Rs.451.36 crore has been prepared likely to be completed by 31/3/2008. The work in 24 towns have

been allotted. Besides in Phase-II, balance 54 towns sewerage to be provided at an estimated cost of Rs.144.00 crore which is likely to be completed by 30/9/2009.

- Prevention of Pollution of River Satluj-Rs.283 cr. project in progress against which 204.70 cr has been expended up to 10/2006. The laying 23043 meter of sewer laid, 35 no. Community lavatory block completed,10 no improved wood crematoria completed.

### **Science & Technology and Environment**

- Establishment of Bio-Technology Park including Bio-technology incubator at Mohali at a cost of Rs.10.97 Cr.
- Establishment of National Institute of Bio-Technology (NIBT) at Mohali at a cost of Rs.300 Cr. An Expert Group has been constituted for setting up of NIBT. A delegation of Canadian Experts is visiting India for meeting with Indian Experts DBT for setting up of NIBT.
- Establishment of National Institute of Nano Technology at NIPER Mohali.
- IISER, NIBT, NINT and the Bio-Technology Park are being sited on a piece of 400 acres of land in Mohali in Sector 81 to be known as Knowledge Sector.
- Construction of 1,80,000 individual toilets in rural areas under progress at an estimated cost of Rs.120 Cr.
- Externally aided Forestry Development Project for preservation of Forests and increasing green cover at an estimated cost of Rs.514 Cr. near completion. 79564 hectare of land has been afforested till 31/3/2006.

### **Welfare of SCs**

- Scholarship for SC Primary Girl Students, free text books to SC girls, scholarships for SC students in schools and colleges.
- A separate dedicated fund created for payment of various pensions and other benefits to SC and other disadvantaged groups (Rs.500 Cr). The money being disbursed through PRIs.
- Aashirwad Scheme for SC families – Rs. 15,000 grant for marriage of SC girls.

### **Service Sector**

- Establishment of State Wide Computer Network-
- Construction, Housing and Real Estate-Establishment of Greater Mohali Development Authority has been set up, Mohali Development Plan- consultant to be appointed and Legislation for development plans for fast urbanizing zones around a corporation town. Punjab Regional town Planning and Development Act (Amendment) Bill 2002 has been passed by Vidhan Sabha and got the assent of Governor.
- Finalization of Master/Zonal Plan of Cities. Rent Control Act amended but amendments could not be notified. Case for comprehensive amendment under consideration.
- Urban Land Ceiling Act repealed.
- Lowest rate of stamp duties in Punjab.
- Tourism – Rs.15 Cr project for tourist destination at Amritsar, Wagha and Patiala sanctioned. Another project for Rs.17 Cr for Freedom and Pilgrimage Circuit being sanctioned.
- Right to Information Act, 2005 implemented. Wide publicity is being ensured for the knowledge of general public.

## Decentralization of Planning

### Institutions for Decentralised Planning

- The Punjab District Planning Committees Act, 2005 enacted by the State Government. The District Planning Committees are being constituted shortly.
- **Activity Mapping for Panchayats:** The Department of Rural Development and Panchayats has finalized a list of 29 items (pertaining to different departments), which could be transferred to PRIs. Comments of the concerned departments have been invited and final decision will be taken shortly. In the meantime, the State Government has transferred the following functions to the PRIs:-
  - (a) **Health Department:** All the rural health dispensaries numbering 1186 have been transferred to the Panchayati Raj Institutions and State Government is giving grant-in-aid to the Zila Prishads to run the dispensaries. The Zila Prishads have engaged Doctors as service providers on contract basis @Rs.30,000/- per month. The system has become functional w.e.f. 1.6.2006. So far 1108 service providers have been appointed.
  - (b) **School Education:** 5059 primary schools and elementary schools in rural and urban areas have been transferred to PRIs and Municipal Committees. The recruitment process (on regular basis) of about 11,009 teachers for these schools by PRIs/Municipal Committees is near completion.
  - (c) **Rural Water Supply Schemes:** Rural water supply schemes have been handed over to the Panchayats for operation and maintenance. A sum of Rs. 50.00 crore has been provided for reviving all defunct water supply schemes.
  - (d) 582 rural veterinary dispensaries transferred to PRIs.
  - (e) **Social Welfare, Welfare of SCs etc.:** The State Government has set up dedicated fund for disbursement of social security pensions and scholarships to scheduled caste students. The work of disbursement of these pensions and scholarships has been transferred to PRIs.
  - (f) **Elementary Nutrition Scheme:** This scheme is now being operated by PRIs.