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PLANNING in India derives its objectives and social premises from the Directive Principles of State Policy enshrined in the Constitution. Public and private sectors are viewed as complementary. The private sector covers, besides organised industry, small-scale industries, agriculture, trade and housing, construction and related areas. Individual efforts and private initiatives are considered necessary and desirable in the national endeavour for development with optimum voluntary cooperation.

The Prime Minister of India, Dr. Manmohan Singh is the Chairman of the Planning Commission and Shri Montek Singh Ahluwalia is its Deputy Chairman. The Members of the Planning Commission include Shri Pranab Mukherjee, Minister of Defence; Shri Arjun Singh, Minister of Human Resource Development; Shri Sharad Pawar, Minister for Agriculture and Consumer Affairs, Food and Public Distribution; Shri Lalu Prasad Yadav, Minister of Railways; Shri P. Chidambaram, Minister of Finance; Shri Dayanidhi Maran, Minister of Communications and Information Technology, and Shri M.V. Rajashekharan, Minister of State for Planning, as ex-officio Member and Dr. Kirit Parikh, Prof. Abhijit Sen, Dr. V. L. Chopra, Dr. Bhalchandra Mungekar, Dr (Ms.) Syeda Hameed, Shri B.N. Yugandhar and Shri Anwar-ul-Hoda as full-time Members.

## FIRST PLAN

Keeping in view the large-scale import of foodgrains in 1951 and inflationary pressures on the economy, the First Plan (1951-56) accorded the highest priority to agriculture including irrigation and power projects. About 44.6 per cent of the total outlay of Rs 2,069 crore in the public sector (later raised to Rs 2,378 crore) was allocated for this purpose. The Plan aimed at increasing the rate of investment from five to about seven per cent of the national income.

## SECOND PLAN

The Second Five-Year Plan (1956-57 to 1960-61) sought to promote a pattern of development, which would ultimately lead to the establishment of a socialistic pattern of society in India. Its main aims were (i) an increase of 25 per cent in the national income; (ii) rapid industrialisation with particular emphasis on the development of basic and heavy industries; (iii) large expansion of employment opportunities; and (iv) reduction of inequalities in income and wealth and a more even distribution of economic power. The Plan aimed at increasing the rate of investment from about seven per cent of the national income to 11 per cent by 1960-61. It laid emphasis on industrialisation, increased production of iron and steel, heavy chemicals including nitrogenous fertilizers and development of heavy engineering and machine building industry.

## THIRD PLAN

The Third Plan (1961-62 to 1965-66) aimed at securing a marked advance towards self-sustaining growth. Its immediate objectives were to: (i) secure an increase in the national income of over five per cent per annum and at the same time ensure a pattern of investment which could sustain this rate of growth in the subsequent Plan periods; (ii) achieve self-sufficiency in foodgrains and increase agricultural

production to meet the requirements of industry and exports; (iii) expand basic industries like steel, chemicals, fuel and power and establish machine building capacity so that the requirements of further industrialisation could be met within a period of about 10 years mainly from the country's own resources; (iv) fully utilise the manpower resources of the country and ensure a substantial expansion in employment opportunities; and (v) establish progressively greater equality of opportunity and bring about reduction in disparities of income and wealth and a more even distribution of economic power. The Plan aimed at increasing the national income by about 30 per cent from Rs 14,500 crore in 1960-61 to about Rs 19,000 crore by 1965-66 (at 1960-61 prices) and per capita income by about 17 per cent from Rs 330 to Rs 386 over the same period.

### **ANNUAL PLANS**

The situation created by the Indo-Pakistan conflict in 1965, two successive years of severe drought, devaluation of the currency, general rise in prices and erosion of resources available for Plan purposes delayed the finalisation of the Fourth Five Year Plan. Instead, between 1966 and 1969, three Annual Plans were formulated within the framework of the draft outline of the Fourth Plan.

### **FOURTH PLAN**

The Fourth Plan (1969-74) aimed at accelerating the tempo of development of reducing fluctuations in agricultural production as well as the impact of uncertainties of foreign aid. It sought to raise the standard of living through programmes designed to promote equality and social justice. The Plan laid particular emphasis on improving the conditions of the less privileged and weaker sections especially through provision of employment and education. Efforts were directed towards reduction of concentration of wealth, income and economic power to promote equity.

The Plan aimed at increasing the net domestic product (at 1968-69 factor cost) from Rs 29,071 crore in 1969-70 to Rs 38,306 crore in 1973-74. The average annual compound rate of growth envisaged was 5.7 per cent.

### **FIFTH PLAN**

The Fifth Plan (1974-79) was formulated against the backdrop of severe inflationary pressures. The major objectives of the Plan were to achieve self-reliance and adopt measures for raising the consumption standard of people living below the poverty line. This Plan also gave high priority to bringing inflation under control and to achieving stability in the economic situation. It targeted an annual growth rate of 5.5 per cent in the national income. Four Annual Plans pertaining to the Fifth Plan period were completed. It was subsequently decided to end the Fifth Plan period with the close of the Annual Plan 1978-79.

### **SIXTH PLAN**

Removal of poverty was the foremost objective of the Sixth Plan (1980-85). The strategy adopted was to move simultaneously towards strengthening the infrastructure for both agriculture and industry. Stress was laid on tackling inter-related problems through a systematic approach with greater management, efficiency and intensive monitoring in all sectors and active involvement of people in formulating specific schemes of development at the local level and securing their speedy and effective implementation.

The actual expenditure in the Sixth Plan stood at Rs 1,09,291.7 crore (current price) as against the envisaged total public sector outlay of Rs 97,500 crore (1979-80 prices) accounting for a 12 per cent increase in nominal terms. The average annual growth rate targeted for the Plan was 5.2 per cent.

### **SEVENTH PLAN**

The Seventh Plan (1985-90) emphasised policies and programmes, which aimed at rapid growth in foodgrains production, increased employment opportunities and productivity within the framework of basic tenets of planning, namely, growth, modernisation, self-reliance and social justice. Foodgrains production during the Seventh Plan grew by 3.23 per cent as compared to a long-term growth rate of 2.68 per cent between 1967-68 and 1988-89 and the growth rate of 2.55 per cent in the eighties due to overall favourable weather conditions, implementation of various thrust programmes and concerted efforts of the Government and the farmers. To reduce unemployment and consequently, the incidence of poverty, special programmes like Jawahar Rozgar Yojana were launched in addition to the existing programmes. Due recognition was accorded to the role, small-scale and food processing industries could play in this regard. The total expenditure during the entire Seventh Plan stood at Rs 2,18,729.62 crore (current prices) as against the envisaged total public sector outlay of Rs 1,80,000 crore, resulting in a 21.52 per cent increase in nominal terms. During this Plan period, the Gross Domestic Product (GDP) grew at an average rate of 5.8 per cent exceeding the targeted growth rate by 0.8 per cent.

### **ANNUAL PLANS**

The Eighth Five-Year Plan (1990-95) could not take off due to the fast-changing political situation at the Centre. The new Government, which assumed power at the Centre in June 1991, decided that the Eighth Five-Year Plan would commence on 1 April 1992 and that 1990-91 and 1991-92 should be treated as separate Annual Plans. Formulated within the framework of the Approach to the Eighth Five-Year Plan (1990-95), the basic thrust of these Annual Plans was on maximisation of employment and social transformation.

### **EIGHTH PLAN**

The Eighth Five-Year Plan (1992-97) was launched immediately after the initiation of structural adjustment policies and macro stabilisation policies, which were necessitated by the worsening Balance of Payments position and the position of inflation during 1990-91. The various structural adjustment policies were introduced gradually so that the economy could be pushed to a higher growth path and improve its strength and thus prevent a crisis in Balance of Payments and inflation in the future. The Eighth Plan took note of some of these policy changes, which were to come about due to these reforms. The Plan aimed at an average annual growth rate of 5.6 per cent and an average industrial growth rate of about 7.5 per cent. These growth targets were planned to be achieved with relative price stability and substantial improvement in the country's Balance of Payments.

Some of the salient features of economic performance during the Eighth Five-Year Plan indicate, among other things, (a) a faster economic growth, (b) a faster growth of the manufacturing sector and agriculture and allied sectors, (c) significant growth rates in exports and imports, improvement in trade and current account deficit, and a significant reduction in the Central Government's fiscal deficit.

However, a shortfall in expenditure in the Central sector due to inadequate mobilisation of internal and extra budgetary resources by the PSUs and various departments was witnessed. In the States sector, the reason for the shortfall was lack of mobilisation of adequate resources due to deterioration in the balance of current revenues, erosion in the contribution of state electricity boards and state road transport corporations, negative opening balance, mounting non-Plan expenditure and shortfalls in the collection of small savings, etc.

The total expenditure during the entire Eighth Plan stood at Rs 4,95,669 crore [by taking 1996-97 (RE) as actual] at current prices as against envisaged total public sector outlay of Rs 4,34,100 crore (1991-92 prices) resulting in a 14.2 per cent increase in nominal terms. The Eighth Plan envisaged an annual average growth rate of 5.6 per cent. Against this an average annual growth rate of 6.8 per cent was achieved during this plan period.

### **NINTH PLAN**

The Ninth Plan (1997-2002) was launched in the fiftieth year of India's Independence. The Plan aimed at achieving a targeted GDP growth rate of seven per cent per annum and there was emphasis on the seven identified Basic Minimum Services (BMS) with additional Central Assistance earmarked for these services with a view to obtaining a complete coverage of the population in a time-bound manner. These included provision of safe drinking water, availability of primary health service facilities, universalisation of primary education, public housing assistance to shelterless poor families, nutritional support to children, connectivity of all villages and habitations and streamlining of the public distribution system with a focus on the poor. The Plan also aimed at pursuing a policy of fiscal consolidation, whereby the focus was on sharp reduction in the revenue deficit of the Government, including the Centre, States and PSUs through a combination of improved revenue collections and control of inessential expenditures, particularly with regard to subsidies and through recovery of user charges and decentralisation of planning and implementation through greater reliance on States and Panchayati Raj institutions.

The Specific objectives of the Ninth Plan included: (i) priority to agriculture and rural development with a view to generating adequate productive employment and eradication of poverty; (ii) accelerating the growth rate of the economy with stable prices; (iii) ensuring food and nutritional security for all, particularly the vulnerable sections of society; (iv) providing the basic minimum services of safe drinking water, primary health care facilities, universal primary education, shelter, and connectivity to all in a time-bound manner; (v) containing the growth rate of population; (vi) ensuring mobilisation and participation of people at all levels; (vii) empowerment of women and socially disadvantaged groups such as Scheduled Castes, Scheduled Tribes and Other Backward Classes and minorities as agents of socio-economic change and development; (viii) promoting and developing people's participatory institutions like Panchayati Raj institutions, cooperatives and self-help groups; and (ix) strengthening efforts to build self-reliance.

The Ninth Plan envisaged an average target growth rate of 6.5 per cent per annum in GDP as against the growth rate of 7 per cent approved earlier in the Approach Paper. The scaling down of the target was necessitated by the changes in the national as well as global economic situation in the first two years of the Ninth Plan. Against this, the achievement in the growth-rate on an average was to be 5.5 per cent per annum.

**Achievements :** During the period from 1950-51 to 2002-03, the national income - Net National Product (NNP) had increased 8.7 times from Rs 1,32,367 crore to Rs 11,56,714 crore (at 1993-94 prices) implying a compound growth rate of 4.2 per cent per annum. The per capita income (NNP) had increased three times from Rs 3,687 to Rs 10,964 (at 1993-94 prices) registering a compound growth rate of 2.1 per cent—all the aggregates measured at factor cost at 1993-94 prices.

The following table gives the growth performance of the Indian economy in terms of GDP, relative to the targets set in the various Plans right since the inception of planning in India. The economy has performed better than the target in five of the nine previous plans, and even in the Second Plan, the gap was not large. As far as the Third and Fourth Plans are concerned, the shortfalls were largely due to severe exogenous shocks that could not possibly have been predicted including the drought years of 1965 and 1966 and the Indo-Pakistan War of 1965. The Fourth Plan experienced three consecutive years of drought (1971-73) and the first shock of rises in oil-price of 1973. More importantly, since the Fourth Plan, the growth rate of the economy had improved steadily until the Ninth Plan, when it received a setback. Thus, the evidence suggests that the track record of planning in India has been reasonably good, and indeed tends to err on the side of caution.

#### GROWTH PERFORMANCE IN THE FIVE-YEAR PLANS

(per cent per annum)

Sl.No.	Plan	Target	Actual
1.	First Plan (1951-56)	2.1	3.60
2.	Second Plan (1956-61)	4.5	4.21
3.	Third Plan (1961-66)	5.6	2.72
4.	Fourth Plan (1969-74)	5.7	2.05
5.	Fifth Plan (1974-79)	4.4	4.83
6.	Sixth Plan (1980-85)	5.2	5.54
7.	Seventh Plan (1985-90)	5.0	6.02
8.	Eighth Plan (1992-97)	5.6	6.68
9.	Ninth Plan (1997-2002)	6.5	5.5

**Note:** The growth targets for the first three Plans were set with respect to National Income. In the Fourth Plan it was the Net Domestic Product. In all Plans thereafter, it has been the Gross Domestic Product at factor cost.

#### TENTH FIVE-YEAR PLAN

The Tenth Five-Year Plan (2002-07) was approved by the National Development Council on 21 December 2002. The Plan had further developed the NDC mandated objectives, of doubling the per capita income in ten years and achieving a growth rate of eight per cent of GDP per annum. Since economic growth was not the only objective, the Plan aimed at harnessing the benefits of growth to improve the quality of life of the people by setting the following key targets: Reduction in the poverty ratio from 26 per cent to 21 per cent, by 2007; Decadal Population Growth to reduce from 21.3 per cent in 1991-2001 to 16.2 per cent in 2001-11; Growth in gainful employment, at least, to keep pace with addition to the labour force; All children to be in school by 2003 and all children to complete five years of schooling by 2007;

Reducing gender gaps in literacy and wage rates by 50 per cent; Literacy rate to increase from 65 per cent in 1999-2000, to 75 per cent in 2007; Providing potable drinking water to all villages; Infant Mortality Rate to be reduced from 72 in 1999-2000, to 45 in 2007; Maternal mortality ratio be reduced from four in 1999-2000, to two in 2007; Increase in Forest/Tree cover from 19 per cent in 1999-2000, to 25 per cent in 2007; and Cleaning of major polluted river stretches.

The Tenth Plan had a number of new features, that include, among others, the following :

Firstly, the Plan recognised the rapid growth in the labour force. At the then rates of growth and labour intensity in production, India faced the possibility of rising unemployment, which could lead to social unrest. The Tenth Plan therefore aimed at creating 50 million job opportunities during the period, by placing special emphasis on employment intensive sectors of agriculture, irrigation, agro-forestry, small and medium enterprises, information and communication technology and other services.

Secondly, the Plan addressed the issue of poverty and the unacceptably low levels of social indicators. Although these have been the objectives in earlier Plans, in the tenth Plan there were specific monitorable targets, which needed to be attained along with the growth target.

Thirdly, since national targets do not necessarily translate into balanced regional development and the potential and constraints of each State differ vastly, the Tenth Plan had adopted a differential development strategy. For the first time a statewise growth and other monitorable targets had been worked out in consultation with the States to focus better on their own development plans.

Another feature of this Plan was the recognition that Governance is perhaps one of the most important factors for ensuring that the Plan was realised, as envisaged. The Plan had laid down a list of reforms in this connection.

Finally, considering the market-oriented economy, the Tenth Plan had dwelt at length on the policies that would be necessary and the design of key institutions. The Tenth Plan not only included a carefully crafted medium-term macro-economic policy stance, both for the Centre and the States, but also laid out the policy and institutional reforms that were required for each sector.

The incremental capital-output ratio (ICOR) of the economy was likely to come down to about 3.6 as against 4.5 during the Ninth Plan. This decline in ICOR was to be achieved mainly through better utilisation of existing capacities and suitable sectoral allocation of capital and its efficient utilisation. The growth target, therefore, required an investment rate of 28.4 per cent of GDP. This requirement was met from domestic savings of 26.8 per cent of GDP and external savings of 1.6 per cent. The bulk of the additional domestic savings had come from reduction in Government dissavings from -4.5 (2001-02) to -0.5 per cent (2006-07) of GDP.

The Tenth Plan identified measures to improve efficiency, unleash entrepreneurial energy and promote rapid and sustainable growth. Agriculture was the core element of the Tenth Plan. Key reforms for the agriculture sector included: Eliminating inter-state barriers to trade and commerce; Amendment in Essential Commodities Act to be amended; Amending Agriculture Produce Marketing Act; Liberalising agri-trading, agri-industry and exports; Encouraging contract farming and permitting leasing in and leasing out of agriculture lands; Replacement of various acts dealing with food by one comprehensive 'Food Act'; Permit futures

trading in all commodities; Removal of restrictions on financing of stocking and trading.

Some other key reform measures include Repeal of SICA, and strengthening bankruptcy and foreclosure laws to facilitate transfer of assets; Reform of labour laws; Policy reforms for village and small scale sectors to improve credit, technology, marketing and skill availability, and a phased dereservation of small scale industries; Early enactment of Electricity Bill; Coal Nationalisation Amendment Bill and Communication Convergence Bill, Abolish restrictions and encourage decontrol of private road transport passenger services and private sector participation in road maintenance; Early adoption of a Civil Aviation Policy, establishment of a regulatory framework for the sector and development of major airports with active private participation. Likewise, the growing regional imbalances were a matter of concern and the Plan aimed at promoting a balanced and equitable regional development. The Plan gave a statewide break-up of the targets in order to provide the requisite focus. The need for urgent policy and administrative reforms had also been recognised.

Governance is perhaps one of the most important factors for ensuring that the Plan is realised, as envisaged. Some steps required in this direction were: Improved people's participation, especially through strengthening Panchayat Raj Institutions and urban local bodies; Involvement of civil society, especially voluntary organisations, as partners in development; Enactment of the Right to Information Act; Civil Service reforms for improving transparency, accountability and efficiency; security of tenure, a more equitable system of rewards and punishments; Right sizing both the size and role of Government; Revenue and judicial reforms and using information technology for good governance.

**Mid-Term Appraisal of Tenth Plan :** The Mid-Term Appraisal of the Tenth Plan was approved by the National Development Council in June 2005. It presented a detailed assessment of the performance of the economy as a whole as well as an assessment of performance in individual sectors in comparison with the Tenth Plan targets. The picture that emerged from the appraisal was mixed. According to it, the economy performed well in many areas and these gains needed to be consolidated but there were some important weaknesses also, which, if not corrected could undermine even the current performance level.

The Average GDP growth for the first three years was 6.5 per cent and it was anticipated that the average growth rate is likely to be below 7 per cent in the Tenth Plan period, well short of the target of 8 per cent. Growth in 2005-06 was projected to accelerate to 7.6 per cent and could accelerate further if the corrective steps were speedily implemented. An important reason for lower growth rate was that investment did not increase in line with available investable resources and a decelerated growth in agriculture sector.

Increase in the price of oil led to serious problems of inflation in mid 2004 but it has since been under control. Private sector investment had revived after a long phase of dormancy. The Tenth Five Year Plan had created a favourable climate for the development of Foreign Direct Investment. The external payment position was comfortable with substantial inflows. The performance of Industrial sector had improved in 2004-05 after a dull record in first two years of Tenth Plan period. The average of first three years was 7 per cent with considerable success in the field of manufacturing sector, pharmaceuticals, biotechnology, automobiles, auto components, etc., other than IT sector.

These positive features were clearly a source of strength, and the aim of policy was to consolidate these gains and accelerate growth in the remaining years of the Tenth Plan. However, a Mid-Term Appraisal for the Tenth Plan also identified some important signs of weaknesses which were a cause for concern like decelerating agriculture growth, infrastructure inadequacies, poor health and education facilities disturbing gender gaps, large rural-urban differences, inequality, poverty, imbalanced regional development, rising unemployment, etc., and needed corrective steps.

The scope for correcting all these deficiencies within the Tenth Plan period was limited. However, it was felt necessary to define a corrective agenda and to initiate the process as quickly as possible. The Mid-Term Appraisal of the Tenth Plan identified many policy initiatives to overcome these weaknesses. Some of the priority areas of action were: investment in irrigation/water management, fertilizer pricing, improving the effectiveness of SSA, National Rural Health Mission, oil pricing, National E-Governance Plan, small-scale industry, etc. These suggestions deserved careful consideration and formed the framework for policy formulation leading to the Eleventh Plan.

## **AGRICULTURE**

Agriculture contributes approximately one-fifth of total gross domestic product (GDP). It provides the means of livelihood to about two-thirds of the country's population. The Sector provides employment to 58.4 per cent of the country's work force and is the single largest private sector occupation. Agriculture accounts for about 10 per cent of the total export earnings and provides raw material to a large number of industries. Besides, the rural areas are the biggest markets for consumer goods, including consumer durables, apart from a major source of domestic savings. Above all, agriculture is the only source of food security for the nation.

Foodgrains production based on 4<sup>th</sup> Advance Estimates for 2005-06 amounts to 208.30 million tonnes, comprising 195.19 million tonnes of cereals and 13.11 million tonnes of pulses. The production of food grains in 2005-06 marked an increase of 5 per cent as compared to the final production estimated at 2004-05. The production of oilseeds in 2005-06 has been estimated at 27.73 million tonnes, which marked an increase of about 14 per cent over the production of 24.35 million tonnes in 2002-03. Sugarcane production in 2005-06 at 278.38 million tonnes registered an increase of 17 per cent as compared to the level of 237.08 million in 2004-05. Cotton production during the year is estimated at 19.57 million bales of 170 kg each and jute and mesta at 10.74 million bales of 180 kg each.

Milk production during the year 2004-05 was provisionally estimated at 91 million tonnes. India is the highest producer of milk in the world. Fish production was 6.3 million tonnes in 2004-05. Horticulture production (fruits, vegetables, flowers, nuts, plantation crops and spices) was about 144 million tonnes in 2002-03. Fostering rapid and sustained agricultural growth remained a priority agenda of the Government. In order to disseminate agricultural technologies, priority was given for the establishment of agriculture clinics/agri-businesses and Krishi Vigyan Kendras (KVKs). A National Kissan Commission was also constituted to examine the various issues confronting farmers and improving their income. To improve water management through enhanced water use efficiency by the use of drip-and sprinkler-irrigation systems, a new programme of Micro-Irrigation has been initiated. Significant agricultural marketing reforms were initiated. Kissan Call Centres were

established to enable farmers to get expert advice on agriculture related issues and problems. Also, a Krishi Darshan TV Channel and a Krishi Vani Radio Channel were launched with the objective of telecasting programmes addressing area-specific issues and problems of farmers.

## **IRRIGATION**

The country has made impressive strides in irrigation development since the first Plan. The ultimate irrigation potential of the country is assessed as 139.88 million hectare (m.ha.). From the pre-Plan period (before 1951) potential of 22.6 m.ha., the potential created up to Ninth Plan (March 2002) was 93.98 m.ha., with major and medium irrigation projects contributing 36.98 m.ha and minor irrigation contributing 59.02 m.ha. The potential utilised up to end of Ninth Plan is 80.02 m.ha. The total investment in irrigation sector since First Plan to Ninth Plan is Rs 1,55,624.97 crore (at fixed prices). Approved state sector outlay for irrigation in Tenth Plan was Rs 92,143.42 crore which is 15.59 per cent of the over all Plan outlay for Tenth Plan in the state sector. The targeted potential creation for Tenth Plan was 16.743 m.ha. The Mid-Term Appraisal (MTA) of the Tenth Plan had indicated a revised target of 10.5 m.ha. for irrigation (6.5 m.ha. for major and medium irrigation and 4 m.ha. for minor irrigation) and a likely expenditure of 70 per cent of the approved outlay. The recent Bharat Nirman initiative of the Government is for achieving the targets providing assured irrigation to one crore hectare (10 million hectare) by 2009. The future strategy for tackling the challenges of this sector is to enhance investments in irrigation, bridging the gap between the created and utilised potential, empowerment of Water Users Association for collection of water tariff and retention of a part of it for operation and maintenance (O&M) of canal stems, and setting up of water regulators for periodical revision of water tariff to recover at least the O&M costs.

## **POWER**

Under the Power sector, the total installed capacity (including non-utility), which was only 2,301 MW in 1950, increased to 1,43,772 MW (including non-utility of 19,485 MW) by the end of March 2005. Under the rural electrification programme, about 4.38 lakh villages had been electrified out of 5.94 lakh villages (as per 2001 Census) by the end of March 2005, which is 78.8 per cent.

## **INDUSTRY**

In order to achieve a doubling of per capita income over the next decade, the Tenth Plan targeted a Gross Domestic Product (GDP) growth rate of eight per cent per annum. The corresponding growth target for the industrial sector was 10 per cent. This represented a major step-up in view of the less than seven per cent growth during the last decade. Presently, Indian Industry, especially the manufacturing sector, is recording a consistently high growth record. That this performance is with lower protection rate shows robustness of Indian Industry, particularly automobile/ auto components and pharmaceutical sub-sectors.

For sustaining the pace of growth and investment, several initiatives have been launched for modernising/ technology upgradation, reducing transaction cost, increased export thrust, so as to enhance its global competitiveness and achieve balanced regional development. For example, in the Industry and Trade sectors, a number of initiatives/schemes have been launched in order to reduce transaction cost such as, Industrial Infrastructure Upgradation Scheme (IIUS) and Modernisation

of Patent Offices, etc., by Department of Industrial Policy and Promotion. Further, in order to give export thrust, Department of Commerce has launched major initiatives such as Assistance to States for Infrastructure Development for Exports (ASIDE), Market Access Initiatives (MAI), Special Economic Zones (SEZs) Policy, Modernisation of Director General of Foreign Trade (DGFT), etc. For meeting the objectives of balanced industrial development, industrial policy packages have been announced for special category states of Uttaranchal, Himachal Pradesh, J & K, and North East States. Social security issues have been addressed through insurance cover for workers in handloom, agro and rural industrial and processed marine product sectors. For specially addressing the requirement of Textile Industry, being one of the major employment intensive sector, special schemes/packages were introduced such as Technology Upgradation Funds Scheme (TUFS), which is expected to improve the access for decentralised powerloom sector to Technology Upgradation Fund. The Government of India also approved a capital subsidy of 10 per cent benchmarked processing machinery under TUFS for a period of one year over and above the 5 per cent interest reimbursement, considering the fact that processing units are capital intensive and have a longer gestation period to break even and become financially viable. Like-wise, sector oriented intervention has been made by way of launching of a new scheme titled 'Integrated Development of Leather Sector' by DIPP aimed at enhancing global share of leather exports.

The implementation of National Automotive and R&D Infrastructure Project (NATRIP) to set up a world class infrastructure to test vehicles and components has commenced. The first phase of project involving plan funding of Rs. 430 crore was to be completed by the end of 10th Plan.

In March 2006 the National Manufacturing Competitiveness Council brought out a document titled 'The National Strategy for Manufacturing'. Setting up of a High Level Committee on Manufacturing (HLCM) under the Chairmanship of Hon'ble Prime Minister has been an important development. The first meeting of the HLCM took place on 04 August 2006 when the National Strategy for Manufacturing (NSM) was adopted. The Committee inter-alia would engage in suggesting and reviewing implementation of National Manufacturing Initiative for achieving a sustained growth of 12 per cent in manufacturing.

In 2004, the Government constituted Board for Reconstruction of Public Sector Enterprises (BRPSE) to address the problems relating to strengthening, modernising, reviving and restructuring of Public Sector Enterprises. Till December 2005, the Board had considered the proposals of 33 cases of sick PSEs. The Government has taken decisions of revival/restructuring of specific Public Sector Enterprises based on these recommendations.

Besides the above, other major highlights in the Industry sector included the following: (i) Inducing the States to evolve Industrial Policy and Plans away from direct subsidy and with greater emphasis on enabling investor-friendly climate/efficient infrastructure; (ii) A principled stand has been evolved with regard to VRS, which is not funded through the Plan; (iii) Review of MOU Systems for Central Public Sector Undertakings (CPSEs); (iv) Initiating Evaluation of Growth Centre Scheme through Programme Evaluation Organisation (PEO); (v) Institutionalised Quarterly Performance Review (QPR) Mechanism resulting in more effective Planning Resource Allocation; (vi) Experience sharing between States and replication of good ideas/best practices; (vii) Acting as a facilitator towards identification of

frontier technologies e.g., Nano Technology, Information and Communication Technologies (ICT) and lean manufacturing for industrial applications; and (viii) Global Competitiveness — a new paradigm evolved in the manufacturing sector as is evident from the performance of manufacturing sector and exports.

The rate of growth of industrial sector as measured in terms of Index of Industrial Production (IIP) during 2005-06 was 8.1 per cent compared to a growth of 8.4 per cent in the corresponding period of 2004-05. The manufacturing sector having a share of 79.36 per cent in the index of industrial production recorded a growth of 9.1 per cent in 2005-06 as compared to 9.2 per cent in 2004-05.

With respect of use-based classification of industries, the growth rate in the capital sector in 2005-06 at 15.8 per cent indicated a substantial improvement over the growth of 13.9 per cent during the last year. Consumer goods, both durable and non-durable segments, also recorded improved performance with a double-digit growth in the last two years. The turn-around in consumer durables since 2003-04 continued. In 2005-06, growth rate of basic goods remained at 6.6 per cent which is higher than that of 2004-05.

### **MINERAL SECTOR**

Recognising the need and to further improve the investment climate for mining in the country, the Planning Commission has constituted a High Level Committee on 14 September 2005 under the Chairmanship of Shri Anwarul Hoda, Member, Planning Commission to review the National Mineral Policy. The terms of reference of the Committee are : (i) to review the National Mineral Policy 1993 and the Mines and Minerals Development and Regulation (MMDR) Act, 1957 and suggest changes needed for encouraging investment in public and private sector in exploration and exploitation of minerals, (ii) to review the existing procedures for granting RP/PL/ML and suggest ways for their streamlining and simplification, (iii) to review the procedures for awarding clearance to mineral exploration and mining projects under Forest (conservation) and Environment (Protection) Act 1986, and suggest ways for speeding them up, (iv) to prioritise the critical infrastructure needs of the Indian mining sector and make recommendations on ways to facilitate investment to meet these needs, (v) to examine the implications of the policy of mineral rich States to make value addition within the State a condition for grant of mineral concession and make appropriate recommendations in this regard, (vi) to examine ways of augmenting State revenues from the mineral sector and (vii) to examine ways of augmenting State revenues from the mineral sector and (viii) to examine any other issue relevant to stimulating investment flows and inducting state-of-the-art technology into the sector. The report of the committee is under finalisation.

Concept of zero based budgeting was introduced in the Annual Plan 2002-03 (the first year of the Tenth Plan) and accordingly organisations such as Geological Survey of India (GSI) and Indian Bureau of Mines (IBM) have categorised their activities as per zero based budgeting and the monitoring of the schemes in terms of physical and financial targets and achievements is being done through Quarterly Performance Review (QPR)/Half-Yearly Performance Review (HPR) in the Planning Commission.

Keeping in view the goals and objectives outlined in the National Common Minimum Programme of the Government and priorities emerging from Mid-Term appraisal of the Tenth Five Year Plan, a plan outlay of Rs 883.69 crore was made for

the Mineral sector in AP 2006-07, which comprised of Rs 250 crore (GBS) and Rs 633.69 crore (IEBR). Of the total outlay, an allocation of Rs 18.95 crore was earmarked for the North-East Region (NER).

## EDUCATION

Education is the most crucial investment in human development. Over the decades, considerable progress has been achieved in terms of literacy, school enrolment, network of schools and spread of institutions of higher education including technical education. The literacy rate has gone up from 18.43 per cent in 1951 to 64.84 per cent in 2001. The decade of 1990s has been a watershed for basic education as the Census 2001 showed 12.63 percentage point increase in literacy, the highest since 1951. The Gross Enrolment ratio 12.63 percentage point increase in literacy, the highest since 1951. The Gross Enrolment Ratio (GER) at primary level has increased from 42.6 per cent in 1950-51 to 98.3 per cent in 2003-04. Similarly, for upper primary, it has gone up from 12.7 per cent to 62.5 per cent for the corresponding period.

The number of primary schools has increased by more than three folds from 2.10 lakh to about 7.12 lakh and that for upper primary schools, 19 times from 13,600 to about 2.62 lakh. As per the Provisional results of Seventh All India Educational Survey (2002), about 87 per cent of the 12.31 lakh habitations in the country were served with primary schools within a distance of one kilometer. In habitations not covered by regular schools, EGS/AIE centres have been setup and access to schooling has been almost universalised in all States/UTs. The total number of Elementary teachers increased from 6.24 lakh in 1950-51 to 36.89 lakh in 2003-04, i.e., registering an increase of more than five times. The number of female teachers increased from 0.95 lakh to 14.88 lakh.

However, there are still some gaps. The dropout rate at elementary level has declined from 78.3 in 1960-61 to 52.32 per cent in 2003-04, however, it is still high. The quality of education too requires improvement and there are gender, social and regional disparities. Besides, there are various systemic issues like inadequate infrastructure, high teacher vacancies/absenteeism and poor laboratory and library facilities. The number of out-of-school children has reduced steadily since 2002-03. This number came down to 1.35 crore in November 2005. States and UTs have reported that by March 2006 this number has further reduced to 95 lakh only.

The thrust areas in the Ninth Five Year Plan included *Universalisation of Elementary Education (UEE)*, full adult literacy, raising the quality of education at all levels and improving learner achievement. Elementary education was given the highest priority reiterating the country's strong resolve to achieve the goal of *Education for All (EFA)* during the Plan period. This was sought to be achieved through several measures including amendment to the Constitution of India making elementary education a fundamental right, decentralisation of planning, supervision and management of education through local bodies, social mobilisation for adult literacy, developing a stronger partnership with NGOs and provision of opportunities for adult literacy, developing a stronger partnership with NGOs and provision of opportunities for non-formal and alternative education for out-of-school children in the most backward areas and for the, as yet, unreached segments of the population. The major initiatives taken to bring about quantitative and qualitative improvement in elementary education include Operation Black Board, Non-formal Education Programme, Teacher's Education, District Primary Education Programme (DPEP), National Programme of Nutritional Support to Children of Primary Education popularly known as Mid-Day Meal Scheme.

Against this backdrop, the Tenth Plan had set the crucial Monitorable Targets that aimed at all children in schools by 2003; all children to complete five years of schooling by 2007, reduction in the gender gap in literacy by at least 50 per cent and increase in the literacy rate by 75 per cent.

The Tenth Plan strategy for achieving UEE had been designed with a holistic approach as the then existing policies and programmes were either for specific target groups/regions (Lok Jumbish) or aspects (Operation Blackboard, which mainly targeted the school infrastructure). An all-comprehensive programme, Sarva Shiksha Abhiyan (SSA), launched in 2000-01 covering the entire country, is the main vehicle for achieving the goals of UEE. The scheme has a special focus on educational needs of girls, economically and socially deprived segments and other children in difficult circumstances. The programme is implemented in a mission mode with the Prime Minister heading the National Mission for SSA.

The involvement of the community is made more systematic by involving the Panchayati Raj Institutions (PRIs) and urban local bodies. Further down the hierarchy, the Village Education Committees (VEC), Mother-Teacher Associations (MTA) and Parent-Teacher Associations (PTA) would have a formal role in the management of schools in the village. Efforts are also made for the social mobilisation of local communities for adult literacy campaigns and for the promotion of primary education. Community-ownership of the school system is a key element in SSA.

The National Programme of Nutritional Support to Primary Education (NP-NSPE) or the Mid-Day Meal (MDM) Scheme, was launched on 15 August 1995 to give a boost to universal primary education by increasing enrolment, attendance and retention and improving the nutritional status of children in primary classes in Government, local body and government-aided schools. The programme has been extended to children studying under the Education Guarantee Scheme and in other Alternative Innovative Education Centres. The Programme has been universalised at Primary level since September 2004. This scheme is mostly funded by the Central Government.

The National Policy on Education (NPE, 1986) as modified in 1992 was a landmark in the field of policy on women's education as it recognised the need to redress traditional gender imbalances in educational access and achievement. The subsequent Plan of Action, 1992 stated that it was impossible to achieve UEE unless concerted efforts were made to reach out to the girl child. Specific steps taken so far in this direction include mandatory recruitment of at least 50 per cent women teachers under Operation Black Board, a separate budget for girls' centres under Non-Formal Education Scheme, EGS schools, bridge courses, back to school camps, residential camps for out of school girls, Lok Jumbish (Rajasthan) to bridge the gender gap in primary education, DPEP in low women literacy districts, Mahila Sanghas under Mahila Samkhya Scheme for women's empowerment, a National Programme for Education for Girls at Elementary Level (NPEGEL) a component of SSA, and residential schools under Kasturba Gandhi Swatantrata Balika Vidyalaya (KGBV), which specifically target the girl child in educationally backward districts/blocks.

Under Adult Education, Total Literacy Campaign (TLC) is the principal strategy adopted by the National Literacy Mission (NLM) for eradication of illiteracy in the country. The literacy campaigns are area specific, time-bound and are developed through voluntary, cost-effective and outcome-oriented methods. The NLM aimed to provide functional literacy to persons in the age group of 15-35

years to threshold sustainable level of 75 per cent by the year 2007. So far, out of 600 districts in the country, 128 had been covered under Total Literacy Campaign, 164 under Post Literacy Programme and 305 under Continuing Education programme. As such, 597 districts had been covered under these schemes. According to the Census 2001, literacy had increased from 52.21 per cent in 1991 to 64.84 per cent in 2001. Female literacy, which was 39.29 per cent in 1991, has increased by 14.38 percentage points to 53.67 per cent in 2001 whereas, the male literacy rate, which was 64.13 per cent in 1991 has risen by 11.13 percentage points to 75.26 per cent in 2001. Thus, female literacy has increased at a faster rate than that for males. Special emphasis has been laid by NLM on women's participation (60 per cent) in Literacy programmes.

Secondary education serves as a bridge between elementary and higher education and prepares young persons between the age group of 14-18 for entry into higher education.

The number of secondary schools in India increased from 7,416 in 1950-51 to 1,45,962 in 2003-04. The major thrust in the Tenth Five Year Plan thus, was to meet the increased demand for secondary education. The Plan also focused on a revision of curricula with emphasis on vocationalisation and employment-oriented courses, expansion and diversification of the open learning system, re-organisation of teacher training and greater use of new information and communication technologies, particularly computers.

The Higher education system has seen a seventeen-fold increase in the number of universities and 35-fold increase in the number of colleges in comparison to the number at the time of Independence. During the year 2005-06 (as on 31 December 2005) there were 335 Universities of which 215 were State Universities, 20 Central Universities, 100 Deemed to be Universities, apart from five institutions established under State Legislation Acts and 13 institutes of national importance established by Central legislation. There were nearly 17625 colleges including 1849 women's colleges in the country. At the beginning of year 2005-06, the total number of students enrolled in the formal system of education in universities and colleges had been 104.81 lakh, 13.88 lakh in university departments and 90.93 lakh in the affiliated colleges.

The number of technical institutions has shown a phenomenal increase. As compared to 562 degree level institution in 1997-98, the total number of approved engineering colleges in 2005 was 1478. The intake capacity increased from 1,34,298 in 1997-98 to 5,08,595 in 2005-06.

## **HEALTH AND FAMILY WELFARE**

Improvement in the health and nutritional status of the population has been one of the major thrust areas for the social development programmes of the country. Over the last five decades, India has built up a vast health infrastructure and manpower primary, secondary and tertiary care in government, voluntary and private sectors. Improvement in access to healthcare services combined with technological advances in a field of health has resulted in substantial improvement in health indices of the population and a steep decline in mortality. However, there are wide intra-regional and intra-state disparities in health service coverage.

Some of the factors responsible for the poor functional status of the health system are : (i) Mismatch between personnel and infrastructure; (ii) Lack of Continuing Medical Education (CME) programmes for orientation and skill up-

gradation of the personnel; (iii) Lack of appropriate functional referral system; and (iv) Absence of well established linkages between different components of the system.

Some of the major initiatives taken in the Health Sector are : (i) Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) has been initiated with the avowed objective of providing specialty and super-specialty medical care in different States. The imbalances in the availability of tertiary care hospitals/ medical colleges is also sought to be mitigated by ensuring high quality services to the uncatered areas. The concomitant thrust of the programme is to enhance the quality of medical services as well. Under the programme, 6 AIIMS-like Institutions are proposed to be established in the States of Bihar, Chhattisgarh, Madhya Pradesh, Orissa, Rajasthan and Uttaranchal. One Medical College each in the States of Jharkhand, Tamil Nadu, West Bengal, Kerala, Karnataka, Maharashtra, Gujarat and UP and two medical colleges each in Andhra Pradesh and J&K will also be upgraded to the level and standard of AIIMS. (i) With a view to improving the Disease Surveillance Programme to ensure early detection of warning signals of impending outbreaks, a comprehensive Disease Surveillance Programme at the district level is being implemented. It would facilitate the study of the disease patterns including new emerging diseases and would provide data to monitor programmes of disease control and help in optimising allocation of resources; (ii) Hospital Infection Control and Waste Management has been incorporated as an essential component of the health delivery to co-ordinate and provide policy guidelines in this regard; (iii) Empowered Action Group (EAG)- to bolster the efforts in improving the health delivery systems in the backward states which manifest high fertility and mortality rates, an Empowered Action Group has been set up in the Ministry of Health and Family Welfare. The States included under the programme are: Bihar, Uttar Pradesh, Madhya Pradesh, Rajasthan, Orissa, Uttaranchal, Jharkhand and Chhattisgarh. The underlying objective is to promote an environment for provision of quality services particularly in terms of demographic indices. The main activities undertaken are : capacity building and to ensure single window clearance point for policy decisions and provision of special assistance. Subsequent to the launch of National Rural Health Mission (NRM) & the RCH II programme (Reproductive Health Programme), the EAG scheme (Empowered Action Group) has been subsumed under NRHM.

The National Rural Health Mission (2005-12) launched on 12 April 2005 seeks to provide effective healthcare to rural population throughout the country with special focus on 18 States, which have weak public health indicators and/or weak infrastructure. These 18 States are Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Himachal Pradesh, Jharkhand, Jammu & Kashmir, Manipur, Mizoram, Meghalaya, Madhya Pradesh, Nagaland, Orissa, Rajasthan, Sikkim, Tripura, Uttaranchal and Uttar Pradesh.

The Mission is an articulation of the commitment of the Government to raise public spending on health from 0.9 per cent of GDP to 2-3 per cent of GDP. It aims to undertake architectural correction of the health system to enable it to effectively handle increased allocations as promised under the National Common Minimum Programme and promote policies that strengthen public health management and service delivery in the country.

It has as its key components provision of a female health activist in each village; a village health plan prepared through a local team headed by the Health and Sanitation Committee of the Panchayat; strengthening of the rural hospital for

effective curative care and made measurable and accountable to the community through Indian Public Health Standards (IPHS); and integration of vertical health and family welfare programme and funds for optimal utilisation of funds and infrastructure and strengthening delivery of primary healthcare. It seeks to revitalise local health traditions and mainstream AYUSH into the public health system. It aims at effective integration of health concerns with determinants of health like sanitation and hygiene, nutrition and safe drinking water through a District Plan for Health.

The RCH II (2005-09) is a key component of NRHM. It is an integrated vision on maternal health, new born/child health, RT/STI and family planning within a comprehensive approach involving both public and private/NGO sectors. It will support the paradigm shift in India's Family Welfare programme by promoting States' ownership with pro-poor focus. It encompasses programmes in rural and urban areas and addresses a significant proportion of mortality and morbidity burden among women and children, and also contributes to strengthening of public health systems. Thus, it includes many of the key strategies proposed under NRHM and contributes to several of its key outcomes.

In order to reduce the magnitude of under-nutrition in adolescent girls and pregnant and lactating women, a pilot project was launched in 51 districts of the country. Two backward districts in each of the major States and most populous districts have been taken up under this programme. The scheme envisages provision of free-of-cost foodgrains to the identified families. An amount of Rs 141 crore was earmarked under this programme in the year 2004-05. The programme has been revived and the Ministry of Women and Child Development has obtained Cabinet approval for implementing the scheme in 2005-06 and 2006-07.

### **NATIONAL POPULATION POLICY, 2000**

The immediate objective of the National Population Policy, 2000 is to address the unmet needs of contraception, health infrastructure and health personnel and to provide integrated service delivery for basic reproductive and child health care. The medium-term objective is to bring the Total Fertility Rate to replacement level by 2010 through vigorous implementation of inter-sectoral operational strategies. The long-term objective is to achieve population stabilisation by 2045, at a level consistent with the requirements of sustainable economic growth, social development and environment protection.

### **NATIONAL COMMISSION ON POPULATION**

The National Commission on Population was constituted on 11 May 2000 under the Chairmanship of the Prime Minister of India to provide overall guidance for population stabilisation by promoting synergy between demographic, educational, environmental and developmental programmes.

The National Commission on Population has been re-located from Planning Commission to the Ministry of Health and Family Welfare for ensuring comprehensive and multisectoral coordination of Planning and implementation between health and family welfare on the one hand and the schemes of the related Departments on the other. The Commission has since been reconstituted with 40 members, the first meeting of which was held on 23 July 2005. Five Expert Groups have been constituted for studying the population profile of the States of Bihar, Uttar Pradesh, Rajasthan, Madhya Pradesh and Orissa in order to identify

weaknesses in the health delivery systems and to suggest measures to improve the health and demographic status of these States.

### **PANCHAYATI RAJ INSTITUTIONS**

The enactment of the 73rd Constitutional Amendment Act, 1992 marks a new era in the federal democratic set-up of the country bestowing a constitutional status to the Panchayati Raj Institutions (PRIs). Pursuant to the Act, barring the States of Jammu and Kashmir, the National Capital Territory of Delhi and Uttaranchal, all the States have enacted the necessary legislation for setting up of strong, viable and responsible panchayats at different levels in their respective States/Union Territories. In all the States, panchayats have been constituted according to new laws except in the States of Arunachal Pradesh, NCT of Delhi and Pondicherry.

The Amendment Act contains provisions for devolution of powers and responsibilities to the panchayats both for preparation of Plans for economic development and social justice and for implementation, in relation to 29 subjects listed in the Eleventh Schedule of the Constitution. Pursuant to this, the States are expected to devolve administrative and financial powers alongwith the functionaries in respect to these 29 subjects to the PRIs. The State Government's are in the process of transferring these subjects to the PRIs. Recognising the need for taking concrete action to empower PRIs, the Government has set up an "Empowered Sub-Committee of National Development Council on Financial and Administrative Empowerment of PRIs" to look into the whole gamut of issues relocated to devolution of powers, functions and financial resources to the PRIs.

At present, panchayats receive funds from three sources, namely: (i) local body grants as recommended by the Central Finance Commission, (ii) funds for implementation of centrally-sponsored schemes; and (iii) funds released by State Governments on the recommendations of State Finance Commissions. Further, States are required to enact laws to enable Panchayats to raise tax and non-tax revenue so as to make them effective institutions.

The State Governments are required to constitute District Planning Committees (DPCs) as envisaged under Article 243 ZD of the Constitution at the district level to facilitate the process of decentralised planning by consolidating the development Plans prepared by the panchayats and municipalities for the district as a whole covering both rural and urban areas.

According to Article 243 (A) of the Constitution, the Gram Sabha may exercise such powers and perform such functions at the village level as the legislature of a State may, by law provide. Most State Acts have vested in the Gram Sabha responsibilities and functions such as : (i) supervising and monitoring the functioning of the Gram Panchayats; (ii) approval of plans and selection of schemes, beneficiaries and locations; and (iii) mobilisation of voluntary labour contributions in cash or kind for community welfare programmes and to promote unity and harmony among all sections of society. Of late, however, as a result of several initiatives of the Central Government in partnership with State Governments a view has emerged which favours strengthening of Gram Sabhas as the bedrock of democracy at the grass-roots level.

The States have been requested to take the following measures to empower the Gram Sabha : (i) to ensure that Gram Sabhas should meet at least once in each quarter preferably on Republic Day, Labour Day, Independence Day and Gandhi

Jayanti; (ii) vest powers in Gram Sabhas giving them the powers of ownership, management and control over natural resources, as envisaged under the provision of the Panchayats (Extension to the Scheduled Areas) Act, 1996; (iii) Gram Sabhas should have full powers for determining the priorities for various programmes; (iv) Panchayats should be made accountable to the Gram Sabha in unequivocal terms; (v) members of Gram Sabhas should be made aware of their powers and responsibilities and steps should be taken to ensure mass participation, particularly of SCs/STs and women; and (vi) A Gram Sabhas should have the powers to evolve its own procedures to carry out social audit of development programmes.

The provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 extends Panchayats to the tribal areas of nine States viz, Andhra Pradesh, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Maharashtra, Madhya Pradesh, Orissa and Rajasthan. It strives to enable a tribal society to assume control over their own destiny to preserve and conserve their traditional rights over natural resources.

### **SOCIAL WELFARE**

The Ministry of Social Justice and Empowerment in coordination with the Planning Commission and State Governments has been working towards the mainstreaming of the disadvantaged and marginalised sections of the society. The objective is to empower the target groups through their educational, economic and social development and to bring them on par with rest of the society.

The Social Welfare Division continued its efforts towards fulfilling the Tenth Plan commitments of: (i) Empowering Persons with Disabilities, (loco-motor, visual, hearing, speech and mental disabilities); (ii) Reforming the Social Deviants who come in conflict with law (juvenile delinquents/vagrants, drug addicts, alcoholics, sex workers, beggars, etc.); and (iii) Caring for the Other Disadvantaged (the aged children in distress such as Street Children, orphaned/abandoned children, etc.), through effective coordination with the Ministry of Social Justice and Empowerment and other related Ministries and Departments/State Governments/UTs to ensure the efficient implementation of various policies and programmes for these target groups.

Persons with Disabilities (PWD) are defined as those suffering from four types of disabilities viz., Visual, loco-motor, hearing and speech and mental disabilities. In the Ninth Plan (1992-97), the earlier paradigm shift in approach from "welfare" to development was moved further to "empowerment" which is more holistic by including both the welfare and development perspective. The major thrust in the Tenth Plan has been to consolidate and strengthen the various programmes through coordinated efforts and innovative interventions in attending to the special problems and needs of these disadvantaged groups. One of the thrust areas during the Tenth Plan has been to prepare disabled-friendly policies to create a hurdle-free environment for the person with disabilities.

To optimise the use of available resources and achieve synergy and convergence in functioning, the Planning Commission has taken up an in-depth exercise on the rationalisation, convergence, merging and weeding out of the on-going schemes in the social welfare sector being implemented by the Ministry of Social Justice and Empowerment. The outcome of this exercise was discussed in the Core Committee on Zero Based Budgeting of Central and Centrally-Sponsored Schemes. In accordance with the decisions of the Core Committee, the 39 schemes (36 CS and

three CSS) implemented during the Ninth Plan, have rationally been reduced to only 16 schemes (15 CS + one CSS) and retained in the Tenth Plan.

There are 10 CS ongoing schemes for the welfare of the disabled during the Tenth Plan with an outlay of Rs 1,469 crore.

There are 5 CSS +1 CSS Scheme for Social Defence and other disadvantaged groups with an outlay of Rs 535 crore. The total outlay for the Tenth Plan for the Social Welfare Sector has been kept at Rs 2,004 crore.

Recognising the complementing/supporting role played by the voluntary organisations in the welfare sector, majority of the schemes/programmes have been implemented with full or partial involvement of the NGOs.

**Tribal Development Sector :** The Government continues its efforts for the welfare and development of Scheduled Tribes, who constitute eight per cent of the total population of the country. Of these, 1.8 million belong to the Primitive Tribal Groups (PTGs).

The objective of the Tenth Plan and Annual Plan 2006-07 is for empowering scheduled tribes through a three-pronged strategy of Social Empowerment, Economic Empowerment and Social Justice. During the Tenth Five-Year Plan, an amount of Rs 5,754 crore was approved as plan outlay and for Annual Plan 2006-07, Rs 1,760.19 crore has been proposed.

The Tribal Sub-Plan strategy adopted during the Fifth Plan is being implemented by the Centre as well as the State Governments through various schemes. In addition to Special Central Assistance to the Tribal Sub-Plan, Grants are also being provided to the State Governments to implement specific schemes for the welfare and development of Scheduled Tribes.

The National Scheduled Tribes Finance and Development Corporation has been set up to give focused attention to the economic development of tribals. Rs 30 crore has been allocated for Annual Plan 2006-07.

**Socially Disadvantaged Groups :** The process of empowering the disadvantaged groups of SCs, OBCs and Minorities will continue in more intensified and effective manner in the Annual Plan 2006-07. The SCs account for 166.63 million, representing 16.2 per cent and Minorities numbering about 188.9 million, representing 18.4 per cent of the country's population (estimated) in 2001. Social Empowerment amongst the disadvantaged groups is being carried out through reduction programmes and through removal of prevailing inequalities, disparities besides providing access to other Basic Minimum Services. Educational development is being carried out through the implementation of schemes like Post and Pre-matric Scholarships, Hostels and allied Coaching Schemes.

Special Central Assistance (SCA) to Special Component Plan (SCP) for SCs is being extended as 100 per cent grant to States/UTs to fill the critical gaps and missing inputs in family oriented income generating schemes with supporting infrastructure development having focus on BPL families. National Finance and Development Corporations for weaker sections have been set up exclusively at the national level for the disadvantaged groups for micro-credit, employment, income generating schemes and skill upgradation, These include: (i) National Scheduled Caste Finance and Development Corporation; (ii) National Safai Karamchari Finance and Development Corporation; (iii) National Minorities Development and Finance

Corporation; and (iv) National Backward Classes Finance and Development Corporation besides the State level Scheduled Castes Development Corporations.

### URBAN DEVELOPMENT

Cities everywhere are recognised as contributing substantially to economic, social, educational and infrastructural needs of the country. While they offer a higher standard of amenities to city-dwellers, they also have an important role in ensuring a range of services to the rural hinterland creating demand for rural output as well as providing avenues for access to inputs. Towns and cities act as nodal centres for services in marketing, health-care, education, and also in opening a window to the larger world. The 74th Constitutional Amendment, with its provisions to decentralise the responsibility for urban management, is intended to increase the participation of the people and accountability in the administration. However, the challenge to be met in the Tenth Plan period is to assist the elected bodies to grow organisationally to fulfill the demands of urban residents for a quality life at par with world standards. Substantial work has already been done to upgrade the urban infrastructure and urban development authorities have acquired considerable skills in planning and executing projects. Programmes such as the Mega City project for five selected cities, the Integrated Development of Small and Medium Towns (IDSMT), and the Accelerated Urban Water Supply Programme (AUWSP), etc., have shown varying degrees of success in meeting some of the urban needs. The parastatals and development authorities are designed to play a supportive role to the elected bodies rather than taking over the functions which properly belong to the Urban Local Bodies (ULBs).

In order to augment the financial position of ULBs, reforms are being introduced through introduction of accrual-based double entry system of accounting, e-governance, property tax reforms, levy of reasonable user charge, etc., by ULBs. To bridge the gap between requirement of funds by the ULBs and available financial resources, the Twelfth Finance Commission has recommended Rs 5,000 crore for local bodies as grants-in-aid for the period from 2005 to 2010, out of which Rs 2,500 crore is specifically earmarked for solid waste management in ULBs. At the State level to improve the financial position of the ULBs, actions have been taken to implement the recommendations of the State Finance Commission through taxes, duties, fees, etc., assigned to ULBs and distribution of their proceeds between the State and the ULBs.

**New Reform linked approach to Urban Development :** The Jawahar Lal Nehru National Urban Renewal Mission (NURM) has been established to provide reform linked Central assistance for development of infrastructure in select 63 cities and Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) for other than mission cities. States will be provided ACA grant in various proportions of project cost. The mission would take care of urban infrastructure projects, including water supply, sanitation, sewerage, solid waste management, road network, urban transport and redevelopment of inner city areas.

The main thrusts of the revised strategy is to link asset creation with asset management, improvement in service delivery, improvement of financial soundness of Urban Local Bodies (ULBs) leading to overall improvement in urban infrastructure and governance. In this improved environment, public-private participation models for provisioning of various services would also become feasible. To achieve this objective, State Governments, Urban Local Bodies and parastatal agencies will be

required to accept implementation of an agenda of reforms. The proposed reforms both at State and Urban Local Bodies and parastatal agencies will be required to accept implementation of an agenda of reforms. The proposed reforms both at State and Urban Local Bodies levels shall broadly fall into two categories : (i) Mandatory reforms, (ii) Optional reforms.

Some mandatory and optional reforms at State/ULBs levels are: (i) Adoption of modern, accrual based double entry system of accounting, (ii) Introduction of system of E-Governance in housing, IT applications like GIS and MIS for various services. (iii) Reforms of Property Tax with GIS applications, (iv) Levy of reasonable user charges by ULBs to cover full cost of O&M. (v) Implementation of decentralisation measures as envisaged in 74th Constitutional Amendment Act. (vi) Repeal of Urban Land Ceilings and Regulation Act. (vii) Reform of Rent Control Laws balancing the interests of landlords and tenants. (viii) Rationalisation of Stamp Duty to bring it down to no more than 5 per cent within the next five years. (ix) Enactment of Public Disclosure Law to ensure preparation of medium-term fiscal plan of ULBs and release of quarterly performance information to all stakeholders. (x) Revision of bye-laws to streamline the approval process for construction of buildings, development of sites, etc. (xi) Introduction of Property Title Certification System in ULBs. (xii) Introduction of computerised process of registration of land and property. (xiii) Encouraging Public/Private Partnership.

In order to develop a database at town levels, a new scheme, National Urban Information System (NUIS) has been designed. The NUIS comprises two major sub-components viz. (a) Urban Spatial Information System Scheme (USIS), i.e., generation of digital maps through satellite/aerial survey, to meet spatial (maps/images) data/information requirements of urban planning for routine functions and (b) National Urban Databank and Indicators (NUDB&I) to develop town level urban database to support development of indices.

### **URBAN TRANSPORT**

Increasing urban population coupled with increased city size has led to a rapid growth in the urban travel demand. Rapid growth in the use of personal motor vehicles has resulted in increased congestion, air pollution, higher incidence of accidents as well as an increased consumption of petroleum products. Significant improvement in public transport are a critical requirement for improving mobility in urban areas and thereby facilitating economic growth. Such improved mobility would also have a beneficial impact on the urban poor by improving their access to employment, education and health care. For urban planning it is necessary to give attention to an appropriate policy for transportation and traffic plans for every urban agglomeration. For pursuing objectives in the area, it is proposed to include the requirement in the NURM for each city to have an integrated plan and also to set up an expert body.

A National Urban Transport Policy has been drafted for the first time. This policy envisages integrated land use and transport planning, significant improvements in public transport, encouragement of non-motorised modes of travel, provision of adequate parking spaces as also a comprehensive set of measures for capacity building in urban transport planning.

While the only major project under implementation at present is the Delhi Mass Rapid Transit System, a number of other proposals have been posed for consideration.

The Delhi MRTS is being funded through equity from the Government of India and the GNCTD, as well as soft loan assistance from JBIC. The funds are being made available as pass through assistance, which is included in the budgetary resources of the Ministry of Urban Development. Phase-I of Delhi MRTS has been completed and Phase-II is under active implementation.

### **TELECOM SECTOR**

The predominant role of the Telecom sector in the rapid social and economic development has been recognised the world-over. The telecom sector in India has undergone a series of changes and institutional reforms since 1991. The new Telecom Policy, 1999 has laid down the basic framework for the future development and growth of the Telecom sector in the country. Following this approach, the major objectives envisaged in the Tenth Five Year plan include: (i) Affordable and effective communication facilities to all citizens, (ii) Provision of universal service to all uncovered areas including rural areas, (iii) Building a modern and efficient telecommunication infrastructure to meet the convergence of Telecom, IT and Media, (iv) Transformation of the telecommunication sector to a greater competitive environment providing equal opportunities and level playing field for all players, (v) Strengthening Research and Development efforts in the country, (vi) Achieving efficiency and transparency in the spectrum management, (vii) Protecting the defence and security interests of the country, (viii) Enabling Indian telecom companies to become truly global players.

Towards fulfillment of these objectives, India's more than 125 million telephone network is one of the largest networks in the world, which continues to grow at a blistering pace. The higher growth rate has continued during the first three quarters of the year 2005-06 and showed a growth rate of 35 per cent between December 2004 and December 2005. The total number of phones has reached 125.8 million as on 31 December 2005. The performance during the year has been so impressive that the average monthly addition crossed to 3 million lines. During 2005-06, 274.15 lakh new connections (50.90 lakh by BSNL & MTNL and 223.25 lakh by private sector were provided).

The private sector has continued its dynamism and entrepreneurial spirit to play a significant role in the growth of telecom sector. The share of private sector in the total telephones has increased from 47 per cent as on 31 March 2005 to 55 per cent as on 31 December 2005. Of the 274.15 lakh additional phones provided during 2005-06 the major share, i.e., 223.25 lakh, amounting to more than 81 per cent was provided by the private sector. The preference of subscribers in the urban areas is for wireless telephony and the trend continues. This has now been transformed into a mass consumption service.

Efforts are on to develop rural telephony. Under the Bharat Nirman, all the 66,822 uncovered villages are to be covered by November 2007. Against this target 25,870 uncovered villages have already been covered upto May 2006.

"One India Tariff" is another important feature introduced from 1 March 2006 under which the customers of BSNL and MTNL can call from one end of India to another at the cost of Rs. 1 per minute, any time of the day to any phone.

### **POSTAL SECTOR**

The Department of Post is one of the largest public sector employers in the country employing more than 5.7 lakh persons equally divided between permanent

employees and extra-departmental employees. It has completed 150 years of its service and has a network of 1.55 lakh post offices. Besides, providing a variety of postal services, the Indian postal system plays, a vital role in the resource mobilisation efforts especially in rural areas. The Tenth Plan aimed at making the postal services self-financing by the end of the Plan period. An outlay of Rs 200 crore was approved for the Annual Plan 2004-05.

Computerisation and Networking of Post Offices was the single most important scheme being implemented by the Department during their annual Plan 2004-05. The Department has taken up a number of new initiatives such as Postal Finance Mart, On-line domestic money transmission service, sale of postage stamps and postal stationery by the postman at the doorstep of the customer, thereby bringing the post office closer to people, and also the collection of mail by the postman. Speedpost Gold Service has been introduced between business districts of Delhi and Mumbai in February 2006. This Service assures next day forenoon delivery, automatic refunds in case of delay, electronic proof of delivery on e-mail/SMS and specialised arrangements for collection, transmission and delivery.

### **INFORMATION TECHNOLOGY**

The software and ITES exports from India grew from US\$ 12.9 billion in 2003-04 to US \$ 17.7 billion in 2004-05. It is estimated that total software and ITES exports from India will exceed US \$ 23.4 billion during 2005-06. Software and services exports are estimated to grow at 32 per cent in dollar terms during 2005-06. The Indian software and services exports has grown at a CAGR of 28 per cent during last 5 years. The industries' contribution to national GDP has risen from 1.2 per cent in 1999-2000 to a projected 4.8 per cent during 2005-06.

The total number of IT and ITES-BPO professionals employed in India is estimated to have grown from 2,84,000 in 1999-2000 to 12,87,000 in 2005-06 growing by over 2,30,000 in the last year alone. In addition, the Indian IT-ITES sector is estimated to help create an additional 3 million job opportunities both direct and induced.

### **INFORMATION AND BROADCASTING**

The activities of Information and Broadcasting (I&B) Sector cover three areas, viz., Broadcasting (Doordarshan and All India Radio), Information and Film Sector with the functions of each complementing the other. Many means of communication deployed in the past to reach the large segment of the population either became outdated or underwent radical technological changes, and yet goals like providing the people with development information and wholesome entertainment at a minimal cost, facilitating healthy growth and competition within the sector remained as valid as ever. It is noteworthy that both DD and AIR have made substantial progress in terms of geographical and population coverage. This has necessitated a review of the challenges facing the sector and reworking of priorities for the Tenth Five-Year Plan.

Some of the policy initiatives taken by the Government are, to encourage adoption of alternative technologies that enable increased and improved access to public and private broadcasters at affordable cost for the common man and to allow setting up of Low Power Community Radio Stations in FM mode by local communities including nonprofit organisations such as Universities, NGOs, etc., for educational, cultural and economic development of the respective communities.

Stress has been laid on introducing Special Packages to improve TV and Radio services in J & K and North-East States including Sikkim and Island Territories.

An outlay of Rs 5,130 crore had been approved for the I&B sector with a budgetary support of Rs 2,380 crore for the Tenth Plan.

The Annual Plan (2006-07) outlay for the sector has been kept at Rs 538.00 crore (GBS). The breakup for Broadcasting, Information and Film is Rs 469.77 crore, Rs 27.28 crore and Rs 40.94 crore, respectively. Total Budgetary support for the year 2006-07 is Rs 538.00 crore (GBS) without any IEBR support. During this plan year, an amount of Rs 10.00 crore has been earmarked for providing co-location of facilities to private broadcasters with Prasar Bharati in the field of FM broadcasting. Stress has also been laid on the development of the Children Film Society complex at Hyderabad, scheme of computerisation and modernisation for training and skill development at Satyajit Ray Film Institute, Kolkata, and ICT programme at Song and Drama Division. Enhanced fund have also been provided for the activities. In addition to this a fund of Rs 10.00 crore has been provided to modernise Jyoti Chitran Film Studio at Guwahati.

## TRANSPORT

Transport system in India comprises a number of distinct modes and services, notably railways, roads, road transport, ports, inland water transport, coastal shipping, airports and airlines. Railways and roads are the dominant means of transport carrying more than 95 per cent of the total traffic generated in the country. The transport sector has expanded manifold in the first 50 years of planned development, both in terms of spread and capacity.

**Railways :** Indian Railways has completed more than 150 years of service to the nation. Railways, with a capital base of about Rs 55,000 crore and a network of about 63,000 kms route, is the principal mode of transportation for bulk freight and long distance passenger traffic. The main thrust in the Tenth Plan is on the capacity expansion through modernisation and technological upgradation of railways system, improvement in quality of service, rationalisation of tariff in order to improve the share of rail freight traffic in the total traffic and to improve safety and reliability of railway services.

Given the present growth in GDP of 8 per cent, the Railways are expected to carry about 1100 million tonnes freight traffic by the end of the Eleventh Plan. To sustain this kind of growth, it is essential to have Dedicated Freight Corridors. Therefore, it is decided to have two Dedicated Freight Corridors between Ludhiana and Son Nagar (Eastern Corridor — 1230 km) and between Mumbai (JNPT) and Tuglakabad/Dadri (Western Corridor — 1469 km) to augment the capacity of Indian Railways to handle the large increase in the coming years. These Dedicated Freight Corridors along with the strengthening of feeder routes of Indian Railways will ensure availability of sufficient capacity in the face of rising demand of transport.

**Roads :** Priority was accorded for improving mobility and accessibility. Providing connectivity to villages and habitations is extremely crucial to realise the objective of accessibility. Providing connectivity to villages and habitations is extremely crucial to realise the objective of accessibility. Hence, necessary priority was accorded by re-phasing the PMGSY whose target was to provide connectivity to habitations with 1000 and above by 2003 and those with a population of 500 and above by 2007 (250 + for hilly and tribal areas) — to achieve the Bharat Nirman target of connecting 1000 + habitations (500 + for hilly and tribal areas) by 2009.

Also, keeping in view the need for nationwide connectivity and increased mobility, an expanded programme for highway development as also a Special Accelerated Development Road Programme for the North Eastern Region (SARDPNE), as proposed by the Committee on Infrastructure, under the chairmanship of the Prime Minister, is being taken up with full vigour.

Besides, in order to remove deficiencies, the thrust would continue to be on construction of missing links, improvement of low-grade sections, rehabilitation and reconstruction of weak bridges, construction of bypasses and 4-laning and strengthening of weak 2-lanes.

Financing of investment for the expanded programme of highway development is a massive task. Thus, involvement of private sector for development of roads under National Highway Development Programme through Build Operate Transfer (BOT) route has been taken up in a major way. Accordingly, it has been decided that for NHBP Phase-III onwards, all contracts for provision of road services would be awarded only on BOT basis with Engineering Procurement Contracts (EPC) awards being made in specified exceptional cases only. In order to facilitate involvement of private sector in road development programme various enabling measures have been taken by the government. A Model Concession Agreement for BOT projects has been evolved.

It is also proposed to strengthen the institutional capacity of NHAI by making it a multi-disciplinary professional body with high quality expertise.

**Ports :** The Ports act as transshipment point between water transport and service transport and, therefore, play a crucial role in the transportation system for facilitating international trade. There are 12 major ports and 184 minor/intermediate ports along India's 7516 km coastline. The major ports handle about 75 per cent of the port traffic of the country and remaining 25 per cent is handled by minor/State ports.

The thrust in the Tenth Plan was on creation of general and bulk cargo handling facilities with focus on container traffic and improvement in the efficiency and productivity through private sector participation by the introduction of organisational changes and rationalisation of manning scales.

Keeping in view the need for meeting the requirement of traffic efficiently and at minimum cost to the users, there is a need to formulate a perspective plan for long-term development of each major port. The augmentation of berth capacity may be preferably through private investment or public-private partnership.

In order to ensure smooth evacuation of cargo from the port and movement to the port, it has been decided that all major ports will be provided rail-road connectivity on priority.

There has been steady improvement in the port performance over the years. Traffic handled at major ports has gone up from 383.62 MT during 2004-05 to 423.42 MT during 2005-06.

**Inland Water Transport (IWT) :** IWT is an energy efficient, environmentally clean and economical mode of transport. India is richly endowed with waterways comprising river systems and canals. It is estimated that a total of 14544 km of waterways could be used for passenger and cargo movement. However, capacity of the sector is grossly under-utilised as most navigable waterways suffer from hazards like shallow water and narrow width of channel during dry weather, silting of river beds and erosion of banks, absence of adequate infrastructural facilities like terminals for loading and berthing and surface road links.

The thrust in the Tenth Plan was on development of infrastructure facilities with a focus on NE region and private sector participation so that there is a gradual shift of domestic cargo from rail-road modes to inland water transport.

### **CIVIL AVIATION**

The main advantage of air transport lies in its speed. No other mode of transport can approach the aircraft in speed and travel particularly, over long distances. Aviation shrinks the planet and facilitates international commerce and trade. Aviation facilitates tourism. Strategic and Defence requirements also necessitate the provision of an efficient and reliable network of air services and airports.

The Civil Aviation sector has played an important role in India's economy. It provides fastest and reliable transport for movement of passenger and cargo traffic. The sector is broadly structured into three distinct functional entities - regulatory-cum-development, operational and infrastructure. Directorate General of Civil Aviation and Bureau of Civil Aviation Security perform the regulatory functions, operational functions are performed by Air India Ltd., Indian Air Lines Limited, Pawan Hans Helicopters Ltd. and other scheduled/non-scheduled airlines operations and infrastructure facilities are provided by the Airport Authority of India.

The main thrust in the Tenth Plan for Civil Aviation development was to provide world-class infrastructure facilities and efficient, safe and reliable air services to meet the requirement of domestic and foreign trade and tourism. In order to ensure time bound creation of world class airports and evolve a policy and regulatory framework for Public-Private Partnership (PPP) to maximise capital inflows and efficiency the Committee on Infrastructure (CoI) under the chair of Prime Minister decided inter alia to set up a statutory regulatory body for economic regulation and dispute resolution, formulate a comprehensive national policy on civil aviation, prepare a Model Concession Agreement (MCA) to promote PPP restructure of Delhi and Mumbai airports using PPP approach and to revamp the Airport Authority of India.

Considerable headway has been made with regard to the implementation of decisions taken. The paper on economic regulatory and dispute resolution, the Civil Aviation Policy as also the MCA are in the process of being finalised. Four metro airports at Delhi, Mumbai, Chennai and Kolkata; six Greenfield airports and 35 non-metro airports would be developed.

### **TOURISM**

The Tenth Plan recognised the vast employment generating potential of Tourism and the role it can play in furthering the socio-economic objectives of the Plan. The Travel and Tourism sector creates more jobs per million rupees of investment than any other sector of the economy and is capable of providing employment to a wide spectrum of job seekers from the unskilled to the specialised even in the remote parts of the country. Tourism is the third largest net earner of foreign exchange for the country. The new Tourism Policy envisages a framework, which is Government led, private-sector driven and oriented towards community welfare, with the Government creating the legislative framework and basic infrastructure for tourism development, the private sector providing the quality products and the community providing active support. The new policy is being achieved through five key strategic objectives, viz.: (i) positioning tourism as a national priority; (ii) enhancing India's

competitiveness as a tourist destination; (iii) improving and expanding product development; (iv) creation of world class infrastructure; and (v) effective marketing plans and programmes.

India's share in international tourist arrivals was 0.34 per cent in 2002 and increased to 0.49 per cent during 2005. The increasing trend has been maintained over the last three years and international tourist arrivals touched 3.92 million in 2005. The World Travel and Tourism Council have identified India as one of the foremost growth centres in the world in the coming decade. Higher plan outlays have been provided during the Tenth Plan for development of infrastructure at tourist destinations and circuits and for effective marketing and promotion. An aggressive 'Incredible India' campaign and active participation of State Governments in promoting tourism are expected to enhance India's share of international arrivals in the coming years. Domestic tourism is estimated to be much higher than international tourism and has also been rising rapidly.

#### **VOLUNTARY ACTION CELL**

The Voluntary Action Cell (VAC) of the Planning Commission acts as a facilitator for the Government-Voluntary Sector collaboration. VAC primarily deals with broad policy matters relating to the voluntary sector and is preparing and updating a comprehensive database on NGOs.

A Draft National Policy on the Voluntary Sector has been prepared by Planning Commission in consultation with VOs/NGOs and sent to the PMO for suggestions. A Steering Committee on voluntary sector for 11th Five-Year Plan (2007-12) has been constituted. VAC has coordinated five Regional Consultations with NGOs on the Draft Approach Paper to the 11th Five-Year Plan.

#### **ENVIRONMENT AND FORESTS**

Cleaning of major rivers by 2007 was one of the monitorable targets under the Tenth Plan. With a view to improve the water quality of major rivers in the country under the National River Conservation Plan (NRCP), various activities were undertaken during the Tenth Plan. NRCP presently, includes river pollution abatement works in 157 towns along 31 polluted stretches of rivers spread over 18 states. For 2005-06, the target under NRCP was creation of 564.43 million litres per day (MLD) of STP capacity to be created through commissioning of 33 STPs. The achievement was indicated as 311.94 MLD of STP capacity created through commissioning of 13 STPs.

The target of increasing the 23.68 per cent tree/forest cover of the country to 25 per cent was another monitorable target in the Tenth Five-Year Plan. Bio-diesel Mission, mooted as one of the measures towards this objective, involves cultivation of non-edible oil-seeds including *Jatropha* in wastelands for production of bio-diesel and subsequent blending with petro-diesel. Planning Commission has mooted this Mission that would start with 5 per cent blending of bio-diesel with petro-diesel which would be later expanded to reach 20 per cent level. The project is being implemented by the Ministry of Rural Development (Nodal Ministry). The Ministry in 2005-06 took steps to get EFC approval for spending Rs. 50 crore for planting about 18 crore *Jatropha* saplings in about 8000 ha spread over 9 States. Subsequently, the Mission would be extended to other States also. The Mission would create employment in rural areas and greening created will be entitled for emission trading under Kyoto Protocol.

The MoEF has been streamlining the procedure to bring all forest fringe villages under the ambit of the Joint Forest Management (JFM) Scheme. The MoEF provides assistance for afforestation activities through JFM under the Centrally Sponsored Scheme—National Afforestation Programme (NAP) which includes JFM Committees. 28 States have adopted JFM so far. Till 31 July 2005, about 20.11 million hectares of forest area had been brought under 99,708 JFMCs.

The proposed National Bamboo Mission envisages promotion of cultivation, processing of bamboo and manufacturing of high and modern products for large-scale use in housing, transport and other industries. Full Planning Commission has recently approved a CSS for this purpose at an estimated cost of Rs 600 crore to be implemented through the Ministry of Agriculture. This will create employment/livelihood opportunities from cultivation and value addition of bamboo at community level apart from providing wood substitution by bamboo products.

### **PEO**

The Programme Evaluation Organisation (PEO) undertakes evaluation of selected programmes/schemes under implementation, as per requirements of the Planning Commission and Ministries/Departments of Government of India. The evaluation studies are designed to assess the performance, process of implementation, effectiveness of the delivery system and impact of programmes. The PEO also provides technical guidance and assistance to various Ministries in evaluating the on-going programmes. It also shares its experience in development evaluation with various government agencies through training programmes, seminars, scrutiny of research proposals and other modes of interactions. The PEO has so far conducted 195 studies/activities, and there are 17, ongoing prioritised studies.

## **PROGRAMME IMPLEMENTATION**

### **MONITORING OF INFRASTRUCTURE SECTORS**

The Infrastructure and Project Monitoring Division (IPMD) in the Ministry of Statistics and Programme Implementation monitors the performance of the country's eleven key infrastructure sectors, namely, Power, Coal, Railways, Shipping and Ports, Telecommunications, Cement, Fertilisers, Petroleum, Road and Civil Aviation. It prepares and submits monthly Review Reports and Capsule Reports on the performance of infrastructure sectors, *inter-alia*, to the Prime Minister's Office and the Cabinet Secretariat. The growth rate in respect of each infrastructure sector since 1997-98 and the production/achievement during 2005-06 is given in table 22.1.

### **MONITORING OF TWENTY-POINT PROGRAMME**

The Twenty-Point Programme (TPP) was conceived for coordinated and intensive monitoring of a number of schemes implemented by the Central Government and the State Governments with the objective of improving the quality of life of the people, especially those living below the poverty-line. It was meant to give a thrust to schemes relating to poverty alleviation, employment generation in rural areas, housing, education, family welfare and health, protection of environment and many other schemes having a bearing on the quality of life in the rural areas. The programme was initiated in the year 1975 and restructured in 1982 and again in 1986.

The present programme, known as TPP-86, comprises 20 Points containing 119 items. Out of which 54 are monitored on the basis of evaluatory criteria and 65

704 India 2008 against pre-set physical targets. Of the later, 20 important items have been selected for monitoring on a monthly basis. The targets are fixed by the administrative Ministries at the Centre in consultation with the State Governments/ Union Territory Administrations.

### **MONITORING DESIGN AT THE CENTRE**

At the Central Government level, the progress is monitored and reviewed both by the Departments/Ministries concerned and the Ministry of Statistics and Programme Implementation (MOSPI). While the administrative Ministries monitor the specific schemes they are responsible for, this Ministry monitors the whole gamut of the schemes included in the Programme.

The Ministry brings out Monthly Progress Report (MPR) on Twenty-Point Programme in respect of 20 selected items. The report covers achievements vis-a-vis pre-set physical targets for these items. The States are ranked on the basis of their performance in respect of 12 key items out of the 20 items chosen for monthly monitoring.

The Ministry also brings out a Monthly Capsule Report and an Yearly Review Report on Twenty-Point Programme. The Capsule Report contains highlights of the Monthly Progress whereas the Yearly Review Report contains information on all the items covered under Twenty-Point Programme.

The performance of the monthly monitoring items under the Twenty-Point Programme for the last three years, i.e., 2003-04, 2004-05 and 2005-06 is given in the table 22.2.

### **MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME**

The Member of Parliament Local Area Development Scheme (MPLADS) was launched on 23 December 1993, to enable Members of Parliament to recommend works for creation of fixed community assets, based on locally felt developmental needs. The Scheme is governed by a set of guidelines, which have been comprehensively revised and issued in November 2005.

Some of the salient features of the scheme are enumerated below :

- Works which are developmental in nature, based on locally felt needs and always available for public use at large, are eligible under the scheme.
- The Members of Parliament have a recommendatory role under the Scheme. The MPs recommend their choice of works to the concerned District Authorities who get them implemented by following the established procedure of the concerned State Government.
- Examining the eligibility, sanctioning, funding, selection of implementing agencies, prioritisation and overall execution, monitoring of the scheme at the ground level, is done by the district authorities.
- The Lok Sabha Members can recommend works in their respective constituencies. The elected members of Rajya Sabha can recommend works anywhere in the State from which they are elected. Nominated Members of the Lok Sabha and Rajya Sabha may select works for implementation anywhere in the country.
- The funds released under the scheme are non-lapsable, i.e., the liability of funds not released in a particular year is carried forward for making releases

in the subsequent years subject to eligibility. The annual entitlement per MP is at present Rs. 2 crore.

- Important items of works like drinking water, education, public health, and funds for development of SC/ST are given priority.
- There is no limit for a work to be executed by Government Agencies. There is a ceiling of Rs. 25 lakh for the works of Trust/Societies.
- The maximum limit for rehabilitation of work in the affected areas by severe calamities is now Rs. 50 lakh.
- In order to give special attention to Development of areas inhabited by Scheduled Castes and Scheduled Tribes, 15 per cent of MPLADS funds would be utilised for areas inhabited by SC population and 7.5 per cent for areas inhabited by ST population.
- The role of Panchayati Raj Institutions and Urban Local Bodies as the implementing Agency is now stressed.
- Release of Rs. 1 crore in respect of MPs at the time of constitution of Lok Sabha and election to the Rajya Sabha is done automatically without waiting for a monthly progress report.
- To bring in more financial accountability, a Utilisation Certificate for the previous financial year and the Audit Certificate for the funds released in the year prior to the previous year are also prerequisites for the release of the second instalment. Release of first instalment is made on the basis of the release of second instalment of previous year having been made.
- The normal financial and audit procedures prevalent in the states in which the works are executed apply with regard to the implementation of the works.

Since its inception, the Scheme has immediately benefited the local community by meeting their various developmental needs such as drinking water facility, education, electricity, health and family welfare, irrigation, non-conventional energy, community centres, public libraries, bus stands/stops, roads, pathways and bridges, etc.

As on 31 March 2006, Rs 14,923.70 crore has been released, since the inception of the Scheme. As reported from the Districts, an expenditure of Rs 13,301.12 crore has been incurred. The percentage utilisation over release is 89.13. A total of 9,04,955 works have been sanctioned and 8,00,973 works have been completed, as on 31 March 2006, since the inception of the scheme. Percentage of works completed as sanctioned is 88.50.

MPLADS performance has improved due to pro-active policy initiatives, focused monitoring and review. The substantial achievement in scheme performance from April 2004 till March 2006 is as under :

- There has been a remarkable improvement in the utilisation of funds. Percentage utilisation over release has risen to 89.13 from 82.18 as on 31 March 2004.
- There has been a reduction of Rs 470.57 crore in the unspent balance, due to policies towards financial discipline.
- Substantial increase in the number of works completed has been achieved. The percentage of works completed to the sanctioned has increased to 88.50 from 80.14 as on 31 March 2004.

TABLE 22.1 : ANNUAL GROWTH RATE OF INDUSTRIAL INFRASTRUCTURE SECTORS

S.No.	Sector	Growth Rate (in %age)										Actuals (2005-06)
		1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06		
		per cent	per cent	per cent	per cent	per cent	per cent	per cent	per cent	per cent		
1.	Power	6.6	6.6	7.1	3.9	3.1	3.2	5.0	5.2	4.8	615.75	(BU)
2.	Coal	3.6	-2.0	3.0	3.6	4.2	4.4	5.6	6.1	6.4	401.52	(MT)
3.	Finished Steel	0.6	-1.5	12.5	6.7	4.3	9.2	13.7	7.6	6.0	44.78	(MT)
4.	Railway Revenue Earning Freight Traffic	5.0	-2.0	8.4	3.7	4.0	5.3	7.5	8.1	10.7	667.39	(MT)
5.	Cargo Handled at Major Ports	10.6	0.1	8.0	3.4	2.4	9.0	10.0	11.3	10.3	423.41	(MT)
6.	Telecommunications:											
	a) Addition in Switching Capacity	13.0	36.1	40.2	6.4	-2.6	-35.6	0.1	49.8	85.8	12475.29	(000 Lines)
	b) Telephone Connections	27.1	16.4	29.7	20.5	-4.7	-39.8	148.8	-17.7	123.3	15546.47	(000 Nos.)
	c) Cell Phone connections	N.A.	N.A.	N.A.	N.A.	N.A.	119.2	115.3	10.4	89.4	28172.37	(000 Nos.)
7.	Fertilizers	17.1	3.7	4.8	2.9	-0.5	-1.1	-1.4	8.0	0.8	15.52	(MT)
8.	Cement	9.1	5.6	14.0	-2.8	9.5	8.8	6.1	8.2	10.7	147.81	(MT)
9.	Petroleum											
	a) Crude Oil	2.8	-2.8	-2.2	1.5	-1.2	3.2	1.0	1.8	-5.3	32.20	(MT)
	b) Refinery	3.6	5.2	25.3	20.3	3.7	4.9	8.2	4.3	2.1	129.84	(MT)
10.	Civil Aviation											
	a) Export Cargo handled	-0.2	-4.4	10.8	5.1	4.1	13.3	1.0	12.4	7.3	466659	(Tonnes)
	b) Import Cargo handled	1.4	-2.4	16.2	3.6	-1.0	18.6	13.4	24.4	15.8	319010	(Tonnes)
	c) Passengers handled at International Terminals	3.1	0.0	0.0	4.6	-5.0	4.8	6.5	14.0	12.8	168.44	(Lakh No.)
	d) Passengers handled at Domestic Terminals	-2.8	0.9	7.5	7.7	-5.7	9.6	13.1	23.6	27.1	302.63	(Lakh No.)
11.	Roads											
	a) Upgradation of Highways	-3.4	47.6	68.6	32.9	1.1	53.5	-16.6	16.1	-23.4	5296	(Kms.)
	b) Rehabilitation/construction of bridges	-62.5	137.5	82.5	28.8	-8.2	16.3	-14.0	-14.6	-5.7	99	(Nos.)

BU - Billion Units MT - Million Tonnes \* Provisional

Source : C.S.O., M/o Statistics & P.I.

TABLE 22.2 : ALL INDIA PERFORMANCE OF 20-POINT PROGRAMME  
From 2003-2004 to 2005-2006

Sl. No.	Point No.	Items	Unit	2003-04			2004-2005			2005-06		
				Target	Achievement	%	Target	Achievement	%	Target	Achievement	%
1	2	3	4	5	6	7	8	9	10	11	12	13
1.	01B	Sampoorna Gramin Rozgar Yojana @	Lakh									
	05A	Distribution of Surplus Land	Mandays	-	7523.6	-	-	7904.0	-	-	7294.1	-
	07A	Drinking Water Supply (Villages/Habitations)	000 Acre	17.6	24.0	136.4	17.6	36.3	206.3	20.0	54.1	270.5
	08A	Community Health Centres (CHC)	000 Nos.	111.1	40.8	36.7	74.9	73.1	97.6	56.3	93.1	165.6
	08B	Primary Health Centres (PHC)	Nos.	575.0	148.0	25.7	514.0	64.0	12.5	575.0	397.0	69.0
	08D	Immunisation of Children (DPT, Polio & BCG)	Nos.	406.0	41.0	10.1	406.0	423.0	104.2	406.0	475.0	117.0
	09C	ICDS Blocks Oprl. (Cum.)	Lakh Nos.	253.5	274.1	108.1	256.9	292.2	113.7	258.0	260.3	100.9
	09D	Anganwadies Oprl. (Cum.)	Nos.	5132.0	5263.0	102.6	5652.0	5419.0	95.9	5652.0	5747.0	101.7
	11A	SC Families Assisted	000 Nos.	673.0	640.8	95.2	743.2	706.6	95.1	754.8	760.3	100.7
	11B	ST Families Assisted	000 Nos.	2400.0	2559.4	106.6	2490.5	2811.2	112.9	2470.0	3257.6	131.9
	14C	Indira Awaas Yojana	000 Nos.	1117.0	1411.0	126.2	1116.6	1563.3	140.0	1131.6	1873.1	165.5
	14D	EWS Houses Provided	000 Nos.	1484.6	1198.1	80.7	1562.4	1420.6	90.9	1441.2	1414.7	98.2
	14E	LIG Houses	000 Nos.	58.2	58.2	100.0	50.2	52.4	104.4	43.4	104.6	241.0
	15	Slum Improvement (Population)	000 Nos.	6.8	12.8	188.2	16.9	22.3	132.0	24.4	21.8	89.3
	16A	Tree Plantation	000 Nos.	3670.5	4991.1	136.1	5197.6	6170.6	118.7	1521.7	1626.1	106.9
	16B	Area to be covered (Under Pln.) Public & Forest Lands	Lakh Nos.	8622.0	7611.4	88.3	12923.6	9076.1	70.2	12560.0	10265.3	81.7
	19A	Villages Electrified	000 Hect.	1071.7	844.4	78.8	1477.9	1126.1	76.2	1629.5	1485.6	91.2
	19B	Pump Sets Energised	Nos.	24011.0	5475.0	22.8	23860.0	8499.0	35.6	20084.0	14058.0	70.0
	19C	Improved <i>Chullalis</i> @	000 Nos.	217.07	231.08	106.8	212.2	287.9	135.7	386.6	311.0	80.4
	19D	Bio-gas Plants	000 Nos.	-	78.1	-	-	64.9	-	-	80.4	-
			000 Nos.	133.0	117.3	88.2	80.1	88.4	110.4	20.2	52.3	259.0

@ The Schemes do not have any physical targets.

Source : C.S.O., M/o Statistics & P.I.