

Hon'ble Prime Minister Dr. Manmohan Singh Ji, Respected Deputy Chairman of the Planning Commission, Shri Montek Singh Ahluwalia Ji, Esteemed Union Ministers, Governors/Lt. Governors, Chief Ministers and other distinguished participants !

It is a matter of privilege for me to participate in this important meeting of the National Development Council. I am thankful for giving me the opportunity to express my views before this august gathering.

2. The Draft Approach Paper for the 12th Five Year Plan broadly summarizes the achievements of the Government along with the Plan strategies for the future. While the macro-economic figures do lead to a set of conclusions, situation may vary from State-to-State. Therefore, an examination of State specific issues would help us in a better understanding of the challenges before us.

3. Under the dynamic leadership of UPA Chairperson, Smt. Sonia Gandhi Ji and the able guidance of the Prime Minister, Dr. Manmohan Singh Ji, the planning process in the country has taken us to a position of strength and boosted our confidence to take up new challenges.

4. Now coming straight away to Haryana, we are likely to achieve an average GSDP growth of 9.5% during the 11th Plan period which is higher than the national average of 8.2%. We have substantially improved our physical

infrastructure without sacrificing our goals in building up of the social sector. However, there is much more to be done in order to move closer to the goal of faster, inclusive and green growth. We are committed to align our policies and resources with these objectives.

5. It is our firm belief that the overall economic growth must lead to improvement in the living conditions of the people. Mere financial allocations to different sectors would not take us towards the desired goal. Good governance and improvement in the delivery system are indeed the cornerstones of a meaningful development. Haryana is one of the most progressive states in the country. Our per capita income is the highest among the States in India, next only to Goa. Our fiscal management is reckoned as amongst the best in the country. Need of the hour, however, is a citizen-centric and cost effective delivery of public goods and services. We are working on the same.

6. The present system of budgetary classification of State outlays under "Plan" and "Non-Plan" is no longer the most optimal method of allocating resources. The accounting constraints arising out of this distinction are creating distortions in the planning process. It is also hampering the linkage of expenditure with outcomes. It is the right time to move to a system where the planning process takes into account all public expenditure and allows the required flexibility to the State Governments to fix priorities, evolve suitable

programmes, projects and strategies in a pragmatic manner. It is, therefore, suggested that the Plan and Non-Plan distinction may be done away with and the outlays may be classified as 'capital' and 'revenue' only.

7. Most of the Central Sector and Centrally Sponsored schemes have a pan India perspective leaving very little scope for flexibility to meet the State specific requirements. We would recommend adoption of an umbrella approach under which lump sum transfers/grants are provided to the State Governments and they are given the flexibility to utilize the funds as per their local requirements as is the case with RKVY which is a success story in this regard.

8. The Eleventh Plan gave a special impetus to growth through several flagship programmes of Central Government aimed at increasing inclusiveness and reducing poverty. I take this opportunity to compliment the Central Government for undertaking innovative programmes like the Pradhan Mantri Gram Sadak Yojana (PMGSY), National Rural Health Mission (NRHM), Sarv Shiksha Abhiyaan (SSA), Rashtriya Krishi Vikas Yojana (RKVY), Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA), Rajiv Gandhi Grameen Vidyuti Karan Yojana (RGGVY) etc. These programmes should be further strengthened. However, I would not hesitate to add that the norms of some of these programmes are detrimental to the interest of states like Haryana. For example, Haryana is not getting 80% share of the 50% of the diesel cess under

PMGSY merely because we had achieved the road connectivity for most of our villages long back. But there is a serious anomaly here because rural roads constructed 30-40 years ago hardly exist on ground today. The State Government has to incur a huge cost on rebuilding these roads. Therefore, the Government of India should transfer our total share of PMGSY for strengthening and maintenance of the existing road network. Further, and I agree with the Planning Commission, the JNNRUM must be redesigned and improved to incorporate the lessons learnt so far. This progressive initiative has been rendered virtually inoperative by the conditionalities and compliances attached to the programme. A more calibrated and pragmatic approach will help realise the full potential of this excellent scheme.

9. Recent debate on poverty line has thrown up various issues. The use of poverty line for identification of the poor is an important policy instrument for providing State support to the priority categories under various Central/State interventions. It is requested that the Government of India may expedite the resolution of the issues arising out of this debate.

10. The Approach Paper seems to be silent on the growing 'informalisation' of our economy with the increased participation of women, often without access to formal credit, social security, housing, and the need for their skill upgradation and vocational training. Employment in the informal/unorganized sector was assessed at 91.5 percent in 1999-2000 which further increased to

92.7 percent in 2004-05 as per the report of the National Commission for Enterprises in the Unorganised Sector (May 2006). Legal framework for mainstreaming this important segment of the economy whose contribution to the National and State income is enormous should be firmed up and also incorporated in the Twelfth Plan.

11. The Backward Regions Growth Fund (BRGF) was set up to take care of regional imbalances in development. In order to make this scheme more meaningful, it is suggested that instead of keeping district as a unit for identification of backwardness, block should be made the unit for coverage under the programme.

12. The institutional arrangement and planning process in the State are in place, and are duly transparent, participative and integrative. The District Planning Committees have been constituted and are functioning well. The panchayats have been revitalized by delegating powers to them so that they can play a meaningful role in the planning and development process.

13. Sir, it may kindly be noted that the States have been assigned a wide range of expanding functions without matching resources. On the other hand, the Centre has been endowed with far more elastic and buoyant sources of revenue. This has stressed the financial arrangements of the States. For example, the States which have fully implemented the 6th Pay Commission recommendations are facing higher revenue deficits. The Central Government,

on the other hand, has been benefited indirectly by way of Income Tax receipts on account of this. It is imperative that we correct and rationalize the situation.

14. I would further urge the Government of India to rectify the vertical and horizontal imbalances between the Centre and States in the allocation of Central Assistance. The allocation of normal Central Assistance for State Plans for non special category states is being presently guided by the Gadgil-Mukherjee formula, which was updated by NDC in 1991. As per this formula, the weightage given to population is 60% and 25% to income criteria besides other parameters of performance etc. Population is a far more objective criteria to reflect the actual financial needs of a State. Therefore, the weightage to population factor should be at least 75% against the existing 60%. The weightage of income criteria should be reduced to 10% from the existing 25% so that the better performing States are given a fair deal. Furthermore, fiscally well managed states should be rewarded by assigning higher weightage to fiscal management, revenue generation and tax collection efficiency. The one time Central Assistance to bridge the resource gap which consists of 70% loan and 30% grant should be converted into 100% grant.

Finance

15. Haryana will lose huge revenue on account of introduction of GST, and therefore, a just and sound mechanism for calculating and disbursing GST

compensation is immediately needed. It is suggested that there should be an independent body comprising representatives from various States, working in close coordination with the Empowered Committee which can look into the claims of the various Governments so that the States are compensated appropriately and timely.

16. In respect of natural calamities, the states are given assistance by the Centre as per the provisions of the Calamity Relief Fund. But the relief norms of the Central Government bear no relationship either to the cost of cultivation or to the loss suffered by farmers. It is suggested that the norms for relief on account of loss due to natural calamities should be mandated on the basis of recommendations of the Commission on Agricultural Costs and Prices.

17. Yet another constraint is in terms of the borrowing limit of the State which is fixed by the Ministry of Finance. The States should be allowed to borrow within this limit without any condition of sources such as the National Small Savings Fund etc.

Education and Skill Development

18. Sir, we have accorded a high priority to education and health. In the Twelfth Plan, our strategies would be: a) to implement the RTE Act; b) to prepare the State for universalization of secondary education as a natural corollary of successful implementation of RTE; c) to enhance the quality and

relevance of education by integrating vocational training with mainstream schooling; and d) to regulate teacher education to enhance quality of teachers.

19. The State has been largely successful in addressing the gender and regional disparities in education through a number of initiatives during the Eleventh Plan. Most remarkable among these has been the introduction of monthly cash incentives for government school children who belong to SC/BC/BPL categories. The incentive structure has been made more favourable for girls by paying them 50% higher amount. Nearly 18 lakh children are benefitting from the scheme which is being fully supported by the State from its own budget with an outlay of Rs. 400 crore. The scheme for distribution of bicycles has also helped in bringing children to schools from under-served areas. For girls particularly, it is an important confidence building measure as also a socially empowering activity.

20. The State has taken the required steps for facilitating realization of right to education by each child. This involves a huge financial burden on the State exchequer which should be shared between the Central Government and the State in the ratio of 75:25. The SSA norms should be revised to include all provisions of furniture and other infrastructure related gaps. Moreover, the cost norms should be in alignment with the current prices.

21. RMSA is quite resource intensive and requires high level of support in the Twelfth Plan. During the last two years, Central Government has not been able to provide funds even for the sanctioned schemes/projects under RMSA. Haryana is also implementing the pilot project of vocationalising education from class IX onwards. The State would like to expand it to all senior secondary level schools over the next Plan. It is requested that funding may be provided for the same. It is further requested that the funding should be on a regular basis and adequate.

22. There is a need to revamp the entire teacher education set up in terms of its structure, content, delivery and regulation. The Twelfth Plan must come up with a Centrally funded scheme for setting up of teacher education institutions with a credible regulatory mechanism.

23. The special emphasis laid on skill development initiative in the Draft Approach to the 12th Five Year Plan is highly appropriate and the State of Haryana fully endorses the same. The area of skill development has, however, been plagued by overlapping jurisdiction of different Ministries in the Government of India. While vocational education is considered a part of school education and regulated by the Ministry of Human Resource Development, vocational training is regulated by the Ministry of Labour. This has given rise to duplication of efforts and infructuous expenditure. The entire subject of

promotion and regulation of skill development should be brought under one Ministry.

Health

24. Providing affordable, accessible and quality health care is one of the foremost priorities of Government of Haryana. We are committed to achieve the Millennium Development Goals by bringing about targeted improvement in the health indicators. During the Eleventh Plan, significant achievements have been made by the State with regard to the health indicators.

25. Trained and qualified manpower has been a major challenge in expanding health care facilities. In order to address this, the Government of Haryana has decided to set up three new Medical Colleges at the cost of Rs.1450 crore. We also propose to enhance our capacity for the training of para medical personnel.

26. There is no doubt that nutrition standards among women and children remain a challenge. Haryana launched the Indira Bal Swasthya Yojana in January, 2010. It is a comprehensive health care programme focusing on identification and early treatment of diseases, disability and deficiency. Reduction of anaemia amongst pregnant mothers is now being brought under strict surveillance and treatment.

27. Along with curative health facilities, preventive health care has been given due attention. The Total Sanitation Campaign which has been successfully implemented in several parts of Haryana along with preventive health care measures has resulted in reduction of burden of disease especially in vector born diseases. We compliment the Government of India for launching a special programme for non-communicable diseases. In view of the rapid urbanisation, provision of health services in urban areas especially the slums, requires our immediate attention. In Haryana, a special programme for developing RCH services in urban areas has been started which will also implement other national programmes like family planning programme.

28. It is now well understood that delivery of health services can be made effective only with the involvement of the community. In the State, we have mobilised Sakshar Mahila Samoohs for educating the rural masses about the health issues and prevention of diseases.

Women and Child Development

29. The ICDS Scheme has been substantially expanded in line with the directions of the Hon'ble Supreme Court so as to provide a separate anganwadi for every 800 population. As many as 8255 anganwadis have been set up in the last two years. However, we would request for support of Government of India on the following issues:

- Funding for Kitchen sheds on the pattern of Mid Day Meal Scheme.
- Funding for construction of Anganwadi Centres.
- Funding for replacement of vehicles.
- Need for upward revision of Nutrition Norms.
- Need for upward revision of one time grant for setting up of AWCs.
- Funds for remuneration of AWWs under SABLA.

The Ladli scheme has also been extended up to 2015. This will have a favourable impact on the sex ratio in the State.

Agriculture

30. The Draft Approach Paper has rightly focused on the issues of critical importance, namely, Agriculture, Water and Power. With the cultivation of 86% of the geographical area and irrigated area of 84% with total number of 15.3 lakh holdings (65.4% small and marginal) we attained the average growth rate of 3% in agriculture during the first four years of the 11th plan. However, due to the impact of climate change the yields in several crops such as wheat, soybean, groundnut, mustard, potato etc. have become highly volatile. As mitigation and adaptation strategies, we need to develop more robust varieties of these crops. Further, the wheat-paddy rotation has resulted in depletion of soil fertility in the irrigated parts of the State. However, all efforts for weaning the farmers from this vicious cycle have failed primarily because of the lack of economic incentives for alternative cropping patterns. A multi-pronged

strategy is required to address this challenge. This would involve concerted efforts for developing technologies for improving productivity and robustness in other food crops and an attractive MSP regime. Also, there is an urgent need for food crop varieties which are resistant to droughts, floods and adaptable to alkali and acidic soils.

31. Government of India had set up a Working Group on Agriculture which was headed by me and comprised Chief Minister of Punjab, Bihar and West Bengal. The Working Group has made several useful recommendations. I would request the Government to initiate action on the recommendations which have the potential to transform Indian agriculture.

32. We have a very vibrant Agricultural University in the State. However, due to scarce resources of the State, we are not able to meet their requirement of investment in R&D. I would, therefore, request the Government of India to immediately sanction a one time grant of Rs. 1000 crore to strengthen the R&D infrastructure of the State Agricultural University.

33. The coverage under the National Food Security Mission (NFSM) should be expanded to the entire State instead of only seven districts at present. The cost of cultivation of most of the food-grain crops has increased manifold over the last two years due to increase in the cost of inputs. The MSP of crops should be fixed in such a way that it covers the full cost of cultivation plus a

reasonable profit to the farmers so that they feel motivated to remain engaged in agricultural activities.

34. In the post-harvest supply chain, consisting of procurement, movement, storage and distribution, inefficiencies have crept in which are loading unnecessary burden on the budgets of both Central and State governments. It is suggested that a Task Force may be set up to look into the whole gamut of these activities, keeping in view the interests of food surplus and consuming states and to recommend more efficient and superior supply chain management and mechanism.

35. There is an immediate need to support a vegetable and horticulture hub adjoining the National Capital. We need to incentivise the creation of modern storage and distribution facilities in the region. Development of a terminal market at Rai near Sonapat has been held up due to the lack of resources. A one time grant of Rs. 1500 crore may be made to expeditiously implement this project.

Water Resources

36. The State has an annual rainfall of 573 mm and 75 percent of it occurs during the monsoon months. The annual replenishable ground water resource is 9.31 BCM and the net availability is 8.63 BCM against which an annual draft is 9.45 BCM. As a result, 55 blocks are overexploited, 11 are critical and 5 semi-

critical. We need to prepare vulnerability maps, promote conservation, augmentation and preservation of water resources, focus attention on over-exploited areas, increase water use efficiency, incentivize re-cycling of water, improve hydro-metrological network; data transmission and weather forecast. In order to focus attention on these issues, Haryana is observing 2011 as the Year of Water Conservation.

Power

37. Sir, our Government has accorded highest priority to the power sector in order to provide adequate and quality power supply to the consumers. It is a matter of pride that Haryana has more than doubled its installed generation capacity in the last 6 years with commensurate investments in transmission and distribution. A power transmission project has been initiated under Public Private Partnership (PPP) mode. Steps have been taken for strengthening of systems, bifurcation of agriculture feeders and rural domestic feeders, replacement of conventional meters with electronic meters, introduction of HVDS, replacement of bare conductors with aerial bunched cables etc. These steps have resulted in reduction in the AT&C losses to about 24%, an increased revenue collection and a higher level of consumer satisfaction.

38. In this context, I would like to raise a couple of issues that may concern several other states as well. The shortfall in domestic coal production in India is a matter of serious concern and may lead to loss of generation all over the

country. Since the last two years, the meeting of the Standing Linkage Committee, which decides the long term coal linkages to power projects, has not been held by the Ministry of Coal. We are apprehensive that if the coal production in the country is not stepped up, no new power projects will come up. This will seriously jeopardize our capacity addition programmes.

39. Sir, the deteriorating financial health of the distribution companies has become a matter of serious concern. The major reason for this is the mounting burden of bank loans and interest on these loans. The Central Government had appointed the Shunglu Committee to recommend remedial measures for making the distribution sector sustainable. We understand that the Committee has presented an interim report to the Planning Commission. Even as we were awaiting the recommendations of Shunglu Committee, the commercial banks have stopped providing funds to the Distribution Utilities and have reduced their exposure to the sector. This abrupt stoppage has caused a serious financial crisis in power sector. I would suggest that a calibrated approach be adopted in this regard, based on solutions suggested by the Shunglu Committee for revival of the Distribution Sector.

Industry

40. We have announced a new "Industrial and Investment Policy-2011". Several important points raised in the Approach Paper to the Twelfth Five Year Plan have already been addressed in our Policy of 2011. The Policy lays focus

on adoption of the cluster development approach with provision for Centres of Excellence as common facilities to facilitate growth of the MSME Sector. Besides, a provision has been made for development of industrial infrastructure in the PPP mode. Workers housing and flatted factory complexes have been identified as integral components of the industrial infrastructure facilities within the Industrial Model Townships. The State has also taken new initiative for over-arching connectivity and other infrastructure projects including:

- Development of the Manesar-Bawal Investment Region (MBIR) as part of the Delhi Mumbai Freight Corridor.
- Development of three early bird projects under the DMICDC Project, namely, (a) an Exhibition-cum-Convention Centre as a national level facility, (b) a multi-modal cargo and logistics hub, and (c) Mass Rapid Transport System from Gurgaon to Bawal.
- Extension of Delhi Metro connectivity to Gurgaon, Faridabad and Bahadurgarh towns.
- Development of Kundli-Manesar-Palwal Expressway for speedier and seamless connectivity and movement of traffic linking NH-1, NH-10, NH-8 and NH-2 without entry into Delhi.

UID-Aadhaar

41. I take this opportunity to compliment the UPA Government for their path-breaking initiative of launching Aadhaar - a tool for effective and transparent governance and delivery of services to the people. Haryana has the distinction of implementing the Government of India Pilot project for issuing e-smart ration cards which is integrated with Aadhaar. This Pilot Project of PDS is near completion in four blocks of Haryana. My State would recommend speedier implementation of the Aadhaar Project for reforms in governance, financial inclusion and better targeting and monitoring of welfare schemes.

Mining

42. Sir, our State is not bestowed with rich minerals. Mining operations are limited to minor minerals consisting mainly of construction material. Haryana State fully shares the concerns regarding restoration, reclamation or rehabilitation of the operated areas. As a matter of fact, the State has already notified the establishment of Aravalli Rehabilitation Fund for the districts of Faridabad, Gurgaon and Mewat. The State Government is in the process of carrying out a comprehensive revision of its Minor Mineral Concession Rules and it proposes to create a "Mines & Mineral Development and Restoration & Rehabilitation Fund" as an institutional mechanism to address these concerns.

NCR

43. Sir, about 30.33% of the area of the State falls in the National Capital Region (NCR), which is experiencing an unprecedented pace of development. In order to give a shape and direction to the future growth in this area, the State is preparing the Sub-regional plan for the Haryana Sub-Region of the NCR up to the year 2021-AD. The Regional plan NCR- 2021 prepared by NCRPB has already put in place the broad policies and proposals for harmonious development of the region. The State Government is carrying forward this mandate by planning for even distribution of resources and accommodating the spill-over population of the NCT, through this Sub-regional plan.

44. One of the major success stories of Haryana has been in the form of attracting private capital in the urban development process. Till date, close to 27,000 acres is under various phases of development by private sector. The main concentration has been in the NCR towns of Haryana. The development of urban infrastructure to the required extent has, however, not been possible in the NCR and there are major gaps which need to be plugged. Therefore, the Planning Commission is requested to come out with a special scheme for provision of grant to the Member States of the NCR for development of infrastructure.

45. Sir, at the end, I fully endorse the overarching objective of achieving a faster, more inclusive and sustainable growth of our economy. This is particularly relevant in the current global context when most of the developed economies are at the brink of virtual collapse. This Approach Paper gives us the hope that the 12th Plan will be an effective instrument to realize our vision of building a better India, a stronger India and an inclusive India. I would like to place on record my deep appreciation of the Planning Commission for preparing a very comprehensive Approach Paper for the 12th Plan. The NDC may approve the same so that we can get on with the actual business of formulating the Annual Plan 2012-13.

Thank you.

Jai Hind!