

SPEECH OF SH. SHIVRAJ SINGH CHOUHAN, HON'BLE CHIEF MINISTER, MADHYA PRADESH AT THE 57th MEETING OF NATIONAL DEVELOPMENT COUNCIL ON 27th December, 2012

Hon'ble Prime Minister and Chairman of the National Development Council, Deputy Chairman of Planning Commission, Union Cabinet Ministers, Chief Ministers of all states, other distinguished invitees.

At the outset, I am privileged to address the participants of 57th National Development Council who have gathered here to finalize the blue prints of XII Five Year Plan, for achieving Faster, Sustainable and More Inclusive Growth. In the last NDC meeting, I have raised many issues relating to social welfare of people, poverty, inclusiveness and empowerment, health, education, skill development, water, agriculture, industry etc., and also on regional imbalances.

GLOBAL AND NATIONAL SCENARIO

Over the last decade we have experienced serious concerns regarding sustainability of development across the globe. Despite the global economic crisis and meltdown across the world, the Indian growth story remained almost intact. Recently we are faced with uncertainties due to economic difficulties in USA and near crisis situation in Europe. It is in this backdrop that this august house must deliberate and ensure that while the Indian growth story remains intact, we must also ensure at the same time that regional imbalances get reduced and the aspirations of the poor and under privileged sections of our people get fulfilled.

Although, XII Five Year Plan has to be endorsed by the members as far as goal and approach is concerned, there are few points relating to policies formulation, processes and implementation which need to be addressed so that goals can be achieved within the stipulated time frame. There are some common and basic necessities which are engines for achieving faster, sustainable and more inclusive growth. This needs to be met on a priority basis. These are rural connectivity (all weather roads to all villages irrespective of population and habitants), electricity for all purposes, education, health, and sustainable sources of livelihood. Thus policies, schemes and their implementation in these sectors should be planned with mutual consensus and no major deviations should be done till the goals are achieved.

The major challenges before the nation are rapidly increasing population, regional disparities, high unemployment, and lack of adequate skilled manpower, inadequate civic amenities and less than adequate provisions for the social sectors like health, education, women empowerment and child development. This is made all the more difficult due to lack of adequate and appropriate infrastructure, both economic and social. There is an urgent need for fiscal reforms as well as the need for rapid enhancement for productivity in Agriculture & allied activities and in the small & marginal enterprises. With almost one third of the country threatened with subversive activities, left wing extremism and terrorism, internal security must continue to be a constant focus of the nation. In the backdrop of all the above, good governance as well as transparency and accountability must be institutionalized to achieve our goals and fulfill our aspirations.

After economic liberalization, in the last two decades, the States have started playing an increasingly important role in determining the economic agenda of the nation. In the era of multi-party and coalition politics, Centre State engagements must

increasingly be done with consultations and consensus in the coming years. To that extent, the formula for devolution of resources from Centre to the States needs to be recalibrated and rationalized as per the needs and aspirations of States. Along with consultation, an increasing amount of flexibility must be provided to the States in the utilisation of resources in achieving the nation's priorities.

ECONOMIC DEVELOPMENT OF MADHYA PRADESH

I am pleased to inform this august gathering that Madhya Pradesh has achieved a growth rate of 10.20% during XI Plan period as against the growth rate of 6.54% during the X Plan period at constant prices. At current prices, the GSDP of the state has grown at the rate of 17.22% during the XI plan period.

Enthused by our achievements of the XI plan as well as a growth rate of 11.98% in the year 2011-12, the State has set for itself the target of achieving an annual growth rate of 12% during the XII Plan Period. To achieve this goal, the plan outlay required for the State at current prices would need to be more than 3.5 times the XI Plan's outlay.

Sector wise GSDP has also witnessed a remarkable growth during the XI plan. The Primary sector grew by 7.17%, the Secondary sector by 9.66 % and the Tertiary sector grew by 11.70% at constant prices respectively. At current prices, GSDP from Primary, Secondary and Tertiary sector grew by 15.45%, 16.81 % and by 18.04% per annum respectively.

For the annual growth of 12% during the XII Plan Period, the target for the primary, Secondary and tertiary sectors have been set at 9%, 12% and 13.75% per annum respectively during the XII plan. This we aim to achieve this by proper and better utilization of resources, effective and efficient implementation of programmes and by ensuring a regime of inclusive growth through good governance.

During the XI Plan Period, the per capita income of the state at constant prices increased at the rate of 8.06 % per annum while it was only 0.75% per annum in the X Plan. At current prices, it grew at 15.32 % per annum during the XI Plan while during tenth plan period; the per capita income had grown at the rate of 8.96% per annum.

The per capita income of Madhya Pradesh at the beginning of XI plan was Rs. 17,572 which increased to Rs. 24,132 at the end of the plan, thus registering an increase of 37.68%. At the national level, the per capita income increased from Rs. 30,332 to Rs. 37851 during the same period at constant prices with an increase of 24.79%. Even though the State performed relatively better in terms of per capita income growth, the state has a long way to go before it catches up with the national average. Income disparities and social imbalances are resultant of low per capita income levels of state with historical disadvantages. These can be removed only with special attention of the Central Government to bring the State at par with rest of the country for equitable and inclusive growth.

FINANCIAL MANAGEMENT

The State was able to keep all fiscal indicators well under control during the XI Plan period as prescribed by the Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005. The fiscal deficit that was at 7.12% of GSDP in 2003-04 came down to 1.9% in 2011-12 and is expected to be well within the 3% limit prescribed under the FRBM act.

The State has been revenue surplus since 2004-05. At present the revenue surplus as a percentage of GSDP is 2.58 and is expected to remain around 2% in the present fiscal. Due to the reforms in the State finances and increasing transparency, State revenue from its own taxes is showing an increasing trend. With improved debt servicing, the interest payment on outstanding loans of the state that was 22% of total revenue receipts during 2003-04 has been brought down to merely 9% at present.

The state power distribution companies have been provided the working capital loans through the state budget. Simultaneously, the state government took an initiative for balance loan adjustments (as on 31 March 2011) of power companies by converting it into loans in perpetuity on which the power companies are required to pay interest only from financial year 2015.

To improve tax collection, the state is establishing 24 fully computerized Integrated Border Check Posts. Five departments will be using these check posts for collection of tariff and taxes and this would ensure efficiency of tax collection and traffic movement as well as coordination in the tax collection process of these 5 departments.

CENTRE STATE RELATIONS

It has been observed that the Central Government has been increasingly widening its tax and resource base while that of the states is getting progressively reduced. The states now receive only 32% of the resources available for devolution under the Finance Commission. As the states are increasingly expected to undertake more and more developmental and welfare programmes it is my suggestion that this percentage should be increased to 50% forthwith to enable state governments to earmark resources as per its developmental needs.

The share of the Central Plan in the Gross Budgetary Support (GBS) has been increasing progressively from 36.02% in the first Plan to 75.98% by the end of 11th plan at the expenses of the share of the state plan which has reduced from 63.52% in the first plan to 24.02% during the same period. This has resulted in less resources being available to the states for their programmes and priorities. Gross Budgetary Support (GBS) to the states needs to be brought in the range of 35-40%.

It has been our experience that devolutions to the state have been through the schematic programmes in the form of centrally sponsored schemes which leaves no freedom of designing the programmes by the state as per their needs. It is suggested that the plan funds from GOI should be provided through the window of normal plan assistance in the form of untied funds. The Centrally Sponsored Schemes should be 100% centrally funded. In case, state funding is provisioned for any scheme it should be remain the same for entire period of implementation. For implementing CS/CSS, Supervision and administrative charges need to be enhanced and should be uniform for all schemes. All this has been addressed in the B.K.Chaturvedi report which has been welcomed by the states. Despite this the recommendations in the report are expected to be implemented from 2013-14 in the plan document. We urge that the recommendations be implemented at once.

The criterion of allocation of resources under different schemes/programmes should be linked with developmental index, Infrastructure Deficiency Index or any such indices ensuring that the backward states get more funds. States performing exceptionally well in implementation of schemes/programmes must be incentivized

with additional funding. Similarly, the states managing their financial resources efficiently and effectively should be permitted additional borrowing for resource generation by the centre.

Delayed release of funds by the Centre creates serious problems in financial management as well as executing and implementation of projects in the states. It is regrettable that the 12th Plan is being finalised by the NDC when we have lost nearly three fourth of the first year of the plan.

Similarly, financial management in the state is severely strained due to uncontrolled inflation which forces us to make greater provisions in beneficiary oriented and welfare schemes for the poor. The Centre should take appropriate and effective measures to immediately arrest inflation and contain its own fiscal deficit.

I must bring our concern before this august house regarding the increasing tendency of the central government to dictate provisioning of funds by the states not only through schemes and programmes but also through central legislations. Apportionment of funds in the states is the domain of the state legislature and this increasing encroachment by the centre is contrary to the federal nature of our union.

POLICY ISSUES

Before outlining our comments on the various sectors I would like to highlight a few policy related issues in connection with the formulation of the plans that are not in consonance with a healthy centre state relation. I am enclosing these issues which concern irrigation, environment and forests, criminal justice and administration, infrastructure development and others in Annexure - A to this document.

It is being widely felt that there is a conscious and constant increase in the tendency of the central government to encroach upon the subject matters which have been traditionally in the domain of the state government. In the recent past we have protested on certain subjects like the GST, NCTC issue vehemently. But there are many other fields in which this tendency is continuing. I am enclosing a brief note regarding such acts in Annexure – B to this document.

AGRICULTURE, HORTICULTURE & ALLIED ACTIVITIES

It is my commitment and mission to ensure that agriculture becomes a profitable venture for the farmers of my state. In an effort to not only increase the production and productivity of agriculture but also to ensure proper remuneration and post harvest value addition in agriculture and allied sectors, we have set up a separate “Krishi Cabinet” in the state that has taken wide spread and sweeping decisions to promote agriculture. I would like to inform this august house that due to our pro farmer policies, the state has achieved more than 9% rate of growth in the primary sector in the 11th plan and in the year 2011-12 we have achieved an agricultural growth rate of nearly 18%. Enthused by this we have set ourselves a target of 9% for the primary sector in the 12th plan. I have a few suggestions to make for the agricultural sector for the 12th plan.

A lot of initiatives are required in the agriculture sector to make the sector viable and remunerative. To sustain the required growth rate over longer time horizon, increased investment is required in the sector. In the larger interest of the farmers, Government of India should revisit the existing Nutrient Based Subsidy policy for fertilizers and fix fertilizer prices for the entire year. The unprecedented hike in the prices of DAP, Complex and MOP, should be withdrawn immediately as it is

adversely affecting the agriculture production and productivity in the case of small and marginal farmers. It is also suggested that Government of India should incentivize the states which have proactive policies for advance storage of fertilizer.

The Twelfth Plan Document has very rightly underlined the centrality of small holding. It is suggested that the present subsidy limit for small /marginal & SC/ST farmers under various Gol schemes should be raised up to 75 percent.

To increase the seed replacement rate the Production Subsidy on cereals and pulses, and subsidy on breeder seed should not be discontinued by the Gol.

Non availability of farm labour has assumed alarming proportion and therefore, the proposed Farm Mechanization Mission should be implemented without further delay.

Agriculture production in states, with large area of single crop, mainly depends on rainfall during monsoon. Inadequate availability of inputs and logistics further impacts agriculture sector. Thus, the sector requires a comprehensive plan, which among other things, should necessarily address the farmers' capacity to enhance productivity and his earnings. Other areas which need to be strengthened are improving credit flow, market infrastructure, crop-insurance, empowerment of cooperatives, risk mitigation, adequate supply of agricultural inputs at affordable price.

The farmers growing crops in dry land and rain fed areas suffer from double jeopardy as such agriculture practice is characterized by lower productivity and higher cost of cultivation. The MSP for such crops cannot be fixed on the basis of derivations obtained from irrigated areas. It is high time that Gol should revise the policy of fixing single MSP for the all states and make allowance for predominantly rain fed states. Gol should declare minimum support price for the minor millets like Kodo, Kutki and Ragi etc grown in far flung tribal rain fed areas and make suitable arrangement for their procurement.

Central Government should come up with a policy to provide Tax-breaks and incentives for setting up of Agri-business in post harvest activities. Policy decision for opening up of Land Markets and Long term Lease of Agricultural Land (without transferring ownership rights) for enhancing farm productivity needs to be explored. Further, it is suggested that a beneficial and simplified new crop insurance scheme should be introduced for the welfare of the farmers.

A strong extension work and supply chain support is required at village level, to integrate all allied activities such as animal husbandry, vegetable & fruit cultivation, agro-forestry and food processing at farm level. Thus, it is expected that a due importance to these aspects will be given by the centre. For effective and efficient implementation and reducing administrative cost and time, all Centrally Sponsored Schemes (CSS) / Central Schemes (CS) in agriculture and allied sectors need to be converged and reclassified under RKVY or NFSM.

IRRIGATION AND RIVER LINKING

Irrigation plays a crucial and important role in agriculture production. Thus XII Plan should be declared as WATER PLAN and should be accorded top priority. A comprehensive plan needs to be developed for better utilisation of water especially available surface water in form of rivers, canal and from monsoons. The target of increasing gross irrigated area from 90 million hectare to 103 million hectare at the end of XII plan is not only ambitious but also requires huge investment. Ground

water exploitation should be curtailed to maximum possible for not only saving resources for future but to mitigate the problems due to over exploitation. Water harvesting and conservation need to be promoted at farm level without which it will be difficult for the states with low resources to achieve sustained agriculture growth. Drip irrigation and micro irrigation systems etc have to be taken on war footing for economic and efficient use of water. In addition, old infrastructure for water conservation and irrigation, which was abandoned, needs to be revived.

In XI plan period, through AIBP scheme an attempt was made to increase the investment in irrigation sector. It is proposed that the allocation to irrigation during XII Plan should be increased at least five times than that of XI Plan. Funding under AIBP should be made uniform for all areas (General, DPAP and Tribal areas) in the ratio of 75:25.

The stern conditionality of completion in case of Major and Medium irrigation projects under ERM needs to be relaxed. Similarly provision of strengthening and development of command area should be included in XII plan. The ERM and development of command area, especially of aged project, needs to be undertaken on priority basis as it involves relatively much less investment as compared to creation of new facility of same magnitude. The present norms related to command area development need to be revised from present level of Rs. 15000 to Rs. 60000 per hectare. Similarly cost of minor irrigation needs to be enhanced to the level of at least three lakh per hectare from present level of Rs. 1.50 Lakh especially in the light of increasing land acquisition costs.

I would also draw attention of the Central Government to extreme difficulties faced by the State Government in clearing projects from the CWC where clearances have to be taken from more than a dozen offices. Once a project is decided to be awarded to a state micro management by the Central Government should be avoided.

The Bargi Diversion Project envisages inter basin transfer of water from Narmada basin to Son-Tons basin. At present, the project clearance is pending with GOI. I have repeatedly requested the Central Government for the past few years to declare "Bargi Diversion Project" as a National Project. I hope the Central Government will announce "Bargi Diversion Project" as a National Project and sanction the funds at earliest.

I would like to highlight a few ambiguities in XII Plan document as follows:-

The Plan document says that water storage potential in the country has reached its peak and more potential creation by storage is of little value. It quotes World Bank report on Narmada and Tapti for this purpose. Whereas the fact remains that out of 28 MAF utilizable water of Narmada, as provided in the Narmada Water Dispute Tribunal Award, MP is still to create potential of about 11 MAF to utilize its share of 18.25 MAF. Of the total 29 major dams envisaged, only 10 have been completed so far and 19 remain to be built. In such a scenario the statement made in the document is inaccurate and misleading. Any MMI (Major and Medium Irrigation Project) reforms suggested in the plan document based on such studies will only deprive states like MP from its legitimate due given to it under the NWDT Award by discouraging funding of the new projects under AIBP. This document proposes to "rarely" fund a new project under the AIBP which till now has been the largest source of constructing these national infrastructures of irrigation projects.

A further lacuna is perpetuating the injustice of imbalanced regional funding (instead of rectifying it) by resolving to devote 65% of AIBP to incomplete projects and rarely take the new projects. Even here, the new project sanction is linked to the “reform compliance”. This will divert majority of the funds only to the States which have already got a major chunk in the past and others are left out in the process.

This document tactfully criticizes the interlinking of the rivers (despite clear Supreme Court directive to do that) and while doing so it points out that interlinking might bypass the Central and the Western India as it is above 300 meter sea level. Thus in essence, it accepts that interlinking in the Central and Western India (and therefore in MP) should be essential component of linking. This is what MP is now attempting to do by the Narmada Malwa Lift Link Project which envisages lifting 3 MAF water from Indira Sagar and Omkareshwar dams and recharge the four rivers –Gambhir, Kshipra, Kalisindh and Parvati in the Malwa plateau, which is increasingly getting gripped by the widening influence of the neighboring desert lands from Rajasthan. This is the only way to protect the ten districts of Malwa with high population density, low water table, drying rivers and a threat to its flourishing industry and agriculture. MP is now executing a pilot “Narmada-Kshipra Simhastha Link” project to facilitate drinking and industrial water for towns of Indore, Pithampur, Ujjain and Dewas along with water for Simhastha at Ujjain. In view of the facts stated above, Central Government should extend all possible financial and technical support to our proposed larger Narmada-Malwa link schemes that would irrigate 16.80 lakh acres of land with drip/sprinkler and provide drinking and industrial water to about 70 towns and 3000 villages. The cost of this ambitious project is expected to be Rs. 19800 crores. The centre should come forward in sharing the financial burden of this noble project and come forward in launching inter basin linking projects.

CO-OPERATIVES

Co-operative credit plays a crucial role in meeting the loan requirement for agriculture. We have taken the extra ordinary step of reducing the rate of interest on crop loans progressively from 15 to 16% in 2006-07 to 0% in the year 2012-13.

The state has taken several steps like increasing the loan distribution from Co-operative banks, near universal distribution of Kisan Credit Cards, provision of core banking in co-operative banks as well as extensive increase in rural ware housing. The state has also resolved to provide support for advance lifting by the farmers and advance storage by the co-operative outlets for fertilizer from Kharif 2012.

The increasing cost of cultivation due to rising prices of agriculture inputs especially fertilizers, the present credit limit of Rs. 3.00 lakh turns out to be insufficient and needs to be enhanced to Rs. 5.00 lakh. At present the interest subsidy provided by Central Government is up to Rs. 3lakh and same needs to be enhanced to Rs. 5 lakh.

Due to low capitalization, the Co-operative banks are not in position to deliver the services as per desired levels. The limit of refinancing of loan disbursed by cooperative banks should be increased to 75% from present level of 45-55% as proposed by NABARD so that sufficient funds can be made available to farmers of the state.

The Central Government has given economic assistance package for revival of short term credit structure in accordance with the recommendations of Vaidyanathan Committee. The results of this support were encouraging. It would be appropriate to

grant similar package to the District Cooperative Agriculture & Rural Development Banks (LDBs).

FOOD, PROCUREMENT AND WAREHOUSING

To support agriculture the state introduced a system of e-procurement and provided an additional bonus under the minimum price support regime. With registration of over 15 lakh farmers in 2300 procurement centres, this resulted in an astounding procurement of 84.9 lakh ton of wheat this year.

Increasing food grain production has resulted in self sufficiency but distribution of food grains faces many challenges. Insufficient storage facility creates wastage of precious food grains as well as creates challenges for storage of agricultural inputs. In an effort to solve this problem, as well as to convert Madhya Pradesh into a warehousing hub of the nation, we have embarked on an ambitious programme to nearly double our present capacity of nearly 9 million tons within the next three years. I would urge Central Government to support the state in this endeavour.

I would like to emphasize on certain anomalies in the allocation of grains under the public distribution system. Government of India continues to provide Madhya Pradesh with food grain quota calculated on the basis of 41 lakh BPL/Antyodaya families, when the reality is that there are 74 lakh BPL/Antyodaya families in my State. It is the State Government that has to bear the burden of the additional subsidy entailed in providing for the 33 lakh BPL families that Government of India chooses to ignore. It is true that from time to time ad hoc additional allotments of food grain are made – but this often creates confusion at the grass root level due to the unpredictable nature of these allotments. This unpredictability gives rise to a lack of transparency in the implementation of the TPDS. We strongly urge Govt of India to determine the quantum of additional food grains at the beginning of the year and then make the allotment in one go so that this can be distributed to each category as per entitlement evenly throughout the year.

ENERGY AND RENEWABLE ENERGY

For the development of agriculture, industry and social sectors, availability of energy both in term of quality and quantity is a necessary input. Keeping in mind the importance of energy, during XI Plan, a substantial proportion of the state's budget outlay was earmarked for the energy sector. The State has made rapid improvements in generation, transmission, system capacity, system availability, strengthening of sub-transmission & distribution network in XI plan period but still a big gap between generation and demand exists. The state, during XII plan, has planned to enhance generation capacity by around 13500 MW to meet its energy requirement.

The state as well as the national goal of adding additional generation capacity 88000 MW during Twelfth Five Year Plan is possible only by resolving issues relating to coal linkage, ensuring supply of annual contracted quantity; and environment clearances. These issues were hurdles in not achieving full capacity utilization of power plants during XI Plan especially in case of my state. I am confident that realizing the gravity of the problems, the centre will resolve all these issues within next few months so that all power project can function with their full capacity and new projects can work towards their completion. All out efforts are being made to implement the regulatory reforms and various initiatives are being taken to reduce Aggregate Technical & Commercial (ATC) losses. State is committed to reduce

these losses to below 20%. In addition, dedicated effort to separate the feeder distribution for different category of consumers such as agricultural, domestic and commercial has been taken up by the state. We aim to provide 24 hour electricity to all villages by the middle of next year. To expedite the feeder separation works for development of agricultural and industrial activities in the state, an enhanced central assistance is solicited.

Available Generating capacity of the state at the end of 11th Plan in March 2012 was 9453 MW against available capacity 6822 MW at the end of the 10th Plan. During the next three years, additional capacity of 6772 MW would be available to the state. From FY14 onwards the state would be surplus in power availability.

The state had forecasted its requirement till 2020 and accordingly planned projects to be given under Case-2 bidding guidelines for capacity addition. However, the state is currently facing coal linkage problem for 2X660 MW, Shree Singaji Power Project (Stage-2). Similarly because of non-availability of coal linkage for 2x800 MW Bansagar TPP, it is not possible to initiate the process of selection of developer. To meet power demand in the state it is imperative that Government of India considers grant of coal linkages for these projects on priority.

In the transmission sector, capacity of 3890 MW in FY 2002-03 has been increased to 8841 MW in FY 2011-12. The transmission system strengthening resulted in reduction in transmission loss level from 7.93% to 3.51% which is one of the lowest in the country. During the XII Plan period capital works of Rs. 7370 Crs. are planned in transmission sector, for the new generation capacity being added in the state as well as system strengthening works.

In order to improve the distribution segment and also liquidity position of the Discoms, the State Govt. approved a financial restructuring for Discoms to convert Rs. 8916 Crs. of State Govt. loan to perpetual loans with a three year interest holiday and retaining of Govt. tax such as Electricity duty for the next three years. This in affect would provide a transition support of Rs. 2393 Cr. to the distribution companies. Currently, distribution companies are strengthening infrastructure by separating mixed 11 kV feeders in rural area, providing new 33/11 substations, additional power transformers and distribution transformers. These works are focused to reduce AT&C losses and improve access of power by using HVDS. Works carried out during X & XI Plan period resulted in about 65% hike in sub-transmission & distribution infrastructure. Number of consumers in the state has increased from 68 lakhs at the end of X Plan to 100 lakhs at the end of XI Plan period. During the XII Plan period an investment of Rs. 14,686 Crs. has been planned in the distribution sector.

Recommendations covering villages/habitations population below 100 under RGGVY is welcome. Towns covering up to 10,000 populations should also be included under the ambit of R-APDRP for non-special category states for reduction in AT&C losses. However, RGGVY needs to incorporate technological infrastructure support like SCADA for 33/11KV sub-stations for better monitoring and improved efficiency of the system.

Financial viability in distribution sector is one of our major concerns. Main reason behind this is the gap between average cost of supply and revenue realisation. Despite having regular tariff revisions by the ERC, any further increase would lead to a tariff shock to the consumers. It is therefore recommended to reduce

the rise in the fuel costs by increasing the efficiency of Coal companies. It is also recommended that the one sided arrangement of coal sampling at loading point should be changed to sampling at both the ends. In order to develop power projects under case-2 of competitive bidding, it is imperative that more coal blocks should be allocated to the state entities. It is also recommended that a pool price methodology be adopted for imported coal by Coal India and landlocked states be given more indigenous coal to reduce impact of transportation costs.

The State Generating Company is also facing problem as Annual Contracted Quantity (ACQ) of coal allocated in about 80% of the requirement and unable to run its plants at an optimum level to achieve the generation targets. The ACQ needs to be increased to full requirement to increase the PLF. The state is also suffering because of higher grade coal i.e. A&B grades being made available to Sanjay Gandhi TPS, which is putting burden on the power consumers. A and B grades coal are not considered as power grade coal and are not economical, therefore not recommended for use in thermal power plants. Therefore, instead of these grades, C and D grade coal should be supplied to the power plants.

Renewable Source of Energy

With constantly increasing challenges in establishing large scale power projects in the conventional sector and with the need to ensure green technology power generation for the future, the nation must increasingly depend on non-conventional sources of energy such as solar and wind. To augment the power generation from non-conventional sources, more active assistance from centre is expected in the XII Plan. Apart from the need to subsidize the high generation costs in the renewable sector, Research and Development activities needs to be supported to reduce the per unit generation cost from these non-conventional sources of energy.

In this regard, I would like to inform this house that Madhya Pradesh has initiated several serious measures in this direction and projects of 1100MW of solar and 1900MW of wind energy are under implementation. The largest single destination solar power project in the country is now under implementation in the state. Apart from solar and wind as well as contribution from Biomass and Mini Hydel projects, state is expected to increase its generation capacity from present level of 457MW to more than 3500MW by December 2014 from renewable sources. This will ensure that the contribution from renewable sources within the state will increase from the present 6% to around 17.5% by December 2014.

In order to promote renewable energy in the country it is proposed that the regime of RPO (Renewable Power Obligation) should become a legal imperative. Further, the REC mechanism should be strengthened to ensure that setting up projects for renewable power become economically viable. The provision of accelerated depreciation for wind projects which has been withdrawn should be reinstated.

INDUSTRIAL PROMOTION

During the 11th Plan, the State has achieved an impressive growth rate of 10.5% in the manufacturing sector. State Government has provided financial support of Rs. 736 cr for creation and upgradation of industrial areas. To promote investments in diverse sectors such as health, skill development, warehousing, tourism, IT the state has provided a slew of attractive incentives through sector specific investment promotion policies. As a result of this, in the recently concluded

Global Investors meet in October, 2012, investment proposals worth Rs. 3, 76,000 crores were received.

The target of creating 10 crore new jobs in the manufacturing sector can be achieved only through collaboration of Central government, State governments and the private sector. To achieve the goal, the following issues have to be addressed.

At present, adequate resources are not allocated under the plan schemes of central and state governments for creation of industrial infrastructure. Resource allocation for creation of NIMZ, SEZs, industrial townships, and freight corridors should be given the same level of priority as given to core infrastructure areas like ports, road and rail-network, energy, etc. Development of industrial townships through PPP mode should be supported through VGF support of up to 40% by central and state governments. Enhanced resources should be provided for support of MSMEs in identified industrial clusters. MSMEs should be supported for technology up-gradation, skill development and marketing.

Too many states are chasing a limited number of new investment proposals leading to "incentive war" among states. Therefore, a national consensus regarding facilitation regime for new investments should be evolved through consultation among central and state governments

High cost of finance adversely affects competitiveness of manufacturing enterprises, not only in the export sector but also in the domestic sector. Therefore, adequate finance at reasonable rates should be made available for manufacturing sector, particularly the MSME sector. Creation of skilled human resources needs allocation of adequate resources by government as well as the private Sector. Initiative in this regard should be industry-led with due support from government and the academia.

State governments by themselves meet with limited success in their promotional campaign for inviting FDI. Therefore, the central government should take up the task of FDI facilitation and promote FDI opportunities in all states in a planned and systemic manner. Land acquisition policy should be such as not to deter or hinder new investment proposals and creation of new industrial growth centres. Regulatory framework should be reviewed to remove delays and bottlenecks in approval processes especially in the area of mining, labour regulations, environmental laws, and approvals for land and water uses.

To conclude, the target of creating 10 crore new jobs can be achieved only by creating world-class industrial infrastructure, reducing cost of manufacturing, technical up-gradation and capacity building, reviewing the regulatory framework to enable fast-track approvals and clearances, and support for marketing. The central government and the state governments must provide adequate financial resources and work in concert with the private sector to spur the manufacturing sector and create new jobs.

LABOUR WELFARE

Government of Madhya Pradesh is determined to ensure the welfare of the large work force of the state. Lately, the state has redefined its role as far as labour laws are concerned; moving further from regulatory policies to labour welfare policies. The Madhya Pradesh building and other construction Worker Welfare Board now has a registration of 22.89 lacs workers, the highest number among the states. Through its various schemes like education scholarships, maternity assistance, marriage

assistance, medical/accidental benefits etc. to construction workers; a total number of 12.46 lacs beneficiaries have been assisted with Rs. 222.22 crores.

Skill development for the labour force will be a thrust area in the Twelfth Five Year Plan (2012-17). The state is continuously engaged in developing the required infrastructure and technological up-gradation in this sector to ensure that every worker enters in the employment with required technical skills and is thereby more productive.

The Acts which are meant to ensure the welfare of large labor force of India are very old, so amendment in these acts is now a necessity. As the Contract Labour Act is applicable to establishments where 20 or more workers are working, many establishments try to hide exact numbers of contractual employees, so as to keep themselves out of the coverage of the Act; thereby the rights of workers of these organisations cannot be safeguarded. Under Child Labour (Prohibition and Regulation) Act 1986, the provision of rehabilitation of child labour is not incorporated, hence even after identification of child labour and even after penalizing the employer. The child labour cannot be rehabilitated in main stream of society.

TRANSPORT

The State is deficit in Rail Network and same is evident from the low rail density. Thus there is an urgent need to link all the districts and major towns with rail network. The Planning Commission has made laying of new railway lines conditional by asking states to bear half of the cost. This is undesirable and the full cost of these new railway lines should be borne by the centre only.

It is heartening that the Twelfth plan focuses on vehicle fuel efficiency and improving the efficiency of freight transport. These measures will not only bring down the cost involved in road transport but also will help in environmental protection.

Reforms in Motor Vehicles Act are the need of the hour. Madhya Pradesh has already suggested amendments in licensing, registration and permit procedures etc. These amendments should be incorporated to ensure better compliance and improvement in tax administration.

ROAD CONNECTIVITY

Rural Roads

MP's performance in utilization of PMGSY funds during XI Plan has been widely appreciated. For achieving the goal of connecting all villages with all weather roads during XII plan period, the present criterion of population needs to be lowered or wave off for providing connectivity to villages under PMGSY. MP has enormous task of providing road connectivity as state have large number villages having less population due to its geography and tribal population. To meet the goal of providing connectivity to all villages irrespective of population the state needs huge resources because of heavy cost of construction of roads in difficult area especially where tribal population is residing. Thus centre should approve/sanction more roads to the state along with necessary funds.

Rural roads form a huge network in rural area and roads constructed under PMGSY forms a substantial proportion of this network. The maintenance of roads is equally important and necessary steps should be taken up immediately for reconstruction of roads which have completed 10 years. It is proposed that the central government must bear the cost of reconstruction while the cost of maintenance should be borne

by both central and state governments in the ratio of 50:50 and a new scheme may be conceptualized accordingly.

National Highways

In the state, MP Road Development Corporation, a government of MP undertaking, has completed about 2400 km State Highways and Major District Roads and further undertaken construction of km and 1200 km under an innovative scheme of BOT and BOT plus Annuity, utilizing highest road sector VGF in the country. It is requested that the development of National Highways in the state should also be taken up under the innovative schemes of BOT and BOT plus Annuity with National Highway wing of state PWD as agency.

Around 3000 Km of National Highways in the State is in very poor and debilitated conditions, which are implemented by NHAI, but the progress on these projects is very slow. Action should be taken to speed up the projects by NHAI.

Maintenance and development of National Highways in the state is the sole responsibility of government of India. National Highway works are executed as per sanction and approval at every stage by the Ministry of Road Transport and Highways, Government of India, which takes considerable time resulting into delay and cost overrun. It is therefore requested that the state agency should be allowed to exercise powers such as technical and financial sanction and payment of the works to avoid delays after the works are sanctioned in principle by the ministry.

URBAN DEVELOPMENT

The country's urban population will be touching the 600 million marks by 2031. Necessary infrastructure and civic amenities to serve such a large population is a big challenge and also a mammoth task for both central and state governments.

The Twelfth Five Year Plan document has discussed issues related to urbanization in details and suggested strategic steps to meet the on Challenges of Urbanization.

For urban development, the state has formulated its strategy with three components, namely upgrading urban infrastructure, improving urban governance and inclusive urban development. These initiatives are Chief Minister's Urban Water Supply Scheme; Chief Minister's Urban Infrastructure Development Scheme; and Chief Minister's Urban Sanitation Mission in the state sector.

To achieve inclusive urban development, the state government has enacted several welfare schemes which address the issues of the urban poor.

In an effort to implement urban sector reforms, the state has taken steps to constitute Metropolitan Planning Committees; Metropolitan Transport Councils; Preparation of City Development Plans of all the cities/towns of the state as well as steps to reform administrative accounting tax collection and other institutional activities in urban local bodies.

Although these initiatives are taken up by the states, still there are some issues which remain unaddressed. These issues relate to policy decisions of Central Government and are as under.

Construction of Housing for Urban Poor under JnNURM and IHSDP is a major component. However, the funding pattern (Central Assistance) is different for

different cities/ towns. Similarly, recently launched Rajiv Awas Yojana also provides for Central Share at the rate of 50% as per the guidelines which needs to be looked afresh. It is, therefore, proposed that the Government of India may provide 80% cost for the housing projects during the 12th Five Year Plan period so as to minimize the financial burden on urban poor.

Sanitation is a major challenge for urban areas across the nation. It is therefore proposed to introduce a dedicated scheme for urban sanitation and solid waste management with the objective of improving the living conditions of urban poor. In addition to above, more initiatives need to be taken in areas of drinking water, recycling of waste water etc.

The reforms pertaining to introduction of 'Property Title Certification System' in urban local bodies is a complex reform. It is proposed that a scheme be launched for implementing the Property Title Certification System in urban local bodies of the country.

Towns falling in scheduled areas are not being covered in any major Central Government scheme. It is, therefore, proposed that a special financial package for these types of towns be granted by Central Government.

RURAL DEVELOPMENT

Poverty Reduction

The recent report of the planning commission reveals that Madhya Pradesh HCR (Head count Ratio) has declined by 11.9 percentage points from 48.6% in 2004-05 to 36.7% in 2009-10. The rural poverty in the State has declined by 11.6 percentage points and urban poverty by 12.2 percentage points. Despite the controversy regarding the methodology, it is clear that the initiatives of the State Govt. have resulted in one of the fastest reduction in the HCR among the states in the country. However, I would caution that there is a long way to go for a state like Madhya Pradesh to catch up with other developed states in the country and to that extent, despite our serious effort at reducing the HCR, the state must continue to get adequate support from central financial devolution.

Rural Housing

Due to erroneous census data Madhya Pradesh continues to be allocated a significantly low number of Indira Awaas Yojana units every year in comparison to other states in a similar situation. This has been agitated by us time and again with the Central Government and despite the department and the planning commission agreeing with our point of view, the targets for the state continue to be well below our entitlement. I would like to urge that the target of 12th Five Year Plan for IAY should be allocated on the basis of 2011 census data. Hence a target of minimum 3.8 lakh IAY units per year should be allocated during XII Plan period. Besides, separately the Government of India should give 1.56 lakh units to the Forest Dwellers to construct their houses. Further, due to inflation, the unit cost of construction be revised from Rs. 45000/ to a minimum of Rs. 65000/.

The villages have to have all facilities so as not only to stop the migration but also enable the children and youth of villages to acquire skills for employment. Madhya Pradesh has a scheme for internal road development – Panch Parmeshwar – where the state government funds are converged with the 13th Finance Commission. It is,

therefore, important that Central Government should allow more and more flexi funds to the state government so as to fulfill the requirements.

Each village needs to be connected with good quality roads. The state government has taken an initiative of CMGSY to connect the villages with population less than 500 in rural areas and less than 250 in tribal areas. However, it is important that Government of India should permit the state government to have a re-look to the core net work as with base, as 2001 data have left out many villages.

Traditionally drinking water has been provided in the rural areas either through wells or hand pumps. The time has come now to provide pipe line water in the villages. Hence it is important to have enough provisioning for this infrastructure in a phased manner in the 12th Plan period. As an extension of availability of adequate amount of water a campaign should be taken up to provide toilets in every household with water supply in a time bound manner.

DRINKING WATER

In the state of Madhya Pradesh, out of total 127000 rural habitations, we have achieved availability of 55 liters per capita in 89500 rural habitations. At present, drinking water needs of the rural population are mainly met by underground water. We aim to provide potable drinking water through piped water supply schemes to 90% of rural population by the year 2022. As Madhya Pradesh is a very large and sparsely habitated state, so far we have covered only 8% of the rural population with piped water supply scheme, whereas the national average is around 32%.

It has been stated in the concept note that World Bank Assistance will be provided for the lagging states. Unfortunately, MP is not among the 4 states selected for World Bank assistance during the 12th Plan. We would request that we be included in the list of states in 1st Phase.

To access external funds and implement the ambitious plans for drinking water supply, the State Govt. has already formed a corporation in the name of M.P. Jal Nigam Ltd. The cost of drinking water supply schemes based on surface sources is comparatively higher and their O&M is also expensive. The state of Madhya Pradesh may be given additional allotment of Rs.3000 crores. It is also submitted that the present pattern of funding under NRDWP be increased from 50:50 to 75:25 to achieve the targets set up by Govt. of India.

SCHOOL EDUCATION

Ensuring a minimum literacy rate of 90%, reducing the gender gap and to ensure significant reduction in the dropout rate are the broad parameters that we have set for ourselves in school education. Along with improvement in the quality of education, vocational training and skill upgradation are other key objectives of the state education initiatives.

The Right to Education that was launched in the XI plan has laudatory objectives but the architecture and the provisions of the RTE have put tremendous financial burden on the State Governments. Consequently the States are facing problems in implementing this effectively.

The RTE has placed increasing responsibilities for education but at the same time, the Central Government continues the funding pattern at 65:35 like the SSA programme. The Central Government is increasingly reducing its share, thereby completely derailing the budgetary exercise of the state governments. It is believed

that the funding pattern for the RTE in 13th Plan would be 50:50. This would seriously jeopardise the management of the state finances. It is urged that the Central Government should provide the requisite resources on a 90:10 formula throughout the plan period.

RTE Act has laid down the structure of Primary School. Two teachers are entrusted with the responsibility of teaching five classes (class I-V). It is practically impossible for two teachers to teach five classes. Therefore, there is need to change it to at least five teachers for raising the quality of our Primary School. At present sufficient funding is not available for RTE. Thus it is urged to increase the teacher norms to 5 teachers per primary school. This should be funded by the central government.

The act also provides for 25% seats reservation in entry level of private school, the private schools are reimbursed per child's education cost by the state. But the child is not provided other additional benefits like free books, mid day meal, uniform etc. There are reports that this provision of the act has put the disadvantaged students in a more precarious situation.

The clauses of RTE such as "No Detention Policy" and "Continuous and Comprehension Evaluation" need to be revisited. To ensure quality education and increasing enrolment in high and higher secondary classes, a uniform system of assessment has to be put in place after re-considering the above said clause.

I would like to urge that our education curriculum must incorporate certain amount of moral education that used to be an integral part of the education curriculum earlier and has almost gone into oblivion these days. Moral lessons from all religions and the saints of all leaders of society must also be examined to be included in the educational curriculum.

During the current financial year, which is also the first year of Twelve Five Year Plan, there has been steep fall in the allotment provided by GOI for SSA and Rashtriya Madhyamik Shiksha Abhiyan (RMSA). Since school education is one of the most important sectors, this should not be curtailed at any cost. I welcome the idea of merging smaller schemes into RMSA with which program will be more focused and target-oriented in implementation. It is my opinion, that RTE should cover education till higher secondary to full fill the demand of the public and be incorporated from first year of next plan.

HIGHER EDUCATION

During 11th Five year plan a great push was given to higher education by improving access for enrolment in higher education institutions. Madhya Pradesh was able to take its gross enrolment ratio to 17 %.

Despite the rapid increase in enrolment in higher education, it is my view that we are not able to provide quality education which would have made our young population more jobs worthy. The main reason for this is that we are attempting universalization in higher education without giving adequate attention to quality. In fact majority of the young population should be equipped with technical skills at the plus two stage and be absorbed into the opportunities that our expanding economy is creating.

During the last plan we have observed that a large no. of student have gone to other countries for seeking higher education from the middle class. In the process they have caused a great resource as well as brain drain to the nation.

Indiscriminate proliferation of private institutes of higher education has raised concerns regarding their quality and their regulation as well as affordability by the general public. Public institutions of reasonable quality have not increased in desired numbers. The plan must take into account this serious need for increasing numbers as well as quality of public institutions of higher education especially in the states.

TECHNICAL EDUCATION AND SKILL DEVELOPMENT

India and its states are passing through a phase when the nation and the states have a large proportion of young people. In an effort to develop the required infrastructure for growth, technically skilled and trained manpower is required. Thus, it is necessary to estimate the required manpower, by sectors and skill sets for the nation and states, on the basis of which future planning of producing skilled manpower can be undertaken effectively. During twelfth plan period, these aspects should be put on top priority so that state and nation could reap the benefits of demographic dividend.

MP is working towards setting up Skill Development Centres in all 313 blocks, up gradation of existing ITI's, establishment of new ITI's, both under PPP scheme as well as with assistance of GOI to impart training to a total of 48 lakh persons during 12th Plan.

Our Expectations in the 12th Plan are as below:-

Keeping in view the limited resources of the state, the necessary fund is to be provided for increasing the outreach of skill development in un-serviced blocks. The State Govt. has already submitted proposal to Ministry of Labour and Employment for setting up new ITIs in 110 un-serviced blocks and skill development centers in all the 313 blocks under the Govt. of India scheme.

An institutional arrangement on continuous basis is required for the regular and accurate estimation of the market demand of the technical manpower, which can forecast the demand keeping in view the economic progress being made in different sectors. A common framework is needed at national level for certification of short term courses. Also there is a need for increasing the number of assessment and certification agencies so that certificates are given immediately after the completion of the training.

At present the engineering colleges and Universities are given connectivity under the National Knowledge Network. We propose that polytechnic colleges are also included under the scheme, as it will overcome the shortage of teachers and will go a long way in improving the quality of education.

SCHEDULED CASTE WELFARE

At the national level 16% of our population belongs to scheduled castes. So far the welfare activities for this section of population have remained confined to running a few schemes which are mainly beneficiary oriented. As far as their comprehensive development is concerned, there is an urgent need to device an area oriented programme for such pockets where their population exceeds 25% of the total population.

It has been our experience in the state that a separate department for the welfare of this section of population is able to focus comprehensively on their development continuously, keeping the needs and aspirations of these communities. It is for this reason that state of Madhya Pradesh has now constituted a separate department for

Scheduled Castes and Denotified, Nomadic and Semi Nomadic Tribes in order to focus on their special needs and vulnerabilities. In the context of our good experience, I would strongly urge the Central Government should also carve out a separate ministry for the development and welfare of scheduled castes in the 12th plan.

So far, the resource allocation to this section of population has been in proportion to the percentage of their population as strategy for development. This house would agree that in order to overcome the historic vulnerabilities, a certain percentage over and above the general resources should be provided in all the flagship programmes for the entire population to these areas.

SCHEDULED TRIBES WELFARE

State has the highest proportion of scheduled tribe population and also a sizeable Scheduled Caste population. Government of India has recognized Baiga, Bharia and Saharia tribes of the state as Particularly Vulnerable Tribal Groups (PVTG) and has considered them as among the most backward tribes. For the development of scheduled tribe population, it is proposed that the district, with more than 25% of tribal population, should be considered as "Special Area for Other Schemes and Sub Plans" and these district needs to be treated at par with states which are classified as special category states. Thus allocation in Central Budget under Article 275(1) should be increased sufficiently for upliftment of this section of society and achieving the goal of inclusive growth. Similarly for involving tribals in sustainable income generation activities, central grant under SCA to TSP is also to be increased substantially in the Twelfth Five Year Plan.

Creation of a Plan within Plan in Twelfth Five Year Plan to address the historical lag of tribals in terms of poverty alleviation, skill development, low literacy, employability for jobs and entrepreneurship is urgently required. Also to provide institutional support and infrastructure to pave the way for accelerated growth in these areas, opening of more tribal hostels is an urgent need for maximizing enrolment and to check drop out tendencies. The number of ITIs is also to be increased in sufficient numbers so that the drop out students can be lured into improving their skills to be further absorbed in to growing economy as well as improving their job potential. For attracting tribal boys and girls to schools from early stage a special fund for scholarship schemes is required from the GOI to bolster the state's efforts.

HEALTH AND NUTRITION

Public Health

Despite the high levels of IMR, MMR, TFR in the state, the reduction in all these three indices in the last 5 years has been the highest in the country. Institutional delivery in the state is now at a level of nearly 85%. We have now focused our attention to ensure universal immunization and sharp reduction in the TFR by adopting family welfare as a people's movement. In an effort to take health services to the people, we have launched "*Sampoorna Swasthya Sabke liye*" and "Sardar Vallabh Bhai Patel Free Drug Distribution Scheme" recently. We are linking the referral transport system along with EMRI (108) to ensure an extensive chain of nearly 2000 vehicles to provide transport to patients all across the state.

The health delivery system across the nation faces several challenges. Rising medical expenditure of households, rising trend of non-communicable disease, lack of integration between disease control programs with other social sector programs,

sub-optimal use of traditional systems of medicines, weak regulatory system in drugs, medical practice, poor managerial capacity and expertise in public health are the major concerns for efficient delivery of health services in addition to lack of necessary infrastructure and professionals.

The public expenditure in health sector is very low as compared to other developed countries. Despite our desire to increase health expenditure to 2% of the GDP, it has not exceeded more than 1.2% in the last two plans. The target of public expenditure in health sector for the 12th plan is being proposed for 2.5% of GDP at national level. It needs to be raised to minimum of 4 % of GDP, to meet the challenges of improving various health indicators and infrastructure.

Provision of adequate manpower both in terms of doctors and para medicals staff is a critical deficiency in the public health sector. Madhya Pradesh has got only 6 Government Medical Colleges which are much less than states like Karnataka, Andhra, Tamil Nadu, Maharashtra and West Bengal having almost same population. The state needs many more medical colleges and for this the Central Government must come up with a massive programme to open large number of medical colleges. IMC act was passed in 1956, which has become outdated and obsolete and should be amended in light of present needs and situation. Norms for opening new medical colleges for increasing under graduate and post graduate seats should be made liberal to meet the requirement of doctors and specialist.

Along with medical colleges steps needs to be taken to increase nursing midwifery and para medical staff in public hospitals by several times of their present number. Serious steps have to be taken to ensure increasing number of institutions for nursing and para medical staff.

Non communicable diseases constitute nearly 40% of the disease burden of the nation. The health administration must increasingly pay attention to prevention and treatment of non communicable diseases like cardiac, cancer, hypertension etc.

Provision of free medicines of generic nature needs to be institutionalized across the country. The 12th plan must provide for enough resources for this. Indiscriminate drug trials without proper regulation have become an issue that is catching the attention of the nation in recent months. The government of India must take steps to lay down strict guidelines and ensure proper monitoring and regulation.

Nutrition

I welcome the 12th Plan initiative of implementing the restructured ICDS in a mission mode. I am happy to state that in Madhya Pradesh we have already started a State Nutrition Mission, called Atal Bal Arogya Evam Poshan Mission and implementing ICDS in mission mode since 2011. We also welcome the long awaited restructured and strengthened ICDS being rolled out in 12th Plan. However this is being done in three phases in three years across the country, starting with 200 high burdened districts with immediate effect. This should be implemented in one go to prevent disparities between districts within a state. The long standing demand for the revised cost norms has been met but for the future the norms should be linked to the Cost Price Index.

It is a welcome feature that a provision has been made in 12 Plan for construction of Anganwadi Buildings. But the target of 2 lakh buildings for the entire country is too

meager considering the gap in this sector. In Madhya Pradesh itself, there are more than 40,000 Anganwadis which do not have their own buildings. Further the unit cost fixed for the Anganwadi Building by the Govt. of India at the rate of Rs. 4.50 Lakhs is also insufficient and does not take into account the rise of future construction costs. Presently the cost of Anganwadi Building being built in the State is Rs. 7.50 under different programmes like BRGF, 13 Fin. Commission etc. in the conventional style and Rs. 14.50 lakh in the pre-fabricated structure. We, therefore, request that either the unit cost be raised with built in mechanism for rise in construction costs depending upon regional variations or untied funds be given without specifying the numbers.

Declining sex ratio in the last decade is an alarming situation for the state as well as the nation and serious and immediate steps have to be initiated to reverse this. Women empowerment must be taken up as a life cycle approach incorporating health, academic, social, political and economic empowerment of the women folk. In Madhya Pradesh we have started the Beti Bachao Campaign for creating awareness about importance of the girl child. We have also taken up several schemes like Ladli Laxmi, Pratibha Kiran, Gaon Ki Beti etc. in the direction of women empowerment. I would urge this august house to take up this issue of protection of the girl child and empowerment of the women folk of the nation by adopting a national consensus on this crucial matter.

FOREST CONSERVATION

The decision of the Planning Commission and the Ministry of Environment and Forests to make Forest Rights Act, PESA and Acts related with forest management compatible with each other is definitely a welcome step. In this regard necessary steps to harmonize Indian Forest Act with National Forest Policy need to be taken. Community role in rehabilitation of degraded forest has been very commendable and can be judged from quantum of rehabilitation of degraded forest through Joint Forest Management Committees (JFMC). It is, therefore, proposed to consider formulation of a Central Sector Scheme to reward those Joint Forest Management Committees who have done well by protecting their forests and thereby bringing qualitative change.

The subject of Forests has been shifted to the Concurrent List of the Constitution of India, and it is natural for us to expect the Central Government to contribute at least equally for protection, conservation and development of forests and wildlife. While the Planning Commission expects the state governments to allocate 4% of the Plan Budget to the Environment and Forests sector, on the other hand the Government of India has allocated less than 0.25% for the same. Contrary to the recommendations of various Working Groups, set up by the planning commission for the sector, a provision of Rs. 17,899 crore has been made for the plan period against the recommended figure of Rs. 61,000 crore. The role of centre in this respect should be more proactive.

To achieve the target of greening 50 lakh hectares during 12th Five Year Plan through the Green India Mission, sufficient funds need to be made available. Funds which have been provisioned for the purpose are not consistent with overall budget of the department. I would, therefore, like to suggest that scheme suggested by concerned working group on 'Sustainable Livelihood from Minor Forest Produce' of Rs. 6,500 crore for conservation of NTFP should be included in the 12th Five Year Plan. Similarly, the process of release of funds in CAMPA has been very

cumbersome. My suggestion is that an account can be opened with respective state governments and money can be credited directly into it so that it can be withdrawn without delay for expansion of the green cover.

In my opinion, there is also a need to compensate those states which are bearing the opportunity cost of maintaining forests for the overall good for the nation. It is therefore suggested that the total forest area of the states should be included as one of the factors in the gadgil formula for devolution of funds / resources to the states. Similarly, Ministry of Environment and Forests should also consider the quantum of degraded and blank forest areas of a state as one of the factors while making allocations under the scheme for Restoration of degraded Forest Areas.

For relocation of villages from the Project Tiger areas on Government of India approved rates an amount of Rs. 3,300 crore should be granted to Madhya Pradesh and centre should assist the state by extending financial and technical assistance in preparing proposals under Clean Development Mechanism (CDM) and REDD plus.

MINING

Minerals play an important role in the industrial and economic development of the nation. The state of Madhya Pradesh, located in the heart of the nation, is endowed with rich mineral wealth.

For proper utilisation of mineral resources in the development of the state, it is very important that these minerals are developed in a sustainable manner so that the environment and the ecology are not damaged. Another important fact is that most of these mineral rich areas are also areas of high density forest and predominantly tribals live in these areas whose livelihoods are dependent on the ecological services provided by forests. Recently the mineral exploration process has come in for a lot of controversy. It is, therefore, imperative that the process we adopt for exploration of these minerals are open, transparent and also ensure that adequate benefits are provided to the local communities by way of community infrastructure improvement as well as provision of livelihoods for these communities.

The state government has been requesting during the 11th plan that royalty on major minerals (coals) should be made at-*valorem*. Although the demand was partially conceded but the state governments are still not getting royalties at full value of the mineral, thereby losing substantial revenue from the state exchequer. I therefore urge the central government to make royalty payments to state governments at full value of the mineral.

TOURISM

We have examined the approach paper for the 12th Fifth Year Plan drafted by Planning Commission, Govt. of India. In Madhya Pradesh we have aligned our strategy with the approach paper. Therefore, for promotion of tourism we are working on destination and city wide approach. We have also ensured synergy between urban (city) development and tourism sectors.

We have also amended our tourism policy to promote heritage and religious tourism in the state. Further, to promote investment in the tourism sector, state govt. has accorded the Status of 'Industry' to tourism.

To facilitate quick implementation of tourism related projects in the state, it is our request to provide full freedom for planning and implementation of scheme that are funded under the 13th finance commission.

INFORMATION TECHNOLOGY

Madhya Pradesh has effectively used IT as a tool to enhance delivery of services to the common man. Now even the basic backbone infrastructure like State Data Center, SWAN etc is ready to meet the future challenges of growing e-governance applications.

I would request the Central Government support in the 12th plan for the following initiatives for Madhya Pradesh.

- Assistance for establishing state of the art “IT and e-governance training centers” in all 50 districts, to bridge the skill gap;
- Assistance for establishing a CENTRE OF EXCELLENCE within IT dept. which will be a talent pool of highly skilled IT manpower with specialization in core sectors like Database Administration, Cyber Security etc. to cater to the IT specific needs of the various departments;
- Establishment of proposed National e-governance Academy at Bhopal. GoMP is willing to provide land free of cost.

INTERNAL SECURITY

In the recent years the threat to internal security has reached alarming proportions. Starting from domestic violence, atrocities against weaker sections, cyber & high tech crimes, highway safety, terrorism, left wing extremism activities, narco crime and worsening law & order in general has become a matter of serious concern. In order to combat and make the society a secured place to live it is essential to have a planned approach which has become an imperative. Although law and order is a state subject but in lot of cases a coordinated effort by the centre and state both is required to fight these threat of such magnitude.

Increasing rate of crime as reflected in NCRB and SCRB suggest that there is an alarming situation which needs to be tackled at war footing. No enforcement agency alone can fight these crimes without the active co-operation of the community and therefore communities’ participation assumes paramount importance in containing these crimes. Community participation through social empowerment and community policing should become the hallmark of the 12th Plan which should include protection of women, children, senior citizens, SC ST & other weaker sections of the society, physically challenged & specially able people and marginalized sections of the society. It is time not only to bring the accused to justice but to ensure that proper relief and rehabilitation measure are provided by the state to the victim. It is also important to provide protection to the witnesses so that justice delivery is made available to the citizens without any impediment.

With rising urbanization and increasing connectivity through rails and roads urban policing has become quite challenging. The NCRB data indicates that we lose 1.36 lakhs precious lives mostly young every year and about 4.68 lakhs peoples gets injured at national level alone in road accidents thereby causing a huge personal and economic loss to the family and to the nation. There is an urgent need to include the provisions of safety and security measures in the 12th plan document along with the city and highway planning.

Nation is facing threat from fundamentalist and other terrorist organization along with Naxal organizations operating in various part of the country. In addition, Organized

Crime, Corruption, Economic Offences and the people's trust deficit have also posed challenges before the nation. These threats cannot be dealt effectively without arming police force with modern equipments and means of communication and weapons. To combat terrorism and other growing challenges, all the State Govt. and Center should play a coordinated role in this regard.

The areas which are economically and politically isolated due to their geographical location are soft targets for Left Wing Extremist outfits. They take advantage of development deficit from which the inhabitants of these areas suffer. Implementation of Integrated Action Plan for these areas is a welcome step of the Central Government. IAP, with enhanced quantum of fund and scope of work, should continue in the XII Plan. It is urged that developmental activity in LWE areas must be integrated with operational requirements based on the field situation in the specific district as the formula of one size fits all will not get the desired results.

The Govt. of India's project on CCTNS specifically focuses on crime and criminal tracking whereas the police organisations in general do not get serious attention in the e-governance plans of the state and central government. There is a need to create a comprehensive end-to-end computerization of all aspects of criminal justice administration across the nation. There is also a need to step up infrastructure housing, aid to investigation, capacity building, training and skill development in the 12th Five Year Plan.

XII Plan must formulate a comprehensive and integrated plan for Criminal Justice Administration rather than allocating funds separately for each arm of Criminal Justice Administration in an isolated manner.

DISASTER MANGEMENT

The Govt. of India has come with The Disaster Management Act 2005. As per the provisions of the Act in Madhya Pradesh, the SDMA under the chairmanship of Chief Minister has been constituted. At the district level District Disaster Management Authorities are in place. The Act envisages State Disaster Response Relief fund, State Disaster Mitigation Fund, District Disaster Relief Fund and District Disaster Mitigation fund for relief and mitigation measures.

The states are on their way to develop the State Disaster Management and Emergency Response Force on the lines of National Disaster Response Force. Although, lot of major states have NDRF positioned in the capital hubs. Madhya Pradesh being the centre of the country needs to be provided with adequate presence of NDRF. Community based disaster management is the focus of attention of Govt. of India. To reduce our dependence on defence forces and external aid a greater degree of capacity enhancement is required. Hence, disaster management including the role of home guards, civil defence, fire services and community should be included in the 12th plan.

GOOD GOVERNANCE AND E-GOVERNANCE

Madhya Pradesh is the pioneer in implementing the act to ensure the delivery of services to public through Public Services Guarantee Act 2010. Initially as many as 51 public services were covered under this act and have been increased to 106 services as on today. Few more will be brought under its ambit soon and subsequently most public contact services will be covered under Public Services Guarantee Act.

The State has adopted e-governance, e-tendering, e-procurement, e-payment and measurement in many departments for more transparency and efficient functioning.

Several steps have been initiated like setting up special courts for dealing with cases of corruption and bringing transparency in governance.

Decentralized Planning

Our initiative of decentralized planning to involve the people from the grass root level upwards has resulted in more rational, utilisation of resources, privatizing of needs and better delivery of outcomes. This has been appreciated by the planning commission and is proposed to be replicated in many other states. I would like to propose that decentralized planning is the ultimate tool to involve the community in determination of their destiny through fulfillment of their aspirations. This would strengthen the Panchayati raj institutions and also institutionalized social audit of government functioning. The 12th plan must incorporate this with adequate provisions of resources to the states.

Since the 1990s globalization and liberalization have drastically altered the economic scenario in the country. India now engages with global players from an ever improving position of strength. The polity of the country has changed from unitary to multiparty and the states have become increasingly important players in the development efforts. The youth and the women folk in particular have become more vocal, have contributed more to the national imagination and are impatient for change. It is at this juncture of the nation's progress and with this backdrop that this august body must plan for the future with dialogue, discussion, tolerance and consensus.

JAI HIND

Policy Issues

Food Security Act

There can be no two opinions about the principle of ensuring food security to all our citizens. But the provisions of the Food Security Bill are fraught with shortcomings, and may give rise to more problems than it intends to solve.

We have reservations on both practical as well as legal grounds, and have conveyed to the Central Government several suggestions for its improvement, but unfortunately it seems that most of these concerns have not been taken on board while re-drafting the Bill. The prescriptive nature of the Bill militates against the federal structure of our Constitution, some provisions could well give rise to endless litigations, and there is no concrete commitment from the Central Government on provision to the State Governments of the enormous financial burden that would arise.

Irrigation

XII Plan Document envisages a National Water Commission, a Model Bill for State Regulatory System and a National Framework Law for the ground water. Releases from AIBP would be subject to falling in line with the proposed reforms. This is completely contrary to the constitutional arrangement of political and financial dichotomy of a federal structure.

Environment & Forests

The Ministry of Environment & Forests should refrain from prescribing guidelines regarding subjects which lie in the domain of State Government. This is being done under the garb of environmental concern. For example the Ministry is prescribing width of the road, height of the buildings and its distance from the fire stations which are primarily town planning functions.

Ministry of Environment and Forests had notified the procedures through which Environmental Clearances are being granted in the State by the State Environment Impact Assessment Authority (SEIAA). This is an adhoc arrangement and looking at large number of cases and also wide cross section of activities which have to obtain prior environmental clearance. It is essential that the present format of authority should be reviewed. I suggest that an Environment Regulatory Authority with appropriate powers and clear constitution should be immediately established in all states.

Right of Citizens

The Government of India is contemplating passing "The Right of Citizens for Time Bound Delivery of Goods and Services and Redressal of Grievances Bill, 2011". The proposed Bill would adversely affect the existing State legislation on the matter. The Bill mixes up issues of redressal of grievances and delivery of public services and therefore focus on either gets lost. The Union Government should at the best prepare a model law and circulate it to the States for adoption with appropriate local amendments.

Real Estate

It is the time that real estate regulatory authorities are established in the country. This would help the common man, who is occasionally duped, in making correct decision while buying a property. The present design to enforce uniform law throughout the country should be avoided. Model legislation can be prepared and circulated for adoption by the states.

Forest

The Central Government should either permit to convert existing Forest Villages into Revenue Villages without invoking the provisions of the Forest Conservation Act, 1980 or to provide required assistance to strengthen the infrastructure and livelihood opportunity to the people of these Forest Villages as per their aspirations. In the later case Govt. of India should bear all the costs regarding the rehabilitation.

Criminal Justice and Administration

There is an urgent need to integrate all the arms of criminal justice and administration. A comprehensive plan needs to be evolved for speedy redressal investigation, prosecution, trial and correctional institution along with victim assistance and witness protection with a view to dispensing justice. This will need creation of infrastructure, technology application, capacity building and appointment of adequate expert in respective fields. Hence, a comprehensive plan needs to be evolved with adequate central assistance so as to check the rise of crime.

Speedy delivery of justice is an essential commitment of the government. To meet this requirement, necessary infrastructure is needed to be provided at district level and above by the Central Government. To achieve the same, Judiciary need to be included in XII five year plan as plan head or plan component of the centre and allocations should be disbursed to the states.

Road Transport

For the development of road network of State Highways and MDR's, Government of Madhya Pradesh has recommended to the planning commission of India to consider additional grant (in addition to VGF) in lieu of toll exempted vehicles to the tune of approximately 10% to make the project viable for private investment. Planning Commission should consider this proposal and come out with a policy in this regard at the earliest.

Viability Gap Fund

At present, infrastructure projects all over the country are being implemented in PPP mode. States like MP who are land locked are in a distinct disadvantage. Hence, it is suggested that Central Assistance of Viability Gap Fund for infrastructure projects should be increased to 40% from the current limit of 20 % for such states. At the same time, backward states which have poor infrastructure index should be granted additional VGF of 20%.

Further, considering the infrastructure deficit in Social sectors such as Health and Education there is an urgent need to create infrastructure through Public Private Partnership (PPP) in these sectors also. Thus, I would like to impress upon the empowered sub-committee on infrastructure to widen the definition of Infrastructure by including sectors like Educational Institutions, Hospitals, Housing, Urban Services,

Industrial Park/ SEZ in rural areas as well as developments of hubs in rural areas (PURA). All these Projects should also be included for entitlement of VGF.

Land Acquisition Policy

The proposed Land Acquisition policy being placed in the parliament has a several provisions that militate against the powers of the states. At the same time there are several provisions that will make land acquisition extremely difficult and prohibitively expensive. I would like to urge that wide consultation with all the states be carried out before going forward with this extremely important legislation.

Disparities; Social, Regional, Geographical and Economical

Madhya Pradesh has the highest proportion of Scheduled Tribe population in the country except north east states. More than 20% of state population is Scheduled Tribe and around 16% is Scheduled Caste population. It is proposed that the districts with a tribal population of more than 50% should be considered at par with states which are classified as special category States for the purpose of funding in the Centrally Sponsored Schemes.

It is my belief that traditionally the Scheduled Castes populations of the country which comprise of almost one sixth of the population have not got focused attention in government schemes. In my state we have created a separate department for Scheduled Castes welfare. It is proposed that in case of districts with 25% of its population from scheduled caste they should be classified as special category districts for both area and beneficiary oriented schemes.

I would like to convey our appreciation to the Hon'ble Prime Minister for announcing a special package for mitigation of drought in Bundelkhand region, which was not only backward but was facing consecutive drought. The measures under the package have raised hopes of the people of Bundelkhand that their age old problems of drought and poverty would be mitigated. However, this cannot be a short term measure. It needs to be carried on throughout the 12th Plan period and adequate provisions be made in the 12th Plan.

Similarly the regions of Vindhya and Mahakoshal are characterized by large tribal population, poor agriculture productivity, and lack of irrigation infrastructure. This area is also drought prone, economically backward and affected by left wing extremism. Therefore, there is an immediate need to launch a special package on the lines of the Bundelkhand package and I would urge the Central Government to consider the proposal during the XII Five year Plan.

Disbursement of Monetary Benefits

Direct cash transfer to the beneficiaries on the basis of Adhaar numbers is a highly welcome step. However, there are certain important facts that must be kept in mind while implementing this.

Madhya Pradesh has already started taking the initiatives for ensuring financial dispensation within a 5 Km. radius by adopting Service Area Approach. Mapping for all the 52000 villages of the State has been completed. In Madhya Pradesh almost all beneficiaries are being given their benefits through direct cash transfer to their accounts in almost all departments. Scholarships, pensions, NREGA payments and all other such

payments are being transferred to the accounts of beneficiaries in post office, co-operative banks, RRBs and commercial banks.

In an effort to make the regime of direct cash transfers successful it would be necessary to have adequate number of commercial banks; to provide CCBs, RRBs and post offices with core banking facilities; to put in place nearly one million BCs and to generate Adhaar numbers for at least 90% of the population and also to seed all beneficiary accounts and beneficiary lists with Adhaar numbers. This would require an enormous amount of preparation. I would urge that adequate prior preparation must be done instead of rushing into this ambitious programme without adequate preparation. Additional care has to be taken to ensure the benefits of the scheme to reach the far flung and LWE areas.

New and proposed legislations

The Central govt. has brought out or is in the process of bringing out a slew of new legislations that militate against the Federal structure of the nation. These legislations seek to empower the centre at the cost of the states even in matters that were in the list of state's subject of the constitution. Some of the legislations, thus being brought out are as follows:

Home

Central Government is taking unilateral decisions on many issues. Creation of NCTC, proposed amendments in BSF Act, RPF Act are some glaring examples. Central Government is also trying to take "The Communal Violence Bill" to the Parliament without consulting the state governments. These efforts are a step towards centralization and against the spirit of federalism enshrined in the constitution. Policing is a state subject in our constitutional provisions and nothing should be done to jeopardize this delicate balance. Rather Government of India should contribute towards creation of infrastructure, technology application and capacity building in these areas through long term prospective planning as it will have far reaching implications, thereby making adequate provisions in the 12th Five Year Plan.

Land Acquisition & Rehabilitation and Resettlement Bill

This Bill has been introduced by the centre to replace the Land Acquisition Act 1894. However, it is a matter of grave concern that land being in the State List, as provided in the Constitutional Provisions 1950, seems to have been omitted while introducing the above Bill. As a result, Section 42 of the Bill deregulates the rights of the State Government in respect of purchase and sale of land.

Citizen Right Grievance Redressal Bill

This Bill is a takeoff on the "Madhya Pradesh Lok Seva Guarantee Act". It provides for; the Central Public Grievance Redressal Commission to receive appeal against unresolved petitions anywhere in the country and resolving them in 15 days time, making an appeal to the Appellate Officer within 30 days, and thereafter to the State Public Complaint Redressal Commission and finally to the Central Appellate Commission. Here, the Commission will not only be receiving cases as per the central list, but from the State's list as well, provided in the Constitution. This is against the interest of the state as the centre is unilaterally encroaching upon the state's jurisdiction.

Real Estate Regulation Bill 2012

Centre is setting up Real Estate Appellate Tribunal and Central Advisory Council to deal with disputes arising in the Real Estate sector between the promoters and allottees. It is a known fact that "Real Estate" in other words "commercialization of land" is purely a State subject and directly related to State Government, it's Municipal Corporations, Municipalities and other organizations. Centre by introducing the above system is not only trying to interfere in the rights of the State Government but also trying to snatch away the rights of Municipal Corporations and Municipalities.

Food Safety Bill

The new Food Safety Bill seems to be a transcript of foreign model where alcoholic drinks are not considered as an excise item. It is a matter of grave concern that alcoholic items have been included in the food list. It will have adverse impact on state's income from excise as well as militate with the State Excise Act. Moreover, it may pave way for rickshaw pullers and handcart riders to openly sell alcoholic products through their carts because under this Bill, authority for issuing license for manufacture, transportation and running liquor shops is rested with the Central Excise Officer only. This again is in violation of our federal structure.

Service Tax

It is a matter of grave concern that centre is trying to include more and more items into Service Tax which are taxable under VAT. Moreover, items on which state is imposing VAT are being charged with service tax by the centre. This is against the interest of the state.

GST

State has been protesting against this issue with the centre since long. Under GST, taxes like VAT, Entertainment, Luxury, Lottery and many other charges and surcharges are being covered. This will result into revenue loss and adversely affect the financial position of states.

Railway Protection Force Bill

Recently, the central govt attempted to formulate a separate RPF Act, thereby encroaching into the state's legislative domain. This subject has been extensively protested and debated in the last few years.

NIA Act

Under this Act, powers for search and arrest have been delegated with the NIA. This again goes against the rights and interests of the states as well the federal structure.

Boarder Security Force Amendment Bill

It is in the last year that the Centre has unilaterally made an amendment in the Boarder Security Force Bill. Through this amendment, the scope of BSF has been extended from border to anywhere in India, thus giving the right to BSF to search, seize or arrest anywhere in India. This is in contravention to the state list of powers given to the states under the Constitution. Many states including Congress ruled states like Andhra Pradesh, Maharashtra have objected to this decision of the centre.

NCTC

Recently the Central Government has created NCTC without consultation with the states. This naturally creates doubts at the intentions behind such an attempt. The centre needs to rise above politics and strengthen the efforts of the states in fighting terrorism by strengthening their institutions. The states look towards the centre for financial support to increase their manpower and resources. Today, we are liberally increasing CPMF battalions, but feeling shy of giving support to increase the man power in states. It needs to be understood that, it is not possible to enhance internal security by simply sending central forces; rather the strength of state forces needs to be augmented.

Port Regulatory Authority Bill

Even though Madhya Pradesh is a landlocked state and the impact of above Bill is not much, still it will be unfair if I do not point out the bad effect of this unilaterally enacted Bill by the centre. 73% of cargo operations are taking place in Gujarat and with this Bill which facilitates the centre to fix tariff on private ports also will have very bad effect in the financial of Gujarat State.