



# Annual Plan 2013-14

## **PRESENTATION BEFORE THE PLANNING COMMISSION**

by:

**Dr. RAMAN SINGH,  
CHIEF MINISTER, CHHATTISGARH**

31<sup>st</sup> July, 2013

# Chhattisgarh - A Snapshot

Area	9th largest state
Green State	42% forest cover - <i>twice the national average</i>
Population Density (person/sq.km)	189 (382) - <i>lowest among non - special category states</i>
Sex Ratio	991 (940) - <i>better than national average</i>
Literacy Rate	70% (73%) - <i>close to national average</i>
Rich in mineral resources	19% of India's coal 16% of iron ore 38% of tin
Emerging power hub	30,000 MW capacity addition during 12th Plan ?

\* ( ) Figures in bracket indicate those for All-India

Source : FSI, Census

# Development Challenges

- ❑ Infrastructure deficit :
  - Road length /100 sq. km - 69.5 km (national average 115 km)
  - Rail Network /100 sq. km - 0.77 km (1/3 of national average)
  - Irrigation Potential - 33% (2/3 of national average)
- ❑ Low Value Agriculture
- ❑ Small and Fragmented holdings: 76% small and marginal farmers
- ❑ Low social indicators - Poverty, IMR, MMR and Malnutrition
- ❑ Insufficient skilled manpower
- ❑ 14 out of 27 districts affected by LWE

# Plan Objectives & Strategies

- ❑ Faster and more inclusive growth
  - 9 % growth target
  - Higher Investments in agriculture to improve farm productivity and incomes
  - Up gradation of physical infrastructure
  - Enhanced social sector spending to reduce disparity in human development indicators and achieve MDGs
- ❑ Sustainable growth
  - Efficient and judicious use of natural resources
  - Promote use of renewable energy sources
  - Development of skilled manpower
  - Biodiversity conservation

# State of the economy

*Performance : better than All-India*

GSDP Growth Rate @ Constant (2004-2005) Prices				
Sector	2012-13			
	All India		Chhattisgarh	
	Target	Achievement	Target	Achievement
Agriculture & Allied	4	1.8	5	5.5
Industry	8.1	3.1	10	6.7
Service	9.1	6.6	10	12.1
GDP/GSDP	8.2	5	9.1	8.6
Per Capita Income	-	68,747		52,689

## Fiscal Indicators - Robust

Indicators	2006-07	2012-13	All States
Balance from Current Revenue (Rs .in cr.)	3,867	9,713	3,965
Non-Plan Revenue Expenditure	40%	42%	59%
Own Tax Revenue / GSDP	7.80	7.42	6.3
Revenue Surplus/ GSDP	4.10	1.80	0.4
Interest payment / GSDP	1.53	0.82	1.5
Debt / GSDP	21.70	13.40	21.90
Fiscal Deficit / GSDP	0.06	2.82	2.10

Source : RBI Report on State Finances 2012-13

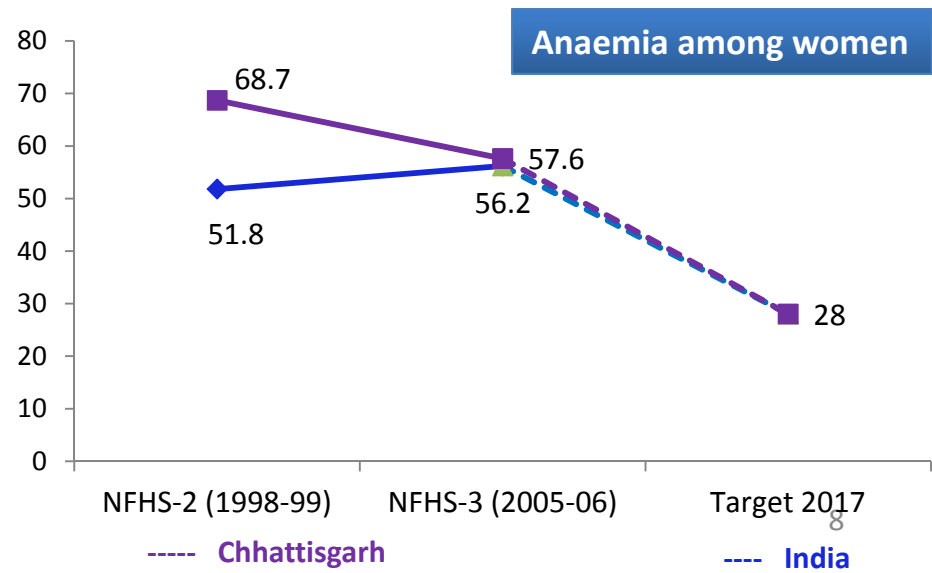
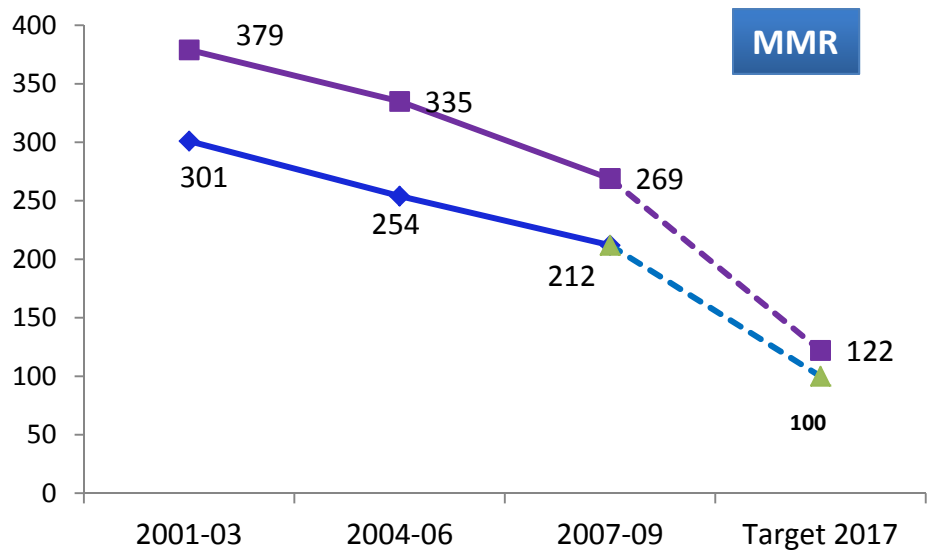
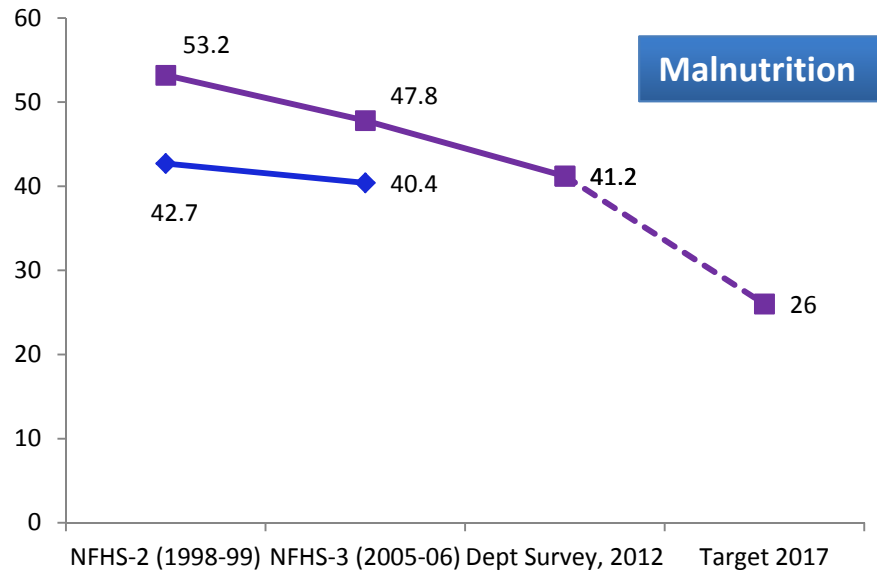
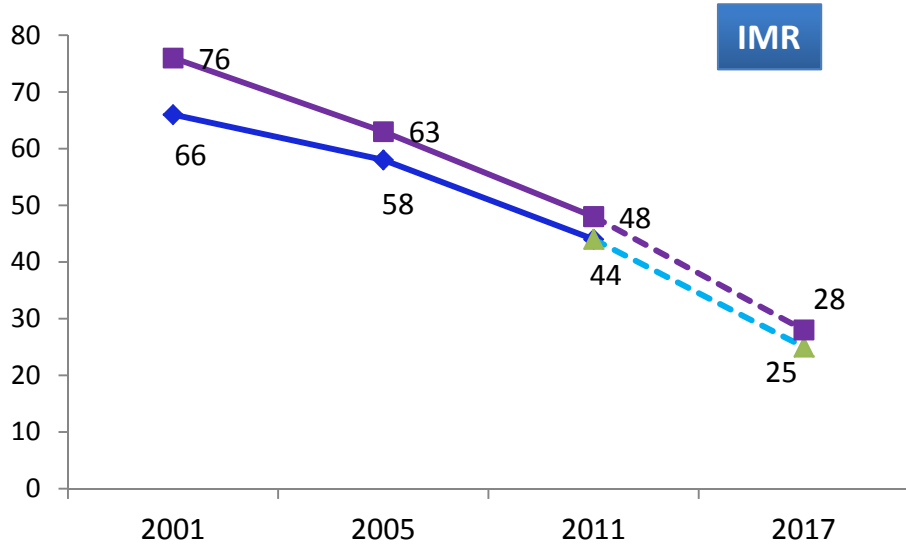
# Fiscal Indicators - Robust

Indicators	2006-07	2012-13	All States
Plan Outlay / GSDP	7.63	14.31	6.41
Plan Outlay / Total Expenditure	44	62	35.52
State's own resources / Plan outlay	54	51	22
Development Expenditure / GSDP	13	17.19	10.20
Capital Outlay / GSDP	3.3	4.4	2.3

## Priority on social sector

Year	As % of Total Expenditure	
	Chhattisgarh	All States
2010-11	50.2	39.0
2011-12	52.3	39.8
2012-13	49.3	40.0

# Monitorable Indicators





## *Manufacturing : From Policy to Results*

- Improving business regulatory environment
  - State Investment Promotion Board constituted under the chairmanship of CM accords sanction for new projects
  - Single window clearance mechanism put in place
  - State level monitoring committee set up under the chairmanship of Chief Secretary to coordinate and review progress of statutory clearances
  - Commercial Taxes regime

Barrier - free state : check-posts abolished , end-to-end computerisation, tax structure simplified and tax rates rationalised

## ***Manufacturing : From Policy to Results*** contd.

- Human resources / Skill building
  - First state to guarantee legal right for skill development to youths in 14 - 45 age group; provision for training within 90 days of application
  - 998 VTPs registered, 1.7 lakh youths trained under Skill Development Mission
  - Livelihood colleges to be setup at all district headquarters to provide short-term training courses linked to industry & service sector
  - 4 Apparel Training & Design Centres are functional, 2 are under construction

## ***Manufacturing : From Policy to Results*** contd.

- Policies and institutions to improve technology and value addition
  - New policies for agro, food processing and automotive industry announced in 2012
  - Provision for incentive for quality certification and technology patent incorporated in Industrial Policy 2009-14
  - Proposal for setting up MSME tool room pending with GoI
- Cluster development - Six new clusters proposed to GoI

### Issue:

Requirement of 5,000 hact. of land for setting up NIMZ needs to be relaxed for Chhattisgarh which has 42% area under forest cover

# Issues flagged by Planning Commission

## ***Manufacturing : From Policy to Results*** contd.

Critical factors affecting investors' sentiment

- Delay in investment related policy decisions
- Lack of clarity and continuity in policies
- Inordinate delay in statutory clearances
- Complex land acquisition procedure

Suggestions :

- Consultative and partnership approach in policy formulation, fast-tracking of decisions and simplification of procedure for statutory clearances
- Step up public investment on infrastructure projects to revive growth in manufacturing sector
- Availability of adequate finance for MSME sector to ensure job-oriented growth

# Centrally Sponsored Schemes Patronage vs Partnership

- ❑ NDC decision in 1968 - allocation under CSS should not exceed one-sixth (17%) of the Central Plan Assistance to the States; however, it is just the reverse in 11th Plan (77%)
- ❑ CSS is rigidly structured and allows little flexibility to the States
- ❑ The approach has been to rationalise the role of the Central Plan for *activities and schemes which are either already being implemented by several States or, could easily be transferred to the States;*
- ❑ States have enough knowledge and capacity to formulate and implement innovative schemes
  - *CSS should be recast in a manner that design and implementation of all development schemes are left to the States; while the Centre retains the role of providing normative financial support on agreed parameters*

# Direct Benefit Transfer

- ❑ Food security should be kept out side the purview of DBT  
*Solution lies in Restructuring and Strengthening PDS, not its substitution by Direct Cash Transfer*
- ❑ Cash benefits can very quickly be eroded by inflation
  - benefit / subsidy should be price - indexed
- ❑ Roll out of DBT should be on the basis of evaluation of performance of the scheme in Phase I and phase II districts
- ❑ Low banking network is a major constraint;
  - Banks / Post Offices networks has to be strengthened before its universalization
- ❑ In case of benefit transfer for provision of services (e.g.,tuition fee), the benefit should be directly credited to the institution

- Sanctioning of projects on BRGF guidelines can be introduced except in the worst affected LWE blocks

# Sectoral plan outlay (2013-14)

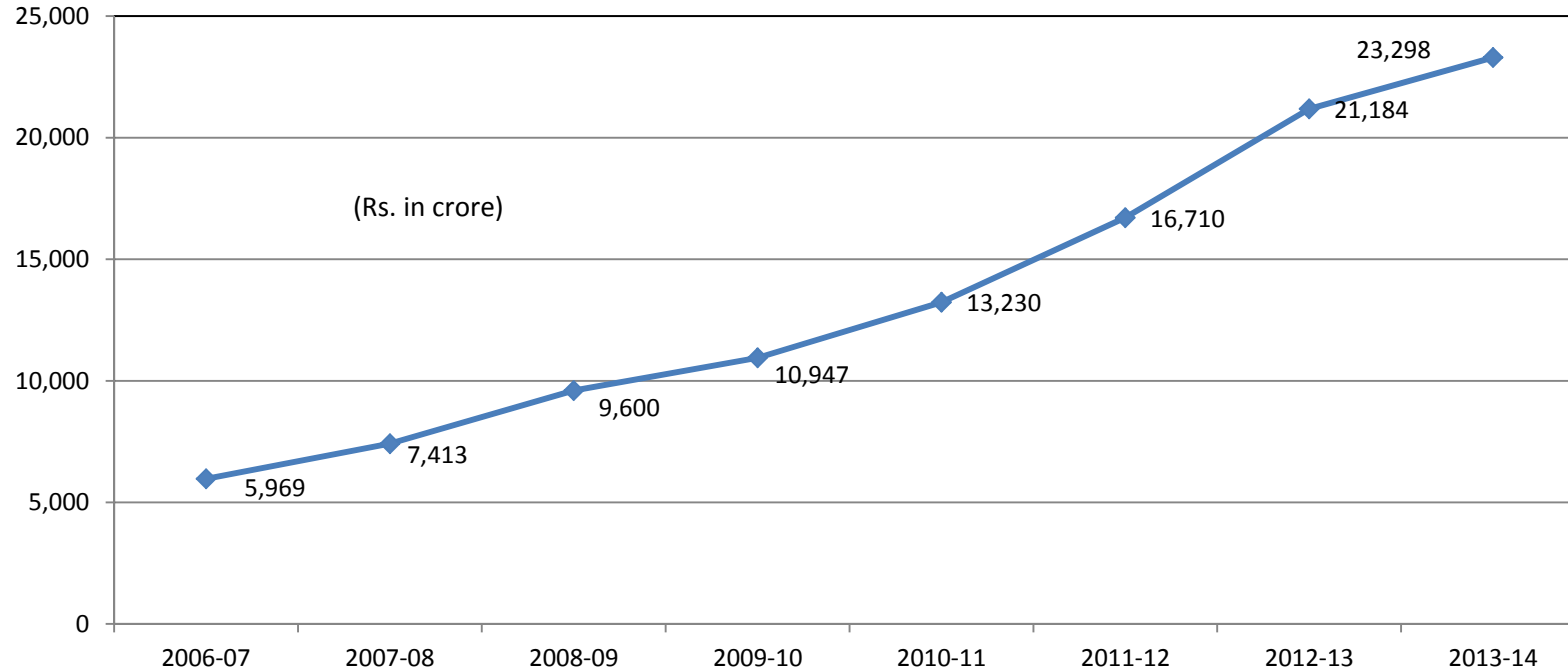
SN	Sector	Proposed Plan outlay (Rs. in cr.)	% of Total Plan outlay
I.	AGRICULTURE & ALLIED ACTIVITIES	<b><u>2,491</u></b>	<b>10.69</b>
II.	RURAL DEVELOPMENT	994	4.26
III.	SPECIAL AREAS PROGRAMMES	840	3.61
IV.	IRRIGATION & FLOOD CONTROL	2,089	8.97
V.	ENERGY	924	3.97
VI.	INDUSTRY & MINERALS	289	1.24
VII.	TRANSPORT	2,589	11.11
VIII.	SCIENCE, TECHNOLOGY & ENVIRONMENT	531	2.28
IX.	GENERAL ECONOMIC SERVICES	676	2.9
X.	SOCIAL SERVICES	<b>11,559</b>	<b>49.61</b>
XI.	GENERAL SERVICES	256	1.10
	One Time ACA (Central Share)	60	0.26
	<b>TOTAL PLAN OUTLAY *</b>	<b>23,298</b>	<b>100.00</b>
	<b>Including IEBR</b>	<b>25,239</b>	

\* Excluding IEBR



# Growth in Plan Size

**Steady increase in Annual Plan size : 4 times in 7 years**



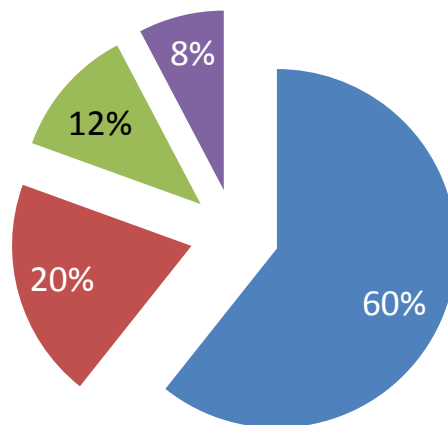
**Annual Plan Outlay as % of GSDP**

Year	2006-07	2012-13	2013-14 (proposed)
Percentage of GSDP	8.92	13.22	13.58

# FINANCING OF ANNUAL PLAN 2013-14

60% of the plan is funded from State's own resources

Source of Funding	Amount (Rs. In cr.)	Percentage
(a) Own Resources	15,280	60
(b) Borrowing	4,995	20
(c) Central Assistance	3,023	12
(d) IEBR	1,941	8
Total Plan Resources	25,239	100

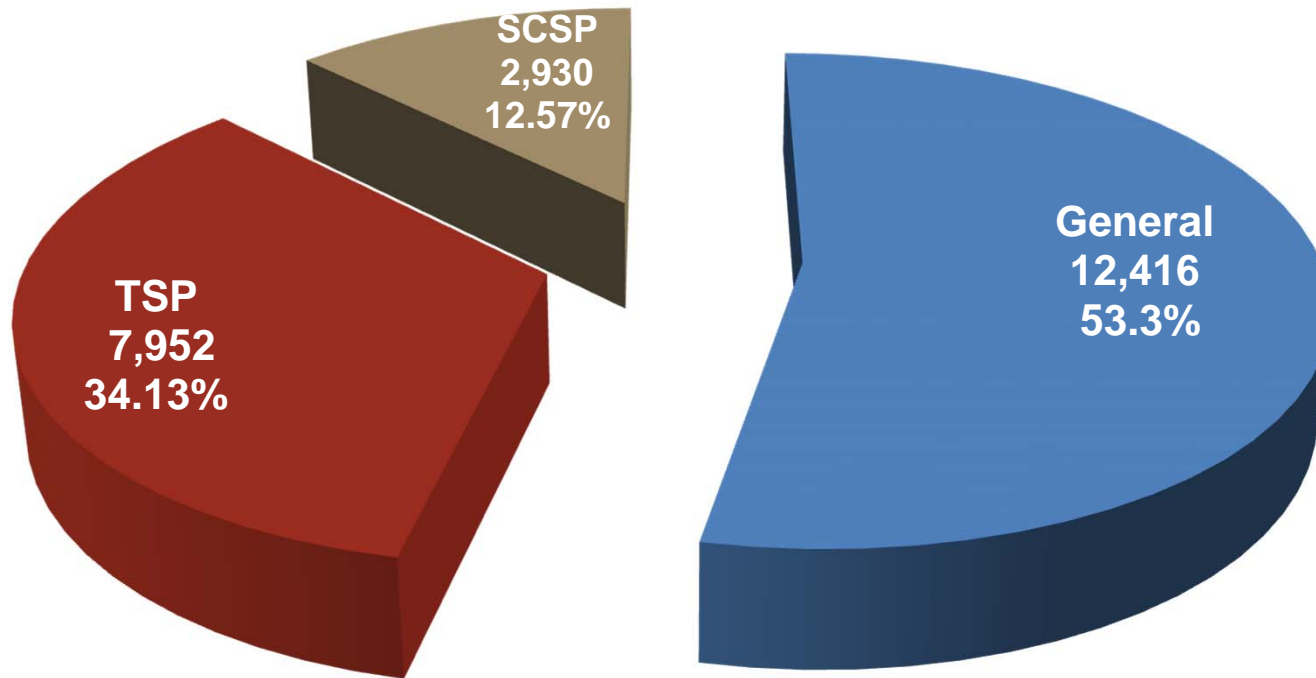


■ (a) Own Resources    ■ (b) Borrowing    ■ (c) Central Assistance    ■ (d) IEBR

# Allocation for TSP/SCSP

Higher allocation for TSP as compared to their population (32%)

(Rs. in Crore)



## Enabling Farmers

### Initiatives:-

- ❑ Crop diversification : Incentives to farmers for production of pulses, oilseeds & maize in place of summer paddy: input assistance worth Rs. 10,000 per farmer
- ❑ Special programme to promote organic farming
- ❑ Arpa major irrigation project to create additional irrigation potential in 25,000 hact.
- ❑ Interest subvention (6%) on bank loans to 'Farmers Producer Companies' to promote value added agriculture (processing and marketing)

## Enabling Farmers

### Initiatives:

- ❑ Loan subsidy to joint liability groups (20%, maximum up to Rs. 5,000) of FRA beneficiaries and landless share croppers
- ❑ Free agricultural implements worth Rs. 42,000 per group to farm labourers
- ❑ State-sponsored entrepreneurship development programme in dairy, poultry and goatry: loan subsidy of 25% for general and 33% for SC/ST farmers
- ❑ Bank loans for horticulture, dairy and fisheries at nominal rate of 1-3%

# Agriculture & allied sector

## Issues :

- Minimum Support Price Policy should be extended to non-traditional crops including minor millets so as to benefit tribal farmers
- Unit cost of AIBP needs to be price indexed to factor in periodic revisions
- Unit cost of field channels (under CAD) be increased from Rs. 15,000 to Rs. 45,000 per hact. so as to include cost of lining

# Right to Food & Nutrition Security

## Why Chhattisgarh Model is replicable

*First and the only State to enact Right to Food and Nutrition Security Act*

- ❑ Guarantees comprehensive Food and Nutrition security:  
Art. 47 compliant
- ❑ Coverage: nearly universal: Close to 90%; 75% in priority sector
- ❑ Comprehensive PDS Reforms: Already implemented; Robust PDS
- ❑ Right to Food backed by other human rights

### Issues:

- existing food grain entitlement of 35 kg per household needs to be continued.
- Nutrition entitlement should be included in the Central Act
- Direct Benefit Transfer (DBT) should not be part of the Act

## Initiatives:

- ❑ MGNREGA – provisions in State budget
  - Additional 50 days employment guarantee
  - One month maternity allowance to female job card holders

## Issues:

- These may be included under MGNREGA guidelines
- Bank / Post office network be expanded in the scheduled areas to facilitate institutional payment of wages
- ❑ NRLM Initiative:
  - Bank loan to women SHGs at 3%; additional 4% interest subvention from state budget
- ❑ IAY : Unit cost of IAY houses should be inflation-linked



Initiative :

Mukhyamantri Gram Sadak Yojana

- State plan scheme for rural connectivity for habitations not covered under PMGSY : 2,000 km of road length to be covered

Issues:

PMGSY

- Double connectivity should be permitted in IAP districts
- Population norm of habitation should be reduced from 250 to 100 for IAP districts
- GoI should share (50%) the maintenance cost

# Democratic Decentralization

## Initiative :

- ❑ Recommendations of 2<sup>nd</sup> SFC accepted - devolution of share of taxes to local bodies increased from 6% to 8%
- ❑ Rs. 1 crore un-tied grant for each Janpad Panchayat
- ❑ Additional Rs. 2 lakh per Panchayat as un-tied fund for strengthening basic services in PESA blocks
- ❑ Incentive to Panchayats for collection of taxes
- ❑ Consultation with GPs made mandatory for CSR

## Issues:

- SSA funding pattern needs to be revised to 75:25
- Scholarship in Schedule Areas / IAP districts for 12 months
- Navodaya Vidyalayas be sanctioned in new districts
- Residential facilities in Model schools be sanctioned in IAP districts

## Initiative

- Rural Medical Assistants deployed in tribal blocks
- Additional post of AYUSH doctor sanctioned for PHCs in tribal blocs
- Mobile Medical Units put in place in all tribal districts
- One additional ANM recruited in tribal panchayat under NRHM
- Multi-skilling of health workers – Mitanins (ASHA) trained as ANMs

## Outcome

- Tribal districts of Bastar division are amongst the high performing districts in reduction in IMR / MMR ( Annual Health Survey 2011-12)

## Issues :

- Urgent need for recognition of three year medical diploma course to make up for the shortage of medicos in rural areas
- Increase in number of seats in medical colleges to cater to deficit in human resources
- Population norm for Sub-Health Center (1 per 5,000) may be relaxed to provide one ANM per panchayat to improve basic health care facilities
- Malaria Research Center needs to be setup at Jagdalpur
- Sickle Cell Anaemia Control Programme needs to be included in the disease control program under NRHM

## Initiatives :

- ❑ Revised SNP norms universalised; 64 left out blocks are being funded from State budget
- ❑ Phoolwari: State sponsored 'community managed' programme to extend SNP in tribal habitations with less than prescribed norm of 40 children
- ❑ Double fortified salt for pregnant women

## Issues:

- Restructured ICDS should be rolled out immediately in all districts
- Revised SNP cost - norm should be applied universally in all the blocks and be linked to consumer price index
- ICDS guidelines for sanction of AWCs (minimum 40 children per habitation) be relaxed for IAP districts
- 58% adolescent girls in the state are anaemic; SABLA (presently in 10 districts) be extended to all the 27 districts

# Women's Empowerment

## Initiatives :

- ❑ First state to introduce free computer education for the girl child
- ❑ Woman SHGs being provided bank loan at 3%
- ❑ Allotment of government lands shall be in the joint names of husband and wife
- ❑ One per cent concession in stamp duty for land registered in the name of women

## Quick facts :

Percentage of female workers in unorganised manufacturing sector :  
Chhattisgarh -74% , All-India – 62%



# Tribal Development

## Initiatives :

- ❑ Special coaching for students for grooming in Maths & Science
- ❑ Special residential summer camps to prevent migration of children
- ❑ Expansion of educational, residential & skill development facilities in Tribal areas
- ❑ Scholarship rates for SC/ST/OBC students doubled
- ❑ Enrollment of tribal girls in secondary and higher secondary increased by 207% & 58% respectively, compared to 2005-06
- ❑ Revenue from forest produce (bamboo, timber) transferred to JFMCs

## Issues :

- 14 lakh forest dwellers are engaged in MFP collection
- MSP Mechanism for Minor Forest Produce should be put in place immediately

## Initiatives:

- ❑ “Mukhyamantri Yuva Swarozgar Yojana” for unemployed youth
  - Guarantee fees on bank loan to be borne by State Government
  - Interest subsidy @ 8% (SC/ST) and 5 % (general)
- ❑ Swami Vivekananda Youth Centres to be set up at Panchayat level for empowerment of youth
- ❑ Distribution of Laptops and Tablets to college students
- ❑ Un-employment allowance doubled from Rs.500 to Rs.1,000
- ❑ Yuva Bharat Darshan Yojana

## Issues:

- Full coal linkage for thermal power projects in the coal bearing states
- Thermal Power generating / exporting states need to be compensated for the environment degradation by way of 10% free power (as in case of hydel projects)
- Feeder separation in rural areas - Gol to share cost on 50:50 basis
- RAPDRP - Population criteria may be reduced from 30,000 to 10,000 to reduce T&D losses in smaller towns

## Issues:

- VGF limit of 40% for PPP projects for upgradation of NH is unviable for states like Chhattisgarh
  - NH upgradation in IAP districts should be funded by Gol
  - For other districts, additional VGF should be shared equally between Gol & State Government
- Maintenance grant in NH - grossly inadequate; needs up-scaling
- Gol should assist / develop Bilaspur, Jagdalpur & Ambikapur airport

## Issues:

- Railway Ministry's decision regarding 50% cost sharing in case of Raipur-Jharsuguda and Ambikapur-Barwadihi rail line needs to be urgently reconsidered because of the following reasons:
  - Railway network density in Chhattisgarh is 1/3<sup>rd</sup> of the national average (0.77/100km), all India average of 1.92 km.
  - Chhattisgarh contributes maximum freight revenue. Share of Bilaspur zone is 18.26% of total freight revenue and 12.78 % of total revenue of Indian Railways

## Suggestion :

In the interest of equity, priority should be given to projects in under-served regions to bring them at par with national average

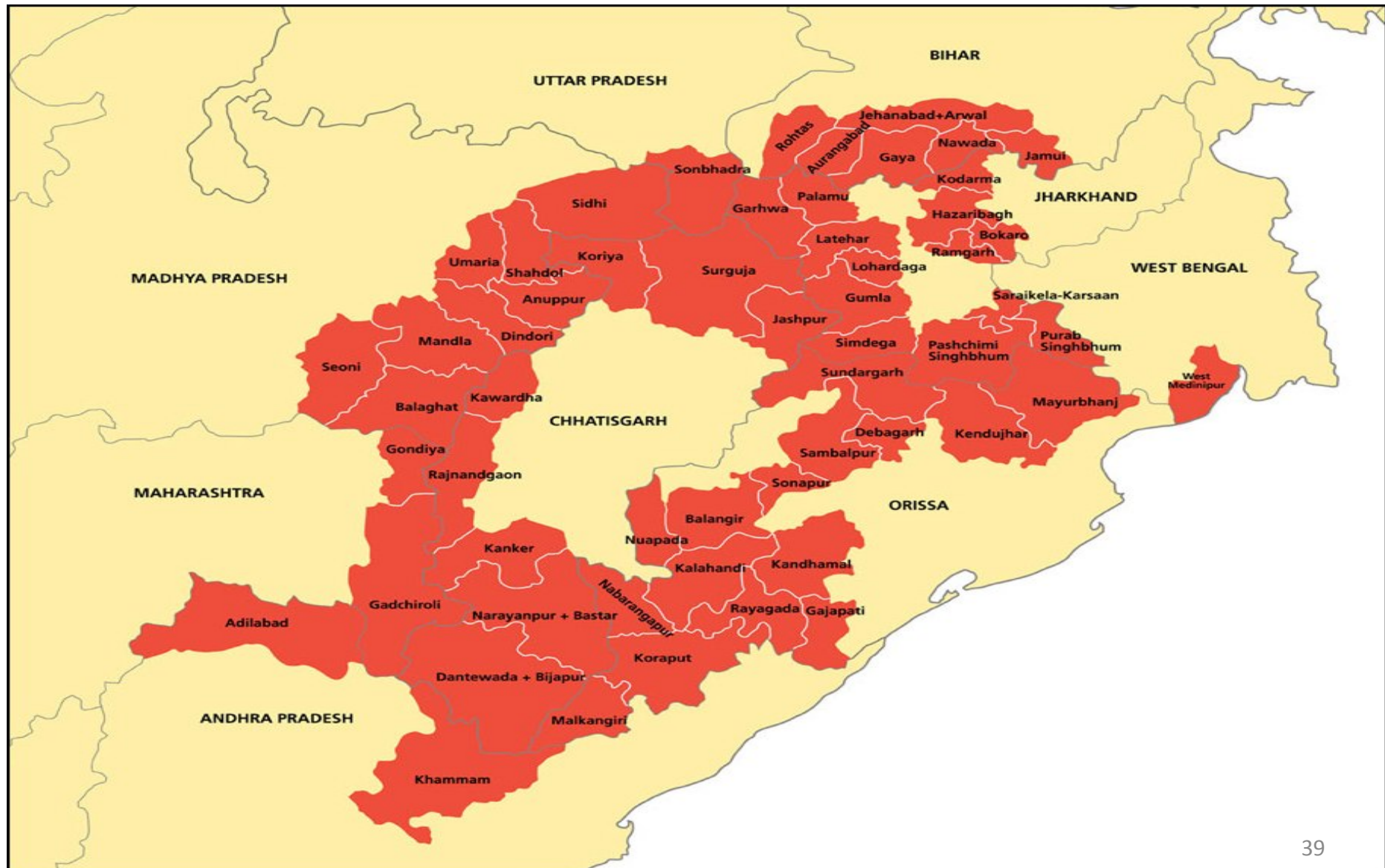
## Issues:

- Funding pattern under "Rajiv Awas Yojna" should be revised from 50:50 to 80:10:10 as in IHSDP
- Rajiv Awas Yojana should include charity homes for the poor, low-end working men/women hostels

# IAP Districts

## The Ring of Fire

Map showing the first 60 IAP districts. The Ring of Fire in Central India is now spread across 82 districts in 9 states.



## State specific issues

- ❑ IAP : Uncertainty about scheme : Guidelines and fund for 2013-14 yet to be released.
- ❑ Funding pattern under CSS for IAP districts should be on 90:10 basis as in case of NE states.
- ❑ GoI to bear the deployment cost of central para-military forces.
- ❑ Planning Commission's recommendation for giving financial incentive to employees in IAP districts be implemented urgently
- ❑ Recent MoEF's decision of disallowing degraded forest land for compensatory afforestation in states having <50% forest land needs to be urgently reviewed



## State specific issues

- ❑ New districts carved out of original BRGF & IAP districts should be independently considered for release of funds
- ❑ Small packages for NH construction and maintenance should be allowed in LWE areas for speedier implementation
- ❑ Extension of the Centrally sponsored scheme for skill development of youth (presently in 7 districts) in all the LWE districts
- ❑ ITI / Polytechnic on PPP mode is not possible in LWE districts; GoI should support through CSS

## One time ACA

S. No.	Description	Amount (Rs. crore)
1.	Livelihood College in District HQ	196

THANK YOU