

INTRODUCTION

Rajasthan, with a total geographical area of 3,42,239.74 sq. kms., is the largest State in the country. It was formed as a State of the Union of India in March 1949, by the merger of 19 Principalities and two Chief ships, with Ajmer-Merwara being added in 1956 on the recommendations of the States' Reorganization Commission. Administratively, Rajasthan is divided today into 6 divisions and 32 districts, which are further sub-divided into 188 sub-divisions, 241 tehsils and 237 development blocks.

The population of Rajasthan, standing at 5.65 crores (2001 Census) and a density of 165 persons per sq. km., recorded a decadal growth rate of 28.41 percent over the population of 4.40 crores (1991 Census) and a density of 129 persons per sq. km. The SC population in the State stood at 17.2% of the total and that of ST at 12.6%.

The Aravalli hill range runs from southwest to northeast through the heart of the State. The region to the west and northwest of these hills, comprising 61.11 % of the total area of the State, is either desert or semi-desert. The cost of delivery of basic minimum services to the people is relatively very high in the State. The State also has a 1040 kms long international border with Pakistan. Punjab, Haryana, Uttar Pradesh, Madhya Pradesh and Gujarat border Rajasthan.

Not less than 40 of the past half-century have been drought years for Rajasthan. This has severely affected the State's economy and has eroded the coping capacity of the people. Water, employment and protection of the livestock population have become the main concern of the Government in these drought years. The financial implications of these efforts are indeed enormous.

With short and erratic monsoon, Rajasthan is the most water deficient State in the country. The severity of this can be best appreciated by the following:

(as percentage of total)

1.	Geographical land mass	10.4%
2.	Population (2001 census)	5.5%
3.	Availability of water resources	1.04%

There are only two perennial river systems i.e. Chambal & Mahi, which flow only through the Southern and South - Eastern fringes of the State. As such most of the State is dependent on ground water, both for irrigation and drinking water. Due to sharp increase in human and livestock population there has been tremendous rise in the biotic pressure on the fragile resources of the State and a consequent rapid decline in the ground water table. Due to low densities of population the per capita cost of development of infrastructure-roads, power-lines, irrigation systems etc. - is the highest in the country. Similarly, the cost of production of agriculture crops is the highest in the country, although the output price is similar to that in other states.

While the development of water resources has always been first priority for Rajasthan and notable success has been achieved in the area of water harvesting and conservation. The efforts have nevertheless been hampered due to non-availability of adequate resources.

The composite infrastructure index (includes power, irrigation, roads, railways, education, health and banking etc.) of Rajasthan at 76 is far below other developed states (Punjab 188, Gujarat 124, West Bengal 111 etc.) This alongwith other social and demographic indices like infant mortality rate, life expectancy at birth, literacy is indicative that while infrastructure both social and economic are major causes of concern. Deterioration in States economy can be checked only through the process of enhanced capital formation by increasing plan outlay and focusing on resource mobilization and public expenditure management in a way that plan expenditure is boosted. Therefore, the size of the annual plan for 2003-04 was increased from Rs. 4258 crores to Rs. 5504 crores. This involved reassessing of resources and leveraging of provisions of Central Assistance with adequate provisions for counterpart funding. This was brought about by extra efforts for resource mobilization and expenditure compression. The level of plan expenditure shot up in the last four months of 2003-04 and the State could spend Rs. 6044.38 crores in 2003-04. Enthused by the success of 2003-04, the annual plans for 2004-05 and 2005-06 have been estimated at Rs. 7113 crores and 7827 crores respectively.

To reverse the rapid deterioration of the state of economy of Rajasthan, there is an urgent need for categorization of the State as Special Category State. The special dispensation for "Special Category Status" would place the State in a better position in

respect of plan resources - the plan expenditure (as a percentage of GSDP) can be higher, the Gross Fiscal Deficit (as percentage of plan expenditure) can be much lower and the revenue deficit (as percentage of gross fiscal deficit) can be almost non-existent.

Social and economic status of the people in the State is in improving phase. As per 2001 census, Rajasthan has recorded a literacy rate of 60.4 percent, which is significant as it was only 38.55 percent in 1991. Thus, the state has registered an increase of 21.85 percent in literacy rate during the last 1991-2001 decade. The rise from 54.99% to 75.7% in case of males and 20.44 to 43.9% for females indicate the sustained efforts of the state during the last decade. However, continuous efforts are being made to bring larger number of children to schools on one hand and reduce drop out rate on the other. The State Government is endeavoring to achieve the objective of total literacy in the State through various Programmes/schemes.

The salient features of the State vis-à-vis India are shown in the following table:

S.No.	Items	Year	Unit	Rajasthan	India
1.	Geographical Area	1991	Lakh Sq. Km.	3.42	32.87
2.	Population	2001	In lakhs	565.07	10286.10
3.	Density of Population	2001	Per Sq. Km.	165.00	324.00
4.	Urban Population	2001	Percentage	23.39	27.78
5.	Decadal Growth	2001	Percentage	28.41	21.34
6.	SC Population	2001	Percentage	17.20	16.20
7.	ST Population	2001	Percentage	12.60	8.20
8.	Literacy				
	Total	2001	Percentage	60.40	64.80
	Female	2001	Percentage	43.90	53.70
	Male	2001	Percentage	75.70	75.30
9.	Birth Rate	2002 (P)	Per '000	30.60	25.00
10.	Death Rate	2002 (P)	Per '000	7.70	8.10
11.	Infant Mortality Rate	2002 (P)	Per '000	78.00	64.00
12.	Sex Ratio	2001 (P)	Per 000 of Male	921	933
13.	BPL Population				
	Total	1999-00	Percentage	15.28	26.10
	Rural	1999-00	Percentage	13.74	27.09
	Urban	1999-00	Percentage	19.85	23.62
14.	Gross Domestic Product at constant prices (base year 1993-94)	2003-04	'000 crores Rs.	60.74 (A)	1424.51 (A)
15.	Per capita income at constant prices (base year 1993-94)	2003-04	Rs.	8571 (A)	11684 (A)

S.No.	Items	Year	Unit	Rajasthan	India
16.	Life expectancy at Birth	1993-97	Av. yearly	60.00	61.10
	Male	2001-06	Projected Level	62.17	64.11
	Female	2001-06	Projected Level	62.80	65.43
17.	Human Dev. Index	2001	Value	0.42	0.47
18.	Total Livestock	1997	Lakh No.	546.74	4708.60
19.	No. of Bank Offices	Dec. 2003	Per lakh of population	5.60	6.20
20.	Per capita Bank Deposit	Dec. 2003	Rs.	6151.00	12922.00
21.	Per capita Bank Credit	Dec. 2003	Rs.	3355.00	7486.00
22.	Credit Deposit Ratio	Dec., 2003	Percentage	54.55	57.93
23	Road Length	March, 2003	'000 Km.	153	2526
24.	Railway Route Length	2001-02	Km.	5894	63140
25.	Net Irrigated Area	2001-02	'000 hect.	5421	54563
26.	Fiscal Deficit *	2004-05	Crores Rs.	6810.93	137407.00

P - Provisional

* Budget Estimates

Policies, Initiatives & Achievements

Rajasthan suffers from the stigma of being characterized as a BIMARU State. To remove this stigma, a broad outline of development for five years has been prepared after considering different alternatives. In order to determine line of development of the state, six priorities have been identified. These are: -

- ◆ Eliminating hunger, malnutrition, and starvation, below subsistence level of living and abject poverty.
- ◆ Taking special care of disadvantaged, particularly women.
- ◆ Emphasizing HRD, social infrastructure, creating capabilities, filling up of social infra gaps.
- ◆ Providing gainful employment, creation of livelihoods and conservation of natural and cultural heritage.
- ◆ Ensuring good governance & fiscal reforms.
- ◆ Creation of economic infrastructure.

Recognizing the importance of infrastructure development in overall economic development, Rajasthan has taken a number of

initiatives to hasten the process of development of infrastructure in the State, particularly in the Power, Road and Water Management sectors.

Financing Infrastructure continues to be the key bottleneck at the state level. Rajasthan is moving very fast towards creating a stable policy environment that would ensure long-term investments in infrastructure. The major thrust areas of the State Government are as follows: -

1. Fiscal Management

- ◆ The growth in State's own tax revenue, as per pre-actual of 2003-04 over actual of 2002-03 is estimated as 15.88 percent. State has also arrested increasing trend in interest payments. In 2002-03 the increased interest payment over previous year was 28.78 percent, which in 2003-04 as per pre-actual is to be 11.09 percent.
- ◆ The State Government has reduced percentage of revenue deficit to revenue receipts to 22.20 percent in the years 2003-04 in comparison to 30.07 percent in the year 2002-03. As a result of this, a sum of Rs.59.77 crores has been received as incentive grant from the Central Government. The State Government is making efforts to bring it down further in the year 2004-05 by more than 5 percent in order to get incentive grant of Rs.60.61 crores for 2004-05 and also arrears of back years.
- ◆ With a view to address developmental effectiveness of all Government expenditure, an Expenditure Reforms Commission has been constituted vide order dated 23rd January 2004 of the Department of Administrative Reforms. The Commission would submit it's final report by Ist January 2005.
- ◆ For new employees appointment on and after 1st January 2004, a new fully funded defined contribution based pension scheme has been introduced. These employees have been provided medical insurance cover instead of the existing medical reimbursement and the long-term advances have been arranged at competitive rates through financial institutions/ banks to the State Government employees.

- ◆ The State Government has passed the VAT Legislation and has made all preparations for introducing the same. As soon as the consensus emerges in States for introduction of VAT, the State shall also implement the same probably w.e.f. 1st April 2005.
- ◆ The Commercial Taxes Department has introduced a system of self-assessment for its dealers. The department has moved a step ahead by introducing software, which enables the assessing authorities to assess such dealers who are dealing in tax paid goods. The dealers can now know the status of assessment from the website of the Department. The Department's scheme shall bring more categories of dealers under computerised assessment.
- ◆ The State has abolished turn over tax and surcharge from its sales tax system. Entry tax is now a book-based tax. The purpose of border check posts is only to collect documents and information. This data get centralized at the head quarter to be used by the revenue assessing authorities. This not only reduces opportunities for corruption at the check posts but also promotes compulsory compliance in dealers. Professions tax has been abolished because the cost of collection was higher than the revenues collected.
- ◆ Rajasthan is the first state to give all registered dealers unique Tax identification number (TIN). Tax revenue is monitored on a daily basis at the Headquarters.
- ◆ The State has by and large applied the unified floor rates as decided by the empowered committee of the State Finance Ministers.
- ◆ With a view to bring transparency in the registration of documents in the various Sub Registration Offices and to expedite the whole process of Registration, the State Government has implemented a Computerisation project viz. SAARTHI. By this project the Registration Offices have been modernized. This has facilitated discharge of registration documents in a time bound manner. A panel of retired civil servants has been formed to inspect sites if required. Besides, three new offices of Sub Registrar have been opened in Jaipur by redeploying staff from other areas

with lesser work. This would not only facilitate the registration process but would make the process fast and less cumbersome for the people. With the reduction of rate from 11 percent to 8 percent and rate of 5 percent in case of the document is registered in the name of female. The revenues have shown an increasing trend.

- ◆ The State Government is implementing the debt-swap scheme introduced by GOI. The high cost small savings loans are being swapped by combination of fresh small savings loans and market borrowings. During 2002-03, a loan amount Rs.1033.54 crores was swapped whereas during 2003-04 loan of Rs.1928.37 crores has been swapped. During the year 2004-05 loan of Rs.2918.23 crores is to be swapped. Besides this, loan of other financial institutions have been swapped amounting to Rs.891.54 crores and loans amounting to Rs.472.02 crores have been restructured.
- ◆ With a view to suggest reforms in Economic Policy at the State level in the context of increasing liberalization and globalization and in order to achieve the development goals, the State Government has constituted an Economic Policy and Reforms Council.
- ◆ State has never been under overdraft position after Feb., 2004, which is an unprecedented turn around.
- ◆ A State Road Development Fund has been set up that would trigger enhanced investments in the year to come.

2. **Social Sector Development**

2.1 **Education**

- ◆ The process of recruiting 33936 IIIrd Grade Teachers, 1407 School Lecturers through RPSC started, out of which 3773 posts reserved for widows.
- ◆ 1661 new primary schools have been opened to provide primary education facility within one km. of every inhabited area.

- ◆ 2317 Rajiv Gandhi Pathshalas upgraded to Primary Schools during 2003-04 and 322 Pathshalas converted into primary schools, so far in 2004-05.
- ◆ Three new Government Degree Colleges were established at Jhunjhunu, Kherwara and Thanagazi.
- ◆ 37 new private colleges started where no college facilities were available. NOC for other 228 private colleges issued which would attract investment of Rs. 380 crores and provide employment to 15000 persons.
- ◆ Ordinance to establish a new Medical Science University has been issued.
- ◆ 5 new Engineering Colleges, and 19 ITIs have been opened. MBA Courses in 15 colleges and B.Pharma in 6 colleges started.

2.2 Social Security

- ◆ Rajasthan Health System Development Project costing Rs. 472.20 crores with financial assistance of World Bank started. This would facilitate providing health services to poor families in remote areas and improving quality of medical services.
- ◆ During 2003-04, Medicare Relief Cards have been provided to 1001070 persons living below the poverty line; this facilitates them to obtain free medical treatment.
- ◆ Under the Mukhya Mantri Sahayata Kosh, 3690 persons have been benefited on which an expenditure of Rs.1649.38 lacs has been incurred during 2003-04.
- ◆ Sanctions to establish 6 Trauma Units in different hospitals located on National Highways and appoint 1119 additional ANMs in Tribal districts have been issued.

2.3 Women and Child Development and Nutrition

- ◆ On an average 32.69 lakh children and women have been benefited under the nutrition programme through 35,710 Anganwari Kendras.
- ◆ Sanction of creation of posts of Sahyoginis issued. 26,521 Sahyoginis selected through Gram Sabhas.
- ◆ 500 Anganwari Centres identified for opening of Crèches and 287 Dhai-ma (foster mother) and 282 Paricharikas selected.

3. Infrastructure Development

3.1 Power

- ◆ The work of establishing 330MW Gas Based Thermal Power Plant at Dholpur and 125MW Lignite Based Thermal Power Project at Giral (Barmer) are under process. These projects are targeted to be commissioned in 2005-06.
- ◆ Assured availability of 14 to 16 hours of power supply including 8 hours of agriculture supply.
- ◆ A Cell has been established in the Chief Minister's Office for monitoring regular power supply.
- ◆ Aggressive policy for reduction of T&D losses prepared. The losses standing at 43% when the new government was formed, would come down to 26% in 2007-08 as per the policy.
- ◆ Multi year tariff regime to be instituted.

3.2 Roads

- ◆ Rajasthan is leading implementation of PMGSY works in the country. 2543 villages' population of 500 and above as per census 2001 has been connected by BT road till October 2004 involving construction of 8832 km length of roads. Work for connecting 722 villages is in progress.

- ◆ The strengthening, widening and renewal of State Highways (SHW) and Major District roads (MDR) are being done under 'Central Road Fund'. Under this, 273 works amounting to Rs. 389.84 crores have been approved for renewal and up gradation of 5409 km of roads. Up to October 04, 4497 km roads have been renewed and upgraded involving expenditure of Rs. 272.79 crores.
- ◆ During 2004-05, a new project costing Rs. 825 cr. under NABARD assisted RIDF-X- has been taken up to construct/renew/upgrade rural roads under which it is proposed to construct/renew/upgrade 1020 km. and 2000 km rural roads during 2004-05 and 2005-06 respectively.
- ◆ During 2003-04, Missing Link Project amounting to Rs. 287.79 cr. was sanctioned to construct 2715 km missing BT length. Earthwork was completed under drought relief works. This project is being executed by PWD in 22 districts and RSAMB in 10 districts. Up to October 2004, Rs. 175.82 cr. has been spent and 1740 km BT road constructed.
- ◆ The State Government has amended the "Rajasthan Road Development Rules" 2002 to take up BOT projects which are non-viable with Government subsidy.
- ◆ Under BOT scheme 22 Projects amounting to Rs. 209.75 cr. have been completed and opened to traffic out of which 3 projects have been handed back to the Government. Six projects amounting to Rs. 151.21 cr. are in progress. 24 projects amounting to Rs. 377.91 crores are in pipeline.
- ◆ **Introduction of State Road Development Fund Act 2004-** The State Assembly has passed Bill for creation of Rajasthan State Road Development Fund (RSRDF). The State Government has levied with effect from the 7th of September 2004 a Cess on the sale of Petrol/Diesel @ Rs. 0.50 per liter.

3.3 Irrigation

- ◆ To encourage participation of users in the management of water resources, Rajasthan water Sector Restructuring Project costing Rs. 734 crores is under implementation; 506 Water User Associations have been set up.
- ◆ Three Medium Irrigation Projects namely, Panchana, Chappi and Bethli, 40 Minor Irrigation Projects to be completed during 2004-05.
- ◆ A major programme of water harvesting structures to be started. This would benefit drinking water facilities to human and livestock besides recharging of ground water.
- ◆ For completion of IGNP and Narmada in four-year period, a Plan of Action has been prepared. This would require a liberal fiscal support from the Government of India.

3.4 Drinking Water

- ◆ A massive work of keeping the 2.2 lakhs hand pumps functional, providing about 10000 new hand pumps and 1000 tube-wells in the water scarcity areas took up. Additionally, transportation of water was managed in about 60 towns and more than 10000 habitations.
- ◆ A time bound programme for fluoride areas has been started in the first stage, villages having fluoride more than 5 PPM has been targeted to be provided with de-fluoridation system on local sources.
- ◆ To provide water to Jaipur city from Bisalpur project the Jaipur-Bisalpur project has been negotiated with JBIC, ADB. The project is targeted to be completed by the year 2007-08.

3.5 Tourism

- ◆ Jaipur Airport has become like an International Airport, flights to Dubai and Singapore have already commenced.
- ◆ 19 Religious Tourist Places have been connected by road.

- ◆ Private investment under tourism sector has been encouraged; this includes establishment of Ropway in Jalmahal Area, Tijarakila, Alwar, Udaipur and Mount Abu.
- ◆ Establishment of new tourist circuits; this includes tourist circuit at Hadouti Area, National Capital Circuit and Religious Tourist Circuit.
- ◆ Rejuvenation work of Pushkar Lake and other tourist places have been executed.

3.6 Information Technology

- ◆ IT Policy of the State to be revised; IT task force has been constituted to expedite the preparation of new IT&C policy
- ◆ All the 32 District Collectorates Offices of the State have been connected to the State Secretariat through video conferencing facility.
- ◆ The services being provided by Lok Mitra and Janmitra Centres in urban and rural areas shall now be provided under the project E-Mitra (Integrated Lok Mitra and Jan-Mitra). This will be executed by attracting private investment.
- ◆ The project to establish Rajasthan State Wide Area Network (RSWAN) connecting state HQ with District/Tehsil level offices has been started.
- ◆ Telemedicine system interconnecting SMS Hospital, Jaipur, Jhalawar district hospital and two CHC at Bhawani Mandi and Aklera of Jhalawar District to be set up.
- ◆ Land record computerization work of all 241 tehsils has been completed. Computerized Jamabandis are being generated and provided to the farmers.
- ◆ Computerisation works of major Revenue Earning Departments like Commercial Taxes, Excise, Transport and Registration & Stamps have been expedited.

3.7 Industry

- ◆ New Industrial Policy to be announced shortly; draft of Industrial Policy, Export Policy and Trade Policy, Investment Policy has been prepared. These policies are under finalization.
- ◆ Circular regarding special packages for revival of sick and closed units have been issued; this would revived at least 25 large and medium industrial units and generate 4000 additional employment in the State.
- ◆ A Critical Infrastructure Development Fund of Rs. 100 crores is being created to bridge critical gaps in industrial infrastructure in the State.
- ◆ Tax structure has been rationalized, surcharge, turnover tax, professional tax and entry tax abolished.
- ◆ The limit of loan for encouraging small and tiny industries has been reduced from Rs. 50.00 lakhs to 10.00 lakhs and the limits for investment on land and building has also been reduced from Rs. 25.00 lakhs to 10.00 lakhs.
- ◆ Urban Haat at Jodhpur started on the line of Delhi Haat. Land allotment for Urban Haat Jaipur has been made. Rural Haat at Jhunjhunu, Bharatpur and Bhilwara have been started.

Tenth Five Year Plan

Objectives, Strategy and Plan Size

- ◆ The Tenth Plan recognizes that the development objectives need to be defined not only in terms of increases in GDP but also in terms of human well-being.
- ◆ The Plan provides the broad contours of medium term development roadmap that envisages:
 - A growth rate target of 8% per annum along with significant improvements in social and environmental indicators.

- Doubling per capita income in ten years
 - Growth rate of GDP to be 8% per annum
 - Harness the benefits of growth to improve the quality of life
 - Reduction in poverty ratio by 5 percentage points by 2007 from 26% to 21%
 - Growth in gainful employment to, at least, keep pace with addition to labour force
 - All children in school by 2003; all children to complete 5 years of schooling by 2007
 - Reducing gender gaps in literacy and wage rates by 50%
 - Providing potable drinking water in all villages
 - Cleaning of major polluted river stretches
- ◆ The Plan also has targets for significant improvements in **critical indicators of the quality of life**. These include health and education indicators and also on environment.

Indicators	1999-2000	2007	2012
Literacy Rate	65%	75%	80%
Infant Mortality Rate*	72	45	28
Maternal Mortality Ratio*	4	2	1
Increase in Forest / Tree Cover	19%	25%	33%
Decadal Population Growth#	21.3%		16.2%

* per thousand live births

for 1991-01 & 2001-11

- ◆ The Tenth Plan document for Rajasthan highlights some major constraints in the path to speedy development. These are:
- More than 60 percent of the State's total area is desert and the population sparsely distributed; this entails a relatively higher unit cost for providing basic services.

- Rajasthan is deficient in water (surface and ground). Ground water at many places is unfit for human and livestock consumption.
- Agriculture continues to be heavily dependent on rainfall. This means that whenever rains are scanty the state experiences drought conditions.
- Rate of population growth continues to be high; the decadal rates of such increase are the highest in the country. This also has implications for the employment scenario in the State.
- Literacy levels, especially for girls, continue to be lower than the national average.
- The state of other social and economic infrastructure is also poor.
- ◆ The State's approach and strategy for the Tenth Plan aims at achieving the national average levels in respect of all the critical indicators of quality of life. In more concrete terms, the priorities are:
 - generation of employment opportunities
 - substantial reductions in poverty and regional disparities
 - provision of basic minimum services
 - ensuring greater people participation
 - focus on infrastructure development
- ◆ Taking into considerations the estimated resources, the Planning Commission has approved the Tenth Plan outlay for Rajasthan of Rs. 27318.00 crores at 2001-02 prices. At current prices the outlays come to Rs. 31831.75 crores.

- ◆ The Major head-wise outlays based on current prices are as under:

(Rs. in crores)

S. No.	Major Head	Outlay (at constant prices)	Outlay (at current prices)	% age to Total (current Prices)
1.	Agriculture and Allied Services	1644.65	1934.02	6.07
2.	Rural Development	2314.47	2683.69	8.43
3.	Special Area Programme	169.36	197.18	0.62
4.	Irrigation and Flood Control	2983.84	3475.44	10.92
5.	Power	7236.45	8460.43	26.58
6.	Industry and Minerals	975.38	1113.56	3.50
7.	Transport	2551.86	2950.10	9.27
8.	Scientific Services	12.23	14.18	0.04
9.	Social and Community Services	8279.21	9642.80	30.30
10.	Economic Services	1060.40	1258.32	3.95
11.	General Services	90.15	102.03	0.32
	Total	27318.00	31831.75	100.00

- ◆ Amongst sectors, the highest priority has been assigned to the Social and Community Services sector for which 30.30% of the total plan investment has been allocated. This sector includes Education, Medical and Health, Water Supply and Sanitation, Housing & Urban Development and Social Welfare Program, followed by Power (26.58%) and Irrigation and Flood Control (10.92%).

Annual Plan 2002-03, 2003-04 and 2004-05

- ◆ The State's Annual Plan for 2002-03 was finalized for Rs. 5160 crores and was later revised to Rs. 4370.78 crores. However, the actual expenditure was Rs. 4431.07 crores.
- ◆ Rajasthan is now back on track to attain the Tenth Plan targets - for integrated development of the State and keeping in view the aspirations and needs of its people, six priorities have been identified to bring about policy coherence and to ensure development effectiveness of public expenditure.
- ◆ The State's Annual Plan 2003-04 was finalized for Rs. 4258.00 crores. This was later revised to Rs. 5504.52 crores, a sharp increase of over 29%. However, the actual expenditure was Rs. 6044.38 crores, which is about 109.81% of the revised outlay.

This could be achieved largely as a result of intensive monitoring and resource mobilization.

- ◆ The State's Annual Plan 2004-05 was proposed for Rs. 7113.16 crores but Planning Commission has finalized the scheme of financing for the Annual Plan 2004-05 at Rs.6797.50 crores plus an additional allocation of Rs.125.00 crores as central loan assistance under AIBP. An expenditure of Rs.3600.00 crores has been incurred against the outlay of Rs.6797.50 crores up to the month of December 2004, which is 53% of the outlay.

Annual Plan 2005-06

- ◆ The Annual Plan 2005-06 represents the fourth year of the Tenth Five Year Plan. Thus, an outlay of Rs. 7826.85 crores has been proposed. The State's resources for the same including the receipts from Government of India have been estimated at Rs. 7853.47 crores. However, looking to the developmental needs of Rajasthan and the inherent cost disability a bigger plan size is required. The major sector/head wise proposed outlays are given below: -

(Rs. in crores)

S. No.	Major Head	Proposed Outlay	% age to Total
1.	Agriculture and Allied Services	219.99	2.81
2.	Rural Development	501.12	6.40
3.	Special Area Programme	33.07	0.42
4.	Irrigation and Flood Control	895.07	11.44
5.	Power	2199.08	28.10
6.	Industry and Minerals	98.99	1.26
7.	Transport	781.55	9.99
8.	Scientific Services	2.97	0.04
9.	Social and Community Services	2719.26	34.74
10.	Economic Services	310.13	3.96
11.	General Services	65.62	0.84
	Total	7826.85	100.00

- ◆ It is evident from the above table that highest priority has been given to the social and community services sector for which 34.74% of the total plan outlay has been allocated. This is followed by the Power (28.10%) and the Irrigation & Flood Control (11.44%) respectively. The focus will be on the social sector and infrastructure development.

Issues for Consideration and Requirement of Funds in view of Special Conditions and for Specific Purposes

1. Resources for the Plan

- ◆ In spite of the shortfall in central transfers (devolution estimated by 11th Finance Commission against actual devolution) Rajasthan will be able to achieve the full plan expenditure target of the Tenth Plan largely through enhanced tax compliance and better expenditure management
- ◆ There is a possibility of decline in the Gross Budgetary Support (GBS) to States by Central Government on account of –
 - New priorities identified in the NCMP (of the new Government) and
 - The impact of the FRMB (Fiscal Responsibility and Budget Management Bill) on GBS. The actual gross budgetary support to Rajasthan was short by Rs. 897 crores in the last two years.

Any further reductions may jeopardize the achievement of Plan expenditure in the remaining period.
- ◆ The cost disabilities due to large area, low density of population and index of infrastructure development especially in desert and tribal areas of Rajasthan should be built in the central grants transfer formula (Gadgil-Mukherjee).
- ◆ The central assistance to state plan in the 70-30 ratio (loan grant) has to be reworked so that debt burden and interest payment liabilities are contained. [It may be 50:50]
- ◆ The Planning Commission has decided that an additional allocation of Rs.4,000 crores (40% of Rs.10,000 crores) is to be provided to the States as additional plan resources. Moreover it has been learnt that in the meeting of the full

Planning Commission held recently, an additional allocation of Rs.2,000 crores has been agreed to be added to this kitty. Allocation out of this resource among the States is yet to be done. Therefore, looking to the special conditions of Rajasthan at least Rs.300 crores may be allotted to Rajasthan from out of this kitty.

2. PMGSY

- ◆ Rajasthan leads the country in implementation of the PMGSY. We would welcome efforts to leverage the cess funds at the national level as has been done for the National Highway Project, so that additional resources are made available under the PMGSY to Rajasthan. The coverage of all habitats (500 and above for normal areas and population upto 250 is desert/tribal areas) cannot be ensured as envisaged, by the end of Tenth Plan, unless additional resources are mobilized.
- ◆ **Central Road Fund (CRF)** - Road density in Rajasthan is only 46.20 km per 100 sq. km in 2004 as compared to All India average of 76.8 km, which is the lowest among neighboring States. With the railway network also being very poor, the reliance on roads is that much more. Given this, the present allocation under CRF at Rs. 67.87 crores is not adequate, this needs to be at-least doubled.

3. Counterpart funding by the State

- ◆ Since the States have limited resources at their disposal, their contribution in the Centrally Sponsored Schemes should be kept at minimum. In Schemes like Sarva Shiksha Abhiyan, the State's contribution should be reduced from 25% to 10% and the States may be asked to make only a token contribution in case new Centrally Sponsored Schemes are formulated for Employment Generation and Rural Development. The State's contribution to the Calamity Relief Fund and Crop Insurance Liabilities should not be more than 10%.

4. Viability Gap Funding and Public-Private Partnership (PPP)

- ◆ Recent guidelines of Government of India on Viability Gap Funding for Infrastructure Projects are a welcome beginning.
- ◆ Planning Commission's initiatives with regard to regulatory reforms are a step in the right direction as without regulatory stability, investments in the infrastructure sector under public private partnership mode are very difficult.
- ◆ Rajasthan has taken steps to set up an SPV for road construction and another SPV for mobilizing resources for urban infrastructure financing.

5. Poverty and Employment

- ◆ Rajasthan supports the initiative of Planning Commission for a new employment guarantee scheme. However, limited State resources do not allow such employment guarantee schemes to be run. **The Scheme should be fully funded by GoI.** In drought prone Rajasthan, the recent amendments in the CRF guidelines go against the interest of the State. This has to be addressed.

6. Agriculture Sector

- ◆ Present minimum support price regime distorts production system in favor of high water consuming crops like Wheat and Paddy. Encouraging farmers to shift to oil seeds, pulses and horticulture and medicinal crops, calls for wider and rationale MSP coverage.
- ◆ The present CSS for drip irrigation must be revised. Better targeting of subsidies would be done to ensure sustainable agricultural development.
- ◆ Crop Insurance Schemes have to be recast, as the current schemes are risky and would cast a very heavy financial burden on the State if there is wide spread crop failure.

7. Rural Credit and Co-operatives

- ◆ Rajasthan would achieve 100% coverage of all eligible farmers with the Kisan Credit Cards. Still, the off-take of credit is sluggish due to high interest rates and systemic weakness in the cooperative credit institutions. The Planning Commission should do something about arranging soft loan to State Governments to invest in the National Credit Rural Fund or long term operation funds of CCBs/PLDBs/LAMPs/PACs.
- ◆ Milk cooperatives must be encouraged with new CSS and animal husbandry activities reprioritized.

8. Food Security

- ◆ The AAY/Mid Day Scheme, ICDS, Food for Work Scheme in addition to the targeted distribution system has been supplemented with other innovations by the State Government.
- ◆ Rajasthan continues to be very sensitive to the food security issue and is committing its resources and energies to address the vulnerable sections of the society by reaching out to them with various interventions.
- ◆ A pilot project has been started for doorstep delivery for food grains for primitive Saharias of Baran District.

9. Governance Issues

- ◆ Rajasthan is rapidly implementing crucial administrative reforms. **There is need to have a CSS to modernize district administration.**
- ◆ Special central support schemes are needed to address service delivery issues so that effectiveness of developmental expenditure is ensured. Rajasthan is actively engaging with multilateral institutions including World Bank for sectorwide reforms and for structural adjustment facility to create the fiscal space without increasing recurrent revenue expenditures in service provisioning.

- ◆ Panchayati Raj/Local Self Government Institutions are being strengthened, but to accelerate the pace of reforms, national consensus on fiscal frameworks especially resource mobilization is required.

10. Power

- ◆ Rajasthan has been implementing power sector reforms in right earnest and was one of the first States to unbundle the state utility into five companies. The necessary regulatory framework is also in place and in accordance with the requirement of the Electricity Act, 2003, necessary collateral steps by Government of Rajasthan have been taken.
- ◆ In spite of best efforts, the burden of meeting rural electrification targets would be unsustainable. **Government of India would have to provide additional resources to augment feeder renovation programmes. Also, there is an urgent need for consensus on power tariff especially Agri tariff.**
- ◆ Under APDRP, against the proposed amount of Rs.340.00 crores for the year 2004-05, the allocation was only Rs. 85.18 crores. The reasons behind this shortfall are not understandable. Rajasthan is the largest state in the country in terms of area and has more than 60% area as desert/semi desert. Drought is a regular feature in the State. This also means that the cheaper option of hydropower has little potential. The cost of thermal generation in the state is comparatively high. However, Rajasthan was one of the first state to initiate reforms in the power sector.
- ◆ As a most water deficient state where cost of generation is comparatively higher, and the strides made in power sector reforms in the state stand acknowledged and appreciated by the Centre, the Planning Commission should consider recommending not only to restore the reduction of Rs.254.82 crores under APDRP but also to treat Rajasthan at par with special category status and the entire project cost of power projects should be made available as 90% grant and 10% loan.

11. Mid Day Meal Programme

- ◆ Following the orders of the Hon'ble Supreme Court, cooked meals (with requisite nutrition content) are to be provided to all children at the elementary level for at least 200 days in a year. Rajasthan is implementing these directions with utmost sincerity. The financial burden on the State resources at present is to the tune of Rs. 180 crores.
- ◆ GOI has recently announced to provide Rs.1 per student per day to States implementing the Mid-Day-Meal Scheme. However, the required allocation has not yet been made. Cooked meal will be provided 3 times a week to school children.
- ◆ The State, therefore, requests for providing 100% Central Assistance for implementing this Scheme.

12. National Food for Work Programme (NFFWP)

- ◆ 150 districts of country (around 25% of the total districts of country) have been selected under the National Food for Work Programme (NFFWP). However, in case of Rajasthan only 5 out of 32 districts have been selected **which is far below the national average.**
- ◆ The desert districts of Rajasthan should also be included in NFFWP as these districts are characterized by low and erratic rainfall, low water resource endowment and frequent droughts. Over 60% State's area covering 12 districts and containing 40% of its population lies west of Aravalies in Thar Desert. People residing in these areas face severe hardships owing to adverse geoclimatic conditions, difficult physiography and varying agro-climatic conditions. Low productivity of land and resultant livelihood insecurity add to their plight. In the last decade live stock owners have been hit very hard by fodder scarcity and degradation of grazing lands. **Therefore, there is a strong case for inclusion of desert districts of Rajasthan in NFFWP.**

13. Employment Guarantee Bill, 2004

- ◆ The Bill envisages to create National Employment Guarantee Fund from 10% or more of proceeds of Goods and Service Tax and amounts transferred from various tax sources as the Central Government may specify. The Centre does not have constitutional mandate to transfer these amounts to the proposed fund. Moreover, it will affect the resources of the States adversely. The present financial situation of the States will not permit them to take on the burden of payment of unemployment allowance or to share the cost of material component of the Schemes under Employment Guarantee Programme. The Employment Guarantee Scheme should, therefore, be 100% Centrally Sponsored Scheme.

14. Border Districts

- ◆ The State has a very long international border of 1040 KM passing through extremely difficult and inhospitable terrain with grossly inadequate infrastructure. Four border districts of Ganganagar, Bikaner, Jaisalmer & Barmer have an aggregate area of 1,14,666 sq. km. which is more than total area of the States like Punjab (50,360 Sq.km), Haryana (44,210 sq.km), Kerala (38,660 sq.km), Assam (78,440 sq.km) and West Bengal (88,750 sq.km).
- ◆ Female literacy is as low as 32% in Jaisalmer. The average annual rainfall in border districts is very low ranging from 125 mm in Jaisalmer to 200 mm in Ganganagar. Border districts have additional problem of security, drugs and arms smuggling, illegal migration and espionage. Economy of the border districts is adversely affected and the local residents are put to severe hardships whenever tension escalates on border. The army movement in the wake of terrorist attack on Parliament in December'2001 led to heavy damage to crops, roads and there were a number of accidents due to explosion of mines.

15. Externally Aided Projects (EAPs)

- ◆ There are 9 ongoing EAPs while 5 are in the pipeline. Plan outlay for EAPs in the annual plan 2004-05 is Rs.1196 crores while the proposed outlay for EAPs in 2005-06 annual plan is Rs.1306 crores. We welcome Central Government's proposal to pass on external loans to States on a back to back basis. The Centre should provide foreign exchange depreciation cover by creating a foreign exchange fluctuation fund. The premium charged from the States for creating the fund should not exceed 1.5% of principal.

16. Special Category Status to Rajasthan

- ◆ Some States have been categorized as Special Category State on account of their special circumstances like: hilly and difficult area, populations density/percentage of tribal population, strategic location in terms of being border states, backward economy and state of infrastructure development and poor finances. Given the criteria adopted, Rajasthan is a fit case for being categorized as a 'Special Category State'.
- ◆ When compared to States already categorized as "Special Category Status" States, one finds that the figures for population density, per capita income, per capita monthly consumption expenditure, human development index, human poverty index, index of social and economic infrastructure for Rajasthan are comparable. Rajasthan is either at the same level or lower than the 'Special Category States'. Rajasthan has more than 60% desert area and this desert sustains 40% of the State's population. The cost of delivery of services is decidedly higher in Rajasthan like in other 'Special Category States.'
- ◆ Rajasthan "Special Category Status" on the following grounds, too:
 - Rajasthan is severely deficient in the most important resource, that is, water. With 10.4 percent of the

Country's area and 5.6 percent of its population, Rajasthan has only 1 percent of the Country's water resources.

- Agriculture continues to be susceptible to the vagaries of the monsoon; 43 out of last 50 years have been drought years. There has been a continuous decline in the availability and quality of drinking water.
- The State has a 1040 km. long international border with Pakistan and, thus, satisfies the criteria of strategic locations.
- ◆ Given the special conditions, Planning Commission should consider recommending for grant of 'special category state' status to Rajasthan and special package of incentives to Rajasthan on the similar lines as given to Uttranchal and H.P. which includes 100% outright excise duty exemption for a period of 10 years from the date of commencement of commercial production; 100% income tax exemption for initial period of 5 years and thereafter 30% of companies and 25% for other than companies for a further period of 5 years for the entire state from the date of commencement of commercial production. All new industries and existing units on their substantial expansion in the notified location should be eligible for capital investment subsidy @ 15% of their investment in plant & machinery, subject to a ceiling of Rs. 30 lakh, besides other incentives.

17. Amendment in the pattern of allocation of Central Assistance (Modified Gadgil-Mukherjee Formula)

- ◆ The existing Gadgil-Mukherjee Formula as it stands today, does not give due weightage to the geographical disadvantages that a particular state suffers from. It also does not take into account the relative position of the states in the infrastructure development. Therefore, due weightage needs to be given to the following, too:
 1. **Area:** As the cost of delivery of services is more due to larger area and low density of population, due weightage for larger area is justified.

2. **Desert:** Special weightage on the lines similar to that given to Hilly states should be given to the states like Rajasthan that have more than 60% of its area that is desert,
 3. Index of Infrastructure Development
 4. Percentage of SC/ST population
 5. Per Capita Income and Per Capita Outlay of Plan compared to national average.
 6. Lower Credit Deposit Ratio as compared to the national average
 7. Investment in the State Enterprises of the Central Government situated in the state.
- ◆ The Planning Commission should consider restructuring of the pattern of Central Assistance for the Plan, with due weightage to factors like area, distances over which services are delivered, special problems such as desert and geographical conditions, index of infrastructure development, percentage of SC/ST population, low Credit Deposit Ratio, per capita plan outlay compared with the national average etc.

18. Review of Loan Grant Pattern of Central Plan Assistance

- ◆ The Central Plan Assistance consists of two components loan and grant in the ratio of 70:30. The disproportionate high loan component of Central Plan Assistance has contributed in large measures to the loan burden and has severely constrained the state resources. Moreover, the Central Plan Assistance for state plans loses the character of assistance if it is tilted in favour of loan.
- ◆ There is an urgent need for review the loan grant ratio. The loan component of Central Plan Assistance should be reduced to at least fifty percent. Planning Commission should have no objection to agreeing for a reduction in the loan component of Central Plan Assistance to at least 50%.

19. Debt Burden of the State

- ◆ Servicing of debt forms a significant part of the expenditure incurred by the States. The debt burden of the State of Rajasthan increased from Rs. 19,261.75 crores in March 98 to Rs. 52,515.79 crores as on 31.3.2004. The debt burden has arisen because of the policies at the national level including those relating to small savings. While suggesting a solution to the prevailing situation, Planning Commission should consider the following:-
 - Conversion of all outstanding loans into a block loan,
 - re-calculation and reduction of interest on this block loan at the now prevailing bank rate, and
 - a moratorium of 5 years for repayment of principal of this block loan and one year to payment of interest thereon.

20. Rate of Interest on Central Loans

- ◆ The reduction in interest rates on Central Loans is not commensurate with the reduction of interest rate on other loans. Bank rate, as decided by the RBI, is generally regarded as the best anchor of determination of applicable interest rates. In the year 1996-97, the Bank Rate was 12% whereas rate of interest on central loan was marginally higher at 13%. Now, when the Bank Rate has gone down substantially to 6.25%, the interest rate on central loans has gone down only marginally to 10.5% w.e.f. 1st April, 2003 and 9% w.e.f. 1st April 2004. This indeed is very high and needs to be brought down substantially. Because, the loans provided by Central Government to States are normally invested in social schemes that yield a very low economic return and, therefore, such a high rate of interest only aggravates the problem of state. The Planning Commission should, therefore, take up this issue with Ministry of Finance.

21. Flexibility to States for implementation of Centrally Sponsored Scheme

- ◆ To reduce the economic disparities among the States, the Centre should devise ways to ensure optimum use of funds. The Centrally Sponsored Schemes is one such area where the Centre has been allocating substantial funds to Rural Development agencies directly. Under the circumstances, therefore, utilization of these funds for crucial rural development Programmes cannot be adequately monitored by the State. This may lead to duplication of schemes and/or transfer of funds in schemes, which may not be on the priority of the State. It is, therefore, necessary that the States are given more flexibility in the implementation of the scheme so that the State's freedom to spend on schemes as per their priority and in accordance with felt needs. Schemes, which require uniformity at national level and are of national importance be kept as Centrally Sponsored Schemes.

22. Review of Categorization of Plan and Non-Plan expenditure

- ◆ Plan expenditure has become sacrosanct whereas non-plan expenditure has turned as more or less non-developmental. With incremental approach in planning the committed expenditure increases at the end of plan period and it is transferred as non-plan expenditure. Therefore, it is high time this differentiation between plan and non-plan expenditure is reviewed. All the capital expenditure leading to asset creation and all developmental expenditure should be considered as plan expenditure.

23. Maintenance of Assets

- ◆ The issue of **maintenance of the assets** created under the Plan has also become crucial in the recent years. There is an artificial division between Plan and Non-plan expenditure. Therefore, whereas large expenditure is being incurred on new works, the works, which have been completed in the previous years, are falling into disrepair. To expect the State governments that they

would take this responsibility entirely on their own is unrealistic as the resource position of the States is quite precarious. It is, therefore necessary that a pragmatic solution is evolved to address this problem. For the maintenance of assets, which were created under the Plan during the previous years, the States may be permitted to utilize up to 20% of the total annual plan, which is approved for a State.

24. Additional Assistance for IGNP and Narmada Project

- ◆ The IGNP was started in the year 1958 and on completion would cover Culturable Command Area (CCA) of 19.63 lakh ha spread over seven districts of Thar Desert in Rajasthan. Despite 46 years having elapsed, the project is yet not completed owing to shortage of Additional Central Assistance. The State Government has been striving for its early completion. If the work on IGNP is not accelerated, it would take another 7-8 years to get completed. Given this, the State Government has proposed to complete the project by the year 2008-09. The total requirement of funds for completing the project by 2008-09 of the order of Rs. 1394 crores, in which CLA under AIBP from Government of India is expected to be Rs. 898.00 crores.
- ◆ Narmada Project in Rajasthan envisages irrigation in command area of 2.46 lakhs hectare and drinking water supply to 1107 villages and two towns located in Barmer and Jalore districts. The total requirement of funds for completing the project in four years of the order of Rs. 852.00 crores. This includes Central Loan Assistance of Rs. 682.00 crores under AIBP.
- ◆ Both the projects are crucial for State in terms of economics and ecological development as well as catering to critical requirement of drinking water. Vast population in desert and tribal areas of the State are still facing acute drinking water shortage due to non-completion of these projects. Therefore, the Planning Commission should consider agreeing to the State Government's proposal to complete IGNP and Narmada by the year 2008-09.

25. Additional Central Assistance for Drinking Water

- ◆ Rajasthan is one of the most disadvantaged states with regard to water resource endowment. The drinking water situation in the state is very grim and availability of surface water is too meager. The State has only 1.16% share in the overall surface water of the country and 1.72% share in ground water. The ground water levels in the State have fallen sharply. The problem of salinity and fluoride content is most severe. Out of 32,211 fluoride-affected habitations in the country, 16,560 habitations (more than 50%) are in Rajasthan. Similarly, out of 33,552 salinity-affected habitations in the Country, 14,415 habitations (more than 42%) are in Rajasthan.
- ◆ Recognizing the need and to work within an overall sectoral strategy, there would be a shift to tap surface water flows for drinking water purposes. The investment in such large schemes involving transportation of water would have to be structured in a way that while limited and graded recovery towards O&M costs would provide a revenue stream, up-front capital costs would have to be provided by the State. Schemes of Rs. 6600 crores have to be urgently implemented for which innovative financing has to be supported by Planning Commission and through donors (externally aided). Rajasthan looks for urgent support to mitigate effects of fluoride and salinity.

26. Special Package for Promoting Investment in DDP Blocks

- ◆ The package of incentives to select States (Uttaranchal, Himachal Pradesh, J&K for example) has affected investments in Rajasthan. The 16 Desert Districts of Rajasthan are most backward industrially as well as have very fragile eco-systems. Industrial investment in these backward districts could be eco-friendly, if there is a similar package of concession as has been given to select states (100% excise exemption, tax holiday etc.).
- ◆ Being a land locked and desert State there are inherent disadvantages that prevent full utilization of the State's

potential. Industrial growth in Rajasthan has taken a hit due to the migration of industries to Himachal Pradesh, Uttaranchal and J&K, which enjoy special concessions of Excise/Income Tax exemptions etc. Though the Union Finance Minister indicated that the concessions would not continue beyond 2007 in these states, Rajasthan cannot afford to put up with flight of investment from till 2007. The Planning Commission should consider recommending, a special package to promote investment in 16 desert/desert prone districts of Rajasthan.

27. Green Fund for Environment Protection

- ◆ In a competitive environment, industries-especially SSIs struggle hard to survive. Any additional financial commitment with no return considerably weakens them. Developments in the sphere of environment and fast changing technologies and appropriate infrastructure to cope with environmental issues require an effective R&D and extension efforts. There is a need to fund such activities through Government support and it requires a green fund to address these issues and to prevent units going out of business due to court orders on account of lack of information or lack of resources to create infrastructure to address environmental issues. Rajasthan with large number of mineral processing and textile units urgently needs such support.

28. Fresh Scheme for Primary Health and Family Welfare

- ◆ In the approach paper of mid-term appraisal, it was rightly indicated that there is a need to initiate a fresh approach in the area of health and family welfare. The slippages in achieving plan targets in IMR and MMR mean that crucial MDG target too almost certainly will be missed. Rajasthan has been disadvantaged due to heavy cost disabilities, in providing basic health and family welfare services, for various reasons. The geographical conditions and social issues have cast a heavy financial burden. There is a need for a blueprint for the health sector and a major Centrally Sponsored Schemes like the SSA, for addressing basic health services. Planning Commission should consider initiating a new cent-

percent Centrally Sponsored Scheme for the primary health services and family welfare.

29. Additional Allocation for Achieving the Planned Target of 20% free coverage

- ◆ Looking to the special arid constraints of State where four out of every 5-6 years are drought year and livestock population is exceptionally high compared to the human population needing higher investment in fencing of area and keeping the past record of 100% achievement of 20 points target by the State, Rajasthan needs to be accorded a special status for resource allocation. Forestry sector allocation needs to be stepped up manifolds in order to have permanent drought proofing in this drought prone State.

30. PMGY

- ◆ Under the PMGY, the pattern of assistance provided is 70% loan and 30% grant whereas in the PMGSY the entire assistance provided is in the form of grant. PMGY addresses sectors of critical importance like drinking water, primary education, health, nutrition, rural shelter and electrification, particularly in a backward State like Rajasthan which lags behind the national average in all the indicators related to these sectors, there is a strong case for making the PMGY totally grant based.

31. Shiksha Karmi Pariyojana

- ◆ The DFID aided Shiksha Karmi Pariyojana is coming to an end by June, 2005. This programme is being implemented in Rajasthan, since the year 1987. It is an innovative educational programme, which has won recognition through out the country. The main target of the Pariyojana is children of inaccessible areas who are taught by local teachers. The allocation of funds under this programme is approximately Rs.25 crores per year and the sharing pattern is 75:25 (75 by DFID and 25 by State Govt.)

- ◆ In view of the appreciable results of the programme, it would be in the interest of Education in the State that the programme is allowed to continue with the Govt. of India/ State funding. The State Plan has an adhoc allocation of Rs.11 crores for this programme up to June, 2005. There are about 8000 Shiksha Karmi employees and about 3500 Shiksha Karmi Schools. If the State Govt. takes over these schools and personnel, there would be requirement of about Rs.26 crores in the current year. While State had already provided for Rs.11 crores, Government of India could consider a special assistance of Rs.15 crores so that this programme could be continued. For future years, the State Government proposes that the pattern of funds be maintained at the present level of 75:25.

32. Central Institute for Plastic Engineering Technology (CIPET) at Jaipur

- ◆ There are about 3500 plastic units in Rajasthan, but no Central Assistance has been provided in the Tenth Plan under the CIPET Project. The State Government has made budget provision for a CIPET Center at Jaipur. Setting up of CIPET Centres was a recognised plan activity till the Ninth Plan, which was, shared 50:50 by the Union Government and the State Government concerned. The Tenth Plan has not provided for the Central Assistance for CIPET projects. Union Minister for Fertilizer and Chemicals has written to the Deputy Chairman, Planning Commission for including this project in the Tenth Plan. Planning Commission may favorably consider inclusion of the project under the Tenth Plan and 50% central grant for this project (50% of Rs.23.76 crores).

33. Bhiwadi - Rewari Rail Link

- ◆ Bhiwadi is a major industrial estate of Rajasthan, located 75 Km. from New Delhi. Being in the NCR region it has immense potential for growth. Major hurdle in realizing its potential is the lack of rail link. Exporters view Road

transport being costly and time consuming to access Mumbai Port, the area as less attractive. NCR Plan aims at improving rail connectivity in the region and Bhiwari-Rewari-Palwal circuit is being considered. The project cost is likely to be Rs. 105 crores and the Railway Board has indicated that they could consider it, if the financial liability is born by Central Government/ State Government. The Planning Commission is requested to consider making special provision for the Bhiwari-Rewari Rail Link.

34. Solid Waste Management

- ◆ Solid Waste Management is one of the essential services for maintaining the quality of life in the urban areas and for ensuring better standards of health in the current scenario of rapid urbanization and growing population.
- ◆ The Supreme Court of India has directed the Government of India and the State Governments to take necessary steps for the management of Municipal Solid Waste (MSW) and Bio Medical Waste (BMW) in a scientific manner under Solid Waste Management Rules, 2000. With a view to improving the Solid Waste Management in the State, an Action Plan for all the 183 Municipal Towns has been prepared, identifying the deficiencies and steps to be taken-up for improvement of the services in modernization of Solid Waste Management. The total project cost for a ten year project is estimated to be around Rs. 908 crores. This includes Door-to-Door Waste Collection, Transportation of Waste, Development of Landfill Sites, Municipal Solid Waste (MSW) Management, Bio-Medical Waste (BMW) Management, and Sewerage System. The Planning Commission may be request to support the project.

35. Supplementary Nutrition

- ◆ The State has been able to provide services under the ICDS scheme to only about 65% of the population. As per the direction of the Supreme Court Supplementary

Nutrition is required to be provided to all uncovered hamlets/ habitations. The State shall be required to make additional provisions for providing Supplementary Nutrition to the targeted beneficiaries since providing Supplementary Nutrition is the responsibility of the State Government. As per the present rate of purchase (approx. Rs.44,000/- per AWC per year), an additional Plan outlay of Rs.52.00 crores shall be required annually for the purpose.

- ◆ The total outlay presently under PMGY funds is Rs.106.11 crores; out of which 45%, i.e., Rs.47.75 crores is earmarked for providing nutrition under ICDS. The rest is distributed amongst other five Sectors. The anticipated additional outlay would require additional allocations under the PMGY since the present allocation is barely adequate to meet the existing requirement. It may be mentioned that the allocation under the PMGY has remained unchanged for the last four years. Rajasthan State has a low level of female education, high level of malnutrition leading to high IMR and MMR, especially in the tribal and desert areas. The harsh climatic and geographic conditions and the perpetual vulnerability of the State to drought further complicate the situation. Planning Commission may consider additional allocation under PMGY of Rs.52.00 crores and this additional allocation may be placed at the discretion of the State for further allocation for nutrition under the ICDS. The relaxation under PMGY guidelines may also be granted so that the additional allocation may be used for providing supplementary nutrition to 3-6 year old children and pregnant and lactating women in addition to children in 0 to 3 years of age.

36. Critical Infrastructure Development

- ◆ Industrial growth in Rajasthan has taken a hit due to the migration of Industries to Himachal Pradesh, Uttranchal and J&K owing to fiscal incentives given to these States. Rajasthan should also be allowed special package on the pattern on Hill State or in the alternative Special Central

Assistance of at least Rs.20 crores for Critical Infrastructure Development to provide a level playing field.

37. New Urban Development Schemes

◆ Shahari Jan Sahabhagi Yojana

- Shahari Jan Sahabhagi Yojana has been launched in Rajasthan with 30% public contribution, 20% ULBs Share and 50% Government Share. Under this scheme priority will be accorded for development/ extension of works like construction of building for Government Schools, Hospitals, Library, Community Centres, Balbadi Bhawan, Rein Basera, Construction of Nallis, Bridges, Community Toilets, Handpumps, Drinking Water Schemes etc. Due to poor economic position of the people of State and ULBs too, the scheme could not be implemented successfully in all urban areas of the State. Therefore, **Planning Commission may consider** providing Special Central Assistance of Rs.25 crores for the scheme.

◆ Heritage Conservation in 23 cities of Rajasthan

- Each city of Rajasthan has got its unique heritage importance. The National Tourism Policy reiterates heritage as a major component for the achievement of the tourism vision, making the important connection between conservation and preservation of Indian Heritage and sustainable development. 23 principal cities have been selected for heritage conservation. Initially listing of monuments and building/ places of historical importance would be taken up in consultation with INTACH. The Planning Commission may consider providing Central Assistance of Rs.10 crores for this project.

38. Water Supply to Keoladeo National Park, Bharatpur

- ◆ Keoladeo National Park, Bharatpur is one of the most renowned wetland. So far, around 370 species of birds and 375 species of flowering plants have been recorded in this man-made wonder of 29 Sq.km. Considering the richness of aquatic flora, fauna and avi-fauna it has been accorded the status of Ramsar Wetland site and World Heritage site. Presence of three major ecosystems namely the Wetland, Grassland and Woodland offer a diverse habitat for many animals and bird species. Needless to say, the survival of this wetland depends upon availability of water from July to the end of winters.
- ◆ The source of water, its quantity and quality are major factors that affect the ecosystem of the Keoladeo Wetlands. The main source of water to the park is a temporary reservoir, namely Ajan Bandh. Ajan Bandh receives water from the Gambhir and Banganga river system, at the confluence of which the National Park is located. Due to construction of Panchana Dam on Gambhir river in Karauli District and utilisation of water for various other purposes along the course of the river, the quantum of water received by the park has been decreasing steadily.
- ◆ This year as a result of resistance of the local villagers, adequate water could not be released from Panchana Dam for the park. Therefore, the State Government has prepared a project proposal for supply of 350 million cft of water to the KNP, Bharatpur from Chambal river. This project having an outlay of Rs.100 crores has been submitted to the MOEF, Government of India for Financial Assistance. Planning Commission may consider providing Central Assistance of Rs.100 crores for this project.

39. Special Plan Assistance for Revenue Administration

- ◆ Revenue Department plays a crucial role in land management, land revenue collection, law and order,

rural development and general administration. In order to increase the effectiveness of revenue administration, the Planning Commission may consider a CSS akin to the police modernisation scheme. Planning Commission may accordingly consider Special Plan Assistance for faster means of communications, mobility, computerisation including E-Governance facility. For this purpose an amount of Rs.90 crores is required for next three years.

40. Medical University, Technical University, SMS Hospital Upgradation

◆ Establishment of Rajasthan University of Health Sciences

- With a view to improve standards of Medical Education and to promote research in Bio-Medical Sciences, Rajasthan Health Sciences University has been established at Jaipur. The construction of the University is likely to cost about Rs.15 crores. Besides, there would be annual recurring cost of about 1 crore rupees.
- In the National Health Policy, it was envisaged to set up a Grants Commission for Medical Education on the pattern of UGC. Pending Establishment of this Commission, **Government of India should give 50% special grant for Medical University.**

◆ Establishment of Technical University

- In order to improve standards of Technical Education, Trained manpower in the emerging areas of new technology and promote research, it has been decided to set up a Technical University in Rajasthan. A capital investment of about Rs.15 crores on infrastructure would be made. Beside, Rs.1 crore per annum would be required for recurring expenses.

- Planning Commission may consider to give 50% grant for the University.
- ◆ **Upgradation of the tertiary health care facilities in the Medical College Hospitals**
 - Looking to the emerging disease pattern due to environmental factors & Life Style, upgradation of the health care facilities in the Medical College Hospitals is imperative. Advancement in the Medical Technology also necessitates upgradation of the facilities from time to time. In view of these emerging needs, it has been decided to set up super specialty facilities in all the Medical Colleges of the State in the field of Cardiology, Urology, Gastro-Entrology, Neurology, Neuro-surgery, Oncology etc. This requires huge investment.
 - Besides, SMS Medical College Hospital, Jaipur is being developed as a premier Health Institute of the State to serve as a center of excellence. For this purpose, a master plan for upgrading the hospital has been prepared. Implementation of the master plan would cost about Rs.75 crores. The master plan activities include construction of an outdoor facility, construction of new wards so as to decongest the existing building, underground parking, cottage wards etc.
 - Government of India provides assistance only for primary and secondary health care, and not the tertiary health care whereas tertiary health care is equally important, as majority of the population cannot afford expensive health care on payment. Therefore, a Centrally Sponsored Scheme for tertiary health care facilities should also be taken up. **A special grant of Rs. 20 crores may be given for SMS Hospital.**



सत्यमेव जयते

MEMORANDUM

for

Annual Plan 2005-2006

**Government of Rajasthan
Jaipur**

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