

Report to the People

UPA Government

2004 – 2007

Highlights

2. FULFILLING LIFE'S PROMISE

2.1 HEALTHCARE

2.1.1 National Rural Health Mission (NRHM) :To improve access to quality health care of people, especially those residing in rural areas, the poor, women and children.

2.1.2 HIV/AIDS:To make AIDS everyone's business and mainstreaming HIV/AIDS concerns in programmes and schemes across relevant Ministries in order to achieve the Millennium Development Goal of halting and reversing the AIDS epidemic by 2011.

2.1.3 Population stabilisation :To address population stabilisation through investment in health, education and empowerment.

2.1.4 Pradhan Mantri Swasthya Suraksha Yojana: To fill the gap in tertiary healthcare infrastructure and to facilitate quality medical education in under-served states.

2.1.5 Affordable and safe medicine :To harmonise price control issues with growth requirements of the pharmaceuticals industry and simplify procedure for price fixation and price monitoring.

2.1.6 Public Health Foundation of India :To make substantial impact on public health education by building new world-class public health institutions and strengthening the existing ones.

2.1.7 Universalising ICDS :To ensure an anganwadi centre in every habitation and for reaching out to all children below six years of age, pregnant women and lactating mothers.

2.1.8 AYUSH :New schemes to be introduced for developing accredited AYUSH Centres of Excellence in non-governmental/private sector, providing common facilities for AYUSH industries clusters, strengthening of international cooperation and promoting public/private partnership for setting up specialty clinics in AYUSH hospitals and mainstreaming of AYUSH in national health care delivery.

2.2 EDUCATION

2.2.1 Funding: The total allocation for education has risen to Rs. 32,352 crore in 2007-08, an increase by 34% over the previous year.

2.2.2 School education: The provision for secondary education has been doubled to Rs. 3,794 crore in 2007-08.

2.2.3 Cooked mid-day meal:An exercise has been commenced for extension of the programme to upper primary levels in 3,427 economically backward blocks.

2.2.4 Making higher and technical education affordable:

Student loans: The amount of outstanding educational loans disbursed by public sector banks increased from Rs. 4,550 crore in 2003-04 to Rs. 10,005 crore in 2005-06.

Scholarships / fellowships: Four Merit Scholarship Schemes, with 350 scholarships annually for the engineering stream and 150 scholarships annually for MBBS, have been introduced for medical and engineering students enrolled in Government and aided institutions participating in the AIPMT and the AIEEE.

Increasing access:The Constitution has been amended to facilitate greater access to education for students belonging to the SCs, the STs and the socially and educationally backward classes.

2.2.5 Strengthening higher education:The implementation of recommendations of the Oversight Committee chaired by Shri Moily will result in increase in capacities, student intake and public expenditure in higher education.

2.2.6 Strengthening technical education: In order to help the National Institutes of Technology become centres of excellence, boost post-graduate education and research, and provide autonomy, the UPA Government has introduced the National Institute of Technology Bill, 2006 in Parliament.

2.2.7 Autonomy of educational institutions:A number of steps have been taken by the UPA Government to ensure that all institutions of higher learning and professional education retain their autonomy. This includes preparation of a report by a committee of CAGE on measures for enhancing the autonomy of higher education institutions as a consensual basis for further action

2.2.8 Accrediting bodies:Regulations relating to the procedures for grant of recognition etc. have been revised and notified by bodies like the CBSE, the UGC and the NAAC .

2.2.9 Skill development: The UPA Government has announced its intention of launching a National Skills Mission and the design of the Mission is being finalised, with provision for public-private partnership.

2.3 ASSURING CHILD RIGHTS

2.3.1 Institutional focus: Keeping in view Constitutional provisions and in order to give greater focus to issues relating to children, an independent Ministry of Women and Child Development has been created.

2.3.2 Children in conflict with the law: The Juvenile Justice (Care and Protection of Children) Act, 2000 has been amended to make it more child-friendly through measures and safeguards like providing for prohibition on confinement of a juvenile in police lock-up or jail, alternatives to detention in observation homes.

2.3.3 Care and protection of children: In order to ameliorate the condition of hapless working children, the government has decided to prohibit employment of children as domestic servants or servant or in roadside eateries, restaurants, hotels, motels, teashops, resorts, spas or other recreational centres.

2.3.4 Child marriage: A bill has been tabled for amending the Prevention of Child Marriage Act. It includes provision for declaration of a child marriage as void at the option of the child who contracted such marriage.

2.3.5 Development of children: The comprehensive and holistic National Plan of Action for Children, 2005 sets time-bound targets for achievement in terms of reduction of infant and child mortality and HIV prevalence in infants, universal access to drinking water and basic sanitation, and the elimination of child marriages as well as the incidence of disabilities due to polio.

2.4 SECURING NUTRITION AND FOOD

2.4.1 Nutrition security: Nutrition security is being addressed through the National Cooked Mid-Day Meal Scheme, ICDS, Kishori Shakti Yojana, Nutrition Programme for Adolescent Girls and Pradhan Mantri Gramodaya Yojana.

2.4.2 Food security: Food security is being addressed through the National Rural Employment Guarantee Scheme, expanded outlays under the Sampoorna Grameen Rozgar Yojana, expanded. Antyodaya Anna Yojana and the revised scheme of village grain banks.

3. TOWARDS A JUST SOCIETY

3.1 COMMUNAL HARMONY AND WELFARE OF MINORITIES

- **Focus on minority affairs-** Ministry of Minority Affairs set up, Government is following up on the recommendations of Sachar committee, A Commission has been set up to identify how best the welfare of socially and economically

backward sections among minorities, including through reservation in education and government employment, may be ensured.

- ***Communal harmony:*** The National Integration Council has been reconstituted and has met after a gap of 12 years. The Communal Violence (Prevention, Control and Rehabilitation of Victims) Bill has been introduced in Parliament. The trend of communalisation of education has been reversed.
- ***15 Point Programme for the Welfare of Minorities:*** The Prime Minister's 15-Point Programme for Welfare of the Minorities has been recast to make it monitorable, to focus action sharply on issues intimately linked with the social, educational and economic uplift of minorities, to provide for earmarking of outlays in certain schemes and through location of developmental facilities in minority concentration areas, and to prevent communal disharmony and violence.
- ***National Commission for Minority Educational Institutions.***
- ***Revamping of National Minorities Development Finance Corporation.***
- ***Promotion of education among the minorities:*** 2,180 new residential Kasturba Gandhi Balika Vidyalaya schools have been sanctioned. Grants have been given augmenting the corpus fund of the Maulana Azad Education Foundation from Rs. 70 crore to Rs. 200 crore. Nearly four thousand Urdu teachers have been put into position.
- ***Better dispensation for Haj pilgrims:*** The Haj Committee pilgrim quota has been raised substantially to 110,000 for Haj 2006-II. Several measures for improvement in facilities for pilgrims have been introduced.
- ***Doordarshan has launched an Urdu channel.***

3.2 EMPOWERING WOMEN

- ***An independent Ministry of Women and Child Development has been created.***
- ***Forty-two laws*** which are either specifically related to women or contain provisions affecting under the scrutiny of the UPA Government. ***Protection of Women from Domestic Violence Act, 2005.*** Hindu women's inheritance rights in coparcenary property equal to men's across states. The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Bill is being finalised.
- ***Financial focus through*** One-third earmarking for in NREGA, Gender Budgeting. The outlay for 100% women-specific programmes is Rs. 8,795 crore and for schemes where at least 30% is specifically for women is Rs. 22,382 crore.

- **Women's Reservation Bill:** A draft bill for introducing one-third reservations for women in legislatures has been made and efforts are being made for building consensus.
- **Girls' education:** 2,180 new residential Kasturba Gandhi Balika Vidyalaya schools. A new scheme to incentivise secondary education of girls through deposit of a sum of Rs. 3,000 in the names of girl children passing class VII and enrolling in secondary school.
- Women officers' tenure as short-service commission officers in Army has been extended from 10 years to 14 years.

3.3 EMPOWERMENT AND WELFARE OF WEAKER SECTIONS

Draft National Tribal Policy formulated.

- **Reservations in jobs:** A bill seeking to elevate reservations to a statutory right has been introduced in Parliament. 50,000 vacancies filled through direct recruitment or promotion over the past two years in special recruitment drive. A Group of Ministers, constituted to examine the issue of affirmative action in the private sector.
- **Education:** The UPA Government has expanded scholarships to students belonging to these categories and has initiated the legislation enacted for widened access to higher education for the OBCs. Rajiv Gandhi National Fellowship Scheme has been launched for funding 2,000 fellowships annually for SC/ST students.
- Launch of a new Self Employment Scheme for Rehabilitation of Manual Scavengers.
- **Rights of forest dwelling STs in forests ensured by** The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forests Rights) Act, 2006.
- **Communitarian rights in Fifth Schedule Areas:** The Ministry of Panchayati Raj has been mandated for pursuing the implementation of the Panchayats (Extension to Scheduled Areas) Act, 1996 ['PESA'] with the states.
- **Institutional focus:** The Cabinet Committee on Tribal Affairs has been set up to address issues concerning tribal development on a continuing basis.
- **Developing lands of SCs and STs through NREGA works and** National Project for the Repair, Renovation and Restoration of Water Bodies.

- ***Outlays for the scheduled castes and tribes*** has increased to Rs. 17,691 crore in 2007-08 from Rs. 12,592 crore in 2006-07.
- ***Welfare of the differently abled:*** The National Policy for Persons with Disabilities has been adopted. Scheme of reservations for persons with disabilities streamlined. New scheme of Inclusive Education of the Disabled at the Secondary Stage.
- ***Freedom fighters:*** The Government has doubled the pension of freedom fighters and spouses of deceased freedom fighters to Rs. 10,000 per month.
- ***Senior citizens:*** Pension under the National Old Age Pension Scheme has been increased from Rs. 75 to Rs. 200 per beneficiary per month. The Maintenance and Welfare of Parents and Senior Citizens Bill, 2007 has been introduced in Parliament. Senior Citizens Savings Scheme has been launched, with attractive interest rate.
- ***Welfare of ex-servicemen:*** The year 2007 is being observed as the Year of Placement of Ex-servicemen. The Department of Ex-servicemen's Welfare has been set up to improve the conditions of Exservicemen. The Prime Minister's Merit Scholarship Scheme has been introduced for giving 5,000 scholarships every year to wards of armed forces personnel.

3.3 WELFARE OF WORKERS IN THE UNORGANISED SECTOR through Rural Employment Guarantee, Aam Admi Bima Yojana, National Commission on Enterprises in the Unorganised Sector,

4.RURAL RENEWAL

4.1 BHARAT NIRMAN :

Outline :A Four Year Business Plan for building up of Rural Infrastructure in the areas of Roads, Telephony, Irrigation, Water Supply, Housing and Eletrification within the time frame of 2005-2009.

Targets: One crore hectare under assured irrigation will be achieved through completion of ongoing major and medium irrigation projects minor irrigation schemes, enhanced utilisation of completed projects and ground water development in areas with un-utilised ground water potential.

Progress: Most of the yearly targets have been met. Programmes for rural roads, rural electrification, rural telephony, rural housing and rural drinking water supply are on track.

- 9,481 habitations had been connected by January 2007,
- Over 23 lakh houses had been constructed.
- 1.5 lakh habitations had been provided safe drinking water,
- Over 37,000 non-electrified villages and 6.25 lakh rural households had been provided electricity
- Over 32,000 villages had been provided telephone connectivity
- 14.5 lakh hectare area was brought under assured irrigation

4.2 RURAL EMPLOYMENT

NREGA: National Rural Employment Guarantee Act' 2005 has been launched for securing the livelihood of the people in rural areas by guaranteeing 100 days of employment in a financial year to every household whose adult members volunteer to do unskilled manual work.

NREGA was made operational in 200 districts initially with expansion to another 130 districts during 2007.

4.3 AGRICULTURE AND COOPERATION

Irrigation: Micro-irrigation through drip and sprinkler irrigation is being promoted through drip irrigation and sprinkler irrigation besides one crore hectare of fresh capacity over the period 2005-09 under Bharat Nirman.

National Rainfed Area Authority: Established a National Rainfed Area Authority as an integrating and coordinating mechanism to look into all dimensions of managing water resources in rain-fed areas and provide scientific and intellectual support to Panchayati Raj institutions.

Credit: In June 2004, the Government announced a comprehensive policy envisaging the doubling of credit delivery to agriculture over the next three years. The goal of doubling farm credit in three years was achieved in two years.

Package for suicide-prone districts: A special package is being implemented in 31 districts worst affected by farmers' suicides. A special package for livestock and fisheries for these districts has also been approved.

Unified market: A common market for agricultural produce for farmers to get better *ex* farm prices is being done by making warehouse receipts negotiable instruments;

amending the Essential Commodities Act; working with states to amend local Agriculture Produce Marketing Acts; and expanding the food supply and storage chain.

Horticulture: The National Horticulture Mission, launched to promote holistic development of horticulture with backward and forward linkages through technology-driven cluster approach and regionally differentiated strategies has been formulated by most states and has also obtained approval for annual action plans.

Cotton: Development of market yards, modernisation of ginning and pressing factories and other measures taken under the Technology Mission on Cotton has begun yielding results in terms of increase in cotton production and reduction in cotton imports.

Oilseeds: The UPA Government proposes to expand the Integrated Oilseeds, Oil palm, Pulses and Maize Development Programme.

Sugarcane and sugar industry: Cane arrears saw a historic low of 0.1% as a result of steps taken by the Government. The UPA Government has now come out with a comprehensive strategy to deal with excess production of sugar.

Bamboo: A National Bamboo Mission has been launched across 28 states to promote holistic growth of the bamboo sector with interventions for research, plantation development, post-felling management and marketing.

Crop Insurance: With a view to cover the risks involved in agricultural operations, the scope and coverage of the National Agricultural Insurance Scheme has been expanded.

Livestock insurance: The Livestock Insurance Scheme has been launched in 100 selected districts across all states except Goa for providing insurance cover for crossbred and high-yielding cattle and buffaloes.

Poultry: The UPA Government successfully controlled isolated appearances of bird flu in the country. In order to help poultry units, the Government announced a relief package.

Fisheries: The UPA Government has approved the setting up of a National Fisheries Development Board. A comprehensive Marine Fishing Policy, 2004 has been adopted.

Storage and marketing: In October 2004, the revised Grameen Bhandaran Yojana scheme was launched with wide eligibility for accessing capital subsidy to construct rural godowns. A new scheme, linked with reform of APMC Acts, was launched in 2005.

Research: Budget allocation for agricultural research has been substantially enhanced. The National Fund for Strategic Research in Agriculture has been set up. The National Agricultural Innovation Project has been initiated with the objective of transferring research-based knowledge to the field.

Education: The UPA Government has launched a scheme for strengthening and developing agricultural education.

Extension: Under the Scheme for Support to State Extension Programmes for Extension Reforms, state level HRD institutions have been identified, Agricultural Technology Management Agencies constituted, State Extension Work Plans approved, and public-private partnership initiatives pilot tested.

Cooperatives: The Government has introduced a Constitution amendment bill on cooperative societies in Parliament.

Fertilizers: The Government intends to implement a pilot programme for direct delivery of subsidy in at least one district in each state in 2007-08.

4.4 WATER MANAGEMENT

Water Conservation: A substantial proportion of funds under the schemes mandated by the National Rural Employment Guarantee Act is earmarked for water conservation works. A National Project for Repair, Renovation and Restoration of Water Bodies used by farmers has been launched on pilot basis.

Initiatives in dry-land farming: A National Rain-fed Area Authority is being established to look into all dimensions of managing water resources in rain-fed areas.

Inter-linking of rivers: Agreement for the first inter-linking of rivers project for Ken and Betwa rivers has been signed between Madhya Pradesh and Uttar Pradesh and completion of the detailed project report is targeted by mid 2008.

Flood management: The recommendations of a Task Force on short and long term measures for addressing problems associated with floods have been circulated to state governments concerned.

Desalination plants: The UPA Government has developed a unique technology of low temperature thermal desalination for conversion of cold deep-sea water into warm surface water.

5. GREENING GOVERNANCE

- **Policy initiatives:** The UPA Government has adopted a new National Environment Policy,
- **Conservation of wildlife:** Project Tiger has been converted into the statutory National Tiger Conservation Authority.
- **Afforestation:** “Green India”, a major programme for massively afforesting degraded forests is under active consideration of the Government.
- **Clean Development Mechanism and climate change:** 526 projects in the sectors of energy, industrial processes and municipal solid waste have been accorded host country approval, facilitating investment of over Rs. 41,000 crore.
- **Review of procedures and notifications:** The revised Environment Impact Assessments Notification balances concerns of development and conservation and makes the process more efficient, decentralised and transparent.

6. GOVERNANCE AND CIVIL SOCIETY

6.1 REFORMS

6.1.1 Administrative Reforms: The Second Administrative Reforms Commission has been set up to undertake a comprehensive review of government machinery.

6.1.2 Right to Information Act: To ensure that citizens are empowered to know how Government functions, the UPA Government brought forward a historic legislation, the RTI Act.

6.1.3 E-Governance: A National e-Governance Plan has been prepared with 26 Mission Mode Projects.

6.1.4 Reform of the criminal justice system: A series of steps has been taken for tuning up the machinery and processes, strengthening the prosecution machinery, streamlining and improving procedure. The Code of Criminal Procedure (Amendment) Bill, 2006 has been introduced in Parliament.

6.1.5 Judicial reforms: A bill for setting up the National Judicial Council for greater accountability and transparency in the judiciary has been tabled in Parliament.

6.1.6 Checking corrupt practices: A Group of Ministers is deliberating upon the draft bill on Lok Pal. A Group of Ministers that is actively looking into the following far-reaching amendments to the Prevention of Corruption Act, 1988.

6.1.7 Electoral reforms: The UPA Government has requested the Election Commission to recommend quantities and the scheme of distribution of assistance to be provided to recognised political parties and their candidates.

6.1.9 *Autonomy to PSEs:* 762 guidelines relating to Central Public Sector Enterprises have been withdrawn, and a number of other guidelines have been modified or merged to simplify their administration.

6.1.10 *Banks:* Instructions have been issued to all public sector banks for managerial autonomy. A package of estimated Rs. 13,596 crore to revive short-term rural cooperative structure is being implemented.

6.1.11 *Land administration:* The UPA Government has formulated a National Land Resource Management Programme for computerisation of land records, survey and resurvey, updating of land records, etc.

6.2 PANCHAYATI RAJ

6.2.1 *Setting the agenda:* The Ministry of Panchayati Raj has constituted an expert committee to plan for Sixth Schedule areas. A Group of Ministers has been constituted for strengthening panchayati raj institutions and financial devolution.

6.2.2 *Backward Regions Grants Fund:* A Backward Regions Grants Fund, with annual allocation of Rs. 5,800 crore for 250 identified backward districts, is being implemented through Panchayats.

6.2.3 *Central role under the National Rural Employment Guarantee Act:* Panchayats have been given the central role in implementation and monitoring of the Rural Employment Guarantee Scheme.

6.2.5 *Natural resources:* The UPA Government has initiated consultation with state governments for formulating a comprehensive programme for afforesting through Panchayats and establishing Panchayat-level community forests.

6.3 URBAN RENEWAL

6.3.1 *Jawaharlal Nehru National Urban Renewal Mission :*To enable comprehensive development in urban infrastructure and to provide basic services to the urban poor and linking new investment to governance reform.

6.3.2 *Pooled Finance Development Scheme :*To provide credit enhancement to urban local bodies for accessing market borrowings.

6.3.3 *e-Governance:* e-governance in municipalities.

6.3.4 *National Urban Information System :* Urban spatial planning through generation of digital maps and linking of town-level database.

6.3.5 *Urban Metros and suburban rail services :*For traffic decongestion, saving productive man-hours and fuel costs, reducing pollution levels and road accidents.

6.3.6 Cantonments : The new Cantonment Act, 2006 provides for better administration and better democratisation in the affairs of Cantonment Boards.

6.4 CENTRE-STATE RELATIONS

6.4.1 Collective deliberations: Discussions with Chief Ministers have been held frequently in various forums like the National Development Council, the Inter-State Council, the Zonal Councils, the National Integration Council, Conferences on Internal Security and Law and Order, etc. Meetings of Zonal Councils have been held after a gap of six to fourteen years.

6.4.2 Commission on Centre-State Relations: The setting up of the Commission has been notified.

6.4.3 Alleviating debt burden of states: Rs. 110,268 crore of states' debt has been consolidated. Twenty states have availed of the benefit of debt waiver to the tune of Rs. 8,575 crore.

6.4.4 Enhanced Central transfers: The share of states has risen 81% from Rs. 78,595 crore in 2004-05 to estimated Rs. 142,450 crore for 2007-08. Central grants-in-aid are projected to rise similarly to estimated Rs. 106,987 crore in 2007-08.

6.4.5 Enhanced share in mineral royalty: The Government raised the rates of mineral royalty payable to states resulting in an annual increase of 11.16% (Rs. 96.39 crore) in mineral royalty receipts to states. The revision of royalty for coal and lignite is in process.

6.4.6 Transfer and rationalisation of Centrally Sponsored Schemes: The Planning Commission has carried out an exercise to rationalise Centrally Sponsored Schemes. A larger exercise to restructure the schemes around the Millennium Development Goals has been initiated.

7. ENABLING DEVELOPMENT: THE NORTHEAST AND J&K

7.1 THE NORTH EAST

7.1.1 Securing peace: The UPA Government has improved the scheme for surrender and rehabilitation of militants in the northeast.

7.1.2 Roads: The UPA Government has approved a Special Accelerated Road Development Programme for the North-East (SARDP-NE).

7.1.3 Railways: The UPA Government has declared as national projects the construction of rail-cum-road bridge over Brahmaputra River at Bogibeel in Assam and the Rangia-Murkongselek gauge conversion project to serve as a lifeline for upper Assam and Arunachal Pradesh, which would result in greater integration of the North-Eastern Region with the rest of India.

7.1.4 Airports: Several schemes for development of airports in the region have been taken up at Agartala, Barapani, Dibrugarh, Dimapur, Guwahati, Silchar, Imphal, Jorhat and Rupsi.

7.1.5. Hinterland waters: Government has also decided to introduce a bill in Parliament for declaring the Lakhimpur-Bhanga 121 km stretch along the Barak river as a national waterway to improve port-hinterland connectivity for major commercial centers like Lakhimpur, Silchar and Badarpur in the Barak valley with the major ports of Haldia and Calcutta.

7.1.6 Power: Rajiv Gandhi Grameen Vidyutikaran Yojana will reach electricity to all non-electrified villages by 2009..

7.1.7 Industrial promotion: A more liberal new industrial and investment promotion policy for the North East has been approved, continuing 100% excise duty and income tax exemption on finished products. Sikkim has also been covered for the first time.

7.1.8 Earmarked investment in the northeast: The total budget allocation in 2007-08 for the North Eastern Region, culled out from allocations under different Ministries/Departments, has increased year after year to Rs. 14,365 crore in 2007-08.

7.1.9 Health: All states in the northeast have been covered as special focus states under the National Rural Health Mission.

7.1.10 Education: The conversion of the State Universities in Manipur, Arunachal Pradesh and Tripura into Central Universities and the setting up of a Central university in Sikkim is expected to ensure accelerated development of the existing universities and minimise imbalance in educational facilities in the Northeast.

7.1.11 Urban renewal: Cities and towns in the northeast are being provided up to 90% Central grants for projects under the Jawaharlal Nehru National Urban Renewal Mission.

7.1.12 Bamboo: Northeastern states have been accorded priority under the National Bamboo Mission.

7.1.13 Incentive package for members of All India Services: The UPA Government has put in place an incentive package covering more attractive norms for inter-cadre deputation for members of the All India Services.

7.2 JAMMU AND KASHMIR

7.2.1 Peace process: The process of dialogue has been taken forward through the two Round Table Conferences on Jammu and Kashmir and has been well received both by the public of Jammu and Kashmir and the media.

7.2.2 Reconstruction Plan: The Reconstruction Plan involves an investment of approximately Rs. 24,000 crore and strengthen the infrastructure and cater to other development needs, while balancing the development of the three regions of Jammu and Kashmir.

7.2.3 Expansion of economic infrastructure: The Uri-LoC road has been made functional and the Srinagar-Muzaffarabad bus service has been running regularly on it.

7.2.4 Expansion in provision of basic services: 14 new colleges and nine new Industrial Training Institutes have become operational, the state has been covered as a special focus state under the National Rural Health Mission.

7.2.5 Providing thrust to employment and income generation: Against 24,000 jobs envisaged ultimately, over 15,000 jobs have already been created. Five new India Reserve Battalions have been sanctioned affording employment to about 5,000 local youth over five years and recruitment from the state to these as well as Central paramilitary force battalions being raised is in process.

7.2.6 Providing relief and/or rehabilitation to the dislocated and the families of victims of militancy: Rehabilitation of 6,072 families of border migrants of Akhnoor Tahsil has been approved at a cost of Rs. 59.18 crore, the first instalment released and work commenced.

7.2.7 Programmes other than the Reconstruction Plan: The Udhampur-Srinagar-Baramulla railway line is being taken up, while the Jammu-Udhampur section has been opened for passenger traffic.

7.2.8 Liberal Central assistance: The Annual Plan for Jammu and Kashmir has nearly trebled since 2003-04.

7.2.9 Tax holiday: The UPA Government has extended the tax holiday available to undertakings in the states for another five years, till 2012.

8. ECONOMIC RESURGENCE

8.1 INDUSTRIAL GROWTH, INVESTMENT AND FINANCIAL MARKETS

8.1.1 *Overview:* Average growth rate over the three years of the UPA Government has been 8.6%.

8.1.2 *Tax reform:* VAT has been introduced across states and has proved to be an unqualified success and Central Sales Tax rate reduced from 4% to 3% from the current financial year, with a commitment to progressively phase it out.

8.1.3 *Institutional and strategic initiatives:* A special mechanism in the form of a High Level Committee on Manufacturing for implementation has been created under the chairpersonship of the Prime Minister to ensure that issues relating to manufacturing competitiveness are sorted out as quickly as possible.

8.1.4 *Revival of the Manufacturing Sector:* The UPA Government has taken a number of measures through the Budget mechanism as well as through Plan programmes to improve the competitiveness of Indian industry.

8.1.5 *Regulatory administration:* A bill has been introduced in Parliament to simplify and rationalise forms and registers prescribed in 16 labour enactments and to make provisions for submission of prescribed returns electronically.

8.1.6 *Corporate affairs:* Introduction in Parliament of a new bill to comprehensively revise the Companies Act is targeted during 2007-08 for providing a legal frame that is easy to understand and implement.

8.1.7 *FII:* Several measures have been taken to encourage FII and to reduce the vulnerability of the financial system to the flow of speculative capital.

8.1.8 *FDI:* FDI equity inflows have registered consistent growth during the last three years.

8.1.9 *Micro, small and medium enterprises:* The Micro, Small and Medium Enterprises Development Act, 2006 provides the first-ever legal frame for covering services along with manufacturing under the concept of enterprises, establishment of a fund for promotion and development of such enterprises, etc

8.1.10 *Export-related industries:* The SEZ Act, 2005 has been legislated for creation of required infrastructure and appropriate framework for rapid development of export-oriented manufacturing and services.

8.1.11 Telecom services: Greater investment and lowering of the cost to consumers have been achieved through substantial reduction in the annual license fee and entry fee for NLD and ILD licenses.

8.1.12 IT services: A Bill to amend the Information Technology Act has been introduced to effect provisions that will assure overseas customers regarding adequacy of data protection laws and limit the liability of network service providers.

8.1.13 Electronics, IT hardware and telecom equipment manufacturing: An attractive special incentive package for encouraging investment to set up semiconductor fabrication and other micro- and nano-technology manufacturing industries has been notified.

8.1.14 Chemicals and petrochemicals: An appropriate policy framework for development of petroleum, chemicals and petrochemicals investment regions of requisite scale and level of facilities is under consideration (now approved).

8.1.15 Mining: In order to attract private investment in the mining sector, the UPA Government is coming out with a new National Mineral Policy.

8.1.16 Food processing industries: Parliament has enacted the Food Safety and Standards Act, 2006 to provide an integrated law relating to food and for systematic and scientific development of food processing industries.

8.1.17 Textiles: Textile industry has been able to generate considerable employment and promote exports and improve its performance in the post- Multi Fibre Agreement regime.

8.1.18 Handlooms: A focused approach to helping weavers is in place.

8.1.19 Jute: A comprehensive National Jute Policy has been announced for the first time to boost demand for jute and protect the interests of jute growers.

8.1.20 Plantation crops: The UPA Government has approved setting up of a Special Purpose Tea Fund for funding replantation and rejuvenation of old tea bushes for improving the age-profile of tea plantations.

8.1.21 Commodity derivatives: As a result of liberalization and opening up of the commodities futures market, commodities derivatives trade value relative to GDP has taken a big leap over the past three years.

8.1.22 Securities markets: A major step has been taken for modernisation of stock exchanges with the SEBI notifying the Corporatisation and Demutualisation Schemes of 19 stock exchanges.

8.1.23 Public Airlines: The decision of the UPA Government to induct new aircrafts in the Air India and Indian Airlines fleets after a decade will strengthen Air India to offer better services.

8.2 ENERGY

8.2.1 Energy Coordination Committee: An Energy Coordination Committee chaired by the Prime Minister has been set up to enable a systematic and coordinated approach to policy formulation and decision-making in the area of energy planning and security, covering energy related issues across coal, power and petroleum and natural gas sectors.

8.2.2 Power: Nine ultra mega thermal power generation plant sites, with each plant having generation capacity of over 4,000 MW, have been identified and bidding process has been concluded for two.

8.2.3 Coal: Over the past three years, production has risen significantly, profitability of Coal India subsidiaries has improved and a large number of coal blocks (75 allocated in last three years and 81 more identified) have been allocated to Coal India as well as private / joint / state sector entities to ensure timely development.

8.2.4 Petroleum and natural gas: With exploration and development efforts made under the sixth round of bidding under the New Exploration License Policy (NELP-VI) awarding 52 blocks against 110 in previous 5 rounds, natural gas production in the country is likely to be doubled by the end of the Eleventh Plan period.

8.2.5 Nuclear energy: Total installed nuclear power capacity has now reached 3,900 MWe and seven nuclear power plants (four PHWR, two LWRs and one FBR) with installed capacity of 3,380 MWe are currently under construction

8.2.6 New and renewable energy: The new and renewable power installed by the end of the Tenth Plan period is around 10,000 MW, around twice the Plan target.

8.2.7 Bio-fuels: A Group of Ministers is considering a National Policy on Bio-fuels, setting up of a National Bio-fuel Development Board and institution of a National Mission on Bio-diesels.

8.3 INFRASTRUCTURE

8.3.1 Committee on Infrastructure: Initiatives for creating world-class infrastructure are being reviewed and guided by the Committee on Infrastructure, chaired by the Prime Minister.

8.3.2 Roads: The National Highways Development Project (NHDP) is being implemented in seven phases, with estimated investment of around Rs. 2,27,000 crore over the period 2005-12.

8.3.3 Airports: The UPA Government has initiated modernisation of major airports in the country and liberalisation of air services to cope with rapidly growing air traffic demand.

8.3.4 Shipping and inland water transportation: The UPA Government has taken up a programme for massive capacity expansion of port infrastructure.

8.3.5 Railways: The UPA Government has succeeded in ensuring a turnaround of the Indian Railways as over the past 2½ years, railway freight volumes have grown by 8-10% and growth in passenger volumes has doubled

8.3.6 Telecommunications: Facilitated by the incentives under the broadband policy announced in 2004, around 2 million broadband connections have already been provided, covering more than 600 towns.

8.3.7 Catalytic schemes to promote infrastructure development: A scheme has been launched for viability gap grant to infrastructure projects that are financially unviable despite being economically viable.

8.3.8 Other infrastructure initiatives: Besides the above, a number of infrastructure related initiatives have been indicated in the sections on rural renewal, urban renewal and enabling development in the Northeast and Jammu and Kashmir.

8.4 COUNTER-INFLATIONARY MEASURES

8.4.1 Countering inflation: The UPA Government has taken a number of measures during the last year to check inflation.

9. BUILDING BRIDGES

9.1 EXTERNAL AFFAIRS

- **SAARC:** The 14th SAARC Summit was successfully hosted by India in April 2007. SAFTA came into force from January 2006.
- **Pakistan:** Policy of constructive engagement to establish peaceful, friendly and cooperative relations. The dialogue process is predicated upon the 6th January 2004 commitment of the President of Pakistan not to permit any territory under Pakistan control to be used to support terrorism
- **Other South Asian neighbours:** India, along with Afghanistan, co-hosted the second Regional Economic Cooperation Conference on Afghanistan in November 2006. The UPA Government has reiterated India's full support to the restoration of multi-party democracy in Nepal and the success of the peace process. An economic assistance package of Rs. 1,000 crore was offered to Nepal. Improved relations with other neighbours also.
- **United States:** The transformation in the Indo-US bilateral relationship which now includes strategic and security issues, defence, counter-

terrorism, science and technology, health, trade, space, energy, maritime cooperation and environment.

- **Europe: 7th India EU summit** at Helsinki in October 2006.
- **Enhanced engagement with China, Russia, Japan, the East, West and Central Asia, Africa, Latin America and the Caribbean.**
- **Trade and economic diplomacy:** A Trade and Economic Relations Committee chaired by the Prime Minister has been set up. Strengthened institutional linkages with economic groupings such as SAARC, ASEAN, BIMSTEC, Mekong-Ganga Cooperation, IBSA, G-15, G-8, Indian Ocean Rim and the East Asia Summit.
- **Consular, passport and visa services:** It is proposed to open new passport offices at Amritsar, Dehradun, Raipur, Shimla, Coimbatore and Madurai in 2007.

9.2 OVERSEAS INDIANS

- **Overseas citizenship:** The scheme for Overseas Citizenship of India has been extended to cover all overseas Indians who emigrated after January 26, 1950.
- **Voting rights for NRIs. NRI / PIO university policy frame approved.**

9.3 MANAGING BORDERS

- **Border infrastructure:** Land Ports Authority of India for overseeing construction, management and maintenance of Integrated Check Posts at identified entry points on our borders with Nepal, Bangladesh, Pakistan and Myanmar. 13 Integrated Check Posts will be constructed.
- **Border fencing:** The work of fencing along the India-Bangladesh border has been given greater focus and priority
- **Cross-border services:** Srinagar-Muzaffarabad, Rawalkot-Poonch, Delhi-Lahore, Amritsar-Lahore and Amritsar-Nankana Sahib bus services and Khokrapar-Munnabao rail service across the Indo-Pak border / LoC have been made operational. Infrastructure at the Wagah-Attari border is being upgraded.

10. ADDRESSING DISASTERS

10.1 POLICY INITIATIVES AND PREPAREDNESS

- Disaster Management Act, 2005 has been enacted. The UPA Government has set up the National Disaster Management Authority, the National Executive Committee of the Authority and the National Institute of Disaster Management. The Government also proposes to set up a Flood Commission.

- Assistance for long-term rehabilitation and reconstruction from Govt of India instead of State Plan Resources
- **Assistance for other natural calamities:** to cover landslides, avalanches, cloudbursts and pests attacks
- **Disaster preparedness:** A community-based Disaster Management Programme has been taken in 169 most hazard-prone districts.

10.2 RESPONSE, RELIEF, RECONSTRUCTION AND REHABILITATION

- 22 states and one union territory were affected in varying degrees by various natural calamities, viz., heavy rains, floods, landslides, cloudburst and cyclonic storms. The Government extended prompt and timely logistic support to the affected states
- Total assistance of over Rs. 542 crore has been provided through the State Government and various agencies of the Government of India.

10.3 REHABILITATION OF LAND OUSTEES AND RIOT VICTIMS

Rehabilitation of land oustees:

- Preparing a new Rehabilitation Policy that will strengthen the compensation package of those who are ousted from their land due to major projects. The Policy will be backed by appropriate amendments in the Land Acquisition Act and given statutory support by means of a new Rehabilitation Act.
- **Rehabilitation packages for the victims of the 1984 and 2002 riots:** The UPA Government has approved packages of assistance for victims of the 1984 anti-Sikh riots as well as the victims of the train tragedy in Godhra and the ensuing violence in Gujarat in 2002.

11. OTHER INITIATIVES

Internal security initiatives: The overall internal security situation remains under control. To strengthen internal security, the Government has taken multiple initiatives. The Government intends to significantly improve the present police-population ratio. It has approved rising of 79 battalions to strengthen internal security. The Central Industrial Security Force and the Central Reserve Police Force have been restructured for improved effectiveness, strike-capability, and command and control structure. Close to 20,000 posts have been added to these two Forces for meeting the needs of internal security. 22 Battalions have been added to the Indo-Tibetan Border Police for better rotation and more diversified exposure. The Government proposes to introduce a bill for a new Police Act for the union territories. POTA has been repealed, while ensuring adequate safeguards against terrorism.

Science and technology: A vision for development of an empowered science and technology base in the country by the year 2015 has been prepared. UPA Government

intends to increase financial allocation for science and technology from less than 1% of GDP to 2% of GDP.

Space programme: The ninth consecutively successful launch of the Polar Satellite Launch Vehicle PSLV-C7 in January 2007 placing four satellites precisely in predetermined orbits are recent important achievements. Launch of INSAT-4B carrying DTH transponders in 2007 is a major milestone. EDUSAT has connected around 10,000 classrooms, benefiting rural and remote areas. Launch of INSAT-4B carrying DTH transponders in 2007 is a major milestone. EDUSAT has connected around 10,000 classrooms, benefiting rural and remote areas.

Broadcasting: The digitalisation of all 17 major studio centres of Doordarshan is near completion. A pilot project on High Definition TV (HDTV) has been approved and a production facility is being set up at Delhi. Special packages for expansion and improvement services of Doordarshan and the AIR in the northeast, Jammu and Kashmir and the island territories are under implementation. The DTH services have rolled out through Doordarshan as well as private broadcasters. The initial rollout of the Conditional Access System has been successful. Under the new policy for private FM radio services, letters of intent were issued for setting up of 245 FM radio channels in 29 cities, increasing coverage manifold from only 21 private FM radio stations licensed earlier in 12 cities. 53 private FM channels have commenced operations. During 2007, the DoT is planning to introduce Internet Protocol TV (IPTV) in 70 towns and mobile TV in 20 cities. The UPA Government has broadbased the policy for grant of licences for setting up of community radio stations by permitting civil society organisations to also set up such stations on issues related to development and social change. A pilot project has been taken up at Delhi for mobile TV.

Tourism: There has been impressive growth in foreign tourist arrivals, foreign exchange earnings and employment generation.

Sports and youth affairs: Massive preparations are under way for hosting the Commonwealth Games 2010.

Classical languages: A new category of classical languages has been created and Sanskrit and Tamil have been notified as classical languages.
