

UPA Government
Report to the People
2004-2008



UPA Government



सत्यमेव जयते



**Prime Minister
Dr. Manmohan Singh**



**UPA Chairperson
Smt. Sonia Gandhi**



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2004 – 2008



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सत्यमेव जयते

FOREWORD

Prime Minister

The presentation of an Annual Report to the People by the Government of the United Progressive Alliance has set a new standard for accountability and transparency in governance.

Over the past four years the UPA Government has offered an annual update on the implementation of the National Common Minimum Programme. These reports, taken together with this year's, show that the UPA Government has so far been able to implement substantially the commitments made in the NCMP.

Building on the initiatives taken during the first three years, especially the launch of our Flagship Programmes, namely, Bharat Nirman, National Rural Employment Guarantee Programme, National Rural Health Mission, Jawaharlal Nehru National Urban Renewal Mission, modified Sarva Shiksha Abhiyan with expanded Mid-Day Meal Programme, the Government has put in place an "architecture for inclusive growth" during its four years in office. The 11th Five Year Plan, launched during the year, is based on this architecture.

The central vision of the 11th Five Year Plan is to trigger a development process that ensures broad-based improvement in the quality of life of our people, especially the poor, the Scheduled Castes, the Scheduled Tribes, Other Backward Classes and Minorities. The Plan also seeks to ensure more regionally balanced development.

In meeting these objectives our Government has given high priority to revitalization of agriculture, the empowerment of our farmers and the modernization of the rural economy. Several initiatives, listed in this Report, have been taken to reverse the neglect of agriculture in the period 1996-2004. We have improved the terms of trade for agriculture, in particular by increasing the minimum support price for foodgrains, increased investment in irrigation, agricultural research and rural infrastructure and have launched the Rashtriya Krishi Vikas Yojana, with an allocation of Rs. 25,000 crores for the 11th Five Year Plan. These initiatives along with the National Food Security Mission and the National Policy for Farmers will facilitate a turnaround of the agricultural economy. I am confident that this will also enable us to return to a regime of moderate inflation.

Our Government has made determined efforts to accelerate the pace of development while maintaining reasonable price stability. Control of inflation has been a priority concern. The Government ensured that the rate of inflation was brought down from around 6% in 2003-2004 to a little over 3% in the years 2004-2005 and 2005-2006. An upward pressure on prices since 2007 has been wholly on account of the steep increase in global commodity prices, especially oil prices. The sharp escalation in oil prices and in the price of metals, especially steel, and foodgrains has impacted our domestic economy. The Government has taken several measures to deal with this challenge. Controls have been imposed on commodity exports, tariffs have been reduced to encourage cheaper imports, fiscal and monetary policy initiatives have been taken by the authorities and, wherever needed, administrative measures are being taken to discourage speculation and hoarding.

While supply side and demand side measures will have their salutary impact on the price level, a normal monsoon and public recognition of the Government's determination to reverse the recent spurt in inflation will also help alter the state of expectations. The Indian economy is on a high growth path and I am confident that we will be able to increase production and satisfy the growing demands of our people and at the same time keep a check on prices.

The focus of the 11th Five Year Plan is education. India is a nation of young people. I sincerely hope the initiatives we have taken in the field of education will unleash the creative potential of all our people. We have increased investment in education with the twin objectives of widening access to education and promoting excellence. Special emphasis is being laid on the empowerment through education of scheduled castes, scheduled tribes, other backward classes and minority communities and women. Our Government has also taken important initiatives in the fields of health care, urban development and the modernization of infrastructure. All these have been stated in detail in this Report.

I am also happy to note that during this year we have extended the National Rural Employment Guarantee Programme to all rural districts across the country. This programme will make a major contribution to softening the harsh edges of extreme poverty in rural India. I urge State Governments to ensure proper and transparent implementation of the NREGA.

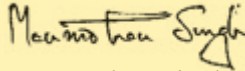
The UPA Government has worked hard to make our growth process socially inclusive and regionally balanced. The North Eastern region, Jammu & Kashmir and other backward regions have received special attention. At the same time, it has also worked to make the Indian economy more globally competitive. The external profile of our economy has become more robust and has contributed to an improvement in India's global standing. It has also enabled us to reach out to our neighbours and increase economic cooperation with the countries of South Asia, South East Asia, Indian Ocean Region and Africa.

Our foreign policy has been guided by our desire to create an external environment conducive to peace and stability in our region, ensure India's accelerated economic development and safeguard our national security and our energy security. We have given the highest priority to strengthening close political, economic, social and cultural relations with our immediate and extended neighbourhood, all major powers as well as our partners in the developing world and Non-Aligned Movement.

India today enjoys an enhanced profile in the international arena as a model of stable, liberal, plural and secular democracy and a rapidly growing economy with the ability and capability to play a larger international role.

I reiterate the commitment of the UPA Government to the principles and the goals of the National Common Minimum Programme. I sincerely hope this Annual Report to the People will be read by one and all to appreciate the work being done by our Government.

May 22, 2008.


Manmohan Singh

***‘Now there’s a
doctor to
look after us.
And medicines
too!
See how our
confidence has
grown’***



2.1 HEALTH



The UPA Government has set in motion a series of initiatives to effectively improve access to quality healthcare of people, especially those residing in rural areas, the poor, women and children. These have already made a significant and visible difference.

2.1.1 Expansion in outlays

The plan outlay for health has increased from Rs. 6,983 crore in 2003-04 to Rs. 16,534 crore in 2008-09.

2.1.2 National Rural Health Mission

- Through the National Rural Health Mission the UPA Government has achieved significant gains in outpatient care, institutional deliveries and immunisation in rural India.

- By early April 2008, over 1.4 lakh sub centres, 22,000 primary health centres, 3,900 community health centres and 500 district hospitals have been provided untied funds to meet local requirements.

- By early April 2008, over 4.8 lakh ASHAs (Accredited Social Health Activists) have been positioned in villages for taking care of the health needs of their own communities and to help achieve health security at the village level.

- By early April 2008, over 350 district hospitals have been taken up for upgrade so that quality

healthcare is available within the district.

- By early April 2008, over 2,900 community health centres have been taken up for upgrade to Indian Public Health Service standards.

- By early April 2008, over 1,800 hospitals and health centres now function as first referral units so that pregnant women can get emergency care in case of complication in delivery.

- By early April 2008, over 8,700 primary health centres now give services round-the-clock.

- By early April 2008, over 2,400 specialists, 6,900 doctors, 14,000 staff nurses, 26,000 ANMs and 4,300 other paramedics have been recruited so that hospitals and health centres can provide the health services people need.

- By early April 2008, over 19,000 health sub-centres have been provided with an additional ANM to better meet the requirements for care of pregnant women and other healthcare needs.

- About 200 districts have been equipped with mobile medical units to take healthcare to people's doorsteps.

- By early April 2008, over 18,000 Rogi Kalyan Samitis have been set up to involve the community in the management of hospitals and health centres.

- By early April 2008, over 2.1 lakh Village Health and Sanitation Committees are now active for ensuring community action at the village level on health and sanitation.

- By early April 2008, over 83 lakh women from poor families have been brought for safe delivery in hospitals and health centres under Janani Suraksha Yojana, facilitating safe motherhood.

- Leprosy cases have been reduced to a level of only one person per 14,000 population. With this, India has achieved elimination of leprosy as per international norms.

- Neonatal tetanus has been eliminated in seven States and reported elimination in five more States

is being confirmed.

- Major expansion of programme and success in coverage and treatment has been achieved in tuberculosis control with the entire country getting covered under Directly Observed Treatment Short-course (DOTS) since 2006, and achievement of the global and national target of case detection rate of over 70% coupled with treatment success rate of over 85% for the first time in 2007.
- As a result of efforts made under the National Vector Borne Disease Control Programme, malaria, chikungunya and dengue remained in check and the number of cases declined. A major drive has been initiated against kala azar in endemic areas and a large vaccination drive taken up against Japanese encephalitis.
- Massive drive to eradicate polio has been continued under a revised strategy.

2.1.3 AIDS control and care

- The UPA Government has given the National AIDS Control Programme leadership at the level of the Prime Minister.
- The epidemic has stabilized, showing marginal declining trend during the last four years.
- Prevention, counselling, testing and treatment services under the National AIDS Control Programme have been massively expanded. The number of persons counselled and tested has increased six-fold over the last four years to over 60 lakh, with similar expansion in prevention and treatment services as well.

2.1.4 Pradhan Mantri Swasthya Suraksha Yojana

- The UPA Government has approved the Pradhan Mantri Swasthya Suraksha Yojana for establishing six new medical institutions with 850-bed hospitals and upgrading 13 existing medical institutions on lines of AIIMS to provide quality healthcare and medical education in poorly served States.
- Construction work has already started in seven existing medical institutions and construction of the

six new medical institutions will begin this year at Bhopal, Bhubaneswar, Jodhpur, Patna, Raipur and Rishikesh.

2.1.5 Rashtriya Swasthya Bima Yojana for the unorganised sector poor

- The UPA Government's Rashtriya Swasthya Bima Yojana will provide family health cover of Rs. 30,000 to every unorganised sector worker living below the poverty line, beginning with the launch on 1st April, 2008 in the States of Haryana, Rajasthan and Delhi.

2.1.6 Universalising rural sanitation

- The UPA Government has doubled sanitation coverage of rural households, covering more than half the rural households through enhanced people's participation under the Total Sanitation Campaign and is accelerating implementation to achieve universal access to toilets by the year 2012.

2.1.7 Trauma centres for road accidents

- The UPA Government has approved upgrade of trauma centres on the national highways along the Golden Quadrilateral and the East-West Corridor to ensure treatment of road accident victims.

2.1.8 Affordable essential drugs

- The UPA Government is implementing large revival packages for Hindustan Antibiotics Ltd. and Bengal Chemicals and Pharmaceuticals Ltd. to help ensure affordable availability of essential drugs through these public sector undertakings.



2.1.9 Universalising and strengthening ICDS

- The UPA Government has sanctioned 3.2 lakh anganwadis and mini anganwadis, and is committed to ensure an anganwadi in every habitation in the 11th Plan.
- Financial provision per beneficiary for supplementary nutrition has been doubled to ensure required level of nutrition.
- All pregnant women and children up to six years of age are now provided nutrition, covering even families that are not living below the poverty line.
- With expansion in the number of anganwadis, eligibility and quantum of nutrition, the number of supplementary nutrition beneficiaries has nearly doubled over the last four years to almost eight crore.
- The remuneration paid to anganwadi workers

and helpers has been increased to 1½ times Rs. 1,500 and Rs, 750 per month respectively to reward these women who have worked hard to secure the future of our country.

2.1.10 Thrust to Ayurveda, Yoga, Unani, Siddha and Homoeopathy

- The UPA Government has given unprecedented thrust to these medicine systems, raising allocation by more than five times in the 11th Plan to Rs. 4,000 crore, locating their services in more than 5,000 health centres and hospitals, and appointing around 4,000 practitioners.
- Setting up of an All India Institute of Ayurveda at Delhi has been approved.
- North Eastern Institute of Folk Medicine at Pasighat in Arunachal Pradesh has been approved to focus on folk health traditions.

The National Rural Health Mission- Healthcare Within Reach

Shanti, a daily-wage worker in a fruit- processing unit has just come back from the Sub Centre near her home, located in a small hamlet near Thanedar in Himachal Pradesh.

Her son, suffering from an infected respiratory tract, has been examined by the ANM and given the necessary medication, while Shanti has been given instructions for continued care at home, with simple home-based remedies.

Since the visit to the Centre, and the walk back home, was over in less than an hour, Shanti could go to the processing unit for half a day's work, leaving the child to be looked after by his grandmother.

As she once again passed the Sub Centre on her way to work, Shanti could see its courtyard crowded with parents who had brought their children for the Polio vaccine. A notice on the board informed everyone that the doctor from the PHC would be visiting the village on the next day, for follow ups as well as new cases.

Thanks to the NRHM, life in her little village has undergone a radical change for the better.

'Well-read. Always ahead'



2.2 EDUCATION



A comprehensive strategy has been pursued for meeting the elementary, secondary, higher and vocational education needs of all sections of society, qualitatively and quantitatively, and this has already yielded impressive gains in securing education for all.

2.2.1 Expansion in outlays

- The UPA Government has accorded highest priority to education, with the plan outlay for education increasing from Rs. 7,024 crore in 2003-04 to Rs. 34,400 crore in 2008-09 and five-year plan allocation increasing by more than five times to Rs. 2,75,000 crore in the 11th Plan.
- An education cess has been introduced and its proceeds credited to Prarambhik Shiksha Kosh to finance elementary, secondary and higher education.

2.2.2 School education for all

- With sustained effort under Sarva Shiksha Abhiyan, the number of out-of-school children has been reduced from 320 lakh to 76 lakh.
- Through setting up of 1,754 residential Kasturba Gandhi Balika Vidyalayas, 1,82,000 girls have been

enrolled in elementary education, helping bridge the gender gap in education.

- More than 96% of the habitations have been provided primary schools within one kilometre and 85% have been provided upper primary schools.
- The National Cooked Mid-Day Meal Programme has been launched as the world's largest school feeding programme for around 11½ crore children in government-run and government aided primary schools across the country as well as upper primary children in over 3,400 educationally backward blocks. The scheme will be extended to upper primary classes throughout the country this year, raising coverage to around 14 crore children.
- The UPA Government has announced the introduction of Rashtriya Madhyamik Shiksha Abhiyan to increase enrolment in secondary schools by improving access to secondary schools and upgrading school infrastructure through an investment of Rs. 35,000 crore during the 11th Plan.
- 6,000 high quality model schools will be started this year across the country to set standards of excellence for other schools.

- The UPA Government has announced introduction of a National Means-cum-Merit Scholarship Scheme for one lakh secondary school students each year, each of whom will be given Rs. 6,000 annually.

- Over the last four years, 1.58 lakh rural schools have been provided safe drinking water. The UPA Government has announced provision for safe drinking water units in every school in water-deficient habitations over the next four years.

2.2.3 Enlarging access to higher education

- The UPA Government has set up an IIM at Shillong, three IISERs at Mohali, Pune and Kolkata and an Indian Institute of Information Technology for Design and Management at Kanchipuram.

- Conversion of the state universities in Manipur, Arunachal Pradesh and Tripura into central universities and setting up of a central university in Sikkim have accelerated development of the existing universities and ensured a central university in each North-eastern State.

- Allahabad University, Central Institute of English and Foreign Languages at Hyderabad and National Institute of Educational Planning and Administration have also been converted into central universities and legislation for setting up the Indira Gandhi National Tribal University at Amarkantak has been enacted.

- Massive investment will be made in higher education in the 11th Plan, with 30 new central universities, 370 new colleges, eight new IITs, 20 new Indian Institutes of Information Technology, seven new IIMs, and two more Indian Institutes of Science Education and Research. Of these, 16 central universities, three IITs in Andhra Pradesh, Bihar and Rajasthan, two IISERs at Bhopal and Thiruvananthapuram, and two Schools of Planning and Architecture at Bhopal and Vijayawada will be set up this year.

- An integrated National Knowledge Network to provide gigabit broadband connectivity will be set up to connect all institutions of higher learning and research in the country to facilitate sharing of resources and research collaboration.

- To enable them to continue to grow as centres of excellence, provision of Rs. 100 crore special grant has been approved over the last four years for various purposes to each of Madras, Bombay and Calcutta Universities, Indian Institute of Sciences at Bangalore, Mahatma Phule Krishi Vidyapeeth at Rahuri in Maharashtra, University of Mysore and Delhi University.

- The age of superannuation for teaching positions in centrally funded institutions of higher and technical education has been enhanced from 62 years to 65 years to ensure teacher availability.

- 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 initiated legislation enacted as the National Institute of Technology Act.

- Strengthening of 200 State engineering institutions is envisaged in the 11th Plan.

- A number of measures have been taken to secure autonomy for institutions of higher learning and professional education, setting at rest many apprehensions on this account.

- The UPA Government's instructions to banks to give student loans up to Rs. 7.5 lakh without collateral, coupled with focused monitoring, has ensured that the volume of student loans has grown manifold.

- Merit scholarship schemes have been introduced for medical and engineering students.

- The Rajiv Gandhi National Fellowship Scheme has been launched to help candidates from among the scheduled castes and scheduled tribes prepare for selection to academic positions and for doctoral studies.

- All IIM students having annual family income of up to two lakh rupees have been made eligible for tuition fee waiver.

- Prime Minister's Merit Scholarship Scheme has been introduced for scholarships to wards of armed forces personnel.



- The UPA Government initiated the amendment effected to the Constitution to facilitate greater access to education for students belonging to the scheduled castes, scheduled tribes and socially and educationally backward classes, enabling laws to be made for reservation in admissions of students belonging to these categories to public as well as private institutions. In order to ensure that students belonging to the other backward classes get equitable access to higher education in educational institutions maintained or aided by the Central Government, the UPA Government initiated legislation enacted as the Central Educational Institutions (Reservation in Admission) Act, 2006, which is being given effect to in a phased manner beginning with the academic year 2008-09.

2.2.4 National Skill Development Mission

- The UPA Government has formulated the National Skill Development Mission to ensure employability of youth and address skill deficit felt in some sectors of the economy, with an outlay of Rs. 31,000 crore in the 11th Plan.

2.3 ASSURING CHILD RIGHTS

The UPA Government has given greater focus to issues relating to children through establishment of an independent Ministry of Women and Child Development, enactment of a number of child-friendly laws, and launch of major programmes, with over Rs. 33,000 crore earmarked in the budget for schemes related to children.

2.3.1 Child-friendly laws

- The National Commission for Protection of Child

Rights has been set up under the legislation initiated by the UPA Government for the Commission for Protection of Child Rights Act, 2006. The law has also mandated setting up of State Commissions and children's courts for trial of offences against children as well as violations of children's rights.

- The UPA Government initiated legislation amending the Juvenile Justice (Care and Protection of Children) Act, 2000, making it more child-friendly through prohibition on confinement of juveniles in police lock-up or jail, setting up of Juvenile Justice Boards and Child Welfare Committees in each district, barring association of police in the inquiry process, constitution of child protection units in all districts, empowering courts to give adoption orders, etc.

- The UPA Government has prohibited employment of children as domestic servants or servant or in roadside eateries, restaurants, hotels, motels, teashops, resorts, spas or other recreational centres in order to ameliorate their condition.

- The UPA Government initiated legislation enacted as the Prohibition of Child Marriage Act, 2006, which has made child marriage a cognisable offence, provided for appointment of child marriage prevention officers, and provided for nullification of a child marriage at the marrying child's option, with maintenance payable by the husband or guardian till remarriage.

2.3.2 Securing the health and education of children

- The UPA Government has taken major initiatives towards securing the health and education of children through provision of anganwadi, ASHA, safe drinking water and schools at the habitation level under the ICDS, National Rural Health Mission, Sarva Shiksha Abhiyan and National Cooked Mid-Day Meal Programme.

- Kishori Shakti Yojana has been expanded throughout the country to improve the nutritional and health status of adolescent girls and to educate and empower them.

- The Rajiv Gandhi National CrIche Scheme for the Children of Working Mothers has been launched, under which seven lakh children are being covered through 28,000 crIches.

'Hum Hindustani...'



3.1 AN INCLUSIVE AGENDA FOR THE MINORITIES

The UPA Government has given focus to minority affairs by setting a wide-ranging agenda for fostering greater inclusiveness in society, and launching several major initiatives to improve the economic and educational status of the minorities.

3.1.1 *Institutional strengthening for minorities*

- The Ministry of Minority Affairs has been set up and budgetary support to it rapidly expanded, doubling this year over last year's budget.
- The UPA Government has initiated legislation for giving constitutional status to the National Commission of Minorities.

3.1.2 *Prime Minister's new 15-Point Programme for the Welfare of Minorities and implementation of Sachar committee's recommendations*

- The Prime Minister's 15-Point Programme for the Welfare of Minorities has been recast to include specific programmes to ensure that the benefits of various government schemes reach the disadvantaged sections of the minority communities by focusing sharply on social, educational and economic improvement of the minorities, providing for earmarking of 15% outlays in certain schemes, and locating developmental facilities in minority concentration areas. Sachar committee has made 76 recommendations, which have been accepted. Both are being implemented.
- The UPA government has taken up development of 90 minority concentration districts and has made provision of Rs. 3,780 crore in the 11th Plan for this.
- The proportion of priority sector lending going to the minority communities is being stepped up from the existing 9% to 15%.
- Branches of public sector banks are being opened in districts with substantial minority population.
- 15% of physical targets and financial outlays have been earmarked for the minorities in identified schemes.
- The equity base of the National Minorities Development Finance Corporation has been augmented from Rs. 500 crore to Rs. 650 crore and will be enhanced further by another Rs. 75 crore this year to enable it to expand its operations and reach significantly.
- In order to ensure fair representation to the minorities in government employment, the Government of India has issued instructions to all ministries, public sector enterprises and financial institutions requiring inclusion of at least one member belonging to a minority community in selection boards or committees. Further, vacancy circular is required to be distributed in local language in local areas of minority community population, besides ensuring that advertisements are also issued in the language(s) spoken by a large number of people of the State.
- Ministry of Railways has issued instructions that recruitment notices be published in Urdu newspapers in States having Urdu as the second official language and has also permitted Urdu as the medium of examination for Group 'D' posts in such States.
- Significant improvement has taken place in the proportion of persons belonging to the minority communities in recruitment to the central paramilitary forces, with 11.6% of the vacant posts being filled up by persons belonging to the minority communities over the last three years.
- A number of measures have been taken for enhancing opportunities for education.

3.1.3 Enhancing opportunities for education

- The UPA Government has established the National Commission for Minority Educational Institutions, giving minority educational institutions the legal right to seek affiliation to any university



of their choice, thereby ensuring that provisions of the Constitution that give minorities the right to establish and administer educational institutions of their choice are implemented effectively.

- 2,180 new residential Kasturba Gandhi Balika Vidyalaya schools have been sanctioned, including 270 in minority concentration blocks, and are providing elementary education to out-of-school girls, primarily from the minorities and weaker sections of society.

- To enable the Maulana Azad Education Foundation to expand its activities, its corpus has been increased from Rs. 100 crore to Rs. 250 crore and is being further enhanced by another Rs. 60 crore this year. It will be increased to Rs. 500 crore by 2012.

- Over the past four years, several thousand Urdu teachers have been put into position.

- Special allocations, over and above the normal plan grant, have been released through the UGC to central universities that cater to the needs of the minorities.

- Schemes for pre-examination coaching of candidates belonging to the minority communities, earlier confined to Government institutions, have been expanded to include reputed private coaching institutes having a track record of showing good results in competitive examinations.

- The 11th Plan provides Rs. 800 crore for merit-cum-means scholarships for professional courses and nearly Rs. 3,300 crore for post and pre-matriculation scholarship programmes for minority students.

- The UPA Government has announced the launch of a scheme for modernising madrasa education this year.

3.1.4 Better dispensation for Haj pilgrims

- The UPA Government has raised the Haj Committee pilgrim quota from 72,000 to 110,000.

- Several improvements in pilgrim facilities have been introduced in terms of computerisation of pilgrim arrangements and availability of information through website, location and norms of accommodation, health facilities, etc. Group accident compensation scheme has been introduced. Several new embarkation points have been added.

3.1.5 Urdu channel

- The UPA Government has launched a round-

the-clock Urdu channel to meet the linguistic aspirations of Urdu-speaking people and help preserve and promote the rich cultural and literary heritage of Urdu language.

3.2 EMPOWERING WOMEN

The UPA Government has given greater focus to issues relating to women through creation of an independent Ministry of Women and Child Development, initiation of legislation that has taken the country closer to complete legal equality for women, gender budgeting and initiation of programmes for greater inclusion of women in all walks of life.

3.2.1 Law

- The UPA Government initiated the Protection of Women from Domestic Violence Act, 2005, which has given more effective protection to women who are victims of violence of any kind occurring within a family and provided them a civil remedy to deal with such violence.
- The UPA Government initiated the Hindu Succession Act, 1955 to make Hindu women's inheritance rights in coparcenary property equal to that of men.
- Amendments initiated by the UPA Government have been enacted prohibiting arrest of women after sunset and before sunrise, medical examination of persons accused of committing or attempting to commit rape, and mandatory judicial inquiry in case of rape while in police custody.
- The UPA Government has introduced a bill in Parliament to amend the Factories Act, 1948 in order to provide flexibility in the employment of women at night while requiring the employer to ensure measures for safety and protection, and thereby generate employment opportunities for women.

3.2.2 Financial focus

- The UPA Government has introduced gender budgeting for improving the sensitivity of programmes and schemes to women's welfare. The budgetary outlay for 100% women-specific

programmes has been rising every year and this year it is Rs. 11,460 crore.

- Ensuring that at least 33% of the beneficiaries of all government schemes are women and girl children has been laid down as a key target in the 11th Plan.

3.2.3 Women's reservation

- A bill for introducing one third reservation for women in legislatures was drafted. In an effort to build a consensus, the UPA Government held meetings with all opposition parties and with all UPA constituent parties. Discussions were also held with women's groups and other stakeholders. The government has now tabled the new bill in Parliament.
- The new Cantonment Act, 2006 initiated by the UPA Government has provided for reservation for women for the first time and wards have been reserved accordingly in the elections to cantonment boards scheduled to be held in 2008.

3.2.4 Girls' education

- 2,180 residential Kasturba Gandhi Balika Vidyalaya schools have been sanctioned and are providing elementary education to 1,82,000 out-of-school girls.

3.2.5 Women officers in the Army

- All officers, including those in short service commission, are now eligible to hold substantive rank of captain, major and lieutenant colonel after two, six and 13 years of reckonable service respectively and tenure of short service commission officers has been made extendable from 10 years to 14 years, ensuring parity for women officers with their male counterparts.

3.3 EMPOWERMENT AND DEVELOPMENT OF THE WEAKER SECTIONS

The UPA Government has given greater focus to empowerment and development of the weaker sections through initiation of progressive legislation, ensuring better representation in government

employment, greater investment and initiation of wide-ranging programmes.

3.3.1 Affirmative action

- The UPA Government has filled up over 53,000 vacancies through direct recruitment or promotion with members belonging to the scheduled castes and scheduled tribes in an unprecedented special drive to clear the backlog of vacancies for reserved posts.
- Amendments initiated by the UPA Government have been effected in the Constitution to facilitate greater access to education for students belonging to the scheduled castes and tribes and the socially and educationally backward classes.
- The new Cantonment Act, 2006 initiated by the UPA Government has provided for reservation for scheduled castes and scheduled tribes for the first time and wards have been reserved accordingly for elections to cantonment boards scheduled to be held this year.
- A coordination committee for affirmative action for the scheduled castes and tribes in the private sector initiated consultations with apex industry associations, with a view to explore the best possible way to fulfil the aspirations of the youths belonging

to the scheduled castes and tribes, and has submitted an interim report suggesting certain action points to move forward on this issue. The report is being considered.

3.3.2 Education

- The UPA Government has expanded provision of scholarships to students belonging to weaker sections of society.
- To prepare candidates from among the scheduled castes and tribes for selection to academic positions and for doctoral studies, the Rajiv Gandhi National Fellowship Scheme has been launched.
- 2,180 new residential Kasturba Gandhi Balika Vidyalaya schools, including 1,205 in blocks having concentration of scheduled castes and tribes, have been sanctioned for elementary education to out-of-school girls, primarily from the weaker sections of society and the minorities.
- Top Class Education Scheme has been launched, giving meritorious students education in premier education institutions after class XII.
- The scheme of free coaching has been revised to attract reputed institutions.



- The Indira Gandhi National Tribal University Act initiated by the UPA Government has been passed for setting up the University at Amarkantak in Madhya Pradesh to promote studies and research in various aspects of life of tribal communities.

- Over the last four years, 476 hostels have been sanctioned for the scheduled tribes, 156 ashram schools started, 35 Eklavya model residential schools made functional, and assistance provided for 84 educational complexes for scheduled tribe girls in low literacy districts.

3.3.3 Rehabilitation of manual scavengers

- The UPA Government has launched a new Self Employment Scheme for Rehabilitation of Manual Scavengers to rehabilitate scavengers in alternative occupations by giving them financial assistance and skill development training for self-employment ventures.

3.3.4 Rights of scheduled tribe and other traditional forest-dwellers in forests

- The UPA Government initiated the historic Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forests Rights) Act, 2006 and has notified it this year to provide rights over land in historical possession of adivasi and traditional forest dwellers, correcting major historical wrongs in not having their rights recorded. In addition to land rights, rights have also been given on minor forest produce and community assets.

3.3.5 Welfare and development of primitive tribes

- The UPA Government has provided insurance cover under Janashree Bima Yojana to four lakh primitive tribe families.

- A long-term conservation-cum-development plan has been formulated for each primitive tribe and Rs. 670 crore earmarked for this in the 11th Plan.

3.3.6 Development of forest villages

- The UPA Government has launched a programme for the development of 2,388 forest villages, with release of assistance to the tune of

Rs. 459 crore.

3.3.7 Developing fields of farmers belonging to the scheduled castes and tribes

- The UPA Government has addressed the need for irrigation and other improvements on the fields of farmers belonging to the scheduled castes and scheduled tribes through the National Rural Employment Guarantee Programme, in addition to programmes for irrigation under Bharat Nirman.

3.3.8 Finance Development Corporations

- The UPA Government has provided loans through the National Finance Development Corporations for Scheduled Castes, Other Backward Classes and Safai Karmacharis to around 1,73,000, 1,45,000 and 67,000 persons respectively over the past four years. The National Scheduled Tribes Finance Development Corporation has assisted over 50,000 persons in income generating activities over the period. The Government is enhancing their equity bases to enable them to further expand their activities.

3.3.9 Outlays for schemes benefiting the scheduled castes and tribes

- The UPA Government has substantially enhanced budget allocation for schemes benefiting the scheduled castes and scheduled tribes each year, and the allocation has increased to Rs. 18,983 crore in 2008-09.

3.4 INCLUSIVE DEVELOPMENT OF PERSONS WITH DISABILITY

The UPA Government has adopted and begun effective action on the National Policy for Persons with Disabilities through affirmative action in government employment, catalytic scheme for private employment, and other development and welfare measures.

3.4.1 Employment and livelihood measures of persons with disability

- Reservation for the persons with disabilities has increased to 19 civil services. Result is visible in the form of appointment of persons suffering from blindness, low vision, hearing impairment, locomotor

disability or cerebral palsy in civil services, including the All India Services.

- A scheme has been approved for providing one lakh jobs annually to persons with disabilities, with a proposed outlay of Rs. 18,000 crore in the 11th Plan. The scheme will incentivise employers in the organised private sector to provide employment to persons with disability by reimbursing the employer's contribution for the first three years, once the employee is enrolled under the Employees Provident Fund and the Employees State Insurance schemes.
- The National Handicapped Development Corporation has provided loans to around 30,000 persons over the past four years and its equity base is being enhanced to enable it to further expand its activities.

3.4.2 Welfare and development measures

- Coverage and scope of the scheme for providing essential devices has been expanded with coverage of persons having higher income levels and inclusion of more devices like motorised tricycles, screen-reading software for the disabled, etc.
- The National Institute for Empowerment of Persons with Multiple Disabilities has been set up in Chennai.
- A National Programme for Prevention and Control of Deafness has been launched.

3.5 FREEDOM FIGHTERS

- The UPA Government has doubled the pension of freedom fighters and spouses of deceased freedom fighters to Rs. 10,000 per month.
- The monthly pension of unmarried and unemployed dependent daughters of deceased freedom fighters has been enhanced from Rs. 600 for the eldest daughter and Rs. 350 for younger daughters to Rs. 1,500 for all daughters.
- It has been decided to honour the participants in the Arzi Hukumat Movement of Junagadh in 1947 by giving a cash award of Rs. 1 lakh, along with a letter of appreciation/gratitude on the part of the

Government of India.

3.6 CARING FOR THE SENIOR CITIZENS

The UPA Government has expanded the coverage and extent of social security for senior citizens through changes in the old age pension scheme, facilitation of savings and income increase, announcement of a National Programme for the Elderly, and initiation of legislation that will ensure maintenance support for them upon enactment.

3.6.1 Facilitating incomes

- The UPA Government has increased old age pension from Rs. 75 to Rs. 200 per beneficiary per month and extended coverage to all persons of the age of 65 years and above who are living below the poverty line under the Indira Gandhi National Old Age Pension Scheme.
- A Senior Citizens Savings Scheme has been launched, with attractive interest rate and eligibility for tax exemption up to a limit.
- The UPA Government has announced introduction of reverse mortgage through the National Housing Bank. Under this, a senior citizen house-owner can avail of a monthly stream of income against mortgage of her / his house, while remaining the owner and occupying the house throughout her / his lifetime, without repaying or servicing the loan and without attracting income tax or capital gains tax, subject to some conditions.
- Income tax exemption limit for senior citizens has been progressively enhanced to Rs. 2.25 lakh and additional income tax deductions have been given on payment of medical insurance premium for senior citizens either by themselves or their children.
- The recommendation of the Sixth Pay Commission will result in enhancement of pensions.
- For women senior citizens, 50% concession on rail travel has been provided.

3.6.2 Welfare measures

- The UPA Government has announced that a National Programme for the Elderly will be started this year and, under it, two National Institutes of Ageing, eight regional centres, and a department for geriatric medical care in one medical college or tertiary level hospital in each State will be established in the 11th Plan.
- The Maintenance and Welfare of Parents and Senior Citizens Bill, 2007 has been introduced in Parliament to provide for more effective provisions for the maintenance and welfare of parents and senior citizens.

3.7 WELFARE OF EX-SERVICEMEN & SERVING DEFENCE SERVICE PERSONNEL

3.7.1 Welfare of defence service personnel and pensioners

- The UPA Government has set up the Department of Ex-servicemen's Welfare for focused and comprehensive attention to the rehabilitation of ex-servicemen.
- Placement of ex-servicemen in jobs was taken up as a special drive, in collaboration with the corporate sector, to provide gainful reemployment to ex-servicemen and more than 45,000 ex-servicemen were reemployed in 2007.
- Pre-retirement training imparted for suitable placement has been enhanced and expanded.
- Ministries have been advised to instruct public sector undertakings to engage only ex-servicemen security agencies for security related work.
- Availing of benefits under the Ex-servicemen Contributory Health Scheme has been made easier and the number of polyclinics and empanelled private hospitals and diagnostic centres increased substantially.

3.7.2 Welfare of defence service personnel

- The UPA Government initiated the bill for the Armed Forces Tribunal Act, 2007, which has provided a meaningful opportunity to service

personnel for judicial review of decisions given in court martial and grievances relating to service matters.

- The pension benefits of about 12 lakh personnel below officer rank, particularly those in the rank of sepoy, naik and havildar, have been improved.
- Leave policy has been liberalised, enabling three visits to home in a year against two earlier.
- All personnel serving in field, high altitude, counter-insurgency or counter-terrorism operational areas have been granted one additional free railway warrant for visiting home town or selected place of residence in a calendar year. Distance restriction of 1,450 km on LTC has been removed.
- High altitude allowance in certain areas at an altitude of more than 14,000 feet above the sea level has been enhanced.
- Instructions have been issued for finalisation of cases of next-of-kin seeking benefits given in respect of personnel dying in harness within eight weeks.
- The Prime Minister's Merit Scholarship Scheme has been introduced for giving 5,000 scholarships every year to wards of armed forces personnel.
- Housing projects have been initiated under Jai Jawan Awas Yojana.

3.8 WELFARE OF WORKERS IN THE UNORGANISED SECTOR

The UPA Government has commenced creation of a social security net through a series of major initiatives, viz., Aam Admi Bima Yojana, Rashtriya Swasthya Bima Yojana and Indira Gandhi National Old Age Pension Scheme.

3.8.1 National Commission on Enterprises in the Unorganised Sector

The National Commission on Enterprises in the Unorganised Sector has been set up to act as an advisory body and a watchdog and to submit periodic reports to the Government. Based on its suggestions, a number of major initiatives have been taken.

3.8.2 Social security initiatives

- The UPA Government has introduced the Unorganised Sector Social Security Bill, 2007, which envisages social security schemes for workers in the unorganized sector. In anticipation of the bill being made into law, the Government has launched three major schemes to effectively put in place a social security net—

- Aam Admi Bima Yojana for life and disability insurance cover to one member of estimated 1½ crore landless households.
- Rashtriya Swasthya Bima Yojana for family health cover to estimated 6 crore unorganised sector workers living below the poverty line.
- Indira Gandhi National Old Age Pension Scheme, covering all 1½ crore persons over 65 years living below the poverty line.

- In addition, the Rajiv Gandhi Shilpi Swasthya Bima Yojana has been launched to provide health insurance coverage to artisans and their families and the Handloom Weavers' Comprehensive Welfare Scheme launched for insurance cover to weavers.

- A major step has been taken towards provision of social security to labour in the unorganised sector in rural areas through enactment of the National Rural Employment Guarantee Act, assuring 100 days of wage employment in a year.

- The national floor level minimum wage has been raised from Rs 66 to Rs 80 per day.



*'Together we can.
Together we will...'*



4.1 BHARAT NIRMAN

The UPA Government has launched Bharat Nirman for comprehensive improvement of rural



infrastructure to ensure inclusive growth by ensuring that all eligible villages / habitations have electricity, safe drinking water, all-weather roads, and telephones, and that rural housing and irrigation potential created are substantially augmented.

4.1.1 Progress

- From the launch of Bharat Nirman in 2005 till February 2008, over 17,000 habitations have been connected by all weather roads, over 45,000 villages provided electricity under Rajiv Gandhi Grameen Vidutikaran Yojana, over 45 lakh houses constructed for the rural poor, over 3½ lakh habitations provided safe drinking water and more than 38 lakh hectares of land brought under irrigation. The scale of assistance for house building has been increased progressively over the past four years from Rs. 20,000 to Rs. 35,000.

- Only 12,000 villages remained to be connected by telephone. Number of rural telephone connections has more than doubled over the past four years and tariffs have fallen dramatically. To provide mobile telephones and broadband connectivity for Internet and other modern telecom facilities in rural areas, a massive scheme for creation of rural telecom infrastructure has been taken up.

4.2 RURAL EMPLOYMENT

The UPA Government initiated the bill enacted as the National Rural Employment Guarantee Act, which has entitled the rural poor to guaranteed employment for hundred days. A social safety net

of this dimension has not been undertaken anywhere in the world.

4.2.1 National Rural Employment Guarantee Programme

- The UPA Government has progressively

The National Rural Employment Guarantee Programme-Largest social safety net initiative in the world

Satyan, 34 years old and a resident of a new rural settlement near Salem in Tamil Nadu, does not know that he is a beneficiary of the largest safety net programme on earth, an initiative that has a no parallel anywhere else in the world. But he knows that the 100 additional working days that the NREGA-guarantees him will change his life for the better.

Earlier, with no work in the fields for months at a stretch, he had often thought of going to the city to seek employment.

But this year, things worked out differently. Thanks to the NREGA, he got more than three months' work in a road-building project near his home. With the extra money he will make over the next two years he plans to set up a small general merchants' shop in his village. The NREGA-built road will also serve as his path to success.

expanded coverage under the Act from 200 districts to all 604 rural districts of the country, effective from April 2008.

- Over three crore people are being provided employment annually in 330 districts and many more will benefit with the expansion of the programme. Over 17 lakh works have been taken up, out of which over 8 lakh works have been completed by mid-April 2008.

4.3 AGRICULTURE AND COOPERATION

The UPA Government aims at sustaining the



doubling of agricultural growth achieved in 2006-07 after many years of poor growth, growing indebtedness and declining public investment in agriculture. It has taken major steps on an unprecedented scale to ensure availability of credit and waiver of debt, remunerative prices to farmers, and increase in public investment in agriculture, increasing the outlay on agriculture and irrigation threefold to Rs. 1,38,000 crore in the 11th Plan.

4.3.1 Remunerative prices to farmers

The UPA Government has given an unprecedented 56% hike of Rs. 370 per quintal in the minimum support price for wheat and a 33% hike for paddy over the last four years.

4.3.2 National Food Security Mission

The UPA Government has set up the National Food Security Mission to enhance the production of rice, wheat and pulses by 100 lakh, 80 lakh and 20 lakh tonnes respectively in the 11th Plan in 305 districts of 16 States, with an outlay of over Rs. 4,800 crore.

4.3.3 Rashtriya Krishi Vikas Yojana

The UPA Government has launched Rashtriya Krishi Vikas Yojana to incentivise States to invest more in agriculture, with an outlay of Rs. 25,000 crore.

4.3.4 Irrigation and rainfed area development

- The UPA Government has decided to take up Teesta Barrage (West Bengal), Shahpur Kandi (Punjab), Bursar and Ujh (J&K), 2nd Ravi Vyas Link (Punjab), Gyspa & Renuka (Himachal Pradesh),

Lakhvar Vyasi (Uttarakhand), Kishau (Himachal Pradesh & Uttarakhand), Noa-Dehang & Upper Siang (Arunachal Pradesh), Kulsi (Assam), Gosikhurd (Maharashtra) and Ken-Betwa (Madhya Pradesh) projects as national projects, with 90% central assistance.

- Bharat Nirman has brought more than 38 lakh hectares land under irrigation.

- 5.5 lakh hectare has been covered through drip and sprinkler irrigation and another four lakh hectare is targeted for this year.

- The National Rainfed Area Authority has been established to foster harvesting, conservation and sustainable and equitable use of rainwater and will implement the Rainfed Area Development Programme from this year.

4.3.5 Debt waiver and debt relief to the tune of Rs. 60,000 crore

- The UPA Government has launched a scheme for debt waiver and relief to about four crore farmers by June 2008 for all agricultural loans disbursed by banks up to March 2007 and overdue by December 2007 and which remained unpaid till February 2008, at a cost of Rs. 60,000 crore.

- For farmers with holding up to two hectares there will be complete waiver.

- For other farmers, there will be a rebate of 25% on payment of the balance 75%.

4.3.6 Credit

- The UPA Government, through its new credit policy, has ensured rapid expansion in disbursement of agricultural credit in amount and coverage, while also making it more affordable.

- The target set in the National Common Minimum Programme of doubling agricultural credit in three years has been substantially exceeded. The target of Rs. 2,25,000 crore set for 2007-08 has been achieved. For 2008-09, a target of Rs. 2,80,000 crore has been set.

- 2% relief in interest rates on crop loans up to Rs. 3 lakh has been provided.
- Banks have been allowed to waive margin / security requirements for agricultural loans up to Rs. 50,000. The limit on loans to farmers through the produce marketing scheme has been doubled to Rs. 10 lakh.
- Over three crore new farmers have received loans from public sector banks, Regional Rural Banks (RRBs) and cooperative banks over the last four years.
- The UPA Government has taken up the revival of the rural cooperative banking system and recapitalisation of RRBs to improve their lending ability.
- At the end of 2007, bank loan of over Rs. 20,000 crore had been availed of by over 30 lakh self help groups, which enabled an estimated over four crore poor households to gain micro-finance from the banks. In the last four years, the number of self help groups has tripled and credit availed by them has gone up more than fivefold. Women in these groups have been provided life insurance cover under Janashree Bima Yojana.

4.3.7 Package for suicide-prone districts

- A special package including measures relating to credit, irrigation, agricultural inputs and alternative sources of income, amounting to more than Rs. 16,000 crore, is being implemented in 31 districts worst affected by farmers' suicides.
- The entire interest on loans overdue as on 1.7.06 has been waived, making the farmers eligible for fresh loan along with rescheduling of the loan with one-year moratorium.
- A special package for livestock and fisheries is also being implemented.

4.3.8 Horticulture

The UPA Government has launched the National Horticulture Mission to promote holistic area-based development of horticulture in 340 districts. An area

of 2,76,000 lakh hectares has been brought under horticulture and another 56,000 hectares of old plantations rejuvenated.

4.3.9 Plantation crops

- The UPA Government has set up a Special Purpose Tea Fund for funding replanting and rejuvenation of old tea bushes for improving the age-profile of tea plantations, which will cover about 85,000 hectares area in the 11th Plan. Under a revival package, 33 tea gardens which were lying closed – affecting more than 30,000 workers – are being reopened.
- A fund for coffee replanting has been set up. Restructuring of loans and interest relief has been given to coffee growers to mitigate problems arising from the low prices of coffee. The UPA Government has introduced weather / rainfall insurance with 50% Government subsidy for small coffee-growers. Further, the extent of insurance cover under the Personal Accident Insurance Scheme has been enhanced and the scheme extended to cover permanent plantation growers as well, besides permanent workers.
- Support for replanting on lines of tea and coffee has also been earmarked for cardamom and rubber this year.

- The UPA Government has approved crop insurance scheme for tea, rubber, tobacco, ginger, turmeric, chilli, pepper and cardamom.

4.3.10 Cotton

The UPA Government, through development of market yards, modernisation of a thousand ginning and pressing factories and other measures taken under the Technology Mission on Cotton, has succeeded in facilitating increase of over 70% in cotton production and over 35% increase in productivity, besides reducing cotton imports and improving cotton quality.

4.3.11 Oilseeds, pulses and maize

The UPA Government is pursuing expansion of the Integrated Oilseeds, Oil palm, Pulses and Maize

Development Programme through doubling of production of certified seeds within a period of three years.

4.3.12 Sugarcane and sugar industry

- With the UPA Government's one-time assistance package being adopted by state governments of Tamil Nadu, Maharashtra and Andhra Pradesh, old cane arrears were cleared and enhanced production resulted in 2006-07 and 2007-08.
- To deal with excess production, the Government has stepped in with a comprehensive strategy through creation of buffer stock, export assistance, extension of moratorium on outstanding loans, interest relief up to 12%, and mandatory 5% blending of ethanol with petrol.

4.3.13 Bamboo

A National Bamboo Mission has been launched to promote holistic growth of the bamboo sector, and bring about improvement in productivity from two to three tonnes per hectare to 18 tonnes per hectare.

4.3.14 Livestock

- The UPA Government has launched the Livestock Insurance Scheme in selected districts for providing insurance cover for crossbred and high-yielding cattle and buffaloes, with 50% government subsidy.
- Appearances of bird flu have been successfully controlled.
- The National Fisheries Development Board has been set up to double annual production by 2012. A comprehensive Marine Fishing Policy has been adopted to have sustainable and responsible fisheries and to exploit deep-sea fishery resources in India's Exclusive Economic Zone.

4.3.15 Research

The UPA Government has launched the National Agricultural Innovation Project for transfer of research knowledge to the field and has set up Krishi Vigyan Kendras in almost all rural districts.

4.3.16 Education

- The UPA Government has launched a scheme for development and strengthening of 34 state agricultural universities, five deemed universities and three Central universities, and establishment of the Sher-e-Kashmir University of Agricultural Science and Technology at Jammu.
- Special grant of Rs. 100 crore has been provided for the Punjab Agricultural University, and grants of Rs. 50 crore each to the Gobind Ballabh Pant University of Agriculture and Technology at Pantnagar and Tamil Nadu Agricultural University at Coimbatore have been announced.

4.3.17 Extension

The UPA Government has launched the Scheme for Support to State Extension Programmes for Extension Reforms being implemented through Agriculture Technology Management Agencies established at the district level.

4.3.18 Fertilisers

The UPA Government has made wide-ranging efforts to meet surging demand through improvement in indigenous production capacity, long-term import arrangements and joint ventures abroad for production / supply. Efforts are under way to improve efficiency and reduce cost of production of urea by a complete changeover to gas as feedstock over the next three to four years.



'Make my scene green'



The UPA Government has adopted a new National Environment Policy to mainstream environmental concerns in development activities and policies across relevant sectors. The policy embodies a paradigm shift in that it recognises that the most secure basis for conservation is to ensure that the people dependent on a particular resource obtain better livelihoods through conservation rather than through degradation of such resource.

5.1 CONSERVATION OF WILDLIFE

The UPA Government has established the National Tiger Conservation Authority to strengthen tiger conservation and has set up the Wildlife Crime Control Bureau.

5.2 GREEN INDIA

The UPA Government has approved “Green India”, a programme for massively afforesting 60 lakh hectares of degraded forest land in the next ten years, beginning with work on 30 lakh hectares this year. For this purpose, introduction of legislation to set up a Compensatory Afforestation Fund and a Compensatory Afforestation Fund Management and Planning Authority has been approved.

5.3 CLIMATE CHANGE

- The UPA Government has acted with urgency on the issue of climate change and set up a Prime Minister’s Council on Climate Change to plan and implement appropriate strategies for mitigating and adapting to climate change. A comprehensive National Action Plan on Climate Change is under preparation. India is willing to ensure that its per capita emissions shall at no time exceed the average per capita emissions of developed countries.

- Under the Clean Development Mechanism, one-third of projects registered globally are from India, the highest for any country. These have the potential of facilitating investments of over Rs. 71,000 crore.

5.4 WATER CONSERVATION

- Water conservation works are being taken up on a large scale under the National Rural Employment Guarantee Programme and the National Project for Repair, Renovation and Restoration of Water Bodies used by farmers.

- The National Rainfed Area Authority has been established to foster harvesting, conservation and sustainable and equitable use of rainwater and will implement the Rainfed Area Development Programme from this year.

- States have been encouraged to direct municipal bodies to make rainwater harvesting part of design approvals by local bodies and a number of states have done work on rainwater harvesting and have taken steps to amend municipal or building laws.



'Partners in governance'





6.1 REFORMS

The UPA Government has effected and initiated major reforms in administration and the justice system. Major successes have been achieved in the turnaround of the public sector, citizen empowerment through the right to information and a number of e-governance projects.

6.1.1 Administrative reforms

- The UPA Government has set up the Second Administrative Reforms Commission, which has made several recommendations for comprehensive reform of public administration in India. These are being examined for follow up.
- Comprehensive arrangements have been put in place for improving accountability and competency of IAS officers. New policies on mandating mid-career training, intensive review, performance appraisals and promotions have been put in place. Prime Minister's Awards for Excellence in Public Administration and Civil Service Day have been instituted.
- The UPA Government has successfully turned around public sector enterprises. It has given greater managerial and commercial autonomy to public sector enterprises, including banks.

- The Sixth Central Pay Commission has submitted its report. This is expected to meet the legitimate expectations of Government employees.
- The UPA Government brought forward the historic Right to Information Act for empowering citizens to know how the Government functions and to increase transparency in the functioning of the central, state and local governments, as well as recipients of government grants. The Act has enabled citizens to get justice and obtain redress of long pending grievances.

6.1.2 e-Governance

- The UPA Government has successfully implemented e-governance projects relating to income tax, customs and excise, railway reservation, e-credit of India Post Monthly Income Scheme to investor's account, dematerialization of National Savings Certificate and Kisan Vikas Patra, etc.
- Under MCA21, all services related to the Registrar of Companies are now accessible through the Internet.
- Facility for online submission of passport applications has been introduced and introduction of e-passports is being initiated. Passport Seva Project has been approved so that all passports get issued within three days of police verification by 2009.
- Schemes for computerising over 13,000 District and Subordinate Courts and all 646 consumer forums have been launched.
- State-Wide Area Networks for providing broadband connectivity at district, sub-divisional and block headquarters are being commissioned across States, beginning with the four State Networks commissioned in early 2008.
- Establishment of over one lakh rural Internet-enabled Common Service Centres for delivery of e-governance services has commenced with the setting up of over 3,000 centres.
- Computers tools have been made available in ten Indian languages.

6.1.3 Reform of the justice system

- The UPA Government initiated legislation that has prohibited arrest of women after dark, mandated judicial inquiry in case of custodial death or rape, provided for release of long-detained under-trials, mandated DNA testing in rape case, required the establishment of State Directorates of Prosecution and introduced plea-bargaining.
- Over the last four years the approved strength of judges in High Courts has been raised by 20% from 725 to 877. Approval has also been given to increase the number of judges in the Supreme Court from 25 to 30.
- Schemes for computerising over 13,000 District and Subordinate Courts and all 646 consumer forums have been launched.
- The UPA Government has introduced legislation in Parliament to address the issues of witnesses turning hostile, rights of victims, unnecessary arrests, rights of arrested persons and victim compensation.
- The UPA Government has introduced legislation in Parliament for setting up the National Judicial Council for greater accountability and transparency in the judiciary.
- The UPA Government has brought forward a legislation to establish Gram Nyayalayas to secure speedy and hassle-free justice at the doorstep through people-friendly mobile local courts.

6.2 PANCHAYATI RAJ

The UPA Government has strengthened Panchayati Raj through provision of untied funds to support local area development planning, in addition to reorienting delivery systems to work through panchayats.

6.2.1 Round Table Conferences and centrality to panchayats in the development process

- The UPA Government held seven Round Table Conferences with State Panchayati Raj Ministers to build a consensus, which enabled creation of State-specific roadmaps for devolution of funds and functions.

- Based on this, the 11th Plan has recognized the central role of Panchayats in planning and implementation of critical programmes related to rural service delivery and issued guidelines institutionalizing planning through Panchayats by preparation of village level plans that will be consolidated into District Plans.

6.2.2 Backward Regions Grant Fund

The Backward Regions Grant Fund, with annual allocation of over Rs. 4,000 crore for 250 identified backward districts, is being implemented through Panchayats. In the last four years, an amount of Rs. 8,000 crore has been released to the States under Rashtriya Sam Vikas Yojana and the Backward Regions Grant Fund. Decentralized district planning has been adopted under the Backward Regions Grant Fund Programme.

6.2.3 Reorienting delivery through Panchayats

- Panchayats have been given the central role in implementation and monitoring of the National Rural Employment Guarantee Programme. At least half the work is to be done by Gram Panchayats, using funds placed with them.
- Guidelines of the National Rural Employment Guarantee Programme, National Rural Health Mission, Sarva Shiksha Abhiyan, National Cooked Mid-day Meal Programme, Accelerated Rural Water Supply Programme and Rashtriya Krishi Vikas Yojana have been reviewed to ensure centrality of Panchayats in planning and implementation.
- The UPA Government requested the States to amend the rules in conformity with the Panchayats Extension to Scheduled Areas Act for involving Gram Sabhas / Panchayats in mining and most States having Scheduled Areas have done so.

6.3 URBAN RENEWAL

6.3.1 Jawaharlal Nehru National Urban Renewal Mission

The UPA Government has launched the Jawaharlal Nehru Urban Renewal Mission, the largest initiative for urban development since independence. Projects

worth over Rs. 30,000 crore are under implementation in 54 cities and more than ten lakh houses have been sanctioned for the urban poor by mid-April 2008. Emphasis has been laid on provision of basic services to the poor, including housing, water supply, sanitation, slum improvement, community toilets/bath, etc., so that there is improvement in the quality of life of ordinary people.

6.3.2 Pooled Finance Development Scheme

The UPA Government has launched a scheme for setting up a Pooled Finance Development Fund to provide credit enhancement to urban local bodies for accessing market borrowings through a state-level finance pool.

6.3.3 Metros and suburban rail services

- The Delhi Metro Project has been successfully rolled out. The Government has sanctioned Phase-II of Delhi Metro and its extension to Gurgaon and NOIDA, as well as an express Metro link between the New Delhi Railway Station and Indira Gandhi International Airport.
- Work has commenced on the Bangalore Metro Rail Project, approved at an estimated cost of Rs. 6,395 crore and having a target timeframe of 2011 for completion.
- The Mumbai Urban Transport Project Phase-I is targeted for completion in the 11th Plan and Phase-II has been approved at an estimated cost of Rs. 5,300 crore.

6.3.4 Cantonments

The new Cantonment Act, 2006 has provided for greater democratisation in the affairs of Cantonment Boards by introducing parity between elected and non-elected members of the Board, giving special invitee status to local MP / MLA in Board meetings and introducing reservation for scheduled castes, scheduled tribes and women. Elections under the new Act are scheduled this year.

6.4 CENTRE-STATE RELATIONS

- The UPA Government has set up a new Commission on Centre-State Relations after three decades. The Commission has commenced work.
- In order to collectively deliberate upon and arrive at a common understanding and strategies concerning critical issues requiring coordinated action by the Centre and States, discussions with Chief Ministers have been held frequently in various forums.
- The fiscal health of the States has never been better. As a result of the new scheme of tax devolution under the accepted recommendations of the Eleventh Finance Commission, the share of States has risen sharply from Rs. 65,784 crore in 2003-04 to Rs. 1,78,765 crore this year. Central grants-in-aid to States have also risen similarly from Rs. 47,320 crore to Rs. 1,24,745 crore.
- Revision of royalty payable to States on coal, lignite and other minerals has led to increased mineral royalties to States.
- A number of measures have been taken for alleviating the debt burden of States, like permission to refinance institutional loans with cheaper market borrowings or new institutional loans and cheaper market borrowings for financing the loan component of Normal Central Assistance, transfer of external assistance loans to States on (cheaper) back-to-back basis, and introduction of a scheme of debt relief for rescheduling all Central loans contracted till 31.3.04 and outstanding as on 31.3.05 into fresh loans carrying lower interest. Central loans of States have been consolidated to the extent of Rs. 1,10,000 crore. This has provided interest relief to States to the extent of over Rs. 12,000 crore over the past three financial years and debt waiver of over Rs. 13,285 crore. Debt consolidation and waiver have facilitated States to achieve fiscal responsibility targets and have also provided them an opportunity to concentrate on social sectors to make the growth process more inclusive.

*'More smiles to
a smiling land'*



7.1 THE NORTHEAST

7.1.1 *Securing peace*

- The UPA Government has appealed to militant groups to give up violence and to come forward for talks without conditions. A number of outfits have suspended operations and engaged in dialogue, which has contributed to relieving the sense of alienation among some of our people.
- A large number of people from the Bru/Reang tribe have returned to Mizoram and been rehabilitated.
- Diplomatic initiatives have been taken with Bangladesh, Myanmar and Bhutan for tackling insurgent outfit operations.
- Special focus has been given to completing the border fence and roads along the Indo-Bangladesh border.
- The UPA Government has improved the scheme for surrender and rehabilitation of militants in the Northeast.
- In order to create employment opportunities and wean youth away from the path of violence, 20% of vacancies of constables in Border Guarding Forces have been allotted to areas affected by militancy, including the Northeast.
- Special Central Assistance is being provided for modernisation of State police forces and, under the revised Scheme, all seven States in the Northeast have been made eligible for 100% central funding.

7.1.2 *Roads*

- The UPA Government has approved a Special Accelerated Road Development Programme for the Northeast to improve about 8,737 km of roads. Phase A of the project, involving work on 2,304 km of roads, has been approved and works are in progress.
- Work on the East-West Corridor under the National Highway Development Programme is also under way.
- An 1,840-km long two-lane Trans-Arunachal

Pradesh Highway will be constructed across the length of the State and Itanagar will be connected with a four-lane highway.

- The norms of coverage of villages under Pradhan Mantri Gram Sadak Yojana have been revised to ensure coverage to hundreds of additional habitations in the Northeast.

7.1.3 *Railways*

- The UPA Government has taken up electrification of the remaining 800 km Barauni-Katihar-Guwahati section on the mainline leading to Guwahati, construction of the rail-cum-road bridge over Brahmaputra River at Bogibeel, gauge conversion of the Luming-Silchar and Rangia-Murkongselek lines, and construction of the Kumarghat-Agartala-Sabroom, Jiribam-Tupul (Imphal Road), Bhairabhi-Sairang (Aizawl) and Itanagar-Haruti new railway lines to provide better connectivity for the State capitals of Assam, Tripura, Manipur, Nagaland, Mizoram and Arunachal Pradesh, besides opening up the possibility of a rail link at a later date to Chittagong Port from Sabroom.
- To strengthen rail linkages in the region and with South East Asian neighbours, the Government has signed the Inter-Governmental Agreement on the Trans-Asian Railway.

7.1.4 *Airports*

- The North Eastern Council has been collaborating with the Airports Authority of India to upgrade 18 airports in the North Eastern Region. Greenfield airports will be built in Assam and at Itanagar in Arunachal Pradesh.
- The North Eastern Council has taken the initiative to establish a dedicated airline for the region. Several schemes for development of airports in the region have been taken up at Agartala, Barapani, Dibrugarh, Dimapur, Guwahati, Silchar, Imphal, Jorhat and Rupsi. Five civil airports will be made operational and five defence airstrips upgraded in Arunachal Pradesh.
- Helicopter services in the Northeast have been expanded in terms of capacity, frequency and destinations.

7.1.5. *Inland waterways*

The UPA Government has introduced a bill in Parliament for declaring the Lakhimpur-Bhanga stretch along the Barak River as a national waterway, which will improve connectivity of major commercial centres like Lakhimpur, Silchar and Badarpur in the Barak valley with the major ports of Haldia and Kolkata.

7.1.6 *Power*

- The Prime Minister has laid the foundation stones for the 3,000 MW Dibang multipurpose project – the country’s largest hydroelectric project – and the 110 MW Pare hydroelectric power project in Arunachal Pradesh this year.
- Earlier, the UPA Government approved the 600 MW Kameng hydroelectric power project in the State and resumed work on the 2,000 MW Subansiri Lower hydroelectric power project.
- The NTPC is working towards starting a 500 MW thermal power plant at Salakati in Assam by 2009.
- The Prime Minister has laid the foundation of a

750 MW gas-based thermal power plant in Tripura.

- Villages are being electrified under Rajiv Gandhi Grameen Viduytikaran Yojana.
- A programme for electrification of all households in Arunachal Pradesh has been announced.

7.1.7 *Industrial promotion*

- The UPA Government has notified a more liberal new industrial and investment promotion policy for the Northeast, which has doubled capital subsidy and covered Sikkim as well.
- Work on the Assam Gas Cracker Project has started and will further contribute to the industrial development of the region through many more downstream polymer/plastic processing units, generating employment.

7.1.8 *Earmarked expenditure in the Northeast*

The UPA Government has progressively raised total budget allocation for the Northeast. It has increased three-fold over the past five budgets to Rs. 16,447 crore.



7.1.9 Health

- The UPA Government has kept all States in the Northeast as special focus States under the National Rural Health Mission. Keeping in mind capacity building needs, the North Eastern Regional Resource Centre has been set up.
- NEIGRIHMS, Shillong has been made operational as a 365-bed hospital and approval has been obtained for starting a medical college in the Institute.
- With a view to create centres of excellence in the field of medical education and services, the three institutes handled earlier by the North East Council, viz., LGBRJMHS Tezpur, RIMS Imphal and RIPANS Aizwal have been taken over by the Health Ministry.

7.1.10 Education

- The UPA Government has given North-eastern States 90% assistance under Sarva Shiksha Abhiyan, compared to 65% for other States.
- The state universities in Manipur, Arunachal Pradesh and Tripura have been converted into central universities and the setting up of a central university in Sikkim undertaken to accelerate development of the converted universities and ensure a central university in each Northeastern State.

- An Indian Institute of Management has been set up at Shillong.
- The UPA Government also undertook setting up of a Central Institute of Technology at Kokrajhar and a National Institute of Technology in Tripura.
- In order to address problems faced by students and working women from the Northeast while living in the national capital, a 500-seat girls' hostel in the Delhi University and a 500-seat hostel for working women were taken up.

7.1.11 Urban renewal

Cities and towns in the Northeast are being provided up to 90% central grant for projects under the Jawaharlal Nehru National Urban Renewal Mission.

7.1.12 Bamboo

North-eastern states have been accorded priority under the National Bamboo Mission.

7.1.13 Incentive package for members of All India Services

In order to address the hardships faced by members of the All India Services serving in the Northeast and to motivate and encourage serving in the region, the UPA Government has put in place an incentive package.





***'Taking a big
leap forward'***

7.2 JAMMU & KASHMIR

A perceptible improvement in the overall situation in Jammu & Kashmir is noticeable. The Government is firmly committed and determined to counter the challenge posed by terrorists and violence sponsored from across-the-border in the State and restore enduring peace in the State. Towards this end, a holistic and multi-faceted strategy is being pursued. The Prime Minister's Reconstruction Plan, amounting to Rs. 24,000 crore, is being implemented vigorously with focus on improving connectivity and infrastructure, including power, and generating employment. As part of this Plan, a Housing Project for Kashmiri Migrants is under implementation in the State. The UPA Government has held a series of Round Table Conferences with all segments of population in Jammu and Kashmir. These deliberations reflect a wide-ranging civic and political consensus on political and developmental issues. The Government is working on a holistic approach aimed at confidence building amongst all sections of society, easier travel across the Line of Control, better governance and closer attention to the aspirations of the people of Jammu and Kashmir. There has been appreciable improvement in the law and order situation. The recommendations of the five working groups have been endorsed by the Round Table Conference and specific measures are being taken by the Central and State Governments in follow up.

7.2.1 Power

- The 390 MW Dulhasti project has been commissioned. Several others like the 240 MW Uri-II project, the 120 MW Sewa-II project, and the 450 MW Baglihar project are on fast-track. The Nimo Bazgo and Chutak hydroelectric projects (89 MW) for meeting the power needs of the Ladakh region have been taken up. The 330 MW Kishanganga project has been approved. All these projects will fully address the power requirements of the State.
- For the short-term, power reform grant has been provided to the State.
- 998 micro-hydroelectric projects have been set up.

- Rural electrification projects have been sanctioned or approved in principle for ten districts and the remaining districts are also being taken up.

7.2.2 Roads

- The Srinagar-Kargil-Leh road has been declared a national highway and upgrading work is on.
- An alternative route from Manali to Leh is being developed via Rohtang Pass.
- The construction of Mughal Road, the road to Katra (Vaishno Devi) as well as other roads taken up under the Reconstruction Plan is in full swing.

7.2.3 Aviation

- Srinagar Airport has been declared as an international airport and its infrastructure upgraded.
- The frequency of flights between Kargil and Srinagar has been increased.
- Improvements are being carried out at the Jammu and Leh airports.

7.2.4 Urban infrastructure

- ADB infrastructure project covering water supply, drainage and sewerage in Srinagar and Jammu has been approved and works have commenced.
- Substantial grants have been provided to the Ladakh Autonomous Hill Development Councils for Leh and Kargil for taking up a number of infrastructure projects.
- Urban areas in the State are being provided up to 90% Central grants for projects under the Jawaharlal Nehru National Urban Renewal Mission.

7.2.5 Railways

- The Jammu-Udhampur section has been opened and the Udhampur-Katra section is set for opening in 2008. Work on Katra-Qazigund-Badgam sections is on.

- Doubling of the Jammu Tawi - Jalandhar railway line is set for completion in 2008.

7.2.6 Education and health

- Establishment of Sher-e-Kashmir University of Agricultural Science and Technology has been provided for.
- 15 new colleges and nine new Industrial Training Institutes have become operational. Decision has been taken to set up 10 more colleges and 5 new ITIs.
- Total Literacy Campaign has been extended to all the districts.
- 8,317 anganwadi centres have been sanctioned to ensure one centre in each habitation as per population norms and over 7,500 of these have become functional.
- The State has been covered as a special focus state under the National Rural Health Mission.
- The medical colleges at Jammu and Srinagar are being raised to AIIMS standards.
- Substantial assistance has been provided for improvement of hospitals and health centres at the district and sub-district levels.

7.2.7 Employment and income generation

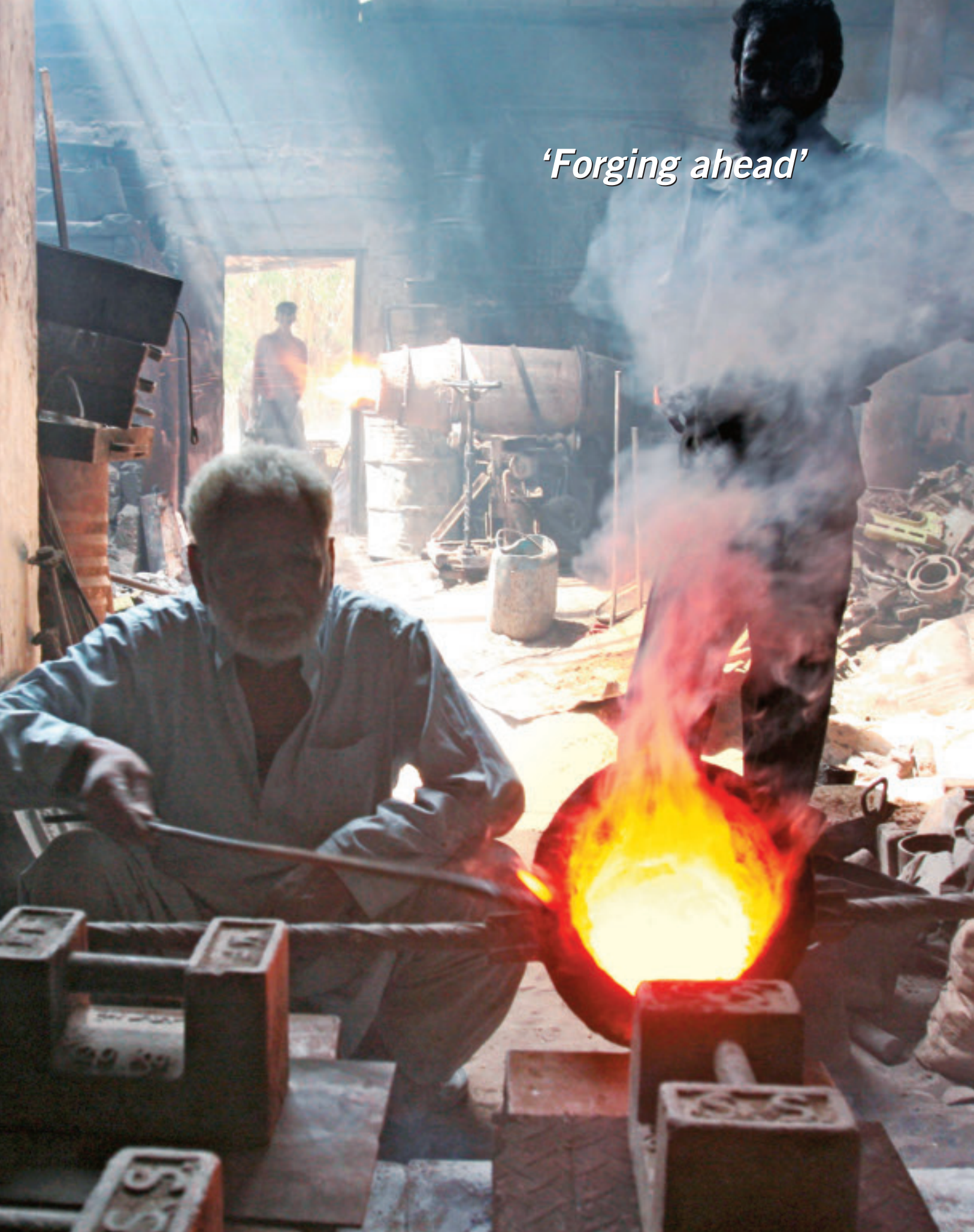
- Around 20,000 jobs have been directly created under the Prime Minister's Reconstruction Plan through anganwadis, India Reserve and central paramilitary force battalions and IT training.
- Substantial self-employment and income generation has been facilitated through wide-ranging support to the tourism and handicrafts industries, Swarna Jayanti Shahari Rozgar Yojana, agriculture, etc.
- The UPA Government has extended the tax holiday available to undertakings in the State till 2012.
- Financial assistance has been approved for ten

Tourism Development Authorities, 11 tourism villages and four tourist circuits, and work on conservation of the Dal Lake has commenced.

7.2.8 Relief and rehabilitation

- To give concrete shape to the recommendations of the Round Table Conference, the Prime Minister has announced a series of confidence building measures addressing various sections of society, including a package for providing assistance to all children orphaned due to militancy related violence over the last 18 years, as well as alternative relief to those who could not be provided compassionate employment despite eligibility. Kashmiri migrant families opting to return to the Valley will be provided grant of Rs. 7.5 lakh for homes and grants for restoration of agricultural holdings and orchards, while continuing monthly relief provided to those living in camps and also providing assistance for children's education. The State Government has proposed to provide 6,000 Government jobs for the educated among the migrant youth. A set of measures addressing refugees of 1947 from West Pakistan and PoK as well as those whose lands have been used for construction of border works has also been announced.
- Two-room dwelling units have been approved for over 5,000 Kashmiri migrants living in camps in Jammu and work is in full swing, besides dwelling units taken up in the valley.
- The level of assistance and coverage for the migrants at Jammu and Delhi has been enhanced. Identity cards have been issued to thousands of migrants at Delhi who did not have these earlier, so that they may avail of various benefits.
- Over 6,000 families of border migrants of Akhnoor Tahsil are being rehabilitated under a package. The outlay of the Rehabilitation Council has been enhanced.

'Forging ahead'



8.1 INDUSTRIAL GROWTH, INVESTMENT AND FINANCIAL MARKETS

Today, it is possible to abolish poverty in the life of a single generation. If the economy grows at the rate of nine to ten per cent per annum, then the national income will double in about seven to eight years. If along with growth promotion strategies programmes are in place for improving the educational status of children and the health status of the people, then there will be a definite positive impact on poverty. The UPA Government has worked to make this dream of abolition of poverty a reality. In terms of growth the performance in the last four years has been the best in the history of independent India. The economy has moved decisively to a higher growth phase of almost 9% over the past four years. The rate of growth of per capita income has almost doubled to over 7%. The 11th Plan aims at an average growth rate of 9%.

The UPA Government has taken a number of fiscal and programme measures to improve the competitiveness of Indian industry. Its successful macroeconomic management coupled with the policy initiatives have re-energised domestic enterprise to high levels of growth despite high energy and commodity prices, although in recent months there has been some downturn due to slowdown in the world economy and demand for our exports.

Simultaneously, the UPA Government has shown that where there is a will the functioning of the public sector system can be improved. It has ensured a turnaround in the performance of public sector enterprises, which have shown a healthy growth. Revival packages have been approved for more than 25 sick and loss-making companies, several of which

have been restored to profitability.

8.1.1 Public sector enterprises

- The UPA Government has achieved a turnaround in the performance of public sector undertakings, with the performance improving consistently in terms of total turnover and profitability. The profitability of public sector steel companies has gone up threefold in three years to Rs. 15,567 crore in 2006-07.

- The Board for Reconstruction of Public Sector Enterprise was set up to advise the Government on

strengthening, modernizing, reviving and restructuring public sector enterprises. The Board has given recommendations in respect of 50 central public sector enterprises and revival / restructuring packages have been approved for 28 enterprises.

8.1.2 Manufacturing

- The UPA Government has set up the National Manufacturing Competitiveness Council and the High Level Committee on

Manufacturing to ensure that all issues related to the manufacturing sector are resolved expeditiously.

- The competitive position of Indian industry, especially for sectors like steel and metallurgy, textile, automobile and auto-components, pharmaceuticals and biotechnology, petrochemicals and cement, is stronger than ever before.

- The initiatives taken by the Government have led to a robust growth in the manufacturing sector during the last four years, although moderate slowdown is being witnessed in the recent months on account of global factors.



8.1.3 Tax reform

- The UPA Government has shown in the last four years how tax revenues can become buoyant while reducing tax rates, with gross tax revenues growing by 20% to 25% annually over the last four years and the tax-GDP ratio rising from 9.2% in 2003-04 to 12.5% in 2007-08.
- Substantial relief has been given in income tax, more so for women and senior citizens.
- Peak customs rate for non-agricultural products has been progressively brought down from 25% in 2004 to 10%.
- General rate of excise duty has been brought down to 14%.
- VAT has been introduced across States and has proved to be an unqualified success.
- Central Sales Tax rate has been reduced from 4% to 2%, with a commitment to progressively phase it out by 2010.
- Effort is on with the States to introduce a national level Goods and Services Tax with effect from 2010.

8.1.4 Corporate Affairs

- The e-governance project MCA21 has brought significant change for businesses, shareholders and investors, professionals, banks and financial institutions, and employees by making all transactions Internet enabled.
- A bill for enacting a new legislation that would enable the setting up of a new form of body corporate, viz., Limited Liability Partnership (LLP), is ready for introduction in Parliament. It will provide an ideal vehicle for the growth of professionals and the knowledge sector in an organised manner and provide new opportunities for the growth of the service sector.
- To provide required education and create awareness among investors, investor awareness camps have been held and an Investor Education and Protection Fund, a website registry of economic

defaulters indicted for economic offences, and an effective website to redress investor grievances have been created.

8.1.5 Investment climate

- Total foreign institutional investment in the 3³/₄ year period from April 2004 till December 2007 was more than 1½ times that in the twelve preceding financial years taken together.
- FDI inflows have taken off with capital flows reaching a high of over 5% of GDP.
- The globalisation of Indian enterprises and planting of the seeds for the creation of the Indian multinationals have taken place in the last few years.

8.1.6 Micro, small and medium enterprises

- The UPA Government initiated the Micro, Small and Medium Enterprises Development Act, 2006, which provides the first-ever legal frame for covering services along with manufacturing under the concept of enterprises, progressive classification of enterprises, statutory consultative mechanism, establishment of a fund for promotion and development of such enterprises, preference in government procurement of products and services of such enterprises, effective mechanism for mitigating problems of delayed payments, etc.
- To improve the competitiveness of the small scale sector, the exemption limit for excise duty for the SSI sector was raised from Rs. 1 crore to Rs. 1.5 crore.
- A major promotional package has taken measures to address most of the concerns in the areas of credit, cluster-based development, technology upgrade, marketing, upgrade of infrastructure, etc.
- As a result of the credit policy for small and medium enterprises announced in 2005, credit flow to the sector has increased greatly.
- A Credit Guarantee Fund has been set up to provide relief to those micro and small entrepreneurs who are unable to pledge collateral security. The corpus of the Credit Guarantee Fund is being revised

from Rs. 1,132 crore in March 2006 to Rs. 2,500 crore over a period of five years.

- Programmes for skill development are being imparted to nearly 90,000 trainees each year, with free training to SCs / STs.
- The Government has launched the Scheme of Fund for Regeneration of Traditional Industries (SFURTI), under which 124 clusters of *khadi*, village and coir industry have been approved for comprehensive development over five years.
- The Rejuvenation of Coir Sector and Modernisation Programme for Coir Industry has been approved.

8.1.7 Export-related industries

- By end-March 2008, the Special Economic Zones promoted by Government have provided direct employment to over 180,000 persons, with indirect employment estimated at twice as much. They have attracted investment of over Rs. 67,000 crore, and generated exports of over Rs. 64,000 crore during 2007-08.
- A humane and liberal rehabilitation policy has been put in place to address concerns regarding persons displaced.

8.1.8 Relief measures for exporters

There has been a significant impact on the export due to unprecedented appreciation of the Rupee against the US\$ over the past year. Considering the seriousness of the situation, the UPA Government has taken a number of measures to provide relief to the exporting community. The relief measures include enhancement in the Duty Entitlement Pass Book / duty drawback rates, provision of interest subvention for pre- and post-shipment credit, exemption/refund of service tax in respect of certain services, reduction in export credit guarantee premium, etc. The cost of relief given to exporters amounts to over Rs. 8,000 crore.

8.1.9 IT software and services

- The IT software and services exports from India

grew more than threefold over the last four years, providing employment to an additional 12 lakh educated youth directly and another eight million indirectly.

- Income Tax exemption available under the Software Technology Parks Scheme has been extended till March 2010.
- 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.
- A number of initiatives have been taken in close concert with the industry for meeting human resource requirements, greater access to foreign markets, etc. A scheme has been approved for setting up Information Technology Investment Regions.

8.1.10 Electronics, IT hardware and telecom equipment manufacturing

- The UPA Government has launched a Special Incentive Package Scheme to attract investments for setting up semiconductor fabrication and other micro and nanotechnology manufacturing enterprises in India. In response, proposals for investment to the tune of over Rs. 60,000 crore have been received.
- Several fiscal and other measures have been taken to promote the electronics and IT hardware sector, including approval of a scheme for setting up Information Technology Investment Regions and correction of instances of inverted duty structure.
- The growth potential and pro-active role of the Government has brought major telecom companies into the manufacturing space of the country.

8.1.11 Chemicals and petrochemicals

- A policy frame for development of petroleum, chemicals and petrochemicals investment regions of global scale and level of facilities, with the involvement of world-class developers and investors, has been put in place.
- Both the chemicals manufacturing Central PSEs had been sick and stood referred to the BIFR for the

last 10 to 20 years. The UPA Government had taken up their revival in mission mode and revival packages have been approved for Hindustan Organic Chemicals Ltd. and Hindustan Insecticide Ltd., involving cash infusion as well as waivers amounting to several hundred crore rupees.

8.1.12 Mining

- A new mineral policy, which will greatly expand the investment and employment opportunities in mining, has been adopted. This will result in the improvement of procedures for granting mining licences, particularly ensuring a smooth transition from exploration licence to prospecting and mining licences.
- The Geological Survey of India is being modernised and technologically upgraded to enhance its capabilities for mineral exploration on land and off-shore.
- NALCO will complete a major capacity enhancement this year. The financial performance of NALCO, Hindustan Copper Ltd. and Mineral Exploration Corporation Ltd. have improved significantly over the last four years.

8.1.13 Steel

The profitability of public sector steel companies has gone up substantially, energizing Steel Authority of India Ltd. to go in for major expansion plans. India is now the 5th largest steel producing nation in the world as against its 8th rank in the year 2005 and is set to become the 2nd largest steel producer in the world by the year 2015. The National Steel Policy was launched in 2005. The projections of 110 million tonnes of steel production envisaged in the National Steel Policy are now expected to be surpassed by 2011-12.

8.1.14 Food processing industries

- The UPA Government initiated 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 based on self-compliance. Earlier, thirteen different laws affected food and food processing industries.

- The UPA Government provided a five-year Income Tax holiday and other concessions for new industries set up to process, preserve and package fruits and vegetables.

- Food processing has been covered under priority sector lending with refinancing through NABARD.

- Excise and customs duty exemptions and relieves have been given in respect of several items in the food processing sector.

- To achieve the objectives of tripling the size of the processed food sector by 2015, and doubling its share in global trade, 30 Mega Food Parks and an Integrated Cold Chain will be set up in the 11th Plan.

- A National Institute of Food Technology Entrepreneurship and Management is being set up at Kundli as a knowledge institution for the sector.

8.1.15 Textiles

- A major package, including tax relief, was provided. The duty structure has been rationalised to achieve growth and maximum value addition within the country. Except for man-made filament yarns and staple fibres, the whole value addition chain has been given an option of excise exemption. Basic customs duty on machinery and spares has been reduced, additional capital subsidy provided, duties on machinery, raw materials and spares brought down, and excise duty on polyester filament yarn reduced.

- The scope and outlays of schemes like the Technology Upgradation Fund Scheme and the Technology Mission on Cotton have been augmented to modernise the industry and to ensure availability of quality raw material at competitive prices. As a result of introduction of an additional credit linked capital subsidy of 10%, investment through the Technology Upgradation Fund Scheme has gone up from around Rs.1,300 crore in 2003-04 to around Rs. 20,000 crore in 2006-07. Under the Technology Mission on Cotton, incentives for better farm practices, quality seeds, improvement in market infrastructure and modernisation of ginning and pressing have resulted in cotton production and productivity touching record highs.

- The Scheme for Integrated Textiles Parks has been launched to strengthen infrastructure. Under the scheme, it is proposed to set up 40 Integrated Textiles Parks. In the 2008-09 Budget, six centres for development as mega clusters in handloom, handicraft and power loom sectors have been identified for scaling up infrastructure and production base.

- A Technology Mission on Textiles will be implemented in the 11th Plan. Four centres of excellence will be set up in key segments like meditech, geotech, agritech and buildtech. The National Institute of Fashion Technology has been empowered to award degrees.

8.1.16 Handlooms and handicrafts

- A focused approach to helping weavers is in place with an increase in the number of cluster development centres, more yarn depots, support to technology upgrade, health and life insurance cover for weavers, and a new “Handloom Mark” for branding promotion.

- 250 handloom clusters of over 5,000 handlooms have been taken up under the Integrated Handloom Development Scheme.

- The Rajiv Gandhi Shilpi Swasthya Bima Yojana has been launched to provide health insurance coverage to artisans and their families and will cover 40 lakh artisans during the 11th Plan.

- The Handloom Weavers’ Comprehensive Welfare Scheme has been launched and will provide insurance cover to a total of 120 lakh weavers in the 11th Plan.

- In order to scale up both infrastructure and production, the Government proposes to take up six centres for development as mega-clusters. Varanasi and Sibsagar will be taken up for handlooms, Bhiwandi and Erode for powerlooms and Narsapur and Moradabad for handicrafts.

8.1.17 Jute

- The minimum support price for raw jute has been enhanced progressively from Rs. 890 per quintal in

jute year 2004-05 to Rs. 1,250 in jute year 2008-09.

- To ensure adequate demand, the level of compulsory packaging has been increased for sugar and food grains.

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

- Restructuring of the Jute Corporation of India has been undertaken.

- A Jute Technology Mission has been launched for holistic development of the jute sector.

- Establishment of the National Jute Board has been initiated to effect synergy in the activities of various organisations in the jute sector.

8.2 ENERGY

8.2.1 Coal

- A new coal distribution policy has been notified to meet the full requirements of the defence, railway, power and fertilizer sectors.

- Over the past four years, production has risen significantly, profitability of Coal India subsidiaries improved and a large number of coal blocks allocated to Coal India as well as private, joint and state sector entities to ensure timely development for meeting future energy requirements.

- Over the last four years, 142 coal blocks with geological reserves of about 37,000 million tonnes have been allocated, whereas only 39 blocks with total geological reserves of 3,700 million tonnes were allocated earlier.

8.2.2 Power

- The 11th Plan target for additional power generation capacity is 78,000 MW. Projects aggregating more than 60,000 MW of power generation are under construction.

- The UPA Government has taken various measures, including allotment of coal blocks with

the capacity to support 68,000 MW of power generation.

- Nine sites have been identified in nine States for setting up coal-based Ultra Mega Power Projects (UMPP) with capacity of 4,000 MW each, and work has started on the Sasan and Mundhra projects.
- A new hydro-electric power policy has been approved to attract private sector investment through exemption from tariff based bidding.

8.2.3 Petroleum and natural gas

- The UPA Government has placed great emphasis on enhancing energy security through rapid exploration of domestic oil and gas reserves, combined with acquisitions abroad.
- The Government has awarded 72 exploration blocks in the last four years which has increased area under exploration by 30%. Significant oil and gas reserves have been discovered in 15 blocks. With exploration and development efforts made under the sixth round of NELP, natural gas production in the country is likely to be doubled from the present level by the end of the 11th Plan. In the recently launched seventh round, 57 exploration blocks have been offered.
- Public sector oil companies have been encouraged to acquire exploration blocks overseas and have established presence in 22 countries. As a result, it is expected that during the 11th Plan period, overseas crude oil and natural gas production would respectively be of the order of seven million metric tonnes annually and two billion cubic metres annually.
- The first commercial production of coal bed methane began recently, and the first deepwater natural gas production will also commence this year.
- The Petroleum and Natural Gas Regulatory Authority has been made operational to protect the interests of consumers and entities engaged in the activities specified, to ensure uninterrupted and adequate supply in all parts of the country, and to promote competitive markets.
- The Rajiv Gandhi Institute of Petroleum

Technology has been set up to meet the shortfall of trained technical manpower in the petroleum sector.

- Setting up of three major public sector refineries Paradip, Bhatinda and Bina has been taken up to augment refining capacity.
- As a result of the Government's efforts, India has emerged as one of the world's major refining and exporting hubs during the last five years. From being a net importer, India has become a net exporter of petroleum due to increased refining capacity.

8.2.4 Nuclear energy

The total installed capacity of the nuclear power plants is set to rise from 4,120 MWe to 6,780 MWe by 2009 and 7,280 MWe by 2011.

8.2.5 New and renewable energy

- The UPA Government has given greater focus on renewable power during the past four years, with capacity addition during this period being substantially more than that added during the preceding 15-year period. Additional grid-interactive renewable power generation capacity of nearly 6,500 MW was installed during the period, as against cumulative achievement of nearly 4,800 MW earlier. Consequently, the country has emerged as a leader in Asia, and holds 4th rank worldwide in wind power.
- Under the Remote Village Electrification scheme, as against cumulative electrification of around 1,300 villages by March 2004, around 2,100 villages have been electrified since.
- National policies on bio-fuels and renewable energy are being finalized.

8.3 INFRASTRUCTURE

The 11th Plan aims to raise the total annual investment in infrastructure from 5% of GDP to 9%. Public sector investment will continue to play an important role in infrastructure development, supplemented by private investment wherever feasible.

8.3.1 Roads

- The UPA Government has taken up a major development project for improvement of National Highways, viz., the National Highways Development Project (NHDP). It has formulated an ambitious plan for investment of Rs. 2,36,000 crore for upgrade of national highways under various phases of the NHDP, involving a total length of about 34,000 km. Phases I and II of the NHDP comprise the Golden Quadrilateral connecting the four metropolitan cities having an aggregate road length of 5,846 km, the North-South and East-West Corridors which entails four-laning of 7,300 km of national highways from Srinagar to Kanyakumari and from Silchar to



Porbandar, development/ improvement of 380 km length of roads / national highways for providing connectivity to 10 major ports, and upgrade of 811 km of other important national highways. 97% of the Golden Quadrilateral has been completed. Phase-II is to be completed by 2009. NHDP Phase-III involves four-laning of 12,109 km of national highways, having high density corridor connecting state capitals, important tourist places, economically important areas, etc. The Government has approved implementation of 4,815 km under NHDP Phase-III A by 2009 and implementation of the balance length of 7,294 km under NHDP-III B by 2013. The Government has also accorded approvals for six-laning of 6,500 km of national highways under NHDP Phase-V by 2012, construction of 1,000 km of expressways under NHDP Phase-VI by 2015, and construction of ring roads, flyovers and bypasses in

selected stretches under NHDP Phase-VII by 2014. Out of the total length of 34,000 km, work on a length of 8,100 km has been completed and another 7,600 km under implementation by January 2008.

- The Government has also approved widening and improvement of national and state highways in the Northeastern region to ensure better connectivity to all 85 district headquarters in the region.

- In addition, over the last four years, road construction and improvement works have been carried out over a length of more than 23,000 km under the Department of Road Transport and National Highways.

- Further, ten existing roads having total length of over 1,700 km have been declared as national highways over the last four years.

8.3.2 Airports and aviation

- The civil aviation sector has witnessed unprecedented growth in recent years, with aviation coming within the reach of common people. The UPA Government has given priority to upgrade and modernization of airports and increased availability of skilled personnel in the sector. New international airport has been inaugurated at Hyderabad and that at Bangalore is also set for commissioning in 2008. Construction of new terminals at Delhi and other metro cities is under way. Both Delhi and Mumbai airports upgrade and modernization works are targeted for completion by 2010.

- The UPA Government is committed to modernize 35 non-metro airports to world-class standards. Agra Airport has been commissioned, and another eight airports are expected to be operational soon, with work on the remaining airports in progress.

- To address requirement of pilot training, Indira Gandhi Rashtriya Uran Akademi has tied up to upgrade its output and in principle approval has been granted to set up a National Flying Training Institute at Gondia, Maharashtra.

- A liberal approach in the matter of grant of traffic rights under bilateral agreements with various foreign countries has led to more flights and better



connectivity from these countries to India and also provided more commercial opportunities to all operating carriers.

- The decision of the UPA Government to induct 111 new Boeing/ Airbus aircraft in the air fleet after a decade will strengthen the national carrier to offer better services. Delivery has begun.

8.3.3 Ports

- The UPA Government has taken up a programme for massive capacity expansion of port infrastructure. To upgrade and modernize maritime infrastructure, the National Maritime Development Programme, comprising 387 projects, has been drawn up. 276 projects with total investment of Rs. 100,000 crore have been identified for implementation by 2011-12 for deepening of channels for improvements in drafts, port development, port equipment and port connectivity. 32 projects have been completed and 131 are in various stages of implementation.
- The International Container Trans-shipment Terminal at Cochin Port is being developed with investment of over Rs. 2,000 crore.
- The third container terminal at the Jawaharlal

Nehru Port, Kandla container terminal and Essar Oil Jetty & SPM at Vadinar in Kandla Port have been made operational.

- Licence agreements for development have been signed for the second container terminal at Chennai Port and the iron ore, coal and marine liquid terminals at Ennore Port. At Mumbai port, development of offshore container terminal, deepening of harbour wall berths and construction of second chemical jetty have been taken up. Outer harbour expansion project has been approved at Vishakhapatnam Port.
- Rail connectivity project to the major ports at Haldia, New Mangalore, Kandla and Jawaharlal Nehru Port and road connectivity projects to Visakhapatnam Port have been completed.
- Works are in progress on eight rail connectivity projects and 10 ongoing road projects.
- With the approval of the new model concession agreement for private sector participation in major ports and revised guidelines for tariff setting for projects in the public-private participation mode, investment in this sector is expected to get a fillip during the coming year.

8.3.4 Shipping

- Work on the Sethusamudram Shipping Channel project is on, except in the Adam's Bridge region, where work has been stayed by the Supreme Court.
- The introduction of tonnage tax on shipping has resulted in increase of tonnage and further increase is expected.
- The Shipping Corporation of India has placed orders for 28 new ship vessels, which will add to shipping capacity on an unprecedented scale in recent times.
- A modern microwave-link based Vessels Traffic System is being set up as a scheme of national importance in the Gulf of Kachh for regulating traffic.
- Cochin Shipyard and Hindustan Shipyard have been successfully turned around and have secured large export orders.

8.3.5 Inland waterways

Inland waterways transport has been given unprecedented attention with the introduction of bills in Parliament for declaration and consequent development at a cost of over Rs. 2,000 crore of Talchar-Dhamra and East Cost Canal, Kakinada-Puducherry and Barak river as national waterways with total length of 1,839 km, besides development works at Patna and Guwahati, introduction of night navigation facilities in all the three existing national waterways and a new scheme for development of inland water transport in the Northeast. These waterways will provide port-hinterland connectivity for the ports at Paradip, Dhamra, Kolkata and Haldia. This will increase the existing national waterways length by 70%.

8.3.6 Railways

- The UPA Government has achieved a major turnaround in the financial and technical performance of the Indian Railways.
- Reforms have been introduced with a human face, without losing sight of social obligations. Highest ever productivity linked bonus of 70 days has been paid to eligible railway employees in 2006-07. Over 36,000 SC/ST vacancies have been filled up, a large number of persons with disability recruited, and minority welfare cells set up to work towards a fair representation of the minorities in the railways. Improvement in customer services and reduction in passenger fares, particularly for poorer sections, have been effected. Improved coaches and toilets, on-board cleaning, platform improvements, improvements in passenger information services and door-to-door logistic services are some of the wide-ranging customer-friendly initiatives undertaken on a large scale by the Indian Railways. Air conditioned Garib Rath trains have been introduced with low fares. In the last four years almost 500 computerised passenger reservation system locations have been added. In order to further increase coverage, India Post reservation centres and automatic ticket vending machines are being taken up. 22 stations are planned for development as world class railway stations



across the country. Train accidents have come down to an all-time low.

- An investment of about Rs. 75,000 crore will be made over the next seven years to augment line capacity on high traffic density routes. The Mumbai-Delhi-Kolkata Dedicated Freight Corridor has been taken up and will be a landmark in railway infrastructure, besides supporting massive industrialization alongside. Decision to set up new coach factories at Rae Bareilly and in Kerala has been announced.

8.3.7 Telecommunications

- The number of telephone connections has grown four-fold in four years.
- A scheme has been launched to provide support for setting up and managing telecom infrastructure in rural areas, to affordably and quickly expand mobile telecom services.
- Facilitated by the incentives under the broadband policy announced in 2004, the number of broadband connections has increased from 1.8 lakh to around 32 lakh broadband connections, covering more than 1,400 towns.

8.3.8 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. In order to supplement lending by banks and financial institutions, which are currently deficient in providing long-term debt, a special purpose vehicle was conceived to give long-term loans to infrastructure projects. The twin schemes for viability gap funding and long-term debt to infrastructure projects address critical gaps in private sector financing of infrastructure and ensure that infrastructure projects rendered unviable due to long gestation periods are not neglected due to unavailability of long-term debt. Through this package, the Government has leveraged scarce budgetary resources for attracting a large pool of private capital. So far, the special purpose vehicle, India Infrastructure Finance Corporation Ltd., has sanctioned 78 projects having total project cost of

over Rs. 1,18,000 crore by mid-April 2008. 30 projects having total cost of over Rs. 1,25,000 crore have been given in-principle approval under the viability gap funding scheme by mid-April 2008.

8.3.9 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

- It has been the endeavour of the UPA Government to sustain growth while keeping prices under check, insulating the Indian consumer from global inflationary trends. Efforts are being made to contain inflation despite hardening of commodity – including food – and oil prices and an upsurge in capital inflows.

- Despite threefold increase in the international prices of crude oil, the UPA Government has permitted only minimal increase in the prices for consumers. Prices of kerosene have not been increased.

- To contain inflation in essential commodities, customs duty on wheat, pulses, edible oils and maize have been reduced to zero, and that for refined and hydrogenated oil to 7.5%, together with improved availability of wheat, pulses and edible oils, including through import of wheat, pulses and oilseeds through PSUs to increase domestic availability. Government imported 55 lakh tonnes of wheat in 2006-07 and import of about 18 lakh tonnes of wheat had been contracted during 2007-08 till early January 2008. To maximise procurement of wheat and paddy, the UPA Government approved an incentive bonus of Rs. 100 per quintal during the *kharif* marketing season 2007-08 for paddy. The support price for wheat, inclusive of bonus, has been raised to Rs. 1,000 per quintal. As a result of extraordinary procurement effort, wheat procurement in the current marketing season had touched 134 lakh tonnes by end-April 2008 and final procurement figure was

expected to cross the target of 150 lakh tonnes, which is substantially higher than previous years procurement figure of 111 lakh tonnes. Rice procurement in the kharif marketing season 2007-08 was 229 lakh tonnes, as against 209 lakh tonnes in the preceding year and this is expected to rise to 270 lakh tonnes in the coming season. The Government has decided to release 10 lakh tonnes of edible oil in 2008-09 through the public distribution system, for which public companies are importing edible oil that will be distributed with a subsidy of Rs. 15 per kg under a scheme targeted for roll out in end-May or early-June. Export of wheat, pulses and non-basmati rice has been banned. Enhanced minimum export price of US\$ 1,000 per metric tonne has been made applicable for export of basmati rice, coupled with proposal in the Finance Bill for imposition of export duty of Rs. 8,000/- per metric tonne. To maintain price stability, the central issue price for rice and wheat has not been revised throughout the last four years.

- To help ensure better milk availability in the lean summer months, customs duty on skimmed milk powder and butter oil – which is used to reconstitute milk – has been reduced by 10%.
- The Central Government has issued an order under the Essential Commodities Act to enable

State Governments to invoke stock limits in respect of wheat and pulses, empowering them to take effective action against hoarding.

- In cement sector, new tax rates were announced to reduce the incidence of taxes on cement with lower retail prices. Excise duty on packaged cement has been made *ad valorem* to discourage price increase.
- Speculation in trading of commodities has been countered by imposition of regulatory measures through the Forward Markets Commission.
- Growth in liquidity has been contained through monetary policy.
- To contain inflation in steel prices, customs duty on pig iron and mild steel products as well as critical inputs for steel manufacture has been reduced to zero. Countervailing duty on TMT bars and structurals – commonly used in house construction – has also been reduced to zero. To disincentivise export of steel, imposition of export duty ranging from 5% to 15% on various steel product categories has been proposed in the Finance Bill. Railways have cut iron ore freight charge by 6%.

‘Jhanda ooncha rahe hamaara...’



9.1 EXTERNAL AFFAIRS

The UPA Government has adopted a foreign policy which is far-sighted, result-oriented and aimed at promoting rapid economic development. It has striven to create an external environment conducive to peace and stability in the region, to ensure India's accelerated economic development and safeguard national security. It has accorded highest priority to strengthening close political, economic, social and cultural relations in India's immediate and extended neighbourhood, all major powers as well as our partners in the developing world and non-aligned movement. India today enjoys a significantly enhanced profile in the international arena as a model of a stable, pluralistic and secular democracy and a rapidly growing economy, which is bound to play an increasingly greater role in international affairs.

- India supported Nepal through its peace process and transition to a democratic, stable, peaceful and prosperous State. A Rs. 1,000 crore assistance package, material support to holding of Constituent Assembly elections, and initiation of major infrastructure projects like integrated check-post at Raxaul, construction of Terai roads and cross-border rail and transmission links.
- During a period of fluid internal developments in Bangladesh, the Government has continued to strengthen its relations with Bangladesh by taking several initiatives, which include allowing Bangladesh to export eight million pieces of readymade garments to India duty-free, lifting the ban on FDI from Bangladesh, generous aid and assistance during natural disasters, and the passenger train 'Maitree Express' between Kolkata and Dhaka.
- India-Sri Lanka relations have undergone a qualitative shift in the recent past, especially in the areas of economic cooperation, investment, connectivity and developmental projects. India has expressed its conviction that there is no military solution to the ethnic problem in Sri Lanka and the only way out is a negotiated, political settlement acceptable to all sections of society.
- During the last four years, bilateral relations with Myanmar have deepened. Several cross-border projects are being taken up with Myanmar, including the Kaladan Multi-Modal Transit Transport Project, which will give a boost to development of the Northeastern Region.
- With Pakistan, the Government has pursued a policy of constructive engagement to establish peaceful, friendly and cooperative relations through the composite dialogue process predicated on Pakistan fulfilling its commitment not to permit any territory under its control to be used to support terrorism in any manner. The peace process with Pakistan has produced several gains and enhancement in people-to-people relations. Bus services have commenced on the Amritsar-Lahore, Amritsar-Nankana Sahib, Srinagar-Muzaffarabad and Poonch-Rawalakot routes. Trucks now ply across the Wagah-Attari border. It has been decided to include Lahore as a stop for the Amritsar-Nankana Sahib bus service. The Munabao-Khokrapar Thar Express has commenced.
- With admission of Afghanistan in SAARC and a major role played by India in the reconstruction and rehabilitation of Afghanistan, India's relations with the country have achieved greater depth.
- India and China have established a Strategic and Cooperative Partnership for Peace and Prosperity, identified a ten-pronged strategy to substantiate the Partnership and outlined "a Shared Vision for the 21st Century." An agreement on the political parameters and guiding principles for the settlement of the India-China boundary question has been signed. Border trade has been opened at Nathula.
- India and Japan have forged a strategic and global partnership. India has received substantial investment and development assistance from Japan and trade between the two countries has grown rapidly. Several rounds of negotiations have taken place for a Comprehensive Economic Partnership Agreement.
- The 'Look East' Policy has been pursued with vigour. An intensive programme to engage the North-eastern States of India was launched for facilitating development of the Northeast Region. Regular participation in the India-ASEAN and East Asia Summits as well as agreements and MoUs in a wide range of spheres have fostered close cooperation

with South East and East Asian countries. The Government is engaged in the revival of Nalanda University as a centre for cultural exchange in the region.

- The Gulf region has been made an area of special focus in the UPA Government's foreign policy. There has been intensification of high-level interactions for cooperation in economy, trade and defence, etc., with several agreements being signed in the areas of combatting crime, legal assistance, double taxation avoidance, investment promotion, air services and cultural cooperation.
- India's strategic partnership with Russia has been further developed and strengthened, through expansion of bilateral cooperation in the fields of defence, space, trade and economy. Summit-level visits have taken place every year.
- India's relations with European Union and its member States have been enhanced further through India-European Union Summits and several summit-level interactions with individual States of the European Union, including the United Kingdom, France, Germany and Italy. India and the European Union have started negotiations for a Free Trade Agreement covering goods and services. Agreements have been signed in diverse spheres.
- There has been a transformation in India-US relations following the exchange of visits between the Prime Minister and the US President. Indo-US cooperation now spans a wide spectrum, including high technology, space, agriculture, education, trade and economic linkages, and there is prospect of civil nuclear cooperation. Regular interactions on issues of mutual interest, including regional and global issues of common concern, are reflective of the deepening of India-US relations.
- India achieved yet another milestone in its expanding engagement with Africa with the India Africa Forum Summit. India has extended substantial and wide-ranging cooperation to countries in Africa through the TEAM-9 initiative, New Partnership for Africa's Development, Aid to Africa programme, Pan-African Network to provide tele-education and telemedicine facilities from India to all African countries, peacekeeping and technical cooperation.

India has signed Trade Agreements with 29 countries in Africa.

- The UPA Government provided consistent support to the Palestinian cause, including through humanitarian and capacity building. It has registered India's concern over the events in Gaza and West Bank, and particularly over the use of violence against innocent civilians.
- India has taken concerted steps to strengthen relations with leading Latin American countries, such as Brazil, Mexico, Argentina, Colombia and Chile.
- India assumed SAARC chairmanship in April 2007 and took the successful initiative of moving SAARC from a declaratory to an implementation phase. Significant progress has been made in the establishment of the South Asian University proposed by India. A decision has been taken to operationalise the SAARC Development Fund. India, Bangladesh and Sri Lanka have ratified an agreement on the SAARC Food Bank. India has taken the initiative of allowing duty-free access to exports from the less developed countries in SAARC region.
- India has been actively and constructively engaged with other member-states on all aspects related to the reform of the United Nations, particularly to make the Security Council more democratic, representative and responsive, and to revitalize the General Assembly.
- India remains strongly committed to the purpose and principles of the non-aligned movement and continues its positive contribution to the NAM deliberations.
- On a resolution piloted by India, the first International Day of Non-Violence was observed at the United Nations on 2nd October, 2007.
- India continues its active and positive involvement in the Commonwealth. India's candidate has been selected as the next Secretary General.
- Extradition treaties have been signed with 12 countries.

- Bilateral civil aviation negotiations have led to liberalization of air services between India and over two dozen countries.

- The UPA Government has followed a policy of active engagement with various economic groupings like G-8, ASEAN, EAS, G-15 BIMSTEC, IBSA, etc. to forge new links and enhance economic cooperation.

- India has played an active role in the international debate on climate change, clearly articulating the concerns of the developing world, constructively engaging with the international community on issues such as making available clean technologies at affordable prices. India has taken a lead in the debate on equity in burden sharing by committing that its per capita greenhouse gas emissions will not increase beyond those of developed countries.

9.2 OVERSEAS INDIANS

9.2.1 Overseas citizenship

The scheme for Overseas Citizenship of India has been extended to cover all overseas Indians who emigrated after January 26, 1950. Overseas Citizens have been granted parity with NRIs in respect of facilities in economic, financial and educational fields, with some exceptions, besides lifelong multi-purpose multi-entry visa and exemption from registration with local authorities.

9.2.2 Facilitating employment overseas

- To facilitate potential migrant workers and help those overseas workers who are in distress, an Overseas Workers Resource Centre and the Council for Promotion of Overseas Employment have been set up. The Overseas Workers Resource Centre provides information to potential overseas workers across the country in seven languages.

- A programme for pre-departure orientation and skill upgrade has been launched in partnership with industry associations and state governments.

9.2.3 Social security

- A social security agreement has been entered

into with Belgium, exempting overseas Indians on short-term contracts from payment of social security contributions and providing for export of social security benefits for those on long-term contract, after they relocate to India. The Government has initiated the process for entering into similar agreements with other European countries.

- The Government has entered into bilateral MoUs on manpower with the United Arab Emirates and Kuwait on a wide range of issues concerning the protection and welfare of overseas Indian workers. More such MoUs are being negotiated with other countries.

9.2.4 PIO university

The UPA Government has approved the policy frame for setting up a university for children and persons of Indian origin and work on the university is expected to commence over the next year.

9.2.5 Reform of Emigration Clearance Requirement

A major emigration policy reform – the abolition of the requirement of emigration clearance – has helped simplify overseas travel by over five lakh ECR passport holders, who were earlier required to take emigration clearance if they traveled for visits other than for employment.

9.3 MANAGING BORDERS

9.3.1 Border infrastructure

To improve infrastructure at major entry points, the UPA Government has approved setting up of 13 Integrated Check Posts on the borders with Nepal, Bangladesh, Pakistan and Myanmar.

9.3.2 Border fencing

- Around 2,550 km of the India-Bangladesh border has been fenced out of the total sanctioned length of 3,286 km, besides construction of 3,250 km of border roads.

- It has been decided to floodlight 2,840 km of the border.

- The Government has approved construction of link roads of operational significance along the India-China border.

9.3.3 Cross-border services

- Bus services have commenced on the Amritsar-Lahore, Amritsar-Nankana Sahib, Srinagar-Muzaffarabad and Poonch-Rawalakot routes.
- Trucks now ply across the Wagah-Attari border.
- It has been decided to include Lahore as a stop for the Amritsar-Nankana Sahib bus service.
- The Munabao-Khokrapar Thar Express has commenced.
- Infrastructure at the Wagah-Attari border is being upgraded.

9.3.4 Border area development

- Over the last four years, over Rs. 1,700 crore have been provided under the Border Area Development Programme for development of 361 border blocks.
- The Border Area Development Programme is being revised to give priority to development of these areas.
- The norms of coverage of villages under Pradhan Mantri Gram Sadak Yojana have been revised to ensure coverage to hundreds of additional habitations in border areas.



'Ready! Aye ready!'

10.1 POLICY INITIATIVES AND PREPAREDNESS

10.1.1 *Legislative and institutional initiatives*

Orientation has been changed from a relief-centric approach to a holistic approach, including measures for preventing and mitigating effects of disasters. The UPA Government initiated enactment of the Disaster Management Act, 2005 and set up the National Disaster Management Authority with the National Disaster Response Force, National Disaster Response Fund and National Institute of Disaster Management under it. A number of states and union territories have constituted Disaster Management Authorities at the state and district levels under the Act.

10.1.2 *Assistance for long-term rehabilitation and reconstruction*

Normally, the expenditure on long-term rehabilitation and reconstruction of damaged infrastructure is required to be met by state governments from their Plan resources. However, keeping in view the magnitude of the situation and requirement of funds, the Government of India has provided necessary financial assistance for long-term rehabilitation and reconstruction as well in respect of the tsunami in 2004, the earthquake in Jammu and Kashmir in 2005, and the nine States that experienced severe floods in 2005. Additional assistance of Rs. 5,323 crore has been provided to the nine flood affected states.

10.1.3 *Revision of norms of assistance for natural calamities*

The eligibility for calamity assistance has been extended to additionally cover landslides, avalanches, cloudbursts and pests attacks. The extant items and norms of assistance have been revised substantially upwards so as to provide higher amounts of relief assistance to the people affected by various natural calamities. In cases of *ex gratia* payment to the families of the deceased, small and marginal farmers, and people whose houses were damaged, the increase in norms is as high as 100% to 150%.

10.1.4 *Flood management*

The UPA Government has launched a massive Flood Management Programme, scaling up assistance for flood management from around Rs. 600 crore in the 10th Plan to Rs. 8,000 crore in the 11th Plan.

10.1.5 *Disaster preparedness*

- A community-based Disaster Management Programme has been taken up in 169 most hazard-prone districts, aimed at reducing disaster-risk through awareness and development of capacity for preparedness, response and mitigation at various levels.
- Standard operating procedures for terrorist attacks have been finalised and preparedness measures initiated. Proper preparedness measures have been put in place to handle outbreaks of avian flu.
- A major modernisation exercise has been undertaken in the India Meteorology Department. A state-of-the-art Tsunami Early Warning System has been commissioned.
- The Flood Forecasting Network is being upgraded through satellite-based data communication system.

10.2 RESPONSE, RELIEF, RECONSTRUCTION AND REHABILITATION

10.2.1 *Tsunami relief, rehabilitation and reconstruction*

A Tsunami Reconstruction Programme, with an outlay of Rs. 9,822 crore, is being implemented.

10.2.2 *Assistance for calamity relief and contingency*

- Calamity relief and contingency assistance of around Rs. 19,000 crore has been provided to states over the last four years.
- Besides, assistance in the form of additional quotas / instalments of grains, essential commodities, development programmes and long-term rehabilitation assistance have been provided where required.

10.2.3 Relief, rehabilitation and reconstruction for earthquake in J&K

- Total assistance of over Rs. 542 crore has been provided through the State Government and various agencies of the Government of India.
- In addition, a package for long-term reconstruction of damaged infrastructure at a cost of Rs. 636 crore has been approved.

10.3 REHABILITATION OF LAND OUSTEES AND RIOT VICTIMS

10.3.1 Rehabilitation of land oustees

- The UPA Government has put in place a National Rehabilitation and Resettlement Policy to address the long standing grievances of people displaced from their land by development projects. The policy provides for basic minimum requirements to be fulfilled in all projects leading to involuntary displacement. The policy aims to minimize displacement, ensure adequate and expeditious participatory rehabilitation, take special care of the weaker sections of society, provide sustainable income to the oustees, and integrate rehabilitation into planning and implementation. The policy also covers landless persons. Compensation award is to

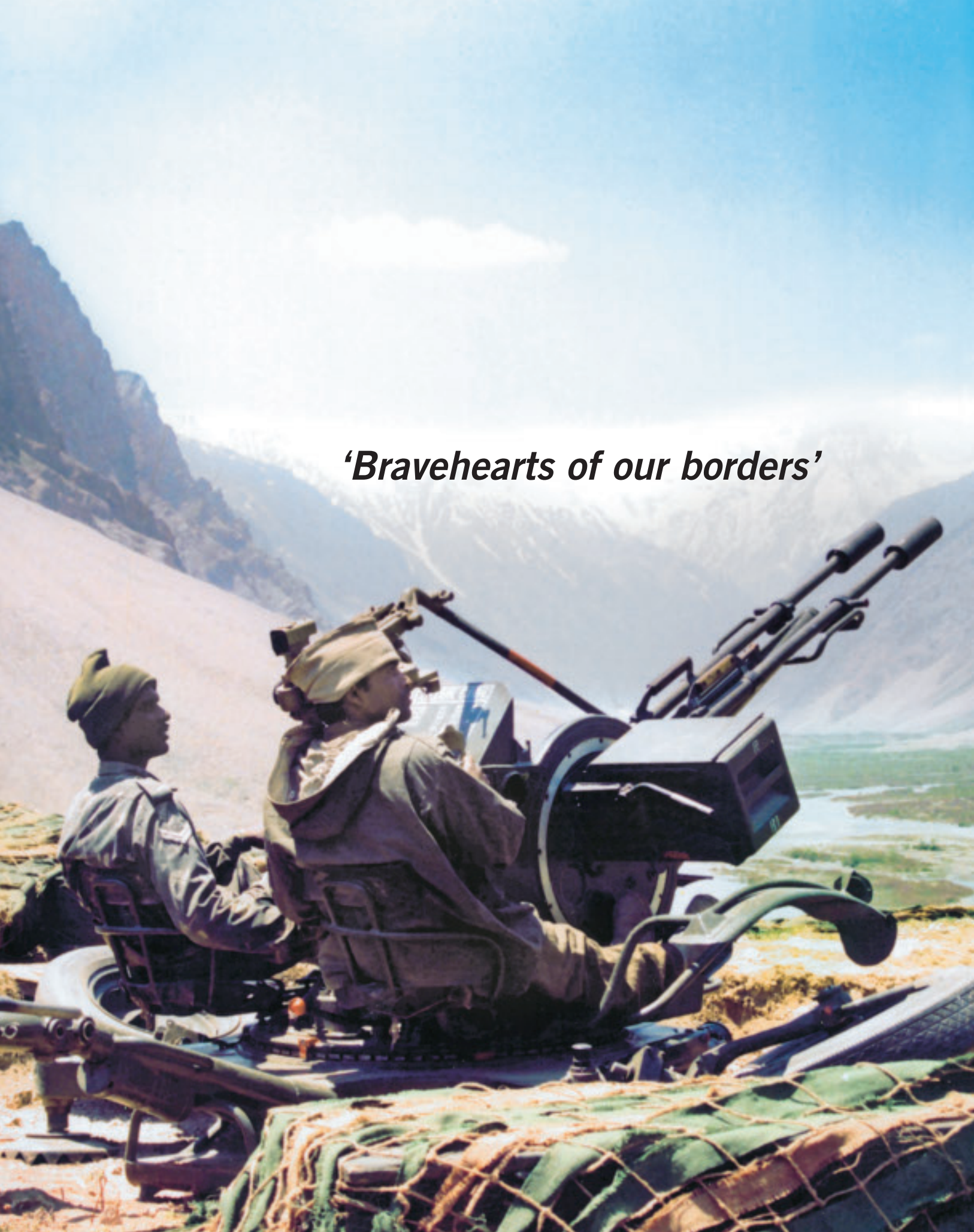
be determined as per the intended land use category. Affected families are to be given the option to take up to 20% of the compensation amount in the form of shares or debentures of the body requiring land acquisition.

- In order to give statutory backing to the policy, the Rehabilitation and Resettlement Bill, 2007 and Land Acquisition (Amendment) Bill, 2007 have been introduced in Parliament.

10.3.2 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. Additional *ex gratia* payments have been provided for in cases of death, injury and damage to residential as well as uninsured commercial / industrial property. Further, preference in recruitment in Government and PSUs has been approved, coupled with necessary age relaxation, launching of a special recruitment drive, allowing rejoining of people on jobs lost due to absence and giving pensioner benefits in relaxation of normal rules in case the age of superannuation has been crossed. Assistance of Rs. 315 crore has been released.

'Bravehearts of our borders'





11.1 DEFENCE

The UPA Government has taken several steps to promote the modernization of our armed forces and ensure defence preparedness of the country. The successful launch of Agni-III Missile and the induction of BrahMos Missile System into our armed forces constitute major milestones in the upgrade of our defence technology.

11.2 INTERNAL SECURITY INITIATIVES

- The overall internal security situation remains under control. Government is helping States affected by left wing extremism both on the internal security and the development and social empowerment fronts. Modernization of the police and security forces and of intelligence gathering systems is receiving high attention of the Government.

- To strengthen internal security, the Government has taken multiple initiatives, which include enhancing capabilities of the State Police forces through the Police Modernization Scheme, Security Related Expenditure Scheme, strengthening of the borders of the country by way of fencing, flood-

lighting and deployment of electronic surveillance gadgets, and introducing the Coastal Security Scheme, Operation Swan and the Mega City and Desert Policing components of the police modernization scheme.

- The UPA Government has approved raising 100 battalions to strengthen internal security.
- Modernization of central paramilitary forces has been taken up at an estimated cost of over Rs. 4,000 crore.
- Prevention of Terrorism Act has been repealed, while ensuring adequate safeguards against terrorism.
- The UPA Government has approved a scheme for providing assistance to the families of victims of terrorist violence, including those affected by militancy, insurgency, naxalism and communal violence.

11.3 COMMUNAL HARMONY

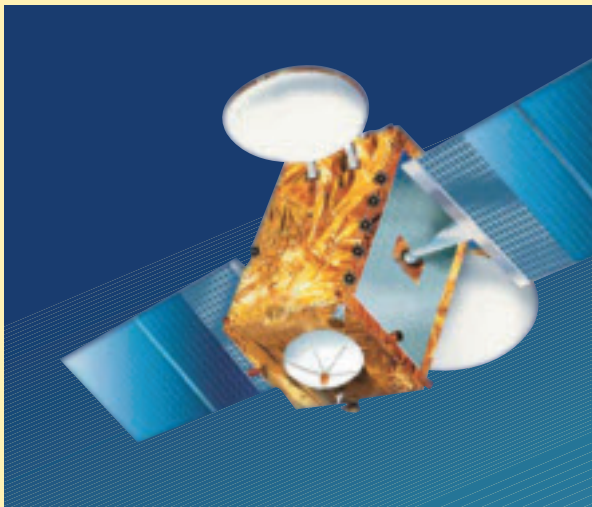
- The overall communal situation has remained under control and there has been a sharp fall in the

number of communal incidents.

- 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 for prevention and control of communal violence, protection of witnesses, expeditious case disposal, immediate and effective steps for relief, rehabilitation and compensation to the victims of communal violence and expeditious investigation and trial.
- The trend of communalisation of education has been reversed.

11.4 SCIENCE AND TECHNOLOGY

- A vision for development of an empowered science and technology base in the country by the year 2015 has been prepared. To give effect to this,



the 11th Plan has increased the outlay for science and technology threefold.

- A Nanotechnology Mission has been launched.
- The Ministry of Earth Sciences has been formed to look at planet earth as an entity.
- A major modernization exercise has been undertaken in the India Meteorology Department.
- India has sent a scientific team to the Arctic for

the first time.

- The Government has announced introduction of a scheme called Innovation in Science Pursuit for Inspired Research (INSPIRE), which will include scholarships for young learners (10-17 years), scholarships for continuing science education (17-22 years) and opportunities for research careers (22-32 years).
- The Government has launched schemes to motivate scientists of Indian origin to come back and also to leverage the expertise of such scientists for growth of R&D in the country.
- A Bioinformatics Network, covering 65 institutions all over the country, has been established.

11.5 SPACE PROGRAMME

The Indian space programme has continued its march towards achieving self-reliance in space technology.

- Launch vehicle cryogenic upper stage, space capsule recovery and Supersonic Combustion Ramjet technological capabilities have been successfully developed and demonstrated. India has successfully undertaken commercial launches of foreign satellites.
- India's satellite launch capabilities have been demonstrated successfully with the placement in orbit of ten satellites with a single launch vehicle mission. Earlier, INSAT-4B – adding DTH transponder capacity – and INSAT-4CR were successfully launched. CARTOSAT-2 and CARTOSAT-2A have been put in orbit for detailed map development applications and disaster management. India's first unmanned mission to the moon, Chandrayan-I, is scheduled later this year.
- Our space programme has enabled us to extend telemedicine, tele-education, telecommunication and other services at home and abroad. About 30,000 classrooms have been connected *via* satellite to various institutions and universities, benefiting rural and remote areas. The satellite-based telemedicine



network has expanded to connect about 223 hospitals and 41 super speciality hospitals to provide healthcare, especially in rural areas, to about 3,00,000 patients every year.

- An Indian Institute of Space Technology has been established with the objective of offering high quality education in space science and technology.

11.6 BROADCASTING

- Some of the important steps taken by Prasar Bharati are launch of a new entertainment programme for J&K, round-the-clock Urdu channel, acquisition of right to telecast sports events, digitalization of studios and transmitters and modernization of satellite broadcast equipment.

- The UPA Government has strengthened All India Radio and Doordarshan services in Jammu and Kashmir, Northeast and the island territories.

- FM radio channels have seen a huge expansion from only 21 private FM channels four years ago to 211 channels by mid-April 2008, and the number is expected to grow to 266 soon.

- Community radio has been given a major boost through a new policy permitting civil society organisations to also set up such stations, in addition to only educational institutions permitted earlier.

- The conditional access system has been successfully initiated, to the benefit of the consumer.

- DTH services have rolled out through Doordarshan as well as private broadcasters.

11.7 TOURISM

- The Incredible India campaign has given a thrust to tourism in India, with foreign tourist arrivals touching five million for the first time.

- A new scheme of creation of land bank for hotels has been introduced to help meet the shortage of hotel accommodation all over the country, especially in view of the Commonwealth Games.

- Long-term multi-entry tourist visas of five-year



'Incredible India'

duration have been introduced for nationals of 18 countries.

- A five-year income tax holiday has been given to two, three and four star hotels that are established in World Heritage Site districts with a view to encourage cultural tourism.

11.8 SPORTS AND YOUTH AFFAIRS

- Preparations for hosting the Commonwealth Games 2010 are in full swing.
- The UPA Government has launched the Panchayat Yuva Khel aur Krida Abhiyan to promote sports and nurture talents at the block and village levels by ensuring universal access to basic sports infrastructure, a well-established annual sporting calendar and a National Rural Sports Programme.
- Nehru Yuva Kendras are being set up in all the remaining 123 districts.
- NSS will be strengthened and almost doubled from 2.6 million to 5.1 million in the 11th Plan.

11.9 CLASSICAL LANGUAGES

- A new category of classical languages has been created and Sanskrit and Tamil have been notified

as classical languages.

- Setting up of a Central Institute of Classical Tamil at Chennai has been approved to help develop Tamil as a classical language.

11.10 INDIA POST

Major strides have been made in computerisation programme in the last four years and over 8,000 post offices have been computerised. New money remittance services like *iMO* and Field Postal Order have been launched. *eMoney Order* is set for launch in 2008. A number of e-enabled services have been launched and more are envisaged.

11.11 ANTYODAYA ANNA YOJANA

Antyodaya Anna Yojana has been expanded to cover additional one crore households, a rise of 67%.

11.12 BONUS TO WORKERS

- The eligibility limit for payment of bonus to workers has been raised from Rs. 3,500 to Rs. 10,000 per month.
- Workers employed by building contractors have also been made eligible for payment of bonus.





