

Himachal Pradesh Tenth Five Year Plan

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Mid Term Review



Planning Department
Government of Himachal Pradesh
Shimla-171002.

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6. An Overview of the State Economy

1. HISTORICAL PERSPECTIVE

1.1.1 The State of Himachal Pradesh owes its existence to the merger of 31 big and small hilly principalities which were amalgamated to form Himachal Pradesh as part "C" state on 15th April, 1948. Rulers of these principalities and Praja Mandal activists opposed the merger of these hill principalities with East Punjab and apprised the Government of India about their demand to have a separate state which, the Government of India acceded to. This unit was administered by the Government of India through a Chief Commissioner. These 31 hilly states were Baghat, Bhajji, Baghal, Bija, Balsen, Bushehar, Chamba, Darkoti, Deloth-Dhadi, Dhami, Ghund, Jubbal, Khaneti, Kyarkoti, Kumarsain, Kunihar, Kuthar, Mandi, Madhan, Mahlog, Mangal, Kot(Ratesh), Keonthal, Rawinigarh, Sangri, Sirmaur, Suket, Tharoch & Theog. All these areas at that time constituted four districts viz. Chamba, Mahasu, Mandi and Sirmaur with an area of 27,169 square kilometers. In 1954, the neighbouring State of Bilaspur was integrated with Himachal Pradesh, thereby adding one more district with an area of 1167 square kilometers.

1.1.2 Himachal Pradesh continued as a part 'C' State of the Indian Union till 1956 when the States' Reorganization Commission submitted its recommendations to abolish the categorization of states as part A, B, C, etc. and recommended the merger of all part 'C' states either with the adjoining states of higher status or to maintain these independently as union territories till a further decision was taken. Himachal Pradesh continued to exist as a Union Territory till the conferment of statehood on 25th January 1971.

1.1.3 In 1960, Chini tehsil of Mahasu district was carved out as a separate administrative unit and district Kinnaur was formed raising the total number of districts to six. On 1st November, 1966, the then Punjab State was reorganised with the formation of Haryana as a separate state and merger of the then Kullu, Kangra, Shimla and some hilly areas of Hoshiarpur district and Dalhousie of Gurdaspur district into Himachal Pradesh constituting the four new districts viz. Kullu, Lahaul & Spiti, Kangra and Shimla in Himachal Pradesh and merging Dalhousie into Chamba district. With this addition, Himachal Pradesh comprised of ten districts, an area of 55,673 sq. Kilometres according to Surveyor General of India and a population of 28.12 lakh according to 1961 census.

1.1.4 On 1st September 1972, two more districts viz. Hamirpur and Una were created by trifurcation of Kangra district and the Mahasu and Solan districts were reorganised as Shimla and Solan districts. In this re-organisation, Shimla town was re-organised with the erstwhile Mahasu district to form Shimla district.

1.2 GEO_PHYSICAL FEATURES

1.2.1 Himachal Pradesh is situated between 30° 22' 40" to 33° 12' 20" north latitudes and 75° 45' 55" to 79° 04' 20" east longitudes. The altitude in the Pradesh, a wholly mountainous region in the lap of Himalayas, ranges from 350 meters to 6975 meters above mean sea level. It is surrounded by Jammu and Kashmir in the north, Tibet on north east, Uttaranchal in the east/south east; Haryana in south and Punjab in south west/west.

1.2.2 Himachal Pradesh can be divided into three climatic zones: - (i) The shivalik ranges (the height from plain upto 915 meters); (ii) Colder Zone (the height is about 4500 meters); and (iii) the axis and crystalline core of the whole system (the height above 4500 meters but below 5500 meters).

Table 1.1 Current position of the forests in Himachal Pradesh

Sr. No.	Category	Area (sq Kms)	Remarks
1.	Geographical area of the State	55,673	-
2.	Area required under forest cover as per NFP 1988	37,115	Total Culturable area under recorded forests is 20657 sq. kms. For the purposes of policy requirements. Unculturable area forming vital eco-system and wildlife habitats shall also have to be considered.
3.	Area required under tree cover as per State Forest Policy, 1980	27,836	
4.	Forest area as per forest record	37,033	-
5.	Unculturable area	16,376	Includes snow-covered area, permanent high altitude pastures, rocky wastes and above tree line unfit for tree growth.
6.	Culturable Area	20,657	-
7.	Area already under good forest cover (SFR-FSI,2001) above 40 % Crown Density	10,429	Requiring protection and regeneration.
8.	Area under open forests (SFR-FSI,2001) between 10 % & 40 % Crown Density	3,931	Requiring protection and improvement in density.
9.	Balance Culturable Area	6,297	Includes scrub, blank areas and areas covered by plantations, which are not picked up in the satellite imagery (say post 1980 plantations).
10.	Plantations (Post 1980 till 2000-01)	5,992	Assumed to be fully surviving and left out of the satellite imagery.
11.	Balance available for afforestation	305	Includes scrub and village grazing lands.
12.	Area under Scrubs	566	Requires conversion into useful forests.

1.2.3 The climatic conditions, therefore, vary from the semi-tropical to semi-arctic. Physiographically; the state can be divided into five zones based on altitudes and moisture conditions. These vary from wet humid sub-temperate situation to dry temperate alpine high lands. Besides, the seasonal variations, the climate of Himachal Pradesh varies at different altitudes. The average rainfall is 152 cms. (60 inches). The highest rainfall occurs in Kangra district followed by Shimla district.

1.3. FORESTS

1.3.1 Forests are an important resource of Himachal Pradesh. Although the area classified as "Area under Forest" is 67 percent of the total area of the Pradesh, yet the effective forest cover is much lower than this area, primarily on account of the fact that a very large area is either alpine meadows or is above the tree line.

1.3.2 In view of the position given in the Table 1.1 category wise break up for the area in Himachal Pradesh is as exhibited in the table 1.2.

Table 1.2

CATEGORY	AREA IN SQ. KM
Total Geographical Area	55,673
Area under management with the Forest Department.	37,033
Area under alpine pasture including under permanent snow	16,376
Balance area	20,657
Area over which forests can be raised/tree cover can be provided.	14,725

1.3.3 As per latest State Forest Report of FSI, an area of 14,360 sq. km. is actual forest cover. This is constituted of 10,429 sq. km. of dense forests, having a crown density of above 40% and 3,931 sq. km. with crown density between 10% to 40%. In addition to this, 566 sq. km. area has been described as scrubs.

1.3.4 Afforestation works are required to be done on area which has been classified as scrub i.e. 566 sq. km. and low density forests covering 3,931 sq. km. and the balance of 10,228 sq. km. (20657- 10,429 =10,228) over which no forests exist, totaling to 14,725 sq.km.

1.3.5 Forest wealth of Himachal Pradesh is estimated at over Rs. 1,00,000 crore. Most of precious coniferous forests are of such nature that these cannot be truly regenerated by human beings if these are cut once. The State Govt. has imposed a complete ban on commercial felling and the only removals from the forests are either by way of timber distribution rights to the people of State or salvage extraction. Even the silviculturally harvestible volume according to working plan prescriptions would be annually worth over Rs. 250 crore. However, the State Govt. has denied itself this resource for about two decades now, primarily for preserving the fragile Himalayan ecology and environment to serve the national interests and has been making a fervent plea to the Union Government for setting up a compensatory mechanism to help the State for loss of revenue in lieu of serving the National interest.

1.4. RIVERS & LAKES

1.4.1 Himachal Pradesh has the privilege of having snow fed perennial rivers and rivulets flowing in almost all parts of the Pradesh. Yamuna, with its important tributaries of Tons, Pabbar and Giri in the east and Satluj, Beas, Ravi and Chenab in the west flow through various parts of the Pradesh. Some of the important natural lakes worth mentioning are Khajjiar, Ghadasasu Lamba Dal, Manimahesh, Mahakali in Chamba Distt.; Dal, Kareri in Kangra Distt.; Rewalsar, Kumarwah, Prashar in Mandi district; Bhriagu and Dashahr in Kullu Distt.; Chandratal and Surajtal in Lahaul & Spiti Distt.; Chandra Naun in Shimla district; and Renuka in Sirmaur Distt. The man made lakes include Gobind Sagar in Bilaspur district; Pong lake in Kangra district; Pandoh lake in Mandi district; and Chamera lake in Chamba district.

1.5. MINERAL WEALTH

1.5.1 Himachal Pradesh is endowed with considerable mineral wealth. As per investigation of Geological Survey of India, the minerals available in Himachal Pradesh include limestone, byrites, clays, mica, iron pyrites, salt, gypsum, slate, antimony and lead. The distribution of these minerals is scattered all over the state and includes lime stone in Bilaspur, Sirmaur and Kangra districts; salt and slates in Mandi District; gypsum in Rajban

Bharli Sirmour district.; Lahaul & Spiti and Sapatu in Solan distt.; byryte in Sirmour, iron ore in Mandi and Kangra; and uranium in Kullu and Hamirpur districts.

1.6. SOILS

1.6.1 The soils of the state can broadly be divided into nine groups on the basis of their development and physico-chemical properties. These are: (i) alluvial soils, (ii) brown hill soil, (iii) brown earth, (iv) brown forests soils, (v) grey wooded or podzolic soils, (vi) grey brown podzolic soils, (vii) planosolic soils, (viii) humus and iron podzols (ix) alpine humus mountain speletal soils. The soil found in the districts of Mandi, Kangra, Bilaspur, Una, Solan, Hamirpur and Sirmaur is generally brown, alluvial and grey brown podzolic, Kullu and Shimla have grey-wooded podzolic soils, while Kinnaur, Lahaul and Spiti and some parts of Chamba district have humus mountain speletal soils.

1.7. ADMINISTRATIVE STRUCTURE

1.7.1. Since 1st September, 1972, there have been no changes in the administrative structure of Himachal Pradesh except carving out of new sub-divisions, sub-tehsils, raising of sub-tehsils to the level of tehsils. Presently, there are 12 district, 52 sub-divisions, 109 tehsils and sub-tehsils in Himachal Pradesh.

1.7.2. From development point of view, the Pradesh is divided into 75 development blocks. The smallest unit for development- cum-administration is Panchayat and their number is 3037. The state has a three tier Panchayati Raj structure comprising of 12 Zila Parishads, 75 Panchayat Samitis and 3037 Gram Panchayats.

1.8. DEMOGRAPHIC PROFILE

1.8.1 According to Surveyor General of India, the total area of Himachal Pradesh is 55,673 square kilometers, which is divided into twelve administrative districts. Out of this total area, 45,318 square kilometers is the measured area according to the revenue papers. Although there are minor variations in the area according to village papers vis-à-vis the area according to Surveyor General of India for almost all the districts yet the major difference by way of a shortfall is accounted for by Kullu, Lahaul-Spiti and Sirmaur districts. Area-wise, Hamirpur is the smallest district of the Pradesh which covers an area of 1,118 sq. kilometers (2.01%) and Lahaul & Spiti has the largest area of 13,835 sq. kilometres (24.85%).

1.8.2 The total population of Himachal Pradesh, according to 2001 census was 60, 77,900, which gives a density of population of 109 persons per square kilometer. There are wide variations in area and population of the districts and the district-wise density varies from 2 persons per sq. kilometre in Lahaul and Spiti to 369 persons in Hamirpur district. Out of the total population, the number of males and females is 30, 87,940 and 29, 89,960, respectively, which means that the number of females per 1000 males is 968. The sex ratio of females per thousand males has been rising continuously in Himachal Pradesh since 1951 census but declined from 976 in 1991 census to 968 in 2001 census. The decline is pronounced in the 0-6 year's age group and is a matter of concern for policy planners. The total percentage of rural population is 90.21% of the total population residing in 17,495 inhabited villages.

1.8.3 The scheduled caste population in the state is 15, 02,170 persons which is 24.72% of the total population as per 2001 census. The scheduled tribe population of the Pradesh, which has its concentration in districts of Kinnaur and Lahaul Spiti and parts of Chamba,

district and scattered in other districts is 2, 44,587, which is 4.02% of the total population. However, after the notification of the Government of India in the year 2004, declaring *Gujjars* and *Gaddis* of higher reaches of the districts of Kangra and Chamba as Scheduled Tribes, this number will get inflated and will be captured accurately during the next Census only. About 60 percent of the state's tribal population falls under the tribal sub-plan areas.

1.8.4 There are 57 Urban Local Bodies viz. one Nagar Nigam, 20 Municipal Councils and 32 Nagar Pachayats in Himachal Pradesh. In addition to it, there are seven cantonment areas and one census town. The population of these urban settlements is 5, 94,881 as per 2001 census. The largest one is the Shimla Town with a population of 1, 42,161 and the smallest one, is Narkanda with a population of 712.

1.8.5 There are 19, 63,882 main workers and 10, 28,579 marginal workers in the state as per 2001 census. This means that there is one main worker for every 3.09 persons and one marginal worker for 5.91 persons. Combining the number of main and marginal workers, it works out that there is one worker for every 2.03 persons.

1.8.6 According to 2001 census, the overall literacy percentage of Himachal Pradesh was 77.13% (86.02% for males and 68.08% for females). Comparatively, it is much higher than the all-India literacy rate, which is 65.38%. The literacy rate in Himachal Pradesh is also improving faster than the all-India figures. Himachal Pradesh is characterised by a very strong correlation between sex ratio (females per thousand and males) and literacy. Districts with higher density of female population vis-à-vis male population have high literacy rates.

1.9. DEMOGRAPHIC TRENDS

1.9.1 The population of the State registered a decadal growth of 17.53 percent as against 21.34 percent at All-India level during the decade 1991-2001, thus recording a decline of 3.26 percent as compared to the preceding decade 1981-91. This has been possible through a three-pronged strategy of intensive health cover, improvement in literacy rates, especially among the women and making family planning a people's movement along with a positive thrust of incentives. The important demographic indicators for the inter-census decades between 1971-1981; 1981-1991 and 1991-2001 are shown in the Table 1.3. These give a basic idea about the demographic changes that have occurred in the State over three decades.

TABLE 1.3 DEMOGRAPHIC TREND DURING 1981-2001 DECADE

Sr. No.	Item	Unit	1981 Census	1991 Census	2001 Census
1.	2.	3.	4.	5.	6.
1.	Population:				
	(a) Total	Lakh Persons	42.81	51.71	60.78
	(b) Male	Lakh Persons	21.70	26.17	30.88
	(c) Female	Lakh Persons	21.10	25.53	29.90
2.	Scheduled Castes	Lakh Persons	10.54	13.10	15.02
3.	Scheduled Tribes	Lakh Persons	1.97	2.18	2.45*
4.	Density of Population per square kilometre	Persons	77	93	109
5.	Decennial Growth of Population	%	23.71	20.79	17.54
6.	Literacy Percentage:				
	(a) Total	%	42.48	63.86	77.13

(table contd.)

Sr. No.	Item	Unit	1981 Census	1991 Census	2001 Census
1.	2.	3.	4.	5.	6.
	(b) Male	%	53.19	75.36	86.02
	(c) Female	%	31.46	52.13	68.08
7.	Percentage Composition:				
	(a) Rural Population	%	92.40	91.31	90.21
	(b) Urban Population	%	7.60	8.69	9.79
8.	Percentage of Total Population:				
	(a) Scheduled Castes	%	24.62	25.34	24.72
	(b) Scheduled Tribes	%	4.61	4.22	4.02
9.	Sex Ratio	Females per 1000 Males	973	976	968

* figures do not include the *Gujjars* and *Gaddis* of Chamba and Kangra districts declared as Scheduled Tribes by the Government of India in 2004

1.10. OCCUPATION:

1.10.1 The mainstay of the people of Himachal Pradesh is agriculture on which 66.71% population depends for their livelihood. The topography being mostly hilly, the type of cultivation is terraced. Close to 80 percent of all holdings fall in the category of small and marginal farmers. Due to ideal climate for fruits cultivation, horticulture and vegetable growing (seasonal as well as off-season) well-diversified farm economy has developed rapidly during the past three decades. Percentage of main workers to total population is 34.41 and the percentage of cultivators to total main workers is 63.25. The percentage of agricultural labourers to total workers is 2.66 as per 1991 census.

1.11. HUMAN RESOURCES

1.11.1 The population of Himachal Pradesh according to 2001 Census is 60.77 lakh out of which 54.82 lakh (90.21 percent) live in rural areas and 5.95 lakh (9.79 percent) in Urban areas, thus the majority of population is associated with such economic activities as are related to rural economy. The following table 1.4 depicts the decadal increase in work force based on the 1981 and 1991 Census data.

TABLE 1.4 CHANGES IN WORK FORCE BETWEEN 1981 AND 1991 CENSUS

Sr. No.	Item	Unit	1981 Census	1991 Census	2001 Census	%age Increase
1.	2.	3.	4.	5.	6.	7.
1.	Total Population	Lakh Persons	42.80	51.70	60.78	17.56
2.	Main Workers:	Lakh Persons	14.71	17.79	19.64	10.40
	(a) Cultivators	Lakh Persons	10.02	11.25	10.89	(-)-3.20
	(b) Agricultural Labourers	Lakh Persons	0.40	0.59	0.36	(-)-38.98
	(c) Livestock, Forestry, Fisheries, Plantation and Allied Activities	Lakh Persons	0.37	0.44	N.R.	-
	(d) Mining & Quarrying	Lakh Persons	0.04	0.05	N.R.	-
	(e) Manufacturing, Processing, Servicing & Repairs	Lakh Persons	0.79	0.92	N.R.	-
	(f) Construction	Lakh Persons	0.79	0.86	N.R.	-
	(g) Trade and Commerce	Lakh Persons	0.53	0.78	N.R.	-
	(h) Transport, Storage & Communication	Lakh Persons	0.27	0.34	N.R.	-
	(i) Other Services	Lakh Persons	1.50	2.56	8.03	213.67
3.	Marginal Workers	Lakh Persons	3.43	4.35	10.28	136.32
4.	Non-Workers	Lakh Persons	24.67	29.56	30.78	4.13

1.11.2 The above table reveals that in the 1981-91 decade, work force increased from 18.14 lakh in 1981 to 22.14 lakh in 1991, recording a growth of 22.05% as against 20.79% growth of population over the same period. In the year, 1981 the work force constituted 42.38% of the total population while in 1991, it accounted for 42.82%. Thus the rate of growth of work force as against the total population of 1981 and 1991 census remained almost the same. The percentage of main workers, marginal workers and non-workers to total population also remained almost the same, if we compare these against the total population of the decade. In the year 1981 main worker constituted 34.37% of the total population while in 1991 it accounted for 34.41%. The marginal workers and non workers constituted 8.01% and 57.64% of the total population in 1981 while they accounted for 8.41% and 57.18% of the total population respectively in 1991. There has not been any structural change in the worker participation rates during the 1981-91 decade.

1.11.3 The other feature of the work force reveals that main workers recorded a 70.67% growth in other services sectors over a decade period, which shows that most of the employment opportunities were created in the private sector. According to 2001 census, workers have been classified in the categories of 'Cultivators', 'Agricultural Labourers', 'Workers in Household Industry' and others. Table 1.5 gives the decadal increase in workforce for the period 1991-2001.

TABLE 1.5 DETAILS OF WORK FORCE 1991-2001 DECADE

Sr. No.	Item	Unit	1991 Census	2001 Census	%age Increase
1	Total Population	Lakh Persons	51.71	60.78	17.54
2	Main Workers*	Lakh Persons	17.79	19.64	10.40
3	Marginal Workers*	Lakh Persons	4.35	10.28	136.32
4	Non-Workers	Lakh Persons	29.56	30.78	4.36

* Main and Marginal Workers:

i) Cultivators (Lakh Persons) 19.55

ii) Agricultural Labourers (Lakh Persons) 0.94

iii) Workers in Household Industry (Lakh Persons) 0.52

iv) Other Workers (Lakh Persons) 8.91

Total Workers: 29.92

Note: The abnormal rise in marginal workers can be attributed to change in methodology in estimating work force during the census 2001. As a departure from the earlier census estimates, industrial categories of workers engaged in carrying of live stock, forestry, hunting, plantation, orchard and allied activities have been grouped under the category of workers in household industries. One of the possible reasons can also be definitional changes in the census of 2001 estimates.

1.11.4 During the 1991-2001 decade the workforce increased from 22.14 lakh in 1991 to 29.92 lakh in 2001 recording a growth rate of 35.14% as against 17.54% growth in population over the same period. In the year 1991, the workforce constituted 42.82% of the total population while in 2001 it accounted for 49.23%. In the year 1991, main workers constituted 34.40% of the total population while in 2001 they accounted for 32.31%. The marginal workers and non-workers constituted for 8.41% and 57.16%, respectively of the total population in 1991 while they accounted for 16.93% and 50.76%, respectively of the total population in 2001. There is a considerable increase in the workforce of marginal workers.

1.12. GROWTH OF STATE ECONOMY

1.12.1 State Income is the single most common and comprehensive economic indicator used to measure the economic health of any state economy. In Himachal Pradesh, first estimates of State Income were released in the year 1963 covering the period 1950-51 to 1960-61. Since Himachal Pradesh underwent many territorial changes after independence and emerged as a full-fledged State in the year 1971, a new series of State Domestic Product was developed for the year 1966-67 to 1969-70 with the base year 1960-61. The third series of state domestic product prepared in the Pradesh was based on 1970-71 prices, which consisted of the estimates up to 1986-87. After the release of the new series of National Accounts Statistics by Central Statistical Organisation in February 1989, Himachal Pradesh also brought out a new series of estimates based on 1980-81 prices.

1.12.2 A new series of quick estimates were brought out during 1999-2000 based on the 1993-94 prices. According to these estimates, the State income of the Pradesh during 1993-94 to 2001-02 period increased from Rs. 4250.03 crore to Rs. 7379.73 crore at constant prices and to Rs. 13212.00 crore at current prices. The compound annual growth rate of the state domestic product during this period is 7.14% and is among the five best performing states in the country. The per capita income at constant prices increased from Rs. 7870 in 1993-94 to Rs. 11402 in 2001-02 and 11832 in 2002-03 while at current prices, it rose to Rs. 21543 and Rs. 22576 respectively during the same period.

1.12.3. The quick estimates of state income for the years from 1993-94 to 2002-03 at current and constant (1993-94) prices and per capita income along with percentage changes over the previous year at 1993-94 prices are given in the table 1.6.

TABLE 1.6 MOVEMENT OF NET STATE DOMESTIC PRODUCT & PER CAPITA INCOME

Year	State Income		Per Capita Income		%age Change Over the Previous Years at 1993-94 Prices	
	At Constant Prices (Rs. in crore)	At Current Prices (Rs.in crore)	At Constant Prices (In Rs.)	At Current Prices (In Rs.)	Net State Domestic Product	Per Capita Income
1.	2.	3.	4.	5.	6.	7.
1993-94	4250.03	4250.03	7870	7870	-	-
1994-95	4663.85	5192.46	8489	9451	9.7	7.9
1995-96	4920.52	5930.24	8801	10607	5.5	3.7
1996-97	5198.86	6802.87	9140	11960	5.7	3.9
1997-98	5571.01	7806.98	9625	13488	7.1	5.3
1998-99	5966.28	9507.46	10131	16144	7.1	5.3
1999-2k	6621.85	10882.00	11051	18160	10.1	9.1
2000-01	6702.62	12022.66	11029	19784	1.2	4.6
2001-02	7049.88	13319.96	11402	21543	5.2	3.4
2002-03(Q)	7443.59	14202.43	11832	22576	5.6	3.8

1.12.4. The quick estimates for the Net Domestic Product of the States Economy for the year 2003-04 and 2004-05 have not be made available as yet. However, these estimates for the Gross Domestic Product are available. The growth of Gross Domestic Product during the Ninth Five Year Plan and Tenth Five year Plan are shown in the Table – 1.7.

1.12.5 The quick estimates for the Net State Domestic Product of the State's economy for the financial year 2003-04 has not been made available so far. However, these estimates for the Gross State Domestic Product are available now. The growth of the Gross State Domestic Product during the Ninth Five Year Plan and during the first three years of the Tenth Five Year Plan are exhibited in the table 1.7

TABLE 1.7 MOVEMENT OF GROSS STATE DOMESTIC PRODUCT

Year	State Income		Growth rate	
	At Current Prices (Rs. in crore)	At Constant Prices (Rs. in crore)	At Current Prices (%)	At Constant Prices (%)
1.	2.	3.	4.	5.
1996-97	7755.27	5955.28	15.8	6.9
1997-98	8837.31	6335.14	13.9	6.4
1998-99	10696.23	6791.97	21.0	7.2
1999-2k	12229.46	7241.43	14.3	6.6
2000-01	13503.91	7692.89	10.4	6.2
2001-02	14943.07	8089.19	10.7	5.2
2002-03(Q)	15946.00	8454.17	6.7	4.5
2003-04(T)	17845.41	9122.85	11.9	7.9

1.12.6 The growth rate of state economy recorded during the Five Year Plan periods beginning from the first five year plan 1951-56 onwards along with comparison with the National Economy is given in the table 1.8 on the next page.

1.12.7 The growth analysis presented in the table 1.8 reveals that Himachal Pradesh achieved an annual average growth rate of 1.6% in the first Five Year Plan period 1951-56. After Second Five-Year Plan 1956-61 onwards and up to Fifth Five-Year Plan period 1974-78, the State was able to achieve a growth rate of about 3 to 4 percent. During the two annual plans of 1978-79 and 1979-80 the economy recorded a negative growth rate of (-) 3.6 percent but again showed a recovery during Sixth Plan period 1980-85. During Seventh Plan period 1985-90, state achieved all time high growth rate of 8.8%.

1.12.8 During Eighth Five-Year Plan period (1992-97), an annual average growth rate of 6.3 percent was achieved against the envisaged target of 6 percent for the state economy. The national economy attained an average growth rate of 6.2 percent against the target of 5.6 percent for this period. During Annual Plan 1997-98, the state economy achieved a growth of 6.4 % whereas a growth rate of 5.0% was recorded at the National level. During the Ninth Five-Year Plan (1997-2002), i.e. at the end of Annual Plan 2001-02 the state economy achieved a growth of 5.2% and 5.6% at the end of Annual Plan 2002-03 and at the national level the economy registered a growth of 5.4% and 4.0%, respectively.

1.12.9 The table 1.9 presents sector-wise movement of the State Domestic Product. It is clear from the data depicted in this table that Primary Sector contributed 71.01 % of the SDP in 1950-51, which declined to 25.42% in 2002-03. The contribution of secondary and tertiary sectors has increased year after year. In 1950-51, the secondary sector contribution to SDP was 9.5%, which went up to 33.44% in the year 2002-03. Similarly, the tertiary sector contribution to state domestic Product in 1950-51 was 19.49% which went up to 41.14% in the year 2002-03. This structural shift from Primary to Secondary and Tertiary Sectors is a healthy sign of growing economy if this pattern of movement is any indicator of advancement of an economy.

TABLE 1.8 GROWTH RATE OF HIMACHAL PRADESH AND NATIONAL ECONOMY RECORDED DURING FIVE YEAR PLAN PERIODS

Plan Period	Average Annual Growth Rate of Economy At Constant Prices	
	Himachal Pradesh	All India
1.	2.	3.
First Plan (1951-56)	(+) 1.6	(+) 3.6
Second Plan (1956-61)	(+) 4.4	(+) 4.1
Third Plan (1961-66)	(+) 3.0	(+) 2.4
Annual Plans (1966-67) to (1968-69)	(+) 3.0	(+) 4.1
Fourth Plan (1969-74)	(+) 3.0	(+) 3.4
Fifth Plan (1974-78)	(+) 4.6	(+) 5.2
Annual Plans (1978-79) to (1979-80)	(-) 3.6	(+) 0.2
Sixth Plan (1980-85)	(+) 3.0	(+) 5.3
Seventh Plan (1985-90)	(+) 8.8	(+) 6.0
Annual Plan (1990-91)	(+) 3.9	(+) 5.4
Annual Plan (1991-92)	(+) 0.4	(+) 0.8
Eighth Plan (1992-97)	(+) 6.3	(+) 6.2
Ninth Plan (1997-02)	(+) 6.2	(+) 5.4

Annual Plan (1997-98)	(+) 6.4	(+) 5.0
Annual Plan (1998-99)	(+) 7.1	(+) 6.6
Annual Plan (1999-2000)	(+) 10.1	(+) 6.1
Annual Plan (2000-01)	(+) 6.1	(+) 4.0
Annual Plan (2001-02)	(+) 5.2	(+) 5.4
Annual Plan (2002-03)(Q)	(+) 5.6	(+) 4.0

TABLE 1.9 PERCENTAGE CONTRIBUTION OF SECTORAL STATE DOMESTIC PRODUCT AT CURRENT PRICES

Sl. No.	Sectors	1950-51	1960-61	1970-71	1980-81	1990-91	1992-93	1996-97	1997-98	1998-99	1999-2k	2000-01	2001-02	2002-03	2003-04
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
1.	Primary	71.01	63.14	58.56	50.35	37.82	38.65	32.62	31.92	27.58	26.41	25.87	27.00	25.42	21.54
2.	Secondary	9.50	9.71	16.73	18.69	25.03	24.81	30.17	30.40	32.34	33.01	34.62	33.31	33.44	35.53
3.	Tertiary	19.49	27.15	24.71	30.96	37.15	36.54	37.21	37.68	40.08	40.58	39.51	39.69	41.14	42.93

1.12.10 Movement of per Capita Income at current prices indicating its level at the beginning of each Five Year Plan/ Annual Plan period in respect of Himachal Pradesh *vis-a-vis* All- India is given in the table 1.10. It is observed that the per capita income of Himachal Pradesh has been lower than that of the National average during the period

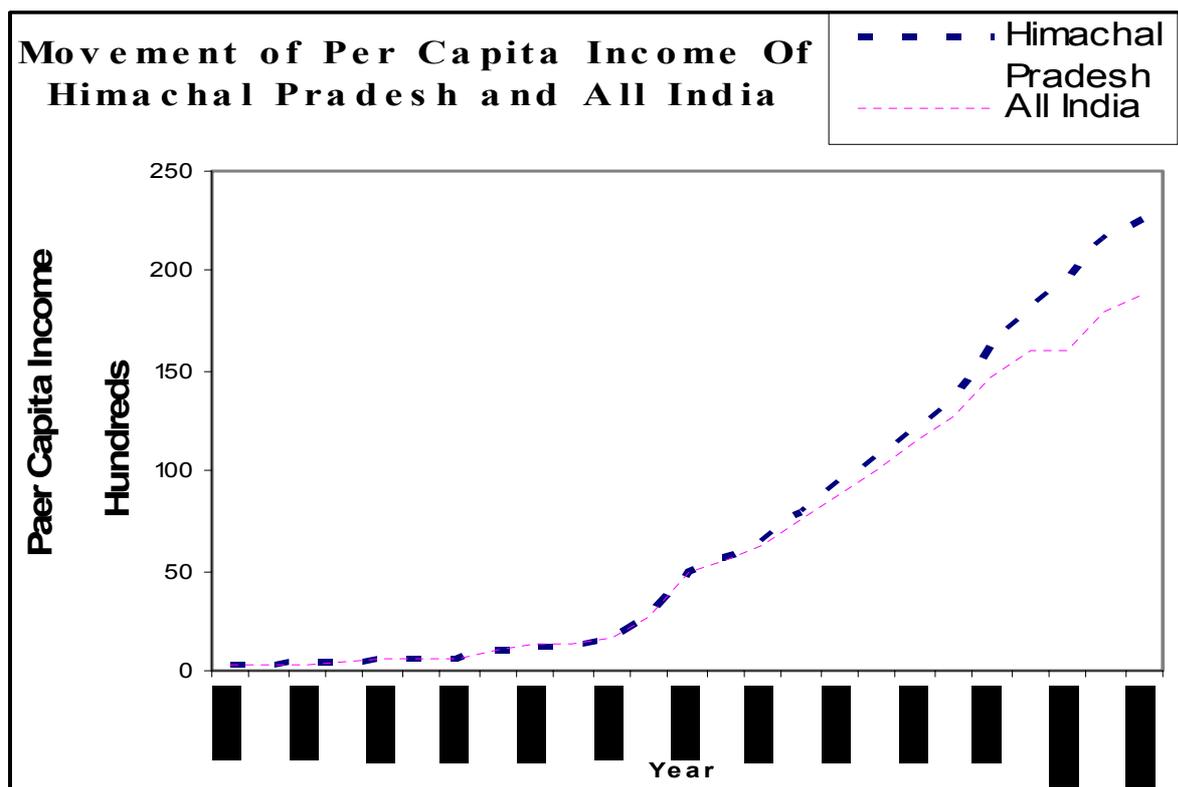


TABLE 1.10 COMPARATIVE STATEMENT OF PER CAPITA INCOME OF HIMACHAL PRADESH AND ALL INDIA (In Rs.)

Plan Period	Year of the	Per Capita Income at Current Prices	
		Himachal Pradesh	All India
1.	2.	3.	4.
First Plan	1951-52	240	239
Second Plan	1956-57	286	274
Third Plan	1961-62	398	337
Annual Plan	1966-67	440	509
Annual Plan	1967-68	532	588
Annual Plan	1968-69	576	604
Fourth Plan	1969-70	586	651
Fifth Plan	1974-75	1020	1034
Annual Plan	1978-79	1249	1316
Annual Plan	1979-80	1258	1390

Sixth Plan	1980-81	1704	1630
Seventh Plan	1985-86	2649	2730
Annual Plan	1990-91	4910	4983
Annual Plan	1991-92	5691	5603
Annual plan	1992-93	6390	6262
Annual Plan	1993-94	7870	7698
Annual Plan	1994-95	9451	8844
Annual Plan	1995-96	10607	10103
Annual Plan	1996-97	11960	11554
Annual Plan	1997-98	13488	12729
Annual Plan	1998-99	16144	14682
Annual Plan	1999-2000	18160	16047
Annual Plan	2000-2001	19560	16047
Annual Plan	2001-2002	21543	17978
Annual Plan	2002-2003	22576	18825
Annual Plan	2003-04(T)	28470	-

between 1966-67 and 1990-91 with an exception for a few years. After 1990-91, the State figures are constantly higher than the national averages.

1.13. PLAN INVESTMENT:

1.13.1 Himachal Pradesh has so far gone through planned development for a period of about fifty five years. The investment *vis-a-vis* the per capita annual investment made over the various plan periods is given in the table 1.11.

TABLE 1.11 PLAN INVESTMENTS

<i>Plan Period</i>	Total Investment (Rs.in Lakh)	Per Capita Annual Investment (in Rs.)
1.	2.	3.
First Plan (1951-56)	527.25	4.00
Second Plan (1956-61)	1602.60	11.00
Third Plan (1961-66)	3384.47	21.60
Annual Plans (1966-67) to (1968-69)	3978.18	40.00
Fourth Plan (1969-74)	11342.97	61.20
Fifth Plan (1974-78)	16148.48	100.50

Annual Plans (1978-79) and (1979-80)	14755.53	176.50
Sixth Plan (1980-85)	65566.00	287.80
Seventh Plan (1985-90)	132475.75	544.59
Annual Plans (1990-91) & (1991-92)	39381.46	765.32
Eighth Plan (1992-97)	348072.00	6732.53
Ninth Plan (1997-02)	789672.00	15274.12
Annual Plan (1997-98)	129433.00	2503.54
Annual Plan (1998-99)	153965.92	2978.06
Annual Plan (1999-2ki)	162350.56	3140.24
Annual Plan (2000-01)	172217.00	3331.08
Annual Plan (2001-02)	172000.00	2830.34
Annual Plan (2002-03)	204177.78	3359.84
Annual Plan (2003-04)	133500.00	2196.81
Annual Plan(2004-05)	140000.00	2295.08

Comparative position of the originally approved outlays, revised approved outlays and actual expenditure since 1974-75 is depicted in the table 1.12.

TABLE 1.12 PLAN OUTLAYS & ACTUAL EXPENDITURE

(Rs. in Lakh)

Plan Tenure	Original Approved Outlay	Revised Approved Outlay	Actual Expenditure
1.	2.	3.	4.
1974-78	23895.00	15743.00	16214.10
1978-79	7300.00	7329.11	7362.18
1979-80	7768.79	-	7945.36
1980-85	56000.00	62217.00	66471.00
1985-90	105000.00	118800.00	132476.00
1990-91	36000.00	-	37762.93
1991-92	41000.00	-	40482.00
1992-93	48600.00	49050.00	49234.00
1993-94	56000.00	56282.00	57072.00
1994-95	65000.00	66632.00	66675.00
1995-96	75000.00	83500.00	85091.00
1996-97	90050.00	91536.16	91833.00
1992-97	250200.00	334600.00	348072.00
1997-98	100800.00	122019.70	129433.00
1998-99	144000.00	144400.00	153965.92
1999-2k	160000.00	160117.00	162350.56
2000-01	138200.00	172000.00	172217.00
2001-02	172000.00	172000.00	172000.00
1997-02	570000.00	748800.00	789672.00

2002-03	184000.00	204177.78	205651.35
2003-04	133500.00	133500.00	130660.01

1.14. DEVELOPMENT OF INFRASTRUCTURE FACILITIES

1.14.1. ROADS AND BRIDGES

1.14.1.1 During the First Five-Year Plan (1951-56), "Roads" were given highest priority. During this period Rs. 225.41 lakh were spent on the development of roads, which amounted to 42.75% of the total plan investment of Rs. 527.25 lakh. With this investment, the state achieved an additional 2413 K.M. length of roads. The progress made in the development of roads by 1971 at the time of formation of a full-fledged state and level reached by the end of Sixth, Seventh, Eighth Five Year Plans and achievements made by the end of Annual Plan (2003-04) are given in the table 1.13. Besides an increase in the motorable road density from 13.66 Kms. per 100 sq. kms. of area in 1971 to 40.89 kms in 2003. In 2002, the quality of this crucial infrastructure has also been very significantly improved. Whereas only 29.1% of the motorable roads were metalled and tarred in 1971, the percentage at the end of March, 2004 stands at 56.07%. Similarly, the percentage of roads with cross drainage increased from 36.2% in 1971 to 57.51 % in March, 2004. Data given in table 1.14 depicts the position of road length from 1971 to 2004.

TABLE 1.13 ROAD CONSTRUCTION IN HIMACHAL PRADESH

Sr. No.	Description	Unit	Position at the end of					Position as on	
			1971	Sixth Plan (1980-85)	Seventh Plan (1985-90)	Eighth Plan (1992-97)	Ninth Plan (1997-02)	31 st March, 2003	31 st March, 2004
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1.	Motorable Roads	Kms	7609	14663	16883	19760	22763	23436	23992
2.	Roads Provided with Cross Drainage	Kms	2755	6245	7493	8917	11697	12635	13569
3.	Metalled and tarred length	Kms	2218	5300	6392	8094	11441	12354	13453
4.	Bridges	No.	232	598	742	968	1206	1246	1310
5.	Villages connected with Roads								
	(a) Above 1500 population	No.	-	165	175	184	186	186	193
	(b) 1000-1500 population	No.	-	198	214	223	224	224	228
	(c) 500-1000 population	No.	-	756	809	827	849	854	886
	(d) 200-500 population	No.	-	2324	2413	2479	2588	2612	2635
	(e) Less than 200 population	No.	-	3640	3805	3914	4063	4096	4135
	Total (5)			7083	7416	7627	7910	7972	8077

TABLE 1.14 ROAD LENGTH IN HIMACHAL PRADESH

Type of Road	Position as on 31 st March						
	1971	1981	1991	2001	2002	2003	2004
1.	2.	3.	4.	5.	6.	7.	8.
(a) Motorable Double lane	1765	1994	1994	2332	2336	2336	2344
(b) Motorable Single lane	5844	10611	15296	19874	20427	21100	21648
Total Motorable roads	7609	12605	17290	22206	22763	23436	23992
(c) Jeepable	608	633	826	906	781	598	481
(d) Less than Jeepable (Track)	2400	4195	4329	4105	3959	3771	3611
Total	10617	17433	22445	27217	27503	27805	28084

1.14.2. IRRIGATION POTENTIAL AND AREA COVERED UNDER IRRIGATION:

1.14.2.1 In the First Five-Year Plan (1951-56), Irrigation was given second priority and investment of Rs. 55.18 lakh was envisaged against which the actual expenditure was of the order of Rs. 33.70 lakh. By the end of the year 1999-2000 which was the third year of 9th plan (1997-02), the State achieved addition to CCA potential of an area of about 1.00 Lakh hectares under major/minor irrigation schemes implemented through plans. CCA created under various irrigation schemes by the end of Sixth Plan (1980-85), Seventh Plan (1985-90), Annual Plans (1990-91) & (1991-92), Eighth Plan (1992-97) and Ninth Plan (1997-02) and achievements made

TABLE 1.15 ASSESSED IRRIGATION POTENTIAL

Sr. No.	Item	Unit	Area
1.	2.	3.	4.
1.	Total Geographical Area	Lakh Hect.	55.67
2.	Net Area Sown	Lakh Hect.	5.83
3.	Ultimate Irrigation Potential Available		
	(i) Major & Medium Irrigation	Lakh Hect.	0.50
	(ii) Minor Irrigation	Lakh Hect.	2.85
	Total (3)	Lakh Hect.	3.35
4.	C.C.A. created upto the end of 31.3.2004		
	(i) Major & Medium Irrigation	Lakh Hect.	0.12
	(ii) Minor Irrigation	Lakh Hect.	1.90
	Total (4)	Lakh Hect.	2.02

during the Annual Plan (2002-03) and Annual Plan (2003-04), are given in table 1.16. It is evident that additional resources are required to be mobilized to exploit about

TABLE 1.16 CCA CREATED

Sl. No.	Item	Unit	Plan Period					Year-wise achievements made during 10 th Five Year Plan 2002-07		Cumulative Achievement by the end of (2003-04) (Col. 8 to Col.10)
			By the end of 6 th Plan (1980-85)	By the end of 7 th Plan (1985-90)	By the end of Annual Plan (1991-92)	By the end of 8 th Plan (1992-97)	By the end of 9 th Plan (1997-02)	2002-03	2003-04	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	12.
1.	Major & Medium Irrigation	Hect.	6386	8136	8386	10936	11836	200	300	12336
2.	Minor Irrigation	Hect.	57344	67915	73811	82595	92607	2088	2161	96856
3.	Kuhals and Others	Hect.	82478	85573	92761	92796	92796	N.A.	N.A.	92796
	Total:		146208	161624	174958	186327	197239	2288	2461	201988

two fifths of the total irrigation potential which still remains untapped. It however, needs to be underlined that the unexploited potential lies in more difficult locations and not only will the actualization of the potential cost more per unit but will also involve much higher O & M costs.

1.14.3 DRINKING WATER SUPPLY:

1.14.3.1 According to 1981 census, there were 16,807 inhabited villages in the Pradesh out of which 11,887 were categorised as problem villages and 4,920 as non-problem villages. Till 31st March 1995, drinking water facilities had been provided to all the census villages. However, during 1991-93, a status survey in respect of Rural Water Supply was got conducted by the Govt. of India. In this survey the smallest unit was kept a "habitation" instead of the census village. The habitations were further sub-divided into two categories: -

1. Main Habitations, which goes by the name of census villages.
2. Other Habitations, which form the part of census villages (also called hamlets.).

1.14.3.2 As per latest survey conducted, total number of habitations were 45367, the break up of which as on 1-4-2004 is given as under: -

Not Covered (NC)	Partially Covered (PC)	Fully Covered (FC)	Total
0	7800	37567	45367

1.14.3.3 All the NC category habitations have been provided safe drinking water facility by March, 2004.

1.14.4. POWER GENERATION AND CONSUMPTION

1.14.4.1 Himachal Pradesh has been blessed with vast hydroelectric potential in its five river basins, namely Yamuna, Satluj, Beas, Ravi and Chenab. So far, a potential of 20787 MW has been identified. Out of this available hydel potential, only 6042.00 MW has been exploited by various

agencies, which also includes 326.20 MW by H.P. State Electricity Board. Table 1.17 gives information about the projects which are in operation under the HPSEB.

Table 1.17

S. No	Name of the Projects	Capacity
1	Giri	60.00 MW
2	Bassi	60.00 MW
3	SVP Bhaba	120.00 MW
4	Andhra	16.95 MW
5	Thirot	4.50 MW
6	Binwa	6.00 MW
7	Baner	12.00 MW
8	Gaj	10.50 MW
9	Ghanvi Project	22.50 MW
10	Gumma	3.00 MW
11	Mini/Micros (9Nos)	10.75 MW
	Total:	326.20 MW

1.14.4.2 In addition to own generation of 326.20 MW of power by HPSEB, the State Government also receives free power to the extent of 12% of the installed capacity from Baria Suil, Nathapa Jhakhari, Chamera-I, Chamera-II, Malana, Baspa-I etc, besides its share as a State of the region in various projects and other legal share in BBMB projects.

1.14.4.3 The details of the projects under execution by HPSEB/Joint Sector are given as under:-

I. By HPSEB:-

S. No	Name of the Projects	Capacity
1	Bhaba Augmentation P/H	4.50 MW
2	Holi	3.00 MW
3	Larji Project	126.00 MW
4	Khauri HEP	12.00 MW
5	Uhl Stage-III	100.00 MW
6	Kahang HEP-I	66.00 MW
7	Ganvi Stage-II	10.00 MW
	Total:	321.50 MW

II. Central Sector:

S. No	Name of the Projects	Capacity
a)	NHPC:	
i)	Parbati HEP	2051.00 MW
ii)	Chamera Stage-III (Hibra)	231.00 M.W
b)	NTPC:	
i)	Kol Dam	800.00 MW
	Total: (a+b)	3082.00 MW

1.14.4.4 The details of the projects, which are in various stages of implementation in private sector, are as under:

I) Projects for which MOU and implementation Agreements have already been signed:

i) **Dhamwari Sunda (70 MW):** Implementation Agreement signed with M/S Dhamwari Power Company The forest clearance by MOEF and the techno-economic clearance by CEA stand accorded. The company is in process of signing PPA for sale

of power and achieving financial closure. In the Cabinet meeting held on 31.5.2004, HP Government has given one month's time to start construction work on the project site.

ii) **Neogal (15 MW):** Implementation agreement signed with M/S Om Power Company Ltd. on 4.7.1998. Environmental and Forest clearance issued, TEC issued, PPA signed and company is in the process of achieving financial closure. In the Cabinet Meeting held on 31.5.2004, HP Government has given one month's time to start construction work on the project site

iii) **Karchham- Wangtoo (1000 MW):** The agreement was signed between M/S JHPL and GOHP on 18.11.99. The CEA has accorded TEC on 31.3.2003. The company is pursuing statutory / non-statutory clearances from GOHP/ GOI. The Govt. has allowed the company to start work on the project by 18.11.2004

iv) **Allian – Duhangan (192MW):** The implementation agreement was signed between M/S RSWM and GOHP on 22.2.2001. the Company has obtained the TEC from CEA and Environmental & Forest clearance from MOEF. The company is in the process of signing PPA, acquisition of land and achieving financial closure.

v) **Patikari (16 MW):** The agreement was signed between M/S Patikari Power Pvt. Ltd. and GOHP on 9.11.2001. TEC issued, PPA signed and the company is in process of obtaining forest and environmental clearances and achieving financial closure.

vi) **Malana-II (100MW):** The agreement was signed between M/S Everest Power Pvt. Ltd. and GOHP on 14.1.2003. The company is pursuing statutory/ non-statutory clearances from GOHP/ GOI.

1.14.4.5 Status in respect of Hydroelectric Projects for which MOUs have been signed between GOHP and the respective IPPs and the Implementation Agreements are yet to be signed is summarized in the table 1.18.

Table 1.18 The Hydel Projects on which MOU has been signed

Sr. No.	Name of Project & Capacity	Company	Date of MOU	Remarks
1	Fozal (16 MW)	M/S Cosmos Consulting	21.06.2000	The Government has terminated the MOU on 17.06.2004.
2	Baragaon (10.5 MW)	M/S Padmini Traders (P) Ltd., Noida	06.06.2002	The DPR submitted by the company as on 4.12.2003 is under examination in HPSEB for the grant of TEC.
3	Paudital Lassa (36 MW)	M/S Shree Jai Laxmi Power Corporation Guntur	06.06.2002	The DPR submitted by the company as on 10.02.2004 is under examination in HPSEB for grant of TEC.
4	Lambadug (15 MW)	M/S Himachal Consortium, Bangalore	13.06.2002	The DPR submitted by the company as on 9.04.2003 is under examination in HPSEB for the grant of TEC.
5	Sainj (100 MW)	M/S Jindal Hydroelectric Company Ltd., New Delhi.	14.6.2002	The Govt. has terminated the MOU on 17.6.2004.
6	Sei Kothi (17 MW)	M/S Venture Energy Technology Ltd., Delhi	14.6.2002	The DPR was submitted by the company on 10.12.2003. However, the Govt. has directed to confirm the matter regarding the false representation by the company in contravention of clause 24 of the MOU.
7	Dhaura Sidh (80 MW)	M/s G.V.K Industries, Hyderabad	20.06.2002	The DPR submitted by the company as on 28.04.2004 is under examination in HPSEB for grant of TEC.
8	Tangnu Romai (44 MW)	M/s PCP International, Chandigarh	05.07.2002	The DPR submitted by the company as on 04.02.2004 is under examination in HPSEB for the grant of TEC.
Total:				318.50 MW

1.14.4.6 The Government of HP had invited offers from Independent Power Producers for implementation of Hydroelectric Projects in private sector on Build, Own, Operate and Maintain basis in December 2003. Various Hydel projects for which the bids have been submitted by different companies and are under scrutiny for allotment of the projects are given in the Table 1.19.

Table 1.19 Hydel projects on which bids have been received

Sr.No	Name of Project	District	Nallah/Basin	Approximate Capacity
1.	2.	3.	4.	5.
1	Sal-I	Chamba	Ravi	6.5 MW
2	Shalvi	Shimla	Yamuna	7.0 MW
3	Suil	Chamba	Ravi	13.0 MW
4	Tirthan	Kullu	Beas	18.0 MW
5	Chirgaon Majgaon	Shimla	Pabbar	46.0 MW
6	Kugti	Chamba	Ravi	45.0 MW
7	Tidong-I	Kinnaur	Satluj	100.0 MW
8	Budhil	Chamba	Budhil/Ravi	70.0 MW
9	Sorang	Kinnaur	Sorang/Satluj	60.0 MW
Total:				365.5 MW

1.14.4.7 Projects for which DPRs are ready and are to be taken up for execution in State/Private/Joint Venture: -

Table 1.20 Projects being taken up for sanction

Sr.No.	Name of Project	Nallah/Basin	Estimated Installed Capacity (MW)
A	Yamuna Basin :		
1	Shalvi	Pabbar River	7.00
2	Chirgaon Majgaon	Yamuna	46.00
3	Tangnu Romai	Pabbar River	44.00
4	Paudital Lassa	Pabbar River	24.00
5	Sawara Kuddu	Pabbar River	110.00
6	Renuka	Giri	40.00
	Total:		271.00
B	Satluj Basin :		
7	Shongtong Karchham	Satluj	402.00
8	Rampur	Satluj	400.00
	Total:		802.00
C	Ravi Basin :		
9	Siul	Siul Nallah	13.00
10	Kutehar	Ravi	260.00
11	Bharmour	Budhil	45.00
12	Chamera-III	Ravi	231.00
13	Budhil	Budhil	70.00
14	Sei Kothi	Baira Nallah	17.00
	Total:		636.00
D	Beas Basin :		
15	Neogal	Neogal	15.00
16	Fozal	Fozal	6.00
17	Patikari	Bakhli	16.00
18	Parbati I,II,III	Parbati	2051.00
19	Lambadug	Lambadug	25.00
20	Baragaon	Sanjoin	11.00
21	Malana-II	Malana	100.00
22	Dhulasidh	Beas	80.00
23	Allian Duhaugan	Allian Duhaugan	192.00
	Total:		2496.00
	Grand Total:		4205.00

1.14.4.8 Basin-wise details of the Projects under investigation are given as under:

Table 1.21 Projects under investigation

Sr.No.	Name of Project	River / Khad	Estimated Installed Capacity (MW)
Satluj Basin:			
1.	Bahajrari	Bahajrari Khad	5.5
2.	Kashang-II	On Keshang Khad	60
3.	Sorang	On Satluj	60
4.	Tidong-II	On Satluj	90
5.	Tidong-I	On Satluj	100
6.	Kashang-III	On Keshang Khad	132
7.	Baspa Stage-I	Baspa	210
8.	Khab-I	On Satluj	450
9.	Khab-II	On Satluj	186
10.	Yangthang Khab	On Spiti	400
11.	Thopan Powari	On Satluj	400
12.	Luri	Satluj	425
13.	Jhangi Thopan	On Satluj	480
Total:			2998.50
Beas Basin:			
14.	Tirthan	Tirthan Nallah	18.00
15.	Gharopa	Beas River	85.00
16.	Kullu Ballh	Binwa River	7.50
Total:			110.50
Ravi Basin:			
17.	Chamba	Ravi River	125.00
18.	Bajoli-Holi	Ravi River	180.00
19.	Chanju-I	Chanju Nallah	40.00
20.	Chanju-II	Chanju Nallah	23.00
Total:			368.00
Chenab Basin:			
21.	Chhatru	Chandra River	140.00
22.	Khoksar / Tunsha	Chandra River	150.00
23.	Seli	Chenab River	150.00
24.	Bardang/Tingar	Chenab River	180.00
25.	Sachkhas/Sagpari	Chenab River	210.00
26.	Gyspa Dam	Bhaga Nallah	240.00
27.	Gondala/Chandra Bhaga	Bhaga Nallah	270.00
28.	Reoli/Dugli	Chenab River	715.00
Total:			2055.00
Grand Total:			5532.00

1.14.4.9 The action for execution of the remaining hydel projects in the State Sector will be taken up in phases depending upon the availability of funds and modalities of execution.

1.14.4.10 The year-wise data on power generation and power purchase from outside w.e.f. 1980-81 has been depicted in the table 1.22.

Table 1.22 Power Generated and purchased

Generation Year	Generation MU	Electricity Purchased MU
1.	2.	3.
1980-81	245.07	265.41
1985-86	596.83	392.12
1989-90	935.51	887.58
1990-91	1262.40	1058.69
1991-92	1050.37	1200.72
1992-93	1087.38	1256.16
1993-94	976.60	1338.98
1994-95	1131.69	1685.43
1995-96	1285.42	1926.35
1996-97	1251.93	2065.58
1997-98	1306.008	2287.61
1998-99	1484.493	2333.831
1999-2000	1201.319	2520.149
2000-2001	1153.321	2539.338
2001-2002	1149.501	2588.836
2002-2003	1277.929	2789.150

1.14.4.11 It would be seen that power generation, which was 245.07 MU in 1980-81, touched the level of 1262.40 MU in 1990-91. The electricity generation process got a set back in the year 1993-94, when it dipped to a level of 976.60 M.U. due to the blockage of Satluj river at Bhaba which brought the generation process to a halt. Thereafter, the generation went up so rapidly that it touched the highest level in the year 1998-99. The shortfall in over-all generation during 1999-2000, 2000-2001 and 2001-2002 is mainly due to less snowfall and scanty rainfall. The total electricity generation in the year 2002-03 touched the level of 1277.929 MU.

TABLE 1.23 SALE OF POWER (In Million Kwh)

Year	Sale within the State	Sale Outside the State	Total
1.	2.	3.	4.
1980-81	264.73	147.13	411.86
1984-85	470.02	217.28	687.30
1985-86	563.32	223.93	787.25
1989-90	897.10	359.487	1256.587
1990-91	1008.74	717.715	1726.455

1991-92	1022.02	581.866	1603.886
1992-93	1083.28	581.749	1665.029
1993-94	1155.63	511.047	1666.677
1994-95	1339.68	752.721	2092.401
1995-96	1597.68	802.400	2400.080
1996-97	1757.61	732.453	2490.063
1997-98	1946.54	721.458	2667.998
1998-99	2083.42	713.289	2796.709
1999-2k	2181.741	681.985	2863.726
2000-01	2205.866	615.618	2821.484
2001-02	2331.860	548.837	2880.697
2002-03	2519.002	688.026	3207.028

1.14.4.12 It would be seen that the sale of power within the state is on an increase and registered an increase of 77.54 percent during 1984-85 over 1980-81 period. During 1989-90, the sale within the state was 897.10 Million Kwh and registered an increase of 90.86 percent over 1984-85 period. During 1994-95, the sale within the state was 1339.68 Million Kwh and registered an increase of 49.33% over 1989-90 period. The sale of power outside the state which was 147.13 Million Kwh in 1980-81 continued to rise and reached the level of 717.715 Million Kwh in 1990-91 and recorded an increase of 485.00 percent over 1980-81 period. The power sale within and outside the state during 2002-2003 was of the order of 3207.028 Million Kwh. The total power received for wheeling during 2002-2003 was 448.347 Million units. The aggregate availability being 4509.020 Million units, the transmission and distribution losses and auxiliary consumption come to 868.170 Million units, which accounted for 19.25% of the total energy availability.

1.14.4.13 The trend in power consumption in the state among different end uses is given in the table 1.24.

TABLE-1.24 POWER CONSUMPTION

(Million Kwh)									
Sl.No.		1.	2.	3.	4.	5.	6.	7.	8.
End Users	1.	Domestic (%)	Commercial (%)	Industrial (%)	Govt. Irri. & WSS (%)	Agri. (%)	Public Lighting (%)	Bulk/Misc. (%)	Total
1989-90	2.	197.6 (22.02)	73.6 (8.2)	443.5 (49.44)	87.4 (9.74)	25.8 (2.88)	3.5 (0.39)	65.7 (7.33)	897.100
1991-92	3.	253.1 (24.7)	83.7 (8.2)	467.2 (47.7)	94.8 (9.3)	29.8 (2.92)	3.2 (0.31)	70.2 (6.87)	1002.000
1992-93	4.	283.153 (26.14)	88.068 (8.13)	512.260 (47.29)	121.701 (11.23)	14.141 (1.31)	3.582 (0.33)	60.372 (5.57)	1083.277
1993-94	5.	312.506 (27.04)	91.711 (7.94)	552.488 (47.81)	123.047 (10.65)	13.559 (1.17)	4.107 (0.35)	58.216 (5.04)	1155.634
1994-95	6.	348.521 (26.02)	103.080 (7.69)	655.941 (48.96)	141.387 (10.56)	11.945 (0.89)	4.409 (0.33)	74.399 (5.55)	1.339.682
1995-96	7.	387.539 (24.26)	112.046 (7.01)	818.238 (51.21)	149.380 (9.35)	12.236 (0.77)	4.832 (0.30)	113.408 (7.10)	1597.679
1996-97	8.	426.771 (24.28)	120.549 (6.86)	910.622 (51.81)	149.334 (8.50)	11.375 (0.65)	6.158 (0.35)	132.797 (7.55)	1757.606
1997-98	9.	474.371 (24.37)	134.898 (6.93)	1019.64 (52.38)	162.814 (8.37)	10.532 (0.54)	6.049 (0.31)	138.241 (7.10)	1946.545
1998-99	10.	537.553	139.817	1073.453	175.860	12.031	6.711	137.995	2.83.420

		(25.80)	(6.71)	(51.53)	(8.44)	(0.58)	(0.32)	(6.63)	
1999-2k	11.	594.494 (27.25)	148.881 (6.82)	1111.437 (50.94)	183.985 (8.43)	16.541 (0.76)	7.917 (0.36)	118.487 (5.44)	2181.742
2000-01	12.	636.516 (28.86)	161.622 (7.33)	1069.017 (48.46)	208.83 (9.44)	19.198 (0.87)	8.394 (0.38)	102.936 (4.67)	2206.513
2001-02	13.	664.419 (28.49)	174.963 (7.50)	1122.544 (48.15)	202.268 (8.67)	18.048 (0.78)	9.135 (6.39)	140.493 (6.02)	2331.870
2002-03	14.	704.663 (27.97)	199.845 (7.93)	1229.708 (48.83)	224.252 (8.90)	19.546 (0.78)	9.456 (0.38)	131.532 (5.22)	5219.002

1.14.4.14 The above data indicates that industrial consumption has increased to 1229.708 Million Kwh at the end of the year 2002-2003 which was 443.5 Million Kwh during the year 1989-90. This accounts for about 48.82% of the total consumption in H.P. In terms of decadal changes in consumption by end user, the shares of domestic, bulk/miscellaneous, agriculture and public lighting purposes have declined whereas the share of commercial and industrial sectors have gone up.

1.14.5 RURAL ELECTRIFICATION

1.14.5.1 According to 1991 census, the number of census villages was 19,388. Of these, 2391 villages were un-inhabited and the rest 16,997 villages were inhabited. The state achieved 100 percent rural electrification target during 1988-89 in the then 16,807 inhabited census villages. In addition to above, 3979 hamlets (out of total of 4182 as per 1988 survey) also stand electrified up to 31.3.2004. Besides, above 336 un-identified hamlets have also been electrified in the Pradesh.

1.15. ANIMAL HUSBANDRY

1.15.1 The Animal Husbandry infrastructure created since Sixth Plan onwards is depicted in the table 1.25. It is evident from the table that the reach of veterinary services has spread over the period of time under consideration. Now serious efforts are required to capitalize on the already built infrastructure and ensure delivery of quality services.

TABLE 1.25: VETERINARY INSTITUTIONS

Sr. No.	Institutions	Number at the End of			At the end of Ninth Plan (1997-02)	At the end of Annual Plan (2002-03)	At the end of Annual Plan (2003-04)
		6 th Plan (1980-85)	7 th Plan (1985-90)	8 th Plan (1992-97)			
1.	2.	3.	4.	5.	6.	7.	8.
1.	Hospitals	197	230	303	303	303	303
2.	Dispensaries	395	514	1586	1722	1586	1722
3.	Central Vety. Dispensaries	-	-	25	25	25	25
4.	Mobile Dispensaries	14	14	14	14	14	14
5.	Polyclinics	-	-	-	7	7	7

LIVESTOCK PRODUCTION:

1.15.2 The production of important animal products is depicted in the following table 1.26. It is seen that there is considerable increase in production of milk and eggs during the period under consideration. However, wool production had remained stagnated during the same period.

Given the fact that wool production is one of the major sources of livelihoods of the people leading pastoral life in Himachal Pradesh, focused efforts are required not only to raise the production levels but also to improve productivity.

TABLE 1.26 LIVESTOCK PRODUCTION

Sr. No	Name of the Product	Unit	1991-92	1992-93	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04 *
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
1.	Milk	000 Tonnes	596.86	610.08	692.00	713.962	723.654	741.266	760.411	760.00	772.494	791.491
2.	Eggs	Lakh Number	580.00	697.00	720.00	750.384	775.200	800.539	815.677	880.00	827.743	838.430
3.	Wool	Lakh Kg.	15.66	15.10	15.56	15.65	15.72	15.76	15.82	16.15	15.94	15.96

*Provisional

1.16. GROWTH OF HEALTH INSTITUTIONS

1.16.1 The growth of Health Institutions in Himachal Pradesh from 1971 onwards is depicted in the table 1.27.

TABLE 1.27 HEALTH INSTITUTIONS IN H.P. AS ON 31ST MARCH OF EACH YEAR

Sr. No	Items	1971	1980	1985	1990	1995	1997	1998	1999	2000	2001	2002	2003	2004
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.
1.	Hospitals*	39	58	73	73	69	74	79	90	103	103	103	106	114
2.	PHC's**	72	77	145	225	275	310	377	367	367*	369	435	440	504
3.	Allopathic Dispensaries	119	186	214	197	165	167	154	156	155*	155	155	155	22
4.	Ayurvedic Dispensaries***	363	404	430	592	674	826	981	1081	1126	1128	1128	1135	1118
5.	HSC's	256	856	1299	1851	1907	1980	2069	2069	2069	2068	2068	2067	2067
6.	Dental College	0	0	0	0	1	1	1	1	1	1	1	1	1
Total:		849	1536	2161	2938	3091	3358	3661	3764	3196	3824	3890	3904	3760

* Includes Ayurvedic Hospitals.

** Decrease due to up gradation of 10CHC's and 1 PHC into civil Hospitals during 1998-99.

*** Includes Unani and Homeopathic Dispensaries.

1.16.2 It would be seen that the growth of medical institutions in the state has reduced the pressure on these institutions resulting in a better medical care to the people. This is reflected in considerable lowering of crude birth and death rates and significant improvement in the infant mortality rate. The comparative data on vital statistics for Himachal Pradesh and All-India is as given in table 1.28.

1.16.3 The decadal birth rate and death rate of H.P. is depicted in the table 1.29. Relatively better quality of health of the people of Himachal Pradesh is evident from the diminishing differential between declining crude birth and death rates.

TABLE 1.28 COMPARATIVE DATA ON VITAL STATISTICS

Sr. No.	Parameter	All India	Himachal Pradesh
1.	2.	3.	4.
1.	Birth/Thousand (2002)	25.0	20.7
2.	Death/Thousand (2002)	8.1	7.5
3.	Infant Mortality/Thousand (2002)	63	52.0
4.	Couple Protection Rate		
	i) As on 31.3.2000	46.2	51.57
	ii) As on 31.3.2004	N.A.	49.04
5.	Life Expectancy at birth (1995-99)	61.7	65.8

**TABLE 1.29 COMPARATIVE DATA ON BIRTH RATE & DEATH RATE IN H.P. (SRS RATES)
(Per Thousand)**

Year	Birth Rate	Death Rate	Differential
1.	2.	3.	4.
1971	37.3	15.6	21.7
1981	31.5	11.1	20.4
1991	28.5	8.9	19.6
1999	23.8	7.3	16.5
2000	22.1	7.2	14.9
2001	21.2	7.1	14.1
2002	20.7	7.5	13.2

Source:- Director Health Services, HP

**TABLE 1.30 COMPARATIVE DATA ON INFANT MORTALITY RATE
(per thousand)**

Year	Himachal Pradesh	All India
1.	2.	3.
1971	118	129
1981	71	110
1991	75	80
1999	62	70
2000	60	68
2001	54	66
2002	52	63

TABLE 1.31 DECADAL VARIATION IN POPULATION

Year	Persons	%Age Decadal Variation
1.	2.	3.
1901	1,920,294	-
1911	1,896,944	(-) 1.22
1921	1,928,206	(+) 1.65
1931	2,029,113	(+) 5.23
1941	2,263,245	(+) 11.54
1951	2,385,981	(+) 5.42
1961	2,812,463	(+) 17.87
1971	3,460,434	(+) 23.04

1981	4,280,818	(+) 23.71
1991	5,170,877	(+) 20.79
2001	6,077,248	(+) 17.53

1.16.4 The decadal variation in the population since 1901 has been reported in respect of Himachal Pradesh in table 1.31.

1.17 EDUCATION

1.17.1 The literacy percentage in Himachal Pradesh increased from 31.96 percent in 1971 to 42.48 percent in 1981, 63.86% in 1991 and has now reached 77.13% as per

TABLE 1.32 ENROLMENT DATA

Sr. No.	Age Group	Percentage of Enrolment to Total Population										
		1985-86	1989-90	1992-93	1996-97	1997-98	1998-99	1999-2k	2000-01	2001-02	2002-03	2003-04
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
1.	6-11 Years											
	(a) Boys	111	110	104	109	104	105	103	104	104	103	100
	(b) Girls	91	100	94	101	102	105	103	104	104	103	100
	Total	100	105	99	105	103	105	103	104	104	103	100
2.	11-14 Years											
	(a) Boys	90	90	91	100	100	100	100	100	99	NA	NA
	(b) Girls	60	74	76	89	90	90	90	91	87	NA	NA
	Total	75	82	84	95	95	95	95	95.5	93	NA	NA

2001 census. This literacy rate is higher than the national average. The march of education continued ahead through concerted efforts of spread of educational institutions, providing incentives for retention specially of SC/ST and OBC category children and enlarged enrolment, the data of which is given in table 1.32

1.17.2 GROWTH OF EDUCATIONAL INSTITUTIONS

1.17.2.1 The decadal achievements of Educational Institutions up to 1990-91 and achievements by the end of Annual Plan 1992-93, 1996-97, 1997-98, 1998-99 and 1999-2000 and 2001-02 are given in the table 1.33 and 1.34.

TABLE-1-33: EDUCATIONAL INSTITUTION IN PRIVATE SECTOR (as on 31.3.2004)

Sr. No.	Institution	Govt. Aided	Unaided	Total
1.	Primary Schools	16	-	16
2.	Middle Schools	8	186	194
3.	High Schools	31	285	316
4.	Senior Sec. Schools	15	197	212
5.	Colleges	8	6	14
	Total	78	674	752

TABLE-1.34: EDUCATIONAL INSTITUTIONS

Sr. No.	Institutions	As on 31 st March												
		1970-71	1980-81	1990-91	1991-92	1992-93	1996-97	1997-98	1998-99	1999-2k	2000-01	2001-02	2002-03	2003-04
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.
1.	Primary Schools	3768	6093	7548	7548	7611	9138	10484	10533	10633	10633	10633	10634	10651
2.	Middle Schools	742	1032	995	994	994	1030	1214	1474	1672	1674	1674	1814	2194
3.	High Schools	435	582	860	862	882	949	980	980	981	977	978	962	952
4.	Senior Secondary Schools	-	3	150	150	178	282	424	464	525	536	536	572	687
5.	Colleges	15	25	25	27	27	32	37	37	37	37*	37	40	40

(*): Includes one evening College.

1.17.3 TECHNICAL EDUCATION

1.17.3.1 In the field of technical education, the Pradesh has made significant strides. The position of technical institutions functioning in the State is depicted in the table 1.35 and 1.36.

TABLE-1.35 : TECHNICAL INSTITUTIONS

Sr. No.	Institutions	As on 31 st March											
		1986	1989	1992	1993	1997	1998	1999	2000	2001	2002	2003	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	
1.	National Institute of Technology (formerly REC)	1	1	1	1	1	1	1	1	1	1	1	
2.	Polytechnics	4	4	4	5	6	6	6	6	7	7	7	
3.	Industrial Training Institutes	31	31	32	32	34	34	34	34	44	44	50	
4.	Motor Driving & Heavy earth Moving Operator Training Institute under SCVT Scheme	-	-	-	-	-	-	-	-	-	1	1	
5.	ITC in Private Sector	-	-	-	-	-	-	-	-	-	-	1	

TABLE-1-36 : TECHNICAL INSTITUTIONS IN PRIVATE SECTOR

Sr. No.	Institutions	Status as on 31.3.2004
1.	Industrial Training Institute	13
	i) ITI	11
	ii) VTC	2
2.	Paramedical Training Colleges	15
3.	Food Craft Training Colleges	2
4.	Evening Colleges	3

1.18 PRODUCTION DETAILS OF AGRICULTURE & ALLIED ACTIVITIES**1.18.1 AGRICULTURE / HORTICULTURE PRODUCTION:**

The decadal details of Area and Production of foodgrains, Major commercial crops in H.P. upto 1990-91 and achievements made during the Annual Plan, 1997-98, 1998-99, 1999-2000, 2000-01, 2001-02 2002 -03 and 2003 -04 are depicted in the following table: -

TABLE-1.37: STATEMENT SHOWING AREA AND PRODUCTION OF FOODGRAINS AND MAJOR COMMERCIAL CROPS IN H.P.
(AREA IN 000 HECT. AND PRODUCTION IN 000 M.T.)

Name of the Crop	Year 1980-81		Year 1997-98		Year 1999-2k		Year 2000-01		Year 2002-03		Year 2003-04	
	Area	Prod.	Area	Prod.								
2	3	4	7	8	11	12	13	14	17	18	19	20
Food Grain	876.393	1183.373	853.584	1448.105	822.418	1446.138	813.876	1112.051	805.90	1110.84	832.00	1783.00
Total Kharif	467524	682548	441625	761418	423275	800.681	419.338	832263	417.03	581.35	431.00	1047.00
Total Rabi	415.001	649.308	411.959	686.687	403.017	622.823	394.538	279.788	388.87	529.490	401.00	736.000
Commercial Crops	39.523	482.900	43.763	609.741	47.473	706.78	50.600	743.700	57.50	769.67	60.50	941.88
Apple Prod.	62.828	342.071	83.056	234.253	88.673	49.129	90.348	376.776	NA	348.263*	NA	NA
All Fruit Prod.	163.330	386.314	202.362	279.693	212.951	89.415	217.336	128.049	NA	459.623*	NA	NA

(*anticipated)

1.19. FISHERIES:

1.19.1 Himachal Pradesh is blessed with some of the finest rivers viz. Satluj, Beas, Ravi and Chenab originating from the permanent glaciers and spring-beds. The rivers and their branches are bestowed with exotic trout, mahseer, snow trout, louches, indigenous lesser barilas and minor carps. Besides, there are many natural lakes located in the higher reaches and man made impoundments harbouring more than 78 species of fish. The level of fish production and fish seed production is depicted in the table 1.38.

TABLE-1.38: FISH PRODUCTION

Sr. No.	Item	Unit	1985-86	1989-90	1991-92	1992-93	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
1.	Fish Production (Inland)	000' Tonnes	2.95	4.62	5.99	6.39	6.26	6.68	6.79	6.99	7.02	7.21	7.24
2.	Fish Seed Production												
	i) Fry	Million	6.78	18.09	22.98	22.86	21.97	23.35	23.21	23.63	25.77	27.53	16.99
	ii) Fish Seed Farms	Nos.	5	5	6	6	6	6	6	5	5	5	10
	iii) Nursery	Area Hect.	13	13	15	15	15	15	15	15	15	15	15

1.20. RURAL INFRASTRUCTURE SCENARIO:

1.20.1 The position of rural infrastructure in Himachal Pradesh as on 31.3.2004 is as under:

TABLE 1.39 POSITION OF RURAL INFRASTRUCTURE AT THE END OF 31ST MARCH

Sr. No.	Item	Unit	Position at the end of 8 th Five Year Plan (31.3.1997)	Position at the end of 9 th Five Year Plan (31.3.2002)	Position as on 31.3.2004
1.	2.	3.	4.	5	6
1.	Road Length (Motorable)	Kms.	19760	22763	23992
2.	Village connected with Roads	Nos.	7627	7910	8077
3.	Bridges	Nos.	968	1206	1310
4.	Primary Schools	Nos.	9138	10760	10651
5.	Middle Schools	Nos.	1030	1968	2194
6.	High Schools	Nos.	949	1233	952
7.	Senior Secondary Schools	Nos.	282	537	687
8.	Veterinary Hospitals	Nos.	302	303	303
9.	Veterinary Dispensaries	Nos.	977	1722	1722
10.	Primary Health Centres including CHC's & Upgraded PHC's	Nos.	310	435	506
11.	Health Sub-Centres	Nos.	1980	2068	2067
12.	Civil Dispensaries	Nos.	167	155	155
13.	Ayurvedic Dispensaries	Nos.	826	1128	1135

1.20.1 The above table reveals that growth profile of Himachal Pradesh in key sectors is on an increase. The position of Primary School and High School is showing declining trend in 2004 only because of their up gradation to middle and Senior Secondary Schools. It is also evident that the efforts are required to capitalize on the available physical infrastructure to keep up with the pace of development. There is also a need to compliment these achievements with other inputs in the social sector to translate these into the path of sustainable development. It can be said that the State has achieved fairly satisfactory levels of developmental or social infrastructure through the planned development process. It now needs to focus more on qualitative improvement of the infrastructure and service delivery on the one hand and also put in place such mechanisms which ensure that the gains made do not get eroded.

2. Situational Analysis and Policy Framework on the Eve of Tenth Plan

2.1 FOOD SECURITY AND NUTRITION.

2.1.1 Himachal Pradesh is among the best covered States in the country with regard to PDS network. We have 4000 PDS outlets giving coverage of about 1600 population per outlet. Food security of the poor and the vulnerable sections of the society is given greater attention through special schemes. The total food grain issued through the PDS system during 2002-03 came to 1,37,500 metric tons. Despite crop failures at the local level, the State has not witnessed any crisis situation on the front of food availability so far and it proves the adequacy and efficacy of the PDS network.

2.1.2 The State Government is taking special care to address the problem of malnutrition among the most vulnerable segment of the population, namely the pre-school children and the pregnant and lactating mothers. Apart from the fixed point Anganwaris under the ICDS programme which covers all the CD blocks of the State, mobile Anganwaris are also being organized to cover such beneficiaries as cannot reach the Anganwaris. The number of Anganwaris is 7354 and these are being supplemented by 3703 mobile Anganwaris. The State plans to increase the number of mobile units to 7354 and with that expansion, universal coverage of the target population shall be ensured.

2.1.3 The mid day meals programme is being run in all the primary schools in the State. So far, dry ration was being given to the children but the State Government has initiated the programme for providing cooked meals in the tribal areas of the State in the year 2003-04. The programme has been proposed to be extended to the entire State from 1st September, 2004.

2.2 UNIVERSALISATION OF ELEMENTARY EDUCATION

2.2.1 Having programmed, legislated the enabling legislation and achieved the universalization of primary education, the State has embarked upon universalization of middle education to achieve the goal of universalization of elementary education. The goal of universal enrollment at primary level was set to be achieved by 2003 and the enrollment achieved by the year 2002 was already over 100 per cent. There are no gaps between the male and female enrollment in the State. The drop out rate at the elementary level ranges between 1 to 3 per cent in different districts. These have been possible as a result of a series of affirmative measures initiated by the State Government from time to time.

2.2.2 Universal elementary education is to be achieved by 2010 and the strategies adopted to achieve this include involvement of PRIs, PTAs, MTAs and VECs in enrolment and retention of children, improvement of school infrastructure and facilities and updating of curricula and improvising the text books. The HP Compulsory Primary Education Act, 1997 was enacted

during 1997 under which specific powers have been conferred on the PRIs in accordance with the spirit of the 73rd and 74th Constitutional amendments.

2.2.3 The success story of educational and literacy revolution in Himachal Pradesh is widely known and has been recognized as an ideal mode for achieving universal elementary education. The recognition has come from Nobel Laureate Amartya Sen, World Bank, PROBE report, National Human Development report and also from independent media like “India Today” study of the “State of the States”. The State would now on concentrate on consolidating the gains made and also plan for quality improvement. The National Common minimum Programme of the Union Government envisages 6% of Gross Domestic Product. However state has already achieved this level in 2002-03 and in the remaining years of Tenth Plan the State is poised to exceed this goal.

2.2.4 Expansion and consolidation of the educational infrastructure remained the centerpiece of the ideology of the successive Governments in the State. The expansion of new institutions in the last five years has led to a situation where we are facing a serious shortage of teachers at the middle and high school levels. The State government will focus on provision of adequate number of teachers in all the schools and make efforts for quality improvement.

2.3 HEALTH CARE AND IMMUNISATION AND THEIR INTEGRATION WITH PROGRAMMES FOR FOOD SECURITY, SAFE DRINKING WATER AND EMPOWERMENT OF WOMEN

2.3.1 Himachal Pradesh has an extensive network of health care institutions. Population served per PHC in the State is about 14000 as compared to the norm of 20000 for the hill States. The State has over 2600 allopathic institutions and another 1200 ayurvedic institutions. The total number of Panchayats in the State is 3037. Although the health care services have been expanded considerably, yet some gaps remain to cater to the sparse population. These will be made good during the Tenth Plan. In terms of critical health related statistics, the State has achieved higher levels as compared to the national aggregates. The IMR stands at 54 per thousand, the crude birth rate at 7 and the crude death rate at 21. Two critical areas have been identified for future action and these relate to low birth weight and low percentage of institutional deliveries. About 30 % children are underweight at birth and 29 % deliveries are institutional. It, however, deserves attention that 78 % of the deliveries are handled by trained birth attendants.

2.3.2 Immunization coverage has been near universal for over a decade now and the incidence of illness related to non-immunization is almost totally absent. Immunization certificate has been made mandatory for admission to the schools.

2.3.3 One of the serious constraints being faced by the State is the shortage of doctors, specialists and all categories of para-medical staff. Availability of the required strength of such personnel is constrained by inadequacy of training facilities on the one hand, and general unwillingness of the doctors to go and serve the remote interiors of the State, on the other. Efforts will be made to overcome both by expanding the training facilities as also by providing affirmative incentives to the personnel for serving the remote rural areas.

2.3.4 To ensure sustainability of the gains made, linkages with the activities like nutrition, provision of safe drinking water, organization of women in social and economic activities have been institutionalized and active participation of the PRIs in promoting these programmes is also being ensured.

2.3.5 Intensive awareness campaigns have been organized for enhancing awareness about HIV/AIDS/STDs and these will continue to be carried out in future on a sustained basis. As per a national baseline survey of April, 2001, awareness level about HIV/AIDS in the general population has been found as 90.5 per cent. HIV/AIDS cases are being detected in the State in the Voluntary Counseling and Testing Centers. Five such centers are functioning in five districts and the remaining seven districts will have this facility soon.

2.3.6 The National Common Minimum Programme of the Union Government envisaged 2-3% of Gross Domestic Product for Health Sector. The State of Himachal Pradesh had provided 1.92% of State Domestic Product to this sector and will further attempt to raise in the course of 10th Five Year Plan.

2.4 INCOME GENERATING OPPORTUNITIES FOR WOMEN BY BOOSTING MICRO CREDIT PROGRAMMES THROUGH SELF-HELP GROUPS (SHGs) AND PROVIDING AVENUES FOR SUBSEQUENT UPGRADATION THROUGH CREDIT SUPPORT

2.4.1 The programme of economic empowerment of women was launched in 1995 in two pilot blocks under the Indira Mahila Yojna and is now being implemented in 8 blocks under the modified name of "Swayam Sidha". In addition to this, the economic empowerment programmes have been implemented under IRDP where a certain percentage of coverage was earmarked for women headed households and the earlier programme of DWCRA.

2.4.2 A sort of revolution in economic empowerment of women has built up in the recent past through the formation of Self Help Groups (SHGs) and this movement has been imparted greater resilience in Himachal Pradesh due to a strong presence of Mahila Mandals. The total number of SHGs organized now stands at about 15000 out of which about 7200 groups have been linked with micro credit. These groups have been able to generate savings of over Rs. 5 crore and also have an excellent track record of on-time repayment of loans.

2.4.3 Future strategy in this area would include higher coverage of women beneficiaries under SGSY, form about 50000 SHGs by convergence of all similar activities being run by various departments, gradually delink microfinance from subsidy and create infrastructure for capacity enhancement and skill upgradation.

2.4.4 Finally, the micro credit movement can only succeed if the economic activities are provided post production linkages in terms of marketing. Apart from establishment of a chain of 50 Gramin Bhandars for marketing, the State would also endeavour to limit production to a select few items and activities for development of a centralized marketing structure, based on local specialization and creation of *niche* markets for special Himachali products.

2.5 WOMEN EMPOWERMENT

2.5.1 Himachal Pradesh is one of the few states in the country where the gender equity is an integral part of the social ethos as well as the stance on developmental programmes. This is amply evidenced by the fact that the State has a high sex ratio of 968 females per thousand males. The female literacy is way above the national level. The State also has a high incidence of women employment than most states of the country.

2.5.2 Ever since the initiation of poverty amelioration programmes, the State Government has implemented strategies to ensure that the women headed households get precedence in

assistance. The DWCRA programme was successfully implemented in the State. The State has a strong Mahila Mandal presence as a result of which the implementation of the women centered programmes is ensured.

2.5.3 Lately, the movement for formulation of Self Help Groups and linking them to micro credit has gathered reasonable momentum in the State towards economic self reliance of the women.

2.5.4 Special insurance cover has been provided to the women belonging to the families living below the poverty line, in addition to the usual support for social security. The coverage of widow pension scheme and that of the Old age pension scheme in the State is among the highest in the country.

2.5.5 Legal framework for providing rights of inheritance to the women already exists in the State which is one of the policy enunciated in the Nation Common Minimum Programme. In fact, women not only occupy a higher social status in the society, they even manage the economic activities in some of the districts.

2.5.6 However declining sex ratio especially, in the age group of 0-4 years as reported by the Census 2001 data needs in depth investigations and redressing measures are required to be taken emergently during the remaining period of the Tenth Five Year Plan. Different probes at various levels to have a first hand assessment of the problem have already been initiated and appropriate policy decision will be taken as and when the reports of these investigations are made available to the policy makers.

2.6 DIVERSIFICATION OF AGRICULTURE THROUGH PROPER INCENTIVE, CREDIT, MARKETING AND PRICING POLICIES IN AREAS OF NATURAL AND COMPETITIVE ADVANTAGE ON THE BASIS OF AGRO-CLIMATIC ZONES

2.6.1 Farm diversification in the context of Himachal Pradesh implies getting away from conventional agriculture and concentrating on production of such commodities in which the State has a natural advantage and a niche market. With this precept, the diversification in Himachal Pradesh has proceeded towards production of fruits and vegetables and to a limited extent in the areas of apiculture, mushroom and hops cultivation, floriculture, cultivation of aromatic and medicinal plants and pisciculture.

2.6.2 In the field of vegetable cultivation, the State is already producing over 6 lakh tones and it is targeted that vegetables will cover an area of 50000 hectares by the end of Tenth Plan and the production will reach the level of 10 lakh tones.

2.6.3 In order to ensure better and competitive economic returns to the farmers, 52 principal market yards/sub yards have been constructed at different potential places in the State. The construction of link roads under Pradhan Mantri Gramin Sadak Yojna and the RIDF facility from NABARD is helping timely transportation of the produce to markets. Activities like construction of Rural God owns, Agro-Clinics and Agri-Business centers are envisaged to be promoted to achieve faster growth in Agriculture Sector.

2.6.4 Since irrigation is the basic input for the crops, therefore, the State is laying emphasis on exploitation of irrigation potential, besides water harvesting and moisture conservation measures. For construction of tanks, the farmers are being provided subsidy @ Rs. 8000/- per tank. Resource supplementation for enhancing irrigation infrastructure is being achieved through RIDF, AIBP and Integrated Watershed Development Projects.

2.6.5 For credit to the farmers for growing commercial crops, the Banking Sector is extending Credit to the farmers through their credit plans. To facilitate easy availability of crop loans to the farmers, 85,860 Kisan Credit Cards have been issued by the banks. The credit flow to agriculture at 27% is far below the requirement and needs to be increased. The cooperative network in the State will be strengthened for credit support for production as also marketing.

2.6.6 The Union Budget 2004-05 has stressed upon the need to extend more credit to the primary sector to meet the credit requirements of the population engaged in the primary sector activities. The State Government has also taken necessary initiatives to ensure timely and adequate credit to the primary sector. The crop insurance cover has also been provided to the agricultural farmers. This facility will also be extended to Horticulturist in the remainder of 10th Plan period. The national policy of doubling of credit to agriculture is being implemented and monitored intensively.

2.7 RENEWED FOCUS ON CONVERGENCE OF LAND AND WATER POLICIES, COMPLETION OF UNFINISHED LAND REFORMS AND RECLAMATION OF WASTELANDS

2.7.1 The State Government has been pursuing the land reforms in the Pradesh ever since its inception in 1948. With a view to achieve this aim, the State Government has enacted several land reforms laws to abolish big land-lordism, provide land to tillers and provide land to the poor sections of the society like landless, houseless and other eligible persons. Himachal Pradesh is quoted as having implemented the land reforms effectively as a result of which it is a more equal society in terms of access to land and near absence of landless agricultural labour.

2.7.2 Given the constraints of limited availability of land and competing claims on demand for land for various developmental purposes, the State Government has adopted a cautious policy for permitting diversion of land use. The State has abundant water but topography limits the use as well as availability. The convergence of land and water policies is being achieved by integrated watershed development programmes all across the State.

2.8 REFORM IN TENANCY LAWS AND AGRICULTURAL MARKETING LAWS AND PRIORITY TO IRRIGATION

2.8.1 The Himachal Pradesh Tenancy and Land Reforms Act, 1972 came into force with effect from 21.2.1974. All the occupancy tenants were made landowners, free from all encumbrances and all rights of the landowners stood extinguished. Such tenants were required to pay compensation equal to 48 times the land revenue and rates and cesses chargeable in respect of the land. In respect of tenancies other than occupancy tenants, a landowner holding less than 1-1/2 acres of irrigated land and 3 acres un-irrigated land in his personal cultivation was entitled to resume tenancy land to make up the land under his personal cultivation to the extent of these limits subject to the condition that he could not resume more than 50% of land from a tenant. The landowners who were minors or unmarried women or divorced or separated from husband or widow or serving members of Armed forces were allowed protection. The Act

also prohibited transfer of land to a non-agriculturist. Up to January, 2000, 4,22,348 tenants have been conferred proprietary rights of the land measuring 8,72,926 Bighas.

2.8.2 Regarding Reforms in the Marketing Laws, the key issues emerged in the National conference on Marketing Reforms held on 27th September, 2002 in Vigyan Bhawan, New Delhi, are being examined with the perspective to promotion of competitive Agriculture Markets in Private/Cooperative Sector, Direct Marketing, Contract farming, rationalization of Market Fees, Marketing Credit and Negotiable Receipt System etc. Since, this whole issue needs deep introspection, therefore, the H.P. Marketing Board is examining this issue in consultation with the officers of the Department of Agriculture, Horticulture, Animal Husbandry, Traders and Progressive Farmers besides their Market Secretaries to make necessary amendments in the existing H.P. Agricultural Produce Market Act, 1969, if required. While doing so, the spirit of free trade and commerce and globalization in marketing/requirements of the W.T.O. regime etc. would also be taken into consideration.

2.8.3 Unlike elsewhere in the country, Himachal Pradesh has not witnessed any declining trend in the public sector investment in agriculture or irrigation. On the contrary, there has been an increase in the public sector investment in irrigation in Himachal Pradesh. The RIDF facility of NABARD and the AIBP facility of the Government of India have been accessed and incremental resources obtained from these as well as the normal State Plan schemes for creation of irrigation potential in the State. Against a total estimated potential of 3.35 lakh hectares, a CCA of about 2 lakh hectares has been created up to the end of 2002-03 out of which about 1.90 lakh hectares was created up to the end of 1997-98. There has been a slow down in this sector during 1998-2003 period and it will be the endeavour of the State Government to maintain the earlier tempo. As for the investments, it has grown from Rs. 54.83 crore in 1998-99 to Rs. 69.21 crore in 2002-03. Irrigation has been and will continue to be a priority sector in the State Plans in view of its critical significance for diversification of farm economy in the State.

2.9 PRIORITY TO RURAL EMPLOYMENT BY BUILDING UP FOOD PROCESSING AND OTHER NON-FARM ACTIVITIES

2.9.1 The State Government has been laying considerable emphasis on the VSI sector for creation of rural employment opportunities, keeping in view the fact that it provides maximum employment outside the farm sector on the one hand, and contributes over 50 per cent of the value added in the manufacturing sector, on the other. The State has 29500 SSI units having an investment of Rs. 685 crore and providing employment of 1.26 lakh persons. Activities in this sector will be further intensified to generate greater rural employment opportunities. In addition, the handloom sector employs about 50000 weavers in the State and 10000 families are directly linked to sericulture programme which has been accorded the status of priority industry. Keeping in view the recent policy announcements for industrial promotion in Himachal Pradesh, the State Government will endeavour to double the target of new SSI units being set up in the State. Also, the coverage under PMRY will be accelerated from the existing level of about 2300-2400 disbursements.

2.9.2 Keeping in view the potential for setting up food and fruit processing units to provide post harvest linkages to the diversified farm output and also with a view to enhancing the element of value addition, it is proposed to set up a Food Processing Industrial Park in the State, besides generally promoting the fruit and vegetable processing at a decentralized level.

2.9.3. The State Govt. is fully participating in the Central Sector Programmes for alleviation of rural poverty. It will continue to do so and is ready to implement 100 days assured employment in a year as envisaged in the Nation Common Minimum Programme.

2.10 POWER SECTOR REFORMS

2.10.1 The State Government is committed to Power sector reforms to ensure commercial viability of the State Power Board and supply reliable and quality power to consumers at competitive rates. To this end, an MOU was signed between the State Government and the Union Ministry of Power in March, 2001. Based on the elements of the MOU, some milestones like setting up the SERC, universal electrification of villages and 100 % metering of the supply have already been implemented. In fact, universal electrification of all the census villages was achieved way back in the year 1987-88 for which the then Government had set a deadline and achieved it despite serious physical and financial constraints.

2.10.2 A well thought out turnaround strategy is being followed through this MOU for improved functioning of the Power sector by creating a positive ambience for better performance, ironing out technological gaps while creating ground for higher technical functioning, financial engineering and financial management and good governance and appropriate Government Policy Support.

2.10.3 The implementation of the various elements of the MOU is being constantly monitored through the prescribed milestones and the reform process as has been decided to be followed by the State is proceeding on course.

2.11 DEMOCRATIC DECENTRALISATION

2.11.1 Government of Himachal Pradesh enacted the successor legislation for PRIs and ULBs pursuant to the 73rd and 74th Constitutional amendments in 1994. The elections to these bodies have since been held twice and all the statutory arrangements like setting up of the State Election Commission and the State Finance Commission have also been accomplished. The process of devolution of powers to these bodies of local governance is a continuous process and has to follow their capacity to take on and manage the responsibilities. Keeping this in view, the State government has already devolved the powers to tax at the local level and supervise a wide range of activities. In the whole design, the Gram Sabha has been assigned a pivotal role and to that effect, it has been made mandatory to hold four meetings of the Gram Sabha every year on the first Sunday of January, April, July and October.

2.11.2 Micro planning has also been prescribed as a necessary ingredient in the process of formulation of district plans. The recommendations of the First and the Second State Finance Commissions have been accepted by the State Government in totality and implemented as such. A high powered committee has been appointed by the State Government to enhance the devolution of functions, funds and functionaries to the PRIs and ULBs. The control of the State Government in the matters of resource raising has been removed to a considerable extent.

2.12 PRIORITY TO SOCIAL SECTOR AND RURAL AND URBAN INFRASTRUCTURE

2.12.1 Himachal Pradesh is a predominantly rural State. Over 90 per cent of the population lives in the villages. The population is sparsely scattered over a vast area with difficult topography. As such, the creation of socio-economic infrastructure is not only difficult but expensive as well. Despite these inherent constraints and realizing the importance of human

capital, Himachal Pradesh has equated itself well in the matter of social development and creation of rural infrastructure. This has been possible as a result of progressively incremental investments in the social sector.

2.12.2 Starting with about 16 per cent share of outlay in social services to the total plan investments in the Fifth Five Year Plan upon attainment of Statehood, the State government has accorded higher priority to Social Services and the investments have gone up to 22 per cent in Seventh Plan, 30 per cent in the Eighth Plan, 41 per cent in the Ninth Plan and over 47 per cent in the Tenth Plan. The fact that these investments have been effective is amply evidenced by the levels of social development in the State which rank among the best in the country on a variety of social development indicators. The levels reached in literacy and in particular the female literacy, health indices, water supply and sanitation coverage, social security cover, food security and housing and asset ownership, etc. are pointers to the fact that Himachal Pradesh is a more equal society.

2.12.3 As for the investments in rural and urban infrastructure, these have also grown progressively over time and the gains are reflected in extensive road network, universal rural electrification, provision of irrigation, veterinary infrastructure, urban water and sewerage services, etc. Given the resource constraints, efforts will be made to provide incremental outlays for these activities. It, however, needs to be underlined that in the absence of sustained support from the Central Government, the gains made in the field of social development and rural infrastructure run the risk of erosion.

2.13 E-GOVERNANCE

2.13.1 The State Government has approved its IT policy in the year 2001. E-Governance is one of the major aspirations among the goals of this policy. The strategy and guidelines for moving towards E-Governance have also been issued to all the departments/boards/corporations in H.P. so that in their effort and zeal to computerize, they should understand what are the problems which need to be addressed, what are the requirements in terms of infrastructure, software development and trainings etc. and what should be their e-governance roadmap. To initiate e-governance projects, some humble beginnings have already been made by way of setting up citizen information centers, on a pilot basis computerization of some Government offices like Excise & Taxation Department, District Collectorates, Tourism Department, Transport Department, Revenue Department and the likes which have a significant interface with citizens. The Government is in the process to initiate a project for setting up a "H.P. State Wide Area Network" to facilitate the delivery process of Government Services to the citizens throughout the State. Under e-Governance, a Lokmitra project has already been established for public interface in Hamirpur District on pilot basis and is proposed to be replicated in all the districts in a phased manner.

2.13.2 As a part of putting the entire State on to the Wide Area Network, the Himachal Pradesh Civil Secretariat has already been put on to the network and is being used to monitor the file movement and is being used as G2C interface by giving full information about the availability of an officer/official through touch screen devices.

2.14 ENHANCING COMMUNITY AND PEOPLES' PARTICIPATION IN VARIOUS PROGRAMMES

2.14.1 The Government of Himachal Pradesh has been consistently laying greater emphasis on community participation at large in various developmental and social welfare programmes

and has also been assigning special focus to involvement of various under privileged sections of the society in this behalf. The decentralized PRI sector provides for intensive community participation in all the rural development, rural employment and poverty alleviation programmes through the elected representatives and also through the Gram Sabha. Community participation in programmes like Forestry, Education, Health, Irrigation, watershed development and natural resource management etc. has now become an integral part of the project formulation and implementation ethos. Various stake holders and user groups are being organized to take on active role in formulation of the programmes, their implementation and benefit sharing. Not only this, the user groups and stake holders are also being assigned the responsibility of operation and maintenance of the assets and infrastructure being created under various programmes. Effective community participation is also being ensured through the Vikas Mein Jan Sahyog Programme under which the stake holders make advance cash contributions not only for project implementation but also for creation of a maintenance corpus for the asset. The State Government will progressively enhance the content of community participation in various developmental programmes.

2.15 CONCERN FOR SCHEDULED CASTES AND SCHEDULED TRIBES

3.15.1 Himachal Pradesh has been implementing the tribal sub plan since 1974-75 and a special component plan for scheduled castes from 1979-80. The tribal sub plan areas account for 3% of the population and 43% of the geographical area. Keeping these in view, 9% of the total state plan allocation is earmarked for these areas under a single consolidated demand and is administered through single line administration. Himachal Pradesh does not have the problem of land alienation in the tribal areas. There has been no incidence of atrocities against tribals or that of bonded labour in the tribal areas.

2.15.2 As regards the development of scheduled castes, the State Government earmarks 11% of the total plan outlay for the special component plan for scheduled castes. The formulation and implementation of the component plan has also been decentralized and the process provides enough space for designing programmes and schemes which are locally relevant. The H.P. State Commission for women looks after the required safeguards against women to a considerable extent and the Commission has to have at least one member each from scheduled caste and scheduled tribes community, respectively.

2.15.3 The State Government has also implemented the programmes relating to liberation of persons engaged in unclean occupations and their socio economic rehabilitation. Consequent upon liberation from scavenging, a total of 9265 persons were found eligible for training and rehabilitation out of which 4502 persons have been provided training and 2716 persons rehabilitated. All the remaining eligible beneficiaries shall be trained and rehabilitated during the Tenth Five Year Plan. High Powered Committees under the chairmanship of Chief Minister and Chief Secretary have been constituted to monitor various programmes and activities.

3. Historical Introspection and Targets on Growth Rates

3.1.1 In the fiftieth meeting of the National Development Council on 20th December, 2002, it was resolved that the growth target for the Tenth Plan (2002-07) will be 8 per cent per annum. It was for the first time in the history of Indian Planning that such an ambitious growth target for the economy had been envisaged. In the first three decades, the national economy grew at an average rate of about 3.5 per cent per annum, sometimes, also quoted as “the Hindu rate of growth”. Taking out about 2.2 per cent growth in population, the real income grew at a measly rate of about 1.3 per cent per annum over the three decade period up to 1980. During the same period, the State economy of Himachal Pradesh grew at a simple average rate of about 2.8 per cent. If population growth of about 2.2 per cent was discounted, the rate of growth in real incomes came to a paltry 0.6 per cent per annum. There was nothing much to write home about the economic growth in the State.

3.1.2. The decade of eighties saw an upswing in the rate of economic growth at the national as well as sub-national levels. Increased public spending and large investments in the infrastructure stock, generally accompanied by a better than average monsoon performance, led to the national economy growing at an average rate of 5.5 per cent in these ten years(1980-81 to 1989-90) whereas the economy of Himachal Pradesh came up one better and grew at an average rate of 5.8 per cent per annum.

3.1.3. The initial reform years (1990-91, 1991-92) saw a slump in the economy at large. One need not recount the too obvious factors leading to this. However, as the reform process gathered momentum, the Eighth Plan (1992-97) witnessed an upsurge in the overall performance of economy. The national economy grew at a rate of 6.2 per cent per annum whereas the state economy of Himachal Pradesh registered a growth rate of 6.3 per cent per annum. The growth performance for the Ninth Plan showed some recession at the national level as the rate of economic growth came down to at 5.4 per cent per annum. The economy of Himachal Pradesh posted an impressive average annual growth rate of 6.2 per cent per annum. This resume is an attempt to indicate that given the right direction and a right combination of policies aimed at structural, economic and governance initiatives and reforms, it should not be an uphill task to set for ourselves a lofty target of 8 per cent per annum rate of economic growth at the national level during the Tenth Plan and even a higher target for the States like Himachal Pradesh.

3.1.4. In the run up to finalization of the Tenth Plan, the Planning Commission has disaggregated the growth targets State-wise as also sector-wise. For Himachal Pradesh, the overall growth target has been fixed at 8.9 per cent per annum. The macro-sectoral targets are 4.55 per cent for primary sector, 12.49 per cent for secondary sector and 8.26 per cent for the tertiary sector. Before a comment is made on the possibility of achieving these, it would be of relevance to look as how the State economy has diversified over the years. Table 3.1 below gives the pattern of structural changes in the State economy.

TABLE 3.1 : STRUCTURAL CHANGES IN THE STATE ECONOMY OF HIMACHAL PRADESH.

Year	Sectoral Contribution (% to total)
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	Primary	Secondary	Tertiary
1950-51	71	10	19
1960-61	63	10	27
1970-71	58	17	25
1980-81	50	31	19
1990-91	38	25	37
1995-96	29	33	38
2001-02	22	35	43
2002-03	21	36	43
2003-04(T)	22	36	42

3.1.5. The above data indicates that the State economy has diversified along the right path over time. At the onset of the Tenth Plan, primary sector accounts for 22 per cent, secondary 35 per cent and tertiary 43 per cent of the Gross State Domestic Product. If we apply the target growth rates to the base numbers for 2001-02, then by the end of the Tenth Plan (March, 2007), the total GSDP should reach Rs. 12471 crore(1993-94 prices) and the respective sectoral contribution of primary, secondary and tertiary sectors would be Rs. 2253 crore, Rs. 5037 crore and Rs. 5181 crore, respectively. These will account for 18 per cent, 40 per cent and 42 per cent of the GSDP. This sectoral contribution scenario implies a reduction of 4 percentage points in primary sector, an increase of 5 percentage points in secondary sector and a reduction of 1 percentage point in the contribution by the tertiary sector. The comparative figures for base year/terminal year of the Tenth Plan are contained in the table 3.2.

TABLE 3.2: SECTORAL CONTRIBUTION AND SHARE OF GSDP FOR THE TENTH PLAN.

Year	Contribution of (Rs. crore)			Percentage Share		
	Primary Sector	Secondary Sector	Tertiary Sector	Primary Sector	Secondary Sector	Tertiary Sector
2001-02	1804	2797	3485	22	35	43
2006-07	2253	5037	5181	18	40	42
Change	(+)449	(+)2240	(+)1696	(-)4	(+)5	(-)1

3.1.6. The data presented in the above table indicates that incremental product in the primary sector would be 24.9 per cent of the base figure, 80.0 per cent in the case of the secondary sector and 48.8 per cent in the tertiary sector, over the Tenth Plan period. Given the right kind of policies and supporting environment, it appears that primary and tertiary sectors should not pose an insurmountable scenario of growth. However, even given the right kind of policies and enabling environment, the expectation appears to be a bit too ambitious in the case of secondary sector.

3.1.7. Before we discuss the state's economy sector wise a comparison of economy with neighbouring States vis-à-vis all India will be worthwhile.

TABLE 3.3 INDICATORS OF H.P. VIS-À-VIS ALL INDIA AND NEIGHBOURING STATES

Indicator	Unit	Year	H.P.	Haryana	J&K	Punjab	All India
1	2	3	4	5	6	7	8
Annual Average Growth rate of GDP/SDP Per	%age	1990-91 to 1996097	2.27	2.27	1.80	2.61	3.46

Capita at constant prices(1980-81)							
Per Capita Income	Rs.	1998-99	13432	19490	10272	20463	14682
(at current prices & rank among 18 Indian States)			(10)	(3)	(14)	(2)	
Sector Share in GDP/SDP	%age	1996-97					
i) Primary Sector							
ii) Secondary Sector			33.56	39.95	42.64	42.18	28.80
iii) Tertiary Sector			26.85	27.65	8.38	22.88	28.30
			39.59	32.40	48.98	32.94	42.90

PRIMARY SECTOR

3.1.8 With this background, one may like to look at the overall potential and the need for policy changes along with the enabling environment scenario. Talking of primary sector, the areas which merit a deep look and analysis in the context of Himachal Pradesh should include horticulture, vegetable growing, maize and forestry and logging. It is necessary to analyse data on these activities over the last decade to make the analysis of the forecast and suggested policy prescriptions more relevant to the growth expectations for the Tenth Plan. The disaggregated data on core activities in the primary sector is presented in the table 3.4 on the next page.

3.1.9 It is evident from the above data that the contribution of animal husbandry fishing and mining has shown a slow but sustained increment over time. The contributions of agriculture and horticulture suffer from very erratic behaviour linked to weather/climatic conditions. In the case of agriculture, the contribution could sustain a certain level of increment if the policy of bringing more area under "high performance hybrid maize" is followed. The productivity of crops other

Table 3.4 GROWTH OF PRIMARY SECTOR

Year	Contribution to GSDP (Rs. crore)				
	Agr.	Hort.	Fty. & logging	Fishing	Mining
	568	447	172		29
1994-95		442	98	354	15
1995-96	626	444		324	17
1996-97	616	448	184	334	47
1997-98	655		144	341	19
	612	454	224		19
1999-00		456	55	314	19
2000-01	649	480		315	20
2001-02				319	
2002-03(P)	1377.02				21
2003-04(T)				384	21

than “maize” and “vegetables” does not offer much potential for incremental contribution to domestic product-basically on account of limitations and constraints under which the sector operates. As for horticulture, one can not expect significant productivity improvements in a five year time-frame. In the context of the Tenth Plan, root stock changes and replant programmes should not be expected to yield much with reference to temperate fruits. The scenario in the case of sub-tropical and other fruits is too dismal in terms of productivity. In the limited context of growth scenario for the Tenth Plan, it would be worthwhile to restrict the scope of analysis to “Vegetables” and “Maize” as major contributors to the required increment. Over the Ninth Plan, we need to “up” the growth rate by 2.78 percentage points. Given the assumption that the sector would have growth on the historical basis, the net increment to the gross domestic product required to attain 4.55 per cent growth would come to about Rs. 823 crore at constant prices.

3.1.10 Let us now look at the possibilities of attaining the above increment. In the year 2001-02, the base year for the Tenth Plan, out of a total area of 3.10 lakh hectares under maize cultivation 35% of the area was under high yielding hybrids and 65% area was commanded by other maize. The productivity per hectare for the two categories has a range of 35-40 quintals per hectare and 15-20 quintals per hectare, respectively. The differential in output is 20 quintals per hectare. In the Tenth Plan, the area under high performance hybrids could be enhanced to reach 60% of the total area, which will give an additional output of 1.55 lakh tones in the terminal year. Over the five year period, it is estimated to give incremental output of 0.31 lakh tones in 2002-03, 0.62 lakh tones in 2003-04, 0.93 lakh tones in 2004-05, 1.24 lakh tones in 2005-06 and 1.55 lakh tones in 2006-07. In the year 2001-02, the maize output increased by 0.9 lakh tones and the value addition at 1993-94 prices was of the order of Rs. 30 crore. The estimated increment on account of above at constant prices could come to about Rs. 155 crore. This one prescription, therefore, can meet about 19% of the targeted increment. The supply of requisite qualities of seed, technology and extension effort required do not appear as constraints in the context of realizing this increased output over the Tenth Plan period. For handling increased output of maize (since the State is already surplus in maize output), it would be necessary that the industries sector makes space for special promotion of maize

based industries to further increase the value addition. Without such linkages, increased production could become a problem.

3.1.11. Let us now look at the vegetable output scenario. The “vegetable” sector other than potato and ginger has shown significant potential over the last decade. Whereas the area under vegetables has gone up from 25500 hectares in 1996-97 to 34000 hectares in 2001-02, the output has increased from 4.40 lakh tones to 6.27 lakh tones. This gives a per hectare productivity of 18.44 tones against the all-India average of 17 tones. Given the right choice of locations and approach under area expansion, it should not be difficult to realize the target of cumulative area at 54000 hectares and a per hectare productivity of 20 tones by the terminal year of the Tenth Plan. Adequate demonstrable examples are available where productivity of 25 tones per hectare has been attained. Annual area increment could be targeted at 4000 hectares and with a realistic productivity at 20 tones per hectare, such an area expansion could give an annual incremental output of 0.80 lakh tones and a cumulative increment of 12 lakh tones. The production in the year 2006-07 could, therefore, be targeted to reach 10.80 lakh tones. The estimated increment on this basis over the Tenth Plan period would be of the order of about Rs. 350 crore.

3.1.12 Maize and vegetables put together meet Rs. 505 crore of increment required. The gap to be covered remains at Rs. 318 crore. In case the silvicultural operations are re-introduced, it could lead to an annual increment of the order of about Rs. 50 crore. Policy changes in trading of khair wood and resin should be expected to yield additional contribution. Given this scenario and a possibility of revision in the rates of royalty for major as well as minor minerals, it seems eminently possible to attain 4.55% per annum growth rate during the Tenth Plan in the primary sector.

3.1.13. In addition to the above, the new frontiers of expanding area under aromatic and medicinal plants could lead to higher value addition per unit of area than the conventional cereal cultivation. It is a little premature at this stage to make assumptions of value addition and quantifying the contribution of these activities to GSDP. These have been talked about aloud but are still on the “Proving Grounds”.

3.1.14. Before closing discussion on primary sector, it would, however be use to outline the strategy in horticulture so that the growth is possible to be sustained in the Eleventh Plan (2007-08 to 2011-12). Nearly one fifth of the bearing apple plantations are over aged and it is this segment of the area which pulls down the productivity to a large extent, apart from the vagaries of nature. Our strategy during the Tenth Plan should focus on replacement of all such orchards by new, dwarf, spur bearing and high density high yielding plantations. It calls for 3000 hectares of replacement each year, which in other words implies no net increase in area under apples in the coming years keeping in view the capacity to generate planting material. The concomitant challenge would be shepherding resources to provide planting material at this rate. Unless the productivity takes a quantum leap, it will become counter-productive for our apple growers to carry on with apples in the face of global competition and competition from China, specifically.

3.1.15. In horticulture, significant improvement in productivity in the existing orchards is possible within five years' time by adopting short term strategies like Improvement in orchard management techniques, especially pruning of fruit trees; improving pollination in orchards; encouraging the orchardists to develop water harvesting facilities and install drip irrigation system on a large scale; providing technical support in the field to the orchardists for adopting proper plant protection measures and use of adequate and balanced plant nutrients based on leaf and soil analyses and increasing fertilizer use efficiency.

SECONDARY SECTOR

3.1.16. As mentioned earlier, the growth target for the secondary sector for the Tenth Plan has been fixed at 12.49 per cent against the average growth rate of 10.15 per cent during 1993-94 to 2001-02 and 6.08 per cent during the Ninth Plan. Let us look at the composition of the contributions from various activities in the recent years and attempt to analyse the problem. The data is presented in the table 3.5.

Table 3.5 : GROWTH OF SECONDARY SECTOR

Year	Total Secondary	Contribution to GSDP(Rs. in crore)				
		Manufacturing		Total	Const- ruction	Electr./Gas Water Supply
		Regd.	Unregd.			
1999-00	2468	827	226	1053	993	422
2000-01	2709	890	250	1140	1096	473
2001-02	2797	909	264	1173	1119	505
2002-03	3040	1030	308	1338	1154	548
Average	2754	914	262	1176	1091	487
(percent)	(100)	(33)	(10)	(43)	(40)	(18)

3.1.17. In the recent context, “manufacturing” accounts for 42%, “Construction” 40% and “Electricity, Gas & Water Supply” accounts for 18% of the Contribution to total Contribution of the Secondary sector. Even within manufacturing, 33% out of 42 is contributed by registered manufacturing. In the projected growth scenario for the Tenth Plan, we may have to support a policy framework which kick-starts higher growth in the manufacturing sector and in the construction activity. On the contribution of “Electricity, Gas and Water Supply” sector, we should not be constrained by historical data so far. The reason for this argument is that very large installations will come into generation in the course of the Tenth Plan and the State will have a quantum leap almost every year in the “owned” generation either by way of free power/power on account of equity participation or due to the share in the new generation as a “State in the Region”. With these preliminary comments, let us look at the sub-sectoral growth scenarios and the possibilities towards attaining 12.5% growth rate per annum at an overall level.

3.1.18. Talking of the manufacturing sector, the new package recently announced by the Government of India for promoting industrialization in Himachal Pradesh should come extremely handy. The major components of the package include:-

- i) 100% Excise Duty exemption for a period of 10 years;
- ii) Capital Investment subsidy at the rate of 15%, subject to a maximum of Rs. 39 lakh;
- iii) Income tax exemption for a period of 10 years;
- iv) Industrial Infrastructure Development Fund to be provided on a 4:1 ratio between GOI and SIDBI instead of the earlier ratio of 2:3;
- v) Grant for Growth Centre to increase from Rs. 10 crore to Rs. 15 crore per Centre;
- vi) Funding of Deendyal Hath Kargha Yojna to improve from 75:25 sharing between GOI and the State to 90:10; and
- vii) For PMRY, the eligibility age raised from 35 years to 40 years, rate of subsidy raised from 12.5% to 20% and subsidy ceiling raised from Rs. 7,500 to Rs. 15,000 per case.

3.1.19. With the above bonanza for promotion of industrial activity in the State, it will not be asking for the moon if we expect the growth rate to be improved by 4-5 per cent. Two things need to be taken care of. First is that the State Government provides first class infrastructure, quality power supply and a hassle-free working environment for industrialists. Policies for ensuring this have been pronounced in the past. All we need to do is to ensure transparent and efficient administration of these pronouncements. For the sake of brevity, one need not outline the details in this behalf here. The second and equally important thing relates to choice of industrialists and industry. Here the State Government has to get the right kind of people and nationally and internationally famous industrial entities into Himachal and scrupulously avoid the “fly by night operators” or such people whose only object is to corner the incentives and then disappear. Flow of private investment in secondary sector is likely to be affected adversely in the coming year as the Union Budget 2004-05 has allowed continuation of area specific exemptions from excise duty in North Eastern States and Jammu & Kashmir, whereas, availability of same exemptions to the States of Sikkim, Uttaranchal and Himachal Pradesh has been restricted to those units only which are set up or expended on or before March 31, 2007. This will have two possible implications that would perpetuate a slowdown in the growth of industries sector. One potential investor coming to Himachal Pradesh may like to invest in those States where these exemptions are available beyond 31st March, 2007 and two, genuine entrepreneurs within Himachal Pradesh, who are short of financial resources and take relatively longer to arrange finances for expansion may get attracted to invest in the State of Jammu & Kashmir or alternatively may drop the venture altogether. Given these policy implications, the State Government will have great difficulty in attracting private investment in industries sector.

3.1.20. As for construction activity, the environment is highly conducive to promote the activity, especially in the personal housing sector and it should certainly do much better in the coming years. The existing income tax concessions should not be tinkered with by the Government of India in the overall national interest and in keeping with the higher growth target for the national economy as well. It may be noted that the union budget for 2003-04 has taken this in to cognizance and continued the interest deductible under income tax up to Rs. 1.50 lakh for construction or purchase of a self occupied house properly. In addition, it has been provided to exempt from income tax the income from housing projects for construction of residential units of prescribed specification, approved by the local authorities, up to 31.3.2005. The Finance Ministry is further examining additional incentives to basic infrastructural developments that must accompany slum up gradation, sewerage systems and green field housing projects. A spurt in housing activity would also lead to employment generation and stimulate demand for core industries like steel, cement, wood based output, sanitary ware etc.

TABLE 3.6: TIME SERIES ON GROSS STATE DOMESTIC PRODUCT OF HIMACHAL PRADESH AT 1993-94 PRICES

(Rs.)

crore)

Year	Primary (Changes)	Secondary (Changes)	Tertiary (Changes)	Total (Changes)
1993-94	1567	1313	1903	4783
1994-95	1590	1686	1968	5244
	(1.47)	(28.41)	(3.42)	(9.63)
1995-96	1622	1856	2090	5568
	(2.01)	(10.08)	(6.20)	(6.18)
1996-97	1645	2084	2226	5955
	(1.01)	(12.28)	(6.51)	(6.95)
1997-98	1673	2179	2483	6335
	(1.02)	(4.56)	(11.55)	(6.38)
1998-99	1693	2324	2775	6792
	(1.19)	(6.65)	(11.76)	(7.21)

1999-2000	1635 (-3.43)	2468 (6.20)	3138 (13.08)	7241 (6.61)
2000-01	1729 (5.75)	2709 (9.76)	3255 (3.73)	7693 (6.24)
2001-02	1804 (4.34)	2797 (3.25)	3485 (7.07)	8086 (5.11)
Average for 1993-94 to 2001-02	1.67	10.15	7.92	6.79
Average for 9 th plan	1.77	6.08	9.44	6.31
2002-03(Q)	1814 (0.55)	3040 (8.68)	3599 (3.27)	8453 (4.54)
2003-04(T)	1965 (8.32)	3241 (6.61)	3916 (8.88)	9122 (7.91)

3.1.21. In the sub-sector of “Electricity Gas and Water Supply”, the activity most relevant to Himachal Pradesh in the context of growth scenario for the Tenth Plan is expanding base of hydro-electric generation. Since the accounting system for this sector takes into cognizance the generation and sale (inclusive of purchase from and sale to outside the State), expenditure on employees engaged in the sector and the gross budgetary support to the activity, early prognostications point towards nearly doubling the contribution of this activity over the Tenth Plan period. The assumption is based on coming in to generation of the 1500 MW Nathpa Jhakkri project and 300 MW Chamera II project in the public sector and Baspa (300 MW) in the private sector. The current owned generation is about 400 MW. This will go up to about 1000 MW, mainly as a result of 510 MW State share of Nathpa Jhakkri and 36 MW each from Chamera and Baspa. Given this scenario, the possibility of attaining an average annual growth rate of about 12.5 per cent or even higher is eminently feasible.

TERTIARY SECTOR

3.1.22. As for the target for tertiary sector, it appears achievable in concomitance with the growth profile of the primary and secondary sectors. The Tenth Plan should, therefore, become a landmark in the developmental history of the State, should lead to more equitable growth and significant reduction in poverty and also mitigate the unemployment content in the economy.

Table 3.7: PROJECTIONS OF GSDP FOR TENTH PLAN

Year	Primary	Secondary	Tertiary	(Rs. Crore)	
				Disaggregated	Aggregate
2002-03	1886	3146	3772	8804	8805
2003-04	1972	3539	4084	9595	9589
2004-05	2061	3981	4421	10463	10442
2005-06	2155	4478	4786	11419	11371
2006-07	2253	5037	5181	12471	12383
Underlying Assumption of growth	4.55% P.A.	12.49% P.A.	8.26% P.A.	Summation	8.9% P.A.

3.1.23. The above table shows constant decline in Primary Sector and constant increase in Tertiary Sector and Secondary Sector. While in 1990-91 the contribution of Primary Sector was 37.82% it declined to 25.42% in 2002-03. Whereas the contribution of secondary and Tertiary sector which was 25.03% and 37.15% respectively rose to 33.44% and 41.14% respectively in 2002-2003.

3.1.24 To improve contribution of primary sector in SDP the Union budget envisages value addition in agriculture, doubling agricultural credit in three years, providing farm insurance double Horticultural production by 2011-12 through National Horticulture Mission. Expanding water harvesting and improving agricultural Product markets. The State of H.P. is also following these measures to improve the credit system and provide insurance cover to farmers to accelerate growth rate of this sector as employment generation is directly linked with the development of this sector.

3.1.25 The National Development Council in its 50th meeting held on 27th December, 2002 had approved Tenth Five Year Plan 2002 – 2007. A growth rate of 8% was envisaged for Tenth Five Year Plan. Himachal Pradesh Government aims at an indicative target of 8.9% average gross domestic product growth as envisaged for Tenth Five Year Plan but reducing trend has been noticed over the last three years. The average growth rate which was 6.2% in 2000-01 and 5.2% in 2001-02 has further declined to 4.5% in 2002-03. However the state economy is on the path of recovery and is expecting a growth rate of 7.9% during 2003-04. The growth rate of the GSDP for the year 2002-03 actually achieved as per the quick estimates made by the DES is much lower than the one projected for the same year in the table 3.7 above. It is expected to register recovery during 2004-05 though it may not reach the level projected for 2004-05 in the same table.

3.1.26 The Growth rate of the State's economy reveals that in Primary Sector the State is poised to realize targeted growth rate / Sectoral contribution. Whereas under Secondary Sector the growth is slower than the projections due to slippages in actualization of power generation, gestation period of Industrial activities in setting up ventures through it is showing an upward trend now. The Tertiary Sector is progressing as per projections. Given the above limitation the State will reach the growth between 6.8% to 7.0% during the Tenth Five Year Plan.

4. Review of Annual Plans 2002-03, 2003-04 and an outline of the Annual Plan 2004-05

4.1. Brief Account of the performance during first two years(2002-2004) of Tenth Five Year Plan (2002 - 07).

4.1.1 After the successful completion of the Ninth Five Year Plan 1997-2002, Tenth Five Year Plan 2002 - 2007 was launched in the year 2002-03. The size of the state's Tenth Five Year Plan 2002 - 2007 was approved at Rs. 10300.00 crore. The sectoral spread of the approved outlays is given in table 4.1.

Table 4.1 : Sector Wise Outlay, percentage and priority of Tenth Plan- 2002-07
(Rs. in crore)

No	Sector	Approved Outlay	%age	Priority
1.	2.	3	4.	5.
1.	Agriculture and Allied Services	1201.69	11.66	IV
2.	Rural Development	415.49	4.03	VI
3.	Irrigation and Flood Control	453.17	4.40	V
4.	Energy	1257.68	12.21	III
5.	Industries and Mineral	104.73	1.05	VIII
6.	Transport & Communication	1638.05	15.90	II
7.	Science, Tech. & Environment	6.42	0.06	X
8.	General Eco. Services	223.74	2.17	VII
9.	Social Services	4893.48	47.50	I
10.	General Services	105.55	1.02	IX
	Total	10300.00	100.00	

4.1.2 As would be evident from the above table, Social Services Sector has been accorded the highest priority by making an allocation of 47.50% of the aggregate outlay of the 10th Five Year Plan 2002- 2007. This was necessitated in view of the Government resolve to continue with Human Resource Development as the main plank of its developmental strategy. The higher allocation for Social Services Sector aims at making adequate budget provision for:-

- i. Coverage of all School going children in the age group of 6-14 years under Sarv Shiksha Abhiyan and providing of elementary education to all upto the middle standard.
- ii. Resolving of potable drinking water problem by fully covering the NC /PC habitations.
- iii. Remedy the inadequate and poor health delivery system, providing of infrastructural facilities in all medical institutions and improving of health care facilities.
- iv. Construction of housing units for families living below the poverty line.
- v. Expanding the coverage of social security pension.

4.1.3 The 2nd priority, as would reveal from the above table, has been given to transport sector to provide connectivity to all inhabited villages. Although sizeable investment has already been made in the activity of providing connectivity to the villages in the state and emphasis still continues, yet it is extremely important to mention here that there is a massive mismatch between the actual requirement of resources for reaching the avowed target of universal connectivity to rural habitations and the availability of resources through the state plan and PMGSY. Given the current pace of investment, it is impossible for the state to reach the universal rural connectivity

target by the end of the Tenth Plan. Some special dispensation will need to be worked out for achieving the national target in rural connectivity in Himachal Pradesh. In the sequence, the third priority goes to energy sector to harness the 20787 MW hydel potential to pave the way for self-reliance.

TABLE 4.2 : THE FINANCING OF THE 10TH PLAN

Scheme of financing- The Tenth Plan (2002-2007)		Rs. In crore
Sr.N	Item	Tenth Plan Projections
A	States Own Resources	4760.00
1	Balance from current Receipts (of which ARM)	-5481.81
2	Contribution of Public Enterprise	
	(i)State Electricity Board	0.00
	(of which ARM)	
	(ii)Road Transport Corporation	0.00
	(of which ARM)	0.00
3	State Provident Funds	1550.00
4	Misc.Capital Receipts	-2398.94
5	Special Grants Under TFC	
	(i) Grants for Up gradation & Special Problem	59.51
	(ii) Grants for Local Bodies	33.64
6	Loans against Small Savings	25.87
7	Net Market Borrowing (SLR)	1330.00
8	Negotiated Loans and Other Finances	2018.00
	(i) LIC	760.00
	(ii) GIC	0.00
	(iii) NABARD	671.00
	(iv) REC	0.00
	(v) IDBI	0.00
	(vi) Others(HUDCO)	609.00
9	Debentures/Bonds	5643.24
10	ARM agreed at Dy.Chairman Level Meeting	0.00
11.	Adj. of opening Balance	0.00
B	Central Assistance	5440.00
12	Normal Central Assistance	2997.22
13.	Assistance for EAPs	592.47
14.	Other	1950.31
C	Aggregate Plan Resources	10300.00
D	Approved Plan Outlay	10300.00

4.1.4 However, the state government has endeavored to implement the planning development programmes in totality despite a very difficult situation. The state government gives highest priority to development and all out efforts have been made to ensure that the approved annual plans are implemented in full. The brief position of outlay and expenditure of Annual Plans 2002 – 03 and 2003 – 04 is as under:

4.2. Plan Wise Performance in brief:

The Plan wise performance is depicted in the following paragraphs:-

4.2.1. Annual Plan 2002 -2003:

4.2.1.1 The year 2002-03 was the first year of the 10th Five Year Plan 2002-07. The State's Annual Plan 2002-03 was formulated within the overall national objectives of the Tenth Five Year Plan which revolved round the central theme of Growth with Equity and Sustainability. Human Development in all its spheres was the main focus of development strategy during the Annual Plan 2002-03.

Table 4.3 : Scheme of Financing Annual Plan 2002-03 Himachal Pradesh

Sr.No	Item	Annual Plan 2002-03	
		Approved	Revised
A	STATE OWN RESOURCES(1 TO 12)	648.48	648.48
1	Balance from Current Revenue (of which ARM)	(-1150.71)	(-1057.69)
2.	Contribution of Public Enterprises	0.00	0.00
a)	State Electricity Board (of which ARM)	0.00	0.00
b)	State Road Tpt. Corporation (of which ARM)	0.00	0.00
c)	Other (of which ARM)		
3.	State Provident Funds(Net) (of which impounding of D.A)	300.00	258.98
4.	Misc.Capital Receipts(Net)	(-) 342.00	(-) 442.00
5.	Plan grants under EFC(a+b)	32.24	32.24
a)	Upgradation & Special Problems	18.33	18.33
b)	Local Bodies	13.91	13.91
6.	Net Small Savings	200.00	50.00
7.	Net Market Borrowings(SLR Based)	340.09	40.09
8.	Negotiated loans (a to f)	331.86	358.36
a)	LIC	123.38	123.88
b)	GIC	0.00	0.00
c)	NABARD	108.48	108.48
d)	REP	0.00	26.00
e)	IDBI	0.00	0.00
i)	Others(HUDCO,PFC,NCDC etc.)	100.00	100.00
9.	Bonds/Debentures(Non-SLR Based)	937.00	809.00
10.	ARM	0.00	0.00
11.	Adjustment of Opening Balance	0.00	0.00
B	CENTRAL ASSISTANCE(13 to 15)	1191.52	1393.30
13.	Normal Central Assistance	599.44	599.44
14	ACA for EAP	67.33	67.33
15.	Others “	524.75	726.53
C	AGGREGATE PLAN RESOURCES(A+B)	1840.00	2041.78
D	STATE PLAN OUTLAY	1840.00	2041.78

4.2.1.2 The Annual Plan 2002-03 was approved for Rs.1840 crore and during the course of the year its size increased to Rs.2041.78 crore due to increase of Rs.201.78 crore. The original approval & revised scheme of financing of Annual Plan 2002-03 is given in the table 4.3.

4.2.1.3 The size of the Annual Plan 2002 -2003 was initially approved at Rs. 1840.00 crore which was finally revised to Rs. 2041.78 crore are against which an expenditure of Rs. 2056.51 crore was incurred. The sector-wise breakup of these approved /revised outlays and actual expenditure is given in the table 4.4.

TABLE 4.4 : ANNUAL PLAN 2002-03 OUTLAY & EXPENDITURE

Sr. No.	Sector	(Rs. in Crore)		
		Approved Outlay	Revised Outlay	Actual Exp.
1.	2.	3.	4.	5.
1	Agriculture and Allied Services	218.57 (11.88)	238.81 (11.70)	234.16 (11.39)

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2	Rural Development	78.88 (4.29)	80.72 (3.95)	79.98 (3.89)
3	Special Area Programme	4.16 (0.22)	10.98 (0.54)	10.98 (0.53)
4	Irrigation and Flood Control	87.36 (4.75)	85.47 (4.19)	96.16 (4.68)
5	Energy	205.77 (11.18)	309.40 (15.15)	345.79 (16.80)
6	Industry & Minerals	17.33 (0.94)	16.86 (0.83)	13.17 (0.64)
7	Transport & Communication	289.45 (15.73)	284.39 (13.93)	247.37 (12.03)
8	Science , Technology & Environment	1.38 (0.08)	1.58 (0.08)	2.57 (0.12)
9	General Economic Services	55.71 (3.03)	82.48 (4.04)	56.98 (2.77)
10	Education	465.57 (25.30)	461.42 (22.60)	491.50 (23.90)
11	Health	134.15 (7.29)	131.12 (6.42)	128.15 (6.23)
12	W.S,Sewerage, Housing & Urban Development	203.63 (11.07)	254.50 (12.46)	273.13 (13.28)
13	Social Services	58.50 (3.18)	61.08 (2.99)	56.31 (2.74)
14	General Services	19.54 (1.06)	22.97 (1.12)	20.26 (0.99)
	Total:	1840.00 (100.00)	2041.78 (100.00)	2056.51 (100.38)

Note: Figures in brackets are percentage to total.

4.2.1.4 Of the aggregate revised size of Rs. 2048.72 crore approved for the year 2002-03, Rs.908.12 crore were envisaged for the Social Services Sector, which accounts for 44.48 %. Energy sector followed this by envisaging an investment of Rs. 309.40 crore, which accounts for 15.15%. Agriculture and allied services sector and transport & communication sector followed this by envisaging an investment of Rs. 238.81 crore and 284.39 crore, which accounts for 11.70% and 13.93% respectively of the revised annual plan size of Rs. 2041.78 crore.

4.2.1.5 However, the expenditure in social services sector during 2002-2003 is Rs. 779.75 crore, which accounts for 36.78% of the total expenditure. Energy Sector followed this by incurring an expenditure of Rs. 551.78 crore, which accounts for 26.02%. Transport and communication sector and agriculture and allied services sector followed this by incurring an expenditure of Rs. 273.75 and 243.95 crore, which accounts for 12.91% and 11.50% respectively of the aggregate expenditure.

TABLE 4.6: THE PHYSICAL PERFORMANCE OF SOME SELECTED ITEMS FOR THE YEAR 2002-2003

S r . N o .	Item	Unit	Annual Plan 2002 – 03	
			Targets	Ach.
1		3.	4.	5.
1	Food grain Production	Lakh Tonnes	17.75	11.10
2	Vegetable Production	Lakh Tonnes	3.85	3.85
3	Fertilizer Consumption	'000' Tonnes	42.50	39.72
4	Wool Production	Lakh Tonnes	3.50	2.60
5	Mushroom Production	M.T.	3000	3236.40
6	Apples Production	M.T	40.00	38.60
7	Diverse Fruit Production	Qtls.	40.00	13.00
8	Honey Production	M.T	700	963.82
9	Wool Production	Lakh Tonnes	7.90	7.73
10	Wool Production	Lakh Kgs	16.15	15.54
11	Wool Production	Tonnes	4000	7244
12	DP Families Assisted	Disbursement of credit	1325.45	1326.48
13	23GSY	(Rs. in lakh)		
14	Wool length added	Kms	632	783
15	Installed Capacity added	M.W		
16	Power Generated	M.W		
17	17S (Left out habitations covered)	Nos.	1850	1875
18	17S covered under EIU/S	Nos.	5645	5645
19	18 Gas Plants set up	Nos.	250	251
20	19 i) New	Nos.	2516	2138
	ii) Old	Nos.	1385	1266
21	20 Hand Pumps Installed	Nos.	1103	1570
22	21 Curvedic Dispensaries	Nos.	25	10

4.2.2 Transfer of committed liability of Plan to Non Plan

4.2.2.1 Consequent upon the setting up of Twelfth Finance Commission by the Govt. of India, the Ministry of Finance asked specific information in regard to maintenance provision of completed

plan schemes and other committed liabilities at the end of a particular plan period. To meet this objective the state Govt. under took an exercise to work out the liabilities under head Salaries, wages, Grant-in Aid, Scholarships, subsidies, Social Security, Pension, Maintenance Provided in the plan and maintenance of assets additionally created during Ninth Five year Plan.

4.2.2.2 A mention is required to be made that during the annual plan 2003-04 a sum of Rs.836 crore of the nature of committed liabilities like salaries, wages, scholarship, grants-in-aids and pension and other liabilities pertaining to establishment being charged to plan side for quite a long period of time were transferred to non-plan side. Committed liabilities of above mentioned nature of Health, Ayurveda and Water Supply Sectors could not be

**TABLE 4.7 : SCHEME OF FINANCING ANNUAL PLAN 2002-03 HIMACHAL PRADESH
(Rs.in Crore)**

Sr.No	Item	Annual Plan 2002-03	
		Approved	Revised
A	STATE OWN RESOURCES(1 TO 12)	648.48	648.48
1	Balance from Current Revenue (of which ARM)	(-) 1150.71	(-) 1057.69
2.	Contribution of Public Enterprises	0.00	0.00
a)	State Electricity Board (of which ARM)	0.00	0.00
b)	State Road Tpt. Corporation (of which ARM)	0.00	0.00
c)	Other (of which ARM)		
3.	State Provident Funds(Net) (of which impounding of D.A)	300.00	258.98
4.	Misc.Capital Receipts(Net)	(-) 342.00	(-) 442.00
5.	Plan grants under EFC(a+b)	32.24	32.24
a)	Upgradation & Special Problems	18.33	18.33
b)	Local Bodies	13.91	13.91
6.	Net Small Savings	200.00	250.00
7.	Net Market Borrowings(SLR Based)	340.09	440.09
8.	Negotiated loans (a to f)	331.86	358.36
a)	LIC	123.38	123.88
b)	GIC	0.00	0.00
c)	NABARD	108.48	108.48
d)	REP	0.00	26.00
e)	IDBI	0.00	0.00
i)	Others(HUDCO,PFC,NCDC etc.)	100.00	100.00
9.	Bonds/Debentures(Non-SLR Based)	937.00	809.00
10.	ARM	0.00	0.00
11.	Adjustment of Opening Balance	0.00	0.00
B	CENTRAL ASSISTANCE(13 to 15)	1191.52	1393.30
13.	Normal Central Assistance	599.44	599.44
14	ACA for EAP	67.33	67.33
15.	Others “	524.75	726.53
C	AGGREGATE PLAN RESOURCES(A+B)	1840.00	2041.78
D	STATE PLAN OUTLAY	1840.00	2041.78

transferred to the non plan because of some administrative reasons. The Annual Plan outlay for the year 2002-03 was of Rs. 2048.72 crore which included committed liabilities to the tune Rs. 836.00 crore on account of salaries, wages, GIA, Scholarships, subsidies and pensions which were transferred to non plan during 2003-04 resulting in the reduction of annual plan size of the year 2003-04 to Rs. 1335.00 crore. This transfer of committed liabilities to non plan has also affected size not only of subsequent annual plans but also that of the Tenth Five Year Plan. This transfer of committed liabilities to non-plan has effected size not only of subsequent annual plans but also that of the Tenth Five Year Plan. However the liability could not be transferred in the first

year of Tenth Five Year Plan due to administrative reasons. The committed liability transfer worked out is reproduced in the table 4.8.

Table 4.8 : PROJECTED COMMITTED LIABILITIES IF THEY WERE NOT TRANSFERRED TO NON PLAN

(Rs. In crore)

S.No.	Year	Rs. in crore
1.	2003-04	905.67
2.	2004-05	1070.22
3.	2005-06	1121.52
4.	2006-07	1175.15
5.	2007-08	1231.15
6.	2008-09	1289.69
7.	2009-10	1351.72

4.2.3. Annual Plan 2003-2004

4.2.3.1 The size of Annual Plan 2003– 2004 was originally approved at Rs.1335.00 crore. During this year, the State Government decided to transfer all committed liabilities on account of salary, wages, maintenance, subsidies, incentives, scholarships and social security pension to the non-plan, which brought down the plan size to logical limit and concept. Now the left out provision in the plan was meant for core developmental activity along with some of staff oriented schemes in functional services like Education, Health etc. It was envisaged that plans investment produce the maximum developmental impact on the state's economy. As a result of this exercise committed liabilities to the tune of Rs.836.00 crore based on the actual expenditure of the year 2001-2002 were transferred to the non-plan. After considering all these factors, a plan size of Rs 1335.00 crore was approved for the Annual Plan 2003-04. Against this provision, Rs. 1306.60 crore were spent which is 29.96 crore more than the originally approved / revised outlay.

4.2.3.2. Scheme of Financing Annual Plan 2003-04 of Himachal Pradesh

Table 4.9 SCHEME OF FINANCIANG FOR AP 2003-04

(Rs. In crore)

Sr.No.	Item	2003-04
1.	2.	3.
A	STATE OWN RESOURCES (1 TO 12)	(-) 110.32
1.	Balance from Current Revenues (of which ARM)	(-) 2123.42
2.	Contribution of Public Enterprises	0.00
	a)State Electricity Board (of which ARM)	0.00
	b) State Road Tpt. Corporation (of which ARM)	0.00
	c) Other (of which ARM)	0.00
3.	State Provident Funds (Net) (of which impounding of D.A.)	209.10
4.	Misc.Capital Receipts(Net)	(-)425.00
5.	Plan Grants under EFC(a+b)	28.00
	a)Upgradation & Special Problems	28.00
	b) Local Bodies	0.00
6.	Net Small Savings	400.00
7.	Net Market Borrowing(SLR Based)	355.00
8.	Negotiated loans (a to f)	342.00
	a) LIC	109.52
	b) GIC	0.00
	c)NABARD	108.48
	d) REC	24.00
	e) IDBI	0.00
	f)Others (HUDCO)	100.00
9.	Bonds/Debentures(Non-SLR Based)	1080.00
10.	ARM	20.00
11.	Adjustment of opening Balance	0.00
12.	Net Surplus of Local Bodies	0.00
B	CENTRAL ASSISTANCES(13 TO 15)	1445.32
13.	Normal Central Assistance	651.58
14.	ACA for EAP	45.00
15.	Others	748.74

C	AGGREGATE PLAN RESOURCES (A+B)	1335.00
D	APPROVED PLAN OUTLAY	1335.00

4.2.3.3 The sector wise breakup of these approved/revised outlays and actual expenditure is given in the table 4.10.

Of the aggregate revised size of Rs.1335.00 crore approved for the year 2003-2004, Rs. 613.78 crore were envisaged for the Social Services sector, which accounts for 45.98%. Transport & Communication sector followed this by envisaging an investment of Rs.234.19 crore, which accounts for 17.54%. Energy and Agriculture & Allied Services sector followed this by envisaging an investment of Rs.157.88 crore and Rs. 100.22 crore, which accounts for 11.83% and 7.51% respectively of the revised annual plan size of Rs. 1335.00 crore.

4.2.3.4 However, expenditure in social services sector during 2003-2004 was found at Rs. 647.23 crore, which accounts for 47.42 % of the total expenditure. Transport and Communication sector followed this by incurring an expenditure of Rs. 242.04 crore, which accounts for 18.13%. Energy sector and agriculture & allied services sector followed this by incurring an investment of Rs. 171.78 and Rs.97.18 crore, which accounts for 12.87% and 7.28 % respectively of the aggregate expenditure for the year 2003-2004.

TABLE 4.10 : ANNUAL PLAN 2003-04 OUTLAY AND EXPENDITURE

(Rs. in crore)

Sr. No.	Sector	Approved Outlay	Revised Outlay	Actual Expenditure
1	Agriculture and Allied Services	104.19 (7.80)	100.22 (7.51)	99.18 (7.59)
2	Rural Development	33.82 (2.53)	32.19 (2.41)	31.75 (2.38)
3	Special Area Programme	4.16 (0.31)	4.96 (0.37)	4.96 (0.37)
4	Irrigation and Flood Control	88.14 (6.60)	88.14 (6.58)	81.54 (6.11)
5	Energy	156.88 (11.75)	157.88 (11.83)	171.78 (12.87)
6	Industry & Minerals	10.11 (0.76)	10.05 (0.75)	8.38 (0.63)
7	Transport & Communication	245.45 (18.39)	234.19 (17.54)	242.04 (18.13)
8	Science, Technology & Environment	0.50	0.49	0.46

		(0.04)	(0.04)	(0.03)
9	General Economic Services	52.10	69.38	61.07
		(3.90)	(5.20)	(4.57)
10	Education	132.34	127.31	128.81
		(9.91)	(9.54)	(9.65)
11	Health	195.17	201.96	180.66
		(14.62)	(15.13)	(13.53)
12	W.S,Sewerage, Housing & Urban Development	245.53	247.62	246.76
		(18.39)	(18.55)	(18.89)
13	Social Services	40.05	36.89	30.64
		(3.00)	(2.76)	(2.30)
14	General Services	26.56	23.72	18.57
		(1.99)	(1.78)	(1.39)
	Total:	1335.00	1335.00	1306.60
		(100.00)	(100.00)	(97.87)

Note: Figures in brackets are percentage to total.

4.2.3.5 The physical performance of some selected items for the year 2003-2004 is given in the following table 4.11. The table shows that the performance of the Annual Plan 2003-04 has been more or satisfactory in terms of meeting the physical targets. Few weaker areas have been given due consideration in the subsequent Annual Plans so that the targets set for the Tenth Five Year Plan are met in full.

Table 4.11 : Physical Performance of Selected Items

S r .	Items	Unit	Annual Plan 2003 -2004	
			Targets	Anticipated Achievements
1	2.	3.	4.	5.
1	Foodgrain Production	000 M.T	1783.00	1783.00
2	Vegetable Production	000 M.T	775.00	785.00
3	Fertilizer Consumption	M.T.	42500.00	46808.00
4	Fruit Production	000 M.T	522.15	544.31
5	Mushroom Production	M.T.	3000.00	3200.00
6	Hops Production	M.T	40.00	40.00
7	Olive Fruit Production	Qtls.	40.00	40.00
8	Honey Production	M.T	800.00	800.00
9	Milk Production	000 M.T	800.00	796.00

10	Wool Production	Lakh Kgs	16.20	16.80
11	Fish Production	Tonnes	9000.00	6464.00
12	Afforestation	Hectares	5045	5045
13	IRDP Families Assisted i) SGSY	Disbursement of credit (Rs. in lakh)	2244.90	1837.06
14	Additional CCA Created	Hect.	2000.00	2161.00
15	Road length added	Kms	275.00	694.00
16	Installed Capacity added	M.W	329.33	329.33
17	Power Generated	M.W	1381.00	1381.00
18	Ayurvedic Dispensaries opened	Nos.	25	-
19	RWS (Left out habitations overed)	Nos.	1850	1500
20	Construction of Housing Units	Nos.	2000	4810
21	Hand Pumps installed	Nos.	584	914

4.2.4 Annual Plan 2004-05

4.2.4.1 The State Govt. had proposed a Plan of Rs.1400.00 crore to Planning Commission for approval. During the course of discussion a size of Rs.1500.38 crore was suggested by the Planning Commission. However keeping in view the overall resource position the State Government has again proposed the plan size of Rs. 1400.38 crore as shown in the table 4.12 on the next page.

TABLE 4.12 : FINANCING OF ANNUAL PLAN 2004-05

(Rs. Crore)

	Item	Annual Plan 2004-05 Estimates
A.	STATES OWN RESOURCES(1 to 11)	-85.21
1	Balance from Current Revenues (of which ARM)	-1956.99
2.	Contribution of Public Enterprises	0.00
a)	State Electricity Board (of which ARM)	0.00
b)	State Road Tpt. Corporation (of which ARM)	0.00
c)	Other (of which ARM)	0.00
3.	State Provident Funds(Net)	175.00
4	Misc.Capital Receipts (Net)	-470.00
5.	Plan Grants under EFC(A+B)	26.63

a)	Upgradation & Special Problems	26.63
b)	Local Bodies	0.00
6.	Net Small Savings	240.00
7.	Net Market Borrowing (SLR Based)	366.15
Negotiated loans (a to f)		324.00
a)	LIC	60.00
b)	GIC	0.00
c)	NABARD	140.00
d)	REC	24.00
e)	IDBI	0.00
f)	Other(HUDCO,PFC,NCDC etc.)	100.00
9.	Bonds/Debentures (Non_SLR Based)	1195.00
10.	ARM	15.00
11.	Adjustment of opening Balance	0.00
B	Central Assistanance(13 to 15)	1485.59
13	Normal Central Assistance	716.74
14	ACA for EAP	32.51
15.	Others	736.34
C	AGGREGATE PLAN RESOURCES (A+B)	1400.38
Details:-		
a)	Border Area Development Programme	4.16
b)	Hill Areas Development Programme	0.00
c)	Westen Ghat Development Programme	0.00
d)	Tribal Sub Plan	5.79
e)	Grants under Article 275(1)	0.88
f)	Accelerated Irrigation Benefit Programme	15.00
g)	Accelarted Power Development Reform Programme	28.00
h)	Control of Shifting Cultivation	0.00
i)	Rashtrya Sam Vikas Yojna(RSVY)	30.00
j)	Initiative for Strengthening Urban Infrastructure	1.05
k)	National Social Assistance Programme(NASP)	2.73
l)	Prime Minister's Gramodoya Yojna	70.00
m)	Rural Electrification	2.00
n)	Roads & Bridges	9.75
o)	Slum Development	1.00
p)	Nutrition Programme for Adolescents Girls	2.22
q)	E-Governance	0.00
r)	Special Plan Assistance	563.76
s)	One-time ACA	0.00
Total(a to s)		736.34

Table 4.13 : Physical Targets and Achievements of Selected Items For 2002- 07

Sl. No.	Item	Unit	Target	Ach 02-03	Ach 03-04	Target 04-05	Level of Ach. Upto 03-04
1.	2.	3.	4.	5	6	7	8
1.	Foodgrain Production	000 M.T.	1875.00	1110.00	1783.00	1749.00	1783.00
2	Vegetable Production	000 M.T.	1000.00	385.00	785.00	992.00	785.00
3	Fertilizer consumption	000 Tonnes	46.00	39.72	46.81	42.50	46.81
4	Fruit Production	000 M.T.	657.67	260.00	544.31	643.00	544.31
5	Mushroom Production	M.T.	15000.00	3236.40	3200.00	-	6436.00
6	Hops Production	M.T.	200.00	38.60	40.00	-	78.60
7	Olive Production	Qtls.	200.00	13.00	40.00	-	53.00
8	Production of Honey	M.T.	1000.00	963.82	800.00	800.00	800.00
9	Milk Production	Lakh Tonnes	8.40	7.73	7.96	8.10	7.96
10	Wool Production	Lakh Kgs.	16.50	15.54	16.80	16.30	16.80
11	Fish Production	Tonnes	9000.00	7244.00	6464.00	9000.00	6464.00
12	Afforestation	Hect.	11595	-	5045.00	-	5045.00
13	IRD Families to be assisted :						
	i) SGSY (Swaran Jayanti Gram Sawarozgar Yojana)	Disbursemen t of Credit (Rs. in lakh)	10000.00	1326.48	1837.06	2241.00	3163.54
14.	Additional CCA to be Created	Hect.	18000.00	2288.00	2661.00	2300.00	4949.00

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15.	Installed capacity to be added	MW	645.833	329.33	329.33	-	329.33
16.	New PHCs	Nos.	165	-	-	-	-
17.	New Sub Centres	Nos.	250	-	-	-	-
18.	Opening of Ayurvedic Dispensaries.	Nos.	125	10	-	-	10
19.	Rural Water Supply left-out Habitations to be covered	Nos.	8000	1875	1500	1651	3375
20.	Coverage under EIUS	Nos.	33702	5645	6546	5600	12191
21.	Construction of Housing Units	Nos.	10000	3404	4810	-	8214
22.	Handpumps installed	Nos.	5000	1570	914	-	2484

TABLE 4.14 : SECTOR WISE OUTLAYS(2002-03 TO 2004-05)

(Rs. in crore)

Sl.No.	Sector	Approved Outlay for 10th Five Year Plan (2002-07)	Outlays 2002-03	Outlays 2003-04	Outlays 2004-05	Cumulative Outlays
1.	Agriculture and Allied Services	1201.69	238.81	100.22	127.44	466.47
2.	Rural Development	415.49	91.70	37.15	56.49	185.34
3.	Irrigation and Flood Control	453.17	85.47	88.14	95.77	269.38
4.	Energy	12587.68	309.40	157.88	57.50	524.78
5.	Industries and Mineral	104.73	16.86	10.05	10.36	37.27
6.	Transport & Communication	1638.05	284.39	234.19	240.68	759.26
7.	Science, Tech. & Environment	6.42	1.58	0.49	0.28	2.35
8.	General Eco. Services	223.74	82.48	69.38	110.12	261.98
9.	Social Services	4893.48	908.12	613.78	677.18	2199.08
10.	General Services	105.55	22.97	23.72	24.56	71.25
	Total	10300.00	2041.78	1335.00	1400.38	4777.16

Status of Resources(2002-03to 04-05)

TABLE 4.15: THE FINANCING OF THE 10TH PLAN

(Rs. Crore)

Sr.No.	Item	Tenth Plan Projections of Financing 2002-07	Financing of AP02-03	Financing of AP 03-04	Financing of AP 04-05	Cumulative Financing
A	States own Resources	4760.00	648.48	-110.32	-85.21	452.95
1	Balance from current Receipt (of which ARM)	(-)5481.81	-1057.69	-2123.42	-1956.99	-5138.10
2	Contribution of Public Enterprise					
	(i)State Electricity Board	0.00	0.00	0.00	0.00	0.00
	(of which ARM)					
	(ii) Road Transport Corporation	0.00	0.00	0.00	0.00	0.00
	(of which ARM)					
3	State Provident Funds	1550.00	258.98	209.10	175.00	643.08
4	Misc.Capital Receipts	(-)2398.94	-442.00	-425.00	-470.00	-1337.00
5	Special Grants Under TFC/EFC	93.15	32.24	28.00	26.63	86.87
	(i) Grants for Up gradation & Special Problem	59.51	18.33	28.00	26.63	72.96
	(ii) Grants for Local Bodies	33.64	13.91	0.00	0.00	13.91

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6	Loans against Small Savings	25.87	250.00	400.00	240.00	890.00
7	Net Market Borrowing (SLR)	1330.00	440.09	355.00	366.15	1161.24
8	Negotiated Loans and Other Finances	2018.00	358.36	342.00	324.00	1024.36
	(i) LIC	760.00	123.88	109.52	60.00	293.40
	(ii) GIC	0.00	0.00	0.00	0.00	0.00
	(iii) NABARD	671.00	108.48	108.48	140.00	356.96
	(iv) REC	0.00	26.00	24.00	24.00	74.00
	(v) IDBI	0.00	0.00	0.00	0.00	0.00
	(vi) Others(HUDCO)	609.00	100.00	100.00	100.00	300.00
9	Debantures/Bonds	5643.24	809.00	1080.00	1195.00	3084.00
10	ARM agreed at Dy.Chairman Level Meeting	0.00	0.00	20.00	15.00	35.00
11.	Adj. of opening Balance	0.00	0.00	0.00	0.00	0.00
B	Central Assistance	5440.00	1393.30	1445.32	1485.59	4324.21
12	Normal Central Assistance	2997.22	595.44	651.58	716.74	1963.76
13.	Assistance for EAPs	592.47	67.33	45.00	32.51	144.84
14.	Other	1950.31	726.53	748.74	736.34	2211.00
C	Aggregate Plan Resources	10300.00	2041.78	1335.00	1400.38	4777.16
D	Approved Plan Outlay	10300.00	2041.78	1335.00	1400.38	4777.16

4.2.5. Pradhan Mantri Gramodya Yojana/ Basic Minimum Services

4.2.5.1 In order to achieve the objectives of sustainable human development at the village level, the Government of India has launched a new programme titled as 'Pradhan Mantri Gramodya Yojana' from the year 2000-01. This new programme has been replaced by ongoing 'Basic Minimum Services' programme. The PMGY have two components viz. Rural Roads and other programmes of PMGY viz. Primary Health, Primary Education, Shelter, Power, Drinking Water, and Nutrition. The rural roads programme is implemented by the department of Rural Development, Government of India and other programmes are through the respective Ministry/ Administrative Departments of Government of India. Under the PMGY, specific proposals are required to be sent to the Government of India for obtaining the earmarked Central Assistance.

4.3. Implementation of Economic Reforms:

4.3.1. We have made a modest beginning in all the potential areas of growth but a lot needs to be done. The constraint is limited financial resources. Despite the status of a special category state and consequently high central transfers, the financial picture of the state depicts a disturbing trend of revenue and fiscal deficit during the period 1990-91 to 2003-04. The revenue deficit reached its peak of -10.87 percent of GSDP in 2002-03(RE) and the fiscal deficit reached an alarming figure of -15.53% of GSDP in 1998-99. The deficit from 1998 onwards is attributed to the impact of revision of pay and pensions, regularization of a large number of daily wage workers and higher interest burden of borrowings. Given these facts, the state Government is looking forward to attracting private investment in sectors like power, transport, tourism, industries, road and bridges etc. and laying down investor friendly policies and creating conducive climate for doing so.

Fiscal Restructuring Programme undertaken by the Government.

1. The State is committed to a fiscal restructuring programme, which will take a little longer to come into a semblance of balance due to limited potential and inherent constraints.

Our deliverance can be accelerated if we succeed in materializing large scale private investment in the core strength areas.

2. Himachal Pradesh has made a beginning by adopting following significant steps in implementation of medium term fiscal reforms programme.
 - (i) The State Govt. has initiated the process of simplification and rationalization of tax structure and considerable progress has been made in this regard.
 - (ii) Various economy measures and financial disciplines have been put into effect to reduce the unproductive and wasteful expenditure.
 - (iii) MOU has been signed with Government of India under the Fiscal Reforms Facility set up by the GOI in pursuance of the recommendations of the 11th Finance Commission. The state Govt. would be required to abide by a medium term fiscal adjustment programme involving compression of non-development expenditure, mobilisation of new resources and reduce revenue deficit in a calibrated manner. A fiscal responsibility legislation will be enacted to cap the Government borrowings and the amount of guarantee it could provide for raising loans by the public sector undertakings.
 - (iv) Private sector participation has been enhanced in the areas of power, tourism, industry, transport and road and bridges.
 - (v) Policy of transparency has been adopted along with privatisation.
 - (vi) Phased reduction of subsidies and targeting subsidies to ensure benefits reach the eligible persons. All state schemes of input subsidies in agriculture and horticulture will be modified to ensure that they are not open ended and commitments under them are limited to budgetary allocation reduced each year consistent with a phase out over a five year period.
 - (vii) The state has initiated various efforts in PSU reforms.

5. Sectoral Review of the First Three Annual Plans of the Tenth Five Year Plans

5.1 The analysis of the sectoral investments in the real terms and in nominal terms was necessitated by the fact that the Tenth Five Year Plan's outlays were fixed at 2001-02 prices.

5.1.1 Hence, the sectoral review of first three years of the Tenth Five Year Plan has been attempted at current prices as well as at constant prices. Deflators exhibited in the Table 4.1 have been used to reach the figures at 2001-02 prices and to make comparison with the Tenth Plan outlays.

TABLE – 5.1 – DEFLATORS USED TO OBTAIN THE OUTLAYS / EXPENDITURE AT 2001-02 PRICES

Year	WPI	Deflator
2001-02	100	-
2002-03	103.41	0.967024
2003-04	109.09	0.916674
2004-05	114.54	0.873057

Inflation rate during 2004-05 has been assumed to be 5%

5.1.2 At an aggregate Level, it is revealed that during the first three years of the Tenth Plan, an expenditure of Rs.4757.20 crore is likely to be incurred which accounts for 46.19% of the total outlay of the Tenth Plan at current prices in nominal terms. But this expenditure level is Rs. 4402.99 crore i.e. 42.74 per cent at 2001-02 prices in the real terms. Thus the trend of plan utilization so far indicates that the expenditure levels are likely to be 10.26 per cent lower in real terms than the normative level of about 53 per cent for the first three years of the Tenth Five Year Plan. In using this normative assumption, we have gone by phasing of 15% in year one, 18% in year two, 20% in year three, 22 per cent in year four and 25 percent in year five of the Five Year Plan outlays. From the analysis, it is evident that Annual Plan outlays for the first Annual Plan of the Tenth Five Year Plan were 13.15% higher than the normative level. However, during two subsequent annual plans i.e. for 2003-04 and 2004-05 they were lower by 38.55% and 72.43%, respectively, than the normative levels. After exclusion of element on account of the transfer of the committed liabilities in the subsequent annual plans, the total plan outlay for the Tenth Five Year Plan gets reduced to Rs. 6656.00 crore. (Total financial liabilities on account of Salaries, Pensions, GIA, Scholarships, Wages and subsidies would have been 3644.00 crore during last four years of the Tenth Five Year Plan had they not been transferred to non-plan).

5.1.3 Going by these outlays the State is well ahead of normative assumption of 53% in terms of expenditure incurred against the outlays. The normative level of expenditure during first three years of Tenth Five Year plan is Rs. 3526.90 crore against which the plan funds utilized during first three years of the Tenth Five Year Plan already have reached at Rs. 4757.20 crore. The utilization percentage of plan funds is 71.47% (Arrived at assuming that the committed liabilities have not been transferred to non plan) and is about 18% higher than the normative assumption.

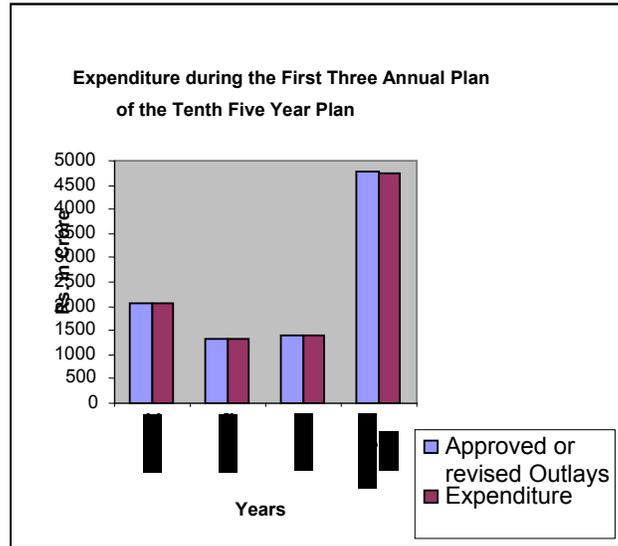
5.1.4 Sectoral analysis based on the yardstick normative level of plan expenditure may not be possible because of time constraint and also because of the fact that calculating sectoral/sub-sectoral committed liabilities and then discounting them against approved/revised outlays would

have entailed a huge exercise. However, resultant outlays are well in conformity with the normative assumptions when arrived at after discounting for transfer of committed liabilities to non plan.

5.1.5 The expenditure level during the first three years of the Tenth Plan is expected to reach 99.45 per cent of the outlays in nominal terms. Therefore overall position of the expenditure against the approved/revised outlays for the first three years of the Tenth Plan could be termed as fairly satisfactory.

TABLE 5.2 - OUTLAY AND EXPENDITURE DURING THE FIRST THREE YEARS OF TENTH PLAN
(Rs. In Crore)

Annual Plan Years	Approved Outlay	Expenditure Level	
		At Current Prices	At Constant Prices
2002-03 (Actuals)	2048.60	2050.60	1982.98
2003-04 (Revised Estimates)	1335.00	1306.60	1197.73
2004-05 (Anticipated)	1400.00	1400.00	1222.28
Total	4783.60	4757.20	4402.99
		(46.19)	(42.74)
10 th Plan Outlay	10300.00		



5.2 Sector wise analysis of the Tenth Five Year Plan is discussed below:

5.21 AGRICULTURE AND ALLIED ACTIVITIES

5.21.1 Against the total outlay of Rs. 120168.65 lakh for the Tenth Plan , the expenditure for the first three years of the Tenth Plan i.e. 2002-03, 2003-04 and 2004-05 is Rs.46147.20 lakh at current prices which is 38.18 percent of the total outlay for Tenth Five Year Plan. Expenditure level at constant prices for the first three year was Rs. 42928.56 lakh which was 35.72% of the total approved outlay. This data is summarized in the Table 3.3.

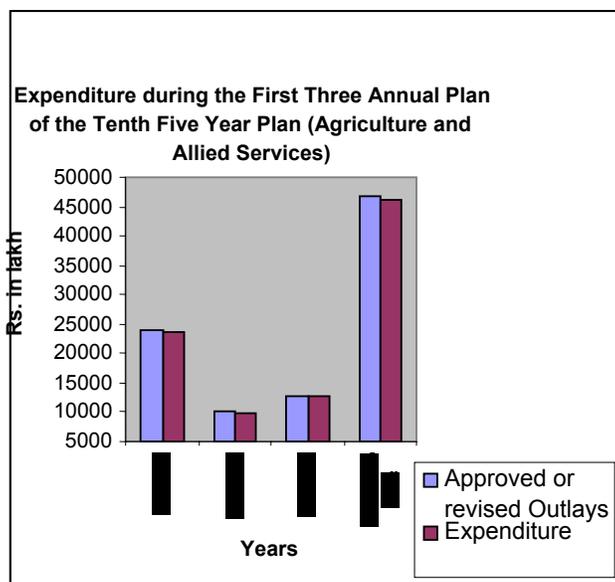
TABLE - 5.3 - OUTLAY AND EXPENDITURE DURING THE FIRST THREE YEARS OF TENTH PLAN IN AGRICULTURE AND ALLIED SERVICES SECTOR.

(Rs. In lakh)

Annual Plan Years	Approved Outlay	Expenditure Level	
		At Current Prices	At Constant Prices
2002-03 (Actuals)	23881.13	23485.46	22711.00

2003-04 (Revised Estimates)	10021.87	9917.35	9090.98
2004-05 (Anticipated)	12744.39	12744.39	11126.58
Total	46647.39	46147.20	42928.56
		(38.18)	(35.72)
10 th Plan Outlay	120168.65		

Figures in the parenthesis represent percentage of the 10th Five Year Plan Outlay.



5.21.2 The expenditure level under the Crop Husbandry Sector remained 96.42% and 84.96% during the Annual Plans 2002-03 and 2003-04 respectively. The expenditure level under Soil and Water Conservation was 99.79% and 72.27% during these two annual plans respectively. Corresponding expenditure levels for the Animal Husbandry sector had been 90.99% and 90.21%. Under the Dairy development the expenditure levels achieved were 106.68% and 98.83% during the Annual Plans 2002-03 and 2003-04 respectively. The achievements in Fisheries had been 119.27% and 83.89% respectively for the said two annual plans. The expenditure levels under Forestry and Wild Life remained at 96.02% and 99.34% during annual plans 2002-03 and 2003-04 respectively. It could be seen that the expenditure under the Agriculture and Allied Services Sectors was almost 100% and the performance of this sector during these two annual plans can be termed as satisfactory. The Sector is also expected to perform satisfactorily during the annual plan 2004-05 but concerted efforts are required to be put in the fields of maize, vegetable production and fish production if the targets set during the Tenth Five Year Plan in these sub-sectors are to be achieved.

5.21.3 Some of the key physical indicators in the sector vis-a-vis the Tenth Plan targets are summed up in the table 3.4.

Table-5.4
Achievement of Physical Target under Agriculture & Allied Service Sector

Item	Unit	10 th Plan Target	Ach. Upto 03-04	%
1.Foodgrain Production	000MT	1875.00	1783.00(P)	95.09
2.Vegetable Production	000MT	1000.00	785.00	78.50
3.Mushroom Production	MT	15000	6436	42.90
4.Hops Production	MT	200	78.60	39.30
5.Fish Production	Tonnes	9000	6464	71.82

6.Milk Production	000Tonnes	840.00	796.00	94.76
7.Egg Production	Millions	99.00	91.00	91.91
8.Wool Production	Lakh Kg.	16.50	16.80	101.81
9-Fruit Production	000 MT	657.67	544.31	82.76
10.Area to be brought under Fruit Production	Hect.	30000	14904	49.68

5.21.4 The above data indicates that the State Government is likely to achieve Tenth Plan targets under most of the sectors. However, some of the sectors need stress to be given by the State Government. Sector analysis reveals the following steps as being central to the increase in productivity:-

- i) Increase the area under high yielding hybrids of maize from the current 62% to 92% by the end of the Tenth Plan;
- ii) Intensity extension activities to increase area under vegetable cultivation from the existing 38,500 hectares by linking the increase with irrigation potential created, so that the target of bringing an area of 50000 hectare under vegetable cultivation during Tenth Plan could be achieved.
- iii) Introduction of new root stocks in apple and large scale replant programmes to be launched along with diversification in temperate horticulture;
- iv) All out efforts to achieve the target of 9000 tonnes of fish production during Tenth Plan.
- v) Steps to increase productivity of sub-tropical fruits by appropriate interventions;
- vi) Reorganise the extension agencies;
- vii) Plan for marketing linkages

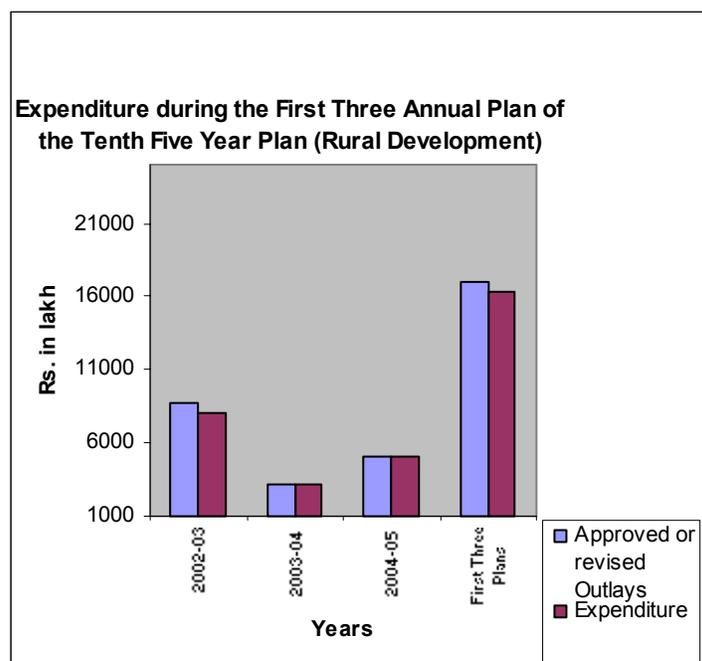
5.22 - RURAL DEVELOPMENT

5.22.1 In the Rural Development Sector, the expenditure level during the first three annual plans of the Tenth Five Year Plan remained at Rs.16328.15 lakh which is 39.30 percent of the total Tenth Plan outlay under this sector at current prices. In real terms the expenditure level is Rs.15150.14 lakh which is 36.46 percent of the total outlay for the Tenth Five Year Plan.

TABLE -5.5 - OUTLAY AND EXPENDITURE DURING THE FIRST THREE YEARS OF 10TH PLAN UNDER RURAL DEVELOPMENT SECTOR

Annual Plan Years	Approved Outlay	Expenditure Level	
		At Current Prices	At Constant Prices
2002-03 (Actuals)	8673.85	8048.24	7782.84
2003-04 (Revised Estimates)	3219.14	3174.52	2910.00
2004-05 (Anticipated)	5105.39	5105.39	4457.30
Total	16998.38	16328.15	15150.14(36.46)
		(39.30)	
10 th Plan Outlay	41548.53		

Figures in the parentheses denote the percentage to the total 10th Five Year Plan outlay.



5.22.2 From the schematic analysis under this sector, it is revealed that achievements under Drought Prone Area Programme, Indira Awas Yojna have been overwhelming whereas the performance under other programmes has been satisfactory except for that under Sampuran Gramin Rozgar Yojna in terms of the expenditure incurred against the revised outlays for the Annual Plan 2002-03. During the Annual Plan 2003-04 the expenditure levels in the Rural Development Sector were near the normative levels except for under the programmes IRDP/SGSY and Land Reforms. In fact the expenditure levels achieved under IAY, DPAP, SGRY and Community Development had been much higher than the revised outlays for the Annual Plan 2003-04. The targets set during the Annual Plan 2004-05 are likely to be met.

5.22.3 The salient aspects of the implementation of physical content in this sector are summed in table 3.6.

TABLE – 5.6 – ACHIEVEMENTS OF PHYSICAL TARGETS UNDER RURAL DEVELOPMENT

Item	Unit	10 th Plan Target	Ach. Upto 2002-03	%
1.SGSY	Disbursement of credit(Rs in lakh)	10000.00	3163.51	36.63
2.SGRY	Lakh Mandays	-	66.19	-
3.IAY :				
i) New Construction	No. of Houses	19667	4790	24.35
ii) Up-gradation	No. of Houses	10822	2449	22.63
Land Reform				
1.Consolidation of Holding	Acres	18920	2803	14.81
2. Cadestral Survey (Khsra No. Surveyed)	No	696200	187914	26.99
3. Forest Settlement Operation	Hect.	25000	12143.60	48.57

5.22.4 From the Table 3.6, it is evident that progress under JGSY (earlier JRY) is much below the normative level, which State Government has to take care of. Also, implementation of land reforms needs more efforts so as to achieve the targets under these programmes.

5.23 - IRRIGATION AND FLOOD CONTROL

5.23.1 Under this sector, the expenditure level is Rs.27346.44 lakh during the first three years of the Tenth Five Year Plan which is 60.34 percent of the total outlay fixed for the 10th Five Year Plan. In real terms i.e. at constant prices, the expenditure under this sector remained as Rs.24134.21 lakh which is 55.46 percent of the total outlay of the 10th Five Year Plan. It is evident from this trend that the expenditure level under this sector at current prices is higher by 7 percentage points. At constant prices the expenditure levels are 2 percent more than the normative levels. The expenditure position under this sector is summarised in the table 3.7.

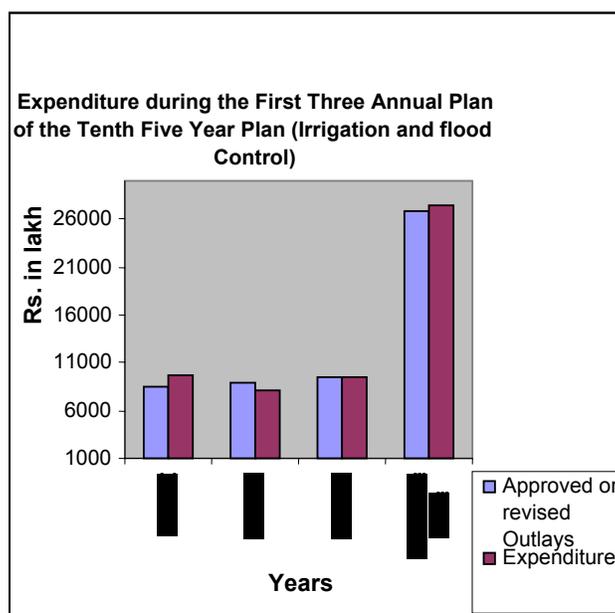
TABLE – 5.7 - OUTLAY AND EXPENDITURE DURING THE FIRST THREE YEARS OF 10TH PLAN UNDER IRRIGATION AND FLOOD CONTROL SECTOR

(Rs.in lakh)

Annual Plan Years	Approved Outlay	Expenditure Level	
		At Current Prices	At Constant Prices
2002-03 (Actuals)	8547.32	9615.71	9298.62
2003-04 (Revised Estimates)	8814.33	8153.89	7474.46
2004-05 (Anticipated)	9576.84	9576.84	8361.13
Total	26938.49	27346.44 (60.34)	25134.21 (55.46)
10 th Plan Outlay	45317.48		

Figures in the parentheses denote the percentage to the total 10th Five Year Plan outlay.

5.23.2 From the schematic analysis it is revealed that under the Major and Medium Irrigation, the expenditure levels for the first three annual plans of the Tenth Five Year Plan had been 100.79%, 96.64% and 100%



(anticipated) respectively. The expenditure levels under minor irrigation was 119.01% during the Annual Plan 2002-03; 85.13% during the Annual Plan 2003-04 and is likely to be 100% during 2004-05. The expenditure under Command Area Development including AIBP during the Annual Plan 2002-03 was not satisfactory but it picked up during the Annual Plan 2003-04 and shot up beyond the normative levels and is expected to hit the normative levels during the Annual Plan 2004-05. The expenditure level under Flood Control was at the normative levels during the first two Annual Plans of the Tenth Five Year Plans and there is a likelihood of meeting the normative requirements during 2004-05.

5.23.3 Some of the key physical indicators in the sector vis-a-vis the Ninth Plan targets are summed up in the table 3.8.

TABLE – 5.8 – TARGETS AND ACHIEVEMENTS IN IRRIGATION AND FLOOD CONTROL

Item	Unit	10 th Plan Target	Ach. Upto 03-04	%
1. Major and Medium Irrigation Schemes	Hect.	8000	500	6.25
2. Minor Irrigation	Hect.	10000	4249	42.49
3. Command Area Development :				
(a) Field Channel Development	Hect.	3000	2385	79.50
(b) Warabandi	Hect.	3000	2260	75.33
4. Flood Control Work (Area Provided with Protection)	Hect.	2500	1378	55.12

5.23.4 It can be easily inferred from the Table 3.8 that achievement of physical targets under Irrigation and Flood Control is far behind being called as satisfactory. Concerted efforts are required to speed up the pace of implementation of schemes under major irrigation. The progress under other sub-sectors is also required to be geared up. The pace of implementation of schemes under this sector is likely to pick up as more and more sanctions are received from the NABARD under RIDF.

5.24 - ENERGY

5.24.1 Power Sector in the State has been a priority sector due to a massive potential of Hydro-Electric capacity available in the State. The estimated expenditure for the first three years under this sector is Rs. 62243.62 lakh at current prices, which is 20.55 percent of the total 10th Plan outlay fixed for this sector. The expenditure level in real terms at constant prices is Rs. 58509.88 lakh which is 19.32 percent of the total outlay under this sector.

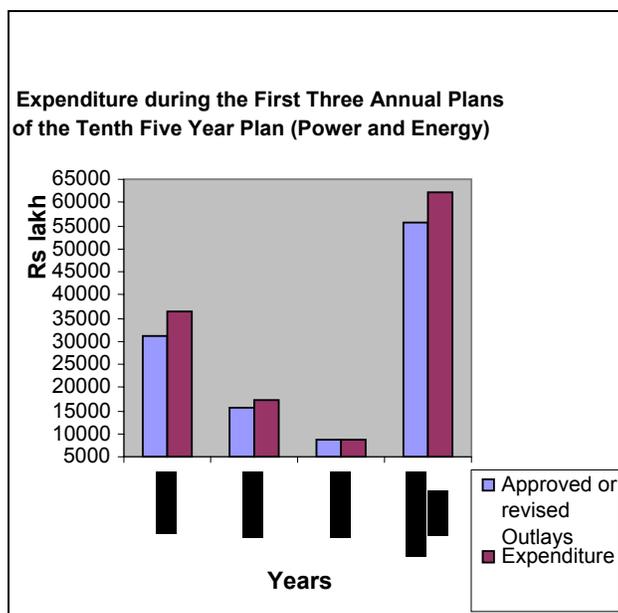
TABLE – 5.9 - OUTLAY AND EXPENDITURE DURING THE FIRST THREE YEARS OF 10TH PLAN UNDER ENERGY SECTOR

(Rs. In lakh)

Annual Plan Years	Approved Outlay	Expenditure Level	
		At Current Prices	At Constant Prices
2002-03 (Actuals)	30940.00	36378.81	35179.18
2003-04 (Revised Estimates)	15787.81	17177.81	15746.45
2004-05 (Anticipated)	8687.00	8687.00	7584.25
Total	55414.81	62243.62	58509.88(19.32)
		(20.55)	
10 th Plan Outlay	302825.74		

Figures in the parentheses denote the percentage to the total 10th Five Year Plan outlay.

5.24.2 The schematic analysis shows that under the Power Sector, the expenditure level was at 117.58% during the Annual Plan 2002-03; 108.98% during the Annual Plan 2003-04 under the Power Sector. The expenditure incurred in the Power Sector is mainly on the Hydel Projects which have a vast potential for meeting not only the energy requirement of the Northern Grid but can also meet the requirements of



other parts of the country. The expenditure levels are expected to meet the normative targets during the Annual Plan 2004-05. Under the non conventional sources of energy too the performance in terms of the expenditure incurred during the first two plans of the Tenth Five Year Plan has been satisfactory.

5.24.3 The details of important physical aspects of this sector are summed up in the table 5.10.

TABLE – 5.10 – PHYSICAL TARGETS AND ACHIEVEMENTS IN ENERGY SECTOR

Item	Unit	10 th Plan Target	Ach. upto 2003-04	%
(i) Installed Capacity	MW	645.833	329.33	50.99
(ii) Electricity Generated	MU	9744.000	2635.31	27.05
(iii) Electricity Sold :				
(a) With-in State	MU	16406.000	2519.002	15.35
(b) Out-Side State	MU	9689.000	688.026	7.10

5.24.4 Data summarized in the above table indicates that State Government has to make concerted efforts to increase the pace of addition to the installed capacity which would surely help in increasing the revenue accrual. During the Tenth Plan Nathpa Jhakri Power Project with an installed capacity of 1500 MW has already become operational.

5.25 - INDUSTRY AND MINERALS

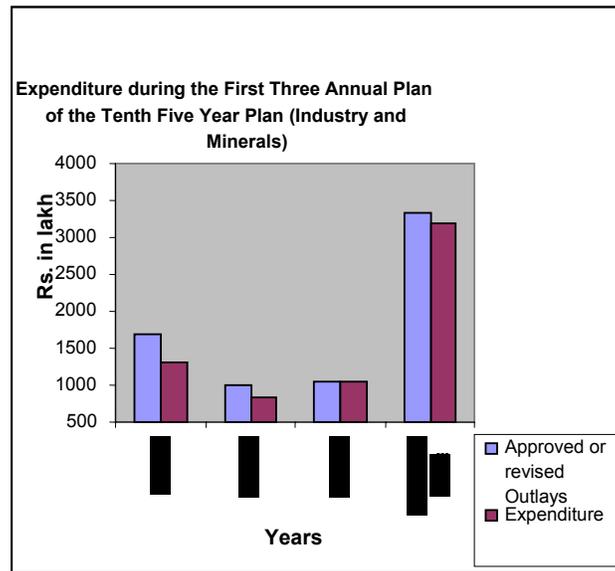
5.25.1 Under Industry and Minerals Sector the total expenditure for the first three years of the 10th Plan is Rs.3191.05 lakh which is 30.47 percent of the total outlay of the 10th Five Year Plan at current prices. This expenditure level is Rs.2946.28 lakh which 28.13 percent at constant prices. The expenditure position of this sector is presented in the Table - 5.11.

TABLE –5.11 - OUTLAY AND EXPENDITURE DURING THE FIRST THREE YEARS OF 10TH PLAN UNDER INDUSTRY AND MINERALS SECTOR

(Rs. In lakh)

Annual Plan Years	Approved Outlay	Expenditure Level	
		At Current Prices	At Constant Prices
2002-03 (Actuals)	1685.97	1316.82	1273.40
2003-04 (Revised Estimates)	1005.15	838.38	768.52
2004-05 (Anticipated)	1035.85	1035.85	904.36
Total	3326.97	3191.05	2946.28
		(30.47)	(28.13)
10 th Plan Outlay	10473.20		

Figures in the parentheses denote the percentage to the total 10th Five Year Plan outlay.



5.25.2 From the schematic analysis it is revealed that under the Village and Small Industry, the expenditure level was 73.77% during 2002-03 and 79.92% during 2003-04. However, the pace of implementation of programmes under Village and Small Scale Industries is likely to pick up during the remaining two years of the Tenth Five Year Plan. The pace of expenditure under other industries (other than VSI) has been much higher than the normative levels during the initial two plans of the Tenth Five Year Plan i.e. 138.62% and 189.30% during 2002-03 and 2003-04 respectively.

5.25.3 Important physical targets / achievements of this sector are presented in the table - 5.12.

TABLE – 5.12 – PHYSICAL TARGETS AND ACHIEVEMENTS IN INDUSTRY AND MINERALS SECTOR

Item	Unit	10 th Plan Target	Ach. upto 2003-04	%
1. Small Scale Industries :				
(a) Units Functioning (SSI)	Nos.	3350	1311	39.13
(b) Artisans Trained	Nos.	18000	12317	68.43
(c) Employment Generated	Nos.	27000	10247	37.95
2. Industrial Area/Estate :				
(a) Nos. of IAs/IEs	Nos.	6	1	16.67
(b) Nos. of Units Established	Nos.	300	94	31.33

(c) Employment	Nos.	3000	937	31.23
3. Handloom & Handicraft Industries :				
(a) Production Value	Rs. in lakh	5500.00	1075	19.55
(b) Employment :				
i) Part Time	Nos.	14000	2300	16.43
ii) Full Time	Nos.	13000	1700	13.08
4. Sericulture Industries:				
(a) Production of Reeling Cocoon	Lakh Kgs.	10.00	2.88	28.80
(b) Employment	Lakh Mandays	40.00	14.00	35.00
5. Khadi and Village Industries:				
(a) Production (Value)	Rs. in Lakh	4500.00	675.00*	15
(b) Employment	Nos.	20000	1900	9.50
(i) Part Time	Persons	10000	1000	10.00
B. Outside the Purview of KVIC :				
(a) Production (Value)	Lakh Rs.	150.00	40.00	26.66
(b) Employment :				
(i) Full Time	Persons	510	150	29.41
(ii) Part Time	Persons	15000	2500	16.66
6. District Industries Centres:				
(a) Units Assisted	Nos.	3350	494	14.74

* : Transferred to Non-Plan w.e.f. 2002-03.

5.25.4 The first two years of the Tenth Plan have progressed satisfactorily as far as the achievement of physical targets in Industry and Mineral Sector is concerned. Only area of concern has been production in Handicraft Industry, where productivity per worker should be an area of concern for which appropriate steps need to be initiated. Under the Small Scale Industry the State Govt. has been trying to avail full facilities available under setting up of Small Scale Industries for which physical targets are being revised on annual basis.

5.26 - TRANSPORT

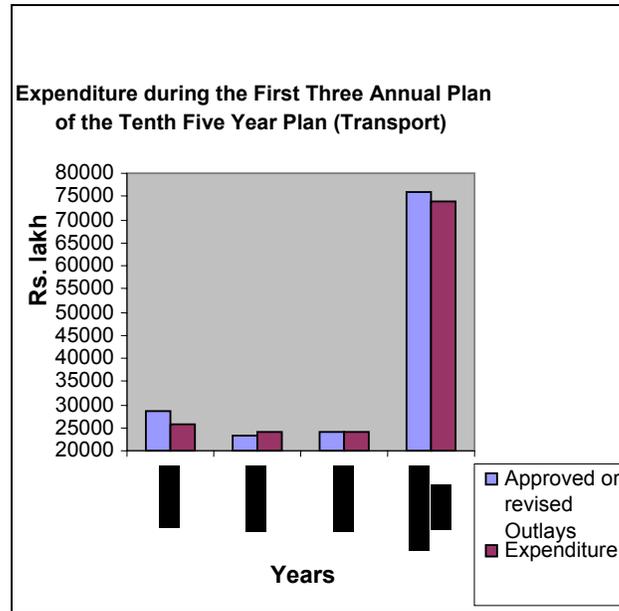
5.26.1 Under the Transport Sector, the analysis of expenditure of the three year of the 10th Five Year Plan revealed that Rs.73819.08 lakh of the outlay has been utilised at current prices which is 45.12 percent of the total outlay of the 10th Five Year Plan. At constant prices, the expenditure level is Rs.67904.97 lakh which is 41.51 percent of the total 10th Five Year Plan. The expenditure position under this sector is presented in the table 5.13.

TABLE - 5.13 OUTLAY AND EXPENDITURE DURING THE FIRST THREE YEARS OF 10TH PLAN UNDER TRANSPORT SECTOR

(Rs. In lakh)

Annual Plan Years	Approved Outlay	Expenditure Level	
		At Current Prices	At Constant Prices
2002-03 (Actuals)	28418.10	25551.28	24708.70
2003-04 (Revised Estimates)	23414.34	24204.47	22187.61
2004-05 (Anticipated)	24063.33	24063.33	21008.66
Total	75895.77	73819.08 (45.12)	67904.97(41.51)
10 th Plan Outlay	163594.00		

Figures in the parentheses denote the percentage to the total 10th Five Year Plan outlay.



5.26.2 The expenditure reported under roads and bridges for the annual plan 2002-03 was Rs. 90.10% and for the annual plan 2003-04 was 95.99% which remained somewhat less satisfactory during the subsequent year of the Tenth Plan. The expenditure under this sector shall be speeded up and the shortfall of expenditure of the first two years would be made good.

5.26.3 Some of the key physical indicators in the sector vis-a-vis the Tenth Plan targets are summed up in the table 5.14.

5.26.4 Only area of concern in the Transport Sector has been installation of cableways. It is also expected to pick-up the pace as soon as process of getting the existing statutes amended is carried through.

TABLE 5.14 – PHYSICAL TARGETS AND ACHIEVEMENTS IN TRANSPORT SECTOR

Item	Unit	10 th Plan Target	Ach. Upto 2002-03	%
(i) Motorable Roads	KM	2750	1204	43.78
(ii) Jeepable Roads	KM	100	48	48
(iii) Cross Drainage	KM	3250	1625	50
(iv) Metalling and Tarring	KM	3250	1455	44.77
(v) Bridges	Nos.	150	100	66.67
(vi) Village Connectivity	Nos.	250	99	39.60
(vii) Cable Ways	KM	10	-	-

5.27 - SCIENCE TECHNOLOGY AND ENVIRONMENT

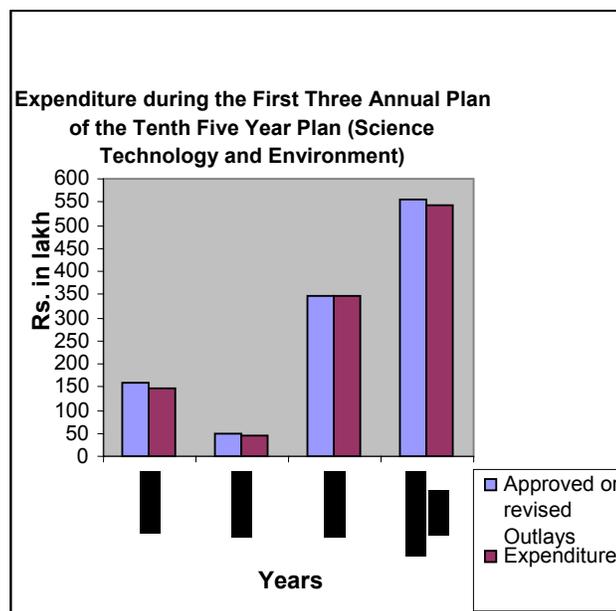
5.27.1 Under this sector the total expenditure level during the last three years of the 10th Five Year Plan remained as 542.38 lakh at current prices which is 84.48 percent of the total outlay. The expenditure level at constant prices is 489.49 lakh which is 76.24 percent of the

total outlay at constant prices. Under the scientific research expenditure percentage for the year 2002-03 was 91.88% and for 2003-04 87.09%. In this sector only the concern is less expenditure under scientific research whereas ecology and environment has report 100% utilization of funds. For the year 2004-05 a new Head of Bio-technology has also been created under this sector. The total expenditure position of this sector is given in the table 5.15.

TABLE - 5.15 - OUTLAY AND EXPENDITURE DURING THE FIRST THREE YEARS OF 10TH PLAN UNDER SCIENCE TECHNOLOGY AND ENVIRONMENT SECTOR
(Rs. In lakh)

Annual Plan Years	Approved Outlay	Expenditure Level	
		At Current Prices	At Constant Prices
2002-03 (Actuals)	157.61	148.84	143.93
2003-04 (Revised Estimates)	48.87	45.54	41.74
2004-05 (Anticipated)	348.00	348.00	303.82
Total	554.48	542.38 (84.48)	489.49 (76.24)
10 th Plan Outlay	642.00		

Figures in the parentheses denote the percentage to the total 10th Five Year Plan outlay.



5.28 GENERAL ECONOMIC SERVICES

5.28.1 Under this sector the expenditure level during the first three years of the 10th Five Year Plan remained at Rs. 21107.10 lakh which is 94.34 percent at current prices. The expenditure level at constant prices was Rs. 19335.36 lakh which is 86.42 percent of the total

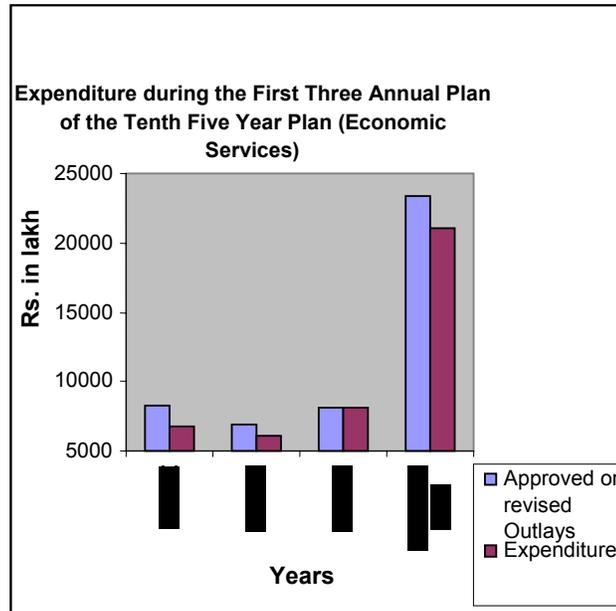
outlay earmarked for the 10th Five Year Plan. The overall expenditure level under this sector has been 82.75% during the 2002-03 and 88.02% during 2003-04. The allocation under this head is made as untied funds to the Deputy Commissioners of the non-tribal districts. The shortfall of expenditure under this head has already exceeded the normative levels and the outlays for the remaining two annual plans of the Tenth Five Year Plan require upward revision.

TABLE 5.16 - OUTLAY AND EXPENDITURE DURING THE FIRST THREE YEARS OF 10TH PLAN UNDER GENERAL ECONOMIC SERVICES SECTOR

(Rs. In lakh)

Annual Plan Years	Approved Outlay	Expenditure Level	
		At Current Prices	At Constant Prices
2002-03 (Actuals)	8247.45	6824.74	6599.69
2003-04 (Revised Estimates)	6937.64	6106.61	5597.77
2004-05 (Anticipated)	8175.75	8175.75	7137.90
Total	23360.84	21107.10	19335.36
		(94.34)	(86.42)
10 th Plan Outlay	22373.86		

Figures in the parentheses denote the percentage to the total 10th Five Year Plan outlay.



5.29 EDUCATION, SPORTS, ARTS & CULTURE

5.29.1 Under the Education, Sports, Arts & Culture Sector, the expenditure level during the first three years of the 10th Five Year Plan is Rs. 73024.90 lakh which is 26.72 percent of the total outlay fixed for the 10th Five Year Plan at current prices. The expenditure level of constant prices remained Rs. 68556.10 lakh which is 25.09 percent of the total 10th Five Year Plan outlay. The aggregate expenditure position given in the table 3.17.

TABLE 5.17 - OUTLAY AND EXPENDITURE DURING THE FIRST THREE YEARS OF 10TH PLAN UNDER EDUCATION, SPORTS, ARTS & CULTURE SECTOR

(Rs. In lakh)

Annual Plan Years	Approved Outlay	Expenditure Level	
		At Current Prices	At Constant Prices
2002-03 (Actuals)	46141.62	45115.02	43627.31
2003-04 (Revised Estimates)	12710.94	12881.93	11808.53
2004-05 (Anticipated)	15027.95	15027.95	13120.26
Total	73880.51	73024.90	68556.10
		(26.72)	(25.09)
9 th Plan Outlay	273265.71		

Figures in the parentheses denote the percentage to the total 10th Five Year Plan outlay.

5.29.2 Within this sector, General Education registered 97.65% expenditure during 2002-03 and 125.80% expenditure during 2003-04. Under the Technical Education the expenditure level is 114.35 percent during 2002-03 and 94.39% during 2003-04. Under Sports and youth Services and Art and Culture the expenditure position which was below normal during 2002-03 was subsequently increased to the satisfactory level.

5.29.3 Some of the key physical indicators in the sector vis-a-vis the Tenth Plan targets are summed up in the table 5.18.

TABLE –5.18 – PHYSICAL TARGETS AND ACHIEVEMENTS IN EDUCATION, SPORTS, ART & CULTURE SECTOR

Item	Unit	10 th Plan Target	Ach. upto 2003-04	%
I Elementary Education (Age Group 6-11)				
Enrolment Ratio(All):				
(a) Boys	%	103	103	100
(b) Girls	%	103	103	100
Total	%	103	103	100
Scheduled Castes :				
Enrolment Ratio :				
(a) Boys	%	103	103	100
(b) Girls	%	103	103	100
Total	%	103	103	100
Scheduled Tribes :				
Enrolment Ratio:				
(a) Boys	%	104	104	100
(b) Girls	%	104	104	100
Total	%	104	104	100
2. Middle Classes (6th to 8th) :				
Enrolment Ratio:				
(a) Boys	%	101	100	98.01
(b) Girls	%	96	92	95.83
Total	%	98	96	97.95
Scheduled Castes:				
Enrolment Ratio:				
(a) Boys	%	86	86	100
(b) Girls	%	82	77	93.90
Total	%	84	81	96.42
Scheduled Tribes :				
Enrolment Ratio:				
(a) Boys	%	108	102	94.44
(b) Girls	%	90	78	86.66
Total	%	99	90	90.90
3 Opening of Primary Schools	Nos.	500	-	
4 Opening of Middle Schools	Nos.	1400	646	46.14
5 Opening of High Schools	Nos.	400	124	31
6 Opening of Senior Secondary Schools	Nos.	100	55	55.00

5.29.4 State Government has been working hard to take the education facilities to the far flung areas of the State, in fact, it has succeeded to quite an extent in doing so. Most of the physical targets in Education Sector have been achieved during the first two years of the Tenth Plan and the heads where targets have not yet been achieved shall be achieved during 2004-05 itself.

5.210 - HEALTH AND FAMILY WELFARE

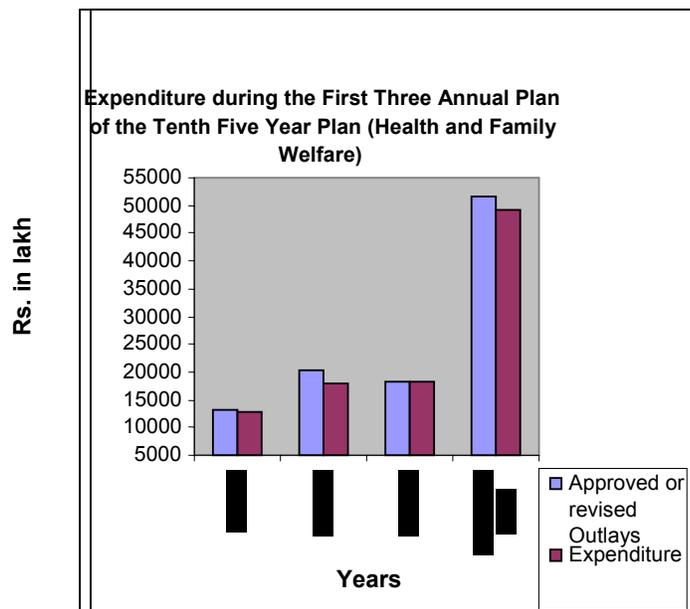
6.210.1 Under this sector, a total expenditure of Rs. 49267.01 lakh has been incurred during the first three years of the 10th Five Year Plan which is 62.58 percent at current prices. This expenditure level is Rs. 45013.56 lakh at constant prices which accounts for 57.14 percent of the total outlay fixed for the 10th Five Year Plan under this sector. The expenditure level under this sector for the year 2002-03 was 98.43% and the year 2003-04 89.45% . This is the sector where plan liabilities have not been transferred to the non-plan and hence it can be inferred with certainty that the expenditure levels have reached well beyond normative levels. The aggregate position of expenditure is given in the table 5.19.

TABLE 5.19 - OUTLAY AND EXPENDITURE DURING THE FIRST THREE YEARS OF 10TH PLAN UNDER HEALTH AND FAMILY WELFARE SECTOR

(Rs. In lakh)

Annual Plan Years	Approved Outlay	Expenditure Level	
		At Current Prices	At Constant Prices
2002-03 (Actuals)	13112.16	12905.15	12479.59
2003-04 (Revised Estimates)	20196.22	18066.07	16560.70
2004-05 (Anticipated)	18295.79	18295.79	15973.27
Total	51604.17	49267.01 (62.58)	45013.56 (57.14)
10 th Plan Outlay	78772.28		

Figures in the parentheses denote the percentage to the total 10th Five Year Plan outlay.



5.210.2 Some of the key physical indicators in the sector vis-a-vis the Tenth Plan targets are summed up in the table 5.20.

5.210.3 Data summarised in Table 3.20 clearly indicates that more than 50% targets have been achieved upto the end of annual plan 2003-04 and the remaining targets are expected to be met during the remaining years of the Tenth Five Year Plan.

TABLE – 5.20 – PHYSICAL TARGETS AND ACHIEVEMENTS IN HEALTH AND FAMILY WELFARE SECTOR

Item	Unit	10 th Plan Target	Ach. upto 2003-04	%
i) Opening of Health Sub-Centres	Nos.	250	134	53.60
ii) Opening of Primary Health Centres	Nos.	165	89	53.93
iii) Opening of Community Health Centres	Nos.	15	-	-
iv) Conversion of Rural Hospitals into CHCs	Nos.	8	-	-

5.211 - WATER SUPPLY, SANITATION, HOUSING AND URBAN DEVELOPMENT

5.211.1 Under this sector, the expenditure level is Rs. 78473.67 lakh at current prices which is 78.80 percent of the total 10th Five Year Plan outlay. The expenditure level at constant prices is Rs. 72121.76 lakh which is 72.42 percent of the total outlay fixed for the 10th Five Year Plan. The aggregate expenditure position of this sector is given in the table 3.21.

TABLE - 5.21 - OUTLAY AND EXPENDITURE DURING THE FIRST THREE YEARS OF 10th PLAN UNDER WATER SUPPLY, SANITATION , HOUSING & URBAN DEVELOPMENT SECTOR

(Rs. In lakh)

Annual Plan Years	Approved Outlay	Expenditure Level	
		At Current Prices	At Constant Prices
2002-03 (Actuals)	25450.65	26961.25	26072.18
2003-04 (Revised Estimates)	24761.90	24676.16	22620.00
2004-05 (Anticipated)	26836.26	26836.26	23429.58
Total	70048.81	78473.67 (78.80)	72121.76 (72.42)
10 th Plan Outlay	99590.08		

Figures in the parentheses denote the percentage to the total 10th Five Year Plan outlay.

5.211.2 It can be inferred from the schematic analysis that the level of expenditure is 116.89% during 2002-03 and 100.22% during 2003-04 which is about normative level of the 10th Plan under Water Supply and Sanitation Sector. The only shortcomings in implementation of plan programme under this head was in Urban Development where the short spending is under URIF programme.

5.211.3 Some of the key physical indicators in the sector vis-a-vis the Ninth Plan targets are summed up in the table 3.22.

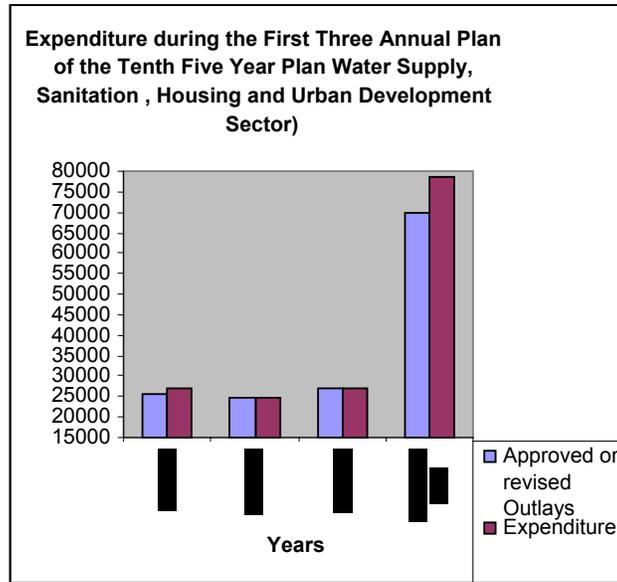


TABLE 5.22 – PHYSICAL TARGETS AND ACHIEVEMENTS IN WATER SUPPLY, SANITATION, HOUSING AND URBAN DEVELOPMENT SECTOR

Item	Unit	10 th Plan Target	Achi. upto 2003-04	%
A. Urban Water Supply :				
i) Towns Covered	Nos.	15	6	40
B. Rural Water Supply :				
i) State Sector :				
(a) Villages Covered / habitations	No.	3000	1221	40.70
(b) Hand Pumps	No.	5000	2484	49.68
ii) Central Sector :				
(a) Villages Covered/ habitations	Nos.of Habs.	5000	2154	43.08
(b) Population Covered	Lakhs	-	-	-
C. Sewerage :				
(i) Towns Covered	Nos.	12	3	25
URBAN DEVELOPMENT :				
1. Environmental Improvement of Slums Dwellers /NSDP	Nos.	33702	12191	36.17
2. Low Cost Sanitation	Nos.	-	12	-
3. SJSRY	Mandays Generated	80000	45000	56.25

5.211.4 Data in Table – 3.22 indicates that State Government is required to lay a greater stress in the implementation of SJSRY where the actual achievement of targets is much behind the normative levels for the first two years of the Tenth Plan.

5.212 - WELFARE OF SC's, ST's AND OBC's

5.212.1 Under this sector, the expenditure level for the first three years of the 10th Five Year Plan remained as Rs.3463.67 lakh which is 43.95 percent at current prices. This expenditure level is Rs. 3071.24 lakh which is 38.97 percent at constant prices. The expenditure percentage under Welfare of SCs, STs and OBCs was 81.16%, under Social Security and Social Welfare 91.39% and for nutrition 99.73% during 2002-03. For the annual plan 2003-04 the expenditure percentage under SCs,STs and OBCs was 50.19%, under Social Welfare 97.83% and nutrition 95.62%. This trend indicates that the expenditure level under Welfare of SCs, STs and OBCs remained very low due to the fact that the State share component for the construction

of hostels for the different category of students could not be released in time. This shortcoming shall be made good in the subsequent years of Tenth Five Year Plan.

TABLE - 5.23 - OUTLAY AND EXPENDITURE DURING THE FIRST THREE YEARS OF 10th PLAN UNDER WELFARE OF SC's, ST's AND OBC's

(Rs. In lakh)

Annual Plan Years	Approved Outlay	Expenditure Level	
		At Current Prices	At Constant Prices
2002-03 (Actuals)	923.37	749.38	744.67
2003-04 (Revised Estimates)	1225.90	615.22	513.96
2004-05 (Anticipated)	2099.07	2099.07	1832.61
Total	4248.34	3463.67 (43.95)	3071.24 (38.57)
10 th Plan Outlay	7881.54		

Figures in the parentheses denote the percentage to the total 10th Five Year Plan outlay.

5.212.2 Some of the key physical indicators in the sector vis-a-vis the Tenth Plan targets are summed up in the table 3.24.

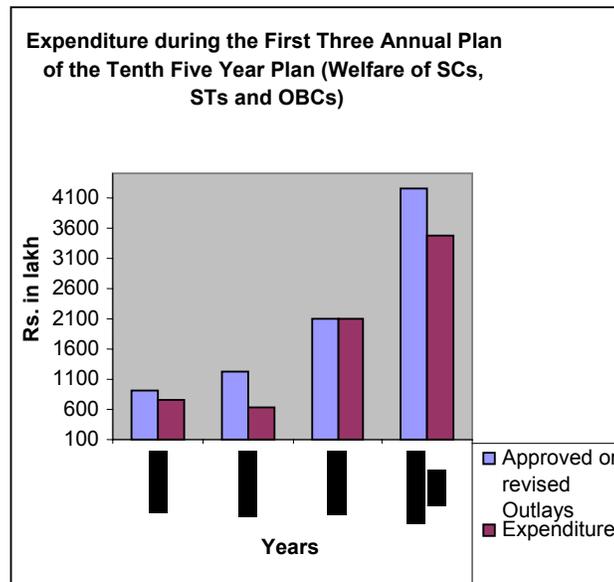


TABLE – 5.24 – PHYSICAL TARGETS & ACHIEVMENTS IN WELFARE OF SC's / ST's / OBC's SECTOR.

Item	Unit	10 th Plan Target	Ach. upto 2003-05	%
WELFARE OF SCHEDULED CASTES:				
1. Economic Betterment of SCs	No. of Ben.	7500	1982	26.43
2. Award for Inter-Caste Marriages	No. of Couples	6000	391	6.52
3. Pre-Examination Coaching Centres	No.	1	1	100
4. Electrification to the SC's / ST's House (Scheme is being implemented by HPSEB)	No.	5000	1563	31.26
5. Proficiency in Typing / Short-Hand	No. of Trainees	500	79	15.80
6. Housing Subsidy	No. of Ben.	6410	80	29.44
II. Welfare of Scheduled Tribes:				
1. Economic Betterment of ST's	Nos. of Students	25625	1632	6.37
2. Housing Subsidy	Nos. of Ben.	4500	1128	25.07
3. Proficiency in Typing & Shorthand	No. of Trainees	166	18	10.84
III Welfare of OBC'S :				
1. Proficiency in Typing & Shorthand	No. of Students	166	40	24.10
2. Economic Betterment of OBC's	No. of Ben.	5000	1394	27.88
SOCIAL WELFARE :				
I. WELFARE OF HANDICAPPED :				
1. Marriage Grant to handicapped	No. of Persons	2200	683	9
2. Vocational Rehabilitation Centres	No. of Centres	1	1	100
3. Rehabilitation Allowance to Lepers	No. of Lepers	16666	1944	11.66
4. After Care Vocational Centres	No. of Centres	1	1	100
II. Child Welfare:				
1. Foster Care Service	No. of Children	-	9	-
2. Rehabilitation of Inmates of Bal/Balika Ashrams	No. of Inmates	1166	72	6.17
3. Home for Children in Need of Care and Protection	No. of Homes	2	2	100
4. Balwaries	No. of Balwaries	177	321	181.36
III. Women Welfare:				
1. State Home, Nahan	No.	1	1	100
IV. Welfare of Destitute:				
1. Marriage Grant to Destitute Girls/Women	No. of Ben.	5320	1622	30.49
2. Home for Aged at Garli & Bhangrotu	No. of Homes	2	2	100
V. Other:				
(i) Grant to Legal Advisory Board	No. of Boards	1	1	100
(ii) Special Nutrition Programmes	No. of Ben.	1100000	708528	64.41
(iii) AWW/Helpers	No.	19978	29233	146.33
(iv) Old Age/Widow Pension	No. of Ben.	670354	-	-
(v) National Family Benefit	No. of Ben.	1000	1800	180.00

TABLE - 5.25 - OUTLAY AND EXPENDITURE DURING THE FIRST THREE YEARS OF TENTH PLAN UNDER GENERAL SERVICES SECTOR

(Rs. In lakh)

Annual Plan Years	Approved Outlay	Expenditure Level	
		At Current Prices	At Constant Prices
2002-03 (Actuals)	2297.07	1948.20	1883.96
2003-04 (Revised Estimates)	2372.02	1856.99	1702.25
2004-05 (Anticipated)	2543.93	2543.93	2221.00
Total	7213.02	6349.12	5807.21
		(74.92)	68.52)
10 th Plan Outlay	8475.00		

Figures in the parentheses denote the percentage to the total 20th Five Year Plan outlay.

5.212.3 State Government has given due importance to the development in Social Sector.

5.213 - GENERAL SERVICES

5.213.1 Under the General Services sector, the expenditure level is Rs. 6349.12 lakh which is 74.92 percent at current prices and is 25 percent higher than the normative level of expenditure. The total expenditure position under this sector for the first three years of the 10th Five Year Plan given in the table 3.25.

