



## **Annual Plan - 2011-12**

Chief Minister's Meeting  
with the Deputy Chairman,

Planning Commission, New Delhi

Speech of

**Shri. B.S. Yeddyurappa**

Chief Minister of Karnataka

**22<sup>nd</sup> March 2011**

**Annual Plan 2011-12 Meeting between the Hon'ble Chief Minister of Karnataka and  
Hon'ble Deputy Chairman, Planning Commission on 22.03.2011**

Respected Deputy Chairman, Hon'ble Members and Senior Officers of the Planning Commission.

- At the outset let me express my appreciation to the Planning Commission for organizing this meeting to finalize Karnataka's Annual Plan for 2011-12.
- Karnataka is one of the few major States, that have consistently realized more resources than what was budgeted in the Five Year Plans. We are likely to achieve an expenditure of Rs.1,14,006 crore against an allocation of Rs.1,01,664 crore in the Eleventh Five Year Plan. All the sectors are expected to perform reasonably well.
- The outlay of Annual Plan 2011-12 is placed at Rs.38,070 crore representing an increase of about 23% over the Annual Plan outlay of 2010-11, which was Rs. 31,050 crore. The per capita plan outlay of Karnataka at Rs. 5,217 in 2010-11 is one of the highest among major States.

- The State Government is committed to step up resource mobilization for the State's development while maintaining fiscal discipline as required under the State's Fiscal Responsibility Act. The target of the debt to GSDP ratio set for 2014-15 in the roadmap laid by the 13<sup>th</sup> Finance Commission has been achieved already by Karnataka in the current year. In addition, the ratio of interest payment to revenue receipts is also much below the 15% norm advised by the Finance Commission.
- Our annual Plan for 2011-12 reflects the priorities of the Government of Karnataka. As compared to the current year, we have increased the allocations considerably in 2011-12 for Agriculture (63%), Irrigation (55%), Energy (31%), Rural Development (22%), and Housing (33%).
- I have always given top priority to agriculture. This year Karnataka has made a novel attempt to formulate a separate budget for the agriculture sector. This attempt is the first and only one of its kind in the country. I have presented a separate agriculture budget to give new dimension to the schemes related with land and water.
- Rs.17,857 crore has been set apart for development of Agriculture and allied services and Irrigation.
- The agriculture sector has shown a satisfying growth of 6% for the

year 2010-11. Food grain production, this year, is likely to reach a record level of 125 lakh tonne. More rewarding is yield increments by 32% in oilseeds and 38% in Cotton.

- My government has taken many initiatives to improve agriculture incomes. Some of these measures are:

a) The State providing agriculture loan at an interest of 1% to farmers through Co-operative Societies.

b) Extended the Bhoo-chetna programme with ICRISAT help to all 30 districts to cover nearly 30 lakh farmers. Mainly to improve crop-yield levels through application.

c) The State is providing Rs.1000 crore for improvement of livelihoods of 10 lakh agriculture farmers under the Suvarna Bhoomi Yojane. Each farmer will get Rs.10,000 (given in 2 installments).

d) Establishing Agriculture Infrastructure Fund of Rs.500 crore.

e) Increasing the Agriculture Revolving Fund to Rs.1000 crore.

f) Rs.200 crore for organic farming to increase the number of organic farmers from the present level of 87,200 to 5,28,000 in the coming years.

g) The State had recently released Agri-business Development Policy. This year we are organizing the Global Agri Investors Meet for the first time in the country.

- The decade 2011-20 has been declared as "Irrigation Decade" with focus on Water Resources Management in Karnataka.

Rs.7,800 crore has been provided in the coming year.

- For rejuvenation of centuries old tanks Rs.1,000 crore is provided.
- In the last two and a half years, 14 incomplete and lingering irrigation projects have been completed.
- The State Legislature had recently passed the “Karnataka Groundwater Bill”
- State is engaged in serious attempts to promote new projects in power sector. Our intention is to add a minimum of 5000-8000 MW in 5 years.
- Karnataka Power Corporation has taken up the following projects: Yermarus (1600 MW), Edlapur (800 MW), Bellary (700 MW) and Godhna (1600 MW).
- The State is setting up coal-based Regional Project by NTPC with a capacity of 4000 MW at Kudigi in Bijapur district.
- The State has initiated development of two power projects under competitive bidding route of 1320 MW at Gulbarga and Ghataprabha.
- For uninterrupted power supply to the villages and Cottage Industries. The Niranthara Jyothi Scheme is being implemented

in a phased manner in 126 taluks at a cost of Rs.2123 crores.

- On Industrial front, The Global Investors meet held in the month of June last year was a phenomenal success. An investment of Rs.5.25 lakh crore has been mobilized and with employment potential of 8.5 lakh persons. Already 225 schemes have been commenced with Rs.2.5 lakh crore investments.
- The State has taken several measures for Urban Development. Bangalore Infrastructure has got Rs. 6000 crore. Under Mukhya Mantri Nagarothana Yojane Rs.1,441 crore has been utilized. In this, each of the 7 cities get Rs.100 Crore, district center Rs.30 Crore, and ULBs Rs.2 Crore each.
- The Reach-1 of first phase of Bangalore Metro will be launched on 4<sup>th</sup> April 2011.
- Innovative University Bill for restructuring of Mysore & Karnataka Universities will be introduced soon.
- The State has established State Council for higher education and Knowledge Commission.
- The fully integrated e-procurement platform has saved to the State exchequer nearly Rs.10,000 crore in meeting its procurement needs.

- Karnataka is way ahead in implementation of UID and stands first in the country overtaking Maharashtra and Andhra Pradesh, even though these 2 states launched UID programme well before us.
- I would now like to bring to your notice some critical areas which need the intervention of Planning Commission.

❖ Karnataka has the capacity to sustain larger amount of debt. Planning Commission is requested to advise the Ministry of Finance to set the borrowing limit for each State based on their debt sustaining capacity rather than applying the fiscal roadmap in a mechanical manner irrespective of the debt level of each State.

❖ Planning Commission is requested to advise the Central Government ministries to desist from bypassing the State budget in routing of funds for implementation of various Centrally Sponsored Schemes.

❖ Silk import duty reduction from 30% to 5% should be reexamined to protect the interest of the farmers.

❖ State has provided Rs.1588 crore under AIBP. Centre requested to enhance their contribution.

❖ The State has proposed to set up two gas based projects at Bidadi and Tadadi. The unit cost of electricity generated will be high

due to high price of crude oil to which LNG prices are linked. The gas based projects can be successfully implemented if domestic gas is allocated to them.

- ❖ Some of the generation projects are stalled for want of fuel coal linkages / coal blocks / environmental clearance. Planning Commission's intervention is sought in this behalf.

- ❖ Environmental clearance for Edlapur Project, Godhna Project and Gundia Hydro Electric project is to be provided.

- ❖ The railways may be persuaded to finalize the PPP Policy as in the case of Airports, Ports Sector and Highways. We are waiting for 2 years.

- ❖ Railways to speed up the implementation of 2118 kms of on-going projects costing Rs.6000 crore.

- ❖ To extend Mid-Day Meal Programme for high school students (Ninth and Tenth Standard).

- ❖ Government of India to be persuaded to relax committed liability clauses under SSA/RMSA and other programmes to incentivize reforms.

- ❖ Allocate funds in the ratio of 75:25 on the line of RMSA to be

provided (instead 65:35) to implement Right to Education Act.

❖ 12 high focus C-category districts with very low health indicators deserve higher resource allocation under NRHM on par with high focus states.

I shall now request my colleagues to elaborate on other important points and look forward to your valuable suggestions.

Thank you.

Jai Hind – Jai Karnataka