

# COVID-19



## Action Plan of the Task Force on Restarting the Economy in Rajasthan

13 April, 2020

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Government of Rajasthan

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## ABOUT THIS REPORT

The Government of Rajasthan has taken very stringent steps to enforce statewide lockdown to contain the spread of COVID-19 pandemic. It has worked closely with the Government of India to contain the spread through vigorous screening and quarantine of the infected persons and their contacts. The protocol followed to rapidly contain the explosive spread of contagion in district Bhilwara is now globally acknowledged as best practice.

However, the state government recognizes the danger of complete shutdown of economic activities, which could result in the total collapse of the economy resulting in large-scale disruption in livelihoods, and far worse, spread of hunger and starvation.

To minimize the impact on people, the State Government has undertaken measures to maintain the supply chain of essential commodities, provide support in cash and kind to the weak and vulnerable. However, a very coherent and comprehensive plan is required, with the full backing of the Government of India to restart economic activities and alleviate the suffering of the masses.

This report, therefore, lays emphasis on the need to synergize efforts of the state and the central government in meeting the economic challenge in a substantial measure. It then lays out a comprehensive strategy to restart economic activities in the state of Rajasthan. This is enunciated in four sections **Section 1** deals with economic impact of COVID-19 and measures to contain it, **Section 2** contains broad framework on which economic strategy is developed, **Section 3** entails sectoral strategy and **Section 4** contains other steps that the Government may take to generate confidence in economy and its revival plan.

The members of the Task Force Messrs Arvind Mayaram, Economic Advisor to Chief Minister and Vice Chairman, CM's Rajasthan Economic Transformation Advisory Council; Govind Sharma, Advisor to Chief Minister; Subodh Agarwal, Additional Chief Secretary, Industries; Niranjana Arya, Additional Chief Secretary, Finance; Abhay Kumar, Principal Secretary, Plan; Akhil Arora, Principal Secretary, Social Justice & Empowerment; Naresh Pal Gangwar, Principal Secretary, Agriculture; Sreya Guha, Principal Secretary, Tourism, Art & Culture Mugdha Sinha, Principal Secretary, Science & Technology; and Rajesh Sharma, Secretary, Animal Husbandry provided invaluable input. Dr Rathin Roy, Director, National Institute of Public Finance, who was also co-opted as members of the Task Force provided great insights into macro-economic issues and greatly contributed in the writing of the report.

Messrs Munshi Singh Rajput, B.L. Bairwa, C.P. Mandawariya and other officers of the Department of Plan, Government of Rajasthan, and Messrs Abhishek Kumar, partner, indicc associates and Manish Gupta, Assistant Professor, NIPFP provided support in putting the report together.

**List of experts and organizations whose suggestions were taken as inputs**

## 1. Individual Experts

- Dr. Raghuram G. Rajan, former Governor RBI and Professor of Finance, University of Chicago Booth School of Business
- Dr. Kaushik Basu, former Chief Economic Advisor of India and Professor of Economics and International Studies, Cornell University
- Dr. Urjit Patel, Former Governor, Reserve Bank of India
- Dr. Ashok Gulati, Infosys Chair Professor for Agriculture, Indian Council for Research on International Economic Relations (ICRIER), New Delhi
- Shri Saurabh Chandra, former Petroleum Secretary of India
- Shri Anil Agarwal, Chairman, Vedanta Resources Limited
- Ms Naina Lal Kidwai, Chairman, India Advisory Board, Advent Private Equity
- Shri Navaid Khan, former CEO Airtel and Group Advisor to ABC Consultants
- Shri Vikram Singh Mehta, Chairman - Brookings India
- Prof. Errol D'souza, Director, Indian Institute of Management, Ahmedabad.
- Shri Pradeep S. Mehta, Secretary General, CUTS International
- Prof. Sebastian Morris, Professor, Indian Institute of Management, Ahmedabad
- Shri Mangu Singh, Managing Director, Delhi Metro Rail Corporation.
- Dr. Govind Sharma, former Finance Secretary of Rajasthan and Adviser to Chief Minister of Rajasthan
- Shri T. Vijay Kumar, former Special Chief Secretary, Andhra Pradesh and Adviser to Government of Andhra Pradesh
- Ms Faith Singh, Founder, Rajasthan Rural Arts Programme (RRAP)
- Ms Nandita Das, actor and social activist
- Dr Edward Dickinson, Co-founder, Amber Initiative for Responsible Tourism & Sustainable Development
- Shri Faisal Farooqui, Chief Executive Officer, MouthShut.com
- Shri Rijit Sengupta, Chief Executive Officer, Centre for Responsible Business (CRB), New Delhi
- Shri Vipin Sharma, CEO, ACCESS Development Services
- Shri Ved Arya, Director, Buddha Fellowship Program, SRIJAN
- Shri Aromar Ravi, Director, Indian Institute for Human Settlement
- Mani Gupta, Partner, Sarthak Advocates & Solicitors

## 2. Departments of Government of Rajasthan

- Tourism
- Agriculture
- Industries
- Animal Husbandry, Dairy and Fisheries

- Information Technology and Communication

### **3. Other Organisations**

- FICCI
- Assocham
- Confederation of Indian Industry (CII)
- Federation of Rajasthan Handicraft Exporters (FORHEX)
- Skoch Group
- KPMG
- McKinsey & Company

# ACTION PLAN OF THE TASK FORCE ON RESTARTING THE ECONOMY

## SECTION 1

### Economic Impact of COVID-19 and measures to contain

The Government of Rajasthan has taken very stringent steps to enforce state wide lockdown to contain the spread of COVID-19 pandemic. It has worked closely with the Government of India to contain the spread through vigorous screening and quarantine of the infected persons and their contacts. The protocol followed to rapidly contain the explosive spread of contagion in district Bhilwara is now globally acknowledged as best practice. However, the State Government recognizes the danger of complete shutdown of economic activity, which could result in the total collapse of the economy resulting in large scale disruption in livelihoods, and far worse, spread of hunger and starvation. To minimize the impact on people, the State Government has undertaken measures to maintain the supply chain of essential commodities, provide support in cash and kind to the weak and vulnerable. However, a very coherent and comprehensive plan is required, with the full backing of the Government of India to restart economic activities and alleviate the suffering of the masses.

The pandemic has a pan-economic effect since the measures to contain it require that production and exchange of goods and services be curtailed. As a consequence, consumption is curtailed. Since it is global, foreign trade is also curtailed.

- At the macroeconomic level, GDP growth will decline, estimates range between 2 to (-3) per cent decline in real growth for India in FY21. There will be consequent trend decline in Rajasthan's SGDP. This decline will happen because three of the four drivers of growth will see a huge negative shock in the first half of the year.
- Private consumption expenditure is declining because, without intervention, a combination of collapsing demand (transport, construction, freight and logistics, and informal repair and personal services) and the knock on effect on purchasing power and supply restrictions on availability to meet demand (telecommunications, power, chemicals, consumer and retail). This collapse in demand leads to a fall in payments to workers and to returns on capital employed creating a further negative second order effect.
- When consumption demand falls, then investment demand also falls.

- As export demand falls, demand for imports also falls and with a more or less global lockdown, foreign trade shrinks.
- A nationwide lockdown further accentuates this. India ceases to be a single market and, with districts sealed, even States cease to be single markets. So, even if output is available in one place, and demand in another place, the output cannot be moved to meet the demand, causing losses to both the producer and the consumer. For instance, Rajasthan's fish and poultry output is going to waste because access to main markets in other states is blocked. Fish sales in Delhi have fallen because there is no fish. Fish sales in Rajasthan have fallen because there is no access to the demand in Delhi.

Finance is the means by which production meets consumer demand. People offer their labour to firms which buy labour and capital and sell to consumers. These exchanges require financial flows. When demand falls and supply is unable to fund demand, then there is a loss in national income and national wealth. When national wealth is destroyed, then the country loses the economic muscle power to grow when the crisis has passed, unless finance is harnessed to minimise this effect.

A temporary lockdown can have a permanent negative impact. In India, this is especially true of agriculture, animal husbandry, fishing and the service sector. Their output is highly perishable and, in the case of agriculture, tied to a seasonal calendar.

A national strategy to minimise the impact of coronavirus on the economy must therefore counter the above negative effects. While State governments, the private sector, community organisations, and the international community, all have important roles to play in minimising the economic impact of the pandemic and containment measures, there are key actions that need to be taken by the Government of India, without which the response of all other stakeholders becomes much less effective. Therefore, apart from instructing and directing the efforts of other players, the Government of India must also step up to the plate and take concrete measures which are only within its powers to do:

- (1) Prepare a costed national plan to acquire the medical resources needed to fight the incidence of COVID 19- drugs, testing kits, safety equipment. Announce a concrete timetable that specifies when and in what quantity these resources will be available. Liaise with the States to make sure that these resources reach point of use. Communicate clearly and transparently the likely situation over the next three months.

- (2) Protect national wealth and national capital by providing income support at scale to organised and unorganised industry/services and MSMEs, using public resources, largely through the state governments.
- (3) Ensure that there are no bottlenecks in the movement of imports and exports to and from land/sea/airports.
- (4) Manage the current account to maintain external stability.
- (5) Recognize that other than the above, the responsibility for alleviating the sectoral impact of the COVID crisis rests with the state governments and announce a comprehensive list of facilitator measures that GOI will take to:

- Ramp up interstate movements of goods and services at request of state governments and work out a social distancing compatible plan to use rail road and sea transport to facilitate this. Also issue an inter-state supply chain movement protocol for Road transport.
- Suspend the approvals processes for transfer of CSS/CS funds to the States and transfer all budgeted amounts rapidly.
- Develop a clear plan for the use of the armed forces in improving the logistics supply chain, when necessary.
- Place all railway, health, education and other major central government assets at the disposal of the state governments, where these assets are located for repurposing to fight the pandemic, maintain supply chains and facilitate economic activity by adding to residential, and transactional space, as required.
- Suspend for the next one-year requirement of any prior approval under any central law to set up any industry or service, except those in the red category under pollution control laws, including inspections by officials, on lines of the Rajasthan MSME (Facilitation Act) 2019.

The most important and urgent action the Central government can take is to ensure that finances are directed to maintain economic activities. In the realm of private finance, there are a number of actions that can be taken to smooth liquidity, ensure the stability of last mile financial institutions including NBFCs and MFIs and to keep the public sector banking system and the cash economy running. But the most significant impact that the GOI can have on fighting the economic downturn rests in this co-ordinated use of fiscal and monetary policy which only GOI can do as it has vested sovereign powers. But it must recognise that the frontline battle, where resources are urgently required, is at the state level. Therefore, in the spirit of co-operative federalism, states should be trusted with untied resources.

To increase the pipeline of public financing GOI can immediately take the following measures:



- (1) Recognising the considerable amount of unspent balances in different central government heads (CAG and other estimates make this as much as Rs. 1 trillion), launch a plan to mobilise these over the next six months. Simultaneously open an incremental interest free WMA window which can be used to finance incremental expenditures at GOI level
- (2) The interest paid on WMA by GOI does not matter as it can come back to GOI as dividends from RBI. However, interest paid by the states on WMA is a net loss to the states as they do not get any dividend from RBI. Therefore, immediately open a RS one lakh crore interest free WMA window that states can access using a simple criterion like population share, to begin with. This window may be accessed by states after they have exhausted their existing WMA limits. Take this bold action through executive decision and do not appoint committees to ponder the matter in this crisis moment
- (3) Make available a Rs 1 Lakh crore general purpose grant window for the State which can be immediately transferred using the same criterion. This Rs 1 lakh crore will constitute an upper limit on total grant financing to states until such time as the Centre resorts to financing the deficit through monetisation.
- (4) Loan financing: Over and above planned fiscal deficit levels there will be need for considerable resource mobilisation. A COVID specific debt mobilisation plan should be placed in the public domain. Economists expect that approximately 4 per cent of GDP can to be mobilised. The Centre should take the full responsibility for mobilising these debt resources since, as the sovereign, it can do so at the lowest cost and shortest period of time. These resources should be on lent to states and a staggered repayment schedule should be published with repayments commencing from FY 2023.
- (5) For immediate relief, Government of India and RBI should work together for the latter to reschedule and defer all repayments and interest on SDLs, for a period of three months. This should be a genuine moratorium and no interest or penalties should be levied when the moratorium ends.
- (6) If the deficit is financed through monetisation as a last resort then the states should receive 42 per cent of such monetisation as a further grant, distributed using the following criteria: with equal weights to (a)population, and (b)extent of pandemic spread.

Rajasthan is ready with its battle plan to mitigate and eradicate the COVID pandemic and its negative economic fallout and will work shoulder to shoulder with Government of India, other states, the private sector and community organizations. The State Government understands the magnitude of the economic challenge and are resolved to address it. It looks to the Government of India to do its part as a sovereign: to maintain India as a single market, address global

economic and trade issues, maintain the national supply chain and provide financial liquidity to the private sector. Most important, it expects the Government of India to use its sovereign fiscal powers to ensure that states have fiscal resources to address the challenge, as the frontline in this common fight. The State Government would resolve to ensure that resources are used efficiently and effectively for the purposes intended and will set up a resource monitoring mechanism to maximize the precision effectiveness and efficiency of its spending transparently. Demonstrated fiscal prudence in public spending, rather than business as usual macro-metrics, are what will give confidence to the people and global economic player that that fiscal efforts are yielding results. Working together, the economic challenge can be met in substantial measure. In the next sections, a comprehensive strategy to restart economic activities is elaborated upon.

## **SECTION II**

### **1. THE PROBLEM**

- It is now clear that the lockdown cannot be completely lifted but continuing with a statewide lockdown at the current scale is neither feasible nor desirable. Economy and health have to be balanced or India may not have an economy to go back to. Past experiences, whether from Bengal Famine in 1943 or Chinese Famine in 1958, are apt examples of policy missteps that caused greater harm and loss of human lives than the famine itself.
- According to the International Labour Organization (ILO), "India, with a share of almost 90 per cent of people working in the informal economy i.e. about 400 million workers, is at risk of falling deeper into poverty during the crisis." The latest CMIE report on job destruction due to COVID-19 is also quite revealing and states that about 12 crore Indians have already lost employment over the first lockdown. Rajasthan would reflect these numbers proportionately.
- While 8% of employment is provided by the organised sector more than 80% of livelihoods are in the non-formal sector. Whereas, the organised sector may have retained some workforce on full or reduced salaries, it is also true that a large number of persons have lost livelihoods during the three-week lockdown in the state.
- As already diminished demand in the economy gets further eroded, industries, especially MSMEs, and services, will be staring at bankruptcies and shut down.
- Large industries would prefer to shut down production and save on labour and running costs considering the fact that there would very little demand for their product.
- Industries in Rajasthan, which are largely based on resources like cement and zinc, are more vulnerable to demand destruction.

- This is also eroding the tax base, especially the indirect taxes majorly for all the state governments including Rajasthan, further reducing their capacity to take economic measures to counter COVID effect.

## **2. OVERALL OBJECTIVE:**

Restart economic activities while maintaining some restrictions on crowding and social mixing.

### **2.1 TASK 1: IDENTIFY PRIORITY ACTIVITIES AND RESTART CONSISTENT WITH NECESSARY RESTRICTIONS ON MOVEMENT OF PEOPLE AND VEHICLES**

- Restart wholesale and retail supply chains
- Commence in a limited manner mining and industrial operations where feasible
- Intensify Rabi crop cutting and functioning of mandis as well as preparation for the Kharif season to the maximum extent feasible
- Commence retail activities in a restricted form to allow the last mile supply chains -from producer and distributor to the customer- This will both increase the reliability of supply and the quantum of aggregate demand to do this consistent with social distancing is a complex challenge but it will have to be overcome. The lazy option—to keep most retail activities shut- will only magnify economic distress and social unrest going forward
- Commence interstate and intrastate goods transport in a regulated manner for maintaining supply chains and preventing large scale shortages.

### **2.2 TASK 2: RAMP UP STATE'S FISCAL CAPACITY**

- The state government does not have the resources to be able to feed people who are out of jobs or have lost livelihoods for much longer due to financial constraints.
- The central government has also not come up with a big stimulus programme that could provide some financial relief to the states to deal with prolonged complete lockdown.
- Once economic activities start, and are scaled up in a phased manner, large number of persons who are out of livelihoods will once again start earning and spending, creating

a virtuous circularity to the economy, weak at first but stronger over time. This will both increase revenues and limit demands on public expenditure.

### 3. CALIBRATING THE LOCKDOWN

Calibrated lifting of lockdown would have to be determined by the pattern of spread of contagion in the district. Robust data is now available on the spread of the contagion geographically in the state. It is also granular, hot spots and emerging hot spots can be mapped on real time basis. Therefore, the hotspots can also be narrowed down to particular areas within a district. On the basis of the available data, the districts can be divided into three categories.

#### 3.1 RED Category Districts (Stage 3 Lockdown) - Districts with more than 5 cases.

- If the concentration of the cases is in an urban area with the rural areas untouched by it, the hotspot can be narrowed down to the urban centre in the district.
- In such a district, the Collector should be declared as District Enforcement Officer with extraordinary powers to direct officers and staff of all state government departments to direct all efforts at control of the spread of the contagion and maintaining supply of essential items. It is important not to divide the authority of the Collector, irrespective of his inter-se seniority with officers of other departments.
- If there is no fresh case continuously for fifteen days, the district can be downgraded to the next below category.

At present from a total of 33 districts in the state **there are 14 districts** with more than **5 cases (Please refer to Annexure 1 for a district snap shot and Annexure 2 for Data Analysis on spread of COVID -19 in Rajasthan)** and would fall in **the category of Red Category**. If out of these districts there is any district where there has been no fresh case for the last fifteen days and recovery rate is increasing, such districts could also be downgraded.

#### *Restrictions:*

- Complete lockdown of the areas that have developed as a hotspot, with total restrictions on movement of people.

- District Enforcement Officer (Collector) should appoint Area Officers over a population group of 5000 to oversee the logistics of ensuring supply of essential items, including vegetables and medicines.
- Within the lockdown area, BPL families and registered workers/MGNREGA families (till start of works) will be provided with a monthly stipend equivalent to minimum wages for a period of up to three months beyond the lifting of the lockdown. (This is the estimated time required for them to find employment or start their livelihoods once again.)
- Release some resources from the other category districts to focus maximum relief efforts and treatment resources in such hotspots.
- Antibody testing could also start when available to assess herd immunity in these areas.
- Pedal rickshaws and auto rickshaws with one passenger and two wheelers without accompanying passenger could be allowed from point to point.
- Restricted movement of three wheeler pickups for creating wholesale to retail supply chains at designated times to be allowed outside the hotspot areas.
- Retail shops, with regulated movement of customers maintaining the social distancing norms will open outside hotspot areas. The onus of ensuring this would be on the shopkeepers with a penalty on the defaulters.
- In any area, fifty percent of the shops, preferably not adjacent ones, may be allowed to be opened on alternate days. These should include all types of shops and not only the ones supplying essential items.

### **3.2 \_ORANGE Category Districts (Stage 2 Lockdown)**

**All districts where there are 5 or less cases but at least 1 on April 14. At present there are 11 districts in this category. (Please refer to Annexure 1).**

- Hotspots would be identified if evidence demands, to narrow down the area where contagion could spread. In case cases are random and proper quarantine has been imposed on them and their contacts, the other areas could resume economic activities with certain restrictions restriction on movement of vehicles within the district.
- Pedal rickshaws and auto rickshaws with one passenger and two wheelers without accompanying passing could be allowed from point to point.
- Restricted movement of three wheeler pickups for creating wholesale to retail supply chains as designated times allowed outside the hotspot areas.

- Retail shops, with regulated movement of customers maintaining the social distancing norms will open. The onus of ensuring this could be on the shopkeepers with a penalty on the defaulters.
- In any area outside the hotspot/quarantine zone, shops may be allowed to be opened. These should include all types of shops and not only the ones supplying essential items.

### 3.3 Green Category Districts (Stage 1 Lockdown)

**Districts that have zero cases would be placed in this category.** At present there are 9 districts in this category.

- The borders of the district would remain sealed for movement of passengers from outside except with permission from the Collector (to ensure that no infected person travels to the district from other areas). It is understood that there would still be some movement of people from one district to the other through unconventional routes, but the effort would be to minimise it. It must be noted that such movement happens even when there is a complete lockdown in the entire state.
- Inter-district/inter-state movement of goods transport will be allowed with adequate precautions like screening of the drivers and the accompanying staff at the borders. To avoid over-stretching of the resources, only certain routes may be identified by the district administration to allow inter-district/inter-state movement.
- Within the district all economic activities including movement of people can commence. These include functioning of the *mandis* and resumption of industrial and mining activities.
- General precaution regarding social distancing, wearing of cloth masks and personal hygiene should be followed diligently.
- Places of leisure, including parks, lakes, tourist sites, places of shopping and entertainment certified by the district administration as social distancing compliant can be restarted with restrictions. For instance, restaurants could function with 50% covers and adequate distancing between the tables. Restriction on number of persons using these places could also be imposed.

### SECTION III

#### Sector strategy for non-hotspot areas of Red and Orange category districts and Green category districts

Primary Sector					
		Immediate Measures			Gradual Measures/ Structural Solutions
Sector	Main Districts	Red	Orange	Green	
Agriculture: ALL crops	Ganganagar , Hanumangarh, Nagaur, Ajmer, Alwar, Dausa, Bundi, Dholpur, Chittor, Sikar, Jaipur, Churu etc.	<p>Full operations except for hotspot areas</p> <p>Harvesting of Rabi Crops. Effective coordination with nearby states to arrange harvesting machines</p> <p>Transport of harvested produce to storage facilities, FCI godowns or processing plants, across the State. Government of Rajasthan will not impose any restrictions on inter state movement</p> <p>Preparations of Kharif crops to begin. Fertilisers, pesticides and seeds etc. to be made available by the department in safe areas. Manufacturing of fertiliser , pesticides and seed plants should be a priority</p> <p>Labour employed for operations to be local (family labour) and/or tested negative for Covid-19.</p> <p>No operations at mandi or controlled operations at APMC or APMC sub yard to reduce pressure on APMC. Food processing units and Farmer</p>	Same as RED	No restrictions except general precautions on quality check and inter-district movements.	<p>Preparing a guidebook highlighting the good agricultural practices for farmers.</p> <p>The guidebook should also include practices to be followed post-harvest.</p> <p>This is to be prepared by the Dept. of Agriculture in consultation with State Agricultural Universities.</p> <p>Effective dissemination of the guidebook through Krishi Vigyan Kendraas, Kisan</p>

		<p>Producer Organisations to be allowed to procure directly from farmers in safe zones.</p> <p>MSP procurement, especially for wheat, mustard and gram to start.</p> <p>Social distancing and hygiene protocols to be mandatory for logistics services.</p> <p>Quality checks mandatory for any inter-district movement of produce.</p> <p>FPOs may be extended free warehousing facility and working capital</p> <p>Production of agriculture implements including micro irrigation system, solar system, sowing, harvesting and threshing machines may be allowed with proper safety measures including social distancing.</p>			<p>Mitras (volunteers) and public messaging campaigns through radio, advertisements, amongst other means.</p> <p>A complete relaxation of APMC may also be considered starting immediately and for a period of six month to 1 year and the results may be evaluated to decide if the same should continue.</p> <p>FCI should be active for expeditious procurement</p> <p>Enable FPOs and farmers to trade on E-Nam.</p>
Dairy, Animal Husbandry	Barmer, Dausa, Rajasamand, Jaipur, Alwar,	Full operations except in hotspot areas. Intra and inter district movement should be restrained as much as possible.	Same as RED	Full operations with general precautions and inter district movements	Estimation of demand in each of the districts.



<p>Meat, Poultry, Livestock production</p>	<p>Ajmer, Bikaner, Kota, Sawai Madhopur and other districts (Almost all districts)</p>	<p>All sale and plant units to maintain social distancing and hygiene standards under Food Safety Act and as per SOPs for COVID</p> <p>Efforts to be made to produce and process more quantity of milk and additional Rs 2 per litre to be provided by the state on top of usual procure price under CM Doodh Sambal Yojna</p> <p>RCDF to make small consumer packs of milk and milk powder to be sold through PDS outlets. Government may think of distributing the same to the needy.</p> <p>Armed forces to be approached for bulk procurement</p> <p>Feed and Fodder for poultry and cattle to be allowed with strict precautions within and across districts</p> <p>Cattle feed produced from food processing plants to be allowed for being transported to markets, upon conditions prescribed under SoPs.</p>			<p>Ensuring that enough production is first ensured in each of the districts to meet the existing local demand, so that reliance on inter-district imports is minimal.</p> <p>Export promotion for good quality production centres.</p> <p>Active involvement of veterinary experts in controlling outbreak on any disease in the livestock.</p> <p>Implementation of SoPs with regards to transportation and logistics services.</p> <p>Demand for meat, poultry etc declined due to a perception that it is linked to COVID-19. An awareness campaign should be</p>
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					undertaken to counter that.
Fisheries	Bikaner, Jaipur, Jodhpur, Kota, Ajmer, Bharatpur, Udaipur	Suspended operations as market linkage to prominent markets would be disrupted.	Suspended operations as market linkage to prominent markets would be disrupted except in the case of large contractors who are able to create pond to market linkages.	Limited operations as market linkage to prominent markets would be disrupted, except in the case of large contractors who are able to create pond to market linkages.  Mandatory no fishing season from June to August to be reduced to offset the losses by fish farmers, if need be.  Fish feed and seeds are to be made available and quality check standards need to be	Department of Fisheries to ensure that hygiene concerns in the logistics supply-chain of fishery production from Rajasthan are being taken care of.  Reefer-vehicles, transportation services should be regulated by the state for making sure that quality/safety considerations are met. Self-regulation/self-certification should be the long-term goal.

				<p>determined and strictly implemented.</p> <p>Provisions for relief to fish farmers/labourers during unforeseeable economic circumstances like this lockdown, to be incorporated into existing regulations.</p> <p>Ice factories should be kept operational to reduce the perishability of fish.</p>	
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**Secondary Sector (Manufacturing) for Large-Scale Enterprises**

**Note:** Customised SoP to be prepared by the concerned departments in consultation with NGOs and other relevant organisations.

<p>Food-processing</p>	<p>Bhilwara, Chittorgarh, Banswara (Maize), Jaipur, Sri Ganganagar, Kota (Wheat), Alwar, Bharatpur (Oil Processing), Sikar, Banswara (Fruits and Vegetables) etc</p>	<p>Full operations in automated plants to be allowed only with local/household labour on the condition that they are negatively tested for Covid-19.</p> <p>Transportation to be limited to essential supplies from processing plants to FCI godowns for PDS supply within the district only.</p> <p>Transportation of other produces from processing plants to be allowed for keeping the circular flow of supply-chain intact. For e.g., rice milling produces bran as a secondary output, which is a key ingredient for oil milling industry.</p>	<p>Full operations in automated plants to be allowed only with local/household labour on the condition that they are negatively tested for Covid-19.</p> <p>Limited inter-district transportation for essential and other food processing outputs after the pre-decided standards are met. This can be ensured through self-certification.</p>	<p>Full operations can be allowed in all plants where employment intensity is considerably low. (Benchmarks can be set up by the Department of Food Processing)</p> <p>Same as in orange districts.</p>	<p>For achieving the economic viability, supply-side constraints to be removed.</p> <p>Raw material regime to be simplified and direct linkage between producers and processors to be ensured, preferably through digital transactions.</p> <p>Actual transportation of raw material and processed food items should be regulated by concerned authorities for quality considerations.</p> <p>For seasonal enterprises, power tariffs should only be charged for the period of time in</p>
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					which the enterprises are operational. This includes both fixed and energy charges.
Textiles and Apparel	Bhilwara, Jaipur, Kota, Banswara, Udaipur, Chittorgarh and other districts.	<p>Department of textiles to come up with benchmarks of employment intensity on the basis of automation levels.</p> <p>Full operations if low employment intensity, i.e. lesser number of workers on the factory floor per unit area.</p> <p>Order of employment intensity: Spinning&lt;Weaving&lt;Processing&lt;Garmenting.</p> <p>Intercity and interstate movement need to be resumed</p>	Same as RED except where the Industrial unit can house the workers in its factory premises or Designated areas, taking care of their Accommodation, basic needs, Safety & medical care	Full operations with proper social distancing protocols and other SoPs being met.	<p>Focus on structural issues of the sector to stimulate economic demand.</p> <p>Raw material price-rationalisation at international levels.</p> <p>Relaxed norms for Open Access/Capex route for power supply.</p>
Mines and minerals	Bhilwara, Ajmer, Rajsamand, Udaipur (Lead-zinc-silver metals), Ajmer, Banswara,	Essential Mining (Catering to Food, Health Care, and FMCG Industry): Allowed on a case to case basis, approved by the District Collector with strict social distancing and strict COVID protocols (SOPs). Operations well distanced (>50 KM) from the hotspot epicentre may be considered. Employers need to ensure labour/workers from infected areas (Villages/Tehsil) are not allowed on the premise.	Same as RED except where the Industrial unit can house the workers in its factory premises or Designated	All types of mining to be allowed but workers from out of state and Red and Orange zones not to be	Modernisation of existing operations to be facilitated, in addition to enhanced focus on ensuring worker safety in the workplace.

	<p>Sikar (Uranium), Jhunjhunu, Bhilwara, Sirohi (Copper)</p>	<p>List to be issued by collector's office from time to time.</p> <p>Non-Essential Mining: Dimension Stone, Construction Stone, Sand, etc – Not allowed</p> <p>Support to the mining industry, aimed at minimizing employment losses, and easing out liquidity crunch, can explored by measures such as relaxation in payments of royalties and other payments such as district mineral foundation fund</p>	<p>areas, taking care of their Accommodation, basic needs, Safety &amp; medical care</p>	<p>allowed on worksites.</p>	<p>Institutionalising health and hygiene protocols for workers as a key area of structural transformation in this sector.</p> <p>Inhibitive regulatory conditions should be relaxed in consultation with the industry for some time and more trust in the business must be reposed by the government.</p> <p>Encourage migrant workers to come back and clear messaging to the workers about their welfare should be issued. Temporary accommodation should be built / arranged for workers to</p>
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					ensure their safe return.
Auto and Auto Component	Jaipur, Alwar etc	No operations allowed in factories employing substantial number of workers.  Assembly line production to halt in large factories.	Allowed only upon the conditions prescribed under SoPs.  Workers to be employed should have been tested negative and should not be from RED districts.	Allowed only upon the conditions prescribed under SoPs.	Ensuring that financial benefits announced by RBI and MoF are availed by the manufacturers.  Regulatory Certainty for ICE vehicles, BS norms and uptake of EVs.  Financial package and wage subsidy support for the workforce employed, to stop laying off of workers at a high rate.  Tech support and financial support particularly to human-intensive small component manufacturing and informal repair market.

					Enabling the start-up and digital ecosystem of related services in the auto sector.
Petro-chemical & chemicals	Barmer, Jaipur, Ajmer, Alwar and other districts	<p>Operations to be allowed with strict vigilance and fulfilment of SoPs.</p> <p>Also, operations to be allowed with minimal workforce and remote-monitoring solutions wherever possible.</p> <p>Only government-approved and certified transportation services to be used for transportation.</p>	Same as RED except where the Industrial unit can house the workers in its factory premises or Designated areas, taking care of their Accommodation, basic needs, Safety & medical care	<p>Allow operations only with workers who have been successfully tested negative for Covid-19.</p> <p>Only government-approved and certified transportation services to be used for transportation.</p>	<p>Financial package for the small and medium players in the supply chain of petro-chemical industries.</p> <p>Wage compensation for lost days of employment for the workforce.</p> <p>Supply-side correction measures including logistics, power and storage facilities.</p>



Pharma Manufacturing	Jaipur, Ajmer, Alwar, Hanumangarh, Sri Ganganagar, Udaipur etc	<p>Essential drugs: Allowed with due adherence to SoPs and complied by manufacturers.</p> <p>Non-essential: Not allowed</p> <p>Logistics only by government-approved services.</p>	<p>Essential drugs: Allowed with SoPs being followed and complied by manufacturers .</p> <p>Non-essential drugs: Allowed with SoPs being followed and complied.</p> <p>Logistics only by government-approved services.</p>	<p>Both essential and non-essential drugs manufacturing allowed if SoPs are met.</p> <p>Logistics only by government-approved services.</p>	<p>Review of export and import policies of APIs (Active Pharma Ingredients).</p> <p>Rationalisation of prices of essential and life-saving drugs and medical equipment.</p> <p>Enhancing health infra and doctor: patient ratio.</p>
Cement Industry	Bundi, Chittorgarh, Jaipur, Pali, Ajmer, Nagaur	<p>Benchmarks of threshold safe limit for employment intensity in a factory to be established.</p> <p>On the basis of these benchmarks, only highly automated plants with few number of manual workforce required to be allowed.</p> <p>Strict compliance of SoPs to be ensured</p> <p>Logistics only by government-approved services.</p>	Same as RED except where the Industrial unit can house the workers in its factory premises or Designated areas, taking care of their Accommodation, basic needs, Safety	Full operations to be allowed on the conditions prescribed in the SoPs for all cement manufacturing plants.	Institutionalising health and hygiene protocols in plant operations as well as transportation, ancillary, loading/unloading and other logistics services.

		Fixed charges of power consumed (Demand charges) to be waived off for period in which operations are halted at the plant level.	& medical care	All other conditions to remain same	Supply-side factors of production to be addressed for structural issues in them, including power sector, finance sector, logistics sector, amongst others.
Tourism	Jaipur, Udaipur, Jaisalmer etc	<p>Limited access to monuments could be given to local people so that related people like guides, artisans, tour and taxi industry could get their livelihood.</p> <p>For promoting art and culture, a dedicated channel of Art, Culture &amp; Museums of Rajasthan using of e-services could be considered.</p>	Same as RED	No restrictions but social distancing and other Sops to be followed	<p>Sanitation and cleanliness drive must continue and government should continue to send a message on tourism potential to keep the potential tourists interested.</p> <p>Structured initiatives such as government contribution to pay part of the salaries, waiving off dues, license fees and taxes for hotels, travel agents and tour guides, museums etc. can help the sector. Long term</p>

					easy credit programs for hotels, car-rentals and other stake holders in the unorganized sector can ensure livelihoods
MSME Organised	Jaipur, Kota, Bhilwara, Ajmer, Alwar, Udaipur, and other districts	No Operations.	Only if SoPs and standard protocols of social distancing are adhered to.	Freely operate subject of self-certification of social distancing protocols.	Fiscal support for MSMEs in terms of credit facilities, concessional taxation, concessional tariffs.  NPA classification can be relaxed for a certain time period.  Non fiscal support in terms of ease of regulatory approvals.  Facilitating market linkage with online platforms.
MSME Unorganised		No Operations	Same as above	Same as above.	
Cottage or Household Enterprises		No operations except for fully family run establishments.	Only if compatible with social distancing and SoP protocols.  To be self-certified and inspections by district administration	Same as for Orange.	

					Branding and advertisement campaign to capture local, national and global market for domestically produced products.
<b>Tertiary Sector (services)</b>					
<b>Service</b>	<b>Example of Activities</b>	<b>RED</b>	<b>ORANGE</b>	<b>GREEN</b>	<b>Gradual/Structural Solutions</b>
Services involving close personal Contact	Salon, personal care	No operations	No operations, except single person operations outside the hotspots and in the rural areas	No operations, except single person operations outside hotspots and in the rural areas	Institutionalising behavioural norms of social distancing and good practices to be followed.
Education	Teaching	No physical operations. Online and digital medium wherever possible.	No physical operations. Online and digital medium wherever possible.	No physical operations. Online and digital medium wherever possible.	Same as above
Gig-Economy	Food delivery, cab aggregators, on-site delivery	Leverage Gig-economy services to provide essential service delivery during lockouts once SoPs and WHO guidelines on hygiene are met.	Same as RED	Same as RED	Institutionalising the basic hygiene and social distancing

	services, fintech solutions				<p>norms in routine operations.</p> <p>Ensuring a social protection regime for gig-economy workers.</p>
Entertainment	TV Services	<p>Television has emerged as the leading source of information and entertainment for the home bound. A fact evident in phenomenal increase TV viewership.</p> <p>TV services need to be continued in all households.</p> <p>Subscription fee collection, installation and maintenance operations to continue in all areas except hotspots. Subscription fee to be collected online.</p> <p>Cable and DTH operators should come up with required SoPs which need to be followed and forced by enforcement officer</p>	Same as RED	Same as RED and also that installation, operations and maintenance and collection of subscription fee to continue as normal.	<p>Economic slowdown and consumption slowdown is squeezing advertising revenue. India's TV sector is advertising dependent but this is more so because of economic regulation. The TV Sector must not remain dependent on advertising revenues as they are more volatile.</p> <p>One of the most important lessons from this crisis is that there is a need</p>

				<p>to foster more resilient businesses. Therefore, TV sector be given the business model flexibility to augment its share of subscription revenues in total revenues and for this the regulator should exercise forbearance in pricing and follow the same model as telecom.</p>
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This will also be in line with global best practices.

## **SECTION IV**

### **1. Other Steps to Generate Confidence in the Economy**

#### **1.1 Appoint a Public Health Officer**

A position of Chief Public Health Officer to be introduced in the state. Such a response will signal to industry and tourists the seriousness with which the problem is being tackled and reassure them about the safety of any early restart to economic activity. The Chief Public Health Officer to be a physician of eminence with expertise in immunization, infectious diseases and emergency preparedness.

- In the current scenario the Chief Public Health Officer will be responsible for:
- Working with counterparts in other departments, jurisdictions, and countries, as well as with experts and elected officials, to communicate with people in the state about how to protect themselves and their families;
- Delivering public health information to citizens via media appearances, public statements, updates and columns and public advertisements in daily and community newspapers;
- Providing direction to Medical, Health & Family Welfare department staff, including medical professionals, scientists, and epidemiologists, as they plan and respond to the emergency;
- Advising the Chief Minister on pandemic related issues

#### **1.2 Boost MSME Sector**

- Some amount of seed capital as grant in addition to Mudra loan to be given to cover up their capita erosion.
- NPA classification to be relaxed so that borrowers can repay loan in a longer timeframe. State government may take this up with RBI.
- Micro and small transporters like tempos may be given relief like fuel credit in order to help them to restart businesses smoothly.
- Although RBI has allowed 3 months moratorium for EMI, interest on loan for MSME sector could be waived off to help them comeback to operation.
- MSMEs may also be supported with reimbursement of salaries of employees for 3 months by the government or given GST credit equal to 50% of the workers wage bill of six months to be

availed over the next two years.

- Availability of easy long-term credit can ease the pressure from these industries. These loans can be extended by regional rural banks, state cooperatives or through self-help groups organized by Micro Finance Enterprises.
- The largest employer of unorganized workforce, the sector needs incentives to retain the workforce. Schemes providing Credit linked with retention can work as an incentive.
- Measures such as extension for tax payments, waiving off interest for the period of lock-down, immediate payment release to MSMEs for government services, providing subsidized storage facility for exporters, where orders are cancelled or delayed, relaxation in utility bills such as water and power can help improving liquidity condition.

### **1.3 Logistics**

- Health of transportation sector is crucial for ensuring supplies of essential goods and services and keeping production costs and delays in check. Incentives such as tax waivers for transport operators to compensate for lost revenue may be considered.
- Since it will be difficult for the farmers to individually negotiate with large transport agencies, the Government may take lead and empanel a large number of transport agencies throughout the state and fix the rates of transportation (like INR per ton per kilometre basis) for intra and inter-state movement of agri-commodities. Empanelled transporters then need to be given necessary passes for free movement of their vehicles applicable till the end of Kharif season early next year.

### **1.4 Migrant Workers**

- As most of the migrant workers have gone to their native places, clear message from state Government will go out on the plan to reopen economic activity.
- Government to provide rations for one to three months, hand sanitizers, masks etc. to enable workers to return.
- Temporary shelters will be constructed/created for migrant labourers so that they can come back to work in a safe living environment. Possibility of using ex- Servicemen for help with setting up/ managing temporary shelters for returning migrants (with testing facility) can be examined.

### **1.5 Farmers**

- Since many FPOs don't have adequate capital to organise aggregation of rabi harvest for sale on behalf of their member farmers and they can't afford bulk purchase of inputs like seeds and fertilisers for timely supply to the farmers for kharif sowing, the FPOs need easy access to credit,



preferably at very low interest rate similar on the lines of the Tamil Nadu Govt. Order to make credit available to the farmers at 4% interest rate. Similarly, for individual farmers, the loan eligibility limit for Kisan Credit Cards may be raised.

- Considering the helpless situation of the farmers, it is submitted that interest cost on non-payment of loans by FPOs and the farmers may be waived off.
- The SFAC appointed State-level Apex FPO and the FPOs may be empowered to avail revolving fund to procure commodities from the farmers and stock at their aggregation centres as per the sanctioned limit of the Govt. The FPOs can be made responsible for necessary coordination, quality testing etc.; and need to be provided with necessary quality assaying facilities and packaging materials (like jute/silo packs/bardana) etc. to help them play their role efficiently. All payment transactions for these trades can be made online directly to FPOs/farmers' accounts.
- Government may forgo the mandi fees for the FPOs registered on e-NAM to help the farmers liquidate their stocks quickly.
- In view of the widespread distress in the farm sector, the Govt. may consider relinquishing the SGST on all agricultural inputs like seeds, fertilisers, pesticides/fungicides/herbicides, growth promoters and micro nutrients to ease financial stress on the farmers till the end of the Khariff season early next year.

## **1.6 Artisans and Weavers**

- Since they are the most vulnerable ones at this point in time, they need to be supported with appropriate relief package consisting of food supplies, monetary help, working capital for preparation of products for the next seasons etc.; besides engaging reputed NGOs to support them in online marketing, creating innovative marketing opportunities, facilitating new skills development to switch over to new products or businesses, encouraging public-private partnerships etc. – all facilitated by the Government. A separate Task Force may be appointed to oversee this process.

## **1.7 Local Village Economy**

- S.H.G s could be given revolving fund to on-lend money to their members as well as to the migrants. Under the present stressful conditions, their existing corpus would have been depleted. The infusion of funds to the S.H.G s and their federations will meet the consumption needs of S.H.G s, and, also help them to revive their members livelihoods, for example to market their produce particularly vegetable (perishables) in nearby markets.
- Capitalising the S.H.G s has a multiplier effect, since they will rotate this money several times. In NRLM, there was a provision of Rs.5000 per member as Community investment fund,

Rs.50,000 per S.H.G. Under the present conditions Govt can consider giving a similar amount or a higher amount to S.H.G s. The S.H.G is the most accessible source of financial and moral support to their members.

- Effective utilising the social capital built by RAJEEVIKA and N.G.Os. is necessary. There are a large number of women S.H.G leaders and the community resource persons (CRPs) like Sangh Sakhi, Pashu Sakhi, Krishi Sakhi etc. In situations of restricted movement of Govt extension officers, there is a need to strengthen the community service providers. They are the most important link with the rural communities. Their credibility is very high. Their services can also be used to act as the link between the community and Government and enable them as influencers to create awareness about COVID-19. ( N.G.O, IBTADA has already deployed 350 cadres for raising awareness).
- Banks should be asked to lend liberally to S.H.G s. Government can incentivize the banks through providing interest subsidy to S.H.G s for prompt repayment. This is working very successfully in A.P for the last 8 years.
- Projects under MNREGA can be expanded.

### 1.8 Pending Government Payment

- Effort must be made to provide additional funds to clear state government and state PSU arrears to private companies and banks. This would ensure at least some liquidity gets pushed back into the system and used as capital for fresh economic activities.

### Annexure I:

Red Category and Orange Category Districts as on 12<sup>th</sup> April 2020

S.no	District/Country	Positive Cases
1	Ajmer	5
2	Alwar	7
3	Bharatpur	9
4	Bhilwara	28
5	Banswara	52
6	Bikaner	34
7	Barmer	1
8	Churu	12
9	Dausa	8

10	Dholpur	1
11	Dungarpur	5
12	Hanumangarh	2
13	Jaipur	336
14	Jaisalmer	56
15	Jhunjhunu	31
16	Jodhpur	76
17	Jhalawar	14
18	Karauli	3
19	Kota	40
20	Nagaur	6
21	Pali	2
22	Pratapgarh	2
23	Sikar	2
24	Tonk	58
25	Udaipur	4
<b>Total</b>		<b>794</b>

**The above list is included positive cases of Evacuees Passengers. Details are:-**

**52 Evacuees Passengers** (25 Jodhpur, 27 Jaisalmer)

Source - <http://www.rajswasthya.nic.in/>

**Annexure 2: Data Analysis Report on the spread of COVID-19 in Rajasthan. Please note that the report contains analysis as on 12<sup>th</sup> April 2020**

