



GOVERNMENT OF JHARKHAND

NATIONAL DEVELOPMENT COUNCIL MEETING

Speech of

Sri Madhu Kora

Chief Minister, Jharkhand

19 December, 2007
New Delhi

Hon'ble Prime Minister,

Dy. Chairman, Planning Commission

Union Ministers

My Fellow Chief Ministers & Ministers from

Other States and

Officers of Govt. of India and States.

I feel happy in participating in the 54th meeting of the National Development Council convened to deliberate on the Draft of the Eleventh Five Year Plan.

2. I would like to thank Hon'ble Prime Minister for the special priority accorded to agriculture, irrigation, education, health, rural development and social justice in the 11th Five Year Plan. In fact, all the above sectors combined together will certainly help to achieve the integrated development as envisaged in the 11th Five Year Plan document. The "11th Plan document" aims for inclusive growth and removal of regional imbalances. We welcome this.

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3. Jharkhand has abundant natural resources, yet 54% of its people live below poverty line. The problem of poverty, illiteracy, unemployment, insufficient health services and shortage of safe drinking water pose a great challenge to us. We welcome the initiative to solve these challenges during the 11th Plan period.
 4. The ST and SC population in the state is 26.3% and 11.8% respectively. 80% people of the State depend on agriculture. Only 22% area is irrigated. Out of 32,615 villages, only 10,000 villages have been electrified so far. The State lacks in health service infrastructure. Food and Nutrition security also needs improvement. There is high incidence of illiteracy, especially among the females. The State is below the national average in basic infrastructure, such as irrigation, electricity, road and rail transport, etc. We hope that during 11th Five Year Plan, with the support of Govt. of India, we would be able to bring about economic development, along with improvement in the living conditions of the people of the state.

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5. The Planning Commission is targeting 9% annual GDP growth rate during 11th Five Year Plan to achieve this, agriculture sector is expected to grow at 4.1% p.a. In Jharkhand, 80% people depend on agriculture and allied activities. The State is characterised as low agricultural productivity area. Low agricultural productivity in the state is attributed to less cropped area under assured irrigation, agriculture being mostly rainfed, monocropping and undulating topographical features. The farmers have more smaller holdings. 83% of land holdings are of less than 2 ha. size.
 6. We have achieved better results in agricultural production and crop coverage during 10th Plan. Good work has been done under National Horticulture Mission. Area under pulses and oilseeds has increased from 2.70 lakh ha. to 4.13 lakh ha. It has registered about 53% rise in coverage area of pulses and oilseeds. There have been 19% increase in the coverage area of vegetables and spices and 28% in fruits.
 7. During 11th Five Year Plan, we must pay special

attention to those States which lag behind in agriculture production but have the potential. To increase agricultural production, there is need to encourage multiple farming, horticulture, floriculture, herbal and medicinal plants and commercial agriculture. We request Govt. of India that "Seed Replacement Scheme" should be taken up as Centrally Sponsored Scheme. There is a need to grant subsidy on fertilizers and agricultural implements.

8. To achieve the targeted growth rate in agriculture, we have to bring more and more land under cultivation. Out of the total geographical area of about 79 lakh ha. only 18 lakh ha. land is used for cultivation. Around 26 lakh ha. additional area can be brought under cultivation only after soil treatment. We have formulated a scheme to provide "Soil Health Card" to the farmers on the basis of soil test in every village. I would request Govt. of India for financial assistance for this.
9. Agriculture is mainly rainfed in our State. Crops are

affected due to failure of rains. We are working on agriculture insurance scheme to provide security to the farmers. But it is also essential to encourage banking sector to disburse more and more loan in agriculture sector. The procedure of disbursement of agriculture loans should be simplified. Kisan Credit Card facility should be made available to more and more farmers. At present, agriculture loan disbursed by the Banks in the State is below the National Bench Mark. The target for the agriculture loan is Rs. 809 Crores, which is below 12% of the bank's Annual Credit Plan, against National Bench Mark of 18%. We request the Govt. of India to give necessary directions to the banks in this regard.

10. There is a great scope for development of fisheries in the State. The State has around 1.32 lakh ha. of water bodies suitable for fisheries. Fish production increased from 14 thousand MT to 55 thousand MT during 10th Plan Period. The annual fish production in the State is 1,430 kg per ha. against the national average of 2150

kg per ha. To increase fish production investment of approximately Rs. 1000 crores are required for new ponds, renovation of old ponds and fish seed production. We solicit the financial support from GOI in this sector.

11. Irrigation plays an important role in the development of agriculture. The State gets about 1300 mm rainfall every year. The rainfall is not uniform. The state lacks assured irrigation facility. In the beginning of 10th Plan only 8% of the net sown area enjoyed irrigation facility. This has now increased to 22% which is still less than the national average of 40%. To augment irrigation facility, many schemes are being implemented. If available water resources could be tapped and utilized properly, irrigation capacity can be increased substantially in the State.
12. Jharkhand Govt. has taken up Swarnrekha Multipurpose Project which aims to provide irrigation facilities in poverty stricken tribal areas of Jharkhand and neighbouring States. The Govt. of India should

take up Swarnrekha Multipurpose Project as a National Project. This project is expected to provide irrigation to 2.65 lakh ha. and will help the State achieve the targeted growth rate of 6.3% for the agriculture sector.

13. As per existing policy of Govt. of India, investment clearance is required from Govt. of India for receiving financial assistance under AIBP. All ongoing projects under AIBP in Jharkhand are roughly 25-30 years old. As a result there has been many fold increase in the original project cost. On account of this, six projects under AIBP are not getting investment clearance. Consequently, irrigation potential of 41,000 ha. will not be created. According to the new policy of MOWR new projects under AIBP are sanctioned only after completion of the ongoing AIBP projects. Because of the non-completion of existing AIBP projects, seven incomplete projects which fulfill the criteria for inclusion under AIBP will not be taken up in view of the existing policy. As a result, 1.27 lakh ha. of

additional irrigational potential could not be created.

Our request is that this policy needs to be relaxed for the States like Jharkhand.

14. In view of the greater scope for development in the State, there is a need to augment more water in Swarnarekha Basin. This could be possible by forging linkage with South Koel river and Sankh river as well as linking of river Ganga, Damodar and Swarnarekha. This would help the State in augmentation of additional water in Swarnarekha basin and also for making the downstream of Swarnarekha navigable. Govt. of India is requested to take up a techno economic study in this regard urgently.
15. Jharkhand has around 30% of its land under forest cover as against the national average of 23%. There has been an increase of 79 sq. Km. of forest cover due to rehabilitation of degraded forest during 10th Plan period. The sites selected for many irrigation and developmental schemes include forest land also. Many developmental schemes can not be

implemented because of Forest Conservation Act, 1980. The State is experiencing great difficulty in locating land for compensatory afforestation. Steps should be taken to amend the related laws immediately. While determining the parameters in this regard, the available forest cover in the State and its present economic and social status should be kept in mind. The provisions of the Forest Conservation Act should not be made applicable to those projects which were sanctioned before the coming into force of this law. We would also suggest that for compensatory afforestation, the State Govt. and private companies should be allowed to use degraded forest land as is done in the case of Central Govt. projects. The States which have more forest cover than the National average should be given special financial assistance for preservation and conservation of forests.

16. In the 11th Plan document, industrial growth target is being fixed at 12.3% per annum for the 11th Plan period. If due to some reasons, the desired growth

rate is not achieved in the agriculture sector, that would require further accelerating the growth in the industrial sector. Our State has great potential for industrial growth, but we do not have adequate infrastructure. It may be noted that Jharkhand has a comparative advantage in steel. Jharkhand has more than 1/3rd of the iron ore resources of the country and this can play a vital role in the economic growth of the country during 11th Plan and will also help India achieve its steel production target of 110 MT by 2020. It is suggested in this regard that the economic policy should be framed in such a way as could attract more investments in states like Jharkhand.

17. The State Govt. has signed MoUs with large industrial houses for setting up industries in the State and this has created possibilities of investment of more than Rs. 2 lakh crore. After the abolition of 'Licence Raj', no investor can be forced to invest in a particular State. In view of this, investors can be attracted only by creating proper infrastructure thereby making

economic climate congenial for investment. Jharkhand is committed to develop infrastructure with its limited resources. Govt. of India and its agencies are also required to play an important role in this regard. In view of the possible industrialisation, it is imperative to improve and strengthen national highways, rail network and power generation in the State.

18. A good quality road infrastructure is essential for economic development and industrialization of the State. We have 24.40 km of roads per 100 sq.km as against the national average of 74.25 km. During the 10th Plan period 2500 KM of State Highways were widened and strengthened and 37 road bridges and 14 overbridges were constructed. Besides, 2635 KM of rural roads were completed. Our target is to convert all the roads connecting the State capital with all the District headquarters to at least 2 lanes during 11th Plan period.
19. Single/intermediate lane National Highways, should be upgraded under National Highway Development

Project IV. The State Govt. has identified 833.18 km of National Highway under this project. It is requested that this work should be completed during 11th Plan period. It is also suggested that fund which is earmarked for improvement and maintenance of National Highways in the State by the Govt. of India, is quite insufficient. This fund needs to be increased.

20. I would like to draw the attention of GOI specially towards NH-33. NHAI has been trying to execute the project of 4 laning of NH-33 under NHDP-IIIA (Hazaribagh-Ranchi) and NHDP-H1B (Ranchi-Jamshedpur) on Boot basis. But no progress has been made in this direction so far. It is requested that 4 laning of NH-33 should be taken up from its own resources by NHAI or Ministry of Shipping, Road Transport and Highway. It is also requested that 4 laning of NH-31 from Bihar border to Barhi should be taken up. Priority given in respect of NH-6, 23, 32 and 75 needs to be reconsidered by NHAI and these NH should be made 2 lane.

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21. The State has taken up an ambitious project of opening of a new corridor from Govindpur to Sahebganj. This project involves construction of a huge bridge over river Ganga at Sahebganj. The project report has been prepared and the estimated cost of the bridge and the road is around Rs. 1000 crore. This corridor will open up the State its Santhal Pargana regions with North - East via Silliguri. It is requested that keeping in view the importance of the project for the State, this state highway should be notified as NH.
 22. The State Government has identified 21 railways crossing where railway over-bridges are required to be constructed for security and safety of traffic. The State Government has agrees to share the cost of construction of these ROB's on 50:50 basis. These ROB's should be completed during the 11th Plan.
 23. The State Govt. had agreed to take up the new Railway projects with a contribution of 67% of total estimated cost to widen railway network in the State. The MOU signed with the Ministry of Railway has

expired in February, 2007. Most of the projects are incomplete. It may be noted that there has been marked improvement in the Finances of Railway in recent years. Our request would be that the MoU should be renewed and further investment required for the completion of these railway projects should be met from the railway resources.

24. It may be noted that "Railways" earn more than 50% of its freight revenue from Jharkhand region. The Govt. of Jharkhand has requested for certain new essential railway lines to be taken up on priority basis. These projects are not only necessary for economic development of this area but will help achieve the national economic targets during the 11th Plan, especially in the manufacturing sector, because these will boost the possibility of setting up of new industries in this region, under various MoUs already signed for units in steel and power sector.
25. Power has an important role to play in the economic development of the State. The State Govt. has signed

MoUs with private Companies for Power Generation. Efforts are being made for introducing power sector restructuring and reforms. In view of the available resources of Uranium in Jharkhand we request the GOI for setting up a Nuclear Power Plant in the State.

26. We have taken up rural electrification programme on a large scale under the "Rajiv Gandhi Gramin Vidyutikarn Yojana" (RGGVY). Our request would be that a general exemption under section 2 of the Forest Conservation Act, 1980 is granted for carrying out the work related to rural electrification as this will speed up the implementation of the schemes under this programme.
27. The states, which have poor infrastructure and are economically backward, should be allowed to take up infrastructure related schemes under NREGA.
28. At present, there is no central sector scheme for power transmission. We are experiencing difficulties in inter/intra state power transmission in the absence of adequate transmission network. It is, therefore,

requested that a 'Central Sector Scheme' should be taken up in 11th Plan for improvement/ strengthening of power transmission system.

29. In case of Hydel Power Projects, 12% free power is provided to the host states. This provision should be made applicable for Thermal Power Projects also, where pit head plants are to be located. To some extent, this will offset the ill effects of environmental degradation and displacement of the affected people.
30. The State is committed to utilize rich wealth of its mineral resources to bring prosperity to its residents. It is, therefore, necessary that the National Mineral Policy (NMP) should give priority in grant of mineral concessions to value adders in the State. The policy should also aim at gradual reduction in export of iron ore and allocate mines for captive use.
31. The Coal India and its subsidiaries mine over 100 million tons of coal each year. We request that preference should be given for coal linkages from the mines in the State, to industries being set up in

Jharkhand. The policy on coal linkage needs to be reviewed so that the economic interests of a poor state like Jharkhand are protected.

32. I am thankful to GOI for raising the rate of royalty on Coal on the basis of the recommendations of the study team constituted for this purpose. I would however like to add that the affected increase in the rate of royalty on Coal is not sufficient. The State is losing Rs. 200 crores per year as revenue on Coal because rates of royalty have not been completely fixed on ad-valorem basis. We request that the royalty regime be shifted to ad-valorem basis.
33. The 11th Plan document mentions about investments for development of infrastructure on PPP model, but it must be appreciated that investors do not invest in states which are weak in basic infrastructure. In view of this, Government of India should consider liberalising and relaxing norms and conditions governing viability gap funding and extend budgetary support for creation of necessary infrastructure in

backward States. It may be very difficult for our State to build the required basic infrastructure on such a large scale without support from Government of India.

34. A number of Central Public Sector Undertakings are located in Jharkhand, but economic condition of most of them is not good. In this regard, I would make a mention HEC, BCCL and Sindri Fertilizer, etc. The Central Public Sector Undertakings are the backbone of Jharkhand's economy. If these undertakings do not function efficiently, a big source of employment of people of the State would remain affected. I would request government of India to take effective measures to improve the health of these organisations.
35. India has made remarkable progress in the field of IT Sector, but there is shortage of trained manpower. The Plan document mentions about expansion of ITI's. Government of India should consider setting up of ITI's on a large scale to supplement the efforts of the state governments. While setting up new institutions

of higher learning, the preference should be given to backward states. We would also request government of India to set up institutions in Jharkhand on the lines of IIT's and IIM's. We specifically request the Ministry of HRD GOI to set up IISER in Jharkhand.

36. Development of human resource should go side by side with the integrated development of the State. In the last few years as a result of Sarva Siksha Abhiyan, the number of students requiring secondary education has increased substantially. As a result the drop out rate has reduced to 44% and the number of out of school children has decreased from 14 lakhs to 3.66 lakhs. We have achieved remarkable success under Sarva Siksha Abhiyan. The SSA will continue upto 2009. I request that this programme should be continued upto 11th Plan period. We would also request the Govt. of India to launch a new scheme on the lines of SSA in the secondary education sector.
37. It has been observed that children belonging to poor families could not go to school because their families

depended upon the earnings of these children. We think that the law banning child labour even in non-hazardous areas is a step in the right direction. But, it is also necessary, that in order to make sending children to schools attractive, for the BPL families, these children should be given stipend. It will have a preventive effect on the practice of child labour. Government of India should consider starting a Centrally Sponsored Scheme in this regard. The plan document also mentions about making labour laws more liberal. We appreciate this. While doing so, the social security network also needs to be strengthened simultaneously.

38. Special economic packages have been given to North Eastern States, Sikkim, Jammu & Kashmir, Uttranchal and Himachal Pradesh. This facility has not been extended to Jharkhand. The topography of Jharkhand is also difficult for cultivation and in terms of development indices, Jharkhand is backward. Hence Jharkhand should also be given allowed similar

benefits under a special package.

39. We would request Government of India to define State specific developmental plans and policies and growth targets, which would bring the backward states at par with the developed states of the country within next five to ten years. For this, the requisite investments should be made available by both the Government of India and the respective state governments. We strongly believe that till all round development takes place in the backward states, the problem of extremism cannot be tackled. The problem of extremism is not merely related to law and order. It can be contained through integrated social and economic development and providing gainful employment in far flung rural areas. There is, therefore, need to develop infrastructure in the backward states. At the same time, there is need to move forward at a very fast pace in the areas of education, health and poverty alleviation during the 11th Plan.

In the end, I once again thank the Hon'ble Prime Minister for convening this meeting. We hope that as a result of the targets and strategies being adopted for the 11th Plan, a developed Jharkhand would be a reality.

Jai Hind