



ADDRESS

of

Dr. D. D. LAPANG
CHIEF MINISTER, MEGHALAYA

at the

54th MEETING

of the

NATIONAL DEVELOPMENT COUNCIL

at

Vigyan Bhavan, New Delhi

19th December, 2007

Esteemed Prime Minister, Distinguished Members of the National Development Council and Friends,

I express my gratitude to the Prime Minister for convening the National Development Council to deliberate upon and approve the Eleventh Five Year Plan document. I also compliment the Planning Commission for preparation of a very insightful Plan document. While agreeing with its general tenor and approach, I would like to emphasize on the urgent need to provide more physical, social and economic infrastructure in the North Eastern Region, in general, and Meghalaya, in particular, during the Eleventh Plan period so as to ensure balanced regional development throughout the country. This would, however, require massive investment in a mission mode approach by the Central Government including the Planning Commission.

2. **Meghalaya had achieved a growth rate of 6.2 percent in the Ninth Plan.** The growth rate for Meghalaya has been 5.6 percent as compared to 7.6 percent for the country as a whole during the Tenth Plan. The main reason is the inability of our infrastructure, particularly power, to sustain and support a high level of growth. **The overall projected growth for the country during the Eleventh Plan is pegged at 9 percent.** In

the case of Meghalaya, it has been fixed at 7.3 percent, comprising of growth rates of 4.7 percent in agriculture, 8.0 percent in industry and 7.9 percent in services sectors. This would imply that, at the end of the Plan period, Meghalaya will lag even further behind the other States of the country. Our industry sector can grow even faster provided ample policy support is given. In this connection, the North East Industrial & Investment Promotion Policy 2007 is a commendable step. The indication of reconsideration on excise concession at para 1.65, Volume - I of the Eleventh Plan document is not recommended.

3. The draft Vision 2020 document for the North Eastern Region prepared by the National Institute of Public Finance and Policy (NIPFP), New Delhi on behalf of the North Eastern Council (NEC) has stated that there is need for acceleration in the growth of most of the North Eastern states if they are to catch up with the per capita GDP of the country by the year 2020. The document has estimated that Meghalaya needs to grow at an average of 9.86 percent in terms of its Gross State Domestic Product (GSDP) and 8.62 percent in terms of its per capita GSDP during the period from 2007 to 2020. To achieve the above growth rate of 9.86 percent in GSDP over the period from 2007 to 2020, the staggered phasing is estimated at 8.00 per cent during the 11th Plan, 12.85 percent during the 12th Plan and 15.75 percent during 2017 to 2020.

Similarly to achieve the growth rate of 8.62 percent in terms of per capita GSDP, the staggered phasing is 6.73 percent during the 11th Plan, 9.51 percent during the 12th Plan and 10.88 percent during 2017 to 2020. **Therefore, massive central investment in physical, social and economic infrastructure is required for a faster rate of development in the coming Plans.** Planning Commission is requested to take note of such needs of the North Eastern Region and my State, in particular.

4. I am grateful to the Planning Commission for having projected an 11th Plan size of Rs. 9185.00 crores for my State. However, in view of the limited resources and financial position of my State, I would request the Planning Commission and Government of India to kindly provide increased level of Central Assistance to my State so that the projected Plan outlay of Rs. 9185.00 crores can be achieved during the 11th Plan period. We welcome such indications at para 7.17, Volume - I of the Draft Eleventh Plan document.

5. While taking into consideration the approach to the 11th Plan and national priorities as decided by the Government of India, Meghalaya has accorded the following priorities during the Eleventh Plan period:-

- Power generation, transmission, grid connectivity and rural electrification.

- Agriculture and allied sectors with strong emphasis on horticulture including post harvesting management and processing.
- Roads and Bridges for ensuring better connectivity.
- Sericulture & Weaving for generation of income and employment to the women folk.
- Tourism infrastructure and tourism services.
- Trade with Bangladesh and creation of infrastructure for the same.
- Decentralization of planning and involvement of the people in the development process.
- Social Services like education, health, water supply and nutrition.
- Poverty alleviation and employment generation in rural areas through Rural Development Programmes.

6. The 11th Plan document prepared by the Planning Commission has rightly identified remoteness, poor connectivity, hilly and inhospitable terrain, poor infrastructure,

sparse population density, shallow markets, lack of skill and problems of law and order situation as special problems of the North Eastern Region. Besides Power, Connectivity [both Roads and Information & Communication Technology (ICT)] is a key requirement. Of the total of 5782 villages in Meghalaya, 2762 villages, comprising 48 per cent of the total, have a population of less than 200. **These small sized villages are scattered through out the State. As such, the cost of providing physical and social infrastructure like roads, electricity, health care, primary education, potable drinking water, etc. is very high as compared to other States in the country.** This calls for high allocation of resources including manpower and higher cost norms for improving the social and physical infrastructure in the state. This may be redressed through additional plans and programmes. In this connection, I commend the recommendation for world class physical infrastructure for the North East as indicated in Box - 2 of page 51, Volume - I of the Eleventh Plan document.

7. **The Task Force for Accelerated Development of the North Eastern States of the Planning Commission**, headed by Shri B.N. Yugandhar had recommended increased investment from 2005-2006 and had **estimated about Rs. 42000 Crore as an additional investment during the 11th plan for the region.** Given the existing lag of development, the strategic

importance of the region vis-a vis the progress and preparedness of neighbouring countries in respect of economic infrastructure, the necessity to prepare and leverage economic benefits of the Look East Policy in which the region would like to be the main partner and get mainstreamed, I would suggest and emphasize that higher commitments of resources, dedicated task force and improved capacity is most urgently required. I feel any further delay in respect of mobilization and action on the ground in the matter of infrastructure may prove costly.

8. The draft Vision 2020 document of the North Eastern Council (NEC) has identified five basic deficits confronting the North Eastern Region which includes (i) a basic needs deficit; (ii) an infrastructure deficit; (iii) a resource deficit; (iv) a two-way deficit of understanding with the rest of the country; and (v) a governance deficit. To overcome these deficits, the document stressed on the need for a complete change in the planning process and has suggested the following strategies - (i) participatory development strategy; (ii) capacity development strategy; (iii) augmentation of infrastructure, particularly connectivity and transport infrastructure including intra-region connectivity; (iv) significant increase in the Central Government's allocation for infrastructure in the region including efficient use of funds; (v) transforming of governance by providing a secure, responsive and market friendly

environment. We endorse these aspects and seek mission mode financial, technical and administrative support to ameliorate and address these deficits during the 11th Plan.

9. While we appreciate the concept of using Public Private Partnership (PPP) mode for creation of infrastructure facilities, in States like Meghalaya, private participation is likely to be forthcoming to some extent in Power sector with substantial viability gap funding. This would however not be true for roads and other public utilities. Even four-laning of the Guwahati - Shillong - Agartala National Highway under Special Accelerated Road Development Programme for the North East (SARDP-NE) Programme which was proposed under Build Operate Transfer, could not get any private participation response even with repeated extension of dates. **Therefore as mentioned earlier, the support for infrastructure development programmes for North East Region should be funded from resources by the Government of India for some more years to come, and in ample measure.**

10. I would like to refer to the vision for the Eleventh Plan which is based on **faster, more broad based and inclusive growth**. For Meghalaya, inclusive growth would mean catching up with the rest of the country, on one hand, and on the other hand, the agenda that addresses intra State disparity in infrastructure and human development index across districts and communities also bears heavily on our shoulder.

11. Besides the growth targets mentioned earlier, the other monitorable targets during the 11th Plan period for my State are as indicated below:-

- Infant Mortality Rate (IMR) to be brought down from the level of 54 to 26 by the end of the 11th Plan.
- Maternal Mortality Rate (MMR) to be brought down from the level of 450 to 100.
- Total fertility rate to be brought down from 4.6 to 2.6.
- Sex Ratio (0-6 Years) be improved from the current level of 973 to 981 by the end of the 11th Plan.
- Anemia among Women (15-49 Years) to be brought down from the current level of 63.30 to 31.70 by the end of the 11th Plan.
- On Malnutrition of Children (0-3 Years)- to be brought down from the current level of 37.90 to 19.00 by the end of the 11th Plan.
- Drop Out Rate in Elementary Education to be brought down from the current level of 62.26 to 31.63 by the end of the 11th Plan.
- Literacy Rate to be improved from 62.56 (2001 Census) to 87.61 by 2011-12. Male and Female Literacy Rate to be

improved from the 2001 level of 65.43 and 59.61 to 87.61 and 87.35 respectively by 2011-12. Gender Gap in Literacy to be brought down from 5.80 in 2001 to 0.50 by 2011-12.

Further we need to bring down the level of poverty by 10% . As per Household Survey 2002, the provisional figure of poverty stands at 45.02 percent. We also plan to target generating additional providing work opportunities to 1. 50 lakh people and facilitate employment generation. **We request ample support of the Government of India to achieve the above monitorable targets.**

12. We commend new social interventions as indicated in the 11th Plan document which highlights important aspects of development which must be pursued by us, such as providing one year pre-school education for all children, expand secondary schools with provisions of hostels and vocational education facilities, facilities for higher and technical education, provision of emergency obstetrics care facilities within two hours travel from every habitat, ensure adequate representation of women in elected bodies and providing shelter and protection to single women. The State Government will also strive for enhancement of the level of human well being which include creation of essential infrastructures, provision of educational avenues

including diversified training for skill development, generation of employment opportunities, extensive health care, adequate attention for women and children welfare, improvement of environment, and provision of safe drinking water supply and sanitation. We commend the focus of the Eleventh Plan on education and skill development. We would like to take advantage of Backward Regions Grant Fund/ National Rural Employment Guarantee Act and other Central Sector and Centrally Sponsored Schemes to address our resource limitations. **We request State specific allocations to be made by the Ministries and informed in advance for effective planning and monitoring. We also request that the ministries may also indicate state specific distribution of funds for the 10% budgetary support to the North East Region.**

14. We agree that manufacturing should grow at a rapid rate. Our State is endowed with rich natural resources. It has a coal reserve of about 560 million tonnes and lime stone reserve of about 12,000 million tonnes. We also have substantial deposits of industrial clay, kaolin, feldspar, etc. The forest cover is 69.4% percent of the total area of the State. There is considerable scope for the development of the manufacturing sector in Meghalaya, based on the State's mineral, forest and horticultural resources. The constraint of power availability is getting addressed through the Power Policy 2007. Large central investment will

be required in power generation, transmission and grid connectivity to improve the prospects of manufacturing in Meghalaya. Judging from recent trends we are fully confident of exceeding the target of 8% in the Industry sector if the power problem is solved.

15. Due to our dependence on roads, a higher allocation of Plan funds on road construction is required. However, there are limitations on it due to demands of other sectors. Though substantial fund is allocated to roads, the present road density is less than half that of the national average. It is my Government's endeavour to strive for improving road connectivity by linking all villages with a population of 500 and above with all weather roads during the 11th Plan period. A major problem faced not only by Meghalaya but also by other North Eastern States is limited capacity for speedy and quality construction, with delays in road construction. Some important roads could even be taken up for construction by a central organisation with the help of qualified contractors and machinery so that road infrastructure can be improved quickly. A legislative framework to expedite acquisition of land and other concomitant activities to facilitate infrastructure creation also seems to be necessary. Besides the above, there is need to provide adequate funds and mechanism for maintenance

through grants and other measures. A separate financial arrangement for maintenance mentioned in the document is a welcome step.

16. We request the Ministry of Road Transport and Highways to be more proactive and take upon the task of completing long committed and past projects on a war footing and also to cover the State with main arterial routes by adequate funding and early implementation. We will also request you to consider adequate fund to implement more road schemes for my State during the 11th Plan.

17. My Government has pursued vigorously the projects such as (i) expansion of Umroi Airport and (ii) Baljek Airport to provide long deserved better air connectivity to my State. I am thankful to the Civil Aviation Ministry for their commitment and positive approach. We request expeditious implementation of these critical projects.

18. There is strong felt need of a widespread and sturdy telecom and mobile telephony network. It is prerequisite for roll out under National E-Governance Programme besides being an economic multiplier. As of now, even district headquarters are not connected on broadband. I am happy to say that there has been commitment from the Ministry of Telecom to cover the entire State on broadband by the end of 2008. I hope this

commitment is adhered and steps are taken to achieve this. We welcome the use of Information & Communication Technology (ICT) in the delivery of educational services as indicated in the document and in particular, the Information Technology courses and establishing the finishing schools to impart skills.

19. North Eastern Region in general and Meghalaya in particular is an ecological hotspot and rich in biodiversity.

There is a need to establish and strengthen the bio-resources planning, development and regulation efforts in the state and the region. The mandate, scope and organisational support for Bio Resources Development Centre at Shillong may be enlarged. It should be expanded to achieve the status of an organisation of the Department of Biotechnology as announced in the Prime Minister's package earlier. It should provide application-based research for production of quality planting materials and conservation of bio-resources with financial and technical assistance from the Department of Biotechnology.

20. Government of India should also facilitate the entry of established Laboratories/ Commercial organisation for inventory, conservation, management and resource based economic activities with an appropriate institutional and programmatic support. The Science & Technology Ministry should consider setting up a North-East extension and support

unit in Shillong to coordinate and implement various programmes and to bridge scientific and technological gaps that exist in the region. We will provide land for such extension and support unit of the Ministry of Science and Technology.

21. We have launched a Rain Water Harvesting Mission in our State. We seek financial and technical support of the Central Government for supplementing and complementing the effort of the State Government for the Mission during the 11th Plan.

22. Agriculture, which had registered a growth of 6.3 percent during 1997-98 to 2001-02, has come down to just 3.1 percent during 2002-03 to 2006-07 in Meghalaya. Since it is the mainstay of 70% of the population, priority has to be given on agriculture in the State with strong emphasis on horticulture including water management. The State Government welcomes the initiative taken by the Government of India to introduce the National Agriculture Development Programme based on the recommendations of the 53rd NDC meeting. We seek relaxation of normative norms to make all the States eligible for 2007-08 and 2008-09 thereafter benchmarking the norms on performance and demand. The problems of agriculture in our State have to be evaluated in the context of nearly total lack of irrigation and untapped potential for organic farming.

Further, as agriculture sector is transformed from subsistence to commercial farming, significant capacity building will have to be provided for adopting improved practices and marketing of products. Financial and technical assistance from the Government of India is vital for us to achieve development in agriculture.

23. I am happy to inform you that my State is rich in production of certain horticulture products like potato (1,45,000 tonnes) ginger (47,000 tonnes), pineapples (92,000 tonnes), bananas (68,000 tonnes), oranges (35,000 tonnes) and turmeric (9,000 tonnes) and also grows substantial quantity of cashew nut, arecanut and some tea and rubber. Certain high-value low-volume non-traditional crops such as strawberry, roses and anthurium are fast establishing themselves as revenue-spinners. We are adopting a cluster approach to accord the desired focus in the growing of these potential horticultural crops. What is most important in this area is post harvest management like cold chain for perishables, marketing and fruit processing. We seek focussed and special Technology Mission for this where Central Agencies are mandated to establish primary chains of Post Harvest Management, packaging and processing units. The State would then link these primaries with smaller decentralised and demand driven entities.

24. There is need to understand the vulnerabilities of farmers and a social security system for the farmer needs to be evolved. User- friendly insurance instruments covering production and marketing for all crops as suggested in the 5th **Report of the National Commission on farmers** is important and should be launched. There is a need to bring all kind of insurance schemes for rural areas under one umbrella scheme, where all tribals in rural areas be covered for health, life, assets, emergencies and accidents. A mission for this may be launched for the tribal areas of North Eastern Region and others.

25. Generation of employment, particularly in the rural areas is one of the State's top priorities. For Meghalaya, we see great potential for creation of jobs in the rural areas in the field of post harvest management, agro processing and tourism. There is a need to increase employment in non-agricultural sector and rural non-farm sector with development of clusters around towns/ market centres. Learning from experiences gained from the implementation of the watershed based and Self Help Group (SHG) based approach on livelihoods under North Eastern Region Community Resource Management Programme and Livelihoods Improvement Programme assisted by International Fund for Agriculture Development (IFAD), we propose to cover all areas of the State under livelihood improvement programme with adequate investment and appropriate institutional

mechanisms from Ministry of DoNER. There is urgent need to upgrade skills of our youth to enable them to stand on their own feet. A skill development mission for the rural areas and particularly for the North East may be evolved and supported. I welcome the Skill Development Fund and its focus in the 11th plan.

26. The 'Rural Business Hubs' approach recommended by the National Commission on Farmers should be implemented to improve livelihood opportunities in rural areas. Various agencies, both Central and State, concerned with the development of agriculture, animal husbandry, fishery, sericulture and weaving, plantation crops, forestry, medicinal herbs, etc., should meet at a common forum for an integrated approach to livelihood development in our villages.

27. Participation of the people at the grassroot level in planning process has made a beginning through the implementation of the National Rural Employment Guarantee Act (NREGA) in the State. We have evolved a system of village councils consisting of both elected representatives at the village level and the traditional heads of village and tribal institutions in these councils. This will ensure the participation of village people in the formulation, execution and monitoring of plans locally, in a democratic manner. We plan to expand the concept for people's participation in planning and development.

28. Both for addressing the issue of poverty and for addressing the demand side of agriculture, we propose that all districts of Meghalaya should be covered under National Rural Employment Guarantee Act (NREGA). The entitlement norms under Targeted Public Distribution System (TPDS) should be liberalized and pulses should be added to the basket of commodities supplied through TPDS. The Mid-day Meal Programme should be extended to cover private schools in tribal areas.

29. The augmentation of the standards of public services like education, healthcare, water supply, sanitation, housing, etc. requires significant commitment of additional resources by the government. We have made provisions in our Power Policy for additional resources for such sectors from the revenue accruing from power generation and have also set up resource mobilisation expert committee to generate additional resources.

30. It is felt that branches of good quality schools should spread to our blocks and villages. In order to maintain the tribal areas and people of my State, such good quality schools needs to be established in each Block of my State. We would urge the Ministry of Human Resources Development (HRD) or Ministry of Tribal Affairs to set up one Central school/ Navodaya Vidyalaya or equivalent with hostel facilities in each Block for

tapping and promoting available rural talent in Meghalaya. The indication of 6000 high quality schools at para 1.108, Volume - I of the Eleventh Plan document is welcome and relevant for us.

31. Further, we need more specialised seats for our in-service doctors who which will provide better health service. Besides, there is need to have recognised Local Medical Practitioners (LMPs) or barefoot doctors through approved courses and appropriate institutions.

32. Trade with Bangladesh, both formal and informal, has traditionally been an important component of the State's economy. We will require a lot of help from the Government of India in the form of policy initiative and infrastructure building to develop trade with Bangladesh which has been stagnating for many years. There is urgent need for strengthening the infrastructure as well as communication networks in the ten Land Custom Stations (LCS) in Meghalaya. With the erection of fence on the Indo-Bangla border in Meghalaya, informal trade will dry up causing distress to people living in more than 1500 villages. The Government of India will have to help us by adequate and special programmes to relieve the anticipated distress in the border areas of our State.

33. **Need for flexibility for certain norms under Centrally Sponsored Schemes/ Central Sector Schemes** - One of the problems we face is the inflexibility of certain norms under the Central schemes. Certain national norms of such Programmes are not appropriate for our rural areas, for example in the case of Prime Minister Gram Sadak Yojana (PMGSY) and Accelerated Rural Water Supply Programme (ARWSP). On the financial side of the norms, it may be mentioned that some schemes are funded on 50:50 basis, some on 75:25 basis and some on 90:10 basis. We are not able to fully meet the State's share of these schemes where our share is 25 percent or 50 percent. This has been a major reason why we could not take full advantage of the Central funds meant for Centrally Sponsored Schemes. **I would strongly emphasise the need to have 90 percent Central share to the Centrally Sponsored Schemes and also suggest a thorough review of their norms in consultation with the North Eastern States.**

34. To ensure smooth funding of Schemes/ projects under the North Eastern Council (NEC) and to ensure their 100 percent completion, it is suggested that the Government of India may continue funding of the NEC Schemes/ Projects on 100 percent basis, i.e. inclusive of 90 percent Grant and 10 percent Loan as practised from the beginning of the NEC till the year 2004-2005. Similarly, the Government of India should continue

funding the Non Lapsable Central Pool of Resources (NLCPR) Schemes/ Projects on 100 percent basis, i.e. inclusive of 90 percent Grant and 10 percent Loan as practised from the inception of NLCPR. Alternatively, the NEC Schemes and NLCPR schemes may be categorised as Central Sector Schemes with 100 percent Central funding.

35. Once again, I thank the Hon'ble Prime Minister for affording the opportunity for this interaction and to congratulate the Government of India and the Planning Commission for having prepared the 11th Plan document.

Thank you.

JAI HIND