



GOVERNMENT OF NAGALAND

Speech of
Shri Neiphiu Rio,
Chief Minister, Nagaland

AT THE
52nd MEETING
OF
NATIONAL DEVELOPMENT COUNCIL

New Delhi

09th December, 2006

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at the 52nd Meeting of the National Development Council

held on 9th December 2006 at New Delhi

Respected Prime Minister, Dr. Manmohan Singh, Chairman of NDC, Dr. Montek Singh Ahluwalia, Dy. Chairman of the Planning Commission, Union Ministers, Chief Ministers of the various States, other Members of the NDC, Senior Officers of the Government of India and other Central Institutions and the State Governments, ladies and gentlemen.

1. At the outset, I thank Dr. Manmohan Singh, Hon'ble Prime Minister and Chairman of NDC for having convened this 52nd meeting of the NDC in the nick of time to consider the Draft Approach Paper to the Eleventh Five Year plan. I am hopeful that under his able and dynamic leadership and stewardship, the NDC will be revitalized, and become a more effective instrument for the accelerated socio-economic transformation of the country.

Comments on the Draft Approach Paper to the Eleventh Five Year Plan

2. We are in broad agreement with the Draft Approach Paper to the 11th Five Year Plan prepared by the Planning Commission. We particularly support and endorse the policies for faster and more inclusive growth, and the measures proposed to achieve it. On going through the State-wise targets on various development indicators, we observe that Nagaland has also been given rather stiff targets. However, we heartily and sportingly accept the targets set for our State by the Planning Commission (as enclosed in Annexure I). We take it as a measure of the confidence the Planning Commission places on the growth potential of the State. On our part, the State is eager to play its due part in the economic growth and development of this vast country of ours. Let me highlight in brief our visions for the future growth of the State

and how we propose to achieve them.

Vision and thrust areas for development of the State

3. Nagaland has already prepared its own "Vision 2020" document, which has been incorporated in the Human Development Report of Nagaland 2004, several copies of which have also been forwarded to the Planning Commission. It would be appreciated if some of the aspirations of the State Government, as highlighted in the "Vision 2020" chapter of the State Human Development Report 2004, are also incorporated while finalizing the Draft Approach Paper to the 11th Plan. Let me briefly dwell on the highlights of the State's visions and priorities for economic development of Nagaland during the 11th Plan.

Agri & allied Sectors

4. Broadly speaking, the main thrust area for the 11th Plan, as far as Nagaland is concerned, would be Agriculture and allied sectors. The favourable land-man ratio, the good rainfall and temperate climatic conditions, the naturally fertile soil which supports luxuriant growth of all kinds of plants, are some of the advantages and potentials that can be exploited to harvest rich dividends, and to produce exportable surplus sufficient to sustain the State's economy at a sufficiently high level of development. Horticulture, floriculture, sericulture, aromatic and medicinal plants, animal husbandry and bee keeping etc. can be taken up on commercial scales, with organic farming as an essential element to enhance its market value. As a corollary to this, we shall have to develop food processing industries for value addition, post-harvesting and marketing infra-structures, including agri-link roads to potential areas etc.

Infra-Structures and Power Development

5. The other equally important thrust areas are roads and other transport infrastructures, such as building of new airports and railway lines. In this connection, the N. E. Express Highway linking all State capitals, which has been discussed several times in the past, should now be made a reality, and if necessary, with private public partnership. Railway line from Dimapur to Kohima, and construction of a new green field airport at Chiethu (Kohima), both of which are presently under investigation, should be expedited. Another Railway line from Dimapur to

Tizit via the foothills of Nagaland, and roads of economic importance connecting the eastern belt of the State are other priority areas to open up the agricultural and mineral rich belts of Nagaland, and to enable full exploitation of their potentials for economic prosperity of the State. The railway line from Dimapur to Tizit will be particularly vital for the success of the Tuli Paper Mill, which is in the process of being revised.

6. Other priority areas are Hydro-power development and tourism. While the vast hydro-power potential of the N.E. region should be exploited to produce exportable surplus, at the same time, the vast potentials for mini and micro hydel power plants should be harnessed for power self-sufficiency at the grass root level, and also to avoid high transmission loss and costs. Our experiments with the Chinese made hydrogener has shown that this simple technology can be conveniently and economically introduced on a large scale in all rural areas. After the initial installation, the farmers themselves can maintain and look after the hydrogenerators with negligible cost.

Tourism & RAP/PAP

7. The North East region, with its natural beauty and ethnic charm, can be turned into a virtual 'tourist paradise', provided the required infrastructures are built up, and proper marketing strategy adopted. Rural tourism, eco-tourism, adventure tourism, culture tourism etc are the strong points of the region. The North East could be marketed as a common tourist destination, and attractive tourist circuits to fit various pocket sizes can be worked out and advertised world wide through internet. In this regard, the proposed creation of 'North East Tourism Development Council' is a welcome step. However, before we can project the NE region as a tourist paradise, the out-dated RAP/ PAP regimes, which were the product of the Cold War era, and which do not appear to serve any useful purpose now, shall have to be further relaxed, or altogether removed from the statute book. Even if it cannot be removed immediately, the process of issuing PAP/RAP may be entrusted to the concerned State Governments who may file weekly returns to the Ministry of Home Affairs in whatever format as may be prescribed by the Government of India.

Industrialization, Trade and Look East Policy

8. Revival and modernization of our traditional handlooms and handicrafts, along with their patenting and marketing is another priority area. We are happy that the Government of India has given its approval in principal for the revival of Tuli Paper Mill, which is a matter of vital importance to the State. This project will have vast multiplier impact on the economy and employment scenario of the State through its ancillary and downstream activities. Another priority area is development and opening of trade with the South East Asian countries, not only to boost trade and economy, but also to remove the sense of isolation and neglect felt so long by the people of N.E. region. In this connection, the 'Look East' policy of the Government of India needs to be better defined and crystallized into specific action programmes, so that it does not remain a mere 'policy statement' or a 'attractive slogan'. This would require restructuring of the various policies of the country, including its foreign policy. As a component of this look east policy, and to facilitate trade and cultural exchanges, the learning of Mandarin, Japanese, Korean and other oriental languages should be encouraged, and facilities created for the purpose.

Youth Empowerment and Employment

9. Another important area that needs focused attention is Youth Empowerment through training and capacity building to enable them to find gainful employment, either in the organized sector, or as self-employed entrepreneurs. For this purpose, appropriate technical and training institutes, such as Engineering Colleges, Institutes of Communication & Information Technology etc. may be set up within the region itself, instead of solely depending on institutions outside the region. The existing ITIs also need to be expanded and modernized, and their syllabi upgraded to suit the market demands for technicians. We also need to promote youth activities in the areas of sports, music, art and culture; and towards this end, to create the necessary sports infrastructures and other facilities. These measures may also be seen as means of weaning away the youth from insurgency and other destructive tendencies. It may be mentioned here that the nation spends huge sums of money on army and para-military forces being deployed in the N.E. region on counter-insurgency duties. This money could, perhaps, be better used for youth empowerment and other development activities, which may, in the long run, prove to be a more effective way of countering insurgencies in the region. Peace and development are inseparable, like the two sides of the

same coin. That is why in Nagaland, we have coined a new slogan, "Development for peace, and peace for development", to emphasize the importance and inter-linkage of development and peace. We have also declared both the years 2004 and 2005 as the "Years of Youth Empowerment", and used them as launching pads for organizing a number of youth empowerment activities to be continued from year to year.

Micro credit facilities & strengthening and widening the scope of existing good practices.

10. However, our vision of revolutionizing and commercializing agri and allied sectors, and creating self employment opportunities in the agri & allied sectors, in the handloom and handicraft and in agri processing and other small scale industries by promoting entrepreneurship etc cannot materialize without putting into place adequate credit infrastructure. The C.D. ratio in Nagaland is one of the lowest in the country, and currently hovers around 25%, against the national average of 60%. The private money lenders are charging exorbitant and back breaking rates of interest. Out of 52 R.D. Blocks in the State, as many as 21 RD Blocks, covering 421 villages, are still without any banking facilities. Our success in communitisation of public services and institutions in rural areas have demonstrated the strength of our village communities and traditional institutions. Hence, we propose to provide micro credit in our rural areas through the VDB (Village Development Board) by using them as credit channelising agencies. This is considered to be the surest way of reaching cheap credit in rural areas, combined with assured recovery. In this, we will require liberal financial assistance from the various agencies of the Central Government in making available the initial corpus fund to the VDBs. A beginning has been made last year with 25 selected VDBs being given corpus fund of Rs. 1 lakh each as seed money, and banks agreeing to extend another Rs. 1 lakh of credit to each VDB. It is targeted to cover 540 more VDBs during the current year. We are also looking forward to support and assistance from the Planning Commission and other financial institutions, particularly NABARD, to support this micro credit facilities through VDBs, and also to strengthen and further broaden the scope and coverage of the Communitisation programme.

Promotion of border trade and construction of roads in Border Areas.

11. A new thrust need to be given to the promotion of border trade under the 'Look East Policy'. The N.E. region can become an effective cultural and economic bridge between India and S.E. Asia. To achieve this objective, infrastructure development must be stepped up. In this connection, I would plead for construction of a highway along the Indo-Myanmar border, which will not only open up the area for trade and economic development, but will also serve as the highway for patrolling international border, and for checking of illegal trafficking of drugs and arms through the famous Golden Triangle. Large sums of money has been invested in constructing roads and fencing along the Indo-Bangladesh border; but surprisingly, no tangible investments has been made along the strategic Indo-Myanmar border, which is equally important.

Bamboo Mission

12. Much has been discussed about the launch of the National Bamboo Mission. However, nothing very concrete has so far come up. As the NE Region has about 67% of the country's bamboo resources, we should immediately launch a "Bamboo Mission for the N.E. Region", and adequate funds provided for the development of Bamboo as a resource and an enterprise. As far as Nagaland is concerned, we had already gone ahead and launched Nagaland Bamboo Mission in 2005 to promote bamboo as 'a resource' and as 'an enterprise' with a mission mode approach. The Nagaland Bamboo Research Centre at Dimapur was recently inaugurated by Shri Kapil Sibal, Union Minister for Science & Technology & Earth Sciences.

Need for Regional Policy on Ecology and Environment

13. The North East is one of the world's richest biodiversity hot spots, and the region also has very high forest cover. A policy to benefit from this speciality of the region requires to be immediately drawn up. Such a policy should lay emphasis on the preservation of the environment, and how the people may reap the benefits through such an activity. The deprivation of the means of livelihood to the people due to the stringent

Supreme Court directives on felling of trees, and a compensatory mechanism or incentive also require a clear policy, both in the region as also in the country. The Kyoto protocol and issues of Carbon trading has to be vigorously pursued by the Central Government.

Non -Implementation of Prime Minister's Package for Nagaland

14. The following commitments were made by the former Prime Minister of India during his visit to Nagaland in October, 2003. However, in spite of the best efforts on the part of the State Government, they are yet to be sanctioned for implementation:-

Name of the Project	Estimated cost (Rs. in crore)
1. Revival of Tuli Paper Mill	555.00
2. Four-Laning of NH-39 from Dimapur to Kohima	400.00
3. Creation of 25,000 Employment opportunities for Youths in Nagaland.	250.00
4. Upgradation of Higher and School Education for Science Education and facilities for girls in Mon and Tuensang Districts.	10.00
5. Regional Institute for Information Technology	20.00
6. Extension of Railway Line from Dimapur to Kohima	

I would request the Hon'ble Prime Minister's intervention in expediting sanctions for the above projects, so that commitment made from the highest executive office of the country are given due importance

and respect by all concerned.

Certain pertinent issues of policy affecting the N.E. States

15. I would also like to place before this august house some of the policy issues which has a bearing on the planning and economic development of Nagaland and other N.E. States, so that corrective steps are taken by the Government of India through the intervention of the NDC.

(i) The recent change in the pattern of raising loans for financing of development projects, whereby the States are required to raise the 10% loan component of schemes funded by NEC/ NLCPR/CSS/NCA etc, has caused considerable problems and delays in implementation and completion of the projects. This is because of the fact that the States have no idea of how much loans they would need to raise each year in respect of NEC/NLCPR/CSS schemes, as there are no indicative outlays for these schemes. In fact, the States would be able to assess the loan requirement for the year only at the fag end of each financial year. That means, the loan component can be raised and released by the States to the implementing agencies only during the next financial year. Besides, the N.E. States have no direct access to financial markets, and even if they can somehow raise the loan at a belated stage, there is no prospect of their being able to raise such loans at the rates cheaper than the rates of which the Central Government have been borrowing and passing on such loans to the States. Besides, in the case of Nagaland, the restrictions on the ceiling of borrowing under the FRBM Act comes in the way of raising even the 10% loan component during the current year. We had referred the matter to Finance Ministry for special relaxation and dispensation, but we have not got any positive response till date. This delay will result in partial implementation of projects. Hence, we do not find any logic or advantage in the new system. We would therefore, strongly plead for reversal to the earlier system, whereby, the 10% loan component was raised and passed on by the Central Government to the States.

(ii) There is also a need to standardize the pattern of funding of various CSS schemes. We had all along been pleading that in respect of special category N.E. States, the pattern of all CSS schemes be

standardized, and fixed at 90:10.

(iii) There is also a need for the Government of India to work out special incentives for attracting investments in the North East region, which should be different from, and more attractive as compared to the incentives available to other special category States in more advantageous locations in the mainland.

(iv) The benefits of fund allocation by the Ministry of Tribal Affairs under the Tribal Sub Plans are not being extended to the fully tribal States of the N E region. We feel that the fully tribal States of the N E region should be eligible to receive their due and proportionate shares of the funds under the Tribal Sub Plan.

(v) Lastly, most of the N E States do not have Panchayati Raj, but we have our own village councils (by whatever name they are called) constituted as per respective traditional and customary practices, and duly recognized by the concerned State Governments. I feel that the Ministry of Panchayati Raj, should also work out special schemes for implementation through the Village Councils of the N E tribal States.

16. With these words, I thank the Chairman for giving me the time to raise these issues, and the members and others in the audience for their patient hearing.

Thank you.