



**ADDRESS
OF
SHRI GEGONG APANG**

CHIEF MINISTER
ARUNACHAL PRADESH

**52nd MEETING
OF
THE NATIONAL DEVELOPMENT COUNCIL**

AT
VIGYAN BHAVAN

NEW DELHI
9th December, 2006

Hon'ble Prime Minister, the Chairman of NDC, Hon'ble Deputy Chairman, Planning Commission, Hon'ble Union Ministers, my colleague Chief Ministers, Senior Officers, Ladies and Gentlemen.

At the outset I would like to compliment the Hon'ble Prime Minister, the Hon'ble Deputy Chairman, Planning Commission and his team of experts for preparing a visionary and comprehensive 'Approach to the 11th Five Year Plan' document to steer the process of achieving a new vision towards faster, more broad-based and inclusive growth. This 52nd NDC meeting is crucially important as the 11th Five Year Plan would set the pace of the development of the country's economy for the next five years.

The broad parameters of the Approach to the 11th Five Year Plan rightly emphasise economic growth, poverty eradication, job creation, elimination of disparities among States, and improvement in quality of life as important goals. Before I make some observations and suggestions with respect to my State for the consideration of this highest national planning body, I would like to thank the Hon'ble Foreign Minister, Shri Pranab Mukherjee for his statement that Arunachal Pradesh is an inalienable and integral part of India.

However, I must say that there is an urgent need to bridge the massive economic gap that exists between our State and the highly developed States like Maharashtra, Kamataka, Haryana and Punjab to name a few. In spite of the fact that Arunachal Pradesh happens to be a highly sensitive border State , we are several decades behind the developed States. Therefore, the development of Arunachal Pradesh must be seen in the wider perspective of the nation.

2. A Backward State : Arunachal Pradesh still remains an underdeveloped State with a traditional economy. I am constrained to say that after more than 50 years of economic planning, the country has so far not been able to address adequately the specific requirements of Arunachal Pradesh. The State is suffering from impaired economic development due to inhospitable terrain and disproportionately high cost of providing administrative, social and economic infrastructure. The State is lagging behind the national average in most components of infrastructure. The impact of economic

planning is neither impressive nor is there any visible impact of economic liberalization. Taking full cognizance of the present state of development and the requirement of our State, re-orientation and restructuring of strategies and policies best suited to Arunachal Pradesh will be necessary to achieve the cherished developmental vision of the 11th Five Year Plan, it is felt that while concretising the policies/strategies of the 11th plan, historical neglect, extent of economic backwardness, requirement of threshold level of development, ethnic, cultural and physiographical diversity of the State must be recognized and addressed. I strongly feel that for achieving "inclusive growth" for Arunachal Pradesh, a predominantly tribal State, the Planning Commission should focus on consolidating gains, reinforcing the strengths and addressing weaknesses of our past planning processes during the 11th plan.

3. **Growth Rate** : The plan document envisages GDP growth rate of 9 %. This would necessarily entail augmentation of investment both at State and Central level. I feel that apart from reform process being accelerated by the Centre, it would be prudent to augment investment substantially in backward States like Arunachal Pradesh. The State is entirely dependent on Central assistance to meet its requirement of funds for development. Although the envisaged growth rate is admirable, Arunachal Pradesh still has a long way to go before dreaming of such a high rate of growth. The realization of an accelerated GDP growth rate will require supportive policies, adequate investments, re-orientation/restructuring of policies and removal of infrastructural impediments that are coming in way of faster economic growth in the backward and remote areas.

4. **Poverty Alleviation** : The problem of poverty is yet to be tackled effectively in Arunachal Pradesh. During the 11th Five Year Plan, poverty alleviation programmes will have to be intensified, modelling them appropriately for their adoptability in the State.

5. **Monitorable Targets** : The 11th Plan document has set monitorable socio economic targets in key areas such as income and poverty, education, health , women & children and environment. I am of the opinion that the adoption of monitorable targets is laudable but the realisation of intended targets and their sustainability have to be backed by adequate resources for a cash poor state. It is desirable that targets for each identified sector are finalised in consultation with the individual states. The specific targets should be based on an assessment of the State's potential and additional flow of resources should be ensured for this purpose. As regards the New Social Interventions, envisaged in the Approach Paper, I would like to solicit the Govt, of India to supplement

the efforts of the State logistically and financially.

6. Road Infrastructure : In Arunachal Pradesh, roads are the only means of communication between the districts and outside. The road communication is not reliable and also disproportionately capital intensive. Maintenance of roads is also very costly in the State. The road density in Arunachal Pradesh stands at a dismal low of 18.65 Km per 100 Sq. Km as compared to the national average of 84 Km and north eastern average of 60 Km. Out of 157 administrative centres and 3860 villages, 34 administrative centres and 2453 villages are yet to be connected by road. The road development vision/ goal of our State envisages the target of increasing the road density to atleast 25 Km per 100 Sq Km by the year 2020. In the very basic infrastructure viz. roads, the requirement of the State consists of a three tier road network. The first tier will consist of a road running parallel to the Asom boundary of the State from west to east linking all the towns in the foothill areas. This will insulate the people from the frequent and perennial bandhs and law and order problems of Asom besides helping them for rapid socio economic development. The second tier will consist of a State Highway if not a National Highway connecting all District headquarters and the State Capital from west to east. Most parts of this proposed highway are in place and what is needed is double laning and smoothening of the existing stretches, construction of a few missing links and few bridges over rivers in few places. This State Highway with a length of 907 Km from Tawang/Balipara to Pasighat (passing through Bomdila-Nichipu-Seppa-Sagalee-itanagar-Ziro-Daporijo-Along) in the western part of the State and a length of 306 Km from Mahadevpur to Kanubari (passing through Namchik-Changlang-Khonsa-Ranglua) in the eastern part of the State with a NH stretch in between Pasighat to Mahadevpur through Roing and Tezu will enable better, faster and more effective communication between District headquarters and important towns located in the middle regions. The third tier will consist of a road near the international border again running from west to east connecting all border outposts and towns of the State. The total length of National Highways, which is 419.33 Km in Arunachal Pradesh, is highly inadequate for a strategic border State. To improve the situation, the criteria for selection of schemes in Special Accelerated Road Development Programme (SARDP) should be modified to include all Major District Roads (MDRs) under Phase "A" of the programme thereby bestowing improved connectivity to all the District headquarters. Rural road connectivity is extremely important in my State and a time bound action plan is required to connect all the villages during next five years. Under the rural roads

component of Bharat Nirman Programme, all habitations with population of 500 and above in tribal areas have to be connected with all weather roads by 2009. I would like to apprise you that with this criteria, 92% of our villages would be automatically deprived of the programme. Under the normal PMGSY, the allowed coverage of villages with 250 and above population which is the norm in hill States does not suffice as most of the villages will still be unconnected. A further relaxation allowing villages with population of 100 and above is required for us to achieve all weather connectivity for most villages, if not all. Clustering of villages and habitations should be allowed under the PMGSY guidelines and only then can the aim of full road connectivity to all villages be achieved. Further, the requirement of funds for maintenance of PMGSY roads require special allocation. All these backlogs of road network are required to be removed and gaps filled urgently for rapid development of the State.

7. Railways : Railways have a token presence in Arunachal Pradesh. Our long felt demands for upgradation of Guwahati-Murkongselek meter gauge line to broad gauge, construction of new lines from Harmutty to Itanagar, Murkongselek to Pasighat in East Siang District and extension of railway link from Lekhapani in Asom to Kharsang in Arunachal Pradesh have not yet materialized. Given that a large number of power projects are expected to begin emerging in the near future in our State, conversion and extension of railway lines will result in more traffic for the railways. This will have the cumulative effect of more revenues for the railways given the quantum and volume of materials like cement and steel required to be transported and also simultaneously reduce the transport costs for the projects resulting in cheaper power. The gauge conversion from Guwahati to Murkongselek, railway line from Harmutty to Itanagar and the other lines mentioned earlier should be declared as projects of national importance by the Govt, of India and Planning Commission to get assured and full funding for early completion.

8. Air Infrastructure : After railways, the abysmal air infrastructure of the State needs special attention of the Govt, of India. Arunachal Pradesh till date does not have an airport for the State Capital. The greenfield airport proposed at Karsingsa (Itanagar) will serve the Capital and neighbouring Asom as and when it comes up. Since the greenfield airport at Karsingsa(Itanagar) is reflected in the Approach Paper, it is hoped that the project will be completed expeditiously. Apart from this, we require a new greenfield airport at Pasighat and another one at Sarkam in Upper Siang District which will be in place of the earlier proposal of having one at Yingkiang, since the Auxiliary Landing

Ground (ALG) there was washed away by the flash flood of Siang river (Brahmaputra) on 11th June 2000. We also require renovation of the airport at Tezu and 10 other existing Auxiliary Landing Grounds in various parts of the State in order to make them fit for fixed wing aircraft.

9. Hydro Power : In the hydro power sector, Arunachal Pradesh is already on the road to become the 'Hydro Power House' of the country. The 'Sleeping Giant' is finally waking up from a deep slumber. The State Govt, signed MoUs with CPSUs like NHPC, NTPC and NEEPCO and Govt, of India to harness 10, 230 MW hydro power potential of the State. These include the Tawang -I HEP 750 MW, the Tawang - II HEP 750 MW and Dibang Multipurpose project 3000 MW with NHPC, the Kameng-I HEP 1120 MW, Pare HEP 110 MW with NEEPCO, Etalin HEP 4000 MW and Attunli HEP 500 MW with NTPC. Before that, the State has already signed MoUs with three private developers, viz. Jaiprakash Group, D S Construction and Reliance Energy for five projects with a combined generation of 4,800 MW. In addition, with the approval of the Central Government, we have signed a MoLI with Bilwara Energy Ltd. for generation of 290 MW and a Letter of Intent for another 3,300 MW has been issued to the Mountain Falls Ltd, thus making it for a total capacity of 8,390 MW under private power developers. Out of all these projects, a few such as the Dibang Multipurpose Project with NHPC will be constructed as joint venture with the State Govt, for which a substantial sum of money will be required as equity share of the State Govt, in the Special Purpose Vehicle. Substantial investment also will have to be made for construction of Intra and Inter State Grids to evacuate the power out from various locations across the State. This will require construction of a 132 KV State Grid from East to West. The CEA and CWC have not fully surveyed the entire hydro power potential of the State. I am confident that if a detailed and exhaustive survey of the hydro power potential covering all interior areas of the State were to be carried out, the hydro power potential of the State might reach upto 1,00,000 MW. With exploration and exploitation of its hydro power potential, Arunachal Pradesh will turn from an aid-seeker to a generous 'donor State' in due course of time. But to become a 'donor State' in the near future, the assistance of Planning Commission and the Govt, of India will be required urgently in order to achieve our cherished goal. I would request that special dispensation be worked out for this and the equity contribution of the State in the joint venture power projects which would amount to few thousand crore of rupees be contributed by the Planning Commission, Govt, of India. This should not be treated as a largesse but as an investment made today on behalf of a cash starved but resource rich State with enormous potential which in the near future will redeem itself

by not seeking any more Central assistance once the projects start operating. The day is not far off when my State will generously contribute to the coffers of Govt, of India and the neighbouring States. If Arunachal Pradesh become prosperous, the whole of the North East would also be benefited.

10. Mineral Resources : Apart from hydro power potential, the State is well endowed with coal deposits, natural gas and petroleum. Petroleum exploration, exploitation and production are going on under the NELP. A value addition to the mineral products by setting up mineral based industries in the vicinity of the deposits shall be considered in 11th Plan. Private entrepreneurs, investors and other government agencies shall be invited for long term joint venture projects in the State. Provision of power and transport subsidies by the Central Government will be useful in development of mineral resources. It will also attract private investors to set-up mineral based industries in the remote parts of the State.

11. Bharat Nirman Programme, CSS & Funding Pattern :

Effective implementation of Bharat Nirman Programme will prove to be a cutting edge of the plan for the poor. However, in the context of Arunachal Pradesh, full realization of Bharat Nirman Programme targets is subject to availability of adequate resources and relaxation of its guidelines. A flexible approach may be adopted on a case-by-case basis. Under the rural water supply component of Bharat Nirman Programme, potable water has to be provided to all uncovered habitations and also address slipped back and water quality affected habitations. Under Accelerated Rural Water Supply Programme, funds are being released by Rajiv Gandhi National Drinking Water Mission on 50 : 50 basis for coverage of partially covered (PC) and not covered (NC) habitations with matching provision made under the State sector by the State Govt. To achieve the target of rural water supply under Bharat Nirman Programme, Rs. 150 crore as State matching share is needed every year for the next three years over and above the average sectoral allocation of Rs. 30 crore being made by the State Govt, every year. This is beyond the capacity of resources of my State. Similarly., for the implementation of irrigation projects under Bharat Nirman Programme as per the Accelerated Irrigation Benefit Programme (AIBP) norms, the ratio of funding pattern of Centre and State is 75 : 25. These are only a few examples. The funding pattern varies across many Departments/Ministries of Govt, of India and schemes with the result that due to inadequate financial resources of its own, the State is unable to take advantage of many Centrally Sponsored Schemes. Much needed poverty alleviation programmes, rural infrastructure and self-employment

programmes, etc. remain under-implemented due to the State's inability to provide matching share. Keeping this situation in view, it is my earnest appeal that the funding of CSS should be made as 100% grants. If not, then the proportion of Centre to State share should not exceed 90 : 10. Only this way, Arunachal can take advantage of CSS for its rapid socio- economic development. 'A one size fits all' approach needs to be discarded. I also solicit special consideration from the Central Government in waiving off the population criteria while allocating funds for development keeping in view the difficult terrain and topography of Arunachal Pradesh and its sparse population.

12. Agriculture & Horticulture : Agriculture is the mainstay of the people of my State and about 79.66% of the State's population is dependent on agriculture which provides just a sustenance level of economy. Lack of assured irrigation is the bane of agriculture. So far the State has not been able to achieve the desired growth rate to attain self-sufficiency in food grain production. Most of the foodgrains consumed in the State are sourced from Mainland States involving huge transportation subsidies for the Central Govt. Our goal during the 11th Plan will be to increase cropping area, cropping intensity and yields to attain self sufficiency in production of foodgrains and cereals while starting a 'Green Revolution in Arunachal'. For this, we seek the Planning Commission's support especially in taking up medium irrigation projects in all the food grain producing areas of the State to create assured irrigation facilities. In a hilly State like Arunachal Pradesh, horticulture holds a big promise to raise the economic status of people. Development of horticulture is important as this sector can generate employment opportunities and increase rural income. In my State, horticulture has a good scope to transform the economy of rural and hilly areas in the long run. Under Horticulture Technology Mission, every year additional areas are covered under various kinds of plantations. The expectation is that there will be a good production of tropical and temperate fruits in a few years. The main problem will be processing of fruits and fruit products and their marketing. Establishment of fruit processing units predominantly in the private sector with support and assistance from the Government of India is called for. All out assistance from the concerned Ministries and agencies for this and for marketing is the urgent need. Given the extent and scope of production of tropical, sub-tropical and temperate fruits in the State, horticulture in my State can be a foreign exchange earner for the country.

13. Bio-Diversity : Arunachal Pradesh is one of the 'Hot Spots' of bio-diversity in the world because of abundance of varied flora and fauna including medicinal and aromatic plants. The forests have pervaded the life and culture of the tribal people of the State.

The forests are not only an important livelihood support system for tribal communities of the State, but they form an integral part of their cultural life also. Our people are living in harmony with forests for generations. The most serious conflict emerges from the enactment of Forest Conservation Laws. Existing Forest Conservation Laws hinder the planned development process in Arunachal Pradesh particularly in the execution of major development projects like construction of roads and laying of power transmission lines. The projects of such nature have been delayed for want of forest clearance. Further, the harmonious balance between the forests and tribal communities has been disturbed due to enactment of conservation related regulations. The restrictions on this score have choked our limited resources. In the name of 'Environmental Conservation', provision of roads, power and water supply to population within forests are not allowed. I strongly feel that no strategy to conserve the forest ecosystem would be successful unless the basic and compelling needs of the society are met. In this respect, priority has also to be given by the Central Government to urgently enact the Tribal Forest Rights Bill'. About 82 % of geographical area of my State is under forest cover which is among the highest in the country. This implies that the State is having more than desired percentage of forest cover. Having regard to the abundance and diversity of forest resources and existence of a fragile economy of Arunachal Pradesh, there is enough justification for special attention and efforts to be directed towards environmental management for the conservation restoration and development of deteriorating ecosystem of the State. The forests of the State act as a huge carbon sink sequestering global emissions of carbon dioxide. It is necessary that the clauses of the Clean Development Mechanism (CDM) applying to India be evoked so that Arunachal Pradesh can benefit from carbon financing as compensation and also for restoration of degraded forests. This will also encourage preservation of the existing forests and prevent further destruction. The efforts of Joint Forest Management (JFM) in regeneration of degraded forests in the State require to be given an increased thrust. There is a demand for medicinal plants as crude drugs, herbs, aromatic plants, food supplements, pharmaceutical, cosmetic and perfumery products in the national and global markets. For conservation and protection of such medicinal and aromatic plants, the local knowledge and practices should be adopted in association with local people.

14. Employment Opportunities : Inadequate economic development and backwardness of Arunachal Pradesh have a natural fall-out in terms of its capability to provide employment opportunities to its unemployed youths. The high rate of unemployment is due to lack of employment opportunities particularly in the context of

absence of industrialization. While other States have played the role of facilitators for employment generation in various sectors/areas of development, employment in Arunachal Pradesh is solely dependent on Government organizations and Government related activities. The scenario in the unorganized sector is not encouraging for employment generation. The 11th plan should aim at creation of new jobs. The agriculture and horticultural sectors are quite small at this stage to have a major role in reducing unemployment in the State. The thrust of 11th plan on self employment should be a process oriented approach involving micro-finance and micro-credit flows. The lack of access to the formal banking system with prevalence of blocks and districts without banks is another issue here. Even where access to banks exist, the low credit-deposit ratio and the strict rules for mortgage of lending in the priority sectors are problem areas which have to be attended to at the earliest. The filling up of the critical infrastructural gaps and strengthening the forward and backward linkages and market facilities shall be also necessary.

15. Education : In the school education front, the State is besieged with many teething problems such as poor physical infrastructure, non-availability of trained teachers, inadequate text books, teacher absenteeism, teacher's reluctance to serve in interior and border areas etc. All these problems have also been pointed out by the *Arunachal Pradesh Human Development Report 2005*. Unless the road infrastructure alongwith those of basic amenities such as water, power and accommodation are sorted out through generous funding from the Centre, the situation is not likely to improve. The 11th plan, must address such aspects to have positive impact on school enrolment, school drop-out rates and school environment. I feel that communitization of elementary education will accelerate the pace of universalisation of elementary education in Arunachal Pradesh. Also, establishment of a Sainik school in the State during the coming plan period is very essential. In higher education sector, the State needs substantial support from the Planning Commission. During the 11th plan, establishment of a law college, a commerce college, a medical college, an engineering college and a few Government Degree colleges within the State are needed.

16. Health : Arunachal Pradesh has still one of the poorest health conditions in the country. Its life expectancy of 54.05 years is lowest among major States. The State compares poorly with rest of India and its neighbouring States with respect to most health indicators. Access to quality health services of the population at large still poses a Herculean task for the State. The basic health care and reproductive and child health

(RCH) services are yet to reach the interior and remote areas of the State. Universal access to health and family welfare services by entire population of the State is still a distant dream. Given the absence of basic infrastructure, trained manpower including doctors are not willing to go and serve in most of the interior areas of the State. The prevailing high rates of morbidity and mortality have always been a matter of concern and as such we would like to focus our attention on reducing infant mortality rate, maternal mortality rate and malnutrition. There is no referral hospital in the State. But majority of Community Health Centres (CHCs) of the State which are the first referral units are not well equipped in terms of indoor wards, medical and surgical equipments and specialists. Consolidation of secondary healthcare facilities is also imperative. For improvement in healthcare delivery and access also, similar to education sector, good road connectivity along with other basic infrastructure to all interior areas and villages is the necessary precondition. Unless the basic problems of health care facilities especially infrastructure are eliminated in a time bound manner, i am afraid, the inclusive growth envisioned in the 11th plan would be a distant dream.

17. Industries : Arunachal Pradesh still remains one of the industrially most backward States in the country. Industrial backwardness of the State is due to a number of reasons-historical, geographical and financial. A climate conducive to industrial growth is yet to emerge resulting in absence of major industries in the State. An indigenous entrepreneurial class has yet to develop nor the ethos of saving and investment. Therefore, the envisaged rate of growth of industrial and manufacturing sectors of 10% and 12% respectively is not feasible for my State. Setting up of Special Economic Zones(SEZs) is a welcome step.

18. Gender Equality : One of the challenges before the 11th plan is to address gender inequalities. This could be achieved by better access to health, education and income. Apart from the civil society initiatives, meaningful implementation of Gender Budgeting Initiatives adopted by the Govt, of India would ensure women's empowerment. An integrated approach empowering women through convergence of existing services, resources, infrastructure and manpower available in both women-specific and women related sectors should be the priority areas of 11th plan. The planning in the grassroots through PRIs and the DPCs must reflect concerns of women in the development plans. Economically empowering programmes for women who have control over land holdings for agriculture or homestead purposes should be initiated.

19. Border Trade : From time immemorial, our tribal communities living in the border

areas had trade relations across the borders and are still continuing intermittently without the Government's patronage. Trade and economic development are inter-dependent and the future economic rejuvenation of my State lies in cross-border trade. The State suffers the obvious disadvantages of a long transport lead and heavy transport cost. On the other hand, free trade between the NE Region and the South East Asian countries including China and Bhutan would be in consonance with India's 'Look East Policy'. This Policy' should not remain a 'Lip Service' for this Eastern Himalayan State (Arunachal Pradesh) of the country having traditional ties with Bhutan, China and Myanmar through its 160 Km, 1080 Km and 440 Km border routes respectively since time immemorial. Initiative should be taken by the Planning Commission to allow trade through headfoad and on mule/porter tracks with China to benefit the people on both sides of the international border. Barter trade should also be allowed and old trade routes repaired and made fit for transport using mules at least. There is an urgent need to open up the international borders at Sigong (Simu-La) near Jorging, Landu-La (Ringong) near Tuting, Keping-La near Gelling, Kibithoo, Nampong, Mechuka, Taksing, Sarli and Bumla among others in the Tawang sector for free flow of goods and trade between Arunachal Pradesh and its neighbours. Arunachal with its vast natural resources could take up horticulture, agriculture activities, medicinal and aromatic plants and send across to China in exchange for commodities required by Indian villages. This would open a new vista of employment opportunities for the Arunachalees looking only for white coloured jobs and also to boost up the economy of the hitherto neglected border State. In the process, Arunachal will transform itself to be the 'Gateway of India in the North East' towards South East Asia, China and Bhutan.

20. Border Areas : Amongst the North Eastern States, Arunachal Pradesh shares the longest international border with 1680 Km. with China, Myanmar and Bhutan. There are about 1447 villages situated on the border blocks. These border areas are yet to open up due to their isolation and inaccessibility. Places and administrative centres like Thimbu in Tawang district, Damin, Sarli and Tali/Pip-Sorang in Kurung Kumey district, Taksing in Upper Subansiri district, Pidi and Monigaon in West Siang district, Tuting, Gelling and Singa in Upper Siang district, the whole of Dibang Valley district and Vijayanagar in Changlang district have no road connectivity till date and the most basic of needs viz. foodgrains continue to be dropped by helicopter sorties till today. The backwardness of these areas becomes more pronounced in view of the advanced stage of development achieved on the other side of the Indo-China border. There is an imperative need to provide the basic amenities of life to the villages situated near the international borders to obviate sense of neglect and alienation among our fellow

brethren. The little assistance given under Border Area Development Programme (BADP) does not suffice for development of major infrastructure. Therefore, there is an urgent need for matching and comparable development on our side of the international border similar to the achievements in Tibetan Autonomous Region (TAR) and Yunan Province of China so as to remove the isolation syndrome suffered by the people who are guarding the nation as frontier sentinels. I would request the Planning Commission to constitute a High Powered Committee (HPC) to go and visit these hitherto neglected areas and make recommendations for their transformation. The Planning Commission should thereafter give full funding as per the recommendations of this HPC. However, the State has till now been so starved of funds for infrastructure creation that people from border regions have started migrating to the middle and lower regions in the State in search of better facilities. This is a trend that needs to be arrested and reversed and this issue should be addressed keeping in view the territorial sovereignty and integrity of the country.

21. Regional Disparities : The Plan document accepts the reality of increasing regional disparity. Arunachal Pradesh is the largest State amongst the NE States. But the State is lagging far behind in terms of development indicators in comparison to even other States of NE Region. From the point of view of social indicators also, there exists among the N.E States a wide variation. To tackle the problem of regional disparities and backwardness, the focus during 11th plan should be on recognition of backwardness of individual States as the main factor to be taken into account in the transfer of financial resources from the Centre to the States, encouragement of investment in backward States both through mobilizing more internal resources as well as ensuring a much larger flow of resources from outside through different mechanisms. The issue of orientation of working of the financial institutions has to be addressed to be effectively in favour of poorer States. Further, dovetailing of public sector projects with regional development plans by consciously developing regional linkages and implementation of special area specific development programmes would reduce the existing regional imbalances. The NDC, the apex national planning body of the country, has to foster consensus building amidst diverse and varying perspectives to minimize these imbalances in a time bound manner.

22. Own Resources : Public investments have been envisaged to play a significant role to achieve the targets under the 11th Plan. The strategy to raise public investment will pose serious challenges to backward States as the possibilities of increasing revenues are extremely limited. In the last three years we have taken various steps for enhancing revenues and minimising wasteful expenditure. But we have not been able to raise resources to a significant level. In my State, the scale of economic activities is very

small and the private sector does not have any significant presence. My State used to get an annual revenue of about Rs. 60 crore to Rs. 70 crore from forest produce and royalty alone till 1996. After the subsequent ban on logging operations by the Hon'ble Supreme Court, annual forest revenue has trickled down to just Rs. 3 crore to Rs. 4 crore. Along with the order banning timber operations, a 5% cess was directed to be levied on imported timber which was to be distributed to the affected States in proportion to their forest cover. But till date, my State is yet to see a single rupee on this account. Also, the hundreds of crore of rupees being collected for compensatory afforestation and net present value of timber as a consequence of developmental and infrastructural projects should be given back to and used within States both through mobilizing more internal resources as well as ensuring a much larger flow of resources from outside through different mechanisms. The issue of orientation of working of the financial institutions has to be addressed to be effectively in favour of poorer States. Further, dovetailing of public sector projects with regional development plans by consciously developing regional linkages and implementation of special area specific development programmes would reduce the existing regional imbalances. The NDC, the apex national planning body of the country, has to foster consensus building amidst diverse and varying perspectives to minimize these imbalances in a time bound manner.

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11th Five Year Plan goals will not be justified.

23. Public Private Partnership : The Approach Paper recognizes imperativeness of PPP, particularly in infrastructure sector. Our past perception that economic infrastructure is to be necessarily provided in the public sector is no more valid and justified as this has led to severe strain on government finances. Therefore, we intend to promote PPP in feasible areas like hydro power, tourism, secondary and higher education and mining. It will not be possible for us to adopt the PPP route for highways, airports etc as the economic viability is very limited and for such kind of infrastructure services, we will continue to look to the Planning Commission for financial assistance. The 11th plan should consider evolving of appropriate strategy and regulatory policy framework best suited to backward State like Arunachal Pradesh.

24. I have come over here with great expectations. This is a unique opportunity to appraise the highest planning body of the country regarding our aspirations and developmental needs. I hope that under the dynamic leadership of our beloved Prime Minister, my vision of transforming Arunachal Pradesh into a model State with a vibrant and prosperous economy will be fulfilled in the foreseeable future. In such a noble endeavour I personally seek guidance and support of our learned Chairman and assure you that the recommendations of this august body will be followed with full determination and commitment. With these comments and assurance, I endorse the approach to the 11th Five Year Plan.

THANK YOU