



GOVERNMENT
OF
NATIONAL CAPITAL TERRITORY OF DELHI
SPEECH
OF

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CHIEF MINISTER, DELHI

NATIONAL DEVELOPMENT COUNCIL
MEETING

ON 9th DECEMBER, 2006

NEW-DELHI

Mr. Chairman, Members of the National Development Council and distinguished participants,

1. We are meeting here to consider the Approach Paper prepared by Planning Commission for the 11th Five Year Plan, which is just a few months away from now. The Approach Paper is dedicated towards "faster and more inclusive growth". We feel that this is a right beginning for the 11th Plan. The 21st century is acknowledged as the "e-millennium age" of the human civilization. In this background of propensity for faster and bigger growth, the question of inclusive growth becomes all the more important. If the Union and the state governments work in tandem for complementary effect as well as supplementary role of speedy growth and inclusiveness in our socio-economic activity many groups that continue to be marginalized as of now, would benefit from the growth process. Planning Commission through its Approach Paper has therefore, done the right thing to draw special attention to the needs of these marginalized groups.
2. We, in the Government of Delhi, have dedicated our approach paper for the 11th Five Year Plan towards "Development with a Human Face and Making Delhi a Global City". Before I go to the economy and other issues relating Delhi to vis-a-vis the 11 th Five Year Plan, let me highlight the confusing & perplexing administrative system in which we the Government of NCT of Delhi live in, while discharging our day-to-day functions and which has a bearing on the outcome of our performance under planned targets and making Delhi a global city.
3. Delhi is a unique city state and also the capital of our great nation. Governance in Delhi is not simple. With explosive growth of population in Delhi largely due to the unchecked migration from neighbouring states and the need to provide infrastructure and civic services befitting the seat of the capital of the country, the task of governance of Delhi is, as it is, very challenging. This task has become even more formidable due to the multiplicity of authorities. It not only delays completion of our projects and those which Delhi requires as a global city but also leads to a total absence of coordination for a coherent and planned growth of the city.
4. Delhi is governed by four institutions. The elected government, the Lt.Governor, the

Municipal Corporation of Delhi, which is under the control of Ministry of Home Affairs and the DDA which is controlled by the Union Ministry of Urban Development. The Lt.Governor apart from exercising powers in the reserved subjects i.e. 'public order', 'police' and 'land' also exercises functional powers concerning 'transferred' subjects under various enactments. A Presidential order under article 239 of the Constitution requiring the Lt.Governor to consult the Chief Minister in matters of reserved subjects is yet to be issued. The master plan for the city is prepared by DDA without participation of the elected Government of Delhi. Central Government enjoys almost total control over MCD by exercising power in as many as 57 sections/sub sections of the DMC Act. Lack of powers with the elected Government of Delhi coupled with lack of coordination among multiple authorities governing Delhi has become a bane of the citizens, who have to literally run from one authority to another for getting their routine works done. To deal with lack of popular involvement in governance of the city, we injected vitality of participatory governance through a citizen-government partnership called "Bhagidari" but even this is being resisted by the local bodies who report directly to the Union government.

5. Clearly, this is not the situation the people of Delhi had aspired for. We can appreciate the fact that the federal Government is here, so Delhi cannot have the same kind of powers the other states have. Yet the question comes, as citizens who do they look at for redressal of their grievances? Obviously, to the person or government that they have elected. We have to appreciate & understand how impossible and impractical it is for a citizen to approach DDA or the Urban Development Ministry or the Lt. Governor or the Home Ministry for guidance or redressal. Citizens, therefore, come to us because they say that you are the ones, we have elected, you are the government, we put in place in Delhi, so you have to solve our problems. But we often find ourself helpless in addressing the problems of the people due to lack of powers over the multiple agencies in the city. It is precisely from the angle of helplessness that this conundrum of sharing power and governing Delhi has to be solved urgently.
6. It has been felt since long that the real solution to the planned and faster growth of Delhi lies in the grant of Statehood to it. A strong desire had been articulated by the Delhi Legislative Assembly for statehood for Delhi. Pending grant of Statehood to Delhi,

certain inconsistencies between the spirit behind devolution enshrined in Article 239AA and the various enactments in force, which curtail the role and fetter the authority and perceived accountability of the elected Government, should be immediately addressed.

7. The NDC is the apex institution for giving substance to the federal vision of ensuring that the different tiers of the Government have specific roles and responsibilities toward culmination of a harmonious set of outcomes for the country as a whole. As we are here to discuss the targets vis-a-vis of 11th Five Year Plan, during which period the Commonwealth Games 2010 would be held in Delhi, it is necessary that in the interest of federal planning and harmonious outcomes, a decision on the status of Delhi in sharing of power and authority is taken on a faster mode.
8. The Planning Commission has communicated statewise targets, under different monitorable indicators as well as under overall growth to be achieved in 11th Five Year Plan. We endorse this strategy to arrive at a consensus regarding State-wise targets under different heads. We also share your feeling that this exercise will facilitate the states in preparing their own Five Year Plan and also ensure consistency between the State Plans and the national Plan. However, you may appreciate that Delhi being a city-state with its inherent limitations both on account of its limited geographical size and on Constitutional front, there is need to adjust a few targets. Rapid urbanization and growth of trade and industry has significantly reduced the contribution of agriculture sector in Delhi's economy. According to the Economic Survey of Delhi 2005-06 share of agriculture and allied activities in the Gross State Domestic Product at current prices in Delhi has declined sharply from 3.70% in 1993-94 to 1 % in 2003-04 and this declining trend is likely to continue. So keeping a target of 4% growth in agriculture in Delhi needs a re-look. In case of sectoral target of 12% under industry and 11.1% under services, we feel that going by the present trend, there should not be any problem to achieve the same in the 11th Plan.
9. We have taken prudent measures to keep our financial position sound. Our tax collection has been buoyant and has registered an annual average growth of about 19% during the first four years of the 10th Plan. We have consistent Revenue Surplus since 2004-05. One of the most distinguishing features of our finances is that Delhi never had revenue deficit since its inception. And in 2005-06, Delhi had no Fiscal Deficit. This is

much above the target of 'Zero' Revenue Deficit and 2.70% of Fiscal Deficit to be achieved by all states during the 11th Plan.

10. Because of the high cost of Small Savings Loans, Government of Delhi has approached the Finance Ministry to permit prepayment our small savings loans. Excess release of small saving loan is not only increasing our outstanding debt which now stands at Rs.24,892 crore but also results in huge interest liability. Therefore, we submit that we may be allowed to pre-pay and further release of loans may be restricted to the extent of our requirement.
11. Presently, the allocation for grant in lieu of Share in Central Taxes to Delhi has been stagnant at Rs.325 crore since last five years while all states are getting enhanced share every year as per the recommendations of the Finance Commission. We urge that adequate and enhanced Share in Central Taxes may be provided to Delhi during the period of 11th Plan.
12. Turning to the monitorable targets under Infant Mortality Ratio, Maternal Mortality Ratio, Total Fertility Rate, Malnutrition of Children (0-3 years), Anaemia among women (15-49 years), Sex ratio (0-6 years), Drop out rate in elementary education, Literacy rate, Gender gap in literacy rate and reduction in Poverty Ratio, we feel we will be able to gear up to achieve the individual target under each activity. However, large scale in-migration, mainly of labour force, on a continuous basis hampers our endeavours in these areas. As regards declining sex ratio, which is a national concern, NCT of Delhi would like to put in best efforts to reverse the existing sex ratio trend in Delhi.
13. We welcome the suggestion given in the Approach Paper for taking up vocational training and skill development in "Mission Mode" towards tackling emerging skill shortage mainly in IT Enabled Services sector. Skill shortage in vocational and technical trade has become a national phenomenon and it is time that we listen to the demands of the industry. It is a fact that vocational curriculum is out dated in most places and equipment used there is obsolete. It is, therefore, time that we give due emphasis on such skill formation a missionary zeal as has been mentioned in the Approach Paper. This is all the more important given the fact that we are banking on the higher growth of the service sector to achieve the GDP growth of 9 percent. As per Nasscom, by 2010, the growth in the sector would create around 2

million direct job opportunities. Thus there is great challenge for us to come up to the expectation of the industry and on the other hand fulfill the demands for jobs by the youth. On our part, in Delhi we have already resolved to launch a massive overhauling of the ITIs, polytechnics etc. so that skill formation and vocational training does not fall behind the expected benchmark both in quality and also in quantity.

14. The retail business has now emerged as one of the fastest growing sub-sectors under the services sector. As has been reported elsewhere, retail trade constitutes 10-11 per cent of India's Gross Domestic Product. It employs over four crore people. However, 96% of the retail trade is unorganized. We all also know retail trade is considered an easy trade to enter with low capital need. Given the above scenario, particularly of the retail dynamics of the unorganized sector, while promoting FDI in retail sector, sufficient cross-checking is required before hand so that the very purpose of opening up of the economy for setting up retail trade through FDI mode does not get defeated by displacement of the existing unorganized sector of vast magnitude and providing livelihood options to millions.
15. I would like to raise some specific issues pertaining to Delhi. One of the issues is low utilization of Central Road Fund. The low utilization, which is at the level of around 15% since 2000-01 may indicate as if the state is not availing the Central Road Fund. Under the existing system each project which is to be funded under CRF is required to be sanctioned by the Ministry of Road Transport. In Delhi, the Road Sector is looked after by PWD of Government of Delhi, MCD, NDMC, Delhi Cantonment Board, DDA and NHAI. Most of the major projects also need clearances from various statutory authorities. The result is that for almost all major Road Projects, more time is consumed in planning and in getting sanction and clearances than the period that is required for actual execution of the project. In this background, we suggest that the existing system of approving each road project by Ministry of Road Transport, under CRF may be dispensed with. Agencies engaged in road construction work in Delhi have sufficient technically qualified personnel, who may be given the authority to certify that the projects are technically sound before getting funds released under CRF. This change in the process of releasing of fund under CRF will contribute in achieving the ultimate objective of CRF alongwith the timely utilization of the funds.

16. The importance of development of the National Capital Region is known to all of us. Yet we have just not made any headway because of a lack of commitment towards implementing Regional Plans by all concerned State Governments. Although some recent studies of NCR Planning Board suggest reduction in percentage migration rate from the neighboring States to Delhi but the hard fact is that the number of migrants from other states like Bihar has increased and consequently, the migration in absolute terms to Delhi has not declined. Delhi Government has already contributed Rs.250 crore to NCR Planning Board for successful implementation of National Capital Regional Plan 2001 and 2021. We are willing to increase our contribution during ensuing Eleventh Five Year Plan provided projects of the common interest for the Region are formulated and implemented in a time bound manner. The neighboring states may appreciate that through development in NCR they too would be benefited by way of all round development of their districts and towns in the NCR.
17. The Approach Paper has suggested a national target of Aggregate Technical and Commercial (AT&C) Losses at 15% by the end of 11th Five Year Plan. This is a gigantic reduction in AT&C losses. Few years ago, in Delhi we would not have even dreamt of such reduction in transmission/distribution losses, but for the bold initiative that we took in power sector reform by unbundling the State entity into generation, transmission and distribution companies. While generation and transmission are with the Government, the distribution has gone into private hands. The T&D losses which were soaring above 52% in 2000 have been reduced to 36% in 2005 and are expected to be brought down to 20% in the next two years. Given this encouraging scenario, Government of Delhi hopes that it will be in a position to attain the national target of 15% AT&C losses by the end of 11th Five Year Plan. While we are on the power scenario, let me point out that we would be commissioning major gas based power plants in Delhi including 1000 MW plant in Bawana, 1000 MW IP Power plant and 350 MW Pragati-II power plant. Besides this power plants dedicated to meet power requirements of Delhi including 1500 MW plant in Jhajjar in Haryana, 1000 MW plant in Dadri in Utter Pradesh and 1000 MW plant in Badarpur by NTPC are also in various stages of execution. As a result, we will be adding 8288 MW of power thereby enhancing the power availability in the capital to 12917 MW by 2011-12 which will make Delhi power surplus.

18. We are grateful to the Government of India for allocation of requisite gas for power generation within the NCT and facilitating establishment of power plants in other states dedicated to meet the spiraling power requirements of Delhi. Another point that needs mention on the power front in this meeting of NDC is the indiscipline in grid management by the states by way of over drawing of power from the grid. It is high time that the Union Government and the State Governments together take effective steps. Otherwise grid failure will become a regular feature than an exception and adversely affect the quality of power distribution in the capital. In the 11th Plan we would be giving emphasis on promoting non- conventional energy sources such as solar energy plant on roof top etc. in big hotels, institutions, commercial buildings, group housing etc. to meet a part of the power demand. We welcome initiatives to increase generation from renewable energy, like solar energy, wind, bio- fuel, etc. It is important that in the 11th Plan, adequate focus is given to promoting renewable energy so that dependence on fossil fuel is reduced.
19. Delhi has one of the best health infrastructure in India both qualitatively and quantitatively. Delhi offers among the most sophisticated medical care with the latest state- of-the-art technology for treatment and the best-qualified doctors in the Country. About one third of patients in major hospitals of Delhi come from other states. The per-capita health expenditure for the year 2005-06 in Delhi was Rs. 6111/- as compared to national average of Rs. 189/-. Delhi Govt, is investing around 1% of GSDP on health sector. Currently, the bed population ratio in Delhi is 2.08 as against the national average of 0.7 beds per thousand population. In the 11th plan, it is estimated that about 8000 new beds will be added both in public and private sector and our bed population ratio will be increased to 2.25 per thousand This will enable us to get the benefits of health tourism also. As regards achieving targets under IMR, MMR, etc, I may mention that Delhi Government has taken a number of steps for strict compliance and monitoring of Pre Natal Diagnostic Test Act. This is expected to reverse the trend in removal of female foeticide. We have also started a scheme for providing Rs. 5000/- on birth of girl child in Govt. Hospitals/ Maternity Homes to improve sex ratio and promote institutional births in Delhi. To make primary health care services more comprehensive, meaningful and broad based Delhi State Health Mission on the lines of National Rural Health Mission has been launched. It also aims at effective integration of health concerns with determinants of health like safe drinking water,

sanitation and nutrition.

20. Holding of Commonwealth Games 2010 in Delhi is a matter for pride for us. We also look forward to holding Asian Games 2014. Government of Delhi has already worked out its schedule for timely completion of all identified projects relating to Commonwealth Games 2010. We can do similar preparation for Asian Games , 2014, if given to us. Though these games will be held in Delhi yet because of their national importance, we would require the support and involvement of all concerned. We particularly look forward to adequate support from the Union Government.
21. Despite severe constraints imposed by the unique administrative structure, overlapping jurisdiction, multiplicity of agencies and diffused accountability, our government has successfully implemented a number of projects during last 8 years in a well-planned manner. Our achieved targets do not always reflect the real picture because of tremendous migration. Some of the successful projects are now being considered as role model not only in the country but even outside. The completion of first Phase of Delhi Metro and commencement of its 2nd Phase in time, power sector reforms, conversion of entire Public Road Transport Fleet into CNG mode, improvement in forest/green cover from 1.75% in 1997 to 18.1 % in 2003, People's participation in development and governance through Bhagidari Projects, women welfare and empowerment through Stree Shakti Campaign, Transparent administration through implementation of Right to Information Act and e-governance, are some of the successful projects.
22. While on the environmental front there has been tremendous improvement in air quality and increased green cover, the water pollution of River Yamuna still remains a major challenge. There are many reasons for this out of which discharge of sewage from unplanned/non sewerred areas and lack of fresh water in the river down stream of Wazirabad are the two major ones. To ensure that sufficient fresh water is available through out the year, it is necessary that Delhi receives the co-operation of neighbouring states by way of release of water in the Yamuna as allocated and agreed for Delhi. Unless this happens appropriate dilution of water in down stream of Wazirabad will not be possible. For this we require completion of the identified reservoir projects by Himachal, Uttranchal and UP Government as per Yamuna Water Sharing Agreement-1994. We, therefore, look forward

to Government of India and the Chief Ministers of states for their co-operation in taking up a joint mission for Yamuna river rejuvenation.

23. The Delhi Human Development Report 2006 released by us is a pioneering effort in social audit and partnership for progress. We intend to build up on the basis of the identified human development goals. All economic development is ultimately for human development. To facilitate such all-round human development, we are fine-tuning our schemes and projects.

24. Towards providing a social security cover and development with a human face Government of Delhi would be giving emphasis on (i) streamlining the delivery mechanism of the existing schemes and programmes, (ii) increasing the spectrum of target groups (iii) reorienting the focus of some scheme/activities (iv) evolving and adopting need felt programmes. Government of Delhi would thus make concerted efforts to ensure that the weaker sections of the society, disadvantaged groups and physically challenged persons get better care, support and assistance. Our Government would continue to march ahead towards economic empowerment of women and providing social security to the aged and other vulnerable groups. The involvement and participation of civil society in general and voluntary organization in particular will be the cornerstone for such empowerment of the target groups. Looking to the plight of slum children and street children who are often left without adequate protection and care, broad areas of the focus of our attention would be (i) access and availability of proper nutrition (ii) access and availability of proper education, (iii) Implementation of various laws related to children, (iv) Provision of Adequate shelters for homeless children (vii) Residential schools for child labour and other 'children in difficult circumstances'. We are also revamping the ICDS Programme in a big way so that not only we take care of nutrition and health for children but also pregnant and lactating mother. For empowerment of women mainly in the sub-standard habitations, our Stree Shakti Programme would be strengthened. We are also looking to the needs of the aged and would be adopting various social security measures for them.

25. Now let me come over to a topic of great concern, namely, improving public safety in Delhi. The Approach Paper has talked about gender bias and violence against women. We have to tackle this social menace through direct governmental intervention and also by involving civil society in a big way. The First Delhi Human Development Report has mentioned that

violence against women is not just a women's concern. We feel that making Delhi safer for women will have beneficial consequences for all citizens. To achieve this sense of a secure environment it is advisable that Delhi Police concentrate on core police functions and shed the additional burden of licensing and other activities not related to law and order and internal security issues. This will release huge manpower for tackling this menace and will make the force more efficient. Government of Delhi would set up effective monitoring systems and would take steps to remove those factors, which have been identified as constituting a risk or creating a feeling of vulnerability for women. The quality of available services including help lines, medical facilities, legal aid units, shelter homes and counseling centres etc. can be improved for women.

26. Finally it would be both imperative and prudent to mention that our present system of spending allocated funds needs to be re-looked most seriously. Faster growth just does not mean only greater allocation but more importantly greater spending capacity. Spending also means not just utilization but quality outcome. Before we embark on the 11th plan, I would suggest that a group be instituted to ensure this change in our present practice. I conclude with the hope that 11th Five Year Plan through faster and inclusive human development will usher in a more vibrant, dynamic and prosperous India.

Thank you.

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