

**Hon'ble Prime Minister, Hon'ble Deputy Chairman
Planning Commission, Hon'ble Union Ministers,
Hon'ble Chief Ministers, Hon'ble Members of the
Council and friends,**

On the occasion of Mid-Term Appraisal of XIth Five Year Plan, I convey greetings of the people of Chhattisgarh to everybody present in this meeting. All the issues on which the Council would deliberate today are very important and timely. I am confident that decisions taken by the Council on these issues would accelerate the pace of overall development of our country as well as the states.

2. Sir, Chhattisgarh State came into being primarily due to regional inequalities and imbalanced growth. After the formation of the State, our economy has grown rapidly. This is evident from the Mid-Term Appraisal report of the XIth Plan by the Planning Commission as well.
3. I am very happy to inform that our State has been able to achieve GSDP growth of 11.71% in 2007-08, 6.81% in 2008-09 and 11.49% in 2009-10 as against the target of 9.57% for the XIth plan. Our plan size

has increased from Rs. 7,413 crore in 2007-08 to Rs. 13,093 crore in 2010-11.

4. I am also very happy to mention that due to financial discipline and better fiscal management, key fiscal indicators of our State are comparable with the best managed states.
5. Before expressing my views on the main agenda items of today's meeting, I would like to draw the attention of Hon'ble Prime Minister towards the following very important issues which have direct bearing on the financial and fiscal position of the State:-
 - (i) It often happens that after the start of Centrally Sponsored Schemes, state share is gradually increased by the Central Government. Due to their limited resources, implementation of such Centrally Sponsored Schemes becomes difficult for the states. Our request is that after introduction of Centrally Sponsored Schemes, state share should not be enhanced.
 - (ii) The country is undergoing reforms in indirect taxation regime. Value Added Tax was

introduced in place of Sales Tax and now discussions are underway for introduction of Goods and Service Tax in its place, which would certainly benefit the trade and commerce. However, it is my considered view that GST should be implemented only after considering its impact on all the stake-holders especially the small dealers and the common man and ensuring that states' economy and its fiscal autonomy are not affected adversely.

6. Sir, I would now go on to the issues on which the Council has to deliberate today.

STRATEGY FOR AGRICULTURE DEVELOPMENT

7. Almost 80% of our population derives their livelihood from agriculture and allied activities. Out of 35.5 lac families which are dependent on agriculture, 54% are small and marginal farmers. Paddy being the main crop of our State, Chhattisgarh is traditionally known as “rice bowl” of the country. During the XIth Five Year Plan, growth in agriculture sector was 5.17%, while it has been 3.03% during the first 3 years of the XIth Five Year Plan. There is,

therefore, a need to give momentum to agriculture growth in the state and I would request the Government of India, to consider the following:-

- (i) At present National Food Security Mission (rice) covers only 10 out of 18 districts. It is requested that the remaining 8 districts be also brought under NFSM (rice).
- (ii) North Hill Districts of Korea, Jashpur and Ambikapur which have favourable climate for production of wheat should be covered under National Food Security Mission (wheat).
- (iii) Rice being the main crop of the State, our long pending demand of setting up of a Rice Research Centre by the ICAR should be acceded to without further delay.
- (iv) Tribals constitute almost 32 % of our population and their agronomical practices are different from those prevailing traditionally. Therefore, Indian Council of Agriculture Research (ICAR) should set up a Special Research Centre in this area to improve their agriculture productivity.

- (v) A National Biotic Stress Management Institute be set up in Chhattisgarh.
- (vi) Government of India has made provision of Rs. 400 crore for bringing green revolution in eastern states. Keeping in view the objective and need of this scheme, substantial upward revision in this amount is requested.

DEVELOPMENT OF WATER RESOURCES

- 8. At the time of formation of the state, irrigation percentage was about 23% which increased to 30% by the beginning of XIth Five Year Plan. It is estimated to increase to 32.25% by 2012.
- 9. State Government has continuously increased budgetary provisions for development of water resources and irrigation facilities. Central assistance received under Accelerated Irrigation Benefit Programme (AIBP) has proved to be quite useful. However, keeping in view the ground realities of our State, the following amendments in this scheme are suggested:-
 - (i) Due to more than 50% area under forest coverage, our irrigation projects get delayed

due to the time taken in obtaining FCA clearance. Therefore, the existing time limit of 2 years for completion of minor irrigation projects and 4 years for medium irrigation projects should be increased to 3 and 5 years, respectively.

- (ii) The norm of Rs. 1.5 lac per hectare for minor irrigation schemes, which was fixed in 2006 needs to be increased at least to Rs. 2.5 lac per hectare.
- (iii) Central assistance for non-tribal areas should also be 90% is applicable to tribal areas.
- (iv) There is tremendous scope for irrigation through construction of Anicuts on many rivers and rivulets in Chhattisgarh. However, Anicuts do not qualify for assistance under AIBP, which should be permitted for assistance under AIBP.

ELECTRICITY GENERATION, AVAILABILITY OF COAL AND MANAGING ENVIRONMENT:

10. A major part of electricity requirement of the country could be fulfilled by our State because of huge reserves of coal and available water resources.

11. For the XIth Five Year Plan, target of 1750 MW in the State Sector, 3980 MW in the Central Sector and 2570 MW in the Private Sector have been set. The work of two major projects in the State Sector of which substantial progress had been made towards implementation and for which Coal Blocks in Hasdeo Arand Coal Fields were allotted in 2003 and 2004, is held up because FCA clearance has not been given by the Union Ministry of Environment and Forests. Similarly, Central Government's 4000 MW Sarguja Ultra Mega Power Project is also awaiting FCA clearance for coal mining. Thus, progress of power projects with 6600 MW generating capacity in Chhattisgarh is hampered due to delays in FCA clearance. I would like to only request the Hon'ble Prime Minister that FCA clearance should be immediately given for the Projects which have already made substantial progress and new FCA norms should be applied only to the new projects.
12. Sir, states which provide land, water and other resources to generate electricity for other states should be suitably compensated. This would

encourage the states with huge coal resources to establish pit-head power plants for supply of power to the power deficit states. We have been requesting since long that law should be amended so that cess or duty could be imposed on generation of electricity, so that power exporting states could be compensated.

13. As regards the issue of environment management arising due to coal-based thermal power generation, I would only like to say that we can provide cheap electricity only from coal based power plants. Any other source would be expensive for the economy as well as the common man. Therefore, environmental concerns should be addressed through the use of advanced technologies and energy efficient machines.

URBANIZATION:

14. Present policies and programmes of urban development primarily concentrate on metropolitan cities and large towns. These are unable to handle the requirements of urban development in Chhattisgarh and other backward states which do not have metropolitan cities but the number of medium and small towns is increasing at a fast pace.

15. I would like to suggest that apart from Metropolitan cities and big towns, Government of India should also give priority to development of medium and small towns of backward states. This would not only help in balanced regional growth, but also arrest the pace of migration to cities.
16. I would also like to mention that because of resource constraints of Central as well as State Governments, problem of housing of urban poor is increasing rapidly. This problem can be handled only when private capital is attracted in this sector. Therefore, there is a need to formulate a well thought out policy which attracts the investors for construction of houses for economically weaker sections as well.

TRIBAL DEVELOPMENT

17. 60% geographical area of Chhattisgarh State is Schedule V Area and its 50% area is forest area. Around 32% population of the State is Scheduled Tribes and the State Government attaches highest priority to their development and welfare.
18. I would like to mention some of the initiatives taken for tribal development in Chhattisgarh State: -

- (1) 32% allocation of the plan budget is set apart for Tribal Sub-Plan.
- (2) Two Regional Tribal Development Authorities have been constituted for the tribal predominant southern and northern regions of the State. Through these Authorities, sanctions and requisite money are made available in the meetings of these Authorities itself for the essential infrastructure works and urgent needs of the tribal areas. So far, an amount of over Rs. 420 crore has been sanctioned and disbursed through these Authorities.
- (3) Rights over forest land have been granted to around 2 lac 15 thousand tribal families, more than any other State in the country.
- (4) With a view to expand educational facilities in the Scheduled Areas, particularly in the field of technical and employment oriented education, a number of initiatives have been taken during the last 3 years. Some of these are:-

- (i) Establishment of Jagdalpur University in the Bastar Region and Sarguja University for the tribal northern region.
 - (ii) Establishment of medical college in Jagdalpur town of Bastar region.
 - (iii) Establishment of 21 new colleges, 6 new polytechnics and 9 new ITIs.
 - (iv) Establishment of over 800 new ashram schools and hostels
- (5) 3-tier minor forest produce corporatives carry collection and marketing activities for Tendu Leaves, Saalseed, Harra and Gond for ensuring the “best marketing price” to the collectors of these MFPs.
- (6) Insurance scheme and other welfare schemes have been started for the welfare of collectors of MFPs
19. For giving momentum to the developmental efforts in the tribal areas, we need special assistance from the Central Government in some areas, which are as follows: -

- (1) There is shortage of money for construction of hostels, ashram school buildings and residential accommodation for teachers in the tribal areas. The requirement of seven LWE affected districts in this regard may be met from the funds to be made available under the LWE integrated action plan. I request that one time grant may be made available for this purpose for other tribal areas also.
- (2) Over 2 lac 15 thousand tribal families, to whom rights have been granted over forest land, are not getting development loans from financial institutions. The real purpose of grant of rights over forest land shall be fully met only if the beneficiaries are able to get loans for land development and minor irrigation. NABARD need to prepare a scheme in this regard.
- (3) Central Government needs to put in place a Minimum Support Price Scheme for minor forest produce also on the lines of MSP scheme for agricultural crops.

LEFT WING EXTREMISM

20. Sir, main problem being faced by the Chhattisgarh State is Left Wing Extremism. From the year 2004-05 onwards, serious efforts have been made in the State to fight this menace. During this period, police budget has been raised from Rs. 268 crore per annum to Rs. 1020 crore per annum, police force has been increased from 22,250 to 50,000 and Special Intelligence Bureau and Commando Units have been set up. One Counter Terrorism & Jungle Warfare Training College and three CIAT schools have been set up, in which thousands of police personnel from other states and central police organizations have also been trained.
21. I would like to thank the Central Government for taking the initiative for providing special assistance through an Integrated Action Plan for the development of LWE affected areas. We have submitted a scheme amounting to Rs. 4553 crore for the seven widely effect LWE districts of the State to the Planning Commission. I hope that its formal sanction will be accorded soon. In addition to the

seven widely affected LWE districts, 6 other districts are also affected partly by Left Wing Extremism. Special assistance in the form of an Integrated Development Plan should be made available for the development of these other affected areas also.

22. For containing the Left Wing Extremism, we need to increase the pace of creation of infrastructure and development of these areas along with strengthening the security environment in the affected districts. The main problem being faced for improving road connectivity and other essential infrastructure in Bastar region is the non availability of construction agencies. In this connection, I suggest that Government of India may consider establishment of a suitable construction agency for undertaking construction of three national highways, running through Bastar region, as cement concrete roads and for other essential construction works. In addition to this, number of units of Border Roads Organization working in this area should also be increased.
23. To strengthen the security environment in the effected areas, we need to increase the strength of state police

force, for which establishment of additional police training institutes and additional police housing are necessary. Special central assistance should be made available for this purpose also.

24. Now, I would like to draw kind attention of Hon'ble Prime Minister to two issues that are talked about as causes of Left Wing Extremism. These are - Mining Policy and Law, and implementation of "PESA" in regard to Minor Forest Produce.

MINING POLICY AND LAW

25. First of all, I would like to acquaint this august House about the factual position in regard to the malicious propaganda that one of the causes of Left Wing Extremism in the State of Chhattisgarh is the mining activities undertaken by private and multinational companies. The real position in this regard is that over 86% coal and over 98% iron ore in the State is being undertaken by the Central PSUs like SECL, NMDC and SAIL.
26. For quite some time, people of the mineral bearing areas have been demanding at various forums that a

policy for ensuring setting apart a substantial part of the mining profits for undertaking developmental activities in the backward mineral bearing areas be put in place. However, position in this regard continues to be unsatisfactory. The Central Government PSUs SECL, NMDC and SAIL, who are engaged in the mining of coal and iron ore for several decades, spend only small amounts of their profits toward local development, which needs to be corrected urgently. The Supreme Court, in one of its landmark judgments known as “Samatha Judgment” has laid down the guiding principle in this regard saying that the companies working in the Scheduled Areas should set apart at least 20% of their profits for local infrastructure building and other developmental and welfare activities. The amounts being spent for this purpose presently are even less than 3%, which need to be immediately raised to 10% and finally upto 20% to 25%, in stages.

27. Another issue in regard to mining pertains to the provisions of the new mining Bill settled by the Union Ministry of Mines. The scheme of section 22 of this

Bill is based on the infallible principle “direct license to the first in the line”, whereas it is necessary and desirable to follow “direct license to the applicant who offers maximum value addition or revenue sharing” principle. The Hoda Committee, set up by the Planning Commission on National Mineral Policy had also recommended that in the case of multiple applicants for direct licenses, value adders should be preferred over non-value adders, which has been wholly ignored. Another omission in the said mining Bill is that it contains no provisions at all for the Scheduled Areas, which ought to be incorporated. All the major mineral bearing areas in the country are in the naxal affected tribal areas and the backward states, and enactment of the said Bill in its present form would be against the interest of the tribal dominated mineral bearing areas and the Scheduled Tribes themselves. Therefore, suitable modifications, in the light of points raised and suggestions given by me just now, should be made in the Bill before its approval by the Central Government, otherwise it’s implementation may face difficulties.

APPLICATION OF PESA TO MFPS:

28. Sir, non-implementation of provisions of PESA in regard to minor forest produce in the Scheduled Areas is being talked about as one of the causes of LW Extremism. In so far as Chhattisgarh is concerned, this issue is being raised not by the MFP collectors, or by the forest committees of the locals, or by the elected Panchayat or by the elected representatives from the tribal areas, but by outsiders.
29. Sir, this is an important matter and in this connection, it is necessary to first know about the present system in vogue in Chhattisgarh State. We are ensuring to the collectors Tendu Leaves, Saalseed, Harra, etc. the best possible value of the MFPs collected by them through a three-tier cooperative structure that handles collection, storage and marketing of MFPs. All matters pertaining to the MFP collection and disbursement of the basic price, bonus, etc. are undertaken by the elected cooperatives of the MFP collectors themselves, which is meeting the basic purpose of PESA. District level Unions and State level Federation attend to the storage and marketing

matters for ensuring the best market price to MFP collectors.

30. It is our considered view that if the present structure is dismantled without putting in place an implementable and better alternative scheme, collectors of MFPs will be encountered with immense difficulty in marketing of MFPs and they may have to suffer loss of income. We are of the view that various models for collection, storage and marketing of MFPs in vogue in different states should be studied and, thereafter, a model which ensures the maximum gain to the MFP collectors should be selected for implementation. This may be followed by such changes in the presently applicable laws, as are necessary to implement the selected model. The last but an extremely important point that I want to make in this regard is that any change in the present arrangements should be brought about only after the Central Government puts in place a suitable scheme of “Minimum Support Price” and procurement of MFPs by TRIFED or other agency/agencies.
31. In the end, I thank the Hon’ble Prime Minister and all the Hon’ble Members of the Council and Friends

present and hope that the Central Government and the Planning Commission would give favourable consideration to the issues raised by me. I am fully confident that the decisions that will be taken in the light of today's deliberations would lead to acceleration of the development process in the country and in the States.

Thank you,

Jai Hind
Jai Chhattisgarh