

**Hon'ble Prime Minister,
Dy. Chairman, Planning Commission
Union Ministers
Chief Ministers & Ministers from Other States and
Officers of Govt.of India and States**

I am happy to participate in the 55th meeting of the National Development Council convened today to deliberate on the Mid-Term Appraisal of Eleventh Five Year Plan as well as other issues of national importance.

2. Jharkhand State is at present under President's Rule. As we know, this is the second spell of President's Rule in the State within a short period of six months. On behalf of Mahamahim Rastrapatiji, I am making every possible effort to see that the governance is set right and the developmental goals set out in the Plan documents are achieved, both physically and financially.
3. I would like to thank the Hon'ble Prime Minister for the special priority accorded to and the special attention being given to the sector like agriculture, irrigation, urbanization, LWE, Tribal Development, power and environment, besides the Mid-Term Appraisal of the Eleventh Five Year Plan being taken in this conference.
4. Jharkhand has abundant natural resources, yet sizeable population of the State still lives below the poverty line. The problem of poverty, illiteracy, unemployment, insufficient health, shortage of safe drinking water etc. pose a great challenge to us. We welcome the initiative taken by the Central Government to solve these challenges.
5. The ST and SC population in the state is 26.3% and 11.8% respectively. Majority of the SC & ST population besides others, depends heavily on agriculture. However, only around 25% of the area is irrigated, which is the single largest impediment in making the State self sufficient in foodgrains. Food and Nutrition security is thus the greatest challenge facing us today. There is high incidence of illiteracy, especially among the females. The State is also below the national average in basic infrastructure, such as irrigation, electricity, road and rail transport, etc.

6. The Planning Commission has targeted a growth rate of 9.8% of GSDP during the Eleventh Five Year Plan period and a growth rate of 6.3% for the agriculture sector. The growth rate of GSDP in Jharkhand increased at an average rate of 6.9% during the 9th Five Year Plan and to 8.2% during the 10th Five Year Plan. In the first two years of the 11th Plan period, the growth rate has further come down to 5.9% only. The agriculture & allied sector, on which the majority of the rural population depends, has shown a meagre trend growth rate of 4% only. The contribution of the tertiary sector to GSDP has remained almost constant, but that of the secondary sector has increased from 27% to about 37% at the cost of the primary sector where the growth rate has declined from about 31% to 20%. Within the primary sector itself, the contribution of the agriculture and the animal husbandry has declined about 5%. These indicators naturally, call for evolving new and unique strategies for accelerated economic growth in Jharkhand.
7. In Jharkhand, majority of the people depend on agriculture and allied activities. The State is characterized as a low agricultural productivity area. Low agricultural productivity in the state is attributed to less cropped area, under assured irrigation, agriculture being mostly rainfed, monocropping, undulating topographical features, acidic soil etc.
8. The State could not achieve desired results in the agriculture sector last year due to fall in Kharif area coverage to the extent of 44% on account of low rainfall. This resulted in an estimated loss of around 16% in the targetted production. In turn, it may adversely affect the primary sector contribution to GSDP.
9. To accelerate the growth rate in agriculture, the State will have to bring more and more area under cultivation and change in the cropping pattern from mono to multiple. Out of the total geographical area of about 79 lakh hectares only 18 lakh ha. land is used for cultivation. Around 26 lakh ha. additional area can be brought under cultivation by adopting new strategies including soil treatment. We are doing our utmost to revamp this sector by

providing increased allocation to this sector and fully participating in all flagship programmes, like, RKVY, NHM etc.

10. The State is working on agriculture insurance scheme to provide security to the farmers. The total share of agriculture advances in Jharkhand is a low of 11.74% only as against the National Bench Mark of 18%. This must improve. The progress of the distribution of Kisan Credited Cards and availability of agriculture credit through the mechanism of SLBC are being monitored regularly, but we solicit increased cooperation of RBI, NABARD, Commercial Banks and R.R.Bs in this regard. The State has implemented the reforms suggested by the Vaidyanathan Committee in cooperative sector, but the legal hurdles are blocking the way. We hope to overcome that soon.
11. Irrigation plays an important role in the development of agriculture. The State gets about 1300 mm rainfall every year, but rainfall pattern is not uniform. The state lacks assured irrigation facility. In the beginning of the 10th Plan, only 8% of the net sown area enjoyed irrigation facility. This has, now, increased to about 24.95% which is still less than the national average of 70%. The State is therefore, participating with full vigour in the Integrated Watershed Development Programme and posing projects of minor/medium irrigation under AIBP in tribal regions. We hope to get adequate resources to carry on with these projects. .
12. Jharkhand Govt. has taken up Swarnrekha Multipurpose Project which aims to provide irrigation facilities in poverty stricken tribal areas of Jharkhand and neighbouring States of West Bengal and Orissa. The total cost of the project has gone up to about Rs. 5308 crores. The Govt. of Jharkhand has spent more than 2000 crores till date on completion of this project; but the annual fund flow to the project is very low. We urge the Planning Commission to take up the Swarnrekha Multipurpose Project as a project of National importance and provide full resources to fund it.
13. Jharkhand has around 30% of its land under forest cover as against the national average of 23%. There has been a marginal increase of 79 sq.kms. of forest cover during the last few years. Another about 30% revenue land

is recorded as “Jangal Jhari” which comes within the provisions of the Forest Conservation Act. Thus, not much land is left for industrial and other activities. The State is, therefore, experiencing great difficulties in earmarking land for compensatory afforestation for its various industrial/mining/irrigation projects etc. We would appreciate if the provisions applicable to Central-sector projects are also extended to State projects in view of the peculiar public /forest land distribution pattern of the State.

14. Jharkhand has one of the highest tribal populations (26%) in the country and has the protection of Fifth Schedule and Article 275(1) of the Constitution of India. Incidence of poverty amongst the tribals and forest dwellers is higher than the rest of the population in Jharkhand. Other human indicators, like, education/ health status etc need specific interventions. We have taken note of these features. As such, during the 11th Five Year Plan, the State has allocated about 45% of its resources in the “Tribal Sub-Plan Area”. Recently, I have reconstituted the Tribal Advisory Committee and appointed Dr. Ram Dayal Munda, M.P. as its working Chairman. The committee will be continuously monitoring the progress of the tribal projects. Issuance of revenue rights to forest dwellers under the Forest Dwellers Act is one of the standing agenda for review of the committee. We are fully committed to upliftment of our tribal population so that they are not left behind in the development race.
15. A good infrastructure of quality roads is essential for economic development and industrialization of the State. We have a road length of 42.63 kms. per one lakh population against the national average of 239.35 km. Our target is to convert all roads connecting the State capital with District headquarters to at least 2 lane during the 11th Plan period
16. The implementation of PMGSY roads in early phases was slow due to administrative reasons. Now the State govt. has strengthened the implementing agencies, resulting in improved expenditure on construction of these roads as also improved achievements in physical terms. The Ministry has opened the window for inclusion of revised core network for

Jharkhand. We expect that the left-out roads will soon be included under this programme. We suggest that to improve connectivity, PMGSY bridges, having span above 50 meters, should also be included in the scheme. The Jharkhand topography is such that unless a dispensation of this type is allowed, the rural roads will not serve their full purpose.

17. The State Govt. agreed to take up 8 Railway projects, with a contribution of 67% of the total estimated cost, to widen railway network in the State. There is diversion of huge amount of State resources to fund these projects. Our request would be that the Railway Board should reduce the sharing pattern to 50:50 which will then, be in conformity with the all-India pattern and will release resources to be utilized in other vital sectors.
18. Power has an important role to play in the economic development of the State. The State Govt. has signed a number of MoUs with private companies for power generation. Efforts are being made for introducing power sector restructuring and reforms. In view of the available resources of Uranium in Jharkhand, we request for setting up a Nuclear Power Plant in the State.
19. RGGVY is not serving its desired goal of upliftment of rural economy. Under the scheme only low power transformers (10/16/25KVA) are provided and three phase lines are not permitted to be laid. No rural industries/irrigation systems work can work on the single phase lines and low capacity distribution transformers. RGGVY scheme design, hence, requires a re-look.
20. At present, there is no central sector scheme for power transmission. We are experiencing great difficulties in inter/intra state power transmission in the absence of adequate transmission network. We suggest that a 'Central Sector Scheme' should be provided in the 11th Plan for improvement/strengthening of power transmission system also.

Jharkhand seeks Hon'ble Prime Minister's indulgence for one time grant of Rs. 1000 crores for improving its transmission network as we are not able to allocate adequate resources to under take this work.

21. In case of Hydel Power Projects, 12% free power is provided to the host state. We urge that this this provision should also be made applicable to such States where pit head Thermal Power Projects are set up. To some extent, this will offset the ill effects of environmental degradation and displacement of the affected people.
22. 11 Districts of Jharkhand have been identified as LWE Districts by the Government of India. 3 more Districts namely Ranchi, Khunti and Giridih should also be added to this list which are equally critically affected by Naxalism.
23. Integrated Action Plans have been prepared and submitted for each one of the 11 LWE Districts in consultation with the Planning Commission for sectors, like, rural connectivity, health, education, skill development and enhancement of livelihood. We hope the same are sanctioned for implementation at the earliest.
24. The State is committed to utilize rich wealth of its mineral resources to bring prosperity to its residents. It is, therefore, necessary that the National Mineral Policy (NMP) should give priority in grant of mineral concessions to value adders in the State. The policy should also aim at gradual reduction in export of iron ore and allocation of mines for captive use.
25. The Coal India and its subsidiaries mine over 100 million tons of coal each year from the collieries located in Jharkhand. We request that preference should be given for coal linkages from the mines in the State to industries being set up in Jharkhand.
26. I am thankful to GOI for raising the rate of royalty on Coal. I would, however, like to add that the increase in the rate of royalty on Coal is not sufficient. The State is loosing approx. Rs. 200 crores per year as revenue on Coal because rates of royalty have not been completely fixed on ad-valorem basis. We request that the royalty regime be shifted to ad-valorem basis in toto.
27. Coal mines, coal washeries, coke oven plants, coke briquette plants, soft coke plants, Sponge iron plants and thermal power plants are mostly located in Damodar basin. This results in disturbance in landscapes and ground water aquifers, reduction in forest cover, live soil cover, the

content of water of ponds and lakes, ecological flow of rivers and streams, lowering of ground water tables, deterioration in the quality of surface water and ambient air, accumulation of over burden, etc . This puts an extra responsibility on coal and power companies, as also on Central and State Governments, to create a fund like Campa Fund for rehabilitating the degraded environment and improving the life in the affected river basins.

In the end, I once again thank the Hon'ble Prime Minister and the Planning Commission for convening this meeting. I wish that deliberation of this Conference will go a long way in formulating the right strategies which will do good to Jharkhand as also the entire nation.

Jai Hind