

Speech of Shri Narayan Datt Tiwari, Chief Minister, Uttarakhand

50th National Development Council Meeting on 21st December 2002 at New Delhi

Hon'ble Prime Minister, Deputy Chairman Planning Commission, Ministers of the Union Cabinet, Fellow Chief Ministers and distinguished participants.

Uttarakhand came into existence as the 27th State of the Indian Union on 9th November, 2000. Aspirations for accelerated development underlay the movement for the creation of the new state. It was also the dream of the people to establish Uttarakhand as a model state in terms of development as well as governance.

The first duly elected Legislative Assembly and the Government took office in March, 2002, and it is my privilege to address the august gathering as the first elected Chief Minister of the state.

At the outset, I would like to express my gratitude to the NDC for having accorded a Special Category Status to newly formed Himalayan state. I consider it my duty to put it very humbly but with all the firmness at my command, to you and this august council that we shall to the best of our abilities, discharge our duties as entrusted to us by this decision. We hope to have similar cooperation and guidance from this council in future also.

The main agenda item in this meeting is to approve the draft of the 10th five year plan. We are grateful that Planning Commission has accepted Uttarakhand's 10th Five Year Plan of Rs. 9000 Crore. alongwith an Annual Plan of Rs. 1533 .13 Crore for the first year, 2002-03.

We have been insisting that since the State of Uttarakhand was not in existence when the 11th Finance Commission made its recommendations, we have been deprived of the revenue deficit grants and other assistance that should otherwise have legitimately been available to us with the creation of the State. Due to the prevailing circumstance at the time of creation we inherited a revenue deficit. States with similar conditions as Uttarakhand have received the benefit of this grant, which in the context of Uttarakhand would have worked out to around Rs.900 to 1000 Crores annually. This would have enabled us to develop an Annual Plan of appropriate size. We have been consistently raising the issue with the Central Government. If this is effectively addressed, we would not need to raise the issue of Additional Central Assistance every year, and there will also be stability in our planning process. I would like to emphasise, that were we not to lay a strong foundation for the development of the new State in its first five year plan, the very

purpose of creation of a new and separate State would become suspect and objectives endangered. The creation, establishment and strengthening of infrastructure and a new set up of governance, in the initial years is the most important sine qua non, for attaining objectives of all round integrated development.

The Approach Paper to the 10th Five Year Plan has laid considerable stress on integrated and equitable development and removal of inter-regional disparities. We do not want to have comparisons with other States. The targeted growth rate of Uttaranchal at 6.8% is less than the national target of 8%. Even though it is less than the national average, if Uttaranchal is to achieve the targetted growth rate of even 6.8%, the state would need to ensure sizeable investment in developing basic infrastructure. Considering the economic and topographical conditions of our State, there is a very limited possibility of private investments in this sphere. The pilgrimages to the Char Dhams, eternal to our history, the congregations of Kumbh and Ardha Kumbh at Haridwar and development and maintenance of holy places as Hemkunt Sahib, Nanak Matta Sahib and Kaliyar Sharif, require highest levels of commitment from the State Government. It also significantly increases the need for Central Assistance.

While formulating our Plans, we have kept in mind the concept of "Core Plan" as envisaged in the Approach Paper. We have identified Tourism, Power, Agriculture & Horticulture, and IT & Bio Technology as key GDP drivers for the State. It has also been decided to lay special emphasis on development of infrastructure facilities like: Power, Roads and Drinking Water which would impact growth, cutting across sectors

Although, our state may be relatively smaller in terms of area and population, we are better than the national average in terms of human development indicators like: literacy, sex ratio, birth rate and death rate. However, given the difficult terrain, geological sensitivity and ecological fragility, the state is confronted with myriad problems which require to be tackled with much more care and caution. We, alongwith other states in the Himalayan region, have greater responsibility to ensure preservation and protection of environment as the entire country is affected by changes in the Himalayan environment. This responsibility also limits our choices in undertaking developmental activities. Given the fact that these Himalayan States are located on the international border-a comprehensive approach needs to be adopted to ensure speedy development of this region. Hon'ble Prime Minister has already announced the formation of a Special Development Authority for states in the Himalayan region, in the "Year of the Mountains". This announcement needs to be given a concrete shape, quickly.

It has been indicated in the draft Tenth Plan that even though there is a possibility of decrease in the population growth rate, the rate of growth in work force from 15-60 years would increase. Hidden unemployment or under-employment is as much a concern as unemployment. In the later part of the last decade, there has been an increase in unemployment particularly among the rural youth. Traditional avenues of employment are unlikely to meet the growing demand in this area. Therefore, in the changing scenario, we need to identify new sources of generating employment. We have identified Tourism, IT and diversified Agriculture and Horticulture as areas of special focus to maximize employment opportunity. We cannot depend on only Government investment to increase our growth rate and generate employment. We seek to encourage private investment, public participation and institutional financing in these sectors to fuel the engine of growth.

To increase opportunities of employment in IT and IT enabled Services based industries, the government is working in a mission mode to encourage computer education in educational institutions. We are establishing computer labs in all Inter Colleges to ensure computer literacy. For training of teachers and students we have launched an ambitious project- "AAROH". To further this, we are endeavoring, like some other states to engage world class institutions. We appreciate the help of the Central Government. We believe that the initiatives taken in the field of human resource development would go a long way in improving the employability potential of the youth and simultaneously attracting IT based industries. We also plan to use IT to improve the response time of administration as also to reduce the distance between the government and its citizens.

In Uttaranchal, we have a huge hydro electric potential which remains to be systematically tapped. In this context, we have commenced work on our scheme i.e. Maneri Bhalu (Phase II), which is one of the several languishing schemes. We are also making an effort to begin work on other such projects which have been stalled for years. We have extended full co-operation to THDC for the early completion of the Tehri Dam Project. To attract private investment in the hydro power sector, we have announced a Policy for setting up Hydel projects of capacity up to 100 MW. We have also set a target of starting work on creating an additional capacity of 3000 MW during the 10th Five Year Plan period.

Adequate emphasis has been given in our plan to create Roads and Bridges infrastructure. We also seek to significantly increase the coverage of health facilities. Special attention has been accorded to designing schemes which make agriculture, horticulture, dairy development, and tea cultivation more profitable and return oriented for

the farmers. Given the typical geographical terrain of the state, diversified agriculture and commercial horticulture have received special focus. We have already drawn up and started implementing ambitious schemes in this regard. We have also proceeded to take steps to handover loss making government farms and gardens for management by private sector.

To increase the public participation in development of rural areas, we are making special efforts to form self help groups. This would help in a generating self employment. In this process of SHG formation the role of participation of women is being specially emphasized.

In view of the industrial backwardness of the state we have set up a Multipurpose Industrial Development Corporation to promote setting up of industries in the state. To run this Corporation on commercial lines we have sought participation from national level financial institutions like SIDBI, LIC and ICICI. For various reasons, the State is suffering from extreme industrial backwardness. I am particularly grateful to the Hon'able Prime Minister for his announcements in this regard during his visit to Himanchal and Uttaranchal. It is my request that the special incentive scheme be finalized and implemented on a priority basis.

The state has set up a statutory Tourism Development Board with a view to integrated development of Tourism in the state. New and ambitious Master Plans for developing tourist destinations are being developed in order to maximize private sector investment in creation of tourism infrastructure. Here, I would like to place on record my sincere gratitude to the Ministry of Tourism who have constantly encouraged the state government in this endeavour. However, it may be noted that the influx of lacs of pilgrims in Uttaranchal requires a lot of investment in urban infrastructure and amenities. This is a costly proposition for the government whereas the possibility of returns on this investment is fairly limited.

In this context I would like to specially mention the fact that Ardh Kumbh is due in Haridwar in 2004. The State Government has already started preparation for this event. However, we would need additional resources to organize an event of such a magnitude. We have already requested to the Hon'ble Prime Minister and Hon'ble Dy. Chairman of the Planning Commission for additional resources. I would like to submit that this is a national event and therefore additional resources should be made available to the State Government on a priority basis as they have been given to other States.

Given the developmental needs of the state and the constraint of resources, we are

also preparing projects for external funding so as to ensure that development is not adversely affected due to paucity of funds. The efforts of the State Government in ensuring timely and effective utilization of funds under the externally aided projects have been appreciated.

While we are conscious of our problems and limitations, we are committed to achieve the targeted growth rates during the 10th five Year Plan. In the last two years since the formation of the state, we have achieved significant progress in increasing our tax and non tax revenue. The State needs extensive investments in establishing basic infrastructure and we expect your full cooperation in this regard.

We have major challenges and state government is committed to successfully overcoming these challenges. However, your valuable support is essential to supplement the efforts of the state government. On behalf of the people of my state and on my personal behalf, I express my deep gratitude to all of you. I sincerely hope that the newly created state would continue to receive your understanding and your support and co-operation. We hope that our new, small state, full of possibilities and opportunities, but also beset with problems, can contribute significantly to the development of our great country.