



**ADDRESS**

**OF**

**Dr. D. D. LAPANG**

**CHIEF MINISTER, MEGHALAYA**

At the

**MEETING**

Of the

**NATIONAL DEVELOPMENT COUNCIL**

**At**

New Delhi

27<sup>th</sup> June, 2005.

***Esteemed Prime Minister, Distinguished Members of the National Development Council and Friends,***

At the outset, I express my gratitude to the Prime Minister for convening this meeting of the National Development Council to discuss and finalise the Mid-Term Appraisal of the Tenth Five Year Plan. I am very happy to get this opportunity to attend and participate in this important meeting and at the same time to congratulate and express my appreciation to the Planning Commission for having prepared the Mid-Term Appraisal document for the Tenth Plan and placing the same before the N.D.C. for discussions.

2. The Mid-Term Appraisal of the Tenth Plan indicates that the aggregate growth rate in the three years of the Tenth Plan averages at about 6.5 per cent which is well below the target of 8.1 per cent. The poor performance of the economy during the last three years is mainly attributed to the slow growth in agriculture sector and the lacklustre performance of the industrial sector. However, the trend in both these sectors has turned around and are showing signs of improvement which makes us hope for a much better performance during the last two years of the Tenth Plan. We have to take positive steps both at the National and State levels to remove the deficiencies, improve our resource base, gear up our system and to step up our investments so that we can achieve the growth rate of at least 7 per cent during the Tenth Plan which is not impossible when all of us join together with one mind and with strong determination.

3. The State of Meghalaya being a hilly State relies only on road transport. The regular increase in oil prices over the last few years has directly resulted in increase in prices, especially of essential goods, which has adversely affected the people of the State.

4. The Mid-Term Appraisal of the Tenth Plan document as prepared by the Planning Commission has highlighted regional imbalance in development as an area of concern since it is believed that regional imbalance has actually accentuated over the last 15 years. It is an undisputed fact that the gap between the larger and more developed States in the country and the small North Eastern States is getting wider and wider by the day. However, the Government of India is now tackling this problem of regional imbalance at the district and regional levels. I hope that the implementation of the one hundred backward districts under the Rashtriya Sam

Vikas Yojana (RSVY) and the establishment of the Backward Regions Grant Fund (BRGF) will help to overcome infrastructural deficiencies of the backward districts and regions.

5. From the time of its creation in 1972 till date, the State of Meghalaya has been endeavoring to move forward in the matter of socio-economic development and we are very grateful to the Government of India for extending generous and continuing support and assistance to the State through different agencies like the Planning Commission, the Union Ministry of DONER, the other Central Ministries and the North Eastern Council. However, in spite of all attempts, the State is lagging behind, when judged by the parameters of the Human Development Index and other socio-economic indicators. As such the State has to take appropriate steps to improve its position in all sectors and I request the Government of India to continue guiding and helping us in all our efforts to bring in faster socio-economic development in our State. We need to provide more substantial investment in power, roads, industries, education and health sectors and I request the Planning Commission and the Ministry of DONER to extend all possible assistance in this regard.

6. In Meghalaya, one of the major bottlenecks of implementation of development programmes is the existence of small villages which are scattered through out the State. Out of the total of 5782 villages in Meghalaya, 2762 village comprising of 48 per cent of the total villages, have a population of 200 or less. As such, the cost of providing infrastructure to these small and scattered villages is very high as compared to other States in the country.

7. The agreed Tenth Five Year Plan outlay of Meghalaya is Rs. 3009.00 crores. The anticipated Plan investment during the first three years of the Tenth Plan is of the tune of Rs. 1500.00 Crores which accounts for 49.85 per cent of the agreed Tenth Plan outlay. The State would, therefore, require to make an investment of Rs. 1509.00 Crores during the last two years of the Tenth Plan to be able to achieve the agreed Tenth Plan outlay of Rs. 3009.00 Crores. This is achievable if adequate resources are available to support the Annual Plans of 2005-06 and 2006-07. To be able to achieve this objective, the State Government would have to rely mainly on Central support including timely release of the different types of Central Assistance due to the State during 2005-06 and 2006-07.

8. The bulk of the population in the State is dependent on agriculture. Food grain production increased from 1.86 lakh metric tonnes at the commencement of the 9th Plan to 2.25 lakh metric tonnes by the end of the second year of the 10th Plan registering a growth of 20 %. Being a hilly State, there is little scope of increasing the cropped area due to limiting geographical terrain. Horticulture holds much promise because the State has a favourable agro-climatic condition for the growth of horticultural crops which also brings a higher price in the market for the farmers. Over the years, the State Government has recognised the problems associated with the agriculture sector which, among others, includes rejuvenating the support systems in extension, credit and the delivery system of inputs, management of irrigation projects, marketing, etc. Though some measures were taken by the State Government to assist the farmers in this regard, yet much remains to be done.

9. Poverty Alleviation Programmes are being implemented by the States mostly in the form of Centrally Sponsored Schemes for which policies and guidelines have been prepared by the Central Government. Available statistical data indicates that these poverty alleviation programmes are yet to make any perceptible dent in the alleviation of rural and urban poverty. I urge that national policies and guidelines framed by the Central Government need to be made more harmonious with regional ground realities. As such, I would request the Central Government through this Council to ensure, that, while funds for poverty alleviation programme should continue to be earmarked, the detailed programmes and schemes may be left to the wisdom of the concerned State Governments subject to general parameters which may be specified, from time to time, by the Planning Commission and the Government of India. The policies and guidelines for poverty alleviation may be made more flexible, if we are to succeed in our goal of improving the financial condition of the large segment of the population who are still below the poverty line in the shortest possible time.

10. The Sarva Shiksha Abhiyan (SSA) has made an impact in Meghalaya. However, as rightly indicated in the Mid-Term Appraisal document, certain aspects of the SSA need further improvement. The quality of education can be further enhanced by improvement in teaching practices, making available teaching-learning materials, imparting of pre-service and most importantly in-service training of teachers in view of the fact that Meghalaya has a huge backlog of untrained teachers. Moreover, the support available under SSA for teachers' salary at the

primary and upper primary levels is limited to Rs. 1500 per teacher, per month which is inadequate to meet present day living costs of teachers. We would urge the Government of India to consider modifying the funding pattern of the SSA programme in the North Eastern States to 90 percent Central Share and 10 percent State Share as against the existing pattern of 75 percent Central Share and 25 percent State Share, in order to ensure that resource constraints do not come in the way of implementation of this very important programme. The success of the SSA will bring in an increase in demand for secondary education and as such, the introduction of a new mission for secondary education in the lines of the SSA will be indispensable in the near future.

11. In the total absence of railways and inland waterways, roads have to play a critical and pivotal role for transport of goods and services in my State. Although the road density has increased from around 12 Km. per 100 Sq. Km. during 1971 to around 34.29 Km. per 100 Sq. Km. during 2004, it is still far below the national level. Village connectivity under PMGSY receives special attention of the State Government. Up to date, the percentage of habitations connected with all weather roads in Meghalaya is 48 percent. The remaining 52 percent of the habitations are mostly small and isolated with an average population of less than 200. Much remains to be done to bring up the State not only to the national level, but more importantly, to the level that agricultural and industrial development can be sustained and the necessary boost can be given to the rural economy. In this connection, I may mention that the increase in road density has already led to a remarkable growth in the tertiary sector in the State's economy which now contributes to about 55 percent of the State NSDP, and many of our young people find employment in this sector. The suggestion of the Planning Commission to introduce a Special Accelerated Road Development Programme for the North Eastern Region (NHDP-NE) aimed at improving the connectivity in the north eastern States by developing a total of 7639 Km of roads, of which 3251 Km of National Highways connecting State Capitals in the North East will be widened and 4388 Km. of other State roads improved may, perhaps, be accommodated under the Central Sector as North Eastern Highways.

12. Meghalaya has a potential of about 3,200 MW of hydro electric power. The hilly terrain and the heavy rainfall have made Meghalaya a State ideal for harnessing hydro electric power. However, the tapped power potential in the State, till date, is 185.2 MW only. At present, the State is facing an average shortage of 150 MW of

power. This shortage is likely to increase to around 500 MW by 2009-10 due to rapid increase of industrial activity. In order to compensate for the power shortage in the State, the Me.S.E.B. is implementing the 2 x42 MW Myntdu Leshka Hydel Project which is expected to be completed and commissioned within December, 2007. Besides the Myntdu Leshka Hydel Project, the Me.S.E.B. is also examining the feasibility of taking more hydel power projects in Meghalaya including the 2 x 20 MW New Umtru Project which is being taken up for implementation during the current year. The State Government has also taken up some power reform measures and the Accelerated Power Development Reforms Programme (APDRP) is also under implementation in the State. The new Electricity Act and Power Reform measures stipulate that 30 percent of all new projects are to be provided by the State Government as equity- participation and this proviso has put the resource starved North Eastern States in a difficult situation. Since the North Eastern States have large power generation capacity which as yet remains untapped, the Central Government is urged to modify the Act so as to make it limited to 10 percent equity and 90 per cent institutional finance which would be in the same proportion as Central Plan Assistance.

13. Rural Electrification Programme in Meghalaya is being implemented as a priority programme. As on September, 2004, 3296 villages or 57 percent of the State's 5782 villages have been electrified. The majority of the remaining 2486 unelectrified villages, which accounts for 43 percent of the total villages, have less than 50 households. Within this category, more than half of the villages are villages comprising 10-20 households only, as per the 2001 census. The average cost of rural electrification of the unelectrified villages is Rs. 12.00 lakhs per village. The returns from electricity bills from such small villages are not sufficient even to meet collection costs. Recently, the State Government had received a communication from the Planning Commission indicating that the Rural Electrification Programme has been merged with a new programme, viz., 'Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)' which offers a 90 percent subsidy for non-BPL beneficiaries and up to 100 per cent for BPL beneficiaries. I wish to convey my gratitude to the Government of India for this innovative programme and I do hope that sufficient funds will be provided to my State.

14. Rural health infrastructure in terms of Sub-Centres, Primary Health Centres and Community Health Centres have been established in different places in

conformity with norms applicable to hilly areas and are operative and functional. There are 403 sub-centres, 94 public health centres and 22 community health centres in the State. However, as in most States in the country, Meghalaya is also beset with problems in the health care sector which has been highlighted in the Mid-Term Appraisal document of the Planning Commission, that is, that primary health care in the country is of poor quality, unavailable and inaccessible. The document further adds that the Government has been unable to generate public confidence in the public-primary health care system. The Mid-Term Appraisal has set forth several recommendations, some of which are (i) implementation of a National Rural Health Mission; (ii) Implementation of a National Mission on Sanitation and Public Health; (iii) Providing access to maternity health insurance and community risk pooling; (iv) Institutionalisation of public private partnership in health care. I hope that the implementation of the above recommendations will be a step in the right direction.

15. With regard to the financing of the Plan of the States, the Mid-Term Appraisal document indicates that the Twelfth Finance Commission had recommended substitution of Central loan financing by direct access of States to market borrowing. I feel that the access of small States like Meghalaya to direct market borrowing may be weak and also that it opens the possibility of leading the State into a debt trap. As such, I urge for return of status-quo in the matter of all SLR related market borrowings arranged through the Reserve Bank of India, as before.

16. We appreciate the Government of India for having created the Non-Lapsable Central Pool of Resources (NLCPR) and also the Ministry for Development of the North Eastern Region (DONER). However, I feel that the present system of administration of NLCPR funds has certain lacunae since it is highly centralised. I would suggest that every year, each State of the N.E. Region including Sikkim should be given an approved outlay from the NLCPR in the line of the approved Annual Plan outlays as approved by the Planning Commission. The States may then prepare the schemes and programmes within the outlay and the Ministry of DONER may give its approval after holding discussions at two levels. The first level of discussions would be between the Officials of the Ministry of DONER and the Officials of the State Government in which representatives of concerned Central Ministries may also be invited. The other level of discussions may be at the level of the Union Minister of DONER and the Chief Minister of the States which will discuss the recommendations of the official level meetings. Further, the Ministry of DONER

may also decentralise the sanctioning powers in respect of NLCPR projects in the same manner as is done by the Planning Commission in respect of the State Plan schemes.

17. I would also like to draw the attention of the Government of India to the need for improving the efficiency of the Border Security Force in checking of infiltration and smuggling. One major handicap under which the B.S.F. is functioning is the poor communication network along the International Border. I urge upon the Government of India to take up the construction of a road along the entire stretch of the Indo-Bangladesh border under a Centrally funded programme. This will go a long way towards improving the efficiency and efficacy of the B.S.F. and the State Police.

18. Meghalaya's export of limestone and coal to Bangladesh has substantial foreign exchange earning, with the total quantity of coal and limestone annually exported to Bangladesh being more than 6 million tonnes and 2 million tonnes respectively. The fiscal value of the trade in coal and limestone last year were of the order of Rs. 117.70 Crores and Rs. 6.25 Crores respectively, earning foreign exchange to the tune of 27 million U.S. dollars. Aberrations in the functioning of the Border Security Force and the Land Custom Stations has led to frequent disruption in the export. This matter was brought to the notice of the Union Ministry of External Affairs and the Union Ministry of Finance earlier. The State Government urges the Central Government to intervene in the matter so as to ensure rationalisation of the functioning of the Border Security Force and the Land Custom Stations. In this connection, clear cut instructions need to be issued to the above mentioned Central organisations for meticulous adherence so that the export of coal and limestone are not disrupted in future.

19. As per directions of the Hon'ble Supreme Court, the recommendations of the Shetty Commission on pay-scales of judicial officers are to be implemented by all State Governments. In compliance with the Apex Court orders, our State has decided to implement the recommendation of the said Commission in respect of the pay-scales of the Judicial services, which are much higher than the pay-scales of other Government servants. The consequent financial burden on the Central/ State Governments would be colossal and unbearable. The proposed pay scales would also result in a substantial gap between the pay of Judicial Officers and the pay of other State Government personnel of the State Government having similar



qualifications and responsibilities. Such an aberration may be rationalised by the Central/ State Pay Commissions but it will have consequential unsustainable financial burden on the exchequer. I understand that this matter had been discussed at the level of Finance Ministers of the country, over two years ago but the matter still remains unresolved and the State Governments have had to implement these recommendations. I urge upon this Central Government to take note of this and to arrive at a strategy to resolve the matter.

In conclusion, I wish the deliberations of this Council every success.

**THANK YOU JAI HIND**