

DISCUSSION OF ANNUAL PLAN (2008-09)

MEETING BETWEEN THE DEPUTY CHAIRMAN, PLANNING COMMISSION AND THE CHIEF MINISTER, ARUNACHAL PRADESH 26TH FEBRUARY 2008

Remarks of the Hon'ble Chief Minister, Arunachal Pradesh

*Hon'ble Deputy Chairman, Planning Commission of India,
Distinguished Members of the Planning Commission,
Secretary, Senior Advisors and other Senior Officers of Planning
Commission, Ministry of Finance, DoNER, Other Ministries,
My colleagues and officials of Government of Arunachal Pradesh,*

At the outset I, on behalf of the people of Arunachal Pradesh would like to express our thanks and gratitude to Hon'ble Prime Minister for announcing a mega-developmental package for Arunachal Pradesh during his maiden visit last month. We are extremely thankful to the Hon'ble Deputy Chairman of the Planning Commission, who also accompanied the Hon'ble Prime Minister to Arunachal Pradesh. Sir, we are grateful to you for contributing towards the development of this package. In fact, it was only because of your tremendous support the package could be materialized.

2. I am also thankful to Shri B K Chaturvediji, Hon'ble Member, Dr (Ms) Syeda Hameedji, Hon'ble Member, Ms Jayati Chandra, Sr Advisor and other officials of the Planning Commission for visiting our state this year and appreciating the ground realities. These visits of senior functionaries to the State give us an opportunity to scrutinize our processes and bring the suitable reforms.

3. During his visit to Itanagar, Hon'ble Prime Minister shared his dream by saying that '**Arunachal Pradesh will rise from the east as a new star and become one of the best regions of our country.**' It is my duty to assure you that we will not keep any stone unturned to ensure that Hon'ble Prime Minister's dream is converted into reality. I assure you that every single penny of the funds granted to my state will be accounted for and will be used in a productive manner.

The Hon'ble Prime Minister's initiatives such as Trans-Arunachal Highway, Connecting Itanagar by rail-air-road, Operationalisation of defunct airports, Border Village Illumination programme, Border village Connectivity, Hydro-power development, Completion of incomplete projects etc have the potential of changing the complete socio-economic profile of the state.

4. As a prelude to the main agenda of today's meeting, it would be appropriate to brief this august house about various reforms which we are bringing in our system.

4.1 The state has taken various measures to curtail non-plan and unproductive expenditure and to increase State's own tax and non tax revenues. The State's own tax revenue which was around Rs 37 Cr in 2002-03 has now jumped to above Rs 80 Cr this year. State's own non-tax revenue has also seen a steady growth from Rs 76 Cr in 2002-03 to Rs 170 Cr this year. Because of various initiatives in development of Hydro-power, mines and minerals etc our non-tax revenue is also increasing significantly.

4.2 The State Government has enacted the 'Fiscal Responsibility and Budget Management (FRBM) Act 2006' and in accordance the 'Arunachal Pradesh Fiscal Responsibility and Budget Management Rules 2007' have been framed to ensure prudence in fiscal management.

4.3. Mobilization of States' own resources is pre-requisite for financing the annual plan. The Finance Department is in constant touch with revenue generating departments and monitoring meticulously for greater revenue generation.

4.4. The results of these financial reforms are encouraging. The state has opened the current financial year with a positive balance of Rs 18.28 Cr against the negative balance of Rs. 56.92 Cr for the last financial year and Rs 303.54 Cr in 2005-06.

4.5. The gross fiscal deficit which was at 13.85 % of GSDP in 2004-05 has been reduced to 3.57% in 2007-08.

4.6. The State Government has initiated the process for transferring the plan posts to the non-plan. This exercise was not done since 7th plan resulting in major chink of plan funds getting consumed in direction and administration.

4.7. Serious restrictions have been put for the non-developmental expenditure including the post creations.

4.8. The Plan schemes are now being executed in Project Mode with the introduction of the concept of non-divertible earmarked allocation. We have also formed a very high level committee under the chairmanship of the Chief Secretary to scrutinize the project proposals.

4.9. The State PWD has reduced its man-power by 7000 through VRS. It will lead to saving of Rs 30 Cr per year. Other departments with surplus man-power are also working out the modalities.

4.10. I have instructed all the departments to launch their web-sites giving all vital information to ensure greater transparency.

4.11. We have already started the process of Registration of Contractors under PWD.

4.12. State is formulating 'Road Development Policy' and 'State Road Act'.

4.13. We have already started our march for realization of 55000 MW hydro-potential with enactment of the Hydro-power Policy 2007. Regarding Hydro-Power development, Hon'ble Prime Minister in his speech at Itanagar has said '*If we build similar projects across the State, then the state can generate annual revenues of Rs 3000 crores to 4000 crores. This single step alone can change the fortune of the state.*'

4.14. In order to attract more private investments, we are planning to bring the 'New Industrial Policy.' We have also developed our Tourism Policy.

4.15. On the Urban Development, we have enacted the 'Arunachal Pradesh Urban and Country Planning Bill and Arunachal Pradesh Municipality Bill 2007.

4.16. Many such reforms in various sectors such as Education ,Health, PDS etc has either initiated or in the pipe-line to ensure that the benefits of the development reaches to the target group.

Proposed outlay of Annual Plan 2008-09

5. My Government is aware of the growing importance given by the planners to the development of the border areas. In fact the recent initiatives by the Government of India for the development of border areas along-with the Prime Minister's package will go a long way in changing the socio-economic profile of the border areas.

6. I am reminded of Hon'ble Prime Minister's statement during the Combined Commander's Conference in October 2006. Quote '*A critical aspect of our policy must be the **rapid development of infrastructure in our border areas**. This is now recognized to have major implications not only for our internal security but also as a force multiplier when it comes to our external security.*'

7. Hon'ble Prime Minister had said during the Independence Day speech on 15th August 2005 that '*we will ensure that these (border) regions are provided basic infrastructure such as roads, electricity and telephone connectivity in the next 3-4 years*'.

8. In his speech at Itanagar, Hon'ble Prime Minister chalked out the **strategy for the development** for my state when he said that

Quote 'Today we have a definite strategy for the development of Arunachal Pradesh. There are four main areas where we need to work if we have to ensure rapid development of the state

1. The state needs **good connectivity** with the rest of the country through roads, railways and air-ports.
2. There is a need for **good infrastructure** within the state-roads, power and drinking water.
3. The people of Arunachal Pradesh need much **better educational and health facilities.**
4. And most importantly, the state needs **all round economic development-** in tourism, in food processing, in large scale power projects.

It is on this broad strategy that we are going to take measures for the development of Arunachal Pradesh.' Unquote

9. Our approach to coming annual plans will be based on the broad four pronged strategy chalked out by Hon'ble Prime Minister and also on the on the recommendations of the two task forces set up by the Planning Commission. One is the 'Task Force on Connectivity and Promotion of Trade and Investment in North-East Region' and the other on the 'Border Area Development Programme'. The recommendations of the above two task forces, if implemented will completely improve the developmental profile of the North Eastern Region.

10. We have projected our Annual Plan size of Rs. 1980.00 Cr for the year 2008-09.

11. This includes NCA of Rs 761.18 Cr, ACA for EAP Rs 9.0 Cr and ACA/SPA of Rs 1064.58 Cr, Borrowings Rs 136.00 Cr and State's Own Resources are at Rs 9.24 Cr.

12. Out of 1064.58 Cr of ACA/SPA, Rs 174.04 Cr is earmarked allocation for AIBP/BADP/BRGF etc. while Rs 890.54 un-earmarked ACA/SPA we propose to use for infrastructure development in the priority areas.

13. Our Annual Plan 2008-09 shall emphasize economic growth, poverty eradication, job creation, elimination of disparities among the districts, and improvement in quality of life as important goals. These goals will be achieved only by investing in creating economic and social infrastructure.

14. Before, advocating for the quantum jump in the Central Assistance as compared to last year let me apprise you about History of development in my state.

14.1. Arunachal has one of the longest international borders of 1680 kms and where most of the border areas are still in the vicious circle of poverty, under-development, separation and isolation.

14.2. It is interesting to note that when the process of development in other states of our country started in 19th century, Arunachal Pradesh, the then NEFT (North East Frontier Tract), was being treated as Excluded or Un-administered area by the British Administrators. After independence the NEFT was converted into NEFA (North-East Frontier Agency) and till 1965 the Agency functioned under Ministry of External Affairs. The development is a recent phenomenon here which started only after the independence and subsequently gained some momentum after 1962.

14.3. Our State can not be compared with any other parts of the country. Prior to independence erstwhile NEFA (Now Arunachal Pradesh), was sipped in poverty and illiteracy. At the dawn of independence we had only two schools with fifty students and almost nil literacy, rudimentary health infrastructure, no electricity, no banks and mere 100 kms of dirt roads! Blessed with immense natural resources in the form of Hydro-power, horticulture, forest, mines and minerals we remained poor amidst plenty! Though, every day we receive the first sun rays in our country, we were the last to see the rays of development!

14.4. The planned economic development started with First Five Year Plan outlay of Rs 3.00 Cr only. During last 45 years, we have achieved a lot. Today we have 18000 kms of road, around three thousand schools with more than 3 lakhs students, around 500 health institutions and so on! Of course, on national standards, we are still very much backward. Our road density at 21.9 Km per 100 sq kms is the least in the country, our index of social and economic infrastructure at 69.71 (As per EFC, 2000) is also the least in the country. In one of the studies CMIE has also ranked Aruanchal as the lowest with the Infrastructure Index of only 0.44. Even today our 21 administrative centers and 2741 habitations (around 76%) of villages are not connected by road; more than 50% of villages do not have electricity and safe drinking water supply.

14.5. The degree of backwardness of a State can also be judged from the estimation of Human Development Index (HDI). The first ever National Human Development Report (NHDR), 2001 brought out by the Planning Commission estimated the value of Human Development Index (HDI) for Arunachal Pradesh at 0.242(1981) and 0.328(1991). Among the States, Arunachal Pradesh ranked at 28 and 27 respectively during the aforesaid period. Amongst the North Eastern states Arunachal Pradesh had the lowest HDI. However with the sustained efforts from both Central and State Government, **our HDI was 0.515** in 2001 and can be treated as average HDI. Of the three

indices which make HDI, the education index is 0.566, Health index 0.484 and the income index is 0.495.

14.6. Against this infrastructure gap, we have proposed for the quantum jump in allocation of ACA/SPA. Our experience with ACA/SPA is encouraging and this funding helps us in creating good infrastructure base. Since the grants under ACA/SPA are project specific, the utilization can be monitored closely. We propose to utilize the un-earmarked ACA/SPA of Rs 890.54 Cr on following activities

i) As on today we have 21 Administrative Centers not connected by road. The total cost for construction of roads to these centers will be Rs. 1091.39 Cr spread over the 11th FYP. Thus per year our requirement will be Rs. 218.28 Crores.

ii) Till today the state do not have its own 132 KV state Grid. Based on the Pasighat proclamation, the proposal for establishment of the grid has been proposed in three phases. The Phase I coincides with 11 FYP, for which Rs. 594.75 Cr will be required. Per year the funds required is Rs. 119.00 Cr only.

iii) There is an accute shortage of housing in the districts as well as in capital complex. We need to construct many housing complexes right from circle headquarters to state capital. For this approx 100 Cr will be required in two years. So it comes around Rs. 50 Cr a year.

iv) Though the NRHM and SSA takes care of infrastructure, but the schemes does not take the accommodation part. With SSA our teachers' intake has increased significantly. The State Government has also recently cleared the proposal of appointment of 1000 teachers exclusively for science and mathematics. But we seriously lack accommodation in remote villages affecting the performance of the teachers. Around Rs 133.40 Cr will be required for constructing 2668 teachers quarters in 656 villages over a period of two years @ Rs 66.70 Cr per year.

v) One time grant is required to upgrade the porter tracks and foot suspension bridges to the tune of Rs. 70 Cr. Our border areas are having approximately 8000 kms of porter track and hundreds of foot suspension bridges and their total span will be around 24000 mtrs. Most of these porter tracks and FSBs are used by the defence personnel for the patrolling. But as on today they are in a very bad shape and many times are not negotiable. There have been many incidences of causalities also. All these porter tracks and FSBs are strategically very important as most of these are located along the international borders. We need support from the Government of India for maintenance of these tracks.

vi) Under PMGSY, the bridges having span of more than 25 mtrs, the balance fund is required to be provided by the State Government. However, because of resource constraints we are not able to provide the same. For complete realization of PMGSY target, Rs 100 Cr will be required in this five year plan to support the bridges. This comes out to be around Rs. 20 Cr per year.

vii) Around 200 Cr will be required to provide with area specific local infrastructure development.

viii) Around 100 Cr are required over 11 FYP for infrastructure development for the higher education including the science education.

ix) We also plan to set up a good infrastructure for marketing of horticulture produce. Infrastructure in the form of cold storage, marketing sheds, go-downs etc is need of the hour to promote this up-coming sector.

x) There are many temporary bridges in the form of log bridges, belly bridges etc which are in the worst stage and needs to be replaced by permanent bridges.

xi) As on today, the entire State is having only two general hospitals. We propose to up-grade two more District Hospitals to General Hospital. One at Tezu in eastern sector and other at Bombdilla in western sector. For this total fund of Rs 50 Cr will be required @ Rs 25 Cr per year.

xii) In the health sector, we also have a plan to construct around 1000 institutional and residential buildings involving total cost of Rs. 70 Cr that is around Rs 35 Cr per year.

15. The followings are the sector-wise discussion areas to be addressed in this Annual Plan as well as 11th Five year plan.

15.1. AGRICULTURE SECTOR: Agriculture is beset with problems of a poor and deteriorating land resource base, small and fragmented land holdings of cultivatable land, lack of assured irrigation facilities, lack of appropriate technology and inadequate credit and marketing facilities. Low agricultural yields and traditional farming are mainly subsistence level. Despite such odds, the State has achieved a commendable success in the last successive plan periods. Land utilization statistics reveals that net area sown increased from 1.15 lakh hect in 1971 to 2.09 lakh hect. in 2006-07. Similarly, in the same period gross cropped area enhanced to 2.7 lakh hect from 1.3 lakh hect. This year we had a record in food grain

production of 2.40 lakh MT. But still it is only 68% of our total food requirement. Special emphasis is required to be given on scientific use of shifting cultivation, ensuring better land management, introducing improved cultivation in slope land through agro-forestry, horticulture and encouraging other household, income generating non-farm activities.

The country's envisaged growth rate of agriculture during 11th plan is 4 % annually, while, the target fixed for Arunachal Pradesh is 2.8%. Achieving this growth rate would definitely call for multi-pronged measures like introduction of location specific technology and adequate package of inputs mix; appropriate cropping pattern, effective extension services and availability of credit which can create a green revolution in agriculture in the State. Diversification of agriculture and intensive cultivation with double cropping will be of utmost importance with a view not only to attain self-sufficiency in food grains, but also to increase employment opportunity and income generation avenue. Therefore the need for facilities for post harvest management in the shape of cold-chain, storage space and transport subsidy to make agriculture produce of the State competitive in markets outside the States will have to be provided for.

The undulating topography of Arunachal Pradesh does not cater to large irrigable command area in a compact area. The irrigable command areas are limited only in small patches of about 15 to 10 hect in the river valleys and plateaus. Therefore, the existing eligibility criteria under AIBP for inclusion of minor irrigation schemes may be relaxed from 20 hect for individual schemes and 50 hect for cluster schemes to 5 hect and 20 hect respectively as a special case. With this, the valuable land resources of hilly states could be brought under irrigation. The geographically fragile situation also induces heavy soil erosion, landslide and bank erosion during monsoon. The existing irrigation structures are always prone to water related natural calamities and rendered defunct. Maintenance and repairs of such damaged infrastructure remain unattended due to resource constraint of the State. Therefore, resource support from the centre for reconstruction and rejuvenation of damaged irrigation projects are urgently required. For tapping the ground water potential, formulation of an appropriate Centrally Sponsored Scheme is imperative.

15.2. ROAD SECTOR: In the road sector, our long felt demand of Tran-Arunachal Highway has been addressed by the Hon'ble prime Minister. The MoSRTI is also actively considering our requests for the re-prioritization of the SARDP-NE roads. However, following issues need also to be addressed

- i) **Dholla- Sadiya Bridge** to be constructed to improve communication for four districts of Arunachal Pradesh.
- ii) Early Completion of **Bogi-beel Bridge over Brahmaputra** will have a major positive impact on the development of Arunachal Pradesh.

iii) The Report of the Task Force on Border Area Development Programme constituted by the Planning Commission (July, 2007) has recommended additional allocation of resources for development of mega structures like two Lane Border Highway along the Border, railways network, air links, power distribution, telecommunications and information technology. Recommendations of the Task Force need early implementation.

iv) Bridges having a span up to 25 mtrs can only be funded under the PMGSY. In case the span exceeds 25 mtrs the pro-rata costs beyond 25 mtrs are to be borne by the State Government. In such situation, even if a road is qualified as per guideline but not in a position to propose under PMGSY where the alignment encounter streams more than 25 mtrs design waterway for want of counterpart share to met out of state resources

v) Only 24% of villages satisfy the criteria of PMGSY and hence a special programme for the rural connectivity for the North-East is the need of the hour.

vi) In order to ensure that the local entrepreneurs and the agencies participate in the road construction work, a **concept of 'Machinery Bank'** can be established from where the heavy machineries can be taken on hire.

vii) Our border areas are having approximately 8000 kms of porter track and hundreds of foot suspension bridges and their total span will be around 24000 mtrs. Most of these porter tracks and FSBs are used by the defence personnel for the patrolling. But as on today they are in a very bad shape and many times are not negotiable. There have been many incidences of causalities also. All these porter tracks and FSBs are strategically very important as most of these are located along the international borders. We need support from the Government of India for maintenance of these tracks.

15.3 TELECOMMUNICATION SECTOR: The telecommunication links within the State are extremely tenuous. The situation is further compounded in the monsoon periods when such facilities are urgently required for rescue, relief and resettlement operations when the State confronts with floods and other natural disasters. Out of 259 administrative/block headquarters only 129 have telecommunication facility that too most of the time is rudimentary. Therefore, expeditious completion of on-going telecommunication works, provision of new modern and reliable techniques/equipments/tool etc. and enhancement of present capacities are need of the hour. Considering the long-gestation period and heavy recurring costs for the traditional land line telecommunication, we strongly recommend mobile services in the border areas.

15.4 RAILWAYS: By laying the foundation stone for Itanagar-Harmutty railway line, the Hon'ble Prime Minister has initiated the process of development of railway network in the state. As on today, there is no railway line in the state. Our proposals for up-gradation of Guwahati – Rangia- Murkongselek meter gauge railway line to broad gauge, laying of Lekhapani (Assam) -Kharsang extension line, Rupai to parshuramkund need to be expedited. A rail track to all the foothills in the first phase would immensely boost the socio-economic development of the State. With the maga-hydro projects coming up, the need of the railway network has been felt very seriously. Proper transportation facilities through railways will facilitate exploration and exploitation of huge deposit of minerals and marketing of horticulture and agriculture produce outside the State. Further, completion of road-cum-rail bridge at Bogibeel will boost the economy of north bank of Assam and Arunachal Pradesh. This bridge will link eastern part of Arunachal Pradesh with rest of the State ensuring faster access. Here, I must tell the planners that the routine formulae of cost-benefit analysis will never work in this part of the country. But we must also realise that if the train can reach up to Lhasa, then our people can easily ask why not to Tawang or Mechuka or Kibithu?

15.5 AIR-PORTS: Hon'ble Prime Minister has announced establishment of air-port at Itanagar and also operationalisation of Pasighat, Aalo, Daporijo, Ziro and Tezu air-strips. I urge upon the Govt. of India to consider our proposal of construction of Greenfield Airports at Tawang also. There are 13 ALGs, constructed during second world-war which are strategically very important and hence the Govt of India should provide special funds for their maintenance. Many of these ALGs are deteriorating due to want of maintenance. If we loose these ALGs, it will be a great national loss. Further, since the State is strategically located, the defence personnel mostly use the ALGs and, therefore, upkeep and maintenance of existing ALGs and landing strips assume importance, besides maintaining air connectivity to many administrative centres located in the remote and inaccessible areas of the State. We also have around 130 Helipads and majority of them require repair and maintenance

15.6 HYDRO-POWER SECTOR: Out of 56,151 MW power potential, the State Govt. has already allotted 53 Nos. of HEPs totaling 24,087.50 MW to various CPSUs & Private Power Developers for implementation on BOO and BOOT basis respectively. . During the 11th Plan capacity addition of 2710 MW is being targeted. Exploitation of resources of new projects along with transmission and distribution line, development of a network of 132 KV State Grid from East to West for connecting various major generating stations and Central sector power inlet points require heavy investment. Substantial investment will have to be made for construction of Intra and Inter State Grids to evacuate the power out from various locations across the State, which is beyond the means of the State Govt.

15.7 EDUCATION SECTOR: For historical reasons, Arunachal Pradesh is a late starter in the field of education. Despite lack of proper infrastructural facilities like school buildings, hostels etc., Arunachal Pradesh has

achieved a commendable milestone as the literacy rate increased from 11.29% in 1971 to 54.74% in 2001. Similarly, enrolment has been increased from 14164 in 1971 to 340965 in 2006-07, a quantum jump indeed. After the launch of 'Sarva Shiksha Abhiyan', the enrollment in Primary level has gone up by 44% while in Upper Primary the rise is 32%. The drop-out rate has been brought down to 9.65 % from as high as 48% in 2002. Around 3500 teachers have been recruited, 347 primary school buildings, 244 upper primary buildings, 115 residential schools and 1158 additional classrooms have been constructed under this programme.

Arunachal Pradesh has one of the lowest access rates of **higher education** i.e. 6% against the national access rate of 10%. Further the number of students pursuing science and commerce are negligible for the want of proper infrastructure. The colleges are located only in 8 districts out of 16 districts of the state. Therefore, more colleges, at least one in each district require to be established. In technical education also there are only 2 Polytechnics, one in govt. and other in private sector, in the state. Keeping in view the increasing demand of technical education in the state, more Polytechnics and at least one engineering college is required to be established. Similarly, to meet the demand for medical education in the state, establishment of a medical **college** is required. Establishment of a Sainik school is also our long-felt demand.

15.8 HEALTH SECTOR: In my State improvement in **health** has not been able to keep pace with the spread of education or with the growth of income. The health status of the people of Arunachal is not commendable when measured by conventional indicators. Hilly and steep terrain, inaccessibility, scattered habitations, absence of basic infrastructure, trained manpower etc. result in poor access to medical facilities and consequently to poor health leading to high rates of Maternal Morbidity and Mortality in the State. In the absence of any referral hospital, well equipped indoor wards, medical and surgical equipments and adequate specialists, delivery of effective, efficient and cost effective public health care services is one of the most challenging tasks facing Arunachal Pradesh. Therefore, consolidation of PHCs, CHCs, SCs and maximizing benefits from the existing infrastructure will be the major thrust areas during 11th plan period. Here, I must congratulate the Government of India for launching the NRHM and hope that the requirement of state share for the programme will be waived off.

15.9 WATER SUPPLY AND SANITATION: The State has suffers from acute problems of basic amenities like water supply, sanitation and sewerage. Despite a huge potential surplus of water resources that could be harnessed, scarcity of drinking water is a common phenomenon. The drinking water facilities in many rural areas in Arunachal Pradesh were extended in the 1970s/ 1980s. The existing systems have outlived their utility. Augmentation and extension are needed to rejuvenate and cater to the needs of the increasing populace. As on today, we have 2070 Non-covered habitations, 2183 partially covered habitations (including those

slipped back) and only 1359 fully covered habitations. The existing funding pattern of under BNP needs to be relaxed to 90:10 instead of 50:50 to enable to cover a large number of habitations in the remote and inaccessible areas under this water supply program.

15.10. TOURISM SECTOR: Arunachal Pradesh has a large potential to develop the following: (a) eco-tourism; (b) village tourism; (c) cultural and religious heritage tourism; (d) nature tourism; (e) adventure tourism and (f) health tourism. But tourism could not make much headway in the State due to the problems of accessibility although the investment friendly "Tourism Policy- 2006" of the State provides various incentives for development of tourism for employment generation. The constraints in development of tourism sector are (i) poor accessibility due to remoteness of the State from Highways, poor road network and absence of air connectivity (ii) poor state of other infrastructure (iii) Travel restrictions imposed by PAP/RAP (iv) Shortage of hotels, restaurants, motels and wayside amenities.

The Planning Commission' intervention for **promotion of tourism** in the State will include (i) Development of tourism infrastructure facilities like hotels, tourist lodges, cottages, motels (ii) Development of existing tourist circuits (iii) Opening up of new tourist circuits (iv) Inclusion of Arunachal Pradesh in the national Buddhist circuit and develop action plan thereof (v) Development adventure tourism, cultural and heritage tourism, destination, rural tourism and eco- tourism.

15.11. MINES AND MINERALS: There are confirmed economic deposits of very good quality dolomite, limestone, graphite, granite, oil and gas etc. For viable economic exploitation of natural resources, additional survey and investigation is urgently needed. This is beyond the capability and resources of the State Government. The Govt. of India's intervention in this sector will include provision of power and transport subsidy and encouragement of private investors for taking up of projects on PPP basis. Setting up of a gas turbine plant in Kharsang area of Changlang district could also be explored. This year we are expecting non-tax revenue to the tune of Rs 22.00 Cr from the exploitation of mines and minerals.

15.12. SOCIAL WELFARE: In the field of social welfare, special focus will be required on juvenile, rehabilitation for persons with disability, implementation nutrition programme and financial assistance to Arunachal Pradesh Social Welfare Advisory Board.

The ICDS project was started in 1979 with one ICDS project and 47 Anganwadi centres and today we have 85 projects with 4277 anganwadi centers covering around 1.6 lakhs children and 50 thousand mothers. which is a quantum jump indeed. However as far as SNP programme is concerned, we strongly advocate that it should be 100 % supported by the center and not on 50:50 basis.

15.13. BACKWARD REGIONS GRANT FUND: Given the overall backwardness of the state, **all the 16 districts should be covered under Backward Regions Grant Fund.** In any case the districts with extremely low HDI such as Kurun-Kume, Anjaw and East Kameng should be included immediately.

We also strongly advocate that the Central Government should re-think about the population as the criteria for some of the schemes. Apart from the population, the relative backwardness, topography, remoteness, geographical vastness etc should also be included in the criteria for deciding the funding.

15.14. URBAN DEVELOPMENT: The indicative allocation received under JNNURM, UIDSSMT and IHDP for the Mission period (2005-2012) based on population criteria will not fulfill the aspirations of the people and allocation should be based on geographical consideration and actual requirement on ground as assessed in the CDP.

15.15. BORDER AREA DEVELOPMENT: Special attention is needed to be given to the border areas to provide the basic amenities of life to the villages situated near the international borders. Allocation under Border Area Development Programme (BADP) is not adequate enough to match the growing demands of the settlers of border areas and living condition of the other parts particularly border areas of China. The necessity of developing the border areas is urgent in view of the efforts and achievements made by our neighbor, particularly China to develop and upgrade infrastructure and services on their side to international standards. We advocate the need for matching development on our side of the international border with that on the Chinese side with a policy for advancing administrative centres close to the border and keeping the border areas populated. In this context, we re-iterate that the recommendations of the task force on the BADP constituted by the Planning Commission should be converted into reality in a time-bound manner by evolving appropriate policies and programme to obviate sense of negligence amongst our poor people which will ultimately arrest immigration and large exodus from border areas. Such a step is urgently required for maintaining territorial sovereignty and integrity of our country. It is learnt that in 2006-07 a special provision of Rs 120 Cr was kept for J&K and Punjab under BADP. We advocate similar arrangement for Arunachal Pradesh also.

15.16. MODERNIZATION OF ADMINISTRATIVE MACHINERY. Our Government machinery needs to reach out to a large number of remote and inaccessible areas to deliver administrative and developmental services. The administrative arrangement both in the State level and district level need to be upgraded and modernized. This ranges from requirement of housing, office automation, introduction of information technology and capacity building for which we require adequate funds.

15.17. REGIONAL DISPARITY: The 11th Five Year Plan document recognizes the harsh reality of increasing regional disparity amongst the States in terms of development. Arunachal Pradesh is the largest State amongst the NE States. But the State is lagging far behind in terms of development indicators in comparison to even other States of NE Region. From the point of view of social indicators also, there exists among the N.E States a wide variation. To tackle the problem of regional disparities and backwardness, the focus during 11th plan should be on recognition of backwardness of individual States as the main factor to be taken into account in the transfer of financial resources from the Centre to the States, encouragement of investment in backward States both through mobilizing more internal resources as well as ensuring a much larger flow of resources from outside through different mechanisms. The issue of orientation of working of the financial institutions has to be addressed to be effective in favour of poorer States. Further, dovetailing of public sector projects with regional development plans by consciously developing regional linkages and implementation of special area specific development programmes would reduce the existing regional imbalances. **In the greater interest of the national integrity and harmony, there is a need to develop consensus for balanced economic development and concrete policies need to be evolved.**

15.18. If the 6th Pay Commission recommendations are implemented this year, then the requirement for salary will increase to a great extent. This fact also needs to be taken into account while deciding the plan size for this year.

16. Size of Eleventh Plan for Arunachal Pradesh : We had proposed the plan size for Rs.8790.55 crore for 11th plan to the Planning Commission. The Report of the Working Group on States' Resources for the Eleventh Five Year Plan has recommended aggregate resources of Rs. 8105.00 crore (at current prices) for Arunachal Pradesh. On the other hand, the Planning Commission vide D.O. No. M-12011/1/2007-SP-Coord dated 6th November,2007 from the Member-Secretary, Planning Commission has indicated a plan outlay of Rs. 7901.00 crore for Eleventh Five Year Plan which will not be in consonance with the State's barest requirement during 11th plan period. We urge upon the Planning Commission to restore our original projected outlay of Rs. 8790.55 crore

17. The people of Arunachal Pradesh are happy to see the growing importance given by the Central Government for the development of the state. Our annual plan projections of Rs 1980 Cr is in consonance with the actual requirements of the state. We are confident that the Planning Commission of India will continue to extend its generous support to the Arunachal Pradesh. This time, with the support from the Planning Commission we will launch a massive developmental process in accordance with the developmental strategy laid by Hon'ble Prime Minister

Thank You !