

Hon'ble Prime Minister, Union Cabinet Ministers, Deputy Chairman of the Planning Commission, Chief Ministers, Distinguished Members of the National Development Council, Ladies and Gentlemen.

I am grateful for the opportunity given to me to share the perspective of Jammu & Kashmir at this highest forum of economic development.

Inclusive and equitable development is a key component of the overall strategy to build on the peace dividends. Therefore, at the very outset I must, on behalf of the people and the Government of Jammu and Kashmir, express deep gratitude and thanks for the unflinching support that my Government has received from the Central Government, particularly from the Hon'ble Prime Minister and the UPA Chairperson for accelerating the pace of economic development of the state in the 11th Five Year Plan. We are also grateful to the Planning Commission and the Union Finance Ministry for their positive support in providing assistance to sustain the 11th plan size way above our own financial resources. We request similar support and assistance during the 12th Five Year Plan also.

11th Five Year Plan Achievements :

Unlike other States, we in Jammu and Kashmir have had to face additional set of problems. Militancy and disturbed law and order situation deprived us from being a vigorous actor in the national economic growth for nearly two decades. The State also faces some inherent constraints like remoteness, high transportation cost, difficult weather conditions, poor connectivity, lack of private investment and un-employment. Despite these odds, we have been able to put in our best during the 11th Five Year Plan.

Economic growth during the 11th Five Year Plan has been slow but certain. As against the target of 8%, Annual average growth of 6.21% (at constant prices) has been achieved during the 11th Five Year Plan. Growth of tax revenue has been extremely positive. It grew at 38% in 2011-12. However, the mounting power deficit has remained a matter of concern.

The overall security situation in the State has progressively improved during the past two years. This has been possible due to the commendable efforts and professionalism exhibited by all the security agencies including J&K Police, State Administration and active cooperation of the people. As a result of the remarkable improvement in the overall security situation, the focus has now shifted to ensuring faster, balanced and inclusive growth in the State. This has created the challenge of enhanced people's expectations which need to be met.

The improvement in the security situation has resulted into highest ever tourist arrivals (Vaishno Devi:101.15 lac, Kmr valley:13.14 lac, Amarnath Yatra:6.21 lac and Ladakh:1.79 lac). Peaceful environment also helped in successfully conducting Panchayat Elections. Elections to the Block Development Councils and Urban Local Bodies will be held in near future

Sustained efforts have been made to improve the quality of Governance in the State. State Information Commission has been established. Prevention of Corruption Act has been amended to give it more teeth. The J&K Benami Transactions Act has also been enacted. State Accountability Commission has been reconstituted. Steps are underway to set up State Vigilance Commission. J&K Water Resources (Regulation and Management) Act has been enacted. E-tendering of works has been started. A

new Drug Policy has been formulated. Public Services Guarantee Act is in place with visible positive impact.

Under the SSA flagship programme, 10792 Primary School opened, 6981 Primary School upgraded, 1119 Upper Primary sanctioned, 513 Middle Schools upgraded and 39564 RETs sanctioned. 10182 primary and 69 Middle Schools are under construction. J&K have seen increase in literacy rate from 55.5% in 2001 to 68.74% in 2011. Gender gap in literacy has been reduced by 15%. Drop out rate has been reduced to 11% at the elementary level and 60% at secondary level. 45 Degree colleges, 2 Central Universities, 3 private Universities and 11 Off-Site University campuses have been established. Enrollment in Higher Education increased by 0.24 lac (from 0.95 lacs in 07-08 to 1.19 lacs in 11-12). 16 new ITIs have been established in the 11th Plan besides 34 ITIs are being upgraded through Public Private Partnership (PPP). Training, Counseling and placement cells have been established in each District to facilitate employment of skilled/semi skilled workers.

Outcomes across the 11th Five Year plan period have been extremely encouraging; particularly in the social sectors such as health and education. IMR came down to 43 compared to 47 at national level, MMR at 70 compared to 212 at national level, TFR is 2 compared to 2.4 at national level. Construction work on 3 Nursing Colleges, 4 Nursing Schools, 2 additional 200 bedded Maternity Hospitals, one Ayurvedic College and one Unani College have been started. Cases of 11 health institutions taken up for accreditation with National Accreditation Board for Hospitals. Rashtriya Swasthya Bima Yojna (RSBY) Scheme launched in the two districts. Super Specialty Hospital at Jammu is being commissioned this year and Super Specialty Hospital Srinagar is at advanced level of completion.

Under Maternal and Child care, 48 vehicles/ ambulances have been procured for transportation of pregnant mothers & sick children in emergencies. For improving neo-natal care, 68 stabilization units and 269 baby care corners have been established. Free and Cashless services provided to all pregnant women delivering in public health institutions and for sick neonates upto 30 days after birth under JSSK. These efforts have been lauded at the national level and the state has been ranked No.1 under Primary Health Care. Installation of Bio Medical Waste Treatment Facilities in capital cities of Jammu and Srinagar are under process.

However, Child Sex ratio of 859 compared to national level of 914, is a cause of concern. Adequate measures have been taken to arrest this declining trend such as effective implementation and monitoring of the PC & PNDT Act. State Supervisory/Divisional/ District Advisory Committees have been reconstituted. More emphasis is laid on creating awareness and religious leaders are actively involved in this endeavor. Besides, Cash reward has been enhanced from Rs. 25,000/- to Rs. 50,000/= for reporting female feticide

For upliftment of weaker sections, We are providing Rs.180 crore to the 5 lacs elderly people annually. Under Anganwari programme, nutrition and pre-school education to about 7.5 lac children is provided. In addition, my Government is also providing scholarship of more than Rs.60 crore to about 5 lac students belonging to Scheduled Caste, Scheduled Tribe and other weaker sections of society. Online application system for merit-cum-means scholarships has been introduced. This step has resulted in transparency and increased level of satisfaction among the beneficiaries.

Conservation and management of eco system is of greater concern for a state like J&K. Central Govt. has appreciated our concerns and has been very supportive in the conservation of water bodies like Surinsar-Mansar, Tso Moriri, Dal, Anchar and Wular. State Forest Department has received Indira Priyadarshani Vriksha Mitra award twice in succession in the year 2009 and 2010 for increase in forest and tree cover.

Tourism being the main stay of our economy, thrust is as always on building capacities in private sector to cope up with growing tourist arrivals. Pilot projects on eco-tourism and craft & culture based tourism infrastructure are being put in place. To attract high end tourist, emphasis is being laid on development of golf courses. We have developed a network of Golf course across the State.

Coming to the power sector, we have awarded the 850 MW Ratle power project to M/S GVK on IPP basis. Work on 450 MW Baglihar-II HEP has been started. 1856 MW Swalakot project is being taken up. There is tremendous scope for the private sector to participate in the construction of power projects in J&K either by way of EPC or IPP. We still have over 15000 MWs of un-tapped hydro power potential for which huge investment is required. We have allotted some projects to NHPC for construction on stand alone basis and some as Joint Ventures. We have also created the Chenab Valley Power Dev. Corporation in collaboration with NHPC and PTC with the aim to develop power projects in the Chenab basin. State Electricity Regulation Commission is already functional in the State. Un-bundling and Corporatization of T&D sector is underway. Orders for creation of TRANSCO and Distribution Company stand issued.

Power Tariff Collection efficiency has increased to 85% besides achieving 100% computerization of billed energy. 90% connections have been regularized. Revenue collection went up by 26% in last year. AT&C losses reduced from 70% to 67% in 2011-12. Voluntary Load Disclosure Scheme launched for further load revision.

Under connectivity, 50% of the total network of 26,715 KMs. of roads have been black topped. About 600 bridges completed in last five year plan. About 1330 habitations connected under PMGSY.

Rapid urbanization has thrown up new challenges for the Governments all over the country and J&K is not any exception. The Government is up-grading existing urban infrastructure such as parking facilities, garbage disposal, sanitation and mobility etc. In this direction, two Modern type Abattoirs/Slaughter Houses in Jammu and Srinagar are under execution and Garbage Dumping sites at Achan in Srinagar and Kotbhalwal in Jammu have been operationalized. To regulate the ever increasing traffic in the capital cities, Traffic Signal lights have been installed. Three Pilot sewerage schemes viz Brari Numbal, Khushalsar and Talab Tilloo Jammu are under completion.

Unemployment and engagement of the youth is a daunting challenge for the Government. Efforts are on to move from a State-owned institutional framework to a larger non-governmental effort to triple the existing training facilities. State will extend hand holding support to trainees during the skill-transfer phase. Financial support is provided for creating Entrepreneurship/Self Employment opportunities. A platform has been created between Govt., industry and academia in order to match the requirements of Industry. Under Central initiatives, programmes like Himayat (Anchored in MORD) and Udaan (Anchored in MHA) have been launched. Under Himayat 50,000 youth are being trained and subsequently to be placed over 3-5 years. Similarly, under Udaan we have to enhance the skill of 40000 youth over a period of

5 years for Managerial level positions. Besides there is a Special Scholarship Scheme (MoHRD) for supporting 25000 students over a period of 5 years for providing financial support for General, Engineering and Medical students.

Services provided by Urban Local Bodies like building permissions, death/birth certificates, water connections besides complaints have been brought under e-governance. The online facilities will help in proper monitoring and better services to the citizens.

12th Five Year Plan :

We in Jammu and Kashmir State are quite conscious of the fact that the Planning Commission of India has made "Faster, More Inclusive and Sustainable Growth" the touchstone of 12th Plan strategy. Indeed, our economic policies are oriented towards achieving the goal of inclusive growth across all sectors of economy so that all sections of the society are benefited and become part of national growth story.

We can be rightly proud of the fact that the Union Government and the Planning Commission have succeeded in keeping the Indian economy afloat during the process of global meltdown. The critics, however, do refer to the sluggish growth rate in agriculture sector which is affecting the lives of nearly 70% of our population living in the rural areas.

Notwithstanding, substantial increase in literacy rate both among men and women and improved access to health care facilities, gender issues are still a matter of serious concern in both these sectors. Therefore, corrections will have to be made to ensure that we move forward in the right direction and make steady progress towards real inclusive growth.

The state economy is now at a take-off stage. We need continued support to put it on the path of high growth trajectory, which is both sustainable and inclusive. Based on the current trends, we have set ourselves an ambitious target of 8% average growth in the 12th plan period in real terms. To support this target, we need a plan size of about Rs.68,000 crore and the requisite kitty to finance it in a non-debt creating fashion. It is my firm belief that allocation of scarce resources must be done to generate visible impact on backward states like ours.

It is imperative to dedicate bulk of our resources to priority sectors besides promoting private and public investment. To make it inclusive, we need to enhance the outlays under special component plans like JNNURM, NRHM, NSAP, SSA, RMSA etc. Conservation of ecology and environment, contemporarizing traditional products through innovation and design besides the special employment initiatives to make growth job oriented to address the aspirations of the youth will be our guiding factors.

To achieve the targeted growth rate, we shall work towards time bound completion of our projects, introduce strict fiscal discipline, reduce the PSU losses, sharpen the institutional capacities and address the issues in the utility sectors.

We have set an agenda for generating additional 6000 MW of hydro power in the state sector and are targeting to reduce the AT&C losses by 25%. Additional irrigation potential of 3.17 lac hectares will be created. 1.49 lac hectares will be covered under flood protection programme. All left out habitations will be provided potable drinking water and house hold connections will be increased from 35% to 50%. All 250 plus population habitations will be provided road connectivity. Food parks shall be established for processing of horticulture produce.

All children in the age group of 6-14 are to be enrolled. We target to attain literacy of 80%, reduction in gender gap by 11% by the end of 12th Five Year Plan. Gross Enrollment Ratio will be raised from 18.2% to 22%. Skill and vocational training will be introduced at secondary and college level.

We will target institutional delivery of 85% against existing 73%. Similarly, full immunization upto 85% will be targeted. Completion of 2 new maternity hospitals, 1 new children hospital and operationalization of 2 super specialty hospitals will be our target. All out efforts will be made to achieve neo-natal mortality rate (NMR) of 30%.

Projects to augment urban infrastructure will be implemented. Public Private Partnership projects for bus stands, parking spaces and garbage collection and disposal will be explored. Most urban areas will be made dry latrine free. E-PDS will be implemented to reduce wastages and bring in efficiency in the food distribution. We are committed to the implementation of National Food Security Act with Central financial support.

Concerns:

While we appreciate the initiatives and policy measures of the 12th Five Year Plan, we have certain concerns which I would like to flag and which would need a favourable consideration while finalizing the plan.

Historically, J & K has highly adverse BCR. If Central releases get delayed or un-foreseen cuts are imposed, plan delivery gets affected adversely. To bridge the BCR, the Central Govt, has been very liberal in meeting the development needs by providing central assistance under various windows like Additional Central Assistance (ACA), Special Central Assistance(SCA) and Special Plan Assistance(SPA). However, during the course of the year, many restrictions and conditions are imposed which create constraints in lifting these allocations. Once the ACA, SCA or SPA is included as a source of funding, it should come to the state without any pre-conditions as these conditions dilute the federal character of fiscal policy. MoF has been insisting on centralizing the scheme/work wise approval of SPA allocations and does not allow items like State Share of CSS, land acquisition costs, recurring costs, scholarship, maintenance costs etc through SPA. This goes directly against the recommendations made by the High Level Committee (HLEC) on Efficient Management of Public Expenditure under the chairmanship of Dr. C. Rangarajan that Plan and Non-Plan distinction of Budget restrictions shall be abolished. It is strongly urged that for the Special Category states, tied SPA should be replaced with Untied SCA.

Funding under SPA, ACA and SCA, comes mostly towards the third quarter of the fiscal. Similarly, the funds under Centrally Sponsored Schemes are often provided towards the end of the financial year when they cannot be utilized. It takes quite some time in getting these revalidated in the next year. It may be useful if the tied funds and Centrally Sponsored Schemes are sanctioned/released in the beginning of the year. Alternatively, at least 50% funds should be released in April and the balance after the stipulated percentage of available funds have been utilized by the State. I request that for states like J&K where the working season is very brief, the releases should be made upfront or a system of proportionate allocation be made so that there is no liquidity mismatch in the state.

The pattern of financing of various Centrally Sponsored Schemes (CSS) varies from scheme to scheme like SSA(65:35), Command Area Development (50:50), Rural Dev(75:25) and the ARWSP (90:10). Because of this, the state like J&K which have

limited resources, have not been able to get the benefit of the Centrally Sponsored Schemes to the full extent. I again emphasize that in the case of special category states, the pattern of financing for all the Centrally Sponsored Schemes should conform to the 90:10 pattern.

The revenues from the sustainable exploitation of the forest resources have declined consequent upon the 1996 judgment of the Hon'ble Supreme Court banning green felling of the trees. It is now only in respect of the dry, diseased and trees uprooted by the winds/storm that some revenue is collected, which hardly covers the cost. The state needs to be suitably compensated in lieu of the contributions made by it in maintaining the ecological equilibrium through preservation of the green cover for the benefit of the entire nation.

Because of the Indus Water Treaty, Jammu & Kashmir has been placed in a disadvantageous position and has not been able to use its rivers either for irrigation or for generation of power by storage. Even the inter state agreements with our neighboring State are not being honoured. Power generation during the winter goes down substantially in all the run of the river projects reducing its availability and revenue earnings from these projects. The Government of India should compensate for the losses suffered by us for no fault of ours. A beginning in this regard could be made by returning the projects commissioned on the state rivers. To begin with Dulhasti HEP and Salal HEP could be transferred to the State Government.

Since the available hydel potential is "the most precious resource" of our otherwise "resource deficit" State, we need to suitably leverage the hydel resource. We have been asking for the enhancement of the quantum of free power (Home State share) available from the Central Generating Stations set up within the State, to a minimum of 25% against the present free power of 12% and reiterate it here as well.

The historic Panchayat elections have raised the expectations of the common man in the development share of the state. State Govt, on its part is committed to the transfer of Functions, Functionaries and Funds to the Panchayati Raj Institutions. A beginning has already been made by transferring the functions of 14 departments and ensuring flow of funds. Recent elections to the Legislative Council from Panchayat segment, have reaffirmed the faith of masses in the democratic process. To come to the expectations, we need liberal central funding for devolution of the resources to the Panchayats including payment of honorarium to the Panches/Sarpanches.

We have 2504 unconnected habitations. We could not benefit in the initial years of the PMGSY programme as there was no provision available for land acquisition. Central Govt, was kind enough to provide Rs.577 crore through PMRP route for land acquisition for completing 1344 schemes. Another Rs.800 crore are required for taking up 1160 approved schemes. We again request the Central Govt, to come to our rescue and provide financial resources for land acquisition for successful implementation of the programme.

Under PMRP, the projects which are funded under State Plan, have shown considerable impact on the ground. However, two projects namely "Strengthening of T&D Network" and "Mughal Road" need a cost revision. The revised proposals have been submitted to the concerned Union Ministries. It is requested that the cost escalation may be sanctioned.

As directed by the Hon'ble Prime Minister during his visit to the State in October, 2009, the State Government constituted a Task Force to prioritize its developmental

requirements. The report has been prepared and submitted to the Government of India. The pressing developmental requirements, as articulated in the Report, may kindly be considered for funding by rejigging of existing central sector allocations under the PMRP and also by way of provision of additional central assistance. These projects will go a long way in putting back the State's economy on the path of long-term and sustained growth.

Both of our capital cities have become congested as far as transport facilities are concerned. M/S RITES has prepared comprehensive City mobility plans which include Rapid and Mass Transport (metro/mono rail) and augmentation of the related infrastructure. As per feasibility report an investment of Rs.30,000 crore plus will be required. This investment is beyond our means. We need the support of the Central Govt, during the 12th Plan period for taking up these projects.

Salary expenditure on police establishment has increased from Rs. 58 crore in 1988-89 to about Rs.1500 crore with total police establishment expenditure of Rs.2500 crore in 2011-12. Expenditure on police establishment in excess of the average normal requirement should be funded separately by the Central Govt., as already requested by us, as it addresses national security concerns having cross-border dimensions.

In view of the peculiar geo-climatic conditions, sub zero winters in most areas and remoteness of certain areas of the State, we need to have a special consideration in the LPG cap for Jammu and Kashmir state. LPG cap in respect of our state may be increased to a minimum 12 cylinders annually.

Concluding Remarks :

The meeting of this august body on economic development of the nation is taking place under the stewardship of the Hon'ble Prime Minister when India and Pakistan are trying to come closer to each other and the prospects of peace are gaining visibility. I must compliment the Hon'ble Prime Minister for these initiatives. The State of Jammu and Kashmir, instead of being the bone of contention, can become a bridge of friendship among the two nations. I am mentioning this because the economic development of the two countries can get a boost if the scarce resources are invested in programmes of development and poverty alleviation. Peace is a sine qua non for the development of Jammu and Kashmir State. While, all steps need to be taken to pursue external dialogue process, the need for initiating internal dialogue with diverse political opinion, and in an inclusive manner has never been more greater than it is today. I am hopeful that we will witness positive developments in this regard in the days to come.

While concluding my submissions, I reiterate my most sincere thanks to the Hon'ble Prime Minister for his persistent support with full back up of the Planning Commission, Ministry of Finance and other Ministries. I am confident that this support shall continue during the 12th Five Year Plan also and the issues mentioned by me and projected in detail in our plan document shall be fully taken care of. With these submissions, I congratulate the Deputy Chairman, Planning Commission and all his esteemed colleagues for preparing a visionary plan document. I extend my full support to the same.

I thank you for your time and patience.