



GOVERNMENT OF NAGALAND

Speech of
SHRI NEIPHIU RIO,
Chief Minister, Nagaland

at the
57th Meeting of the
National Development Council

Vigyan Bhavan, New Delhi
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Respected Prime Minister, Dr. Manmohan Singh, Chairman of NDC, Deputy Chairman of the Planning Commission, Union Ministers, Chief Ministers of the various States, other Members of the NDC, distinguish participants, ladies and gentlemen.

1. I thank the Hon'ble Prime Minister and Chairman of NDC for convening this meeting of the NDC to adopt the 12th Five year Plan of the nation and the opportunity to place before this august Council, the perspectives of Nagaland. I, would also like to thank, on my own behalf and on behalf of the people of Nagaland, the Planning Commission, under the leadership of the Hon'ble Prime Minister and the Deputy Chairman, Planning Commission for the pro people and generous assistances that has been extended to Nagaland during the 11th Plan period.
2. Nagaland has done reasonably well during the 11th Plan. The total allocation for the 11th Plan was Rs 6,910 crore, out of which realization was Rs 6,475.91 crore aggregating almost 94%. With this, substantial development has taken place in the State. As per advance estimates released by CSO, the GSDP at constant prices from 2007-08 to 2011-12, indicates that we have sustained a growth rate of 7.44 percent. The growth rate may appear modest but what we have achieved in terms of per capita income at Rs 67,430/- per annum during 2011-12 is slightly above the national average.
3. The consultations with various stakeholders undertaken by the Planning Commission to prepare the draft 12th Five year Plan is unprecedented and we are very grateful that we have been given opportunity to voice our concerns. The detailed analysis undertaken and reported in the draft by the Planning Commission has shown that the policy of Inclusive Growth has enabled us to understand the needs of the most vulnerable sections of the society. I am hopeful that under the able leadership of Hon'ble Prime Minister, the more Inclusive Growth that has been envisaged during the 12th Five year Plan will be realized along with socio-economic transformation to all parts of our great nation.
4. For us, the challenges to bring development to the people of the State have been at times difficult, with more than half a century of insurgency. Complementing with Inclusive Growth, the State Government had embarked on the 11th Plan under the theme "Peace for Development and Development for Peace". We are committed to usher in development to the common man and the marginalised, as our State population overwhelmingly comprises of the most vulnerable sections of the society. We have by and large achieved our targets set for the 11th Plan, due to the relative calm that prevails in the state because of the Peace process. However, A lasting solution to the vexed Naga political problem is critical to ensure success in the implementation of the various Development Plans of not only Nagaland but also that of the neighboring states and I, therefore, take this opportunity to urge upon the Government of India to expedite the negotiated

settlement at the earliest so that the development of the State within the dreams and visions set for the 12th Plan will become a reality.

5. The ongoing political negotiation has raised the expectations of the people for a better living standard and to grow with the rest of the world. We therefore urge that a mutually agreed and honorable settlement be arrived at the earliest.
6. We are particularly happy to note that the Approach to 12th Five Year Plan has recognized the reality that the nation's growth is uneven and has inter state and inter sector variations. Achieving Social and Regional Equity is the only lasting solution for a sustainable growth that we aspire. In such an endeavor we from the North East have some critical constraints.
7. The awards of the 13th Finance Commission, that took a normative approach and did not address the peculiar ground realities of States like Nagaland affected by insurgency and without any noteworthy revenue base has had huge adverse impact on funding the development of the state. The huge uncovered resource gaps compounded by the compulsions of parity with the 6th ROP had left us totally helpless. We are grateful that the Planning Commission and the Finance Ministry, had evolved new mechanisms such as the SPA (Special Plan Assistance) and the SCA (Special Central Assistance) to help and the states of the North East to somehow tide over some critical development areas. However, such a situation is not conducive as the planning and development process becomes rather ad-hoc and uncertain. Government of India the finances of the State. As such, the financing of Plan programmes based on estimates of resources and within the FRBM targets needs to be revisited, as it would result in huge and unbridgeable gap between needs and Plan outlay.
8. The matter gets further compounded, when the size of Annual Plans are determined by taking into account adjustment of opening balance coined as Drawdown of cash balance as one of the available State resources. Primarily, this is the amount of unspent balance of previous year being taken as opening balance for the current year. As such, the said amount is already a committed expenditure. The concept needs to be reviewed and done away with as it could lead to larger budget deficits, which many Special Category States are already finding it difficult to contain.
9. Sir, much of regional disparity has been on account of inadequate infrastructure in the backward and remote regions of the nation. The 11th Plan recognized the need for massive investment in infrastructure with a combination of public and private investment. The results have been unsatisfactory, as the approach suited the more progressive States. It is a paradox that only marginal or no private investment in infrastructure takes place in the poorer and needier States. Such trends will only widen the economic gaps of the country and more importantly could fuel social and political unrest. The problem is peculiar to the North East region of the country and a policy to enable private investment in the infrastructure

of the region is therefore proposed. The path for sustained growth through increased private investment in infrastructure needs to be revisited.

10. The growth in the State has been propelled by Agricultural sector growing at a satisfying rate of 4.05 percent. Massive growth has been in horticulture, floriculture and medicinal and aromatic plants (MAPs). Much of agriculture growth has been due to several innovative programmes, initiated in Mission Mode in the State. Our bamboo plantation last year harvested 4.5 million metric tonnes, while honey production increased from 70 MT to 350 MT during the 11th Plan period and is targeted to reach a level of 2,000 MT during the 12th Plan.
11. Sir, we appeal that the policy Bringing Green Revolution in Eastern India (BRGREI) be accorded a national priority. A substantial part of Eastern India is mountainous and many are also part of the great Himalayas. We therefore urge that BRGREI should be framed in such a manner that will preserve and complement the fragile ecology of the region. In addition, the policy should also accord high impetus to meat and poultry production, an inherent strength of the region.
12. Global Warming and Climate Change is another concern for the North East with our fragile ecology as also our economy. In this regard, food and water security also has to be a part of our plan strategy. Although North East India provides the largest percentage of forest cover in the country and though we are encouraged to preserve such forest covers, the country has not evolved clear policy on clean development mechanism. It is time that a compensatory mechanism for the forest cover that has been preserved in the North East is evolved in the country and dovetailed in the Development Plan of the nation.
13. The continued emphasis on health during the 12th Plan is heartening. Increasing the health expenditure as percentage of GDP to 2.5 percent by the end of 12th Plan from the present level of 1.4 percent needs to include high priority to complete the present initiative to provide basic infrastructure for health delivery particularly in the rural areas. Nagaland has Communitised rural health delivery system by entrusting some functions to the Village Councils primarily to ensure community participation and sharing of responsibilities. However, much of the success of any health initiative depends on continuous availability of trained manpower for which there is need for opening "Institutions" for manpower development. Unfortunately, Nagaland is one of the few States without a Medical College. I, therefore, urge that the proposal of the State for setting up a Medical College be sanctioned at the earliest.
14. Education has been one of the strength of our State and we have reached a level of 82% literacy which we intend to increase to 100% during the 12th Plan. we welcome that improving the quality of primary education has been flagged for the 12th Plan. Primary education infrastructure created during 11th Plan needs to be complemented by availability of qualified and trained teachers. We therefore, need

to emphasis on Teacher's training during the 12th Plan by opening the institutions in all the districts of the State. The strategy of expansion, equity and excellence in higher education with high emphasis on PPP approaches needs to be done with care. For remote and special category states, the present initiative of the centre to create Institutions of higher learning should be continued with increased funding.

15. The Approach to the 12th Plan has recognized that the North Eastern Region has substantial potential for creating hydro power capacity. We request that focus should not only be on mega projects, as they have far more complex issue of environment and displacement. On the other hand equal if not greater emphasize on development of smaller sized hydro power projects should also be considered. The strong emphasis accorded to renewable energy is in the right direction. We however request that the fixed benchmark cost common to all states adopted for funding under various CSS may be revisited to add transportation cost for NE states.
16. The approach paper also proposes for a special project on power evacuation from the North East to feed the needs of mainland India and neighboring countries. However, it is important that the power needs of the North East States are also fulfilled. We therefore request that the proposed special project may also contain component for Transmission and Distribution within the North East.
17. The North East States except Assam are primarily dependent on Road Transport. Besides, the region shares several thousand kilometres of international border with five countries. As such, development of roads in the North East deserves the highest priority from both development and strategic needs. Construction of the Trans-Arunachal Highway is indeed a step which can benefit neighbouring states like Nagaland. For this, we would request for a four lane highway Iconic Project along the mineral, forest and agro rich foothill area from Tizit-Dimapur-Jalukie-Khelma. The highway from Tizit may be extended to join the Trans Arunachal Highway at Khonsa.
18. Sir, we are glad that road connectivity to Myanmar and Bangladesh has been flagged in the Approach Paper with intention to open up the North East for mutually beneficial economic cooperation with Southeast Asia as a part of Look East policy. Construction of a highway along the Indo-Myanmar border in addition to opening the area for trade will also check illegal trafficking of drugs and arms. We have therefore, planned that during the 12th Plan the roads connecting Nagaland to Maynmar will be given priority. The NEC and the DoNER are taking up two projects namely Pokhungri-Avangkhu road and the Jendang Saddle-Noklak-Pangsha roads respectively. The Government of India may like to upgrade these projects to larger projects befitting international trade. Similarly we have a proposal for a trans Eastern Nagaland highway along the Myanmar border to open up the most remote and backward areas of the state. This is intended to develop the areas along the Myanmar bnorder substantially in India's strategic interest.

19. While the road network has been substantially expanded over the years, maintenance and upkeep of these roads is a major problem particularly in the North Eastern region where PPP model alone cannot be an answer in view of strategic and political needs. The problem is aggravated due to our fragile soil conditions and heavy rainfall. During the 12th Plan, we propose that an earmarked fund be set aside for repair and maintenance of roads in the NE region. The Governors and Chief Ministers of NE region in the last NEC Plenary Session has urged the NEC and the DoNER to change their policies in this regard. I request the support and intervention of the Planning Commission in this direction.
20. Rail link is one of the critical requirements of speedy development especially for freight movement. Unfortunately, Nagaland has only 8 kms of railway line passing through the State. In order to harness the rich and large deposits of oil, natural gas, coal and forest produce, the Railway Ministry has surveyed for construction of a railway line connecting Dimapur to Tizit. I request that the project be undertaken in a time bound manner to be executed during the 12th Plan.
21. There is a huge need for providing air connectivity in the North East and the same has been recognized in the Approach to 12th Plan. However, for Nagaland, the promise and the policy of constructing airport and providing air connectivity to all State capitals in the country still remains unfulfilled. We continue to plea for sanction of the Chiethu Greenfield airport near the State capital. Along with this, we request the Planning Commission to help us built small and short landing strips at various locations in the State to enable connectivity through Short Take Off and Landing (STOL) aircrafts. This will dramatically change the connectivity of the remote locations particularly along the Indo Myanmar border, and with it uplift the economy of the people living in this remote corner of the nation.
22. Like in other parts of the nation, Urbanization is a challenge which the NE region has to resolve. In Nagaland, tremendous increase is taking place in the urban population, which has reached a level of about 30% in a matter of a few decades. We therefore intend to give a very high emphasis on the process of urbanization from 12th Plan onwards. Since the carrying capacity of existing townships located in the hills are limited, development in the foothills and the plains, which also happens to be our mineral belt with rich deposits of oil and coal is planned. For this, we request the assistance of the Planning Commission for developing new townships along the proposed futuristic four lane highway and a railway line.
23. The approach to 12th Plan has stated that almost Rs 7,00,000 crore has been spent on CSS during 11th Plan. Such mammoth expenditure resulted in State Plan outlays being shrunk from over 63 percent in First Plan to 39.27 percent in Eleventh Plan as contained in the Report of the Commission on Centre-State Relations headed by Retired Justice Shri Punchhi. We fully agree with the recommendation that there should be flexibility in the guidelines governing the implementation of CSS to suit state specific situations. The findings that most of

the States have sought an increase in the proportion of untied Normal Central Assistance (NCA) should be immediately considered. This will also address some of the Plan funding problems of the North East.

24. The present scenario where huge direct funding to Implementing Departments/ Agencies and NGOs, surpassing even the Plan size of the States need immediate review. The present system of direct funding has repercussions on the federal relation of our Constitution. Besides, it also reduces oversight of the State administration on the implementation of these direct funded projects/programmes and is fraught with chances of impropriety. Related to this is also the issue of the State Share which is becoming a very huge burden for the small states especially of the NE region with our very small revenue base. The policies of the Government of India in this respect needs to be reviewed urgently. Otherwise there is the danger that our development may not take place in a balanced manner.
25. Sir, today, the uniqueness of Naga political issue is known and acknowledged. The State has been born out of a political agreement and from its inception as the 16th State of the union, it was recognized that the State was not economically viable. Nagaland, for the last several decades has been besieged with violence and political unrest, hindering growth and development, which has subjected the State to the vicious cycle of indebtedness and dependence.

With this few words, I sincerely thank the Hon'ble Prime Minister for giving opportunity to place these issues before the Council. We are committed to strive for more inclusive growth as envisaged in the 12th Plan, and wish the Council meeting all success.

Thank you, Jai hind.