

CHAPTER -II

REVIEW OF 11TH FIVE YEAR PLAN (2007-12)

2.1 As the nation grew at an average of 7.9% each year during the period 2007-2012, Meghalaya benefited as well and grew at 9.1% per annum during this period¹. National growth was a rising tide which lifted all boats & Meghalaya was no exception.

2.2 For the State, the 10 year period from 2001-2011 represented a period of significant growth in population (27.82% decadal growth), development of human resources through investment in health and education, improvements in general infrastructure and the industrial base coupled with increasing pressure on natural resources.

2.3 While headline indicators such as literacy, sex ratio, forest cover, road density etc. demonstrated considerable improvement, the gains in GDP were subdued by the increase in population and the emergence of incipient militancy in the western part of the State, arising primarily out of inadequate investments in rural livelihoods & in rural policing.

Good growth but not good enough

2.4 The National Institute of Public Finance & Policy (NIPFP) estimates that on the eve of the 11th Plan, per capita income in Meghalaya was lower than the national average by 11%. In spite of growing faster than the national average, this gap persists². Poverty continues to be high since growth has been inadequate to make a significant dent. Catching up with the rest of the country and poverty reduction therefore continue as an unfinished agenda for the State for the 12th Plan.

The Primary Sector – Contraction & Revival

2.5 The three components of the primary sector namely agriculture including animal husbandry, forestry and fishery suffered a contraction in the first year of the Plan. During the remaining years of the Plan, growth in the sector averaged 4.41%. The contribution of the sector to the GSDP declined from 23.25% in 2004-05 to 17.04% in 2011-12. This may appear

¹ This is based on estimates by the Bureau of Economics and Statistics of the Government of Meghalaya for the five year period from 2007-08 to 2011-12. CSO estimates for Meghalaya for the 4 year period 2007-11 suggest a growth of 7.7%. If the first year of the Plan is excluded, then the growth rate for the three years as per CSO is much higher at 8.7%. The full version of the Plan for the State will explore the reasons for this divergence in numbers for GSDP, poverty, health indicators etc.

² During the last decade, the population of the State has grown at 27.82% as against the national average of 17.64%. This difference of about 1% a year helps understand the stubbornness of the gap.

to be a logical transition but has not been accompanied by movement of people to secondary and tertiary sectors. In a State where 80% of the population is rural, this is a worrying trend and needs to be squarely addressed in the 12th Plan.

2.6 The major achievements in the primary sector during the period inter alia, include:

- ✓ increase in cropped area and cropping intensity
- ✓ increase in food grain production from 2.70 lakh tonnes in 2006-07 to 3.19 lakh tonnes in 2011-12
- ✓ increase in horticultural produce from 3.97 lakh tonnes in 2006-07 to 5.22 lakh tonnes in 2011-12
- ✓ increase in area under irrigation by over 33,900 hectares
- ✓ commercial success of low volume high value horticulture and floriculture e.g. strawberries, anthurium, lily, roses
- ✓ forest cover sustained at 77.29%
- ✓ eco restoration project in 45 villages in Cherrapunji area taken up
- ✓ programme activities under the Integrated Basin Development & livelihood Promotion programme initiated on the ground
- ✓ State Aquaculture Mission launched



The Secondary Sector – strong rebound & limits to further expansion

2.7 The slowdown in industry across the country in 2007-08 had its impact in Meghalaya as well. However, 2008-09, witnessed a strong rebound (17.69%) after which growth has continued to be robust. The contribution of the industrial sector has increased from 26.14% in 2004-05 to 29.4% in 2011-12. The North East Industrial and Investment Promotion Policy (NEIIPP) has been instrumental in promoting industrialisation in the State. During the latter half of the Plan, the establishment of new units and expansion of existing units in the large and medium sector was delayed due to shortage of power. Investments by the State in power generation yielded additional power only in the terminal year with the commissioning of two units of the Myntdu Leshka Hydel Project (MLHEP). The third unit of the MLHEP is

likely to be commissioned by July 2012. Together these units will provide 126 MW of power. In addition, the State will be receiving its share of power from the Palatana Gas Based Project and the Bongaigaon Thermal Power Plant in 2012-13 & 2013-14 respectively. Other power projects within the State and the region are also expected to be commissioned during the 12th Plan. All this additional power along with the likely continuation *MyntduLeshka HEP*



of the NEIIPP is likely to provide a fresh impetus to manufacturing activity in the State.

2.8 The major achievements in the secondary sector inter alia, include:

- ✓ 2 units of the MyntduLeshkaHEP commissioned & synchronised
- ✓ major renovation & upgradation of Umiam Stage II HEP
- ✓ addition of 364 Ckm of transmission lines, an increase of almost 50%
- ✓ sub Station capacity doubled during the Plan
- ✓ two Border Haats with Bangladesh operationalized
- ✓ new industrial units in large and SME sector



The Tertiary Sector – Strong & steady growth

2.9 In the first year of the Plan the tertiary sector in the State experienced a sharp deceleration in growth to 4.21%. The next year saw a smart recovery at 13.72%. In the last four years of the Plan, the tertiary sector grew at 10.61% annually. The

contribution of this sector to the GSDP has increased marginally from 50.61% in 2004-05 to 53.55% in 2011-12. This sector is expected to report faster growth as recent investments in roads (Central & State Plan), railways (Central Plan) and tourism (private sector & State Plan) begin to deliver results.

2.10 The major achievements in the tertiary sector during the Plan period inter alia, include:

- ✓ 657 kms of new roads
- ✓ improvement & widening of 651 kms
- ✓ 3618 m of timber bridges replaced by RCC bridges
- ✓ 4 laning of Guwahati – Shillong road under way

- ✓ Shillong bypass under construction
- ✓ double laning of Shillong – Nongstoin – Tura road underway
- ✓ 1st railway line in State under construction, completion later this year
- ✓ state of art Public Transport Service launched in Shillong & other major towns



Public Transport on the eve of the 11th Plan



Public Transport now

- ✓ new destinations and circuits developed for tourism
- ✓ 400 additional hotel beds added by private sector
- ✓ first five star hotel in the State, in the private sector, under construction
- ✓ bed and breakfast / home stay support schemes launched



Public and private investment in tourism infrastructure increased significantly

Social Sector & Quality of life– large investments, formidable challenges

2.11 The State spent Rs. 2353 Cr. on the social sector during the Plan. This was 27.2% of the State Plan. Predominantly the spending was on education and health. This amount was supplemented through investments under the Central Plan and the Centrally Sponsored Schemes such as SSA, RMSA and NRHM which are released directly through designated Societies.

2.12 In the area of elementary education, the State scores high on access. All census villages are covered and only 3% habitations in the State are without schools now. Gross Enrolment Ratio has increased and drop out numbers have reduced. Quality remains an area where further investment is needed. This includes various aspects such as teacher's training, new pedagogy, improvements in classroom transactions etc.

2.13 In secondary education, Government of India support through the RMSA is currently available only for Government secondary schools. Meghalaya has a limited number of such schools. Most secondary schools in the State are Government aided and these are ineligible for coverage under RMSA. These schools require urgent investment in infrastructure, teachers' training, laboratories for science and math etc. The State is exploring alternative sources for funding such schools.

2.14 Public expenditure in the health sector has focussed on infrastructure, manpower and quality of care. Reduction of IMR and MMR was the major thrust area for the Plan. The continuing inadequacy of health infrastructure and significant shortages of doctors, specialists & para medics coupled with a difficult terrain has adversely impacted the achievement of targets for IMR. There are no recent estimates of MMR for the State. Data from the State's Health Management Information System (HMIS) suggests a sharp decline. This is corroborated by a 100% maternal death audit introduced in 2011.



New ICU at Ganesh Das Hospital

2.15 The major achievements in the social sector during the Plan period inter alia, include:

- ✓ schools in 97% habitations
- ✓ GER at Primary up from 94.46% in 2007-08 to 96.98% in 2009-10
- ✓ GER at Upper Primary up from 62.62% in 2007-08 to 80.91% in 2009-10
- ✓ drop out at Elementary down from 14.73% in 2007-08 to 9.05% in 2009-10, in Secondary down to 11.25% from 35.02%
- ✓ 8 new Kasturba Gandhi Balika Vidyalayas (KGBVs) set up
- ✓ major thrust on teachers' training in collaboration with IGNOU
- ✓ ISO 9001:2000 certification for all three Polytechnics
- ✓ National Institute of Technology (NIT) Meghalaya set up
- ✓ legislation for State Technical University in PPP mode enacted
- ✓ 2 new hospitals, 2 CHCs, 4 PHCs set up
- ✓ major expansion of hospitals at Shillong
- ✓ 108 Emergency Ambulance service introduced
- ✓ maternal death review launched

- ✓ PPP project for Medical College & Hospital at Shillong at bidding stage
- ✓ Integrated Child Protection Scheme operationalized in all districts
- ✓ Shelter Home for victims of domestic violence set up, 2 additional training centres or self employment for women in need of care & protection operationalized
- ✓ State ranked 1st in Total Sanitation Campaign (TSC) in North East – 365 villages receive Nirmal Gram Puraskar in 2010-11 alone

State of Infrastructure – huge deficit but the promise of real change, soon

2.16 Meghalaya has a legacy of a huge deficit in infrastructure. It is land locked with aoperational airport at Shillong suitable only for small aircraft. It has no rail connectivity and a road density which is much lower than the national average. With over half the villages reporting a population of less than 200 and difficult topography, road connectivity for all villages is expensive and often unviable. PMGSY norms for the North East are lower than national norms but need to be further reviewed for the State. Nevertheless, the 11th Plan brought in a series of very welcome initiatives for addressing the challenge. This has involved resources from the Central Plan as well as the State Plan. Some of these projects have been completed while others will be completed during the 12th Plan as spill over projects. The exception is the telecom sector where clear sight of strategies and outcomes over the next Plan is still lacking.

2.17 The major achievements during the Plan period inter alia, included:

- ✓ expansion of Shillong Airportinitiated –work currently underway
- ✓ 1st railway line to be commissioned in 2012-13 followed by 2 others
- ✓ major investments in widening of National Highways, Bypasses, new State highways, replacement of Semi Permanent Timber Bridges



Two of the many Semi Permanent Timber Bridges (SPT) in the State. These are vulnerable to flash floods & require regular repair and decking replacement. Many of these have been replaced by RCC bridges in the 11th Plan, many more remain

- ✓ Inland Waterways – Techno Economic Feasibility Studies and DPRs of 3 waterways commissioned
 - ✓ State Wide Area Network and State Data Centre commissioned
 - ✓ major investments in power generation & transmission along with off grid power
 - ✓ 231 Ropeways, Suspension Bridges and *RCC footbridge built to connect a border village*
- Footbridges along with 148 link roads provided for connecting unconnected villages on Indo Bangladesh border
- ✓ major district roads and State Highways taken up for renewal & strengthening in phases through SPA
 - ✓ Multi Facility Centres in key rural markets and larger villages for converged delivery of citizen centric services under construction



Environment – water, climate & forests

2.18 Increased economic activity, particularly mining activities, mineral based industries along with an increasing population have led to greater stress on the environment. Judicious use of water and preservation of forests are vital to the long term sustenance of the people of the State. The effects of long term climate change are also being felt on water, soil and bio diversity. It is important to have plans in place to prepare people and Government to deal with these changes. Efforts of the State during the Plan in the domain of environment have therefore focussed primarily on three themes – water, land and biotic resources. All three themes require sustained engagement and will continue to be thrust areas in the 12th Plan. The development strategy of the State for the 12th Plan also hinges around these elements.

2.19 The major achievements during the Plan period inter alia, included:

- ✓ 1st State to draft a State Level Climate Change Adaptation Plan
- ✓ forest cover sustained (FSI 2009)
- ✓ Integrated Water Resource Development Agency, State & District Water Resource Councils set up to ensure appropriate water use& implementing Integrated Water Resource Management (IWRM)
- ✓ State Bio Diversity Board set up
- ✓ feasibility study of Coal to Liquid Project commissioned

Knowledge Management – science and tradition

2.20 The development strategy envisaged by the State is predicated extensively on science & technology applications as well as a reliance on traditional knowledge particularly in respect of forests, water and soil conservation. This knowledge needs to be collated, analysed, documented and disseminated. Recent technological advancements particularly relating to 3 D modelling of landscapes & water retention structures offer immense possibilities for micro level planning.

2.21 During the Plan period, the achievements inter alia, were:

- ✓ development of thematic layers based on GIS & Satellite data
- ✓ collaboration with National Mission on Geo Spatial Applications for 3 D modelling for IBDLP, water retention structures and State Water Mission
- ✓ engagements initiated with practitioners of traditional medicine
- ✓ Knowledge Hubs set up at district level for decentralised knowledge solutions
- ✓ 3 Institutes established for technical capacity on knowledge management – Meghalaya institute of Governance, Meghalaya Institute of Entrepreneurship & Meghalaya Institute of Natural Resources

Inclusive Growth – making growth matter to people

2.22 Ensuring inclusive growth was one of the key objectives of the Plan. For the State this meant improving its interface with civil society to facilitate a richer dialogue and a better understanding of hopes, aspirations and anxieties. Alongside, interventions in social issues of long standing were taken up. These issues have usually been taken for granted and suffered benign neglect, often due to the perception that the State's resources should be better utilised elsewhere.

2.23 Some of the noteworthy interventions during the Plan period were:

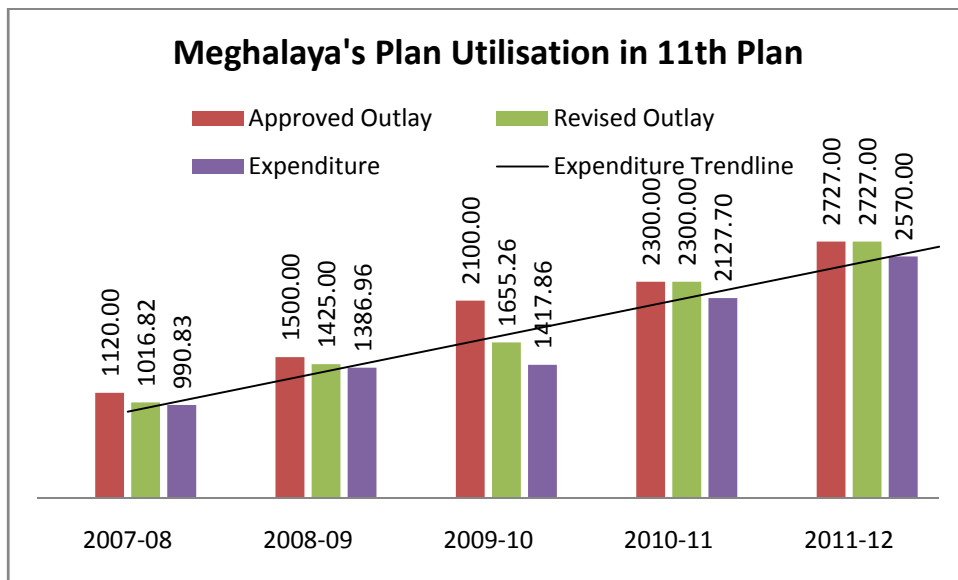
- ✓ active engagement with Civil Society including pre budget and 12th Plan consultation workshops, fostering the formation of the Meghalaya Water Foundation
- ✓ concerted action on Child Labour through number of line departments, Tata Institute of Social Sciences commissioned for extensive ground survey, large number of Inspectors notified under the CLPR Act including school teachers

- ✓ financial inclusion scheme launched for women’s empowerment, livelihoods & extension of banking channels
- ✓ Meghalaya State Employment Promotion Council constituted, skill training & placement programmes taken up with prominent retail chains
- ✓ Meghalaya Institute of Music set up for supporting local talent
- ✓ State Plan scheme launched for preservation and propagation of traditional tribal art & culture
- ✓ major investments in upgrading sports infrastructure at district and sub district levels

Implementation Capacity – getting better

2.24 Inadequate capacity to absorb funds and implement projects and programmes has been felt for long. Addressing this emerged as a core priority during the Plan period. This has involved extensive training of officers and staff, administrative restructuring, new institutional structures for facilitating convergence & orchestrating simultaneous delivery of citizen centric services across departments and a complete overhaul of systems and procedures governing appraisal and sanction.

2.25 Results of the efforts are already emerging. Meghalaya has clearly shifted to a higher trajectory in terms of utilisation of funds as indicated in the graph below and in terms of growth in the economy.



(All in Rs. Crore)

2.26 Capacities for implementation have been significantly augmented but these improvements need to be sustained through more training and innovation.

Unfinished agenda and emerging challenges

2.27 Meghalaya's growth during the 11th Plan was faster but more must be done to ensure that the results of this growth improve the lives of people, in terms of incomes and livelihoods, a better quality of life and more opportunities. This remains an abiding theme for the next Plan. Even though the State is predominantly tribal and matrilineal, the challenge of inclusion, in many ways reflects the situation elsewhere in the country.

2.28 Economic opportunities for women are limited since the presence of formal banking structures is thin. Increasing financial inclusion will be a strong priority not just for women but also for supporting various livelihoods. This would also involve augmenting the presence of bank branches in the State.

2.29 Inadequate connectivity to villages increases drudgery and reduces access to markets. Investments in roads, especially all-weather rural roads will continue. Convergence with NREGA, use of PMGSY funds, funds from other schemes such as BADP, Art 275 etc. along with allocations under the State Plan will therefore continue with increased vigour.

2.30 Health indicators suggest that the goal of bringing down infant and maternal mortality to acceptable levels requires continuing efforts. Filling up of vacancies, better patient tracking mechanisms etc. shall be prioritised. In education, improvements in quality of education and improving access to secondary and higher education are areas where efforts must be redoubled.

2.31 Population growth has led to an increase in the number of youth. They need to be engaged productively through a well thought out strategy and action plan. The State has already taken up 2012-13 as the year of the youth. Creative solutions for the youth backed by an appropriate investment strategy will continue to be a focus area.

2.32 Urban centres usually provide more opportunities. However, in the case of Meghalaya, the growth in urban population has not reflected national trends. As against 19.92% of the population in 2001, urban areas in 2011 accounted for 20.42% of the population, a marginal increase of about 0.5%. This ought to be juxtaposed against the changes in the sectoral composition of the GSDP given in Table I below.

Table I: Sectoral Composition of GSDP

SECTORS	2004-05	2006-07	2008-09	2011-12 (Adv)
1. Agriculture & Allied sectors	24.46	22.36	19.67	17.04
2. Industrial sector	24.75	26.48	27.98	29.40
3. Services sector	50.80	51.16	52.35	53.55

[Source: Dte. of Economics & Statistics, Govt. of Meghalaya]

2.33 Markets in urban areas need to grow to support movement of people to the tertiary sector. This involves closer linkages of such markets with value chains that originate in rural areas.

2.34 Market infrastructure in terms of airports and better telecommunication links is vital for modern commerce and for value chains to realise their potential. While some activity is visible in respect of improvements in airports, the telecom sector remains a huge drag bringing down productivity and efficiency. Presently investments in the telecom are done by the BSNL or by private providers in locations where adequate market exists. A centrally sponsored scheme to promote telecom infrastructure could perhaps help bridge the gap and provide the missing link.

2.35 The interplay of the State Government, Autonomous District Councils and traditional tribal heads has often been marked by differences in perceptions & capacities as well as an overlap in jurisdiction such as forest, water and land. Bringing different institutions of governance on the same page will require renewed efforts.

2.36 Three institutions set up by the Government during the 11th Plan namely the Institute of Governance, Institute of Entrepreneurship and the Institute of Natural Resources will play a vital role in all this. To do this, it will be necessary to activate the collaborations already put in place for these institutions and ensuring that they are adequately resourced both in terms of expertise and finances.

2.37 The Integrated Basin Development and Livelihood Promotion Programme (IBDLP) as the flagship programme represents a cogent and comprehensive response to the development challenges faced by the State particularly in respect of sustainable natural resource management and livelihoods. The activities already taken up will be intensified while others where preparatory work is currently underway will be launched in the next few months. A separate write up on the IBDLP is given in Chapter IV.