

**SPEECH OF HON'BLE ADMINISTRATOR IN THE NATIONAL DEVELOPMENT
COUNCIL MEETING HELD AT VIGYAN BHAWAN ON 22/10/2011.**

Hon'ble Prime Minister Sir, Hon'ble Home Minister, Hon'ble Cabinet Ministers, Hon'ble Chief Ministers, Hon'ble Administrators, Secretaries to Govt. of India, Chief Secretaries, Secretaries and other Senior Govt. Officers present in this meeting.

2. The U. T. Administration is thankful to the Planning Commission, Govt. of India for preparing an excellent draft approach paper for the 12th Five Year Plan. We believe that this will prove to be a harbinger of growth for Energy, Transport, Health & Education sectors. It will enable the nation to face the challenges of urbanisation, rural transformation, poverty alleviation and issues related to inclusive growth for all.

3. Daman, Diu and Dadra & Nagar Haveli are two small Union Territories located in the western part of the country. When these territories became part of India in 1961 these were considered to be the most backward parts of the country in terms of socio-economic development. The Government of India announced certain tax concessions for these territories in the later part of 1980s. Thereafter, these territories witnessed tremendous industrial development which was later followed by significant improvement in social development indicators such as poverty ratio, literacy rate, infant mortality rate, maternal mortality rate, child nutrition, health of pregnant and lactating mothers etc. At present all

these indicators are much above the national level. The Administration is committed to further improve upon these socio-economic indicators.

4. **Sir**, the Planning Commission had earmarked ₹ 900 crores for Daman and Diu and ₹ 1300 crores for Dadra & Nagar Haveli in the 11th Five Year Plan. However, actual allocation during the 11th Plan is lower at about ₹ 850 crores for Daman and Diu and ₹ 991 crores for Dadra & Nagar Haveli. We have been able to spend almost 100% of the Plan Outlays allocated during the first four years of the 11th Five Year Plan. Sir, I am pleased to inform this august house that the Balance of Current Revenue which forms the basis for allocation of Plan outlay has remained positive during the first four years of the 11th Five Year Plan in both the UTs. During the current year too, we hope to maintain this positive trend. This makes a strong case for increasing plan outlays for these UTs in the 12th Five Year Plan. Being Union Territories without legislature, the UT Administration is totally dependent on Govt. of India for allocation of funds. It is the perception of the people that funds allocated have not been commensurate with the actual needs of these UTs. There is an urgency in improving the infrastructure to sustain industrial development and to realize the tourism potential of these UTs.

5. As stated earlier, Daman & Diu and Dadra & Nagar Haveli had witnessed tremendous growth in industrial activity after the tax concessions were announced in mid eighties. Now, when these are coming to an end, most of the industrial units are finding themselves at the crossroads. They have reached a saturation point and are in need of expansion to sustain themselves. Capital investment of thousands of crores, made by these industrial units, needs

to be protected. In absence of tax concessions, the competitiveness can be increased only by way of improving infrastructure related to power, water supply and transportation.

6. **Sir**, the industrialization in its wake has brought in unplanned urbanization in these UTs. The urban infrastructure too has not kept pace due to paucity of funds. There has been no planned sewerage system in any of the urban areas of these two territories. We have prepared a comprehensive plan for underground sewerage system as well as for water supply for all the urban areas.

7. The water supply project for Silvassa Municipal area was pending for several years for Standing Finance Committee clearance in the Ministry of Urban Development. We are thankful to the Ministry that recently the project has been cleared. The project was initiated in the year 2006 under UIDSSMT but due to procedural delays in technical evaluations and financial clearance the project cost had to be revised twice. Another ambitious water supply project for Daman Municipal area was also lying pending in the Ministry of Rural Development. This has also recently been cleared. This project envisages to draw water from Madhuban dam through pipeline and take it to different water treatment plants in Daman. The project cost is more than ₹ 45 crores.

8. The most acute problem so far as water supply is concerned, is in the beautiful island town of Diu which lies in a rain shadow zone. The ground water has gone down to 500 feet. Our proposal for taking water from Sardar Sarovar Dam through pipeline to Diu is under consideration of the Ministry of Rural Development for past few years. The cost of this

project is around ₹ 32 crores and is pending for SFC clearance in the Department of Drinking Water Supply, Ministry of Rural Development.

9. With these projects coming up we hope to fulfil the demand for drinking water in these two UTs. A comprehensive study has also been carried out for the UT of Dadra & Nagar Haveli to address the issue of water supply in a holistic manner. This integrated water management plan would need about ₹ 125 crores for implementation in a phased manner. If this plan is implemented the problem of drinking water throughout the UT of Dadra & Nagar Haveli as well as for industrial use can be taken care of till the year 2040. For all these projects and also to improve and replace old distribution system, we would need about ₹ 200 crores in the 12th Five Year Plan for Dadra & Nagar Haveli and another ₹ 100 crores for Daman & Diu.

10. **Sir**, we do not have our own power generation. The power requirement is met from the allocation of power from the central sector generating stations. The allocation of power to Dadra & Nagar Haveli is 567 MW during peak hours and 483 MW during off-peak hours. For Daman & Diu it is 252 MW during peak hours and 274 MW during off peak hours. We have our own bilateral agreements with NSPCL, Bhilai for 170 MW for these UTs. However, the present arrangement is not adequate for the total requirement of the industries. We have taken up the matter with the Ministry of Power several times. Hon'ble Minister of State for Home has also been taking up this issue time and again. However, till now we have not seen improvement in the situation. I would like to add here that our T&D losses are one of the lowest in the country at about 8%. Our tariff rate is around ₹ 4 per unit of power for

industrial consumers and ₹ 2 for domestic consumers, again are one of the lowest tariff rates in the western region. Despite very low tariff rates, we have been earning surplus through distribution of power and contributing substantially to the Consolidated Fund of India. During the year 2010-11 we have contributed more than ₹ 161 crores.

11. To take care of the power requirements of our industrial units, we are working on a multi pronged strategy. On the one hand we are trying to procure power through short term and mid-term power purchase agreements. On the other hand for a long term solution we have entered into an MoU with Govt. of Gujarat for setting up a 1320 MW power project at Navsari. For this purpose, we are in the process of corporatisation of our distribution wing of the Power Department in Dadra & Nagar Haveli. Recently we have received NOC from Ministry of Home Affairs for the same. However, despite our best efforts the Gujarat Govt. has not allotted the land to us. Through this august platform I once again request Hon'ble Chief Minister of Gujarat to expedite the allotment of land for the proposed power plant which will be set up under PPP mode. We are thankful to the Planning Commission for according their in-principle approval to this project, in June this year.

12. **Sir**, even if we are in a position to procure power through PPAs we are in the dire need of funds for strengthening and upgrading our distribution and transmission system so that the additional load of power is taken to the consumers with utmost efficiency. We have to upgrade existing sub-stations and distribution lines. We also have to set up new power sub-stations and especially lay new distribution lines in both these territories. Moreover to further reduce T&D losses and to improve aesthetics of our urban areas we are planning to lay

underground cables. Some areas of Daman have already been covered during 11th Plan. Considering our plans and ongoing works in the power sector we request that funds to the tune of ₹ 400 crores for Dadra & Nagar Haveli and ₹ 250 crores for Daman & Diu be earmarked in the 12th Five Year Plan for upgrading power infrastructure and related facilities.

13. **Sir**, the next most important bottleneck to industrial growth is inadequacy of road infrastructure. Unfortunately, after integrating into the Indian Union till now none of these UTs have got any National Highway connectivity. I have sent a proposal to the Ministry of Road Transport & Highways for providing National Highway connectivity through National Highway-8. The proposed alignments would pass through the States of Gujarat and Maharashtra. The total stretch of the road from NH-8 to Daman would be around 30 kms. and for Dadra & Nagar Haveli it would be 33 kms. I request Hon'ble Chief Ministers of Maharashtra and Gujarat to give their NOCs to the Ministry so that the proposals could be considered by them. The proposed highway connectivity to Dadra & Nagar Haveli would be of immense benefit to the tribal population of Thane district. Similarly, the proposed alignment for Daman will take away the pressure of heavy traffic from Vapi town. We hope that adequate provisions would be made in the 12th Plan by the Planning Commission for this purpose.

14. There has been a long felt need for constructing a Ring Road in Silvassa town area which has witnessed tremendous growth in population in the past decade. The proposal has been hanging fire for the past 14 years. I am thankful to the Planning Commission who have approved this project during the Working Group discussions in the month of June this year.

The total stretch of this road would be around 11.30 kms. We are in the process of acquiring land. We would need about ₹ 75 crores for acquisition of land and another ₹ 75 crores for construction of roads and bridges. Moreover, we have to improve road network within the two UTs which is in dire straits. Roads in most of the industrial estates are in really a bad shape. We have therefore, planned to upgrade the existing road network as well as construction of new roads for improving the connectivity. We have also planned to construct 19 bridges on various rivers and one cable stayed bridge on Damanganga river. An allocation of ₹ 500 crores for U. T. of Daman & Diu & ₹ 600 crores for U. T. of Dadra & Nagar Haveli will be needed during 12th Five Year Plan period for this purpose.

15. The thrust of 11th Five Year Plan has been social inclusion coupled with provision of improved livelihood opportunities. In both these UTs tremendous job opportunities have been created by the industrial sector. As I have stated earlier, most of the industries are now at a saturation point. We therefore, have to look for other sectors for creating job opportunity for the local people whose aspirational levels are also increasing because of spread of education. Both these UTs have tremendous potential for development of tourism sector. This however, will depend upon improved connectivity. We are thankful to the Planning Commission who have given their in-principle approval for a Greenfield Airport in Luhari area of Dadra & Nagar Haveli, and also made a token provision in the current annual plan. However, the project can be taken up under PPP mode only when land is acquired by the Administration. We would therefore require sufficient funds for acquisition of land. We therefore, request that an allocation to the tune of ₹ 150 crores be earmarked in the 12th Five Year Plan. We are also planning for a mega tourism park under the PPP mode, in the

picturesque hills of Dudhani near Madhuban Dam. For this project too, we require funds to the tune of ₹ 100 crores for the purpose of acquisition of land.

16. **Sir**, Diu is a beautiful island with white sand beaches and is very near to Somnath Temple, Gir Forests, Junagadh and Dilwara Jain Temples. We have already taken up the matter with the Tourism Department of Govt. of Gujarat to make Diu a part of their Junagadh circuit. However, true potential of Diu can be realized only when rail connectivity is provided to Diu. I therefore request Hon'ble Union Railway Minister to extend the railway line from Veraval to Ghoghla. Daman also has got beautiful beaches on the western coast. The sea based tourism can be given a big fillip if Diu and Daman are linked through sea route. We are thankful to the Planning Commission who have agreed to our proposal this year for dredging of the river mouth of Damanganga. A token provision has also been made in our Annual Plan. We are in need of about ₹ 100 crores for this project. We are planning to use this opportunity for developing a minor port so that the sand which is dredged is also put to a better use. This can enable berthing facilities for cruise ships who can start operations between Daman and Diu. We request that provision of funds to the tune of ₹ 200 crores be made in the 12th Five Year Plan for this purpose also.

17. Both the UTs have a limited cultivable land. Most of the area is rainfed. The agricultural sector is bogged down with typical problems like small and fragmented size of holdings, sub-optimal use of chemicals and fertilizers, subsistence nature of agriculture etc. There is limited irrigation potential. The existing irrigation potential available to us from Madhuban Dam is also not fully utilized due to poor maintenance of canal system by the

Irrigation Deptt. of Gujarat Govt. Now, we have ourselves taken up the repair and maintenance of canal network. For augmentation of irrigation facilities, laying of canals and their repairs and maintenance we would need around ₹ 40 crores for Daman & Diu and ₹ 60 crores for Dadra & Nagar Haveli during the 12th Five Year Plan. We are encouraging the farmers to take to horticultural crops. We are also encouraging them to conserve soil and water and use high yielding varieties of seeds. We have been insisting to our Lead Banks for 100 percent coverage of farmers under the Kisan Credit Card scheme. However, all these efforts will not be sufficient to take care of the demand for jobs of the growing young and educated population. A solution to this lies in realizing our tourism potential to the hilt.

18. **Sir**, we are fully committed to implement all the flagship programmes of the Govt. of India. We have significantly improved implementation of many schemes during the current financial year. Just for example, under the National Social Assistance Programme, the number of beneficiaries during 2010-11 were only 902 in Dadra & Nagar Haveli which have now crossed 5000. Similarly, in Daman & Diu the number of beneficiaries has increased from 1207 to 2536. We are simultaneously ensuring financial inclusion. No-frill bank accounts have been got opened for all the beneficiaries in Dadra & Nagar Haveli. The amount is directly credited to their accounts through ECS. Payments can be drawn by poor uneducated tribal beneficiaries in their village at their door step through banking correspondents. The same exercise is currently going on in Daman & Diu also and we hope to complete this within a month. Our aim is to ensure 100 percent coverage of all eligible persons. Moreover, considering the plight of senior citizens, we are planning to build some Old Age Homes with recreation facilities. Considering the increasing life expectancy of

senior citizens, we are also planning to implement health insurance schemes for senior citizens as well as workers in unorganised sector. For implementation of all these schemes, an additional allocation of ₹ 300.00 crores is required for U. T. of Daman & Diu and ₹ 400.00 crores is required for U. T. of Dadra & Nagar Haveli during 12th five year Plan period.

19. **Sir**, educated citizen is an asset to the Nation. Our endeavour in both the UTs is to fully implement Right to Education Act. Our performance in Sarva Shiksha Abhiyan and Madhyamik Shiksha Abhiyan is also exemplary. We are proud that we have received the recognition at the national level by fetching Decadal Literacy Award, 2011 for Dadra & Nagar Haveli. There was no government college in Dadra & Nagar Haveli even after 57 years of liberation. This year we have set up a government degree college by the name of Silvassa Institute for Higher Learning with two streams of Arts and Commerce. We are planning to introduce more faculties when the new college building is ready. The Hon'ble Minister of State for Home Shri Mullapally Ramachandran had inaugurated this college in an existing school building on 25th July, 2011. He also laid the foundation stone for the college building as well as for the Auditorium. We intend to build a state of the art campus which can cater to 2000 students. For this purpose we would need an amount of ₹ 80 crores. We have to upgrade & expand physical infrastructure for primary and secondary level education. We therefore request that an amount of ₹ 350 crores for Dadra & Nagar Haveli and ₹ 200 crores for Daman & Diu be earmarked in the 12th Five Year Plan.

20. **Sir**, just like an educated person is an asset to the nation a healthy person also is equally important for the overall development of the nation. In both the territories we have

effectively implemented National Rural Health Mission. We have put in place state of the art medical facilities in Shri Vinoba Bhave Civil Hospital in Dadra & Nagar Haveli and also in Civil Hospital in Daman. A new hospital has been completed in Diu. We are planning to further improve health infrastructure in Dadra & Nagar Haveli by building a 200 bedded multi specialty, state of the art hospital with ultra modern OPD block. The Planning Commission has already given its approval and token provision has also been made. Our designs are ready and will be sent to the Ministry of Health for seeking technical and financial clearance. The total cost of the project would be around ₹ 100 crores for the building and ₹ 80 to 90 crores for the equipments. We, therefore, request that a provision of around ₹ 200 crores for Dadra & Nagar Haveli and another ₹ 100 crores for upgradation and expansion of existing civil hospital in Daman be made in the 12th Plan.

21. **Sir**, I have very broadly indicated sector specific needs with some details of individual projects. At an aggregate level, we have estimated that our requirements for Plan funds during the 12th Five Year Plan will be ₹ 2500 crores for Daman & Diu and ₹ 3500 crores for Dadra & Nagar Haveli.

22. **Sir**, I would like to touch upon some administrative issues also. Under the Right to Education Act, the Appropriate Government for these UTs is the Ministry of Human Resource Development. The Administrator of the UTs needs to be declared the Appropriate Government for smooth and effective implementation of the Act. Sir, overall literacy rate for these UTs is better than All India Average. We are however, lacking in technical education. We request Ministry of Human Resource Development to increase the number of seats in

MBBS and Engineering courses for the students of these territories so as to fill up the gap in technical education. At present, we do not have any medical and engineering college. We are however, proposing to convert the existing Polytechnic in both the UTs into Institute for Engineering and Technology through a registered society so that qualified faculty could be recruited easily and modernization and upgradation of facilities is also taken up. At present we are handicapped because neither we can amend or frame recruitment rules nor we can recruit faculty at our level.

23. **Sir**, we are unable to fill up large number of vacancies in important departments like health and education because all our proposals for framing/amending recruitment rules remain pending with UPSC or with respective Ministries. It is our earnest request that the authority for approval of recruitment rules for group 'A' and 'B' gazetted posts be delegated to the Administrator of these territories and the ban on creation of the posts for essential services like education and health be lifted immediately.

24. Another issue of importance is the delegation of financial powers to the Administrator for financial sanction of plan schemes. At present the Administrator can grant financial sanction up to ₹ 20 crores. All our projects which are more than ₹ 20 crores have to be cleared by the respective Ministries. Once a proposal is submitted to the Ministry it gets mired into procedural wrangles. I have already indicated that our water supply project took several years to get SFC clearance. Since most of the projects which we are planning now, will cross the limit of ₹ 20 crores, it is requested that the financial power under rule 18 of Delegation of Financial Power Rules, 1978 be enhanced from ₹ 20 crores to ₹ 50 crores. We

also request that a separate SFC be constituted within the Ministry of Home Affairs for according expenditure sanction in respect of projects/schemes of these UTs. cost of which is more than ₹ 50 crores. This will imply a single window clearance for all major projects for both these territories and will result in timely implementation of these important projects and will avoid cost escalation due to time overruns.

25. **Sir**, another constraint, I would like to point out, is regarding inadequate manpower with the UTs of Daman, Diu and Dadra & Nagar Haveli. Though these UTs are small in size, yet the work at Secretariat level is almost equal in volume as compared to any other State Secretariat. In fact during the last two decades various development activities have increased. Also substantial increase has taken place in population, industrial activities, socio economic activities like education, health, social security, welfare, etc. I earnestly request the Ministry of Home Affairs and other Ministries to take a considered view in sanctioning creation of posts for the UTs at Secretariat as well as in the field departments like Health, Education, Transport, Tourism etc.

26. I thank the Planning Commission for providing me this opportunity to highlight the problems of Daman, Diu and Dadra & Nagar Haveli. I would also like to thank the Hon'ble Prime Minister, Hon'ble Home Minister, Hon'ble Cabinet Ministers, Hon'ble Chief Ministers, Secretaries to Govt. of India, Chief Secretaries and Administrators and other officers present in this meeting for giving me a patient hearing. Thank you all.

Jai Hind.
