11th Five Year Plan Approach paper

Any hopes for a people friendly 11th Plan?

It does not seem to be the case. A quick look at the Approach Paper (AP) for the 11th Five Year Plan (April '07 – March '12) from Planning Commission, Govt of India, specifically the issues that concern us at *DRP* (Agriculture, water, power and environment) suggests that we are likely to see a rehash of the old programmes, with little innovation or attempt to learn from the mistakes of the past. Let us see these issues from the AP.

To recommend quick environmental clearances in the interest investments, that too in the face of current state of affairs including shoddy environmental impact assessments, non existent implementation of environmental management plans or conditions mentioned in environmental clearances and total inaction of the authorities in face of abject and repeated violations. The Approach paper could not have been more divorced from the ground realities.

Agriculture Broadly, the AP objective (p 15) is, "It is, therefore, proposed that the target growth rate for the 11th Plan be 8.5 % per annum", with agriculture growth rate at 3.9%.

However, this is very ambitious looking at the experience from recent plans, "One of the major challenges of the 11th Plan must be to reverse the deceleration in agricultural growth from 3.2% observed between 1980 and 1996-97 to a trend average of only 1.5% subsequently. This deceleration is undoubtedly at the root of the problem of rural distress that has surfaced in many parts of the country. What is more, the problem is also not a purely distributional one, arising out of the special problems of small and marginal farmers and landless labour. In fact, the deceleration is general affecting all farm size classes. To reverse this trend, corrective policies adopted must focus not only on the small and marginal farmers, who continue to deserve special attention, but also on middle and large farmers who too suffer from productivity stagnation arising from a variety of constraints." Moreover, "Not only has agricultural growth been low in the last decade, the prices received for agricultural products have also failed to keep pace with the costs or the general price level and, as a consequence, profitability has declined" (page 18). YK Alagh notes (Indian Express 070706), the AP does not give a road map for improved profitability for farmers.

11th Plan Irrigation Target: "About 11 m ha of new potential can be expected in the 11th Plan consisting of 5.5 m ha in major & medium irrigation, 3.5 m ha through minor irrigation and about 2.0 m ha through ground water development. In addition, another 3-4 m ha of land is to be restored through modernisation of major, medium and minor projects and restoration of tanks." It seems the love affair with big projects continues in spite of all the past experiences.

"Actual growth of agricultural GDP, including forestry and fishing, was only 1% per annum in the first three years of 10th Plan and even the most rosy projections for 2005-06 and 2006-07 would limit this below 2% for the full five year period. The challenge posed is to at least double the rate of agricultural growth."

As A Ravindra of WASSAN notes, the philosophy under 'agriculture' is more or less green-revolution type – with a focus on soil testing and micro-nutrients instead of Soil Health.

Water Management and Irrigation AP (p 21-22): "Water is a critical input for agriculture and this calls for expansion of irrigation, where it is possible and better water management in rainfed areas where assured irrigation is not possible. This is clearly an area where past policies have been inadequate. Performance in expanding irrigation has been disappointing with resources being spread thinly over many projects and a large number of irrigation projects remaining under construction for many years." However, after accepting that past policies have been inadequate in this area, the AP has nothing new to offer.

AP: "The Bharat Nirman programme *inter-alia* envisages creation of 10 m ha additional assured irrigation during the 4 years period (2005-2009). To achieve this, the pace of potential creation will have to be scaled up from 1.42 m ha per year in recent years to 2.5 m ha/ year. Of the new potential envisaged under Bharat Nirman, about half is planned for 2007-08 and 2008-09 i.e., first 2 years of the 11th Plan. Assuming the same rate of creation of continues thereafter, a total of about 11 m ha of new potential can be expected in the 11th Plan consisting of 5.5 m ha in major & medium irrigation, 3.5 m ha through minor irrigation and about 2.0 m ha through ground water development. In addition, another 3-4 m ha of land is to be restored through modernisation of major, medium and minor projects and restoration of tanks."

These are unrealistic projections. When over half of the irrigated areas in India are dependent on groundwater and there remains huge unexploited potential, particularly in the eastern India, the 11th plan target of irrigated areas has less than 20% area sourcing

groundwater. As it became clear also from the mid term appraisal of the 10th Plan, the cost per ha of area irrigated from minor irrigation is much lower than that from major and medium projects. And yet 50% of target and much larger proportion of resources continue to be reserved for big projects.

AP: "Along with expansion of irrigation facilities, steps need to be taken to ensure that water is distributed equitably and that it is used efficiently. The past pattern where tail enders are denied water because upper end users appropriate it for highly water intensive crops must be avoided."

In reality, the implementation of big projects is going in exactly opposite direction. For example, in case of Sardar Sarovar Project, water is first made available (for several years) to the initial reach of the command area that is already water rich and that is taking up water intensive crops. Thus by the time Command Area Development would reach the tail ends, the initial command area would have already established water intensive cropping pattern. At a latter stage, even if there is an attempt, it would be impossible to change the cropping pattern and attendant high water use, depriving the tail enders, in this case the drought prone areas of Kutch, Saurashtra and North Gujarat.

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AP: "Participatory Irrigation Management by democratically organised water user associations empowered to set water charges, collect and retain substantial part of it, would help to maintain field channels, expand irrigated area, distribute water equitably and provide the tail enders their just share of water. Experience in Gujarat has shown the effectiveness of such PIM. The 11th Plan must expand reliance on PIM on a large scale."

However, experience has shown that in many areas, PIM has failed for many reasons, including the fact that there is no role for the farmers in choosing the option for irrigation in their area, but participation is sought only after all the decisions have been taken, all the costs incurred. 11th Plan could have started with recommending participation right from planning and decision making stage onwards. That would also have helped remove the distortions due to over emphasis on large projects.

How will the surface water sources ensure greater sustainability than groundwater? Why should groundwater recharge measures not be mandatory for all, when it is clear (see mid term appraisal of 10th Plan) that over 80% of rural households depend on groundwater for their drinking water needs? These questions on rural water supply remain unanswered.

As noted by the World Bank's report in 2005, *India's Water Economy: Bracing for a Turbulent Future*, annual financial requirements for repair and maintenance of existing irrigation infrastructure is of the order of USD 4 B, equal to over Rs 17 000 crores. We are unable to allocate a fraction of that money. The irrigation infrastructure is performing poorly, as is evident even from the 10th Plan document, the mid term appraisals of the 9th and the 10th plan, and yet there is nothing in the AP to work in that direction. The storage capacities are silting up at the rate of 1.4 BCM per annum as per the report of the GOI's National Commission on Integrated Water Resources Development and Management, and nothing is being done to arrest that destruction. The existing large water storages are not being used, as shown by SANDRP (South Asia Network on Dams, Rivers & People). Over the last 12 years, on an average, each year at least 36.25 BCM storage space has remained empty for each of the last 12 years. The least the Planning Commission can do is to take up studies and action plans to reverse this situation, but AP has nothing to reflect that.

Why McKinsey? Its worth noting in this context that McKinsey & Company, a global management consulting firm, is currently working with the Confederation of Indian Industry on a new initiative involving India's rural markets for the Prime Minister's Office. This work is based on the Bharat Nirman program, including irrigation and McKinsey is examining the role of the private sector. Why is the PMO engaging McKinsey for sectors like irrigation? Does this also mean that the govt is pushing for role of private sector in Irrigation? This only shows the totally wrong path that the govt is on.

Groundwater AP: "Water is also critical for the more than 60% of cultivable land that is unirrigated and rainfed. Ground water management is critical for these areas and will therefore need much more focused attention in the 11th Plan. Unless this is done we run the risk of a deepening agricultural crisis in dryland areas. Water must be recognised as a scarce resource and every drop needs to be used efficiently. In this context, it must be recognised that some existing policies followed by state govts contribute to the problem. Continued provision of free power by some states and highly subsidised power by all states is

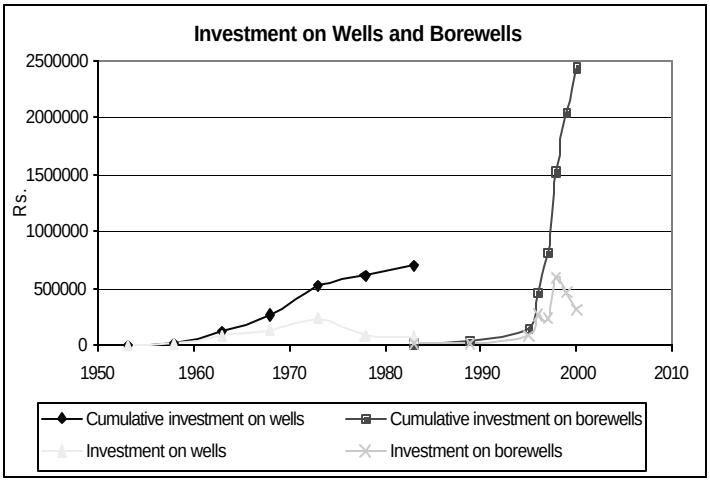
leading to an increase in semi-critical, critical and over exploited areas of groundwater use, which already cover 29% of the blocks in the country."

Here again in stead of limiting itself to the politically unacceptable issue of free power to farmers, the Plan could have recommended some clearly defined policy, institutional and legal steps to ensure that groundwater management becomes the responsibility of the communities (with adequate safeguards for access to water for SC, ST and backward classes).

Watershed Development AP: "Watershed management, rainwater harvesting and ground water recharge can help augment water availability in rainfed areas. Building structures for water management and managing them also provides opportunities for employment generation in rural areas. In addition the enhanced productivity of land will generate its own employment. The National Rainfed Areas Authority to be set up in 2006-7 provides a vehicle for developing concerted action plans for rainfed areas in close consultation with states."

The tenth plan objective of reducing aggregate technical and commercial losses to 15% remains unrealized. Now 11th plan repeats the objective, without taking any new steps to achieve the same. If only wishes were horses....

AP: "With an estimated 80 m ha needing treatment, and average expenditure of Rs 10,000 per ha, the total requirement of funds is about Rs 80,000 crore. For this magnitude of funding to be feasible during the 11th Plan, it is absolutely essential that these programmes be converged with or at least supplemented by the Employment Guarantee programme funding local level schemes which conserve moisture and recharge ground water."



National Agricultural Policy for the Rainfed areas Even as over 60% of the cultivable land in India remains rainfed, India has no National Agricultural Policy for Rainfed areas, as is also clear from the AP, in spite of the long chapter on agriculture. Demanding a policy for Rainfed area, Ravindra A from WASSAN (Watershed Support Services & Activities Network) from Andhra Pradesh makes following points:

⇒ At present Policies and public support systems designed for irrigated areas are extended to rainfed areas, there is no separate treatment for rainfed areas. We need a fresh perspective for rainfed areas.

⇒ Watershed programmes seem to be "The Policy" for rainfed areas.

⇒ While there is extensive support system for irrigation based farming, leading to so much rush for bore wells as shown in the graph, there is practically no support system for moisture based farming. Supporting policies and systems are required for rainfed areas in terms of research, extension, seeds, price support, transport, fertilisers, storage, machinery, etc.

⇒ Thus, while there is state subsidy of over Rs 15 000 per acre for drip or sprinkler irrigation, if a farmer wants to apply say 5 tractor loads of compost in his farm, which can help retain up to 1250 cubic m of soil moisture, there is no support provision.

⇒ While there is support for chemical fertilisers, there is no support for organic matter build up in the soil.

⇒ Similarly, while per ha investment in irrigation is 1.5 lakh at the minimum; per ha investment in watershed is Rs 6000 at the maximum.

⇒ How can we move towards a policy that has place for conservation paradigm like built up of humus in soil? Soil organic matter provides the backbone for rainfed agriculture, but there is no support system for that.

⇒ Take the case of System of Rice Intensification, the new method that requires fewer inputs (less seeds, less water, no chemicals) and yet can increase yields. Even if we assume only 25% saving in water for an acre of land that otherwise uses a 5 hp pump about 3 hours a day on average, the saving in power subsidy is to the tune of Rs 1400 per acre (assuming power tariff at Rs 3.95 per unit). Then there is no enthusiasm for SRI?

⇒ We need to move from input centric policies to management centred policies, from component based approach to integrated farming system approach, from extension based systems to knowledge based systems, from chemicals based inputs to labour based inputs, from liberal irrigation to soil moisture based protective irrigation, and so on. The 11th Plan can make a beginning in that direction.

Clean Water for All The statements in the AP (p 55-6) on this score are instructive: "The 10th Plan target of providing potable drinking water to all villages has clearly not been achieved. Under Bharat Nirman, it is now planned to cover the 55 067 uncovered habitations in 4 years (2005-09). Rural Water Supply is, however, beset with the problem of sustainability, maintenance and water quality. Out of the 14.22 lakh habitations in the

country, although more than 95% coverage was achieved prior to Bharat Nirman, about 2.8 lakh habitations have slipped back from either fully covered to partially covered category. Another 2.17 lakh habitations have problems with the quality of water, with about 60,000 habitations facing the serious problems of salinity or arsenic and fluoride contamination. Under Bharat Nirman, it is also proposed to tackle the habitations that have slipped back or have problems with water quality. The 11th Plan must emphasise full and timely realisation of the Bharat Nirman targets."

On Water Access the Approach paper figures are instructive: "Out of the 14.22 lakh habitations in the country, although more than 95% coverage was achieved prior to Bharat Nirman, about 2.8 lakh habitations have slipped back from either fully covered to partially covered category. Another 2.17 lakh habitations have problems with the quality of water". That is 35% habitations do not have access to adequate drinking water.

The recommendations, however, are not that promising: "Sustainability needs to be addressed by moving away wherever possible from ground water to surface water resources. Where alternate sources do not exist, or are not cost effective, ground water recharge measures will be insisted upon in the vicinity of the project. It will also be necessary to move away from state implemented and managed projects to community owned and managed projects, namely the Swajaldhara Programme. The Swajaldhara had a limited provision in the 10th Plan of 20% of allocation of the Accelerated Rural Water Supply Programme. It will need to be upscaled so that more and more schemes are community managed, reducing the maintenance burden and responsibility of the state. The Twelfth Finance Commission funds for this purpose will need to be fully utilised by the states."

How will the surface water sources ensure greater sustainability than groundwater? Why should groundwater recharge measures not be mandatory for all, when it is clear (see mid term appraisal of 10th Plan) that over 80% of rural households depend on groundwater for their drinking water needs?

Sanitation AP: "Rural sanitation coverage was only 1% in the 1980s. With the launch of the Central Rural Sanitation Programme in 1986, the coverage improved to 4% in 1988 and then to 22% in 2001. The programme was modified as Total Sanitation Campaign in 1999 changing the earlier supply driven, high subsidy and departmentally executed programme to a low subsidy, demand driven one, with emphasis on hygiene education. Five hundred and forty districts are covered under the programme and the population coverage is expected to increase to about 35% by the end of the 10th Plan… It is expected that with allocation of the required funds in the 11th Plan, the MDG goal can be met by 2010, and full coverage achieved between 2012 and 2015." The optimism of the last statement is clearly misplaced.

Power Sector AP: "Half the country's population is today without electricity and, indeed, without a consistent supply of any other form of commercial energy either." The usual recommendation of huge capacity addition (p 33-34) is business as usual approach without looking at various options: "Utility based generation capacity is expected to rise by less than 30,000 MW in the Tenth Plan but we should plan for an increase by 60,000 MW in the 11th Plan to move to a comfortable situation consistent with a growth rate between 8 and 9% per annum. The 11th Plan must evolve policies that can ensure that generation capacity of this order is created in an efficient, least cost manner while emphasizing exploitation of India's hydro potential and nuclear capabilities especially in the field of fast breeder reactors." There is, however, not even an attempt to ensure that the option chosen is least cost one. However, some of the suggested steps are welcome:

i. The presently provided guaranteed rate of post tax returns for CPSUs should be lowered to reduce cost of power and augment resources of state power utilities.
ii. Rehabilitation of thermal stations through R&M to augment generating capacity and improve PLF;
iii. Rehabilitation of HEPs to yield additional peaking capacity;
iv. Improving supply side and demand side efficiencies to effectively lower primary energy demand by 5-7%;

"The Accelerated Power Development and Reform Programme initiated in 2001 was expected to bring down Aggregate Technical & Commercial losses to 15% by the end of the Tenth Plan. In fact, the average for all states is closer to 40% (including uncollected bills)… Some states, e.g. Tamil Nadu and more recently Andhra Pradesh, have shown a much better performance than the average… State govts should adopt the goal of bringing down AT&C losses from the current level of around 40% to at least 15% by the end of the 11th Plan."

The AP misses some of the most crucial aspects of the power sector: Assessment of performance of existing generation capacity from all fuel sources, particularly that from hydro power projects, assessment to see how much of the capacity is providing peaking energy, if it can providing more peaking power, what is the potential for managing the peak loads, ensuring time of day metering as a first step towards making the industries and commercial users pay for the peaking power.

Environment "While there may appear to be a trade-off between environmental sustainability and economic growth in the short run, it has to be recognised, that in the longer run environmental sustainability and human

well-being are not necessarily in conflict. Neglect of environmental considerations, as for example, in profligate use of water or deforestation can lead to adverse effects very quickly. The threat of climate change also poses real challenge to the well being of future generations which we can ill afford to ignore. Our development strategy has to be sensitive to these growing concerns and should ensure that these threats and trade-offs are appropriately evaluated" (p 6).

However, what is said elsewhere (p 44) in the approach paper shows that the planning commission has shown total bankruptcy in understanding the environmental issues and taking lessons from past experience: "As we put in place a policy of environmental protection, we must also pay attention to the danger of creating a new license permit raj system which will replicate all the ills associated with the old licensing regime. A comprehensive review of environmental clearance procedures is necessary to ensure that the system is transparent and avoids unnecessary delay. Unless this is done, the large increases in investment required for accelerated growth will not fructify." This in the face of shoddy environmental impact assessments, non existent implementation of environmental management plans or conditions mentioned in environmental clearances and total inaction of the authorities in face of abject and repeated violations. The AP could not have been more divorced from the ground realities.

What the AP says (p 42) on river cleaning also shows that the commission has not attempted any serious analysis of state of the affairs: "The objective of river cleaning is to restore the water quality of all the major rivers to the designated best use which is the 'bathing class' (category B). We are very far from achieving this objective. The National River Conservation Plan needs a critical review of the present strategy of central assistance to states for creation of facilities. Sustainability and operational issues remain unresolved in most cases. Ways of linking treatment of sewage and industrial effluents to the urban and industrial development planning need to be worked out. The goal should be to ensure that by the end of the 11th Plan no untreated sewage or effluent flows into rivers from cities and towns." No steps are suggested how this can be achieved. However, there are some welcome statements: "Studies on minimum essential flow in the rivers and plans to maintain it must be drawn up." How this will be achieved is no clear, though.

Rehabilitation While what the AP says on this issue (p 7) is more honest, it makes no credible suggestions for future: "Our practices regarding rehabilitation of those displaced from their land because of development projects are seriously deficient and are responsible for a growing perception of exclusion and marginalisation. The costs of displacement borne by our tribal population have been unduly high, and compensation has been tardy and inadequate, leading to serious unrest in many tribal regions. This discontent is likely to grow exponentially if the benefits from enforced land acquisition are seen accruing to private interests, or even to the state, at the cost of those displaced. To prevent even greater conflict, and threat to peace and development, it is necessary to frame a transparent set of policy rules that address compensation, and make the affected persons beneficiaries of the projects, and to give these rules a legal format in terms of the rights of the displaced. In addition to those displaced by development projects, those displaced by social upheavals should also be properly resettled." The Planning Commission could have suggested a comprehensive and independent review of experience and prepare an action plan to ensure justice to those displaced in the past.

On the whole, except some laudable statements, the AP seems to have been loss of an opportunity to redirect the planning process to make it really decentralised, participatory, people centric & with lessons from the past. There is still an opportunity in including some of these important aspects in the 11th Plan, if not in the AP.

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