



**54<sup>th</sup>**  
**MEETING OF**  
**THE NATIONAL DEVELOPMENT COUNCIL**

**ADDRESS**  
**BY**  
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**CHIEF MINISTER**  
**ASSAM**

**NEW DELHI**  
**19.12. 2007**

**Respected Prime Minister,  
Hon'ble Deputy Chairman, Planning Commission,  
Hon'ble Members of NDC,  
Members of the Union Cabinet,  
Distinguished delegates.**

It is my privilege to address this 54<sup>th</sup> Meeting of the National Development Council convened to discuss and finalize the draft 11<sup>th</sup> Five Year Plan. According to the plan document the average national growth has reached 7.6% during the 10<sup>th</sup> Plan against the achievement of 5.5% during the 9<sup>th</sup> Plan. However a major weakness during the last few year's growth was that it has not been sufficiently inclusive for many groups like SC, ST, minorities, women and people living in backward areas which include the Char Areas of Assam. The population below the poverty line at national level has decreased to 28% in 2004-05 as compared to 36% in 1993-94, yet the absolute number of poor has declined marginally by 18 million only. Other indicators of human development have improved but slowly. Similarly agriculture has also grown very slowly. The 11<sup>th</sup> plan offers an opportunity to consolidate these gains and correct the deficiencies with a view to achieve an inclusive growth of 9% of GDP for the country as a whole.

2. The Steering Group on Financial Resources for the 11<sup>th</sup> Five Year Plan had set up a separate Working Group to estimate the resources likely to be available to the States for the 11<sup>th</sup> Five Year Plan. The Working Group has submitted its report on available resources, according to which only 9.86% of the total aggregate resources available for all the States and UTs, for the 11<sup>th</sup> Plan, are proposed to be transferred to the Special Category States. Apparently this percentage needs to be increased if the needs of the Special Category States are to be addressed suitably during 11<sup>th</sup> Plan period. Based on these resources the Planning Commission has indicated an outlay of Rs.23954 crore for the 11<sup>th</sup> Plan for the State of Assam. Though this is 89% higher than the actual size of the 10<sup>th</sup> Plan, it is not likely to meet our expectations. Moreover, within the group of Special Category States the allocation for the State of Assam appears to be only 15.29% while the population-wise it should have been 41.84%. This is in contrast to the allocation of the other Special Category States, which is more or less proportionate to their population.

3. The report of the Working Group on state resources has made a significant observation regarding the policy issues to be addressed during the 11<sup>th</sup> Plan. This relates to the share

of Central Plan assistance to the states in proportion of the total plan transfers. It has been pointed out that share of the states has declined during the last few years as a result of proliferation of centrally sponsored schemes. It has been suggested that this trend needs to be reversed during the 11<sup>th</sup> Plan period. It has been further suggested that the Gadgil Mukherjee formula should be suitably amended to improve inter-state equity in transfers by giving a higher weightage to per capita incomes. The Working Group is of the opinion that the size of normal central assistance relative to that of the approved annual plans has become low in the case of non-Special Category States. It has recommended that NCA have to be stepped up substantially and the current practice of incremental growth by a marginal amount each year has to be replaced by a substantial step up. The situation in this regard is similar for the Special Category States and I would like these recommendations to be given a careful and serious consideration; even in case of Special Category States so that we can implement the need based schemes during the 11<sup>th</sup> Plan period.

4. The calculation of aggregate resources to finance the plan has been made on the basis of the situation obtaining at present when goods and service tax (GST) has not been

introduced. GST is likely to come into effect from 1<sup>st</sup> April 2010 and this will affect the projected level of aggregate internal resources that the State can generate for financing the plan. The Central Pay Commission report, which is expected shortly, is likely to have an impact on the internal resources of the State. In view of the decreasing borrowings from the Small Savings, the State might be forced to go in for bigger market borrowings, which would also affect the financing of the plan. These factors need to be taken into account as far the financing of the plan is concerned.

5. In the 52<sup>nd</sup> meeting of the NDC held on 9<sup>th</sup> December 2006 to finalize the draft approach paper on the 11<sup>th</sup> Five Year Plan, I had given a detail account of the historical perspective responsible for the tardy growth of the economy of the State which gave birth to the problem of insurgency and militancy. During the last few years we have made remarkable progress in improving the economy of the State. But this is not the end of our pursuit and we are taking economic development issues more keenly so that each and every community residing in the State can be benefited from our endeavour. Special programmes aimed at small and micro enterprises, weavers, artisans and craftsmen etc. will be part of this endeavour and will be sustained by expansion

of skill capabilities. This would be achieved in a manner, which will distribute the benefits of development to all sections of the society uniformly to achieve social stability and avoid confrontation among various groups. The issue of regional disparities both within the State and within the country will have to be addressed during the plan period by the State and the Central Government together.

6. The 53<sup>rd</sup> meeting of the NDC held on 29<sup>th</sup> May 2007 dealt elaborately the issue of food & agriculture and it was decided that during the 11<sup>th</sup> Plan period Assam should achieve a growth rate of 2% in the agriculture sector. A detail plan under Rashtriya Krishi Vikas Yajona ( RKVY) has since been prepared by the State with an objective to achieve 2% growth rate. State Government proposes to lay maximum stress on improving the rural economy through agriculture development. We are working on a plan to double the income of the farmers by the end of the 11<sup>th</sup> plan period and with this in view we would like to take programmes for increasing the productivity through introduction of modern technology on a larger scale. We have taken steps to revive the cooperative banking system as recommended by Vaidyanathan Committee. We are initiating steps to complete the irrigation projects, which are under construction for long

time, and also trying to exploit the ground water potential for irrigation and propose to use RGGVY to energize the pump sets. Agro based industries would be promoted and encouraged to strengthen the rural economy and for this purpose new skills will be provided to the rural entrepreneurs. New opportunities of plantations of rubber, bamboo, medicinal plants and jatropha will be exploited for employment generation and wealth creation. We propose to develop the rural areas in such a manner that migration to urban centers, leading to a shift of employment from agriculture sector to non-agriculture sector can be contained and food security should be ensured. The 11<sup>th</sup> plan document has rightly pointed out that damages caused by floods exert considerable strain on the economy of the State and appropriate measures are required for mitigation of its consequences. We would like to focus on the twin issue of floods and erosion, which is a bane for the rural economy of the State. Our efforts would need support under the RKVY during the plan period.

7. The guidelines framed by the Planning Commission for providing funds under RKVY have stipulated that the states must provide more funds (percentage-wise) during 2007-08 than the average of the three years preceding 2006-

07. Based on this criterion Assam has been declared 'not-eligible' for this programme during 2007-08 and we are likely to be deprived of the essential funding for improving the agriculture economy in the State. The resource position of the State and our commitments for special area development programme for the benefit of minorities and ST communities have affected our capacity to provide more funds for the agriculture sector. In such a situation I would urge the Planning Commission to consider our case with sympathy and allow us to take maximum benefit from the RKVY.

8. In this context, it may be mentioned that over the 10<sup>th</sup> Plan period and till date the percentage of NCA in the State Plan outlay has been decreasing. It was 74.03% in the year 2003-04 and it has come down to 44.8% during 2007-08. This has reduced our capacity to allocate resources to the extent necessary for different sectors. On the other hand, our commitments, particularly towards the allocation for Autonomous Councils and ever increasing demand for State share for various central sector schemes, have increased from 21.84% in 2006-07 to 29.73% in 2007-08. The allocations for 2003-04 were still lower as compared to 21.84% of 2006-07. It may be mentioned that the Autonomous Councils in the State have been created with a view to speed up the



development in tribal predominant areas and funds under single window system are being provided to them. This has further restricted the allocation to various sectors. As a result of this, the allocation of agriculture sector has also been affected. I feel strongly that the recommendations of the working group regarding increasing the NCA in the State plan outlays need urgent consideration so that we are in a position to put more resources for agriculture development.

9. During the 11<sup>th</sup> Plan period emphasis will have to be given to health care, education, drinking water, sanitation, human resource development and development of small scale and other industries in the State. I trust that the Central Government will continue its support to the State in its endeavour to bring the state's development at par with the national growth targets. The 11<sup>th</sup> Plan document has very rightly mentioned that the district hospitals would be a key intermediate step in the health strategy till health care through PHC and CHC is fully realized. It is with this view that we want to equip our district hospitals with modern diagnostic and treatment facilities and we want support from Planning Commission for these activities. We have initiated steps to set up three new Medical Colleges from our own resources to create trained manpower for health sector.

Similar initiatives are being taken to set up institutions for developing manpower for Nursing and Para Medical services.

10. Special attention is proposed to be given to the development of cottage, small scale and other manufacturing industries during the 11<sup>th</sup> Plan. There is enough scope for development of small-scale industries under sericulture, handloom and textiles, dairy and livestock sectors in the State, which are our core strength. The ongoing scheme like Growth Centres, Border Trade Centres and IIDs etc. will be continued in the 11<sup>th</sup> Plan and it is proposed to promote food-processing industry. In my speech in the last NDC meeting, I have mentioned about the development of Special Economic Zone (SEZ) with suitably modified norms and with full Central support if no private investment is forthcoming. I trust Government of India would consider this favourably.

11. We would like to develop industry in the State without compromising on the environment and ecological issues. In a nature friendly manner we would like to spread these development initiatives all over the State to prevent migration from rural areas and consequent congestion of existing urban centers. To support this strategy we would

have to develop the growth centers all over the State and to impart new skills to the local manpower to sustain this development.

12. The 11<sup>th</sup> Plan document envisages continuation of the policy to encourage national and international oil companies to explore oil and gas in the country. New technology to extract more oil from known and depleted reserves is to be encouraged. Assam offers enough opportunities in this sector, which are to be exploited and we would like to work with the Government of India to exploit these resources of the State for the economic benefit.

13. Power sector is another area, which affects the growth of almost all sectors of development. The reform process in State power sector has already been started with ADB's assistance to provide quality power at reasonable rates to the consumers. The immediate need is to increase the generation capacity, which is only 16% of the present peak requirement. Transmission and distribution network has to be strengthened to deliver benefit to all sectors of development, particularly the agriculture sector, and consumers in remote areas. The existing non-functional generation units are to be made functional and new power generation plants are

required to be established for which there is enough potential. Suitable policy intervention should be made, if necessary, so that any surplus power generated through mega projects in the N.E. Region should first be made available on priority to the deficit states of the region before its evacuation to outside states.

14. The 11<sup>th</sup> Plan document has rightly emphasized the need for strengthening infrastructure in basic services e.g. health, education, drinking water and sanitation along with a thrust for development of agricultural economy and eradication of unemployment and poverty. The state is lagging behind the rest of the country in respect of different health indicators. Birth and death rates in Assam as per statistics of 2004 were 25.1 and 8.8 per thousand as against all India average of 24.1 and 7.5 respectively. The IMR was 66 per thousand as against 58 per thousand in the country. The MMR (2000) was 4.09 per thousand live births in Assam as against 4.08 of the country. To address these problems, the State Government has already initiated steps to strengthen and equip the rural health institutions, district and sub-divisional hospitals. NRHM is providing us tremendous support in our efforts to improve the health services in the State. In addition, to improve health care facilities for the people living in rural

and interior areas, Mobile Hospital Scheme has been introduced. The infrastructure in the three existing medical colleges is being strengthened and three new medical colleges are being set up. I urge Planning Commission for adequate financial support in this regard. Another medical college in the BTC area is to be set up in accordance with the Bodo Accord.

15. Under education sector, the State has much to do to increase the literacy rate, reduce drop-out rate and to provide quality education suitable to the needs of the society. In elementary sector, although the enrolment position has improved after introduction of SSA, drop-out rate is still a matter of concern and we are trying to improve the position. I take this opportunity to thank the Government of India for retaining the sharing pattern of SSA fund at 90:10, which would help the entire North East region in implementing this programme more effectively and extensively. I would also urge the Planning Commission to extend the SSA to the Secondary level as early as possible during this plan.

16. The 11<sup>th</sup> Plan allocations have been stepped up for education sector from 7.68% of GBS during 10<sup>th</sup> Plan to 19.29% during the current plan. This would help the states in

taking up skill development programmes on high priority to meet the needs of the growing economy and empowering the under-privileged persons having unequal access to education and to participate in the growth process. I am happy to note that 6,000 high quality model schools at block level are proposed during the current plan. I would like this programme to include vocational training centers for diverse sectors and occupations also. I would like to urge the Planning Commission to support the initiatives of the State Government for setting up new institutions for skill development according to the needs and opportunities available in the State. I welcome the proposal of National Skills Development Mission, which will be of big help to us.

17. The State Government is committed to fulfill the targets of the Bharat Nirman Programme, a bold initiative taken by the Hon'ble Prime Minister. Our performance under the drinking water supply component of this programme has been satisfactory and we are confident of achieving the targets within the time schedule. However, a lot more remains to be done to cover the entire households of Assam with safe drinking water access. We can achieve this provided the 50% State contribution required under ARWSP is reduced to 10% and thereby enable us to draw more central

funds. The targets for the irrigation component are likely to be achieved within the time frame. As regards the PMGSY we are concerned with the pace of work where we are hit by the constraints of working period and the capacity available. We have focused our attention on both these aspects and improved our capacity to a large extent. The road lengths completed during 2006-07 was 1544 KM against 565 KMs in the previous year. This year we expect to complete around 2000 KMs of road under this programme. Though our efforts would continue to improve the capacity yet it may not be possible for us to achieve the targets within the prescribed time schedule. These difficulties must be taken into account and more time, if required be provided to achieve the targets. As regards rural electrification, the State Government would like the programme to be completed in time and use its benefit for the development of agriculture economy. I would urge that all the sanctioned proposals for the State should be given clearance for award of contract.

18. While the PMGSY and other road development programmes would address the problems of regional connectivity, we need to develop air and waterways connectivity also. The facilities at LGB Airport, Guwahati need to be upgraded and other airports need also to be

developed. To facilitate export of perishable horticulture products such services are essential and there is a need for air transport subsidy to encourage the export in this sector. Development of transport facilities through National Waterways-II and Barak River would encourage trade and industry in this region. The ongoing projects of railways should be completed at the earliest and efforts should be made to provide refrigerated wagon services for transport of perishable commodities outside the State. As referred to by the Plan document, agriculture, horticulture, floriculture and related activities are the engine of economic growth and should be the focus of development planning in the North Eastern States.

19. Under JNNURM, Guwahati is the only city identified in the North East for improvement and development of infrastructure. This city caters to the need of the entire North East Region and any infrastructure development here would benefit the entire population of the region. We prepared a city development plan for an amount of Rs.3200 crore and we were given to understand that there will be no difficulty in financing this plan. We have submitted detail proposal for about Rs.1400 crore to the Government of India but now our allocation has been fixed at Rs.433 crore which



includes only Rs.234 crore for the development of Guwahati city. This issue needs reconsideration and more funds need to be provided for development of Guwahati City:

20. Another issue relating to the development of urban areas relate to the existing norms for selection of cities for implementation of JNNURM. The towns of North Eastern Region have low population density as compared to the towns of the rest of the country. Many of these towns will be deprived of the benefit of the programme if existing norms are followed. During the Eleventh Five Year Plan, I would like to take up integrated development of more major towns of the state instead of developing the suburban townships in the vicinity of the existing city, so that they can act as a development nucleus for the neighboring areas and the benefit of urban growth can be extended uniformly all over the State. This is in line with the objective mentioned before to develop the remote areas of the State for preventing migrations to existing big urban centers. Accordingly the Planning Commission may reconsider the norms of selection for implementation of JNNURM so that more towns in the State can be covered under this programme.

21. The population of the two hill districts (Sixth Schedule areas) of the State is 10 lakhs. As against this, the States of Meghalaya, Nagaland and Mizoram, which were carved out of Assam earlier, have a population of 23 lakhs, 20 lakhs and 9 lakhs respectively as per latest census figures. The plan assistance received by these districts of Assam (Rs. 286 crore) is comparatively far less than the plan assistance received by Magalaya (Rs. 800 crore), Nagaland (Rs. 685 crore) and Mizoram (Rs. 620 crore). This has resulted in slow development of these areas, generating support for extremist activities and demand for separate state-hood. As mentioned before, the per capita plan outlay in case of Assam is the lowest as compared to other Special Category States. I therefore, urge upon the Planning commission that these anomalies should be tackled during Eleventh Five Year Plan and adequate financial support to these Councils may be given through Special Central Assistance under the annual plans to equalize the benefit. The central assistance under HADP at present is provided to these councils to the tune of Rs.82.67 crore which needs to be enhanced to at least Rs.150 crore per year during the 11<sup>th</sup> Plan period.

22. In addition to the Sixth Schedule Councils covering two hill districts and four districts of BTC, the State has

another six Councils in the plain areas, which are predominantly inhabited by tribal people. The existing infrastructure available in these Council areas is very poor. I urge upon the Planning Commission that a special package similar to the package for Bodoland Territorial Council may be considered for these councils. The Special Assistance provided for the Tribal sub-plan and the Scheduled Caste sub-plan has been stagnant over the last several years and it should be suitably increased during the 11<sup>th</sup> Plan.

23. As mentioned before, the State Government has been finding it difficult to provide the state share against various centrally sponsored schemes without materially affecting the allocations for other important development sectors like agriculture. The fund sharing between the Centre and the State in most of the cases is in the ratio of 75:25 or 50:50. The State Government has been requesting for a change in this funding pattern to a uniform pattern of 90:10 for all schemes for the Special Category States. It is suggested that this change should be effected during the eleventh Plan period at the earliest. This would enable the State Government to attract more funds under the Central Sector Schemes.

24. The Ministry of DONER has been releasing only 90% of the sanctioned amounts to the State and leaving the remaining 10% to be mobilized by the State. Similar is the case with the ACA. This is straining the plan resources and is affecting the allocations for the development sectors like agriculture as mentioned above. This matter needs serious consideration to enable the state tackle the development problems effectively.

I am confident that under your dynamic leadership the North Eastern States would receive sympathetic support to achieve the growth targets of the 11<sup>th</sup> Plan and overcome the problem of imbalance in development of the Region.

JAI HIND