



**National Development Council
54th Meeting**

Speech

of

**Shri Pawan Chamling
Chief Minister of Sikkim**

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I bring with me the warmest greetings from the people of Sikkim to our Hon'ble Prime Minister, his distinguished Cabinet colleagues, the Deputy Chairman of the Planning Commission, the Chief Ministers of all States and other distinguished members of the Planning Commission and senior officials present in this august gathering.

I congratulate the Hon'ble Prime Minister and the United Progressive Alliance Government at the Centre for adopting a very bold, dynamic and far reaching 11th Five Year Plan. The 11th Plan documents not only make critical assessments and introspections of our past achievements but also lay out many non-conventional ways to consolidate the development achievements, include all segments and aspects of our society and more importantly shows determination and conviction to make all these happen in a time bound manner. I remain impressed on the co-opting strategy and walk along philosophy including that with private sector as envisaged in the plan document.

The National Development Council is both the apex development body and the guiding institution in the country. The robust and resilient shape of today's India is a strong manifestation of the unflinching commitment of, versatile role played by and immense contribution made by the National Development Council in the post –independent India.

This is a very significant gathering as we all are here to take a collective decision on the strategies and thrust areas for development, which are to underpin the future development in our country. We are here to decide a significant component of our national power that would catalyse us to become a leading international power. The global situation has undergone a massive transformation. We have to compete fiercely, carve out a niche of our own and bring handsome gains to our country from our global partnerships.

Although Sikkim is a landlocked state with a much shorter experience with democratic system, yet we have emerged as one of the fastest growing states in the country. We have performed well as indicated by a range of social and economic indicators. We were declared as the best performing state in the whole of Eastern and North Eastern India by the 'State of the State' survey of India Today magazine.

The achievement has been possible as there is peace & tranquility, good governance & security in the State. We have remained an insurgency free State, with no communal or religious tensions and with very negligible crime rates. Our ethos of peace and tranquility have been the hallmark that has sustained and accelerated the development process in our State. This is also reflected by the fact that the State won the best Tourism performing State in the North East for the 5th time in 2005-06.

We are highly appreciative of the efforts made by Ministry of External Affairs and Ministry of Development of North East Region on realising the goals of our Look East Policy. In many of the forums in the past, I have constantly and consistently underscored the urgent need to make North East outward oriented. This is because of a firm conviction in me that outward orientation would bring freshness in thinking, boldness in facing challenges and empowerment in harnessing the larger opportunities. This also dis-engages us from traditional internal bickering and imbroglios. I would, therefore, make a strong plea for moving fast on all aspects of Look East Policy, particularly on range of institutional collaborations with countries that are contiguous to the North East region. These should be in all the crucial areas including on trade investment, energy, transport, technology, communication, banking, insurance, tourism, education and environment. I am delighted that the 11th Plan document gives

ample emphasis upon how Look East policy can “break these areas out of isolation” and provide us in the North East an economic identity.

Our growth projections are relatively higher and could enter into the double digit regime in the course of next few years. We are convinced that this is achievable as we have involved the entire governmental and non-governmental agencies, made the marginalised segments as our focused target groups, given very substantive roles to Panchayats and emphasised upon sectors of core competence like Tourism, Horticulture & Floriculture, border trade and other service sectors etc. The august gathering will be delighted to know that the recent Panchayat elections in our State, were conducted on the basis of 40% reservation for women. In other words, Sikkim has been a torchbearer for gender equity.

I have keenly noted the sections on the skill development in the 11th plan document. I fully endorse far reaching proposals like skill development fund. I take pride in informing this very august gathering that the Skill Development Fund was created by our government full five years back in 2002 with the objective of upgrading the skills of the youths to take advantage in sectors in which the State has its strength in horticulture, hospitality sector, floriculture, medicinal plants and herbs and eco-tourism. We have made major dent into the entire issue of capacity and skill building in various professions and occupations among our youths. We now have a full fledged Directorate of Capacity Building exclusively devoted to this purpose. This Directorate has been instrumental in arranging loans for higher studies for our youths not only in other parts of the country but in foreign countries as well.

The State Government is in the process of preparation of second Human Development Report with technical assistance from United Nations Development

Programme. We have involved Panchayats, NGOs, Academics and civil society to conduct a micro level assessment of state of human development in the State.

We are very much in the transitional phase in tackling and mitigating poverty in the State. We are making some non-traditional interventions also in permanently eradicating the scourge of poverty in our State. The steady decline in the poverty ratio in the State does provide us hope and conviction that we can really make a final dent into it. Therefore, the 11th Plan is going to be very crucial. We want to make a much more determined effort. We not only appeal for the significant enhancement in Central support in flagship programme like Jawaharlal Nehru National Urban Renewal Mission (JNNURM) but also make a fervent request for keeping the funding norms of 10th Plan intact at least for a State like Sikkim.

Let me give a specific example. As per the norms of Indira Awaas Yojana we are given a Rs.27,500/- per house of 20 sq mtr plinth area. However given the cost of transporting basic building material of over 110 kms from Siliguri, sending them to targeted rural pockets by head loads and the high cost of building, the per house fund provided is not realistic at all. This leads to many unwanted developments including the poor product quality.

Despite a unique and dismally low award of (-) 53.7% deficit grant by the 12th Finance Commission, we have been able to perform well in our revenue mobilisation front. We expect to do rather well in the 11th plan onwards as revenue flow from a chain of hydel projects will start during this plan period. However, as I have said that we are now steadily moving towards a double digit growth regime. To reach and to sustain this level of growth and development we need massive infrastructural facilities. Therefore, we expect a quantum jump in special plan assistance to finance our key infrastructural and development projects.

This is rather a critical juncture in the development history of Sikkim as it was only my State which has been adversely affected in the entire country by the 12th Finance Commission making me wonder that instead of justice being meted out to us, injustice has been caused to us.

Let me highlight the seriousness of our problems. Our lifeline is National Highway 31 A which is in a very bad condition. This remained totally closed for 26 days this year. We all were stranded like in a stormy island. Nothing moved, price spiral hit the peak. It was sheer out of governance and political management we could withstand the situation. The road from Sevoke to Gangtok (95 Kms), as also road from Gangtok to Nathu La (56 Km) was included in Special Accelerated Road Development Programme in the North Eastern Region (SARDP-NE) (Phase-A). The completion schedule envisaged was year 2008-09. However the works are yet to commence on ground. The improvement of this road infrastructure is essential not only for the state but also for augmentation of the border trade between Sikkim and Tibet Autonomic Region through Nathula. I take this opportunity to request the National Development Council for early implementation of the project. In the 11th Plan, it is also imperative that the required necessary infrastructure in our side of the border is commensurate with the level of infrastructure which has already been provided on the other side of the border for trade.

The Greenfield airport at Pakyong in our State has also not taken off despite the completion of detailed project report and the earmarking of the fund partially by the 12th Finance Commission. We have acquired the land and entrusted the construction, operation, and maintenance to the Airport Authority of India. We are happy to note that the North Eastern Council which met on 17th and 18th December 2007 has decided to reconsider the bids offered in the light of the difficulties expressed by the bidders but should be clear from legal and vigilance angles.

As both the road and airport works are yet to commence on ground and such delays cost us heavily besides the lost opportunities, it makes us ponder on such unnecessary delays affecting the communication development in the border region that we are perhaps lagging behind in action mode.

I, therefore, make three concrete suggestions at this stage of 11th plan. All these projects should be done on a war footing. The Border Road Organization must give an exclusive and dedicated office to Sikkim. We should not be guided by the office located in Bhutan. The BRO also must introduce modern technologies and induct qualified professionals for road designing and constructions. Secondly, the Airport Authority of India (AAI) must be given a specific time limit to carry out the airport construction with penalty clauses on delays. Thirdly, Sikkim should be given its own and dedicated telecom circle. We tremendously lag behind in basic facility like the bandwidth which has badly affected even the educational institutions. Our transmission needs have increased tremendously in the last one decade. The present linkage with West Bengal circle has created serious dislocations, logistical and planning problems and more seriously poor services.

And finally, we also urge for relaxation and modification of norms in central projects for hilly terrains like that of Sikkim. For instance, in the development of rural road network under Pradhan Mantri Gram Sadak Yojana (PMGSY) the existing bench mark for providing connectivity to a habitation from 500 population must be revised to at least 250 to negotiate and match with the hilly terrains.

At the same time, we are deeply delighted to know that decision has been taken to build a 53 Km Rail stretch from Sevoke in West Bengal to Rangpo in Sikkim, at a cost of Rs.1239 crores. This goes very well with the recommendations

of the Planning Commission Task Force on connectivity and promotion of trade and investment in North East Region in its report of August 2007. In fact, the border at Nathula should be connected with Rail services from Siliguri as in its construction it would be a national feat and therefore should be taken up as a national project.

The State has been accorded the status of the Most Investor Friendly state with minimum labour problems. Possibly we have the most liberal and friendly investment regime in the whole of North east region. Our focus has been to attract environment friendly, high value and more labour absorbing investments. We have had many rounds of investor's meets and also visits abroad. We are keen that the entire investments activities are linked to the cross border trading through Nathu la pass route. This route which was opened in 2006 is a shortest and easiest trade route to China. We are keenly looking forward to make major strides in the infrastructures along this trade route including the trade mart in Sherathang.

All the stakeholders are persistently demanding to convert this once robust trade route from a border trade point to a normal overland trade route with all the provisions under the Most Favoured Nation treatment clause of WTO. This also means setting up Phyto-sanitary and plant quarantine facilities, certification facilities for agricultural produce in compliance with the provisions of the World Trade Organisation. Let me also mention that Sikkim shares nearly 100 km long border with Nepal. The existing check post at Chewa-Bhanjyang in West Sikkim and Rhenock in East Sikkim has the potential to be developed as trading points with Nepal and Bhutan respectively with development of proper infrastructure.

A well designed and efficiently operationalised Tourism industry is a key element in our future development. Last one decade has recorded a manifold increase in domestic and foreign tourist arrivals. This is also reflected in the shift

in resource allocation in favour of tourism sector in the State. We are determined to make tourism multifaceted and widespread with impact trickling to the lowest echelon of our village society. Our thrust is on development of culture, society, nature and people centric projects like tourist centre cum amusement park at Ranka, Pilgrimage cum Cultural Centres at Solophuk near Namchi and pilgrimage cum tourist centre at Ravangla etc.

In the Tenth Plan period, we have recorded relatively lower growth rates in agriculture. We have limited cultivable area and our comparative advantage is in horticulture and floriculture. We have taken advantage of the opportunities provided by the Technology Mission for development of horticulture in the North East and have recorded significant growth rates in production of off-seasons vegetables, flowers and orchids. A significant role in this regard has been played by Self-Help groups and particularly the women Self-Help groups. We are confident that this would not only provide opportunities for employment in rural areas, but would also help in bringing down migration from our rural areas to urban centers. We are totally in agreement with the strategies spelt out in the 11th Plan document, which envisages a greater involvement of the Panchayat Raj Institutions and properly focused extension activities. We also welcome the decision taken in the 53rd Meeting of the NDC for revitalization of the agricultural sector, by preparing comprehensive district level, agriculture plans, encompassing various anti-poverty programs related to rural development. We have taken a conscious decision to promote organic farming. In the arena of animal husbandry management, our thrust is to expand and strengthen infrastructure for artificial insemination, create a seed stock of superior quality bulls, bring about genetic improvement of important livestock breeds, and facilitate development of marketing avenues for sale of livestock products. We will make efforts to try to exceed the 4% growth rate envisaged by the Planning Commission in the

agricultural sector. We are also looking forward to host the first ever International Flower Festival in Gangtok in 2008

The State Government has opened up new 24 Block Development Offices which has taken the administration right at the grassroot level. The Gram Panchayats and the Zilla Panchayats have been provided with both administrative as well as financial powers. This has been coupled with a policy of 40 percent reservation for women. Appropriately therefore the State has been declared as Number 3 State in Panchayat Raj in the entire country.

I would also like to suggest that given the rich biodiversity of the North Eastern Region, a National Mission for medicinal plants and herbs be considered, and I am sure this would be a success. Our country has been traditionally very rich in this field, but I feel we have not been able to harness this potential to the fullest. Also, we do not have an Institute of national/international repute in this field, setting up such a Mission would not only help generate alternate means of traditional medicine but also preserve our culture and tradition.

I am particularly impressed by the way the 11th Plan document has accommodated our specific concerns on global warming and its impact on glaciology and hydrological flow in our state. Since these are of immediate and prime concerns to us, I have been raising these issues in various national forums including the last NDC meeting. The august house will be delighted to know that our government has very recently, on its own, appointed a high level commission to study the likely impact of climate change on glaciology and hydrological flow. This would definitely supplement the designing of the proposed National Action Plan on Climate Change as mentioned in the plan document. Let me also assure this august house that being located in a strategic position, Sikkim has been a staunch custodian of environmental security for the entire eastern Himalayan

region. We have five climate zones from Tropical to Alpine, which are conducive to horticulture, floriculture, apiculture, medicinal plants, adventure tourism, culture tourism, village tourism and pilgrim tourism and eco-tourism. It would be greatly beneficial if a regional Institute is set up by the central government in the North Eastern region, on climate change and related issues. I offer full support and cooperation of my Government in this regard.

We have achieved many milestones in the Human Resources Development Sector, nevertheless we also agree with the 11th Plan Document, which indicates that our country has many more stepping stones to climb. We plan to use the 11th plan resources to first consolidate the achievements in this sector and secondly to diversify the various instruments of human resource development. We are expecting to achieve 100 percent literacy by 2015. The enrolment ratio of girl child vis-a-vis boys has improved from 90:100 in 1994 to 100:102 in 2004.

The opening of the Central University in the state in July 2007 has been a major landmark for our State. We visualize its evolution into an institution of academic excellence and research, for its all inclusive institutional character and a strong instrument of regional development and integration. The University expects to attract students and faculty members from both within India and the immediate neighbouring countries including Bangladesh, Bhutan, China, Myamnar, Thailand, Sri Lanka and Nepal. The University is trying to bring in the best practices of academic programmes, teaching methods and curriculum designing both from within and outside India. In the field of Technical Education, two World Bank aided Technical Institutes have already started providing young technically qualified, catering to the burgeoning market needs. We fully endorse the impressive increase in the allocation of Education proposed in the 11th Plan. On our part, we are committed to fully provide our matching share of State resource. I

am equally pleased to inform this august gathering that at the State level, we have already set aside 18 percent of our plan allocation in the education sector.

Our State has made significant progress in providing basic health care to the people. The endeavor of the State is to provide basic health services at the door steps to the rural populace. The National Rural Health Mission, a Flagship Programme of the Central Government is expected to help us considerably. Our crude birth and death rates have recorded significant declines. Given our record of maintaining a high standard in the environmental sanitation, we were given the best sanitation maintenance award this year. We are again pleased to understand that in Health Sector, a 3 percent increase is envisaged in the 11th Plan over and above the last 10 Plan allocation to 8.71 percent.

The Hon'ble Prime Minister in his address in 2006 had laid out a vision for Public – Private Partnership (PPP) in the field of infrastructure development. The sectors highlighted were Railways, Ports, Civil Aviation, and National Highways. In Sikkim, we have entered into MOU with a number of private entrepreneurs in the field of Hydro electric power generation and areas like pharmaceuticals, processed foods etc. We are looking forward to harnessing the benefits from 11th Five Year Plan period. In this regard, I venture to mention that given the present level of low volume traffic, very few Private players are likely to be forthcoming in development of road infrastructure. Therefore, the existing ceiling of 40% on viability gap funding for the North Eastern States, should be raised to 80%. I would like to inform the august gathering that in the field of hydro-electric power generation, as many as 26 projects with a total capacity of 4747 MW have been awarded to independent power producers and these are to be commissioned over next few years.

The National Development Council has remained one of our most significant forums to raise our specific as well as common concern of national importance. For a long time, we have been deliberating on the best options possible for speedy growth and development of our region and also the Country. In this context, this meeting will surely go a long way to determine the way forward for all of us and secure the future of all the countrymen to live a life of peace, prosperity and overall contentment.

THANK YOU

JAI HIND