

BUDGET SPEECH

BY

CHIEF MINISTER

AND

THE MINISTER-IN-CHARGE

FINANCE, REVENUE & EXPENDITURE DEPARTMENT

ON

26<sup>TH</sup> JUNE, 2012

## **Hon'ble Speaker Sir and Hon'ble Members of this August House**

I rise to present the Budget for 2012-13

However, before presenting the budget, my heart reaches out to those who lost their dear and near ones and properties during the devastating earthquake of September 18, 2011 last year. I also convey my heartfelt condolences to the bereaved families on the tragic loss of their loved ones and pray to the Almighty to grant them fortitude and endurance to cope up with the great loss that they have suffered. We know that calamity like earthquake is beyond human control and we put the best possible human effort for relief and rehabilitation measures after the catastrophe. I thank the Central Government and all individuals and organizations for helping us in time of our calamity to help us restore normalcy.

### **Hon'ble Speaker Sir,**

Just about three months back I had the privilege to present the Interim Budget for 2012-13. It is an honour that I have been called upon to present the regular budget in this August House, today.

The Budget represents the earnest efforts of the Government to put the economy of the State to a higher path of growth to meet the aspirations of the people, to strengthen developmental and regulatory structures and to deliver adequate services to the people.

Since taking charge of the Government in 1994, my party has made every effort to translate into reality our promises to the people by transforming the lives of the people for the better. We have channelized our energy and resources to fulfill the commitments made in our party manifesto. Our commitment is not targeted towards economic development alone, which is a priority sector but along with it, we have made sure that preservation of our ecology and environment as well as culture and tradition, proceeds hand in hand with education, social and spiritual advancement. The aim has been to maintain a

holistic approach to our development strategy so as to achieve the desired peace and prosperity which are all encompassing.

In synchronization with important developmental activities, we have introduced many innovative schemes with economic, social and educational dimensions. Various welfare measures under different sectors have been taken up as unique schemes which are the first of kinds in the Country.

- ❑ The policy decision to allocate 70% of annual outlay for rural development way back in 1994 has remained the cornerstone of our development philosophy. Based on this decision, we have ensured that development initiatives are evenly distributed and an even spread possible for inclusive development.
- ❑ Mukhya Mantri Awaas Yojana (MMAY) has been launched in the state in 2008. This scheme offers a modern house of bricks with GCI roof, toilet and electricity at the cost of Rs. 3.97 lakhs for the poorest of the poor rural people of State. The cost has been revised to Rs. 4.81 lakhs in 2009-10. So far 1,188 rural poor families have benefitted from the scheme.
- ❑ Free distribution of text books, exercise books, school uniform, school-bags, raincoats, shoes and socks for all Government Primary School Children is the unique scheme, first time in the Country.
- ❑ Free scholarship launched under Chief Minister Merit Scholarship where over 350 bright students of rural poor families have been placed in top private and public schools within and outside the State.
- ❑ Full scholarship under Chief Minister Special Scholarship launched to facilitate any Sikkimese student who qualifies to study in any of the top twenty universities of the world.
- ❑ Chief Minister's Comprehensive Annual and Total Checkup for Healthy (CATCH) Sikkim programme launched on 26th August 2010 to provide systematic and comprehensive health check-up annually reaching right up to the doorsteps of the poor and the needy, the first time anywhere in the

Country. Under CATCH program, almost 50% of Sikkim's populations have been screened. We hope to achieve 100% coverage by 2015, to make Sikkim one of the healthiest States of the country.

- ❑ Free supply of electricity to BPL families up to 50 units. Free BPL connection being 7,800 in the year 1994 has increased to 18,973 in 2011.
- ❑ Land Bank Scheme, launched by the SDF Government in 1996-97 is a unique programme to provide land to the domiciled landless Sikkimese. So far a total of 1203 Sukkumbasi Sikkimese have benefitted under this scheme.
- ❑ Appointment on compassionate ground introduced by the State Government is applicable to the non-gazetted employees. This is based on humanitarian ground wherein the scheme provides for appointment of persons belonging to immediate family members in the event of untimely demise of the earning member. Till 2010, a total of 715 persons have been recruited under Compassionate Ground.
- ❑ Sikkim has emerged as the first State to institute Directorate of Capacity Building and Institute of Capacity Building in the Country. It provides opportunities to unemployed youths and school drop-outs to acquire meaningful skills to seek jobs or for self employment. The Institute also runs networks of 34 livelihood schools located in each Constituency. The target would be to train another 17000 youths by the next two years.
- ❑ Sikkim has provided a new dimension in promotion of pilgrimage tourism by locating all Char dhams of the Country at one place. The dhaam known as Sidheswara Dham was formally consecrated by Jagatguru Shankaracharya Swami Swarupananda Saraswati on 8<sup>th</sup> November 2011 and opened for Darshan. This is unique and the only such pilgrimage centre in the entire Country and I would say in the entire world.
- ❑ Installation of Skywalk on top of Bhaleydhunga in similar fashion as found in Grand Canyon will also go down as the most unique project in tourism development in the Country. However, ours at over 10,000 feet would be at higher alleviation than found elsewhere. The Ministry of Environment,

Government of India has cleared our proposal and the actual construction will commence soon.

- ❑ We are developing all our urban habitation and rural areas in the line of eco-city concept with comprehensive socio-economic infrastructure. This way we want to promote Sikkim as the Eco-city State in the Country. We are also going to be the first kutcha house free and slum free State in the Country.
- ❑ Under environmental sector, some of the far reaching policy initiatives have been Harit Kranti Varsha, Harit Kranti Dashak, Smriti Vans, Green Mission, 10 Minutes to earth. In addition, we have successfully enforced ban and prohibitions on grazing in reserved forest, killing of wild animals, use of plastics, felling of green trees so on and so forth. Recognizing our contribution, Environmental Sustainability Index 2011 released by Centre for Development Finance has categorized Sikkim as 'dark green' state, signifying that the State scores in the 80-100 percentile category. And I quote, "Sikkim has been in the forefront in conservation of natural resources and environmental initiatives. The Himalayan State leads the way in prioritizing environmental conservation through policy level initiatives".
- ❑ To sustain fragile ecosystem, the State decided to promote organic farming and make Sikkim a Model Organic State in the country. We are the only State in India undertaking such ambitious program. At present 8,185 hectares of area is fully certified organic and 38,492 hectares is under different stages of conversion. By the year 2015 an area of 58,128 hectares of available cultivable land will be certified to make the State fully organic State of the country. I am happy to inform this August House that SIMFED has been awarded 700 hectares of land in Odisha for establishing Internal Control System for organic certification.

### **Land Revenue & Disaster Management**

In order to provide immediate relief and rehabilitation after 18<sup>th</sup> September Earthquake, the Central Government had released Rs. 200.38 crores from National Disaster Response Fund and Rs. 1.18 crores from PM's Relief Fund. The Hon'ble Prime Minister of India had visited Sikkim after the Earthquake and announced

special relief package of Rs. 1000 crores for reconstruction and rehabilitation. This amount will be utilized to take up the following projects:

Sl. No	Particulars	Sanctioned Cost	Amount Received from GOI	Remarks
1	Reconstruction of Secretariat building at Tashiling, Gangtok.	Rs. 193	Rs. 100	of State Civil
	Rs. Houses	391	Rs. 100	2 Reconstruction of 7972 Rural
3	Renovation and Re Building of State Roads & Bridges			
	a. PWD Roads & Bridges	Rs. 200	-	
	b. Rural Roads & Bridges	Rs. 16	-	
4	Retrofitting of State Government Buildings, Schools, ICDS Centres,	Rs. 170	-	

Rural Health  
Centres,  
Dispensaries and  
State Power  
Projects.

5	Renovation of Drinking Water & Sewerage Scheme	Rs. 30	-
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<b>Total</b>		<b>Rs.1000.0</b>	<b>Rs. 200</b>
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First instalment amounting to Rs. 200 crores was released towards reconstruction of the Civil secretariat building and for reconstruction of 7972 rural houses during the fag end of the last financial year. Owing to time constraint, the State was able to incur expenditure to the extent of Rs.22.89 crores only. For the current financial year the Planning Commission is committed to release further amount of Rs. 200 crores making a total of Rs. 377.11 crores including the un-spent balance of Rs. 177.11 crores available from last year. I assure this August House that the reconstruction and restoration work will be taken up in right earnest utilizing the special package fund granted by the Hon'ble Prime Minister. Following the earthquake, instructions have been given to the technical departments that all constructions must now be made earth quake resistant.

Under National Disaster Response Force (NDRF), the State Government received a sum of Rs. 200.38 crores in 2 instalments. Rs. 50.00 crores was utilized for relief and rescue during earthquake and balance Rs. 150.38 crores allocated to different departments and the details are as under:-

(Rs. in crore)

Sl. No	Name of department March 2012	Sanction Amount under NDRF	Expenditure Up to	On going Schemes
1	Agriculture	10.80	1.00	9.80

2	Animal Husbandry	5.00	0.10	4.90
3	Building & Housing	8.00	2.82	5.18
4	Culture	1.00	0.00	1.00
5	Ecclesiastical	5.00	0.00	5.00
<b>Sl. No</b>	<b>Name of department March 2012</b>	<b>Sanction Amount under NDRF</b>	<b>Expenditure Up to</b>	<b>On going Schemes</b>
6	Energy & Power	5.00	4.15	0.85
7	Fire & emergency Services	1.00	0.01	0.99
8	Health	5.00	0.75	4.25
9	HRDD	5.00	3.00	2.00
10	IPR	0.50	0.12	0.38
11	Irrigation	1.00	1.00	0.00
12	Land Revenue	40.98	22.34	18.64
13	PHE	3.00	3.00	0.00
14	RMDD	4.00	0.50	3.50
15	Roads	30.00	11.52	18.48
16	Sikkim Milk Union	0.10	0.00	0.10
17	Sikkim Police	5.00	0.16	4.84
18	SNT	5.00	0.00	5.00
19	Social Justice	2.00	0.00	2.00
20	Tourism	5.00	1.75	3.25
21	UD & HD	8.00	5.36	2.64
	<b>Total</b>	<b>Rs. 150.38</b>	<b>Rs. 57.58</b>	<b>Rs. 92.80</b>

The total receipt of fund under NDRF/ SDRF during 2011-12 is Rs. 253.13 crores and the expenditure is Rs. 157.39 crores and the total ongoing schemes is Rs. 111.16 crores under NDRF/SDRF.

### **Human Resource Development**

Education is one of the most basic components of human development. The main focus of the State Government is to ensure larger access to educational facilities to all the children in the state above the age of five years. State's Education sector has witnessed an enormous expansion during last decade. The decentralized process of planning and the involvement of the Panchayati Raj Bodies in the management framework has added new dimension to the process of reforms in the existing system of education management.

Over the decades, the SDF Government has introduced some unique programs and some rare incentives to make education more accessible and affordable. In fact, the per capita expenditure on education was Rs. 9551.24 during 2010-11, which amply reflects the commitment of the State Government. Some of the major policy initiatives since 1994 have been:

- ❑ Healthy mid-day meal served to all Government students up to Upper Primary level.
- ❑ 37 Education Guarantee Scheme (ESC) centres introduced for out of school children.
- ❑ Right of Children to Free and Compulsory Education Rules, 2010 successfully implemented in 2010 by the State Government fulfilling all the provisions laid thereto.
- ❑ Introduction of Vocational Education in 44 Senior Secondary Schools with eight different subjects.
- ❑ Special emphasis has been laid to increase girl student ratio in school attendance to bridge gender inequality. In fact, the 2011-12 enrolment data informs of higher number of girls than boys in every corresponding classes from primary to the senior secondary levels.
- ❑ Teachers' Retirement age has been extended from 58 years to 60 years since 2006.
- ❑ Creation of the post of language teachers in different state recognized languages like Sherpa, Gurung, Newar, Tamang, Manger, Mukhia and Rai.
- ❑ Government Degree College established in Namchi, Rhenock and Gyalshing.

- ❑ Directorate of Technical Education under Human Resource Development Department created in 1998.
- ❑ Sikkim University, a Central University, has been established in 2007 to promote higher education in the State.
- ❑ National Institute of Technology has been established at Ravangla, South Sikkim.
- ❑ Bhutia, Lepcha and Limboo languages are being taught upto Graduate level since 2000.
- ❑ Matric Scholarship: student securing 70% and above in Class XII Board Examination can avail this scholarship to pursue any undergraduate course of his/her preference.
- ❑ General Scholarship: students securing below 70% but above 50% subject to fulfilment of the eligibility criteria for pursuing Diploma/Degree of Post graduate Level.
- ❑ Merit Scholarship: awarded to students of Government schools securing First, Second and Third position in the Qualifying examination from class VI to XII.
- ❑ Fellowship Grant of Rs. 6,000 per month along with a contingency grant of Rs. 12,000 per annum for local student and Fellowship Grant of Rs. 3,000 with contingency grant of Rs. 12,000 per annum is being given to In-Service candidates serving State Government for a maximum period of three years/completion of course, whichever is earlier.
- ❑ Comprehensive education loan scheme can be availed of, for higher academic study for professional course outside the state at the rate of Rs.10 lakhs and Rs. 20 lakhs for abroad.

Quality education has always been a major concern of the Government and we have been making consistent effort to prioritize education sector with emphasis on quality at all levels. The Right to Education Act, 2010 calls for overhauling the school education management system. Much effort is needed to restructure and revitalize the system. This is a major challenge facing all concerned with management of school education in the country. The State has achieved

admirable progress in its quest to make the entire population literate. Sikkim University, our higher seat of learning, need to be suitably developed in the earmarked land at Yangang. A sum of over Rs. 25,90,54,391 has been already released and disbursed among the land owners. However, the displaced families need to be suitably rehabilitated before their land is parted for construction of University complex.

According to 2011 census figures, 82.20% of our people are literate as against the figure of 56% in 1994. With more and more people coming out with educational qualifications, the Government has to play a greater role to provide requisite earning and employment avenues for productive engagement of these new entrants. With this objective in view, Rs. 122.47 crores has been proposed in the current financial year for the education sector.

## **Health**

We have made substantial progress in the health sector over the past years. The critical indicators of health, including Infant Mortality Rate (IMR), MMR, disease prevalence, morbidity as well as mortality rates have shown consistent decline over the last 15 years. These achievements are the cumulative result of improved coverage and efficiency of public health delivery system.

- (i) The infant mortality rate per 1000 population live births which was 46 in 1994 has reduced to 30 in 2010-11.
- (ii) TB cure rate which was less than 70% in 1994 has now increased to more than 85% in 2010-11.
- (iii) Crude death rate per 1000 population which was 6.9 in 1994 has reduced to 5.6 in 2010-11.
- (iv) Life Expectancy in Sikkim has increased by over 3-5 years on average compared to 1994.
- (v) Hepatitis B vaccination coverage today stands at 91% as against nil in 1994.
- (vi) Mukhya Mantri Jeewan Raksha Kosh scheme introduced in 2009 to provide necessary financial aid for treatment against life threatening diseases

outside the state with financial grants upto Rs. 2 lakhs which was only Rs. 5000 before 1994.

- (vii) Mukhya Mantri Sravan Shakti Samridhi Yojana introduced in 2009, for people suffering from congenital and acquired hearing impairment wherein, Behind the Ear (BTE) hearing aid upto Rs. 7,000 will be provided free of cost on the recommendation of ENT Specialist.
- (viii) Mukhya Mantri Netra Jyoti Yojana has been introduced in 2009 for the people suffering from Amblyopic (refractive error), spectacles being provided free of costing upto Rs. 1500.
- (ix) Mukhya Mantri Antodaya Upachar Bima Yojna has been established in 2009, to provide health insurance to Below Poverty Line (BPL) families.
- (x) Free MMR vaccine for children launched on 15<sup>th</sup> August 2009 under Immunization Programme of the State.
- (xi) Mobile Medical Units introduced taking health care at the doorsteps of the public across the state.
- (xii) Deworming, Iron Folic Acid and Calcium Supplementation Programme was launched on 15<sup>th</sup> August, 2009 to provide better nutrition to children and pregnant women.
- (xiii) Mukhiya Mantri Sishu Suraksha Yojana Avam Sutkeri Shayog Yojana launched on 15<sup>th</sup> August, 2011. This provides for one time Maternity Allowance of Rs. 3,700 at the time of delivery in hospital and Rs. 300 as Nutrition Allowance for new born child for the initial period of six years.
- (xiv) Sanction of honorarium to Accredited Social Health Activists (ASHA), a flag ship programme of the central government.

These are some of the indicators which have positive bearing on the programmes initiated by the Government to improve the health of the people.

The work for construction of 575 bedded Multi Specialty Hospital located at Sichey Busty already commenced. The cost of construction, furnishing and

medical equipments is estimated to be Rs. 735 crores. The hospital is likely to be completed by 2014. The Government of India had sent a team to make on the spot assessment and the team returned back, satisfied with the progress and the quality of work. To ensure completion of the project within the stipulated time frame, I have earmarked Rs. 5 crores for the current financial year. The Government is also keen that the hospital will also serve as a Medical College once the required infrastructure is in place.

To continue on the path of transforming the health scenario of the State for the better, I propose to allocate Rs. 150.84 crores for the health sector in the current financial year.

### **Rural Development**

In accordance to the proviso contained in the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional amendments Act, the State has fully empowered grass root functionaries and urban local bodies through effective transfer of funds, functions and functionaries. Since 1995-96, the State Government has been allocating 70% of its Plan outlay to the rural development sector. This vital sector has benefitted greatly from good governance and innovative policy of the government, in its urge to transform the lives of the rural people. Financial grants are being provided to convert all the *kutcha* houses to *pucca* houses under the Chief Minister's Rural Housing Mission to make Sikkim *kutcha* House Free state by 2013. The scheme is now being implemented dovetailing all the existing national housing programmes like Indira Awas Yojana and the fund under PMs Earthquake reconstruction and rehabilitation package being provided for re-construction of damaged rural houses. Under this arrangement, a total of 13,972 houses shall be constructed within 2013. This will ensure building of earthquake resistant houses which will be free from recurring expenditure and safe as well.

During the last eighteen years, we have initiated various important programs under the rural development. Some of the major programs are:

- ❑ Decentralization of Power to Panchayats ensuring their participation at the grassroot level.
- ❑ As per our commitment, we have announced Discretionary Grant for the panchayats at different levels and appropriate grants have been provided for in the coming budget also.
- ❑ Panchayat Recommendation has been made mandatory for final payment of bill against projects, schemes commissioned under the Gram Panchayat Unit.
- ❑ The Traditional System of Dzumsa in Lachung and Lachen villages in North Sikkim, have been duly protected by the Government.
- ❑ The Adhyakshas and Upa- Adhyakshas of Zilla Panchayats have been given status of Minister of State and Deputy Minister, respectively.
- ❑ In a recent move to further decentralized financial power to the grass root level, the Government has decided to award tender to the tune of Rs. 20 lakhs at the Panchayat Level, Rs. 50 lakhs at Block Level or at the A.E, Rs. 1 crore at the sub-division level or at the level of D.E and Rs. 2 crores at the district level or at the S.E Level.
- ❑ Rural housing scheme (RHS) is being implemented allotting 30 numbers of GCI Sheets along with a grant of Rs. 15,000 for upgradation and immediate house repair, extending housing facilities to all poorest families. From the period of 1994-95 to 2009-10, 14,895 families have received the benefit and 51,255 beneficiaries have been enumerated.
- ❑ Water supply scheme total 5671 schemes have been sanctioned with the total cost of Rs. 286.43 crores.
- ❑ Total Sanitation Campaign (TSC) was launched in Sikkim in April 1999. The programme successfully achieved 100% sanitation coverage in rural household, schools, aganwadis, institutional and community hall and toilets in 2008 itself. Sikkim became the first Nirmal Rajya of the country, for successfully implementing the programme. We received Nirmal Rajya Puraskar for achieving this very unique feat from Her Excellency, the President of India, in Pune, on 8th December 2008.

- ❑ Village Development Action Plan has been launched on 14th September 2010, to strengthen Gram Panchayat Planning and Budgeting in Sikkim.
- ❑ For better delivery of services to villagers, the State Government has established 29 Block Administrative Centres since 2005. The Block administration has two sections - Ministerial and Line Section. The Ministerial officers are related with Administrative and Line officers are engaged with field works.
- ❑ To encourage rural people's representation, the State Government has instituted "Panchayatshri" award.
- ❑ Sikkim created a landmark reservation of 50% in the State for women under Panchayati Raj Institution.
- ❑ Promoting sports at rural level 'Panchayat Khel Abhiyan has been constituted providing Rs. 1,00,000/- each to Gram Panchayat level for conducting village level games and Rs. 3,00,000/- to Zilla Panchayat Level for District level.
- ❑ Development Grants to Panchayat has been provided every year of Rs. 10.00 lakhs each to Gram Panchayat and Rs. 60.00 lakhs for Zilla Panchayat.
- ❑ Management & functioning of Primary Schools, Primary Health Centre, VLO Centre, Library, Community Information Centre, Village Tourism, Small Irrigation Projects, Community building and ground have been transferred to Panchayats.
- ❑ Sikkim Panchayat Mahila Evam Yuva Shakti Abhiyan implemented since 2006.
- ❑ Block Development Committee has been assigned the responsibility of the overall development of the constituencies within its jurisdiction.
- ❑ District Technical Support Committee has been created to prepare and execute all decentralized plans by providing technical support.
- ❑ Gram Planning Forum (GPF) has been constituted on 19/08/2006, in order to perform the duties and responsibilities assigned to the forum.
- ❑ The Gram Panchayat has been authorized to issue and cancel Trade License since 2011.

- ❑ With a view to generate employment, post of 'Panchayat Accounts Assistance' has been created in every Gram Panchayat Units since 2010.
- ❑ 135 numbers of GPUs have constructed Panchayat Ghars called Gram Prashasan Kendras.
- ❑ Panchayat Hostel has been constructed in all district headquarters to provide cheap and comfortable accommodation to the Panchayat members.

In an effort to enhance rural water security, *Dhara Vikas* programme under MG-NREGA has been successfully initiated, to revive springs, streams and lakes, especially in drought prone areas of the State. Under the **Chief Minister's Rural Universal Financial Inclusion Project** launched on 15<sup>th</sup> August 2010, doorstep banking is now becoming a reality making it possible to disburse wages, subsidies and other payments of the villagers using biometric cards. 70,000 rural families in the state have benefited by opening savings bank account in the name of the mother of every nuclear family.

Community recreation center are long standing demands of the rural public. During my village to village tour demands for 160 community halls/ centers were received from the Public and Panchayats. I plan to fulfill these demands, phase wise. The cost for each centre having a seating capacity of 224 nos. with a parking yard is estimated at Rs. 52.83 lakhs and it will also have facilities for indoor games like carom, table tennis, badminton and volleyball as well as E-library. In the first phase, fund amounting to Rs. 8.10 crores was provided in the 1<sup>st</sup> Supplementary demands of 2011-12. During the current year, a sum of Rs. 3.50 crores has been proposed.

We have created Separate Demands for Grants for Panchayati Raj Institution and Municipalities from the financial year 2011-12 and have started transferring funds under Non-Plan as per the formula prescribed by the 13<sup>th</sup> Finance Commission and 3<sup>rd</sup> State Finance Commission. In the current financial year it is proposed to transfer Rs. 275.34 crores under the Non-Plan for these local bodies.

There is no doubt that all these initiatives have transformed the lives of the rural people for the better as borne out by the fact that percentage of BPL households has come down significantly from 30.9% to 13.1% during the period 2004-05 to 2009-10, according to the figures furnished by the Planning Commission for 2012. This 17.8% rate of poverty reduction is the second best in the country. In appreciation of the good works done, the State Government has been conferred with as many as 14 National awards under rural development from various Ministries of the Government of India over the years.

To continue focusing on the Rural development sector, I have proposed outlay of Rs. 70 crores for current financial year under Mission Poverty Free Scheme.

### **Roads and Bridges**

Hon'ble Speaker Sir,

Further, we are totally committed to improve the road connectivity by improving road geometrics for better road network.

The total length of road maintained by the State PWD till 1994 was 1889 Km and 123 Nos. of minor and major Bridges. Now the total length of road has gone up to 3,672.32 Km and bridges to 216 numbers which are categorized as under:

Category of Roads	Unit	Length of road during 1994	Length of road during 2012	Increase in length
State Highways	Km	178.71	178.71	0.0
Major District Roads	Km	675.00	744.77	69.77
Other District Roads	Km	799.29	1090.52	291.23
Other Category Roads	Km	236.00	1658.32	1422.32
<b>TOTAL</b>	<b>KM</b>	<b>1889.00</b>	<b>3672.32</b>	<b>1783.32</b>
Minor and Major Bridges	Nos.	123	216	93

Out of the total sanctioned road connectivity under PMGSY, 1004.73 km of roads have been completed. That together with 2250 kms under state sector of Roads & Bridges totals 3672.32 kms of new road construction completed in the State. Total number of minor and major bridges constructed so far under PMGYS and state Roads & Bridges since 1994 is 216 nos. Similarly surface carpeting of a total of 1102.1 kms of roads has been completed.

The other important roads in the State are maintained by the BRO which are like NH31A, North Sikkim Highways, Gangtok Nathula Road and other strategic roads.

Surfacing works for some of the length of the following roads have been completed:

1. Ranipool Pakyong Road
2. Phongla - Mamring Road
3. Ganju Lama VC Road
4. Mayabazar Melli Road
5. Legship Gyalshing Road
6. Soreng Sombaria Road
7. Nayabazar Reshi Road
8. Reshi Mangalbaria Road
9. Legship Rabongla Road
10. Nayabazar Namchi Road
11. Namchi - Manpur Road
12. Rabongla - Zarrong Road

Other major projects which have been completed and ready for traffic are:

1. Goskhan Dara Bridge at Singtam in East Sikkim.
2. Makha Tanak Bridge at Makha in East Sikkim.
3. Gour Bridge at Lower Dzongu in North Sikkim.
4. Rabi Khola Bridge along Melli - Phong Road in South Sikkim.
5. Bungling Bridge near Rongli in East Sikkim.

Besides above, there are numbers of bridges which have been completed recently and functional are: BB Lall Bridge, Rathong Bridge, Rimbi Bridge, Rangang Bridge, Rolu Bridge, Rinzi Khola Bridge, Bermelli Bridge, Takcham-chu Brige, Khedum Bridge, Ben Khola Bridge, Khundrukey Bridge. There are many minor bridges and cross drains which have also been completed.

The State Government has taken initiatives for replacement of week bridges. Some of the bridges are: Lawang Khola Bridge, Salelay Bridge, Dew Khola bridge, Bala Khola Bridge, Bridge over Rangit Khola at Tashiding, Bridge over Ramam River at Salangdang, Tharey Khola, Seti Khola, Phamtam bridge etc.

My Government has also taken the initiative for geometric improvement and widening of various roads. Some of the roads are: Pelling Dentam Road, Rimbi Yuksam Road, Namchi - Damthang - Ravongla Road, Dentam Utteray Road, Duga Pendam Road, Rehnock Simanakhola Road, Ralong Phamtham Road.

In addition, we have many schemes for further improvement and upgradation of state highways in Sikkim:

- (i) Road widening and double-laning of Singtam-Ravangla-Legship-Geyzing-Pelling. A total of 81 kms. for Rs. 637 crores under SARDP-NE.
- (ii) Road widening and double-laning of Melli-Manpur-Namchi for Rs. 153 crores under SARDP-NE;
- (iii) Road widening and extension of Namchi-Sikip Road;
- (iv) Road widening and extension of Chakung Road via Naya Bazar.
- (v) Road widening and double-laning of Naya Bazar-Sombaria Road.
- (vi) Road widening and carpeting of Namchi-Phong-Mamring.
- (vii) Upgradation and carpeting of Rongli-Rorathang Road.
- (viii) Upgradation and carpeting of Legship-Rinchenpong Road.
- (ix) Pakyong Machung - Rolep Road.
- (x) Chujchen Rolep Road.
- (xi) Tareythang Mamring Road.

- (xii) Pabong - Simchuthang Yangang Road.
- (xiii) Melli - Phong Road.
- (xiv) Melli Payong road to Melli Dara.
- (xv) Gurassey road from Bio-diversity Park.
- (xvi) Radong - Khimchithang Road.
- (xvii) Chuba Perbing Road.
- (xviii) Ramam - Phambong - Sombaria.
- (xix) Sophaka to Chewabhangyang Road.
- (xx) Kaleej Khola to Jhankridhunga Road.
- (xxi) Kholaghari - Jaubari Road.
- (xxii) Approach Road to Budang Gadi.
- (xxiii) Ranka Sichey Road.
- (xxiv) Double Laning of Tarku - Damthang - Namchi road.
- (xxv) Double Laning of Nayabazar - Legship road.
- (xxvi) Widening of Manpur Jorethang Road.
- (xxvii) Widening of Jorethang - Namchi Road.

On completion, this would ensure smooth connectivity amongst all the District Headquarters.

My Government has taken initiative for construction of bypass including widening of National Highways and improvement of road connectivity to the State Capitals with District Headquarters. They are:

1. Double Laning of Gangtok - Nathula Road.
2. Construction of bypass Road from Ranipool to Burtuk.
3. Construction of diversion road of 9th Mile along NH31A.

4. Construction of road from Sophaka to Chewabhangyang: Connectivity to the International Border of Nepal to ensure national security has been taken up by the Government to boost tourism industry in that sector.
5. The Government has also committed to provide connectivity to the remotest part of the state connecting South - West District via Chongrang - Labdang - Yangtam - Phokari - Phamtam - Ralong - Rabong and is likely to be completed within the current financial year.
6. The opening of the Rongli Bazar to Tal Kharka road which was closed for a decade is one of the important achievements. The Karzee to Pokhari road also been opened after its closure for quite sometime.

Construction of the Gangtok Bypass road via Ranka to decongest Gangtok Town is under way and is likely to be completed by 2014.

During my 42 days tour, 47 numbers of roads have been sanctioned with a total estimated cost of Rs. 114.18 crores in the 1<sup>st</sup> phase. Most of the works are in progress and few have been completed. The remaining works shall also be taken up in the 2<sup>nd</sup> phase.

For the 12<sup>th</sup> Plan projection, it is proposed to take up 377.76 km of New Cutting road which will cover the remaining 81 habitations. Carpeting of the remaining 1231.80 km of the remaining road is also to be taken up within the next five years.

About 450 km of road which are not in the core network is also proposed to be taken up from the 12<sup>th</sup> Plan and the total cost has been projected to Rs. 225 crores. We have already done much to create network of road connectivity but still a lot of investment is needed to upgrade and improve the condition of roads. With this objective, I have proposed allocation of Rs. 112.44 crores in the current financial year.

## **Buildings & Housing**

Hon'ble Speaker Sir,

Infrastructure development of various categories including institutional buildings and other public utilities have been constructed all over the state. In fact, Sikkim has emerged as the conference capital of the North-East Region including many of the sporting facilities. Various infra-structures taken up by the Government and completed are, upgradation of Rongyek Jail, Guest House & Allied works in Mintokgang complex, Teacher's Guest House at Syari, renovation and upgradation of New & Old Sikkim House, New Delhi, Sikkim House at Kolkata, Sikkim House at Gawahati, All India Services Quarter, Guest House for C & D employees at Gurpisey, Namchi, Composite Check Post at Melli, South Sikkim, Composite Check Post at Melli.

The ongoing projects include Construction of Tashiling Secretariat Annexe II, Car-Park at Tashiling Secretariat, Security Fencing at Raj Bhawan, D.C Quarter at Pentok, Mangan, New Raj Bhawan, Vidhayak Awas Block (A,B,C), Udhyog Bhawan at Tadong and Ex-Servicemen's Guest House at Heegoan, West Sikkim.

## **Water Security & PHE**

Hon'ble Speaker Sir,

The supply of drinking water and sanitation in the urban areas are being implemented under various programmes. The State Government lays emphasis on quality water supply and demand management, waste water management, institutional effectiveness and creating an enabling environment, which includes regulatory frameworks and motivated workforce.

In urban habitations covering Gangtok Municipal Area, Six major towns of the state, Forty one sub-urban towns and Sub-Urban Towns (Rural Marketing Centres), the State Government has been supplying quality drinking water to the people.

The earthquake of 18th September, 2011 has caused immediate damages due to jolt of the earthquake and damages caused by other natural calamities triggered by the earthquake.

For immediate mitigation of the problem, the department resorted to temporary measures like tapping raw water from the nearby available source through flexible pipes, supply water through tankers and temporarily restore the supply from the source through every available means. However, the measures adopted are purely temporary for immediate mitigation of the problem.

Permanent restoration work involves various reconstruction works like headworks & intake structures, pressure break tanks & reservoirs, treatment plant structures and protection works along the pipe route with anchorages apart from laying of pipeline. In sewerage system; the restoration works includes the reconstruction of damaged manhole chambers, replacement of pipes and reconstruction of STP structures apart from other protection measures like river training works, etc.

The total number of water supply and sewerage schemes which needs long term restoration works is forty eight; of which six are sewerage schemes and the rest water supply schemes.

### **Energy and Power**

As part of the Central Government policy, the State Government has been trying its utmost to contribute towards hydro-power generation to fulfil Country's need for clean energy. The Central Government has also recently decided to give major push to infrastructure creation including increase in power capacity by another 18,000 MW.

Sikkim is bestowed with rich natural wealth in the form of hills and snow capped mountains, forest, rivers, lakes, glaciers, flora and fauna etc. which are potential sources of revenue generation in the State. Since there was limited scope for generation of revenue from other traditional sectors, the State Government took a conscious and timely decision to develop the vast hydro power potential in

the State. The total Hydro Power Potential of Sikkim as assessed by Central Water Commission, Government of India is around 8,000 MW, out of which around 2,000 MW is in the Micro, Mini and Small Hydro Category. Remaining 6,000 MW would fall either in the small or mega size hydro scheme.

Therefore, with the aim to develop the hydro power potential in the State as has been done in the State of Himachal Pradesh, Uttrakhand, Jammu & Kashmir and other States of the Country for earning more revenue and to make Sikkim self reliant and uplift the economic condition of the people together with the overall development of the State, the State Government has given major thrust towards development of the Hydro Power Projects in the State. In order to invite prospective entrepreneurs to harness the vast **natural potential of the State, Investors Meets were held in metropolitan cities like Kolkata on 10th January 1997 & 29th May 2001 and in Delhi on 27th December 2000 & 22nd February 2001.** Thereafter, the prospective entrepreneurs interested in setting up Pharmaceuticals Units, Hotels/Resorts, Excise Units, Hydro Power Units etc. visited Sikkim and expressed their interest for development.

With the view to harness the immense hydro power potential of the State, the Government of Sikkim in the year 2004 constituted the Hydro Committee headed by the Chief Secretary vide Notification No. 54/Home/2004 dated 15.06.2004 to examine the various aspects related to hydro power development and make recommendations for early implementation of the hydro power projects. Accordingly, the Hydro Committee formulated a set of terms & conditions for development of hydro power projects through participation of the Private Power Developers under Joint Venture. The set of terms & conditions framed by the Hydro Committee were in line with the provisions of the Electricity Act 2003 of the Government of India and also the National Electricity Policy under Section 3 of the said Act.

The prospective developers who expressed their interest for developing hydro electric projects in the State made presentation to the Hydro Committee. The Hydro Committee recommended the developers whose financial and technical

capabilities were found to be best amongst the intending developers which were later approved by the Cabinet and Letter of Intents were issued to them.

The State Government had signed Implementation Agreements for 32 numbers of hydroelectric power projects with a total installed capacity of around 4300 MW to various Independent Power Producers (IPPs) including NHPC. While there is no equity participation in the projects being developed by NHPC, the projects with Installed capacity of above 100 MW allotted to private developers are being developed under Joint Venture with 26% equity shares by the State Government.

As per the Clauses enshrined in the Implementation Agreement (IA) entered into with the developers, certain deadlines had to be achieved by the developer.

Since the developers were not able to adhere to the deadlines specified in the agreement due to resistance to the development of the projects by the local people on religious/social/environmental grounds, the following projects whose Agreements had been signed have been scrapped/cancelled:

- (1) Teesta Stage - I HEP - 280 MW.
- (2) Lachung HEP - 99 MW.
- (3) Bhimkyong HEP - 99 MW.
- (4) Bop HEP - 99 MW.
- (5) Lachen HEP - 210 MW
- (6) Lethang HEP - 96 MW
- (7) Ting Ting HEP - 99 MW.
- (8) Suntaleytar HEP - 40 MW.
- (9) Rangyong HEP - 117 MW.
- (10) Rolep HEP - 36 MW.
- (11) Ralong HEP - 40 MW.
- (12) Chakungchu HEP - 50 MW.

In additions to the above, 30 MW Rathongchu HEP being developed under State Sector and Lingza, Rukel and Ringpi HEPs whose Implementation Agreements had not been signed have also been scrapped/cancelled. Thus 16 (sixteen) numbers of Projects have been scrapped/cancelled as on date.

Therefore, as on date, the Implementation Agreements stand valid for only 20 nos. of power projects of which two projects namely - 510 MW Teesta-IV HEP and 60 MW Rangit-II HEP have been already commissioned and the remaining 18 projects with total installed capacity of 3774.50 MW are under various stages of execution. The following are the details of the cost of these 18 projects presently under development:

Sl. No. of the project	Name	Installed capacity (MW)	Name of the developers	Project cost as per TEC (Rs in crores)	Remarks
1	Teesta Stage - II HEP	330	Himurja Infra Pvt. Limited	—	DPR under preparation
2	Teesta Stage Limited.	1200	Teesta Urja	5705.55	- III HEP
3	Teesta Stage Limited.	520	NHPC	3594.74	- IV HEP
4	Teesta Stage - VI HEP	500	Lanco Teesta Hydro Power Pvt.Ltd	3283.08	
5	Panan HEP	300	Himagiri Hydro Energy Pvt. Ltd	1833.00	
6	Rongnichu HEP	96	Madhya Bharat Power corporation. Ltd	492.32	
7	Sada-Mangder HEP	71	Gati Infrastructure Ltd	335.90	
8	Chujachen	99	Gati	448.76	

	HEP		Infrastructure Ltd			
9	Bhasmey HEP	51	Gati Infrastructure	297.76		Ltd
10	Rangit - II HEP	66	Sikkim hydro Power Ventures Ltd	498.00		
11	Rangit - IV HEP	120	Jal Power Corporation Ltd	726.16		
12	Dikchu HEP	96	Sneha Kinetic Power Project Pvt. Ltd	499.02		
13	Jorethang Loop HEP	96	DANS Energy Pvt. Ltd	402.12		
14	Tashiding HEP	97	Shiga Energy Pvt. Ltd	494.44		
15	Kalez Khola Powergen	27.5	Cosmic Infra Pvt. Ltd	—	DPR under preparation	- I HEP
16	Kalez Khola-II HEP	54	Pentacle Power Pvt. Ltd	—	DPR under preparation	
17	Rechu HEP Power	26	Green Lake preparation Pvt. Ltd	—	DPR under	Development
18	Rahikyoung Engineering	25	Sikkim preparation Pvt. Ltd	—	DPR under	HEP Power
	<b>TOTAL</b>	<b>3774.50</b>	<b>.....</b>	<b>19,595.61</b>		

Thus, it is clear that the total cost of the projects which are presently under various stages of implementation and for which Techno-Economic Clearance (TEC) have been obtained is Rs. 19,595.61 crores. It may be mentioned that the first

IPP project to be commissioned would be Chujachen HEP (99 MW) which is likely to commence generation from August/September, 2012. The Teesta Stage - III (1200 MW) is also in advance stage of completion and the project is scheduled to be commissioned in August/September, 2013. Besides, the Jorethang Loop HEP (96 MW) is also likely to be commissioned by 2013.

Further, the ongoing hydel projects being developed by IPPs have also been affected badly due to the massive earthquake which hit the State of Sikkim on 18th September, 2011. The commissioning of several projects has been pushed back by at least 18 months which will have a serious impact on the revenue generation of the State. Similarly, the hydel projects in the State Sector having total installed capacity of 35 MW have also been severely damaged due to the earthquake.

The vision of the Government was to earn revenue to the extent of Rs. 1500 crores per annum by commissioning all the hydel projects allotted to IPPs by the end of year 2015. However, due to scrapping of some of the hydro projects together with the impact of the earthquake, the revenue generation is expected to be only around Rs. 900 crores per annum (assuming average tariff @ 3.00 per unit) by the end of the 12<sup>th</sup> Five Year Plan.

The bulk of power that shall be generated in the State has to be evacuated to other regions of the country. For this, a well planned and efficient evacuation system has to be put in place. For this, Power Grid Corporation of India Ltd. (PGCIL) proposes two major Pooling Stations at New Rangpo and New Melli. The power will be evacuated through 400 KV Double Circuit lines. The acquisition of lands from both these Pooling Stations has been completed and the preliminary survey/construction works have already been started by PGCIL.

Hon'ble Speaker Sir,

Over the decades, the State Government has put a lot of stake to develop hydro potential of the State. In the meantime, we have also initiated some welfare schemes to support our people together with generating as much power as possible and have initiated the following steps:

- ❑ Sikkim Power Development Corporation Ltd. (SPDC) has been constituted in 1998-99 for the development of the Micro, Mini, and Small Hydro Power Project in the State.
- ❑ Two Points free electricity connections is being provided to the poor rural households in all parts of the State.
- ❑ Rajiv Gandhi Grameen Vidyutikaran Yojaja (RGGVY) has been launched in 2005 to further electrify every hamlet of the State.

The Government has maintained a low tariff rate for domestic consumers while providing free power to the rural consumers having consumption level below 50 units per month. Hon'ble Speaker Sir, I am delighted to inform you that the existing tariff available in Sikkim for both domestic and commercial consumption per unit is the cheapest in the entire country followed by Jammu and Kashmir.

### **Animal Husbandry**

The development of animal husbandry and dairy sector is vital for sustainable income to farmers. Fulfilling the promise made earlier, the State Government has launched a scheme under which milch cows are being provided free of cost to the rural poor. Induction of high yielding cows from the other States has contributed substantially in augmenting the milk production of the State. Under the Dairy Mission, the department has already achieved the target of 50 metric tonnes set for the 11<sup>th</sup> Plan period. In the last financial year, the Government distributed milch cows to 285 beneficiaries in milk deficit villages across the State. This flagship programme will be continued during this fiscal year also with plans to distribute milch cows to another lot of 600 beneficiaries.

Under the Poultry Mission, the focus has been on broiler meat and egg production to attain self sufficiency which, I am happy to announce has been achieved in the case of meat production. Effort is on to set up layer farms at Nandugaon, Rhenock, Mangan, Karfectar, Chujachen, Kamling and Bermiok to act as demonstration units. Further, to optimize poultry farming in the rural areas, the back yard poultry schemes is being implemented in 30 constituencies to meet the

nutritional requirements and increase poultry products to meet the local demands. The egg production during the 11<sup>th</sup> Plan period reached 33.5 lakhs as against 17 lakhs recorded during the 8<sup>th</sup> Plan. Effort is also on to set up a Poultry Estate at Mangalbaria-West Sikkim, the first of its kind in the country, for broiler production on a co-operative basis. Besides, the department is also involved in promoting and propagating piggery and fishery as well as in providing veterinary services to thwart the ingress of dreadful animal diseases. A sum of Rs. 8.72 crores has been allocated for the department in the 2012-13 budget.

Under Animal Husbandry, we have set our target to make Sikkim self-sufficient in meat production for at least domestic market. Over the decades, the Sikkim Democratic Front Government has undertaken large number of schemes to benefit our people. Some of them are:

- ❑ The Production of meat (Pork) has increased by 65%.
- ❑ The department has 5 Nos. of existing Piggery Farm. During the year 2009-2010 department established 2 Nos. of 50 Sow unit piggery farm under R.K.V.Y scheme at Assam Lingzey, East District & Mellidara in South District.
- ❑ Creation of seed stock of qualitative superior bulls to form nucleus germ-plasm pool for improving dairy cattle.
- ❑ Encouraging young educated entrepreneurs to take up commercial goatery activities on large scale, high meat yielding variety goat development programme has been launched on 18<sup>th</sup> December 2011.
- ❑ The department has developed the following fodder farms at Karfectar, Nandugaon, Dodak, Upper Sombaria, Mangalbaria, Chujachen and Rorathang since 1995
- ❑ Sikkim Hatcheries Limited constructed in 1997 for the supply of hatching eggs.
- ❑ Modern state of art poultry processing unit set-up at Mellidara, South Sikkim for providing marketing know-how to the local farmers.

- ❑ Seven Disease Investigation Laboratories established in each district and also at Karfectar, Dentam and Chungthang.
- ❑ Rapid Response Teams constituted for preventing the outbreak of Bird Flu in 2006.
- ❑ Poultry Mission launched on 15<sup>th</sup> August 2009 for the year 2009-2012 with the aim to achieve poultry consumption at par with the developed nations of the world.
- ❑ Sikkim Anti-Rabies and Animal Health (SARAH) Programme launched in 2005 in collaboration with Bridgette Bardot (France) and Australian based NGO Veterinary.
- ❑ Modern Mother Dairy Farm established at Karfectar, South Sikkim with a total cost of Rs. 310.00 lakhs, the very first of its kind in the entire north east region.

### **Tourism**

Speaker Sir, tourism has now become the largest service industry in Sikkim. Our long term goal is to develop Sikkim into a leading domestic and international tourism destination and promote tourism as the new profession of the 21<sup>st</sup> century Sikkimese and the main stay of the State's economy. As it has a multiplier effect with many benefits by way of employment potential and revenue generation, the State Government has acknowledged tourism as one of the thrust areas for development in the 12<sup>th</sup> Five year Plan. Over the decade, we have completed some extraordinary projects to promote tourism sector in Sikkim.

- ❑ Border trade outpost of Nathula opened for tourists in 1999.
- ❑ Single window system introduced for issuing permit to Nathula and Tsomgo, important tourist destinations since 2001.
- ❑ Casino launched in the state in 2006.
- ❑ Tourists Centres being developed in each constituency.

- ❑ Sikkim Registration of Tourist Trade Rules launched in 2008 declaring the whole state as Tourist spot.
- ❑ The trekking route of Dapper to Bhaleydunga trekking within Maenam Wildlife Sanctuary in South Sikkim has been declared Mountain Biking Trail for adventure and eco-tourism in 2008.
- ❑ Major Destination Development Project for Gangtok has been launched exclusively for Sikkim among the North-Eastern States.
- ❑ To further encourage adventure tourism in the state, Frey's peak, Mount Tinchengkang, Mount Jopuno, Lama Wang Den and Brumkhangse has been opened for Alpine expedition since 2005.
- ❑ A large number of Trekking Circuits have been developed-
  - Kangchendzonga Trek
  - Singalila Trek
  - Kostoni Orar Trek
  - Himalayan Trek
  - Zandi Dara Treking
- ❑ Effective training modules have been framed for five years (2010-2015) to meet the ever increasing demand of skilled human resources in tourism sector.
- ❑ Sikkim declared as Eco-Tourism Destination by the Ministry of Tourism, Government of India on 6<sup>th</sup> December 2009.
- ❑ Construction and establishment of 135 feet statue of 'Lotus Born' Guru Padmasambhava at Samdruptse, South Sikkim.
- ❑ Development of Chardhaam Pilgrimage Destination, Solophok, for pilgrimage tourism in Sikkim.
- ❑ Development of Khangchendzonga Tourist Villa cum Socio Cultural & Amusement park at Ranka, East Sikkim.
- ❑ Development of Cultural Complex at Yangang, South Sikkim.

- ❑ Indian Himalayan Centre for Adventure and Eco-Tourism (IHCAE) made operational at Chemchey, South Sikkim in 2009.
- ❑ Yatriniwas and Tourist lodges constructed at Tashiding, Soreng, Lamatar, Chungthang, Choptha, Rangpo and Siniolchu Lodges in Gangtok.
- ❑ Promotion of Village tourism, homestay tourism, ekant was etc. to diversify tourism business.

Tourist arrival in the State has recorded an impressive increase from over 123,000 to over 7 lakhs at present. And the international tourist arrival of over 5,800 has increased to more than 20,000. Our vision is to increase tourist arrival at the rate of 15% per annum. Though this is a formidable challenge, it is achievable with a well executed tourism strategy, better planning, aggressive publicity and creation of requisite tourism infrastructures. The approach is to create tourism infrastructures and attractions in different areas of the State with particular focus on rural tourism and to make tourism a year round hub of activity. The State has been propagating “**morally responsible tourism**” as the ethical code of tourism for Sikkim in order to check the entry of anti-social elements that are detrimental to the social value system. Over the past five years there has been impressive growth of tourist arrivals in the State. The only set back to upset the growth trend was the 18<sup>th</sup> September earthquake which virtually dampened the smooth flow for quite some time.

We have made consistent effort to make Sikkim a unique tourist destination, based on nature-culture and pilgrimage tourism. The construction of Siddeshwara Dham at Solophok and Guru Padmasambhava statue at Samdruptse has made Namchi a very important pilgrimage tourist centre. Projects are being taken up to create more pilgrimage tourist centres at the following places:

- Statue of Sakyamuni Buddha at Buddha Park, Ravangla.
- Statue of Chen-ren-zi at Sangacholing monastery located above Pelling.
- Project- Stair way to heaven at Daramdin, West Sikkim

The effort made by the State Government to promote pilgrimage tourism by establishing religious tourism circuits was recognized and rewarded in the category of most innovative tourism projects. Recently, Sikkim bagged three National Tourism Awards for being the best State in the category of Jammu and Kashmir and Northeast States. I had the privilege to receive the awards from Smt. Pratibha Singh Patil, the President of India. This is the second time in a row, Sikkim has got this award. We also bagged the first award for Best State-Clean India Campaign.

### **Agriculture and Horticulture**

- (a) Agriculture:** The agriculture sector contributes around 15% towards GSDP and about 64% of the population is dependent on agriculture with a significant portion consisting of small and marginal farmers. In the agriculture sector, our Government has made immense breakthrough with the introduction of crops like baby corn, sweet corn, etc. bringing manifold increase in income to the farming community. We are also focusing on crops which can grow under moisture stress conditions and which have high global demands of the likes of buckwheat, millet and such other cereals. Additionally, seed processing units set up at Jorethang of 70 MT and Majitar of 150 MT capacities have also been strengthened. Farm Mechanization through induction of power tillers is another area of focus of the Government to increase farm produce.
- (b) Horticulture:** On the Horticulture front we have taken massive area extension programme in the fruits and vegetables crops covering 13,395 hectares and 14,586 hectares, respectively in the last decade. The emphasis on promotion of off season vegetables will continue this year also. We have also made tremendous progress in the area of medicinal plants, bamboos, mushroom and bee keeping. I take pleasure to announce that this year we shall be establishing one integrated Bee Development centre in Bermiok, South district, at a cost of Rs. 2.50 crores on the pattern of integrated Mushroom Development centre already set up in Majitar, near Rangpo.

(c) **Floriculture:** For small and marginal farmers, floriculture has emerged as one of the viable livelihood options. The State has developed a unique model of floriculture farming by adopting cluster approach involving groups of 20 to 100 farmers. This year we plan to develop 18 clusters of Cymbidium orchids in 18 constituencies under the Chief Minister's Special Orchid Development Programme. To leverage our strength in floriculture we plan to set up one state of the art world class flower auction centre and post harvest infrastructure at Pakyong close to the green field airport. All these initiatives are targeted towards creation of market for horticulture/floriculture produce which will ultimately bring benefit to the State's farming community.

I would like to present account of some of the major initiatives undertaken by the State Government the sectors and sub-sectors of agriculture, horticulture and floriculture since 1994.

- ❑ Creation of a full-fledged Department of Horticulture on 12<sup>th</sup> June 1996.
- ❑ Area under commercial flowers at present is 175 Ha which is nine times more than fifteen years ago.
- ❑ Fruit production has increased from 10,300 MT from an area of 9,200 Ha in 1995-96 to 18,505 MT from total area of 12,190 Ha during 2009-10.
- ❑ Carnation introduced in the year 2000 was a huge success.
- ❑ The area coverage under commercial flowers increased from 2 Ha in 1995 to 175 Ha in 2010.
- ❑ Encouraging marketing of flowers, 50% transport subsidy throughout the country has been provided.
- ❑ Inaugurating Daramdin Rose Village Project on 15<sup>th</sup> April 2007, we have declared Daramdin village as 'Rose Village.'
- ❑ Promoting cymbidium orchid in the state, 157 units have been developed covering large areas of East, West and South districts of Sikkim.

- ❑ Saramsa Garden upgraded to international standard and international Flower show has been organized from 14<sup>th</sup> to 16<sup>th</sup> March, 2008. As the year has been declared as the year of Horticulture by the Government of India, we will also be organizing the Second International Flower Festival from 23<sup>rd</sup> to 27<sup>th</sup> February, 2013.
- ❑ Two Kisan Bazars, one each in Gangtok and Namchi are being constructed at an estimated cost of Rs. 30 lakhs. The same facility shall be expanded subsequently to all other districts, down to the sub-divisional level and BDO levels.
- ❑ 14 Apni Mandis have been established for rural primary market.
- ❑ An integrated Ginger processing unit established at Birdang, West Sikkim.
- ❑ Promoting Cymbidium in state, Cymbidium Development Centre has been established at Rumtek.
- ❑ Model Floriculture Centre at Maniram, South Sikkim has been inaugurated on 16<sup>th</sup> August 2011 at the total expense of Rs. 178 lakhs.

### **Co-operative Sector**

Under the Co-operative Sector, the focus has been to strengthen the Rural Credit Structure and to create marketing linkages between the growers and buyers of Agriculture and Allied sector. This is being addressed by bringing the agriculture and allied sectors into the Cooperative Fold. Institutional changes in Primary Cooperatives and strengthening of Apex Bodies are being undertaken to encourage cooperatives in priority areas such as infrastructure development, housing, eco-tourism, poultry, weaving, small scale industries, handicraft, floriculture, horticulture and other related sectors. Adequate professional development of Cooperative Human Resource is also being encouraged.

As part of mass movement, expansion of institutes under Cooperative sector and larger connect with grassroot functionaries including the Gram Panchayat Unit has been achieved. Some of the major initiatives are:

- ❑ The first ever Sahakari Bhawan constructed in 1998.

- ❑ The Sikkim State Cooperative Bank Ltd. (SISCO) has been set up in Gangtok in 1996, first of its kind to be registered in the state under RBI license. 9 more branches in Namchi, Gyalshing, Mangan, Soreng, Jorethang, Singtam, Pakyong, Rongli and Ravangla have been set up.
- ❑ The government has taken a policy decision to have MPCS at every GPU to cater to the consumer and credit needs of the villages.
- ❑ Sikkim State Cooperative Union has been registered in 2002 under Sikkim Cooperative Societies Act, 1978 at both primary and apex level.
- ❑ 35 existing Multipurpose Cooperative Societies (MPCS) were recognized and registered in every Gram Panchayat Unit declaring 2002 as 'The Year of the Cooperatives'.
- ❑ Scheme for 'Viable and Sustainable Producers Cooperative'' for educated unemployment youth implemented in 2005-06.
- ❑ A Book on 'Sikkim Cooperative Mission 2015' released on the eve of Republic Day Celebrations 2011 to provide for comprehensive policy guidelines to achieve our mission.
- ❑ Sikkim Milk Union has been selected by the Asian Productivity Organization to be developed as 'Demonstration Company' for quality management and productivity. New ice-cream Plant of 300 LPD capacity installed and production commenced with good marketing record.
- ❑ The Government has released Rs. 2.00 Crores to Sikkim Milk Union during 2009-10 for the production of two new products, Flavoured Milk and Ice-cream.

To nurture cooperative culture, the State Government has taken the initiative to allocate rural specific contract works below Rs. 3 crores to the registered co-operatives to enable the rural people to collectively take up contract works in their villages and thus be in-charge of their own destiny. The idea is to involve the community to manage their own affairs through peoples' participation and ownership. It is also a policy to reduce the income disparity between the rural and urban sectors by providing income earning opportunities to the villagers. I hope

this will bring about attitudinal reforms among the rural masses making them think and work positively to improve their living conditions.

### **E-Governance**

Speaker Sir, this Government views e-governance as a necessary and highly useful tool in making Citizen-Government interface more friendly and transparent. Building on the various levels of computerization which have been achieved already, the Government has decided to select the Departments having high level Citizen-Government interface, for comprehensive computerization on a mission mode. The Departments of Police, Finance, revenue & expenditure (which include Commercial Tax, Treasuries and Accounts, Pension, GPF) and Civil Supplies have already initiated this process. Transport, Capacity Building, Forest etc are in advanced stage of computerization for electronic mode.

The approach to fiscal reform and management entail reduction in wasteful expenditures on one side and additional resource mobilization on the other. In an effort to reduce revenue leakages, the Government has already started implementing Mission Mode Project in the Commercial Tax Division, from January, 2012 under which e-payment, e-registration and filing of tax returns is now being done on-line. We are also working towards computerization of the activities of the Finance department through Sikkim Integrated Financial Management System (SIFMS) so that the receipts and expenditures are monitored through Automated Treasury Management System. The software would network key components such as the treasuries, budget, compilation, GPF, GIS, Pension, Accounts and State Bank of Sikkim and maintain a centralized system of the database. A treasury portal serving as a common payment gateway for remittance into the individual accounts will also be put in place. Similar projects will be undertaken to improve non-tax revenue collection through technological interventions by way of computerization and on-line operations. Once these projects are completed, they will make a positive contribution to improve efficiency, encourage transparency, reduce harassment and substantially plug possible leakages. From the current financial year, we are also introducing e-tendering system in the works departments. It is obvious that with revolution in Information Technology worldwide, our job has become more easier and

comfortable. Let me call upon the IT officials and staff to further streamline assignments to generate, maintain and update Government documents, statistics, achievement records, policy decisions and various schemes on user friendly e-format for easy reference. All the departments should co-ordinate effectively to prepare database.

### **Socio-cultural Recognition**

Hon'ble Speaker Sir,

Development of state and the nation is not complete without socio-cultural advancement. Sikkim marked by diversity in socio-cultural aspects of different sections of people is noteworthy. With a view to bring about comprehensive development, the State Government has been introducing a large number of social welfare measures to benefit the people. Some of them are:

- ❑ Beginning 1994, grants under Old Age Pension for senior citizens have been revised periodically from Rs. 100 to Rs. 200, from Rs. 200 to Rs. 300 from Rs. 300 to Rs. 400 and from Rs. 400 to Rs. 600 in 2010.

For the elderly citizens of 80 years, grants under Old Age Pension has been increased to Rs. 1,000 per month. Eligibility age reduced from the existing 65 to 60 years.

- ❑ Life-size statue of Dr. B.R. Ambedkar has been installed at the Sikkim Legislative Assembly Premises.
- ❑ Statue of Kazi Lhendup Dorji Khangsharpa, the first Chief Minister of Sikkim, has been installed at Chintan Bhawan complex.
- ❑ Different Government schools have been renamed after proud sons of Sikkim to commemorate their valuable contribution to the society.
- ❑ 16 different roads across the state have been renamed after renowned personalities of Sikkim.
- ❑ Sikkim Akademi, an autonomous literary organization has been established in Sikkim.
- ❑ World's tallest statue of Adi Kavi Bhanu Bhakta has been erected in Gyalshing in West Sikkim.

- ❑ Sikkim Ratna, the highest Civilian Award in Sikkim instituted in 2004.
- ❑ State Civilian Awards including Sewa Ratna, Khel Ratna, Kala Ratna, Shiksha Ratna, Krisi Ratna have also been instituted recently and conferred upon individuals contributing significantly in different spheres like literature, sports, music, social service and politics.
- ❑ Tamra Patra carrying cash award of Rs. 10,000 and a shawl presented to the freedom fighters of the state for their lifelong contribution.
- ❑ Different community festivals like Guru Rimpoche's birthday, Tendong-Lho-Rum-Faat, Losar, Srijunga's Birthday, Sakewa, Sonam Lochar, Tamu-Lochar, Barahi Mizong and Labour Day (restricted holiday) recognized as Government holidays to honour the culture, tradition and working class people of the Sikkimese society.

### **Political milestones**

The Sikkim Democratic Front Government since 1994 has pursued socio-political demands of Sikkimese people with full dedication. As I have said the Sikkimese people has offered a unique example to define nationalism, integrity and sovereignty by integrating Sikkim into the Indian mainstream based on collective choice and common will of the people. Many of the pending political demands of the people could have been sorted out amicably during the merger time. However, this did not happened. We are aware that the Sikkimese society comprises of Bhutia, Lepcha and Nepali and all of them need to be equally represented in the socio-political platforms. Nevertheless, the State Government through its sheer determination was able to convince the central leadership to give us justice with regard to many crucial political issues. I am thankful to the Central Government for fulfilling many of our demands in the interest of the people of Sikkim. Here I want to sound a note of caution to people not to misuse the exemption permitted by the Central Government which has been earned by our hardwork. There are certain issues still pending before the Central Government like reservation of Assembly seats for Limboo and Tamang communities in the Sikkim Legislative Assembly, grant of ST status to the left out ethnic communities

of Sikkim and Income Tax exemption in respect of the left-out communities including members of old business communities.

Today, I am happy to recall that we have been able to accomplish the following:

- ❑ Bhujel, Dewan, Gurung, Jogi, Kirat Rai, Manger, Sunuwar, Thami and Sanyasi communities recognized as Other Backward Classes at the Central level.
- ❑ Bhujel, Dewan, Gurung, Jogi, Kirat Rai, Manger, Sunuwar, Thami, communities recognized as Most Backward Classes in 2000 at the State level.
- ❑ Bahun, Chettri, Newar communities recognized as Other Backward Classes at the State level in the year 2005.
- ❑ Sherpa, Rai, Gurung, Newar, Mangar, Tamang languages declared as state Languages in 1996.
- ❑ Inclusion of Sikkim into North East Council as its eighth member in December 2002 has been one of the biggest achievements bringing about accelerated growth in Sikkim.
- ❑ Limboo & Tamang communities included in the list of Scheduled Tribes in 2003.
- ❑ The traditional trade transaction between India and China through the historic Silk Route via Nathu-La reopened on 6<sup>th</sup> July, 2006 after 44 years, opening up new vistas of increased socio-cultural interactions and trans-border trade activities.

I am also pleased to inform this August House that five new items of import i.e. ready-made garments; shoes; quilt/blankets; carpets; local herbal medicines and seven new items of export and that is- processed food items; flowers; fruits and spices; religious products such as beads, prayer wheels, incense sticks and butter oil lamps; ready-made garments; handicrafts and handloom products and local herbal medicines have been included in the existing list of import-export items.

- ❑ The State Government has secured exemption to all the Sikkimese comprising of Sikkim Subject Certificate holders and their descendents belonging to

Sikkimese Bhutia, Sikkimese Lepcha and the Sikkimese Nepali from the purview of Central Income Tax by providing necessary amendment to the Finance Act, 2008-2009.

### **Annual Plan Priorities**

During the 12<sup>th</sup> Five Year Plan we aim to achieve faster growth which is inclusive and more sustainable. I have identified six objectives that we must address effectively in the ensuing fiscal year. These are:

- Vigorous implementation of schemes under PM's package for reconstruction of damaged infrastructures and rehabilitation of victims of 18<sup>th</sup> September, 2011 earthquake.
- Vigorous implementation of State's 16 Mission Programmes for the desired result
- To generate enough revenue resources to meet committed expenditure on salaries, wages, interest payment, debt repayments etc.
- Consolidation and completion of projects already undertaken.
- Payment of land compensations.
- Making more investment on Land Bank Schemes.
- Completion of Schemes sanctioned during 42 days tour which I had conducted covering the entire State.

### **GSDP and Per Capita Income**

Hon'ble Speaker Sir, the efforts made by the State Government in every sector has started showing the desired results. The growth in GSDP and per capita income for the State has been impressive over the decade, surpassing even the regional and national averages. The GSDP at Constant Prices rose from Rs. 1739.32 crores in 2004-05 to Rs. 3343.11 crores in 2009-10 and despite severe earthquake, the GSDP for 2011-12 is likely to grow at 9.15% as per quick estimate. This growth is higher than the all India GDP at 2004-05 prices which is 8.39%. In the context of Sikkim, the per capita income of the Sikkimese was only Rs. 9000 during 1994-95 which increased to Rs. 37,202/- during 2006-2007 which is further increased to Rs. 92,808 during 2010-2011 at constant price. This is expected to

increase to Rs. 1,96,915 by the year 2016-17. At this rate, within a few years Sikkim is likely to be the fastest growing State in the country.

## **Fiscal Consolidation and Reforms**

### **(a) FRBM Act Enactment:**

Speaker Sir, in an effort to bring about fiscal consolidation and reforms, we have implemented Fiscal Responsibility and Budget Management (FRBM) Act during the financial year 2010-11. This is in essence, a target based framework to ensure that Government finances are managed to achieve equitable, long term macroeconomic stability, consistent with attainment of the medium term growth. In recognition of this effort, the 13<sup>th</sup> Finance Commission has awarded Rs. 200 crores as incentive to the State to be released within the period of three years. With the implementation of the FRBM Act, the state is also entitled for state specific grants for various projects amounting to Rs. 400 crores for the award period of 2010-15 along with debt interest relief facility provided by the 12<sup>th</sup> Finance Commission. Thus the enactment of FRBM Act has improved our fiscal position with larger resource transfer from the Centre.

A separate booklet containing the Medium Term Fiscal Plan of the State has also been prepared and shall be laid on the table of the House during this session. It contains detailed analysis of receipts and expenditures of previous two financial years with fiscal indicators and three years rolling fiscal target to be achieved. Our aim is to bring down fiscal deficit to 3.5% of GSDP during 2012-13 and to 3% of GSDP from 2013-14. Consistent with FRBM Act provisions, our borrowing limit for financing the current State Annual Plan, has been fixed at Rs. 244 crores. As of now we are able to contain the borrowings at a much lower level than the limit indicated in the FRBM Act. This makes me optimistic that the limit of outstanding debt as percent of GSDP projected in conformity with FRBM Act at 55.9% by 2014-15 will not be exceeded.

In the absence of large corporate, the Government is compelled to be a major player for generation of employment opportunities in the State. For a small resource starved development oriented border State, there is hardly any other option to provide employment avenues for youths to keep them fully engaged in

constructive activities, other than the Government. This is borne out by the fact that our financial implication on salary alone is estimated at Rs. 1300 crores for the current financial year. On health and medication we spent Rs. 19.80 crores in the last financial year towards treatment of Government employees within the state and outside the state.

Although the economic scenario countrywide after the economic crisis of 2008-09 has put us in difficult situation, the pro-active governance of the SDF Government to improve the financial health of Sikkim during the last eighteen years has yielded rich dividends. The tax revenue which was only Rs. 20.89 crores in 1993-94 has increased to Rs. 279.54 crores in 2010-11 which is a giant leap of 1238.15%. The Non-Tax Revenue which was Rs. 27.55 crores in 1993-94 increased to Rs. 242.14 crores, an increase of 778.91%. The Government's effort in getting grants in aids and share of Central Taxes from various sources increased from Rs. 176.49 crores in 1993-94 to Rs. 1630.01 crores in 2010-11, an increase of 823.57%.

The expenditure on social service which was Rs. 63.05 crores in 1993-94 has increased to Rs. 816.43 crores an increase of 1194.89%. The expenditure on economic services has also shown a dramatic increase from Rs. 71.86 crores to Rs. 497.61 crores an increase of 592.47%. The expenditure on general services also increased tremendously from Rs. 53.98 crores in 1993-94 to Rs. 1580.55 crores an increase of 2828.03%. During the last eighteen years special attention has been paid to the improvement of infrastructure with the investment in Capital increasing from Rs. 67.28 crores to Rs. 451.07 crores in 2010-11 an increase of 570.44%. The increase in the various activities of the Government in various sectors has led to expansion in man power in the Government over the last eighteen years. The expenditure in salary and wages which was Rs. 76.82 crores in 1993-94 has increased to Rs. 1297.66 crores in 2010-11 an increase of 1589.22%. The Revenue and the expenditure over the past eighteen years has made a positive effect on the GSDP of the State which has grown from Rs. 402.70 crores in 1993-94 to Rs. 3642.17 crores in 2010-11, an increase of 804.44%.

**(b) Contributory Pension Scheme:**

The pension payment to retired Government employees is also part of committed expenditure of the Government which is estimated at Rs. 239.66 crores in the current financial year. With longer life span on account of better health and medication and increasing number of retirement cases expected after 2014-15, the financial implication for pension is likely to be twice as much after 2014-15. Thus, we need to put in place appropriate measures to curtail expenditures and improve revenue stream to meet the growing revenue expenditure demands. To reduce future pension burden of the Government, we have introduced new contributory pension fund scheme for employees appointed after 1<sup>st</sup> April, 2006. Under this scheme, a Government servant is required to contribute 10% of their basic pay, plus dearness allowance. The Government is committed to contribute equal share to the employees account. In the current financial year we will be contributing Rs. 10.25 crores as state's share to the pension fund.

**(c) Austerity Measures:**

The House is aware of the present economic condition of the country. The value of rupee has depreciated considerably in the international market and the nation's GDP growth for 2011-12 has slumped to 6.5%, as against 8.4% of the previous year (2010-11). The trade deficit gap is widening and Foreign Direct Investment has decreased substantially. These are signs that the country's economy is slowing down and its impact is likely to be felt by all the States of the Union. To tackle the problem, recently the Ministry of Finance, Government of India has issued certain austerity measures to reduce unproductive and wasteful Government expenditures. Since the adverse impact of economic slowdown is a global phenomenon, I am also proposing to put in place the following austerity measures to rein in unproductive Government expenditures:-

- 10% cut in all administrative expenses which includes, travel expenses, office expenses, etc.
- Sikkim with limited employment avenues has hit the saturation point. Creation of large number of white collared jobs is virtually unsustainable. Austerity Committee has been constituted and in unavoidable cases jobs are created on the recommendation of the Committee.

- With the exception of the Chief Secretary and Director General of Police, officers entitled for a Government vehicle to have one official vehicle only. Heads of departments responsible for strict compliance.
- Tours outside the State to be controlled and regulated, very strictly.
- The Sikkim Government (Medical Facilities) Rules to be enforced strictly.

### **Resource Mobilisation**

For some years the impact of September, 2011 earth quake will haunt us as we embark on rebuilding the damaged infrastructures and rehabilitating the shattered lives of our people. Our economy, mostly dependent on energy and tourism sectors, too, suffered greatly resulting in revenue shortfall which is likely to continue for some years till the restorations works are complete and the economy is put back on the rails. Meanwhile, we have passed a policy resolution to create **“Sikkim Earthquake Management and Rehabilitation Fund and Sikkim Land Policy for Private Sector Development, 2012”** with a view to improve our resource base. Under this policy, all investors wanting to set up hydro power, hotels, industries etc. are required to contribute and deposit anywhere from Rs. 5 crores to Rs. 50 crores depending on the cost of the project, prior to allotment of the land. We are also coming out with a legislation to levy **Earthquake Cess** to be utilized for repair and rebuilding of infrastructures damaged by the earthquake. Recently, we have also raised the **power tariff** by 16%. These measures reflect our determination to improve our resource position. But for a small State resource starved State, this is a formidable task, especially after the devastating earthquake. There is an urgent need of fiscal consolidation to enable the State to keep up the Plan funding from the Central Government and the pace of economic development of the State to optimum level despite the setback received due to the earthquake. We are taking strong measures in terms of fiscal consolidation in this Budget. One of the important aspects is to utilize the revenue received including various types of Cess Funds to plough back in the regular budgetary system duly amending the various Cess Acts in vogue appropriately.

In the meeting of the North East Chief Ministers convened by the Hon'ble Union Finance Minister, Shri Pranab Mukerjee on 5<sup>th</sup> June, 2012 at New Delhi, I

have demanded special package of Rs. 600 crores for completion of ongoing projects as well as to bridge the resource gap and another package of Rs. 150 crores to improve internal road connectivity. We need the help of the Central Government to put the growth path back on track to maintain the tempo of development and progress for which our State is well known.

Hon'ble Speaker Sir, I am quite optimistic about the future of the state as we have taken up number of measures targeting revenue generation and employment opportunities to improve the living standard of the people. We are earnest about our goals and have identified 16 Missions covering wide spectrum of economic, education, health and other social sector issues, most of them to be achieved by the year 2015. This is a road map and all our developmental activities are oriented towards achieving the mission goals.

### **Fresh Development Initiatives**

Hon'ble Speaker Sir,

Through both short term and long term programmes, we have been able to reposition Sikkim into high growth trajectory. I am proud to say that Sikkim is today one of the most progressive state of the country and we are recognized nationally as the catalyst for many socio-economic reforms. In order to further diversify and consolidate our development effort, I am pleased to announce new programmes and policy initiatives during this fiscal year 2012-13.

- 1. Opening of a new college** - As priority sector, we have put the best effort to promote education with the highest annual allocation of over 20% in Sikkim. Due to focussed attention on easy access and quality education our children are passing out of schools and colleges in large numbers. More than 4,200 students at the All India Senior Secondary Education level have passed out this year and are looking for admission in colleges. Therefore, to suitably accommodate all the aspiring students we will set up a new college in the state. I am pleased to allocate a sum of Rs. 150.00 lakhs during this fiscal.
- 2. Construction of Vidyarthi Bhawan** - A total of over one lakh twelve thousand school students constitute over 18% of state population. In order to

facilitate larger interactions and complimentary programmes among the students, we have decided to construct Vidyarthi Bhawan in the state. I am pleased to allocate a sum of Rs. 1 crore for the same.

3. **College transport-** The existing colleges of Tadong, Namchi and Rhenock cater to the educational needs of a large number of students spread across the state. In order to overcome problems faced by the students we will provide additional 2 buses for Tadong college, one bus each for Namchi college and Rhenock college. For this I am pleased to allocate a sum of Rs. 1 crore.
4. **Mazdoor Bhawan** - The Sikkim Democratic Front Government is basically party of the working people. Over the decades, we have given special consideration to address the interest of the working class and their overall development. From the daily wages of Rs. 20 in 1994 we have increased the daily wage by over 800%. Today, they are paid daily wages of Rs. 190. To further address their collective interest, we have decided to construct Majdoor Bhawan for which I allocate a sum of Rs. 1 crore for the fiscal year.
5. **Construction of Santa Kabir Bhawan** - As an integral part of a secular country, Sikkim is home to different faith and belief, culture and tradition. In order to promote spiritual well being of Sikkimese people Sant Kavir Bhawan at Lingmoo shall be constructed. I am again pleased to allocate a sum of Rs. 30 lakhs for the purpose.
6. **Construction of Ramayana Busty** - As part of our effort to promote pilgrimage tourism we have also taken up a unique project of development of Ramayana Busty at Barang in east Sikkim. Besides tourism, this project will greatly boost preservation and promotion of our ancient heritage as a national treasure. You are aware that we have established Sanskrit Mahavidyalaya in the adjoining locality and the establishment of Ramayana village here will further help us in our effort to promote our culture and tradition. I am pleased to allocate a sum of Rs. 5 crores for construction of Ramayana Busty that include land acquisition which is already processed.

7. **Construction of Vrindavan** - You are aware that Sikkim has emerged as a premier tourism destination in the country. With the establishment of many unique pilgrimage projects Sikkim has already attracted a large number of devotees and tourist alike. To further expand our scope we have decided to construct Vrindavan with Gaushalla at Dentam. I am pleased to allocate a sum of Rs. 50 lakhs for the same.
8. **Tantra-Mantra-Jantra Centre** - Sikkim is wildly held as an ancient land blessed by our local deities. We are the rich repository of animistic tradition which was part of the major healing system in Sikkim. We have already recognized the social contribution of our faith healers like Boongthing, Fadengba, Yeba, Jhakri etc. by instituting Samajik Sewa Bhatta of Rs. 600 per month. As God fearing citizens, our people have nurtured deep faith in our tradition. Further, we have decided to locate Tantra-Mantra-Jantra Center in Sikkim to conserve and showcase for posterity the rich rituals, local incantation, religious products, beads, butter oil lamps and prayer wheels used by our faith healers. I allocate a sum of Rs. 50 lakhs for the construction of the centre.
9. **Statue of Puno Mun Solong** - In order to perpetuate the memory of the last King of Lepcha Community immediately before the Namgyal Dynasty, we offer deed regards and decided to construct the statue of Puno Mun Solong at Passingdang in North Sikkim. I am pleased to allocate a sum of Rs. 1 crore for the same.
10. **Statue of Sleeping Buddha** - Over the decade, the State Government has experimented on a large number of development programmes. In the process we have been able to create unique landmarks in socio-economic spheres. Once again creating a unique concept, we are going to install the statue of *Reclining Buddha*. I am sure this will add a new dimension to the understandings of Buddhist philosophy in the world. Therefore, I allocate a sum of Rs. 50 lakhs for the same.

**11. Prayer Tower** – Next in our agenda is construction of Prayer Tower in the state. In a secular state like ours different faiths and beliefs co-exist. Sikkim has offered a best example of secularism duly respecting all religions followed by people. Therefore, in order to facilitate installation of Prayer Tower, I am pleased to allocate a sum of Rs. 60 lakhs as land compensation during this fiscal year.

**12. Village to village tour**

Hon'ble Speaker Sir, as a rare democratic experiment, I embarked upon village-to-village tour of the entire Sikkim State accompanied by the elected representatives and senior bureaucrats, during the last financial year. Stretching over a period of 42 days, the tour begun on May 17, 2011 and concluded on November 1, 2011, with days of break in between. The first day begun from Shirde Sai Baba Mandir in South Sikkim and concluded at Phodong Monastery in North Sikkim. This was an effort to understand the peoples' hardships at their door steps and evolve measures to solve many of their problems. It was also an exercise to prepare 12<sup>th</sup> Five year plan proposals after consulting the peoples' representatives from the grass root level. The trip was also meant to take stock of the status of schemes sanctioned for the rural sector. The decisions taken during the tour has been documented and laid before the August House in the last Assembly session. This is an indication of the importance given by my Government to bring about inclusive growth and development. For implementation of schemes sanctioned during my tour, a sum of over Rs. 24.09 crores has been earmarked in the current financial year.

**Annual Budget 2012-13**

Hon'ble Speaker Sir, I shall now dwell on the budgetary profile for the current financial year. Our size of the Annual Plan has been fixed at Rs. 1,877 crores by the Planning commission of India. The total outlay includes the following components:

- Rs. 377.11 crores - Prime Minister's Relief Package (Earthquake reconstruction and rehabilitation).
- Rs. 244 crores - Borrowings as fixed by FRBM Act, 2011.

- Rs. 364.87 crores - Additional Central Assistance (ACA).
- Rs. 158 crores - Special Plan Assistance (SPA).
- Rs. 250 crores - Special Central Assistance (SCA),
- Rs. 145 crores - Externally aided project.

In this budget I have proposed total amount of Rs. 5277.10 crores comprising of Rs. 2540.23 crores under Plan which includes allocations under the dispensation of North Eastern Council, Non-Lapsable Pool of Central Resources and Centrally Sponsored Schemes and a provision of Rs. 2736.87 crores under Non-Plan account and also includes the provisions made as recoveries which are adjustable as reduction in expenditure, subsequently.

I have projected the gross revenue of Rs. 4792.91 crores and expenditure to the tune of Rs. 5277.10 crores for the fiscal year 2012-13. The contribution from tax revenue sources to the gross revenue receipts is of the order of Rs. 353.35 crores and in the case of Non-Tax revenue it is projected at Rs. 1025.50 crores. A provision of Rs. 79.67 crores constitute financing under the NEC dispensation; Rs. 206.57 crores under Non Lapsable Pool of Central resources; Rs. 321.71 crores under centrally sponsored schemes and Rs. 2806.11 crores under grants in aid from Central Government. In respect of specific earmarked schemes an amount of Rs. 364.87 crores has been budgeted under the Additional central Assistance (ACA) package.

I shall now present the highlights of the Budget for the year 2012-13 with a summarized account of the receipts and disbursements incorporated in the budget:-

	<b>A. RECEIPTS</b>	<b>AMOUNT (Rs. In Crores)</b>
1 State's revenue		
a) Tax	-	353.35
b) Non Tax	-	1025.50
2 Share of tax from Govt. of India	-	723.14
3 Grants-in-aid from Govt. of India	-	2690.92
4 Loans from Financial Institutions	-	232.26

5	Loans from Govt. of India	-	14.50
6	Recoveries of loans and advances	-	0.80
7	Public Accounts	-	4057.56
	<b>Total Receipt</b>	-	<b>9098.03</b>

**B. DISBURSEMENTS**

**AMOUNT  
(Rs. In Crores)**

1	Annual Plan	-	1877.00
2	Non Plan	-	2601.12
3	Centrally Sponsored Schemes	-	321.71
4	Schemes under North Eastern Council	-	79.67
5	Schemes under Non Lapsable Pool of Central Resources provision of previous year	-	206.57
6			24.39
7	Public accounts	-	3987.60
	<b>Total Disbursement</b>	-	<b>9098.06</b>
	<b>C. Budget deficit</b>	-	<b>0.03</b>
	<b>D. Opening balance</b>	-	<b>(+) 170.88</b>
	<b>E. Closing balance</b>	-	<b>(+) 170.85</b>

Hon'ble Speaker Sir, I have broadly highlighted some of the major sectors in the Annual Plan and initiative envisaged during the current year to utilize the fund. I have already outlined the priorities of the Government at an earlier stage of my presentation and I do not intend to repeat other than to emphasize that we need to work hard and utilize the resources judiciously to put the State back on the track of progress and development. We have made a commitment to the people of our State and we are determined to fulfil these commitments to preserve peace and bring prosperity to the people through socio-economic and spiritual development.

Hon'ble Speaker Sir,

During the last 18 years we have crossed many development milestones, achieving some of the extraordinary feats in socio-cultural and political spheres. Under different sectors we have large numbers of ongoing schemes. We believe

what we need now is the final push to cross all the barriers and achieve comprehensive and complete development of the state. With a view to provide a larger focus, we have announced number of State Missions as our flagship programmes. We need larger conversion of schemes and complementary effort by all the departments to achieve our mission. This includes transforming the remaining 13.1% of BPL families into APL families and achieve our dream of making Sikkim a poverty free state. And during this financial year, all our resources shall be invested to fulfil our targeted goals as mentioned under each of the sixteen Mission Statements released by the State Government.

Traditionally, indicators such as per-capita gross domestic product (GDP) and the Human Development Index (HDI) are the primary metrics in assessing the progress of nations. However, we are also equally anxious to ensure that economic indicators as reflected in per capita income and GDP growth will have to bring about positive impact on the living condition of our people. What we find today is that nations across board are identifying new benchmarks to calculate Inclusive Wealth Index, reflective of people's well being and happiness. This includes environmentally and socially sustainable development, trans-boundary assets, human capital, manufactured capital, natural capital, and health capital in terms of extensions or reductions in life expectancy.

The world is passing through a difficult situation. We are yet to overcome the global recession of 2008-09 which is being compounded by Euro crisis in the recent years. In fact, India as the member country of Five Nations BRICS Bloc has committed \$ 10 billion contribution to help the debt-ridden 17-nations Eurozone and to save the faltering world economy. During the plenary session of 7<sup>th</sup> Summit of the G-20 nations, the Hon'ble Prime Minister expressed his confidence of bringing back the rhythm of high growth of 8-9% per annum for the Country by various tough decisions including controlling unsustainable subsidies to reverse the expansion of fiscal deficit. In the related development, we as part of the global communities must work towards bridging the fiscal deficit and improve our economy through all possible means. We should not let go of our opportunities to stabilize our economy by consolidating internal revenue based on the basis of our rich natural resources. We cannot afford to be destroyed as a consequence of greed

and irresponsible action on the part of some people who seek to disrupt us in our development path.

There are certain elements in Sikkim whose sole purpose is to oppose for the sake of opposing on every development process in Sikkim. Hon'ble Speaker Sir, today is the day to examine our financial position and our fiscal health and chart out collective mission to make ourselves stronger economically. To those who are opposed to our policy, let me refer to what Pandit Nehru told people in 1948 to justify construction of Hirakud Dam, "If you are to suffer, you should suffer in the interest of the country". In terms of developing the State, let us ask:

- (a) Have you made any assessment of what our development strength would be?
- (b) Have you ever made any assessment of what our potential revenue generating avenues could be?
- (c) What and how would you possibly create avenues to engage all our educated youths in some gainful employment?
- (d) We have identified certain sectors including hydro-power generation and tourism as our potential sectors. If you say, we need to close down hydro-power projects, show us the way forward.

Hon'ble Speaker Sir,

We need to remember that our agreements with all power developers are only for a period of 35 years on Build, Operate, Own and Transfer basis. This means that after 35 years, the charge of hydel projects are returned by the power developers except NHPC to the State Government free of cost along with leased and surplus land. However, NHPC at Stage V also returned 60 acres of unused land by them to the State Government. All the land earmarked for Rathong-chu Hydro-power project since scrapped has been transferred to the State Government and re-registered with Ecclesiastical Department. Among others, BDO Office in Yuksom is running in the same complex.

Hon'ble Speaker Sir,

We can ill afford to neglect the fact that based on preliminary assessment, the internal revenue shortfall during the 12<sup>th</sup> Five Year Plan will be to the tune of

Rs. 1137.53 crores if we close down all our hydro-power projects in Sikkim. With our targeted aim to host 50 lakhs tourists per annum by 2020, we would require additional 3,500 hotels and 1000 homestays across villages and the investment required would be over Rs. 250 crores per annum. This is based on our long-term program and on a conservative estimate of 30 persons per hotel/homestay, we will be able to generate 1,35,000 direct employment and indirect benefit from this service industry and hospitality sector would be ten-fold more owing to ripple-effect on every other sector including in transport, agriculture, horticulture, animal husbandry so on and so forth.

We should be aware that as welfare state, we shoulder additional responsibility to pay for social security measures. Like in case of pension payment alone, we spent a sum of Rs. 247.34 crores for the year 2012-13. Total expenditure on account of salary payment for employees working under MR, Consolidated pay, Adhoc and Workcharged establishment is Rs. 125.32 crores annually. However, on the positive side, if all our flagship programs including power generation, tourism and organic farming are properly harnessed and successfully completed, the cumulative resource generation, based on quick estimate, would be an impressive Rs. 2064.871 crores during the 12<sup>th</sup> Five Year Plan.

Sikkim has emerged as one of the most progressive states of the Indian Union bagging many awards and recognition from the Central Government and other social organizations. Under tourism alone, we have received over 22 national awards on different occasions. In addition, the State Government has received a large number of awards and national recognitions. Some of them include, Best Award in Education, 3rd Best Performing State in Panchayati Raj, Safe Transportation Award, Skoch Challenger Award for best use of Information Technology, Cooperative Excellence Award, Diamond States of India Award in citizens security and Justice, 4th JRD TATA Memorial Award under health sector, Bharat Nirman Awards in E-Governance, Bharat Nirman Awards in Rural Electrification, Bharat Nirman Awards in Rural Roads, Best State in Investment Environment, Best State Award in 'Citizen Security' category, so on and so forth.

Over the years, leaders from within and outside the Country have also showered their praises on our development initiatives. I seek your indulgence to quote Dr. Monteksingh Ahluwalia, Deputy Chairman, Planning Commission who has appreciated our development model in locating char dham in Namchi. And I quote, "This is indeed an impressive project, which when completed, will add a major tourist-cum-pilgrimage facility to Gangtok and contribute to a larger flow of tourism. The Chief Minister Chamling deserves our applause for a truly visionary conceptualization".

The Hon'ble Prime Minister during his visit to the State to review earthquake damages on September 29, 2011 was all praise for the State. I quote, "You are a great nationalist and I am happy that the State Government and the central agencies are working hand in hand to carry out relief and rehabilitation works"

Therefore, anybody who are opposing our programs are doing great dis-service to the people of Sikkim and committing a grave crime against the future of Sikkim and the generations of Sikkimese that will follow. As a very innovative Government, we are looking 20 years down the line and moulding our own socio-economic programs to address future needs and requirements.

General inflation and price rise including the recent petrol price hike will put States like Sikkim in great trouble. As a landlocked State, we are dependent on land transport for all practical purpose and our people as consumers of goods and products will be at the receiving end to bear the brunt of price rise. In order that we provide maximum relief, we are paying our employees the highest salary in the Country. We wish we could enhance wages and salaries of our employees and workers by cent percent. There are constraints we face. However, we are trying our best. In fact, it is widely held that people entering public service should not even think about the pay. All the sacrifice and hard work would ultimately benefit the general good of the public and that itself should be greater satisfaction than any salary package.

Hon'ble Speaker Sir, it is required of us that all our programs are future-oriented and tailored to meet the needs and situation likely to emerge in the

future. For example, half of our population in India is under the age of 25 and 60% is under the age of 30. As per Business Week Magazine and the World Bank, 200 millions of young people are unemployed in the world. Statistics like this throws up challenges which need to be considered just now. Therefore, issue of youth management and harnessing of their immense potential is important.

At the state level and speaking nationally also, we need to introduce educational reforms to correct our defective education system. While doing so, we need to focus on lack of transparency, inadequate employment policy and strengthen roads and communication for easy access. We have challenges, but I firmly believe that we can create a poverty, illiteracy and unemployment free Sikkim, if we collectively believe and work on it”.

Our effort to encourage our young children and the youths to be competitive through different programs is bearing fruits. The existing Chief Minister Merit Scholarship providing admission to reputed public schools and the Chief Minister Special Scholarship for free sponsorship to any student securing admission in one of the top 20 Universities of the world, have been path-breaking initiative of the State Government. And many other programs including Chief Minister’s Self Employment Schemes are all towards making our youths self-reliant and self-dependent. A substantial number of large, medium and small industrial enterprises have been able to generate large employment avenues for our local people.

We are endeavouring to modernise with new technological intervention through organic farming, off-season cultivation, green house technology, cottage industry, village industry, pharma units, distilleries and agro-based industries. While industrial revolution in the world is over 200 years old, in Sikkim this has started only ten years ago in real sense when we started to harness our hydro-power potential and invited investors to invest in other small, clean industrial units. Many reputed corporate houses have set up their units in Sikkim including private Universities. A total of 875.5968 ha of land has been leased out for setting up of hydel projects, pharmaceutical units, other industries, education including Universities, hotels, Army/ITBP/SSB/BRO, Railways and for Transmission Lines. A total of 391 industrial units covering hotels, pharma units, breweries etc. have

been running successfully in the State. From all these functional units, the people of Sikkim have benefitted immensely and substantial employment avenues have been created, which is more than 40,000. This year's Budget is dedicated towards encouraging our youths to become more enterprising and become competitive to participate in the growth stories. In this context, I call upon all my youths to take advantage of these many facilities and establish yourselves as the most accomplished Sikkimese.

Hon'ble Speaker Sir

Martin Luther King once described peace being more precious than diamonds or silver or gold. Sikkim as the Himalayan border State, has remained just peaceful all through. Thanks to the democratic spirit and sense of mutual respect, the people have redefined the concept of border State as being very peaceful and progressive. It has been said that there is no peace, because there is no justice. With people living a fully democratic life with equity and justice, we are the producers and protectors of peace and harmony. During the acceptance lecture on June 16, 2012 in Oslo Norway, Nobel laureate and the pro-democracy leader Aung San Suu Kyi, has made various reference to peace and harmony and I quote, "Ultimately, our aim should be to create a world free from the displaced, the homeless and the hopeless, a world of which each and every corner is a true sanctuary where the inhabitants will have the freedom and the capacity to live in peace".

Hon'ble Speaker Sir,

By the same token and the same yardstick, Sikkim thankfully qualifies to become the land that the leader has dreamt of and longed for. And I daresay, through decades of hard work and dedication, the Sikkim Democratic Front Government has been able to promote new society based on equity, rights, freedom, environmental integrity and a new sense of kinship and mutual respect as the rightful citizens of India. However, in our over indulgence, let us be cautious to ensure that we do not overdo or over step our rights and not take undue advantage for short term gain, making the future of Sikkim uncertain.

Towards that aim and resolution, I call upon this August House and through to all my fellow citizens to be responsible in our words and deeds to forever

safeguard our collective interest and contribute towards state and nation building process in greater measures.

Hon'ble Speaker Sir, with these words, I wish to dedicate this budget to the people of Sikkim.

**Thank you**

**Jai Hind**