

**SPEECH OF MS. MAMATA BANERJEE, HON'BLE CHIEF MINISTER, WEST BENGAL AT THE 57<sup>th</sup> MEETING OF NATIONAL DEVELOPMENT COUNCIL ON 27<sup>th</sup> December, 2012**

Respected Prime Minister Sir, Hon'ble Members of the National Development Council, Deputy Chairman and Members of the Planning Commission, officials of the Union and various State Governments

I am pleased to present the perspective of the State of West Bengal at the 57<sup>th</sup> Meeting of the National Development Council on Draft 12<sup>th</sup> Five Year Plan. The objective of the Draft 12<sup>th</sup> Five Year Plan is "Faster, sustainable and more inclusive growth". However, towards achieving these goals, our State is currently facing numerous hurdles primarily due to the legacy of 34 years of misrule in our State by the Left Front Government and the unfortunate neglect and disregard by the Government of India towards the 'Veritable Debt Trap' of over Rs. 2 lakh crores, hanging over our heads like a Damocles' Sword.

It is noteworthy that West Bengal is unique in India in sharing borders with three Nation States of the world - Bangladesh, Bhutan and Nepal. This lends a strategic importance to our State and for our Nation as a whole. Furthermore, West Bengal is the gateway to the North-Eastern States of India. This too makes the development and growth of West Bengal critical for our nation's future.

Faster and sustainable growth along with inclusion of the masses at every point requires investable funds for social infrastructure and physical infrastructure - particularly, for roads, bridges, waterways, power and of course, schools, ITIs, polytechnics, colleges, universities and other human capital enhancing institutions. It is most unfortunate that the massive debt of over Rs. 2 lakh crores is compelling us to pay Rs. 25,000/- crores in this financial year (2012-2013), simply cut off from our treasury by RBI, to meet only the interest and repayment obligations, while the debt hangover menacingly accumulates even further.

On the basis of the Keynesian's multiplier, this Rs. 25,000/- crores invested would have produced an additional State GDP of as much as Rs. 1 lakh crore and would have transformed the State of West Bengal, back into its leading position in the country. But we have been denied such opportunity due to the legacy of the Left Front and subsequent inaction on the part of Government of India.

It is even more unfortunate that the UPA-I and UPA-II Governments permitted the Left Front Government to rampantly borrow and build up the debt burden, while the State Government refused to pass the FRBM Act till as late as 2010. Among the larger States, it was only West Bengal which refused to pass the debt restraining FRBM Act and yet the Government of India kept on approving their request to borrow, resulting in this burgeoning debt burden.

I am pained to point out that after the declaration of the Elections in the State last year, the Central Government allowed the Left Front Government to borrow Rs. 5,173 crores within a period of just 28 days between April 8<sup>th</sup> and May 6<sup>th</sup>, 2011, just days before we took office. Government of India's permission to the Left Front Government to borrow such a large sum in such a short period raises many questions and defies all logic. Unfortunately, such a large borrowing at the start of the Financial Year 2011-12 resulted in a sharp reduction in the quantum of loan available to our new Government, within the FRBM limit, thereby tying our hands behind our back even further.

I must ask as to why the Central Government allowed the State of West Bengal to fall into a debt trap by becoming a party to the years of profligacy of the Left Front

Government? In retrospect, this unholy nexus has left our Government in a disastrous financial condition.

It is even more tragic that I myself, alongwith my Finance Minister, had at least ten meetings at the highest levels of the Government of India on the issue of debt restructuring and debt relief over the last 1½ years, but to no avail.

Here, I humbly point out that West Bengal was defined as a 'debt stressed' State by the Finance Commission of the nation and the Debt-GDP Ratio was by far the highest in the country. It was and is much higher than the two other States which were included in the category of Debt Stressed States. It is also tragic that despite the formation of a Committee of officials, led by the Central Government, to resolve the acute problem of debt burden of the three Debt Stressed States, the Committee has not come up with any concrete solution towards debt restructuring.

I must confess that many assurances were given in public and in private by the Government of India, after we came to office, for getting our State out of the debt trap. Unfortunately, despite assurances in public by the Hon'ble Prime Minister himself, no solution has emerged. It is obvious that with an over Rs. 2 lakh crores debt burden and a debt servicing quantum of Rs. 25,000 crores during this financial year, the issue of "faster, sustainable and more inclusive growth" propounded by the Draft 12<sup>th</sup> Five Year Plan sounds hollow to our State.

It is our considered view that unless the Government of India addresses the mitigation of this massive debt burden and the mitigation of the huge debt servicing obligation, the objective of the 12<sup>th</sup> Five Year Plan would remain a mirage for our State.

I reiterate that a State of 90 million people, larger in size than the combined population of Greece, France and Spain, has been left in the lurch while India pledged \$ 10 billion to the International Monetary Fund (IMF) for addressing the financial crisis of the Euro Zone - rather ironic, indeed. Obviously, in this environment of an oppressive debt burden, it is almost futile to speak on the Draft 12<sup>th</sup> Five Year Plan which will call for huge investments and massive resources for sustainable and inclusive development.

**In the midst of a crushing Debt Trap, the New Government of West Bengal is doing its work diligently: Significant Growth in GDP and Record Growth in Tax Revenues.**

In the midst of the crushing debt burden, the State of West Bengal has achieved new heights in key macro parameters. Our effort towards big ticket reforms in governance, founded on integrity and transparency, has begun to yield fresh results. While the nation's GDP has grown only by 5.5% during the first quarter of this year, GDP of West Bengal, I am proud to say, has grown by 6.94% (in real terms) during the first quarter. This has been lauded by many.

I am also proud to say that due to the path breaking reforms in the fiscal domain, through computer driven e-taxation, our growth in tax revenues have posted a record growth of 35% between the months of April and September, 2012. While Left Front Government in its last year of office collected revenues of Rs. 21,000 crores, our Government has collected Rs. 25,000 crores in 2011-12 and is now poised to collect Rs. 31,000 crores during the financial year 2012-2013. This will be a record of sorts among the States of India.

Despite our travails, many analysts have concluded that West Bengal may have moved into the No. 1 position in the country in terms of e-taxation, defined by

Dematerialised (DMAT) VAT Certificate - something that no other States in the country can claim to have.

I must also add that West Bengal is, perhaps, the only State in the country that has made e-tendering compulsory for all Government procurements. This has brought total transparency, based on unflinching integrity of our Government.

I could allude to many such developments where fundamental structural and sustainable reforms have been carried out by our Government, always keeping in view the interest and concerns of the common people of the State. We focus strongly on inclusion of the disadvantaged in the broadest sense of the term and we have combined this fundamental principle with rapid economic growth.

### **The Myth of Financial Inclusion' for the Draft 12<sup>th</sup> Five Year Plan: Disappointing Bank Performance Controlled by the Government of India.**

While conducting a personal review of the performance of Banks in our State I was pained to find that the Banks in West Bengal are not lending to the priority sectors as per their own targets. While we speak of the goal of financial inclusion in the Draft 12<sup>th</sup> Five Year Plan, West Bengal stands out as an example of indifference towards financial inclusion by the banking institutions which are controlled and guided by the Government of India, in association with the Reserve Bank.

For example, crop loans to farmers through the Kisan Credit Card (KCC) stands at a low of Rs. 49,000/- per farmer as against the national average of Rs. 78,000/-. Similarly, average loan per Self Help Group (SHG) stands at Rs. 46,000/- in West Bengal against the average of Rs. 83,000/- nationally. In 2011-12 the percentage of total credit disbursed to Self Help Groups in the State was only 3.3 percent as compared to 49.4 percent in Andhra Pradesh.

I was also pained to find that while the target of credit linkage for Self Help Groups (SHGs) was set by the banks at 1.5 lakhs SHGs in 2012-13, the banks achieved only 30,275 till September, 2012, lagging behind miserably. Even more troubling is the fact that SHGs consist mainly of women and the downtrodden who are trying to rise above poverty.

In West Bengal, out of total 37,945 villages in the State, 27,767 villages with population less than 2,000 are not having any banking outlet. 7486 villages having population more than 2,000 do not have any banking facilities. It was reported that the Business Correspondent (BC) model and banking through mobile bank is not effective and, in many places, has still not been operationalized. District Magistrates have reported that a large number of Gram Panchayats (GPs) do not have any branch of commercial bank. Moreover, some of the bank branches having rural service area are located in nearby towns or urban centres as a result, the Gram Panchayat population does not get access to adequate banking facilities.

May I ask as to how the Draft 12<sup>th</sup> Five Year Plan's 'financial inclusion' and 'sustainable growth' can be addressed with such poor performance of the Banks and Financial Institutions?

### **Health**

It may be recalled that in the last NDC Meeting, I had highlighted the pathetic condition of the health infrastructure in the State due to years of utter neglect. During the last one and half years concerted efforts have been taken to upgrade the infrastructure and create additional capacities in the States Medical Colleges and

Para-medical Training Centres to tide over the scarcity of trained medical personnel. Most of the Centrally sponsored Schemes are aimed at improving the infrastructure and service delivery of the primary health sector. This focus on primary health sector should continue in the 12<sup>th</sup> Plan Period.

We also suggest that a health sector programme for the upgradation of middle tier secondary level hospitals, which act as an intermediate referral facility between the primary and the tertiary sector, should be launched as most of the secondary level facilities are in dire need of improvement. Further, the 12<sup>th</sup> Plan should aim at providing at least 500 bedded hospital for a ten lakh population. In larger States like West Bengal, the Sub-Divisional Hospitals should be upgraded to the level of District Hospitals.

Malnutrition among expecting mothers and even more so among the minority women in a State with 31 percent minorities, is a predominant cause of infant mortality, arising due to low birth weight of the infant. Malnourishment also contributes largely to the high maternal mortality. **Therefore, the 12<sup>th</sup> Plan must include a Special Mother and Child Programme, aimed at improving the nutritional status of mother and child. This programme must include a special multi-vitamin supplement targeting the expecting mothers as they often give up their own share of food for other members of the family.**

The National Rural Health Mission (NRHM) has made a dent in improving the service delivery from primary health care facilities. However, the health care facilities in urban areas suffer from neglect. **We suggest that the National Rural Health Mission may be renamed as National Health Mission and its scope of coverage may be extended to urban areas.**

### ***Education***

The Right of Children to Free & compulsory Education Act, 2009 has come into force and mandate all Government & Government-aided schools to achieve some quality standards. None of them have the desired Pupil Teacher Ratio of 1:30. The State Government has initiated the process of filling up of all vacant posts of teachers, creating new ones & establishing new schools. With meager resources at the disposal of the State Government, **we would suggest Government of India to reimburse salary expenditure of all teachers in the Primary & Secondary schools. Failure to do so will severely impact the implementation of the Act.**

The present sharing basis of 65:35 under the Sarva Shiksha Mission is placing a considerable burden on the State Government considering that most of the work is being done according to the priorities formulated by Government of India. **We would urge the Planning Commission to change the sharing pattern to at least 75:25 during the 12<sup>th</sup> Plan Period.** Further, the Right of Children to Free and Compulsory Education Act, 2009 does not permit charging of any tuition fees. The schools are finding it extremely difficult to maintain bare minimum infrastructure in the schools. The maintenance grant under Sarva Shiksha Mission is quite inadequate. **The 12<sup>th</sup> Plan should provide for funding by Government of India for Electricity Charges, Operation Costs and Maintenance Costs of all Government and Government Aided schools under the Sarva Shiksha Mission.**

The Rashtriya Madhyamik Shiksha Abhiyan (RMSA) aims at Universalisation of Secondary Education but the programme has restricted the development grants to only Government or Government sponsored institutions. In West Bengal, the majority

of schools numbering 10000 are Government Aided schools and are thus excluded from the programme defeating the very purpose of the programme. **Under the restricted scope of the programme, only 103 schools (42 Government and 61 Government Sponsored) in the State are covered. This is truly shocking. We would request to extend the RMSA programme to all Government Aided schools so that the majority of schools can be covered.**

The Cooked Mid-Day Meal Programme has achieved considerable success. **To encourage attendance and ensure nutrition we request extension of the programme to cover classes 9 to 12. We also request the programme to cover pre primary classes wherever the existing schools have pre primary classes.** During this Plan period construction of kitchen shed may be taken up for better hygiene. **Construction of separate toilets for girls and boys in schools, commensurate and adequate vis-a-vis the student strength of the school, should be given a special thrust during the 12<sup>th</sup> Plan.**

With the recent de-regulation of LPG prices and reduction of subsidized cylinders, the cost of fuel for mid-day meal programme has gone up drastically. **We urge that the entire fuel cost of mid day meal programme including LPG cylinders be fully subsidized by Government of India. Similarly, the cooking cost under the Integrated Child Development Scheme (ICDS) should also be subsidized fully by the Centre. The Government of India and State Government share of the programme may also be changed from 75:25 to 90:10.**

#### ***Technical and Vocational Education***

We had highlighted in the last National Development Council meeting, about the shameful gap that existed in the State in the area of Skill infrastructure and training. In the past a large number of initiatives like establishing ITIs and polytechnics under Public-Private Partnership mode, Skilled Development Centres and piloting National Vocational Educational Qualification framework have been taken to promote skilled development and technical education as a means to provide alternative employment among the educated youth. But I am afraid that most of the Skill development programmes of the Central Government are scheme-based and department-oriented and there is a severe lack of convergence among them. As a result, the synergy that is required between the need of employers and industry and the skill being promoted, is absent. **I would request the Planning Commission to create a dedicated National Skill Development Corporation with State branches in each State to exclusively promote skill development and to synergise efforts of the Government with the need of employers and industry. I would also suggest that separate funding for Central and State institutions of excellence, like IITs, IIM and reputed research institutions be made to develop knowledge base of local institutions such as ITIs, polytechnics and other skill development centres. This will create an eco-system for skilled development and employment opportunities. We also urge strong support from the Centre in our endeavour to set up one ITI in every block of the State and one polytechnic in every Sub-Division.**

#### ***Minorities***

In the last National Development Council Meeting, I had highlighted the extremely high level of concentration of minority population in the State and the greater poverty level and lower human capital highlighted by the Sachar Committee Report. **I would like to point out that West Bengal has the highest proportion of Muslim population**

**bordering on 31 percent in the country (other than the State of Jammu and Kashmir).** During the last one and a half years of our Government, we have taken definitive steps to achieve socio-economic development of the minority community in the State.

A special thrust has been given to upgrade the Madrashes, set up new university and technical institutions in pre-dominantly minority concentrated areas. Skill development through setting up of skill development and vocational centres and giving thrust to the growth of entrepreneurial skills through loans from the State Minorities Development and Finance Corporation, specially targeting the unemployed youth among the minority community, has also been another core area of intervention of the State Government. With limited financial resources of the State Government it is difficult to meet the huge needs of the minority community in the area of human capital and infrastructure and economic empowerment. The assistance of Government of India through MSDP programme has been found inadequate. **The State Government urges the Planning Commission to enhance the scope and funding under MSDP Programme.** The State Government should also be given adequate flexibility in designing schemes and programmes under MSDP **so that appropriate schemes can be tailored to suit the local conditions. We would further request that the population criteria to identify Minority Concentrated Districts (MCDs) be brought down to 10 percent, as a large number of minority concentrated areas of our State have been left out under the present dispensation.**

The State Minorities Development and Finance Corporation is playing a very pivotal role in extending assistance for development of income generating, self-employment schemes among the educated section of minority community. But over the past few years it is burdened with non-performing assets and is finding it extremely difficult to repay the loan given to them by National Minority Development and Finance Corporation. **I would request that a mechanism for restructuring of this Corporation be worked out that will enhance the capacity to extend more credit for employment generating activities.**

The level of education among the minority community, especially among the girls is much below the desired standard. The problem is acute at the higher levels and in technical education. **We would request the Planning Commission to introduce special scheme for promoting higher and technical education in the minority community specially targeting the education of girls. We would also request the planning Commission to revisit the criteria of academic performance and family income for the pre-matric and post-matric scholarship which in our view should be liberalized to extend the scope of coverage.**

**Critical in this is the physical accessibility of the girl-child and girl students to schools and colleges. To address this element we propose that the scheme of bicycles to girl students be extended to cover girl students upto Class-XII.**

### ***Agriculture***

Agriculture remains the mainstay of the economy of the State sustaining the livelihood of more than 60% of the State's population. This sector is passing through difficult times due to lack of adequate credit facilities to the farmers of the State and rising cost of inputs like fertilisers. During the last year the State Government has increased foodgrain procurement manifold to ensure that the farmers of the State get minimum

support price (MSP) for their production. It is the endeavour of the State Government to continue efforts to increase agriculture production in the State.

The Bringing Green Revolution In Eastern India (BGREI) Programme was launched during the last phase of 11<sup>th</sup> Five-Year-Plan. It has resulted increase in production and productivity of food-grains in Eastern India. The Scheme has made impressive impact and food-deficit regions have turned into food-surplus region in a very short time. Initially the Programme was launched as sub-scheme of Rashtriya Krishi Vikash Yojana (RKVY) with limited outlay. We suggest that the Scheme be made a separate Programme in the 12<sup>th</sup> Plan Period with increased allocation, for the benefit of the Eastern India.

Here, I may add that adequate availability of credit is critical for our food security and productivity of the farmer. **The Kishan Credit Card (KCC) as an instrument to address this problem is fundamental. I suggest a special thrust on KCCs in the 12<sup>th</sup> Plan to cover all farmers.**

I also suggest a major focus on crop insurance which will protect the farmer from the vagaries of nature.

### ***Food Security***

The State Government has accorded highest priority to revamp the public distribution system. This is essential for ensuring food security. Faced with food-grain shortage gap of a staggering 7,81,000 metric ton, we have taken up projects under Rural Infrastructure Development Fund (RIDF) for construction of warehouses and Kishan Mandis at Project Cost of Rs. 820.63 crores. **We would suggest that the 12<sup>th</sup> Five Year Plan should make available targeted funds to the States for the creation of warehousing and storage place for foodgrains. Also, for procurement of foodgrains, the Central Procurement Agencies, such as the FCI, should play a leading role.**

End-to-end computerization of the Targeted Public Distribution System (TPDS) is another thrust area to plug leakages in the system and to ensure that the subsidy reaches the targeted population. **We would suggest that programme of computerization of TPDS be funded entirely by the Government of India instead of the present 50:50.**

### ***Drinking Water***

Hon'ble Prime Minister, the menace of arsenic contamination of ground water in the districts of West Bengal is posing a grave challenge towards providing safe drinking water. An exclusive funding under Water Quality Sub-Mission was introduced by Government of India during 2006-2007 on 75:25 cost sharing between Government of India and State Government. Unfortunately this exclusive funding under Water Quality Sub-Mission was withdrawn in 2008-2009 causing a major setback in the implementation of **Master Plan of Arsenic Mitigation** with a project cost of Rs 2832.97 crores. **We would urge the Government of India to revive the Water Quality Sub-Mission at 75:25 cost sharing during the next Plan period. We would also request that the central assistance under the National Rural Drinking Water Programme should be increased during the 12<sup>th</sup> Plan period and the cost sharing be modified from 50:50 to 80:20.**

### ***Rural Development***

During the last one year the State has made rapid progress in the implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) increasing the number of person day per active household from an average of 17 to 33. We are making sincere efforts to further increase the number of people getting employment under the scheme. Of late the State is experiencing some problem in the flow of funds from the Government of India. **I would urge upon the Government of India to ensure expeditious release of central funds to the State for the steady implementation of this flagship programme.** The State also proposes for enhancement of wages for unskilled workers under MGNREGS from prevailing Rs 136/- to Rs. 171/-.

The programme of Pradhan Mantri Gramin Sadak Yojna (PMGSY) has been instrumental in linking villages with important urban centres and with each other through modern road connectivity. **The State proposes that the Centre should open the Core Network database in order to enable the State to make required modifications in the data pertaining to the habitations and connectivity status. Maintenance support for the roads constructed under PMGSY may be provided by the Government of India beyond the five-year period.** The State Government cannot provide support for maintenance of such a huge network of rural roads with its limited resources.

### ***Irrigation***

It is heartening to observe that the criticality of irrigation for agricultural growth and the potential available has been recognized in the 12<sup>th</sup> Plan. The need to complete the ongoing Major and Medium Irrigation (MMI) Projects and arranging adequate fund for maintenance so as to reduce the gap of deficit between Irrigation Potential Created (IPC) and Irrigation Potential Utilized (IPU) has rightfully been underscored but the ratio of additional assistance for maintenance to be provided from the National Irrigation Management Fund (NIMF) and the ISF collection from irrigators by the State Government should be substantially high. Fund available through the prescribed ratio of 1:1 sharing would be absolutely minimal to serve the purpose of effective maintenance. Also, advance of fund at the beginning of the year on the basis of Budget Estimate (BE) would be a preferred option than reimbursement. Reconciliation with the actual collection and subsequent adjustment, if required, may be done in due course.

New MMI Projects proposed to be implemented in backward districts of the State identified by the Planning Commission should be eligible for 90% central assistance under Accelerated Irrigation Benefits Programme (AIBP). The inclusion of new projects in backward areas of the State under AIBP should not be barred on the ground of delay in execution of ongoing projects in other areas. Implementation of reform agenda under NIMF may require substantial time and consultation with the stakeholders at various levels. As such, the precondition attached to admissibility of central assistance under AIBP for general category States regarding full implementation of reform agenda under the NIMF during 2012-13 and 2013-14, may be done away with.

We request for the continuation of centrally assisted Flood Management Programme (FMP) during 12<sup>th</sup> Plan. Apart from spill over schemes of 11<sup>th</sup> Plan, new flood management schemes of 12<sup>th</sup> Plan needs to be included in this programme on urgent basis. It is unfortunate that even after passing of nine months of the 1st year of the 12<sup>th</sup> Plan, the modalities and the corpus size of FMP have not yet been finalized.

Most of major irrigation projects in the State were built in 60's and 70's. They are plagued with perennial problem of siltation and subsequent reduction in the water holding capacity. It is not possible for the State with its limited financial resource to take up the de-siltation of these dams and big reservoirs. **We seek central assistance in the 12<sup>th</sup> Plan for the Teesta Barrage Project, the Subarnarekha project, de-siltation of reservoirs and barrage ponds of DVC system, Kangsabati and Mayurakshi river system. We also request Planning Commission to bring the Command Area Development activities under AIBP with 90% central assistance in the 12<sup>th</sup> Plan period.**

### ***Flood Management***

West Bengal, being lowermost riparian State, is prone to perpetual floods and recurring river erosion in the major inter-State / international rivers like Ganga/Padma, Fulahar, Bhagirathi-Hooghly and Ichamati in Central and South Bengal. We have been urging the Government of India to treat the problem of floods and erosion in these inter-state and inter-country rivers as a National problem. The Farakka Barrage Project Authority should also take full responsibility for anti-erosion works in the entire stretch of Ganga/Padma, Fulahar and Bhagirathi rivers. **The model of concrete embankments need to be adopted fully as a long-term solution.** Considering the huge financial involvement, funding pattern should be 90 (GoI): 10 (GoWB).

**We request the Centre to continue assistance in the Reconstruction of 'Aila' affected Sundarban and improvement of drainage basins of our State in the 12<sup>th</sup> Plan period.**

**We also suggest the creation of a Flood Control Commission to address our acute problem of recurring floods and river bank erosion in North Bengal as well as Districts of Murshidabad, Malda, Birbhum, Burdwan, Howrah, Hooghly and Nadia, which has washed out significant quantum of fertile agricultural land, homes and livelihoods.**

**We also request that an Indo-Bhutan Joint Rivers Commission be set up to tackle the problems of flood and erosion in North Bengal.**

### ***Urban Development***

Hon'ble Prime Minister, the Jawaharlal Nehru Urban Renewal Mission has helped to create urban infrastructure in medium and big towns. It has also helped to ease the housing needs of the poor living in urban areas. We would urge upon you to expedite the introduction of JNNURM-II. **We would also suggest that the JNNURM -II should focus on development of urban infrastructure and housing facilities in big cities as well as small and medium towns and the latter should also be brought under the purview of the programme alongwith satellite towns with sharing pattern of 80:20.** All poor people residing in urban areas should be unequivocally brought under the housing scheme of the JNNURM-II. Under the sharing pattern in JNNURM-I, the Government of India contributed 35% of the project cost for projects taken up in big cities. It is difficult for the State like West Bengal with huge debt servicing obligation to bear the remaining cost. There has also been cost escalation alongwith the burden of Organisation and Maintenance (O&M) responsibilities of these projects. All this has of these severely hampered the ability of the State Government to provide matching share for projects taken up under the programme. **We would urge the Planning Commission to increase the share of Government of India under JNNURM-II to**

**at least 60:40 and introduce a separate scheme for assisting the States for meeting the Organisational and Maintenance cost for projects implemented under the programme.**

### ***Energy: Power***

The power requirements of the State today are predominantly sourced from coal fired thermal power. The inadequate availability of coal coupled with galloping increase in coal prices adversely affecting the power generation and tariff structure in the State.

The 12<sup>th</sup> Five year Plan should strive to put in place a mechanism to regulate the cost of coal so that the prices of electricity remain within reasonable and predictable limits. The principle of import parity price for domestic coal also needs to be reviewed as it is adversely affecting the power generation in the State.

**A higher level of allocation of hydro power from Bhutan and other north-eastern States would be needed and the plan must consider the setting up of a hydro power station of 600 to 1000MW in Bhutan to meet West Bengal's rising needs.**

### ***Aviation***

The State Government is extremely keen and interested to promote the Aviation Sector in the State by connecting various places of industrial, business and tourist interest.

Coochbehar airport has been renovated and M/s Pawan Hans Helicopters Ltd. has been requested to start the Fixed Wing Services between Kolkata and Coochbehar via Bagdogra. The State Government is also planning to enter into an agreement with M/s Pawan Hans Helicopters Ltd. to provide Sea Plane/Fixed Wing/Helicopter Services connecting various places in the State such as Sagar, Digha, Haldia, Durgapur, Murshidabad, Malda, Asansol etc.

**The State Government suggests that developments of new and defunct airports in the State may be taken up in 12<sup>th</sup> Plan period.**

### ***Deep Sea Ports***

It is of great concern that the globally acclaimed Port of Kolkata and the Port of Haldia surrounded by industries are both losing their capacity to service large cargo vessels due to massive siltation. The draft (depth) of both has fallen significantly. With this imminent danger in view, our State has initiated two 'Deep Sea Ports'. The planned deep sea port at Rasulpur has been initiated by the State Government in Public Private Partnership (PPP) mode. Urged by our State Government, the Central Government has initiated a deep sea port at the Sagar Island. We urge that the 12<sup>th</sup> Plan includes these two major and vital deep sea port projects among its focus programmes and provide assistance towards building the surrounding infrastructure to create backward and forward linkages.

## **CONCLUSION**

It is our considered view that before arriving at a Final 12<sup>th</sup> Five Year Plan Document it is imperative that the unbearable debt burden of over Rs. 2 lakh crores thrust upon our Government by the Left Front and permitted to borrow indiscriminately by the Government of India, needs to be mitigated.

The debt service quotient of Rs. 25,000 crores this year which is expected to rise to phenomenal levels as we sink deeper into the debt trap needs to be mitigated here

and now. This can only be done by the Government of India for a State which is larger than the combined population of Greece, Spain and France. If our nation can reach out by pledging \$20 billion to the International Monetary Fund for debt related problems of the Euro-Zone, should such action not begin at home? This is why I find it painful to discuss the Draft 12<sup>th</sup> Five Year Plan when my State has been forced into an unprecedented financial crisis for no fault of our Government.

However, we have not been sitting and simply lamenting over the debt trap. Our State has been proactive in all dimensions, clocking a growth rate of 6.94% as compared to the 5.5% for India as a whole, in the first quarter of this financial year.

Furthermore, triggered by an unprecedented fiscal reform, driven by e-governance, our State has clocked a record 35% rate of growth in revenue collection between April, 2012 and September, 2012. I believe our commitment to transparency, simplification and uncompromising integrity has produced this tax growth which may result in exceeding our target of Rs. 31,000 crores of tax collection during this financial year. We are proud that we are the only State in the country that has made e-tendering for government procurement mandatory.

There is a whole portfolio of reforms that we have undertaken sector by sector, which have been cited in the earlier pages. We have also clearly stated what we demand, sector by sector, from the Draft 12<sup>th</sup> Five Year Plan in bold reprieve.

Here, may I state that when we took office, Jangal Mahal and the hills of Darjeeling were in turmoil. Through our bold and concerted initiatives, peace prevails in both Jangal Mahal and Darjeeling. Development and growth is the order of the day today. Our Government is also working avidly on the unique delta region of Sundarbans which harbours a delicate eco-system. The 12<sup>th</sup> Plan must focus on these three challenging regions of our State -Jangal Mahal, Darjeeling and Sundarbans. Special schemes for rapid development of these regions should be introduced.

We hope that each of our suggestions would be taken into consideration as we move towards the finalisation of the 12<sup>th</sup> Five Year Plan.

None of these concrete suggestions, even if accepted would allow our State to turn around and move towards ascendancy unless the Damocles' Sword of the debt overhang of over Rs. 2 lakh crores is neutralized through debt restructuring. None of these suggestions would bring about the expected results unless the debt service quotient of Rs. 25,000 crores this year and ever climbing in the future is mitigated through the intervention of the Government of India. We have waited for a year and a half but the patience of our people is running out. I am hoping that my presentation today on behalf of 'Maa-Mati-Manush' (Mother, Earth & People) will touch a chord in the heart of the Government of India to move forward on the debt impasse.