

**Hon'ble Prime Minister, Hon'ble Deputy Chairman  
and distinguished Members of this august House,**

**I**t gives me immense pleasure to participate in the deliberations of the 55<sup>th</sup> meeting of the National Development Council. India was able to achieve a growth rate of 9% during the first year of the 11<sup>th</sup> Five Year Plan. The global recession has partly affected India and this has slowed down the growth process during 2008-10. Despite the odds, we have been able to achieve a growth rate around 7.1% during 2008-10 as against low/negative growth rate in many of the western countries. The timely stimulus package initiated by Government of India helped the Indian economy to a large extent to withstand the recessionary pressure. The investment made during the earlier years caused the spurt in domestic demand which led to increased GDP. I hope that the high rate of domestic savings and investment will bring back the annual

growth rate to 9% in the remaining years of the 11<sup>th</sup> Five Year Plan and make the economy robust. India has proved to the world that the recessionary trend felt across the countries could not make much dent into the Indian economy because of the timely, prudent fiscal and monetary measures taken by Government.

Union Territory of Puducherry has recorded an average annual growth rate of 16% during the first three years of 11<sup>th</sup> Five Year Plan as against the average national growth rate of around 8% for the same period. Primary sector witnessed a negative growth rate during 2007-09. A positive growth rate of 2.3% was made in 2009-10. The growth rate under the secondary sector was 21.6% in 2007-08 which has come down to 16.4% in 2008-09 and further down to 9.9% in 2009-10. The services sector witnessed an annual growth rate of 24.3% in 2007-08 and this has come down to 12% in 2008-09. This marginally improved to 14.9% in 2009-10. The secondary sector and services sector contribute 59% and 38% respectively

to the State GDP. Primary sector contributes only 3% of the State GDP. There is a dip in the primary sector growth in Puducherry. The significant dip in the primary sector growth rate may be attributed to negative growth rate in agriculture despite considerable annual growth rate of 14.4% under fisheries sectors during the three years of the 11<sup>th</sup> Five Year Plan. The secondary sector is the propeller of the GSDP growth rate in the Union Territory of Puducherry, closely supported by the Services Sector. The 3% share of primary sector in GSDP is not actually supporting one-third of the rural population and does not augur well for the equitable growth in the Union Territory of Puducherry. Hence, special focus is given in 11<sup>th</sup> Five Year Plan to tap the potential in fisheries, dairy and horticulture activities to increase the share of Primary Sector to GSDP.

“Uzhavar Udaviyagams” (Farmers’ Help Centres) have been opened to provide ‘one stop solution’ to the needs of the farmers. A new scheme “Precision Farming” was started in 2007-08 which envisages higher

yield with limited input in the wake of rising cost of inputs. In order to improve agricultural production, back-ended investment subsidy and nursery premium for supply of seed materials are given by Government. A new thrust has been given to agriculture marketing to ensure that farmers get a fair price for their produce so as to make the agricultural activities remunerative. Since there is a perceptible decline in agricultural employment because of increasing nature of GSDP contribution by secondary and services sectors, it has become essential to impart skills to the educated unemployed youths in the rural areas by promoting Micro, Small & Medium Enterprise and service oriented activities.

Education and health sectors have been making significant strides in the Union Territory of Puducherry. The higher education is given due importance and priority. In fact, the Union Territory of Puducherry is the Hardware capital of India. In respect of monitorable targets envisaged in the 11<sup>th</sup> Five Year Plan document, the dropout rate in elementary education is 0% against

the all India target of 20% for the 11<sup>th</sup> Five Year Plan. The literacy rate is 81.23%. We have proposed to reduce the gender gap literacy rate from 14.7% to 0% by the end of 11<sup>th</sup> Five Year Plan as against the all India target of 11.6%. The overall health indicators in Puducherry are far ahead when compared to the national indicators. In respect of infant mortality rate, maternal mortality rate, total fertility rate, sex ratio in the age group of 0-6 etc., the Union Territory of Puducherry has achieved and surpassed the targets envisaged for all India during the 11<sup>th</sup> Five Year Plan.

Puducherry has been implementing a number of Centrally Sponsored Schemes to supplement the efforts of the Union Territory Administration in reaching the target groups. Apart from these programmes, Flagship Programmes are better focussed and implemented through continuous monitoring. The Flagship Programmes like Sarva Shiksha Abhiyan and Mid-day Meals benefit the student populations and enhance their educational and nutritional level and are being implemented earnestly.

The implementation of Sarva Shiksha Abhiyan in Puducherry has improved the general enrollment ratio of the boys and girls, thereby reducing the dropout rates in primary and middle level. Our general enrollment ratio under SSA is 100% and 100% in primary and upper primary respectively. The village education committee in each school is formed in involving the members of the community, to initiate the community as the owners of the education system. SSA focussed especially on girls' education and education of children with special needs. The Mid-day Meals Programme covering 1.26 lakh students daily is one of the best implemented programmes in Puducherry. In addition, the breakfast and evening milk scheme is implemented to improve the nutritional standards of the student population. All these programmes are monitored at the level of Chief Secretary on every first Saturday of the month to ensure the speedy implementation of these schemes. The NREGA is a boon to the rural jobless family who have been provided with assured 100 days of work to supplement their meagre income.

As there are no major and medium irrigation projects, the Union Territory of Puducherry depends upon ground water and tank irrigation only. There has been a steep decline in the ground water level and various measures are being taken to protect the ground water table. Construction of rain water harvesting structure in all Government owned buildings, making mandatory in respect of the new building plans approved by the Planning Authority, setting up of State Ground Water Authority are some of the steps initiated to rationalise and conserve the utilisation of depleting ground water. The river systems in the Union Territory are all rainfed and hence seasonal. In order to improve the ground water structure for the benefit of the farmers, check dams have been constructed to store water so as to augment ground water and improve quality. The World Bank Loan assisted project "Hydrology Project Phase II" an Externally Aided Project is implemented in the Territory for collecting the drinking water related data under one roof. The data collected will be computerised in a standardised format for creation

of a decision support system for better water resources planning and management in future. The implementation of the project has started in April 2007. I am happy to inform this forum that the Website created under this project has been awarded “Excellent Website” by the Ministry of Water Resources and appreciated by the World Bank.

Under the tank irrigation, we have reactivated 82 traditional tanks with the financial assistance from European Union through Participatory Irrigation management by undertaking large scale desilting of supply channels, feeder channels and drainage channels. The allied structure in the tanks were also repaired and put back into use. The success of this programme was that all these works were carried out by the stake holders.

Under the drinking water programme, Puducherry region relies totally on ground water source whereas Karaikal, Mahe and Yanam regions depend both on surface and ground water. The system of water



supply is bifurcated into urban water supply and rural water supply. The urban population receives 135 litres of purified water per head per day and the water supply system is maintained as per the CPHEEO norms. In Mahe region, the Anjarakandy Water Supply system has been taken up and completed at a cost of Rs.16.2 crores. In Yanam region, a ground level reservoir in 50 acres of land has been constructed for storage and piped water supply is provided. Under rural water supply, 70 litres of purified water per head per day is being distributed to rural population of 3.26 lakhs covering 92 villages.

Puducherry is more urban in character and is home to two-thirds of the urban population. The Territory being an enclave in the adjoining State of Tamil Nadu, migration poses a major problem for the administration. Apart from this, the inflow of domestic and foreign tourists are on the increase due to focussed attention on tourism as a revenue generation activity. The increased floating population pose severe strain on the infrastructural facilities.

I agree, if this is not well managed, this inevitable increase in urban population will place enormous stress on the urban infrastructural system. Puducherry has been declared as one of the Mission cities under JNNURM, a flagship programme which had a late start in Puducherry, only during the first year of the 11<sup>th</sup> Five Year Plan. Under Urban Infrastructure and Governance component, an integrated Solid Waste Management for urban areas of Puducherry at an estimated cost of Rs. 50 crores has taken a start after completing the required formalities and is expected to progress well during the current financial year. A comprehensive sewerage system costing more than Rs. 200 crores has been initiated in the last financial year. We have purchased 40 buses for the Mission city under the JNNURM package. I also request Government of India to give adequate importance to smaller towns where urban agglomerations are enlarging due to various industrial activities. Healthy growth of smaller towns will ease the pressure on cities which are already congested. These small towns like Karaikal

in our case, will also spread the benefits of urbanisation and participation in economic growth more widely.

I am happy to inform that construction of a total number of 450 houses under BSUP / IHSDP are in different stages of progress. As a part of providing shelter to the BPL families, an ambitious programme of providing financial assistance to construct pucca houses was launched during 10<sup>th</sup> Five Year Plan. A total number of 32,500 beneficiaries have been covered so far under this programme. During the current financial year, an ambitious target of 22,500 families are proposed to be covered.

I am highly thankful to the Planning Commission and Government of India for liberal Plan assistance towards Puducherry. The Union Territory was able to incur a Plan expenditure of Rs. 3,446 crores against Rs. 3,464 crores of Plan allocation in the 10<sup>th</sup> Five Year Plan. Planning Commission has approved Rs.10,787 crores for the 11<sup>th</sup> Five Year Plan. During the first three years, we could incur Rs. 3,598 crores, leaving

a balance of Rs. 7,189 crores to be spent during 2010-12. Though, the Union Territory Administration requires fund to finance various infrastructure related projects coupled with the committed liability towards social sector programmes, the same could not fully be realised for want of adequate grants from Government of India. Our Central Assistance has been reduced to 30% from 65% since 2006-07 due to change in the pattern of Plan financing. The impact of the above changes in the pattern of Plan funding has reduced our central assistance to the tune of about Rs. 700 crores during 2006-10 period, which led to less expenditure against the approved outlay by Planning Commission. The reduction in the Central Assistance has forced the Union Territory to go in for market borrowing to meet the commitment towards ever increasing Social Sector and other welfare programmes. This has increased our debt burden enormously.

I earnestly request, Hon'ble Prime Minister, to restore back the grant portion of 65% as was in vogue earlier. Based on the advice of Government

of India, Union Territory of Puducherry has opened its own Public Account with effect from December, 2007. As our resource base is very inelastic, our financial position has become very fragile. Our outstanding debt liability as on 1-4-2010 is Rs. 3,334 crores. Hence, I would request this august Forum to recommend to write off at least 50% of our outstanding liability so as to save the Territory from the interest payment paid to the tune of about Rs. 300 crores at present. I would like to inform that the Ministry of Home Affairs has imposed a condition that the outstanding debt and guarantee of Government of Puducherry should not exceed 20% of GSDP to enable this Territory to go in for market borrowing to finance various developmental programmes. But the present debt and guarantee of the Territory has exceeded the 20% GSDP limit. During the finalization of the Annual Plan 2009-10, Deputy Chairman, Planning Commission has indicated that the GSDP stipulation should be similar for the Union Territories as for the States. As the States have the limit of 28%, I request that the same may be followed in the case of Puducherry also.

Though Puducherry Union Territory has a Legislature, it is not considered under devolution formula which is causing severe financial strain upon the Union Territory Administration and hampering the devolution of power to the Panchayati Raj Institutions and Urban Local Bodies. To fulfil the Constitutional requirements under 73<sup>rd</sup> and 74<sup>th</sup> amendment, the financial needs of the PRIs and ULBs could not at present be met. Ministry of Home Affairs have taken up the felt needs and the requirement of the funds for the local bodies in the Union Territory of Puducherry and projected Rs. 240.61 crores for the year 2009-10. However, this was not accepted by the Ministry of Finance. The Union Territory is not considered under devolution which is causing untold problems to the Government of Puducherry in implementing the vital functions of the PRIs and ULBs. This issue has time and again been represented to Government of India and this has not yielded any benefit to the Union Territory of Puducherry. Since, the Union Territory's with Legislature are not in the Terms of the Reference of Central Finance

Commission, Puducherry is put into difficulty in securing funds under devolution. Hence, I solicit the support of National Developmental Council to redress our genuine problem and find a solution.

THANK YOU !