

**NITI Aayog**  
**(Science and Technology Vertical)**

**Minutes of the meeting between the Member, NITI Aayog (Dr V K Saraswat) and the Chief Minister of the Government of Puducherry**

The meeting between the Member, NITI Aayog (Dr. V. K. Saraswat) and the Chief Minister of the Government of Puducherry, for reinvigorating cooperative federalism, was held, virtually, on Friday, the 6th of August, 2021 at 1200 hr in the NITI Aayog, Committee Room 122, NITI Bhawan, New Delhi.

**2.** The list of participants is annexed (**Annexure-I**). The agenda of the meeting is also annexed (**Annexure-II**).

**3.** The meeting commenced with a welcome address by Dr. Ashok A Sonkusare, Deputy Adviser, NITI Aayog. He welcomed the Member, NITI Aayog, the Chief Minister of the Government of Puducherry (GoP) and all the other participants. He then explained the idea of cooperative federalism, and the role of the NITI Aayog in reinvigorating cooperative federalism. He further emphasized the importance of the meeting for the Union Territory (UT) of Puducherry, and encouraged the attendees to highlight their issues and the concerns related to both the central and the state governments. He then invited Dr. V. K. Saraswat, Member, NITI Aayog, to make his opening remarks.

**4.** Dr V K Saraswat, Member, NITI Aayog, greeted and welcomed the Chief Minister and the other participants. He began his address by emphasizing the spirit of federalism and the effort required to enable the active participation of the States and the UTs, for the nation's overall development. He observed that as the Government of India has decentralized policy planning, an increased coordination was required between the Central Government, the States and the UTs. The vision and the mission of the Governments at the Centre, the States and the

UTs needed to be aligned. He highlighted that the NITI Aayog was the ‘best friend’ of the States in the centre, and encouraged an open dialogue.

**5.** The Member then listed several initiatives of the NITI Aayog, like the Aspirational Districts programme, the Atal Innovation Mission and AatmaNirbhar Bharat. He encouraged the GoP to avail the benefits of the central schemes and offered the NITI Aayog’s assistance to resolve any issues arising, in that aspect. He then transitioned to the overview of Puducherry and observed that the UT was doing well in various sectors like tourism, education, etc. He commended the handling of the pandemic by the GoP, amongst other achievements. He referred to the NITI Aayog’s system of ranking the states and the UTs and emphasised on a regular sharing of data so that the ranking could become all the more accurate. He, then, invited the Chief Minister of the GoP to make his opening remarks.

**6.** Shri N Rangaswamy, Chief Minister of the GoP, thanked the Member, NITI Aayog, and greeted all the participants. He began his address with some of his key concerns regarding the UT of Puducherry. He listed concerns regarding the low annual growth rate of the central assistance, the long pending demand to include the UT in the 90:10 expenditure sharing framework under the central finance commission, the revenue loss incurred by the UT, the administrative clearances required for new ports, the need for land acquisition for the expansion of the Puducherry airport and the need to boost trade, commerce and tourism. He then remarked that the Chief Secretary and the other Secretaries to the GoP would elaborate on the those topics during the course of the meeting.

**7.** Shri Neeraj Sinha, Senior Adviser, NITI Aayog, then expressed gratitude to the Member, NITI Aayog and the Chief Minister, GoP, for their opening remarks. He informed them that the representatives from the various relevant Central Ministries and Departments, and a representative from the Government of Tamil Nadu (GoTN), were also present in the

meeting. He further informed that the Director General of the Development, Monitoring and Evaluation Office (DMEO), NITI Aayog, was also present in the meeting and invited him to make a brief statement.

**8.** Dr Sekhar Bonu, Director General, DMEO, began by introducing the activities of the DMEO, to the GoP. He then explained the role of the DMEO in strengthening monitoring, strengthening evaluation and developing capabilities for the same. He highlighted the DMEO's interest to work with the States and the UTs for achieving the Sustainable Development Goals (SDGs), the programmes of the NITI Aayog like the Aspirational Districts Programme, and the DMEO's interest in conducting the assessment of their monitoring and evaluation capabilities. He informed the participants that the DMEO had started offering webinars to share its knowledge, experience, and best practices, and would also offer guidelines and toolkits.

**9.** The Senior Adviser, NITI Aayog, commenced his presentation on the overview of the UT of Puducherry. His presentation covered the performance of the GoP across various sectors and various key indicators. That included details on agriculture, tourism, trade, literacy, physical infrastructure, maritime economy, fisheries, telecommunications, education, urban development, etc. It also included the UT's performance in major centrally sponsored schemes.

**10.** The Senior Adviser, NITI Aayog, then proceeded to outline the key issues, as identified by the NITI Aayog, and the corresponding recommendations, regarding the UT of Puducherry. They may be seen as the **Annexure-III**.

**11.** The Senior Adviser, NITI Aayog, then went on to reiterate the recommendations of the NITI Aayog, made during the 6<sup>th</sup> meeting of its Governing Council, which was convened on the 6<sup>th</sup> February, 2021. The same may be seen as the **Annexure- IV**.

**12.** The Senior Adviser, NITI Aayog, then presented the issues raised by the GoP and informed the participants that the said issues had been circulated and the responses from the concerned Central Ministries and Departments, and as well as the GoTN, had been received. In particular, he informed the participants that on the 4th of August, 2021, the Secretary, Department of Expenditure (DoE), during a telephonic conversation with him, had conveyed that the financial/budgeting matters of all the Union Territories were handled directly by the Ministry of Home Affairs (MHA).

**13.** The Senior Adviser, NITI Aayog, explained the first issue for discussion, which pertained to the Central assistance being provided to the UT being far less than the actual deficit faced. The Member, NITI Aayog, inquired from the MHA whether the current assistance was as per the 14th Finance Commission's recommendations and requested clarifications regarding the budgeting exercise, and the accounting framework, with respect to the needs of the UT. Shri Jitendra Agrawal, Advisor (UT), MHA, responded that, currently, the allocation was done based on the demand of the UT. The same, once received from the UT, was passed-on to the DoE. The DoE then took the necessary action, through a budgeting exercise, to sanction the gross budgetary support, every year, for all the UTs, to the MHA. He further explained that a study to streamline the said process was being conducted by the National Institute of Public Finance and Policy (NIPFP), the report on which was expected, shortly. The Member, NITI Aayog, expressed his concern regarding the assistance not being based on the needs of the UT and the recommendations of the 14th Finance Commission, and whether the findings in the said study report would be implemented as a standard for the allocation of funds. Shri Thenglemlian, Joint Secretary, DoE, responded by

clarifying that the allocation was a resultant of the said budgeting exercise done by the Department of Economic Affairs (DEA) and the DoE. The Member, NITI Aayog, acknowledged the issue and identified the need for a discussion between all the stakeholders to determine the path ahead.

**14.** Shri Ashwani Kumar, Chief Secretary to the GoP, expressed a need for a structural change in resource allocation by the Central Government. He highlighted that while the UT's economy was growing at nearly 9%, the Central assistance was growing only at 1-2%. He further requested the Member, NITI Aayog, for an intervention as per the constitutional provision. The Member, NITI Aayog, agreed that a change was needed, but enquired regarding the UT's budget utilisation and fiscal situation. He was informed that the UT of Puducherry had a fiscal deficit standing at -1.5% of the gross state domestic product (GSDP) the previous year. He emphasized the need to reduce the fiscal deficit, notwithstanding the Central assistance. He suggested an examination of the schemes to study their revenue generation capabilities and underlined the need to modify and improve the non-remunerative schemes.

**15.** The Senior Adviser, NITI Aayog, then introduced the second issue which pertained to the inadequacy of resources, resulting from the Central assistance remaining nearly static – instead of growing at a rate of at least 10% – causing, thereby, a lapse of 5 years in the payment of the 7th Central Pay Commission (CPC) arrears to the employees and the pensioners of the UT. He then read out the MHA's detailed response which explained how the GoP had consistently been allocated significantly lower funds in the past, and that the trend had continued this year as well. On being requested for comment, the Advisor (UT), MHA, reiterated that the allocation is based on the budgeting exercise of the DEA which is, in-turn, based on the demand from the UT. The Member, NITI Aayog, re-emphasized the need to conduct the afore-mentioned meeting between the stakeholders. He then requested

the GoP to prioritize its expenditure to mitigate the payment of the said arrears, despite the limited allocation, and expressed a grave concern at the persistent dissatisfaction amongst the employees and the pensioners. The Chief Secretary to the GoP explained that as employees of a UT, the Central pay rules were applicable to the employees and the pensioners, adding that the GoP's request for assistance was the same as that sought under the 7th CPC, and was, therefore, not extraordinary. The Member, NITI Aayog, inquired whether the amount needed to pay those arrears had been included in the budget request, to which the Chief Secretary replied in the affirmative. The Member then reiterated his request to prioritize the payment of the said arrears, at the earliest.

**16.** The Senior Adviser, NITI Aayog, then introduced the third issue as pertaining to the Centrally Sponsored Schemes being implemented in the funding pattern of 60:40 (Centre:UT), instead of being implemented in the pattern of 90:10, in the opinion of the GoP. The MHA's response, received earlier and reiterated by the Advisor (UT), was that it had, previously, taken-up the issue with the NITI Aayog, but the NITI Aayog had not supported the proposal. The Member, NITI Aayog, clarified that the Group of Ministers had decided, in the year 2016, that all the UTs not having a Legislative Assembly would be supported in the 90:10 pattern, and those with a Legislative Assembly would be supported in the 60:40 pattern. However, that decision had not turned-out to be optimal for the GoP. The Advisor (UT) agreed and added that there are only two UTs with a legislative assembly, namely the National Capital Territory (NCT) of Delhi and Puducherry. He observed that Puducherry did not have the budgetary resources, as significant as those of the NCT of Delhi, but because of the existence of its Legislative Assembly, it was not able to receive support in the 90:10 funding pattern. The Member, NITI Aayog, requested the MHA to raise this matter formally for a relevant reconsideration by the Cabinet. He added that the MHA should draft a Cabinet Note, with proper justifications, so that the NITI Aayog could also support it.

**17.** The Senior Adviser, NITI Aayog, presented the next issue which pertained to the protection of the beach of Puducherry. He explained that the National Institute of Ocean Technology (NIOT), Chennai, had been engaged to find a solution and had implemented a solution “Near Shore Wedge Reef” for the northern portion of the beach (Northern Reef). A similar solution, “Offshore Submerged Reef” was planned for the southern portion of the beach (Southern Reef), for which the GoP was seeking Central funding support. That support was, according to the GoP, being favourably considered by the Ministry of Earth Sciences (MES). The Senior Adviser, NITI Aayog, explained that this was a very recent activity and assured the Member, NITI Aayog, that the S&T Vertical of the NITI Aayog would follow-up with the MES to expedite the said funding’s sanction.

**18.** The Senior Adviser, NITI Aayog, then explained the next issue which pertained to the acquisition of land, from the GoTN, for the phase-II work in the Puducherry airport, viz. the expansion of its runway. The Member, NITI Aayog, requested the representative from the GoTN to respond to that issue. Shri S Natarajan, Special Secretary, GoTN clarified that the GoTN was willing to sell the requisite land, at a total cost of Rs. 300.00 crores, to be borne by the GoP. The Chief Secretary to the GoP requested that that cost may be shared between the GoP and GoTN, as the benefits would also be shared between the two. He added that a meeting between the GoP, the GoTN and the MHA had been held on the 5<sup>th</sup> of August, 2021 to discuss the said issue. He informed that in that meeting, the MHA had suggested that the GoP could include the said amount of Rs. 300.00 crores in its future budget, as a firm requirement. The Member, NITI Aayog, inquired about the aircraft handling capacity of the current airport, to which the Chief Secretary to the GoP informed that the current airport could accommodate only smaller aircrafts, and then emphasized the need for a bigger airport to boost the industry and the tourism sectors of the UT. The Member, NITI Aayog, requested the GoTN to reduce the cost of the land to make it more affordable, and agreed with the assessment that the airport would benefit both the UT of Puducherry and the State of Tamil

Nadu. In summary, he stressed on the importance of sharing and working together to promote cooperative federalism.

**19.** The Senior Adviser, NITI Aayog, introduced the next issue which pertained to the need of a coastal ferry service, on the Chennai-Puducherry-Karaikal-Sri Lanka route, and explained that the Ministry of Ports, Shipping and Waterways (MoPSW) had responded, to that issue, by informing that a committee had been set-up to examine the various proposals on the commissioning of that service, and that the GoP had been requested to obtain the requisite clearances. Shri Sanjay Bandopadhyay, Additional Secretary, MoSPW, explained that after the request to commence that service had been received, the Minister of Ports, Shipping and Waterways had visited the UT and set-up the said committee to expedite the process. He further added that the MHA's security clearance form had been sent to the GoP, but owing to the pandemic, tourism had dipped in the UT and consequently, the activity had not progressed. The Member, NITI Aayog, inquired whether any additional infrastructure was needed for commissioning the said service, to which the Additional Secretary responded by confirming the need for a terminal, including a waiting area, for which the requisite land had been requested from the GoP. The GoP representative added that two meetings of the said committee had been conducted, and the only pending portion was the clearance from the Government of Sri Lanka. The Additional Secretary, MoSPW, clarified that the MHA needed to give the security clearances, and that the format for the same had already been sent to the GoP. He further clarified that the ferry service would be covered as a part of the general shipping arrangement between India and Sri Lanka, and that the High Commissioner of India to Sri Lanka would take it up, at his level. The Member, NITI Aayog, requested the expeditious grant of the requisite permissions from the MHA and the Government of Sri Lanka, and asked the Additional Secretary, MoSPW, to support the GoP, in this matter.



**20.** The Senior Adviser, NITI Aayog, then explained the two remaining issues. The first related to GST compensation, regarding which the Member stated that the same would be covered in the afore-mentioned planned meeting between the stakeholders. The Senior Adviser, NITI Aayog, then explained the final issue, which was regarding the special assistance to cover the impact of the pandemic and informed that the GoP had already raised this matter with the Prime Minister. The Member suggested that the GoP may follow-up with the Prime Minister's Office and that the NITI Aayog would provide the due support, if needed.

**21.** The Senior Adviser, NITI Aayog, then enquired whether there were any other areas and issues on which the GoP would like to be assisted. The Chief Secretary to the GoP invited the NITI Aayog's support to help form collaborations with other states in the country to facilitate the sharing of best practices. He further inquired whether some kind of consultancy support could be offered to leverage the infrastructure and the resources of the UT of Puducherry for their effective utilisation. He then stated that the UT had a very good presence of educational institutions and inquired as to how their quality could be improved. He was, in particular, keen to know as to how could the Jawaharlal Institute of Postgraduate Medical Education and Research – a leading medical institute of India – be turned into a hub for medical tourism. The Member observed that medical tourism was based on competence and quality in the institution, and that the augmentation of quality and care would be a major factor for promoting the same. He added that there was a ranking of states on tourism as well, and that the relevant Vertical in the NITI Aayog would facilitate a dialogue between the GoP and the best performing states.

**22.** The Senior Adviser, NITI Aayog, then made a presentation on the UT of Puducherry's performance in several indices, from which it was evident that the UT had performed well in the SDG India Index, the School Education Quality Index and the India

Innovation Index. However, it needed improvement in the Ease of Doing Business Index. The Chief Secretary to the GoP explained that updated data had been submitted recently to the Department for the Promotion of Industry and Internal Trade, Government of India, and an improvement in the rank was expected. The Senior Adviser continued the presentation and suggested that the GoP may draw some lessons from the Aspirational Districts Programme of the NITI Aayog. He then made a presentation comparing the key macro indicators of the UT of Puducherry to those of the rest of the country. While closing his presentation, he informed the participants about the various activities of the NITI Aayog, including the NITI lecture series. He then invited the Chief Minister, GoP and the Member, NITI Aayog, to make their closing remarks.

**23.** The Chief Minister of the GoP thanked the Member, NITI Aayog, and the other participants, for their assistance, and expressed his hope for such cooperation to continue. The Member, NITI Aayog, thanked the Chief Minister of the GoP and the other participants, and agreed that such fruitful interactions needed to be more frequent. He then reiterated his request to the GoP to examine their schemes and to reduce their fiscal deficit. He emphasized the *mantra* of self-sufficiency and the satisfaction of the people.

- 24.** The following is a summary of the action points that were decided in the meeting:
- i. A meeting to address the Central assistance related concerns of the UT of Puducherry should be conducted with representation from the GoP, the NITI Aayog, the MHA, the DoE and the DEA (**Action: the GoP, the MHA and the NITI Aayog**).
  - ii. The GoP needs to reduce its fiscal deficit by maximizing the revenue generation of its schemes. In tandem, it may duly modify and improve upon its non-remunerative schemes (**Action: the GoP**).

- iii. The payment of the 7th CPC arrears to its employees and its pensioners may be done, by the GoP, by using its currently sanctioned gross budgetary support (**Action: the GoP**).
- iv. The approval of the Cabinet may be sought to change the Centrally Sponsored Schemes' funding pattern in the UT of Puducherry to 90:10, from the extant 60:40 (Centre : UT of Puducherry) (**Action: the MHA**).
- v. The funding process may be expedited by following-up with the Ministry of Earth Sciences regarding the Southern Reef project (**Action: the NITI Aayog**).
- vi. The complete transfer of the land may be expedited, on a cost sharing basis between the GoP and the GoTN, for the proposed expansion of the Puducherry airport. The MHA may provide the required financial support to the GoP, for the same (**Action: the GoP, the GoTN and the MHA**).
- vii. The security clearance, from the MHA, for the said ferry service may be expedited (**Action: the GoP and the MHA**).
- viii. The necessary follow-up with the Prime Minister's Office may be done regarding an early grant of the special assistance to compensate the economic impact of the pandemic (**Action: the GoP and the MHA**).
- ix. The sharing of the best practices may be expedited, with the leading States, on the various indices which rank the States and the UTs (**Action: the NITI Aayog**).
- x. An interaction may be facilitated between the major hospitals in the country and the medical institutions in the UT of Puducherry (**Action: the NITI Aayog**).

**25.** The meeting then ended with a Vote of Thanks to the Member, NITI Aayog and the Chief Minister, Government of Puducherry, and to all the other participants, by the Senior Adviser, NITI Aayog.

**List of Participants**

<b>S.No.</b>	<b>Name of Participant</b>
<b>1</b>	<b>Dr. V. K. Saraswat</b> , Member, NITI Aayog
<b>2</b>	<b>Shri N. Rangaswamy</b> , Chief Minister of the Government of Puducherry
<b>3</b>	<b>Dr. Sanjeev Ranjan</b> , Secretary, Ministry of Ports, Shipping and Waterways
<b>4</b>	<b>Shri Ashwani Kumar</b> , Chief Secretary to the Government of Puducherry
<b>5</b>	<b>Dr. Sekhar Bonu</b> , Director General, Development Monitoring and Evaluation Office, NITI Aayog
<b>6</b>	<b>Shri Neeraj Sinha</b> , Senior Adviser (Puducherry), NITI Aayog
<b>7</b>	<b>Shri Sanjay Bandopadhyay</b> , Additional Secretary, Ministry of Ports, Shipping and Waterways
<b>8</b>	<b>Shri Jitendra Agrawal</b> , Advisor (Union Territories), Ministry of Home Affairs
<b>9</b>	<b>Shri Thanglemlian</b> , Joint Secretary, Department of Expenditure, Ministry of Finance
<b>10</b>	<b>Shri S Natarajan</b> , Special Secretary to the Government of Tamil Nadu
<b>11</b>	<b>Dr. Ashok A. Sonkusare</b> , Deputy Adviser, NITI Aayog
<b>12</b>	<b>Dr. Thyagaraju B M</b> , Deputy Adviser, NITI Aayog
<b>13</b>	<b>Shri Anand Trivedi</b> , Specialist, Development Monitoring and Evaluation Office, NITI Aayog
<b>14</b>	<b>Shri Naman Agrawal</b> , Senior Associate, NITI Aayog
<b>15</b>	<b>Dr. Abhinav Tivedi</b> , Consultant (Grade-1), NITI Aayog
<b>16</b>	<b>Shri Siddhey G Shinde</b> , Young Professional, NITI Aayog
<b>17</b>	<b>Shri Kehari Singh Meena</b> , Economic Officer, NITI Aayog

**Meeting between the Member (Dr. V.K. Saraswat), NITI Aayog and  
the Chief Minister, Government of Puducherry**

Date: 6th of August, 2021

Time: 1200 hr to 1430 hr

Venue: Through video conferencing

**AGENDA**

<b>Time</b>	<b>Remarks</b>
1200 - 1205	Welcome Address by Dr Ashok A Sonkusare, Deputy Adviser, NITI Aayog
1205 - 1210	Opening Remarks by Dr V K Saraswat, Member, NITI Aayog
1210 - 1215	Opening Remarks by Shri N Rangaswamy, Chief Minister, Government of Puducherry
1215 - 1245	Presentation by the Shri Neeraj Sinha, Sr. Adviser (Puducherry), NITI Aayog
1245 - 1330	Discussion on the issues, as received from the Government of Puducherry
1330 - 1415	Discussion on the issues, as formulated by the NITI Aayog
1415 - 1420	Remarks by Shri N Rangaswamy, Chief Minister, Government of Puducherry
1420 - 1425	Closing Remarks by Dr V K Saraswat, Member, NITI Aayog
1425 - 1430	Vote of Thanks by Dr Ashok A Sonkusare, Deputy Adviser, NITI Aayog

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