

## MINUTES OF THE STATE PLANNING BOARD MEETING

HELD ON 18.12.2004

The meeting of the State Planning Board was held on 18.12.2004 under the Chairmanship of His excellency the Lieutenant Governor Lieutenant General (Retd.) M.M. Lakera, in the Conference Hall of the Chief Secretariat to discuss and approve the Draft Annual Plan 2005-06 proposals. Thiru N. Rangasamy, Hon'ble Chief Minister, Thiru M. Chandirakasu, Minister (Ind. & Social Welfare), Thiru E. Valsaraj, Minister (Health), Thiru K. Lakshminarayanan, Minister (Education), Thiru A. Namassivayam, Minister (Agriculture), attended the meeting. Thiru V. Narayanasamy, Member of Parliament (Rajya Sabha), and Dr. M. Ramadass, Member of Parliament (Lok Sabha), Thiru R.V. Janakiraman, Leader of Opposition and Thiru Malladi Krishna Rao, MLA of Yanam region attended the meeting.

Thiru R.S. Chari, Chief Secretary (Retd.), Dr. Paul Appasamy, Professor, Madras School of Economics, Professor Sham Bhatt, Head of Department of Economics, Pondicherry Central University attended the meeting as non-official members of the Board. Thiru C.S. Khairwal, Chief Secretary, Thiru B. V.Selvaraj, Development Commissioner, Tmt. M. Sathiyavathy, Secretary (Planning and Finance), and other secretaries to Government attended the meeting as members of the Board. Heads of Departments and senior officers were also present in the meeting.

At the outset, Chief Secretary welcomed the Chairman, Vice Chairman and the members of the State Planning Board. He informed that the Draft Annual Plan proposals for 2005-06 amounting to Rs.1100 crore has been prepared and placed before the board for approval. He further added that

Hon'ble Chief Minister has requested the Deputy Chairman, Planning Commission during the special meeting held at Bangalore on "Mid-Term Appraisal of the Tenth Plan" that the central assistance for our Union Territory of Pondicherry should be substantially increased to fund the projects like (i) Setting up of Special Economic Zone, (ii) Development of Port, (iii) Development of Airport, (iv) Development of Roads and construction of bridges, (v) Development of temple town at Karaikal to boost domestic tourism, (vi) Drinking water supply for Mahe and Yanam, (vii) Underground projects for Karaikal region etc. Fishing harbour for Karaikal is also proposed under CSS. Deputy Chairman, Planning Commission, assured to favourably consider our new proposals in the Annual Plan 2005-06.

Secretary (Plg. & Finance) made a power point presentation of programmes envisaged in the Draft Annual Plan 2005-06 and highlighted various welfare schemes implemented for upliftment of economically poor and downtrodden. She informed the members that as on 15.12.2004, an amount of Rs.308.33 crore was spent which works out to 67%.

His Excellency, the Lieutenant Governor in his inaugural address observed that the Draft Annual Plan 2005-06, which is an important exercise, should aim at improving the infrastructure facilities which lead to speedy economic growth and improving the standard of living of the people of this territory. Focussed attention should be given on removal of poverty, creation of more employment opportunities, revival of rural economy etc. He observed that development of ports, establishment of Special Economic Zone and other infrastructure facilities would definitely change the economy of Pondicherry. While taking up these projects for implementation, other related issues like development of alternative roads, Mass Rapid Transport System (MRTS),



availability of trained manpower, uninterrupted power supply, availability of water should also be addressed as a part of plan exercise and adequate funds may be made available in the respective sectors accordingly. He also suggested to avail consultancy services for the development of port, special economic zone etc. He advised that adequate funds to be provided for maintenance of existing assets before allocating funds for creating new assets and suggested to constitute a committee to take stock of the assets already created for making necessary recommendations towards upkeep of existing assets to the desired level. Further, he added that the non-plan expenditure should be curbed and additional cost on purchase of electricity to be passed on to the consumers specially those who can afford to pay this. Our dependance on small savings should be reduced, since it is a loan basically. There is a tendency to have adhoc/ hourly rated/ part-time appointments and this should be avoided. Creation of additional posts in government departments/ government undertakings should be discouraged totally unless essentially required. The working of PSUs should be closely monitored and ensure that these organizations become self sustaining units over a period of time. He further added that poor people should be assisted either by giving training or giving an opportunity for self-employment for bringing them above the poverty line.

Chief Minister welcomed suggestions from the members and non-members of the Planning Board.

The following suggestions were given by the members of the State Planning Board during the meeting:

Thiru M. Chandirakasu, Minister (Ind. & Social Welfare)

- Delay in opening of Community Health Centre and construction of Fire Station at Nedungadu
- Providing alternative employment opportunities for farm sector people in Karaikal.
- Improvement of roads and renovation of old bridges in Karaikal region.
- Allocation may be stepped up for construction of houses under Perunthalaivar Kamarajar Housing Scheme

Thiru E. Valsaraj, Minister (Health)

- More attention has been given for infrastructural development like starting the construction of Women and Child Hospital, improvements in Port area.

Thiru V. Narayanasamy, Member of Parliament (Rajya Sabha)

- Planning process to be changed so as to avoid bureaucratic bottlenecks and reflect the views of needy rural people, organizations, and trade unions.
- Development of industries at Karaikal region.
- Planning process should not be based on population and thrust areas are to be identified.
- Plan document should focus more on the rural areas and insist the industrial organisation to give more employment opportunities to the local people while issuing license.

- State public sector undertakings / Co-operative institutions should improve their efficiency
- Agriculture department, KVK, PAJANCOA should suggest methods for alternative farming.
- Distribution of flood relief to flood affected areas/ persons by appointing separate forum for the relief measures.
- Cost escalation need to give serious concern while executing projects
- Large potential for IT industry
- Solid waste management programme to be implemented based on Hyderabad patterns.
- Proposal for infrastructural development projects under External Aided Projects

Chief Secretary assured that steps would be taken to concentrate on the completion of projects already taken up at Karaikal. Apart from these, efforts are taken for new projects like temple town development and fishing harbour in Karaikal region.

Dr. M. Ramadass, Member of Parliament (Lok Sabha)

- Internal mobilization is a commendable step and to be appreciated.
- Planning process requires a scientific approach. Planning process should be improved in such a way to respond for market economy.
- Core group is to be set up so as to analyse the problems and issues
- Regular evaluation studies need to be conducted for the subsidy / loan assistance schemes and thrust area to be highlighted so as to take into account of the felt need of the people.



- A compendium of facilities available in villages need to be prepared
- An appropriate survey of BPL and Below Ultra Poverty line to be conducted and concerted steps to eradicate poverty by 2007.
- Regional imbalances to be removed and the assistance available in the Planning Commission to be tapped.
- Human development index for Pondicherry to be prepared immediately.
- Port project, road project to Mylam, Seerkazhi to Karaikal, Airport project to be taken up.
- System of education should focus on vocational / job oriented courses in the model of community college of Pondicherry university.
- Take advantage of Centrally Sponsored programmes for tourism development

Thiru R.V. Janakiraman, Leader of the Opposition

- Leader of the opposition to be included in the panel while implementing the schemes / projects.
- Creation of more employment opportunities in the Union Territory of Pondicherry as a whole.
- Rs. 40,000 now being given as subsidy under Perunthalaivar Kamarajar Housing scheme is inadequate. It needs to be stepped up.
- Land for Manimekalai school need to be acquired soon.
- Regarding take over of M/s Swadeshi Cotton Mills and Bharathi Mill, compensation need not be paid to NTC, since when NTC took over no compensation was paid at that time.
- Issue of ration cards without any confusion.

- Local body elections to be conducted at the earliest
- Preliminary works to be carried out for VAT

Thiru Malladi Krishna Rao, MLA of Yanam region

- Regionwise meetings to be conducted under the Chairmanship of Chief Minister for fund requirement in Yanam, Mahe and Karaikal.
- Generation of employment opportunities is less due to non-availability of mills/ industries in Yanam and Mahe regions.
- Additional financial assistance for the on-going infrastructural works of Yanam region.
- For promoting tourism in Yanam region, beautification of beach, development of islands have to be taken up either by government or by private entrepreneur.
- Entrustment of sanitation work to private agencies.

Thiru R.S. Chari, IAS, (Retd.)

- Urban local bodies could take up programmes such as water supply, sewage, solid waste management and financial provision may be transferred to them for implementation.
- Settling a mutually acceptable procedure with the Twelfth Finance Commission, Home Ministry and Finance Ministry for getting additional grants-in-aid to the Union Territory of Pondicherry to cover recommendations of the State Finance Commission for assistance to the Local Bodies.

Dr. Paul P. Appasamy, Director, Madras School of Economics

- Introduction of VAT leads to decrease in the additional resource mobilisation and also Central Assistance for the Union Territory of Pondicherry. Impact/ strategy of VAT has not been incorporated in the Draft Annual Plan 2005-06.
- Determination of growth rate has to be ascertained in industrial sectors.
- Plan has to **embody a reform agenda** – necessary reforms may be taken up in Non-tax revenue items to ensure efficiency, effects towards privatisation of various public sector undertakings
- Necessary reforms may be introduced in power sector and power tariff may be revised
- Release of GIA to public sector undertakings can be curtailed by means of privatization.

Thiru V. Narayanasamy, Member of Parliament (Rajya Sabha) informed that Finance Minister has made a commitment for the loss on account of the introduction of VAT would be compensated by Central Govt.

Lt. Governor was optimistic that introduction of VAT would not affect UT of Pondicherry and steps to cope up with the consequences will be taken in the subsequent years.

Dr. K. Sham Bhat, Head of the Department of Economics, Pondicherry University

- Major role of Govt. should be on the social sector like infrastructure, health and education
- Long term and short term strategy for planning process



- Social set up institutions and quality oriented institution should go together
- Efficient oriented output is required in the public service oriented departments.

Finally after detailed discussion, the Board recommended the Plan outlay of Rs.1100 crores for the Draft Annual Plan 2005-06 as against the approved outlay of Rs.615 crore for the Annual Plan 2004-05. The Board was optimistic that Planning Commission would support the proposal of the Union Territory administration to undertake development projects for speedy economic growth and plan allocation would be substantially increased for the Annual Plan 2005-06.

Chief Secretary thanked Chairman, Vice Chairman and other members of the Board for their valuable suggestions and the meeting came to an end.

