

MINUTES OF THE STATE PLANNING BOARD MEETING MEETING
HELD ON 20.11.2006

The first meeting of the State Planning Board for the current year was held on 20.11.2006 under the Chairmanship of His Excellency the Lt. Governor in the Conference Hall of the Chief Secretariat to discuss the formulation of the Draft Eleventh Five Year Plan 2007-2012 and Draft Annual Plan 2007-08. Thiru N. Rangasamy, Hon'ble Chief Minister and all the members of the cabinet, Chief Secretary, DC-cum-Secretary (Plg), other Secretaries to Government and other senior officers also attended the meeting.

Chief Secretary extended a warm welcome to His Excellency the Lt. Governor, Hon'ble Chief Minister and other distinguished members of the board for the first meeting of the Planning Board for the current year. In his welcome address, he emphasized that focused attention should be given for infrastructure development in our Union Territory during the Eleventh Plan in order to achieve faster economic growth. This includes development of good roads both in the urban and rural areas, making available uninterrupted and good quality power, road connectivity, rail connectivity, development of a large Airport at Pondicherry, one for Karaikal, supply of good drinking water, extension of underground sewerage to entire urban areas of Pondicherry etc., These facilities would enhance the image of Pondicherry at the national level and would automatically lead to a large flow of investment from the private sector in areas like Industries, Information Technology, Tourism etc., and would also lead to creation of more employment opportunities. He added that we are already exploiting the underground water for domestic supply, irrigation and industrial use which may not be desirable in the long run. There is need to develop alternative sources using modern technologies. Setting up of desalination plants during the Eleventh

Plan may be explored. Underground sewerage projects for unserved areas and establishing treatment plants should be taken up on priority basis to prevent sea water pollution which has direct impact on quality fish production in our UT. The national highway between Pondicherry and Tindivanam, should be widened and converted as four lanes for better connectivity to Chennai. Government of India may be impressed upon to take up the above project on priority as a State of the Art Highway has already been created between Tindivanam and Chennai. Introduction of fast new trains like the shatabadi express between Chennai and Pondicherry would drastically reduce the travel time to Chennai. Direct train facility to Bangalore is also needed. This would expand our trading activities with neighbouring states.

More investment is needed in the urban sector during the Eleventh Plan for construction of flyovers, overbridges, underpasses, car parkings at important places for smooth flow of traffic during the Eleventh Plan. He said that infrastructure development in other areas like Agriculture, Education, Health etc., is equally important to speed up our economic growth and our Plan allocations for these sectors should be substantially increased during the Eleventh Plan to move along with other progressive States on the economic front. Since the resources available with us for development are limited, he cautioned that we should plan meticulously and allocate funds judiciously to various sectors to ensure optimal returns on our investments. We should also encourage private investment in selected sectors so that our resources can be best utilized to serve the needs of the people better.

The Development Commissioner through Power Point Presentation appraised the Board that a sum of Rs.3105.88 crore was allowed by the Planning Commission for the Tenth Plan 2002-07 under general schemes and Rs.478 crore for Tsunami Reconstruction

Programme as well as Rs.247.00 crore as loan assistance from HUDCO. During his presentation he also indicated utilization of funds during the first four years of the Tenth Plan and achievements made during the corresponding period in our Union Territory. He presented sector-wise development indicators during the Tenth Plan. Keeping in view the past performances he suggested that the Board may project a plan outlay of Rs.9212.72 crore for the Eleventh Plan which may include Rs.8750 crore under general schemes, Rs.155.84 crore for Tsunami Reconstruction Programme and Rs.3.688 crore as long term loan from HUDCO. He also outlined the strategies for the Eleventh Plan as circulated by the Planning Commission in their Draft Approach Paper.

Development Commissioner informed that during the Eleventh Plan, poverty and unemployment are two major issues that need focussed attention. Marginalised groups such as SC and unorganized Scheduled Tribes, adolescent girls and children in the age group of 0-3 are to be given special incentive. During the Eleventh Plan National Rural Employment Guarantee Programme / Bharath Nirman / Sarva Siksha Abhiyan Yojana, National Rural Health Mission would be implemented with the enhanced plan allocation. This would have a direct impact on reduction of poverty and providing employment in rural areas. He further added that Panchayati Raj Institutions are to play a greater role in implementation of plan schemes. E-Governance initiatives, use of IT tools in the areas of Industries and Education, application of zero-based budgeting techniques are some of the management techniques need to be used for achieving better results in implementing plan schemes. He said that the Primary Sector contribution to GDP is only 3.3% in the year 2005-06. Whereas secondary and tertiary sector contribution are 54.35% and 44.34% respectively.

His Excellency, the Lt. Governor observed that the State Planning Board meeting for the current year assumes special significance as it involves formulation of Draft XI Five Year Plan (2007-2012) and the draft annual plan (2007-08). The Members of the Board have to take stock of the past performance and analyse the achievements made to accordingly evolve the future plans. He added that as envisaged in the Approach Paper to the XI Five Year Plan circulated by the Planning Commission there is an urgent need to restructure our policies to achieve a new vision of growth that would be more broad based and inclusive, bringing about a faster reduction in poverty and helping bridge the divides. The programmes and schemes must specially focus on the marginalised groups in society to achieve this objective.

He noted that the per capita income of Puducherry is much higher than the national average as per the economic survey report. The Per capital investment in Puducherry is equally on the higher front. Similarly, Puducherry is far ahead in the Education and Health fronts than the rest of the country.

The Government has formulated many major infrastructure projects like expansion of Puducherry and Karaikal ports into all weather ports, setting up of multi-product Special Economic Zone, expansion of Puducherry Airport, setting up of Karaikal Airport, underground sewerage system in Puducherry, etc. The Preliminary works for all these projects have been completed and these projects will be physically launched on the ground shortly. The focus should therefore be to complete these projects during the next five years. While formulating the XIth Five Year Plan, it is important to give these projects high priority, as they can generate enormous opportunities for employment of the skilled/unskilled workforce there by alleviating unemployment. Since, the major projects of Port Development, Special Economic Zone etc., would likely come into completion during the next Five Year Plan period, the demand for supporting

infrastructure facilities such as roads, railways, power, etc, would automatically arise. Road and rail connectivity between SEZ and Port assumes priority. Emphasis should be given to enhance these supporting infrastructural activities during the ensuing Five Year Plan. The proposed "Integrated Traffic Engineering Study" must be taken up on priority and a detailed perspective plan of action must be prepared and implemented in the ensuing Five Year Plan period. Augmenting our own Power Generating capacity should also be one of the primary agendas in the planning. Realistic assessment of the demands of growing industries, service sectors and domestic use for the next five years needs to be carried out. The aspect of maximum generation of power from Narimanam Unit should be explored and a long term plan drawn up accordingly.

Tourism is another important sector, which is expected to contribute significantly to Puducherry's economy. Many new Tourism infrastructure projects like Arts and Crafts village at Murungapakkam, Temple Town at Karaikal, beautification of Puducherry and Karaikal beaches are ready for implementation on the ground. These projects apart from attracting will provide much needed impetus to the economy. On the lines of Yoga Festival, the Government could explore the feasibility of holding an annual "Tourism Festival", as is being organised in Singapore and Malaysia. The Govt of Puducherry could rope in the Hotel Industry to be partners in such a festival. The Hoteliers may lead and organize events of international stature in close co-ordination with Government and other agencies. Yanam and Mahe could also hold this festival in synchronization with Puducherry. This will attract considerable tourists from their neighbouring States of Andhra Pradesh and Kerala. Provision for adequate funds to develop tourist infrastructure in Yanam and Mahe should be made to make them attractive tourist destinations of the contiguous neighbouring States of Andhra and Kerala.

In the past decade the performance of the Agricultural sector has been dismal throughout the country, with the sector recording only a 2% growth rate. In Puducherry also, due to the increasing population there is a steep decline in the extent of Agriculture land. To overcome this deficiency and make agriculture more profitable and viable for farmers, modern agricultural practices must be implemented. Techniques like Precision Farming, diversification into horticulture and floriculture which has a huge international market must be encouraged by providing appropriate farming technology to the farmers and also aiding in marketing of the products, he added.

To augment water supply to Mahe and Yanam, agreements have been signed with Kerala and Andhra Pradesh Governments respectively. The required funds have been allocated and deposited with the respective Governments for implementation of water scheme projects. The successful completion of these projects should be ensured in this plan period.

Over the past few years, Puducherry has come to be recognized as an Educational hub with many professional colleges being set up. This is one sector that Puducherry could go from strength to strength. While welcoming more professional colleges, care should also be taken to ensure that the Institutions that come up in Puducherry function as centres of excellence. Mere increase in quantity at the compromise of quality will not only result in dwindling student strength, but will also lead to Puducherry moving away from earning the coveted acronym of "Education Hub of South". Adequate planning should be made to further improve the education and health care infrastructure in Mahe and Yanam too.

The literacy level of Puducherry is comparatively high at nearly 81% and will shortly achieve the aim of 100% literacy before the end of the XIth Plan period. This high literacy rate will have a direct

consequence of increased educated population. Taking this factor into consideration a long term plan needs to be drawn up to strengthen the Service Sector including Tourism Sector in as much as these industries have the scope of creating more employment opportunities. The presence of reputed medical institution like JIPMER and the presence of six other medical colleges should be leveraged to boost the "Health Tourism" prospects, which would be a major revenue contributor to the Union Territory's economy.

The Fishing community has proved their resilience by overcoming the Tsunami devastation that hit them about two years ago. As a part of rehabilitation, they have been provided with boats and fishing equipments and work is also in progress for a permanent housing solution for them. There is also need to impart and provide modern fishing technologies to the fishing community. The fish canning and packing industry will provide the much needed economic impetus to the fishing community of Puducherry. Work on fishing harbour at Mahe and Yanam to be taken up during the XI Five Year Plan needs to be completed within a fixed time frame.

After 38 years, elections to the local bodies have been held. It therefore mandates on the elected Local bodies to discharge their functions. Therefore powers have to be devolved to these bodies and adequate funds needs to be provided for their efficient functioning for the grass root democracy to attain fruition.

During the last Five Year Plan period, due to persistent efforts of the Government, the number of people living below the poverty line has come down. But, still there is a long way to go. Some people are still living in temporary huts in unhygienic conditions. Even more distressing is to note that some of the poor do not have a shelter to protect themselves from the vagaries of nature. Therefore, the XIth Plan should envisage providing permanent shelters to these people on

the streets and our plans should aim at improving their living conditions by creating necessary infrastructure facilities that will provide an opportunity for them to eke out an earning for their livelihood.

The rural infrastructure projects of irrigation, roads, water supply, sanitation, electrification and communication outlined in Bharat Nirman should be made use of by the Government of Puducherry. Making best use of this Central Scheme will not only bring in more central funds but will also go a long way in improving the lives of the rural folk

The Lt.Governor concluded by saying that plans should be evolved within an appropriate time schedule and placed before the Government of India well in time to avail the maximum benefit from the Central Government. It may be ensured that the fruits of the plans reach the common man so as to achieve inclusive growth.

The following suggestions were made by other members of the board:-

Shri N. Rangasamy, Hon'ble Chief Minister stated that

- Suggestions offered by Members would be included in the Draft Eleventh Five Year Plan 2007-12 and Annual Plan 2007-08.
- Planning Commission had allowed enhanced allocation during the Tenth Plan based on our performance both in mobilization of Additional Resource (ARM) and plan implementation. Entire allocations were fully utilized for creation of infrastructure facilities and for launching many new welfare schemes for various sections of the society.

- Our Union Territory has been ranked as number one by a leading Magazine in some sectors of economic activity. We would strive to reach a similar position in other economic activities.
- Our performance in the fields of Education and Health is far above the national average. During the Eleventh Plan, it would further improve.
- We have initiated many steps to develop tourism in our territory. We have offered very attractive incentives for the growth of hotel industry in our territory. Our investment will be further stepped up during the Eleventh Plan.
- Steps would be taken to create more employment opportunities during the Eleventh Plan. Steps would also be taken to provide quality education during the Eleventh Plan.
- On the Industrial front, we would encourage labour intensive industries but at the same time not permit polluting industries in order to keep our environment neat and clean.
- We should initiate action to establish Special Economic Zone(SEZ) and related activities to boost industrial development. This is in a very advanced stage.
- Adequate funds would be provided to all four regions to ensure balanced growth during the Eleventh Plan.

Shri. V. Vaithilingam, Hon'ble Minister for Industries & Power

- He advocated Minimum support price for paddy between Rs.550/- and Rs.600/- per quintal as a remunerative price to farmers. Food Corporation of India may be requested to procure paddy directly from the farmers and Govt. could purchase from the Food Corporation of India under the Public Distribution System.
- Precision Farming may be encouraged to enhance the earning capacity of Farmers and the productivity of land.
- "Contract Farming" would be encouraged during the Eleventh Plan so that farmers could get good prices for their produce.
- In every village "Model Farm" would be developed covering 20 to 25 acres to demonstrate modern agricultural practices to farmers for better earnings.
- Steps would be taken to substantially increase the cattle population.
- Subsidy may be given towards purchase of birds and animals.
- Adequate infrastructure need to be created to strengthen the power distribution system.
- Establishment of 230 KV sub station at Karaikal connecting Neyveli Lignite Corporation in order to get assured power supply would be taken up.

- Private sector participation would be encouraged in the power sector.
- Bulk Carrier Terminal would be established in Karaikal Port to import coal for power generation.
- Power sector investment needs to be stepped up to meet the growing demand for power and for establishment of more sub-stations both in urban and rural areas.
- If adequate funds are not available, the department may be allowed to get more funds through Power Finance Corporation.
- Our Industrial Policies are to be modified on the lines of industrial policy of Government of Haryana and Government of Gujarat.
- Land Bank may be established to offer Lands for Industrial Development at competitive rates.
- A silk village and coir village would be developed for generation of more employment opportunities under Khadi and Village Industries sector.
- Subsidy may be given to modernise Laundry, Tea Shops, Saloon, etc. to create world class infrastructure for small business and to promote tourism.

Shri. E. Valsaraj, Hon'ble Minister for Health made the following points

- Private participation for Infrastructure development would be encouraged.

- Accountability should be fixed for all development activities.
- Public Private Partnership projects should be undertaken.
- Meticulous Planning is needed for better use of scarce resources and to get better return on our investment.

Shri. M.O.H.F. Shajahan, Hon'ble Minister for Education in his address

- Advocated grass root planning in order to eradicate poverty and unemployment and for speedy economic growth.
- Transparency and accountability should be fixed for all activities to achieve better result.
- Regional imbalances should be removed on priority. Karaikal, Mahe and Yanam regions should get their due share of fund allocation.
- Puducherry is the next preferred and most attractive destination for IT and IT related industrial investment. Hence an IT policy should be finalised soon.
- For development of Tourism, infrastructure like Road links, Rail links from Chennai to Puducherry and Bangalore to Puducherry are essential.
- Private participation may be encouraged in IT and IT related industries.

- Setting up of Infrastructure Development Corporation would go a long way.
- Revitalisation, development of qualitative and quantitative aspects of education system is much required.
- Rajiv Gandhi Knowledge Centre is to be set up wherein technical courses of international standard will be offered to upgrade manpower skills to meet the requirement of IT industry.
- Clean environment alone would attract tourists to Puducherry.

Shri. Malladi Krishna Rao, Hon'ble Minister for Tourism stated as follows:

- A Vision is needed for speedy development at international standards.
- Adequate funds should be provided for Tourism related projects in our Union Territory.
- Land may be given on lease to private entrepreneurs for development of infrastructure facilities for growth of industries and for promotion of Tourism.

Thiru. V. Narayanasamy, MP (Rajya Sabha) in his speech made the following points

- The various achievements made by our UT should be assessed and accountability should also be fixed for non achievement and under performance.

- A critical review should be made on the exact position of poverty levels in our UT
- Since 44% of our outlay goes to Welfare Sectors there is a problem of overlapping of schemes and the same should be avoided by streamlining the implementation of welfare schemes.
- It may be ensured that the assistance under Kamarajar Housing Scheme be provided to only deserving families.
- The infrastructures should be developed on Top Priority to promote industrial growth in our UT especially in Karaikal District.
- The Industrial Policy of our UT shall be changed on par with other developing states to attract more foreign investments and for developing IT based industries.
- Port Development shall be given Top Priority and the Special Economic Zones shall be set up in non-agricultural lands nearer to the Ports.
- Our own Power Generation capacity shall be increased to 100 MW in Karaikal by obtaining more gas allocation from Govt of India.
- Tourism sector is having the highest scope and the same should be given Top Priority. With Tourism, allied components such as, Transport, Industries and Hotel Industries will be developed.

- The Karaikal District should be included in the National Employment Guarantee Scheme by pursuing with the Central Government.
- Additional funds should be obtained for Urban Beautification of our UT
- Our main objective in Plan implementation should be employment generation and poverty elimination.
- The Industrial Growth Centre in Polagam shall be converted into a Special Economic Zone as a Major Port is set up in Tanjore.
- The Co-operative Institutions should not fully depend upon the grants, instead they should run on their own income
- The E-governance system should be fully established in our UT administration.

Prof. Dr. M. Ramadoss, MP (Lok Sabha) in his speech gave the following suggestions:

- The process of Planning shall be improved to aim at Economic Growth with Social justice.
- The main objective should be curbing unemployment and reducing poverty
- The key focus should be on Agriculture, Animal Husbandry, Fisheries in order to generate more employment in rural areas.

- The basic problems of the economy and rural and urban people should be assessed and necessary remedies should be integrated in the Plan
- Specific targets should be fixed for aiming better socio economic indicators.
- Necessary sectoral linkages should be made among the allied sectors.
- Necessary input, output ratio should be worked out on the basis of investments made.
- Steps may be taken to prepare the State Development Report and the Human Development Index Report with the help of the Planning Commission
- From the Village Grass root level necessary basic amenities requirement plan may be prepared through the concerned elected Local Bodies.
- The District Planning Committee may be constituted at the earliest.
- The Elected Local Bodies may be utilized for effective delivery of schemes, programmes and services.
- The French connection of our Union Territory should be effectively utilized in the process of planned development.
- Special Economic Zones shall be set up both in Pondicherry and in Karaikal at the earliest.

- The Public Sector Undertakings should be restructured. For example 5 Textiles Mills, namely, Anglo French Textiles, Swadeshi Cotton Mills, Bharathi Mills, SPINCO and Jaya Prakash Narayan Co-operative Spinning Mill should be brought under one umbrella and run by appointing top class Textile experts. This would reduce the production cost considerably and would give profit return from the present loss position.
- Since Karaikal District is the second largest region with 34.5% of the Area and 17.5% of the Population of our Union Territory not less than 25% of the Total Plan allocations both in Annual Plans and in the 11th Five Year Plan should be earmarked for Karaikal. In allocation of funds due weightage should be given for size of the Region and to the economic and social backwardness of the people.
- The Sectors of Tourism, Education, Fisheries & Industries along with infrastructural development, Power generation, Water Management and Urban Development should be given Top Priority.
- Karaikal should be focussed as a Backward District in the Union Territory of Puducherry and the National Employment Guarantee Programme should be arranged to be implemented there. Special funds for backward district development as given in Bihar may also be obtained for Karaikal district.
- Through setting up of a Special Economic Zone, laying of National Highways and setting up of Desalination Plants about Rs.2000 crores may be obtained for our Union

Territory outside the Plan through Centrally Sponsored Schemes.

- While allocating more funds for the Backward District of Karaikal simultaneously the District Administrative structure as well as the corresponding departments should be strengthened with necessary upgradations and powers.
- Necessary Working Groups may also be formed for formulation of 11th Five Year Plan for our Union Territory.
- With the help of the Planning Commission, project preparation facility may be established in Puducherry.
- Economic growth of our UT should be the main focus to create employment opportunity, generate income, increase purchasing power and to provide decent living.

Thiru A.M.H. Nazeem, Hon'ble Opposition Leader

- On the basis of the requirement of Karaikal District more than 25 % of the Plan allocation shall be given to Karaikal.
- Special Economic Zones shall be set up in all the Reions
- The setting up of Port and airport in Karaikal shall be expedited
- The Electricity maintenance and delivery system is very weak especially in Karaikal, hence the Electricity

Department should be strengthened and their working system streamlined.

- The Karaikal Gas Power Plan should be expanded by obtaining additional gas.
- The Broad-gauge Railway projects of Karaikal District should be expedited.
- Desalination of Seawater should be taken up in Puducherry and Karaikal.

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

- District Planning Committee should be formed to consolidate the plan proposals of Commune Panchayats and Municipalities of this Union Territory for inclusion in the Draft Eleventh Plan document.
- Suitable industrial sheds can be constructed by various Municipalities and Commune Panchayats in their respective areas with reasonable facilities which would mitigate the hardships of the entrepreneurs and also pave way for permanent income to the local bodies.
- A private university sponsored by some eminent institution, can be established in this territory other than the existing Central University to give further fillip to higher education.

Thiru S. Mohan Kumar, IMFR, Chennai

- Thrust should be given on Captive Utility (Power, Water) component and demand side management in power, water etc.

- Employment potential should be fully tapped under service sector
- The government should take active steps to develop public sector units by medium term and long term approaches. Under the medium term approach, the main objective should be how to improve sales and become self-sufficient in terms of working capital requirements. The unit of public sector undertakings may require detailed study on one or more following areas
 - i) atleast partial tie-up for marketing so that some bulk sales is possible in the case of textiles.
 - ii) Moving up the value chain in the case of sugar industries
 - iii) Re-look of product mix and product market possibility of addition of niche products to existing base products.
 - iv) Appointment of Professional Chief Executives
 - v) Downsizing before attempting modernisation
- Under long term approach, the Government can follow the recommendations of Rahavan committee constituted by the Tamilnadu in 1996 reforms and restructuring of State PSUs. Similarly the Public Sector Undertakings may be classified as in 4 categories.
 - i) Economic purpose as PSU justified and making profits
 - ii) Economic purpose as PSU justified but incurring losses
 - iii) Economic purpose as PSU not justified but making profits.
 - iv) Economic purpose as PSU not justified and also incurring losses.

- Under industrial sectors, emphasis is rightly on non-water intensive and non-intensive polluting units. Efforts to be made to revive its strength as hardware capital (Computers) of India.
- Under tourism sector, development of heritage and cultural tourism, extension in terms of eco-tourism and promotion of hospital, medical facilities and educational institutions. Under agricultural sector, increasing slant of horticulture and floriculture, cottage industries by adopting the model of Kerala, coconuts, vanna and orchids. Under rural sector, development of vegetables, fruits – self reliant dwelling units.

It was decided that the Board will meet again in the Second week of December 2006.

Director (Plg) thanked the Chairman, Vice-Chairman and other Members of the Board for their valuable suggestions and the meeting came to an end with a decision to have a final meeting in the second week of December.

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