

MINUTES OF THE STATE PLANNING BOARD MEETING HELD ON
27.12.2006

The second meeting of the State Planning Board for the current year was held on 27.12.2006 in the Conference Hall of the Chief Secretariat under the Chairmanship of His Excellency the Lt. Governor to finalise the Draft Eleventh Five Year Plan 2007-2012 and Annual Plan 2007-08. Hon'ble Chief Minister and Hon'ble Ministers, Chief Secretary and Secretaries to Government attended the meeting.

Chief Secretary extended a warm welcome to His Excellency the Lt. Governor, Hon'ble Chief Minister, Hon'ble Council of Ministers and other distinguished members of the board. He informed the Board that he had the opportunity to represent Government of Puducherry along with Hon'ble Chief Minister for the 52nd National Development Council meeting which was held on 09.12.2006 at New Delhi under the Chairmanship of the Hon'ble Prime Minister to finalise the "Approach to the Eleventh Plan 2007-12". He broadly indicated the direction of NDC on formulation of the Eleventh Plan 2007-12 as follows:-

- ❖ *While the services sector and the manufacturing sector in the economy are growing at a very rapid pace, the growth in agriculture is down to 1.4%. Unless we achieve **4% growth in Agriculture** at national level, it will not be possible to achieve the overall growth of 10% for the Eleventh Plan.*
- ❖ *Infrastructure continues to be a very important part of the deliberation. It was felt that close monitoring is required to ensure that Infrastructural development projects are completed on time so as to avoid cost and time overruns.*
- ❖ *Need to take up skill development programmes on priority basis to meet the requirement of industries. Otherwise, it would lead to large scale unemployment or disguised under employment.*
- ❖ *Health and Education continue to get top priority to achieve targets fixed by the Planning Commission at the national level.*
- ❖ *Finally, the marginalized groups such as Scheduled Castes, Scheduled Tribes, minorities and other weaker sections of the society should also be included in the process of development and to share the gains of economic growth.*

His Excellency, the Lt. Governor at the outset congratulated the distinguished members of the Board, for their thought provoking innovative ideas and significant contributions in the first meet of the State Planning Board held on 20.11.2006. It revealed their keen desire and eagerness in improving the growth rate of the State for the common good of all. He further added that those valuable inputs were taken into consideration while formulating the draft plan proposals by the departments

concerned. In the inaugural address, His Excellency, the Lt. Governor summed up the deliberations of the last meet as follows:-

- ❖ *Chief Secretary had drawn the attention of the Planning Board Members to certain key areas that deserve focussed attention such as Rural Water Supply, Sewerage, Improvement of road connectivity through flyovers and simplified road architecture, bigger airports with improved infrastructure facilities in order to attract investment. While at the same time he stressed the need for judicious investment of resources with the involvement of Private sector. If Puducherry has to become 'Mini Hongkong or Mini Singapore' various development projects such as improvement of sewerage system, solid waste management, improvement of air, road and rail connectivity to Chennai and Bangalore deserve to be placed at the top of the Planning agenda. With the growing traffic population, the Mass Rapid System (MRTS) has become imperative and we should draw up plans and allocate required funds to take up the project in the Eleventh Plan.*
- ❖ *Prof. M. Ramadoss, Hon'ble Member of the Lok Sabha had stressed the need for scientific planning with sectoral linkages, involving District Planning Board in the planning process, setting of targets aimed in terms of employment generation, removal of poverty, Agriculture development and constitution of Working Groups for better implementation of plan schemes. He also suggested that all textile mills should be brought under one roof for better co-ordination and for optimum use of manpower and other resources. He also stressed the need for regional planning with the allocation of outlay in proportion to population of each region.*
- ❖ *Shri V. Narayanasamy, Hon'ble Member of Rajya Sabha had emphasized outcomes rather than outlays that are more important. He had echoed the views that resources obtained from Government of India are being spent without any critical review. Accountability, review of the benefits of the schemes, overlapping of schemes was the other key issues underlined by him. He added that steps may be taken to attract Information Technology (IT) & IT Enabled Service (ITES) industries to overcome industrial stagnation.*
- ❖ *Shri M.O.H.F. Shajahan, Hon'ble Minister for IT stated that Government of Puducherry should draw a clear cut IT policy and we have to match our neighbouring states in terms of infrastructure facilities to attract IT industries to our Union Territory.*
- ❖ *Shri V. Vaithilingam, Hon'ble Minister for Agriculture has suggested to setup an agency similar to that of Food Corporation of India to procure paddy directly from the farmers. He had suggested that alternate cropping and precision farming need to be popularize for the benefit of farmers, particularly for the farmers of Karaikal region.*

- ❖ *Shri Malladi Krishna Rao, Hon'ble Minister for Tourism has an ambitious plan of promoting Puducherry as the number one tourist destination in India. Tourism being manpower-oriented industry will not only make significant contribution to the economic growth but also generate significant employment opportunities. Ashram, Auroville, French connection and coastal location combined together will give ample scope for tourism promotion.*
- ❖ *Shri E. Valsaraj, Hon'ble Minister for Health has pointed out that Puducherry should gear itself to host a National Level Film Festival or Sports Festival. A Convention Center to hold various fairs and exhibitions is the prime need for Puducherry. An oceanarium could be established to attract tourists.*

His Excellency, the Lt. Governor further observed that the departments should revisit the schemes that are being implemented by them and the nodal officers concerned should carry out a true introspection of the effectiveness of the schemes on whether the schemes have had the desired impact and whether it has contributed to the welfare of the targeted group. The bottlenecks surrounding the effective implementation etc., need to be reviewed. The tendency of the departments in continuing a scheme in a routine manner without making an assessment of the impact of the scheme on the society has to be shrugged off.

Government has a vital role to play in taking care of the needs of the poor, downtrodden and weaker section. The schemes should ensure that the downtrodden get a share of the benefit of development programmes. The main objective of our plan implementation should be to create more employment opportunities, eliminate poverty and ensure economic growth with social justice. Action will be taken to prepare Human Development Index for Puducherry.

His Excellency, the Lt. Governor further added that the housing scheme of the Government should address the problems of the rural people and we should implement PURA (Provision of Urban amenities in Rural Areas). Allocation under the Scheduled Caste Sub-Plan should be in proportion to the Scheduled Caste population to improve the socio-economic conditions of Scheduled Castes. Public Private Partnership should be encouraged for infrastructure projects in our Union Territory.

Director (Planning) through Power Point Presentation informed the Board that departments have proposed an outlay of Rs.13,311.39 crore for the Eleventh Plan 2007-12 and Rs.3,253.47 crore for the Annual Plan 2007-08. He further clarified that the departments have asked for enhanced plan allocation in almost all sectors for the Eleventh Plan 2007-12 as compared to the actual allocation for Tenth Plan 2002-07. The board was also informed that Financial Resources Division of the Planning Commission was informed earlier that UT Administration may project a plan outlay of Rs.9,212.00 crore for the Eleventh Plan and Rs.1,458.00 crore for the Annual Plan 2007-08 based on the decision taken in the first meeting of the State Planning Board and 60% of the projected outlay need to come as Central Assistance from Government of India.

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

Prof. Dr. M. Ramadoss, MP (Lok Sabha)

- ❖ *We should project an average growth rate of 13% during the Eleventh Plan against the projected growth rate of 9% at National Level.*
- ❖ *The projected outlay for the Eleventh Plan (Rs.13,311.39 crore) seems to be on the higher side as resource mobilization for the outlay of that order will be very difficult. Government of India may not be in position to fund 60% of the projected outlay for the Eleventh Plan as Government of India is keen to enforce Fiscal Responsibility and Budget Management Act in letter and spirit.*
- ❖ *Introduction of VAT would bring complexities and uncertainties. Although, in the first year of VAT introduction, Ministry of Finance, Government of India may meet 100% loss if any, but CST will be reduced from 4% to 2%, which would adversely, affect our effort on resource mobilisation. In this context, introducing user charges for selected services may be considered as a part of resource mobilization.*
- ❖ *It is not desirable to borrow funds to fund our plan projects. On the other hand, we should gradually reduce the debt burden over a period of time. He further added that borrowed capital should be productively spent on projects yielding good return to repay the loan as well as the interest component of the borrowed capital.*
- ❖ *Centrally Sponsored Schemes do not find place in the Plan document. Government of India had already initiated action to transfer all Centrally Sponsored Schemes to the respective States and Union Territories with 100% funding. Government should take full advantage of such schemes and identical scheme in the state sector should be dropped.*
- ❖ *Plan document should also contain the schemes proposed under Scheduled Caste Sub-Plan. It should be implemented in letter and spirit.*
- ❖ *The list of schemes to be taken up through Public Private Partnership mode and percentage of funds to be funded under State Plan for those projects should be clearly indicated.*
- ❖ *Outlay proposed under "Agriculture" is quite inadequate. It should be stepped up for dynamic growth in Agriculture through horticulture and other new schemes.*

- ❖ *The outlay for Tourism sector should be stepped up.*
- ❖ *Allocation for Fisheries Sector should be stepped up particularly under "Tsunami head "as only Rs.2 crore is allocated for Fisheries as against the total allocation of Rs.220 crore under "Tsunami head" for the year 2006-07.*
- ❖ *Objectives should be explicitly mentioned in the plan document so as to explain the ways to reduce IMR.*
- ❖ *Plan document should reflect employment projections and monitorable targets.*
- ❖ *Common Minimum Programme is the major blueprint for the development of our country. It should be included in the Plan document.*
- ❖ *Accessible growth would be better idea than inclusive growth. The concept of inclusivity is always there in the planning SC, ST, minorities and other weaker sections remain outside the ambit of growth.*
- ❖ *Government of Puducherry had already initiated action to improve Karaikal economy through regional planning approach. We should instill a sense of confidence among people of Karaikal by preparing separate development plan for Karaikal.*
- ❖ *Education, Employment and Economy are interrelated. We should assess the type of manpower that may be required in the next five years. Accordingly, educational institutions should be geared up to produce skilled manpower to meet the requirement of the Industries. A separate working group can be constituted to prepare manpower requirement for Puducherry.*
- ❖ *All schemes should be evaluated based on the objectives and redundant schemes should be dropped.*
- ❖ *Each department may be directed to prepare activity maps for the State as a whole and for each Panchayat.*
- ❖ *Identity cards should be given to unorganised workers. It is noticed that 80 % of the workers in this Union Territory are under unorganized sector.*
- ❖ *To speed up the completion of new railway line between Nagore-Karaikal, Rs.25 crore may be provided under State Plan as our contribution towards 50% of total estimated cost of the project to the Railway Board.*

- ❖ *The laying of Chennai-Puducherry-Cuddalore Broad Gauge line along the East Coast shall be proposed to Railway Board for faster development of this region and the cost may be shared.*
- ❖ *In view of the increasing Plan Outlay and to work out specific development strategies, State Planning Commission is absolutely necessary.*
- ❖ *A window should be created to provide socio economic benefits such as housing, credit facilities etc. to Scheduled Tribe population.*

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

- ❖ *Funds under the Centrally Sponsored Schemes have to be availed for the implementation of underground drainage and tourism purposes. Borrowing funds for the implementation of such projects from other sources should be avoided.*
- ❖ *Outlay for Agriculture and Allied Activities has to be enhanced in order to achieve 4% growth rate during Eleventh Plan period.*
- ❖ *Steps should be taken to formulate more revenue generating schemes.*
- ❖ *As laid down in the "Approach to Eleventh Plan", there should be accountability by the officials and transparency in implementation of plan schemes.*
- ❖ *Due to lack of monitoring / reviewing of plan schemes, there is no progress in poverty alleviation programmes in our UT in spite of implementing many welfare schemes under plan.*
- ❖ *Allocation of more funds for Forestry needs to be relooked as there is no declared forest area in our UT.*
- ❖ *As Government of India has provided Rs.1,70,000 crores for the Bharat Nirman Programme and Rs.1,00,000 crores for Jawaharlal Nehru National Urban Renewal Mission programme, steps should be taken to take full advantage to these two programmes during the Eleventh Plan.*
- ❖ *Allocation for Power sector should be stepped up to meet the growing demand for Power in our UT.*
- ❖ *As laid down in the Common Minimum Programme, more number of Industrial Training Institutes should be established for producing skilled manpower.*

- ❖ *The unemployment rate is very high in our UT, which is evident from the fact that more than 1.60 lakh people are in the live register maintained by the Employment Exchange. Hence, Plan schemes should be formulated to generate more employment opportunities in our Union Territory.*
- ❖ *Industrial Policy and I.T policy should be more attractive to induce entrepreneurs to choose Puducherry as their destination.*
- ❖ *Creation of infrastructure facility is needed for speedy economic growth.*
- ❖ *As far as possible, payment of subsidy should be discouraged as it would lead to lazy labour force. Such subsidy amount can be utilized for production oriented and employment / revenue generating schemes.*
- ❖ *Loss making co-operatives may be closed as practiced by Government of India in case of loss making Public Sector Undertakings.*
- ❖ *The corruption oriented Single Tender system should be abolished. Online Tendering System may be introduced to ensure transparency.*
- ❖ *More concentration is needed for development of Agriculture and Allied activities, Tourism and Industries during Eleventh Plan.*

Opposition leader Shri. A.M.H. Nazeem, M.L.A

- ❖ *To rectify regional imbalances, 25% of plan funds should be earmarked for the development of Karaikal region.*
- ❖ *Karaikal should be declared as a backward district.*
- ❖ *As the population of cattle has decreased, steps should be taken for diversification of activities under Animal Husbandry sector.*
- ❖ *Fishing activities should be modernized.*
- ❖ *As the Uniform Sales Tax and Value Added Tax system have adverse effect on the industrial development, incentives may be offered to attract entrepreneurs to our Union Territory.*
- ❖ *The infrastructure facilities have to be developed to cope up with the increasing population.*

- ❖ *Steps to be taken to expedite the implementation of railway, port and airport projects.*
- ❖ *U.T Administration has to contribute their share of Rs.25 crores towards laying new Nagore-Karaikal broad-gauge railway line.*
- ❖ *The Members of Parliament to take necessary efforts at their level for declaring Karaikal as a backward region.*
- ❖ *The Karaikal Infrastructure Development Agency has to be established.*
- ❖ *Necessary posts have to be created to strengthen the office of the Collector, Karikal.*
- ❖ *Promote Health tourism in Puducherry region, Temple tourism in Karaikal region and sight seeing tourism in all four regions of the U.T.*
- ❖ *More funds have to be allocated to the Puducherry Road Transport Corporation to enable them to ply more buses.*
- ❖ *A Medical college may be established in Karaikal under co-operative sector as in Tellicherry.*
- ❖ *Expedite the under ground drainage project for Karaikal town and replacement of old bridges in Karaikal region.*
- ❖ *25 acres may be provided for establishing an IT park, as indicated by the Hon'ble Minister of Information Technology, Government of India.*
- ❖ *Special Economic Zone may be established in all the four regions.*

Thiru. R. S.Chari (Non-official Member)

- ❖ *Private Sector participation in the field of Higher education may be encouraged since they allot 50% of the seats to the students selected by the CENTAC.*
- ❖ *Under Industrial policy, the private participation has to be encouraged to impart certification courses to the workers.*
- ❖ *Finance Ministry may be approached to treat the U.T of Puducherry as State for releasing funds based on the recommendations of the 12th Finance Commission.*

- ❖ *The UT should take full advantage of Centrally Sponsored Schemes, since 100% funding is done by the Government of India.*

Hon'ble Minister for Tourism Shri Maladi Krishna Rao

- ❖ *More scope for the development of Tourism in all four regions.*
- ❖ *Land may be leased to the private investors for the development of Tourism Industry as done in the neighbouring States.*
- ❖ *Temple Tourism industry may be developed in Karaikal, where land is available.*
- ❖ *Education department in Mahe is ready to transfer lands to Tourism Department for promotion of tourism industry in Mahe region.*
- ❖ *Mahe & Yanam needs priority in Eleventh Annual Plan 2007-12.*
- ❖ *Enhanced plan allocation is required under Community Development Sector for Yanam region during the Eleventh Plan.*
- ❖ *Jawaharlal Nehru National Urban Renewal Mission programme is applicable only for the Puducherry town (the only urban area among the four regions) as per the guidelines of the Government of India. Therefore, necessary State funds should be allocated for the development of urban areas in the outlying regions.*
- ❖ *Garbage cleaning through private participation should be extended to outlying regions.*
- ❖ *Allocate Rs.102.81 crores under Plan to take up certain civil works / projects in the Yanam region to reduce the impact of cyclone and floods.*
- ❖ *Underground sewerage and drinking water supply projects shall be implemented in Yanam region.*
- ❖ *Enhanced Plan allocation is needed to take up various tourism development projects in our UT.*
- ❖ *Planning Commission may be approached for special package to develop Tourism industry in our UT.*
- ❖ *Employment generation schemes should be implemented in Yanam and Mahe regions to tackle the problem of unemployment.*

Hon'ble Minister for Education Shri. M.O.H.F.Shajahan

- ❖ *Stressed the linkage between the education, employment and economic growth.*
- ❖ *Need for improving the quality of education in order to produce skilled man power which is required for the IT oriented industries.*
- ❖ *On the lines of Special Economic Zone, Special Educational Zone may be established to promote Puducherry as Educational hub. Technical courses may be offered by establishing world-class training centers in the Special Educational Zone.*
- ❖ *International exchange programmes may be conducted in the proposed Rajiv Gandhi Knowledge Village.*
- ❖ *Clear cut policy decision should be taken at the earliest for encouraging the IT industries in the U.T.*
- ❖ *Air connectivity between Puducherry and Chennai, Hydrabad and Bangalore are essential to promote IT related industries and also for promotion of tourism.*
- ❖ *It is essential to ensure that Puducherry is Eco-friendly and Garbage free zone for attracting the Private and Foreign investors.*
- ❖ *Take full advantage of Centrally sponsored schemes for the development of our UT.*
- ❖ *Revenue generating schemes / projects shall be formulated and implemented on priority as done in Andhra Pradesh during the tenure of Thiru Chandrababu Naidu, former Chief Minister of Andhra Pradesh.*

Hon'ble Minister for Health Shri. E. Valsaraj

- ❖ *Prioritization for Health and Education in the Eleventh Plan.*
- ❖ *Only 6% allocation is provided for Health Sector in the proposed outlay and out of this major portion of the outlay goes to various Health societies. It should be enhanced to 10% for achieving better result in the Health sector.*
- ❖ *Higher Health index is prevailing in the U.T of Puducherry. To maintain this trend allocation of more funds.*

- ❖ *Implementation of Special Economic Zone and Development of Puducherry Port should be expedited.*
- ❖ *Mahe with a population of 37,000 is 650 kms away from Puducherry. It is lagging behind in many areas. Hence, sufficient fund should be provided under Plan for the development of Mahe region during the Eleventh Plan period.*
- ❖ *Potential is available for the development of education, industries and IT related projects in Mahe region. Tourism potential of Mahe is yet to be exploited. To tap this a Master Plan has to be prepared. This work may be entrusted to some reputed private consultancy firm.*
- ❖ *The Town and Country Planning department may be entrusted with the job of preparing City Development Plan for Mahe region.*

Hon'ble Minister for Agriculture & Industries Shri.V. Vaithilingam

- ❖ *Paddy is grown in two third of the cultivable land whereas pulses are grown in remaining one third of the cultivable land. The farmers are not getting the minimum support price for paddy at the time of harvest. To benefit the farmers, storage facilities and processing facilities should be established in the rural areas with the Private Participation. This would avoid distress sale by farmers immediately after harvest.*
- ❖ *Subsidy and loan through banks can be provided to farmers for establishing rural godown and purchase of drying and cleaning machines.*
- ❖ *Cold storage facilities in rural areas benefit not only farmers but also for fishermen community.*
- ❖ *State Government may also give subsidy in addition to financial assistance available under Centrally Sponsored Schemes.*
- ❖ *The President for "Pasumai Padaï" may be nominated in the beginning / first year and from the second year onwards they may be selected / elected according to the rules and regulations.*
- ❖ *Financial assistance may be extended to all categories of entrepreneurs to set up industrial units in our UT.*
- ❖ *Importance should be given for Hi-tech horticulture through precision farming and technological intervention.*

- ❖ *Power sector investment may be stepped up.*
- ❖ *Creation of necessary infrastructure is required for development of industries. Such infrastructure can be utilized by the IT industries also.*
- ❖ *Steps may be taken for establishing Regional Engineering College in Puducherry.*
- ❖ *The Government of India may be approached for establishing Institute of excellence like I.I.T, I.I.M., in the U.T. of Puducherry.*
- ❖ *The leading technical institutes like BITS Pilani may be requested to start their branches in our U.T.*
- ❖ *By using the French connection, International Educational Institutes may be approached for starting courses in our U.T*

Hon'ble Chief Minister observed that Puducherry progressed well and made impressive achievements in almost all spheres of economic activity during the last five years. Many welfare schemes were launched and successfully implemented for the benefit of poor and downtrodden. On the infrastructure front, steps were taken for development of SEZ, Airport, Ports, electrification of railway line between Villupuram and Puducherry etc. Adequate funds were allotted for development / widening of roads, construction of new bridges, improvement of water supply, supply of uninterrupted and quality power etc. Educational Institutions were improved and Health Centres were strengthened to provide better service to the public. New schemes of providing housing subsidy to poor people were launched for Puducherry to become hut free town within a reasonable period of time. Our efforts for developing Puducherry as No.1 state in all economic activities will continue during the Eleventh Plan. Finally, he suggested that the Board can recommend a plan outlay of Rs.10,000 crore for the Eleventh Plan 2007-12 and Rs.1600 crore for Annual Plan 2007-08 .

Director (PIg) thanked the Chairman, Vice-Chairman and other Members of the Board for their valuable suggestions.

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