

GOVERNMENT OF PUDUCHERRY
PLANNING AND RESEARCH DEPARTMENT

No.217/PRD-2011/PF

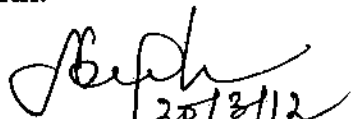
Puducherry, the 20.3.2012.

CIRCULAR

Sub: State Planning Board Meeting – Minutes Communicated – Reg.

A copy of the minutes of the State Planning Board meeting held on 20.2.2012 under the Chairmanship of HE the Lt. Governor is sent herewith.

Encl: As stated.


20/3/12
(Dr. S. Karagasabai)
Director (Plg.)

To

The Chairman and Members of the Board.

MINUTES OF THE STATE PLANNING BOARD MEETING HELD ON 20-2-2012
UNDER THE CHAIRMANSHIP OF HE THE LT.GOVERNOR

The State Planning Board meeting to finalise the Draft Annual Plan proposals 2012-13 was held under the Chairmanship of H.E. the Lt.Governor on 20.2.2012 at Mother Theresa Post-graduate and Research Institute of Health Sciences, Indira Nagar, Gorimedu.

Development Commissioner in his welcome speech outlined the following points:

- 2011-12 is the concluding year of 11th Five Year Plan and is the moment to look back at our performance.
- To see the short coming and learn from the mistakes and make corrections and also to assess what is the existing position and to see what is required for the next year.
- 60-65% outlay only has been achieved with reference to 11th Five Year Plan approved outlays. The resources have not kept pace with the Annual Plan Outlays
- Implementation machinery has to be geared up.
- Ministry of Finance through Ministry of Home Affairs has asked to frame Road Map to reduce our Debt: GSDP ratio from 31% to 20% in the next 8 to 10 years and the fiscal deficit of 5.7 % to be brought down 3% of GSDP and accordingly a Road map has been framed on the principles of Fiscal Responsibility Budget Management Act (FRBM).
- The onset of the year 2012 has been a testing time because of Thane cyclone. Through timely relief and rehabilitation measures, we have made a very quick response to the calamity and quick comeback to normalcy.

Director (Plg.) made a Power Point Presentation on the Draft Annual Plan proposals 2012-13 to the chairman and members.

- The guidelines received from Member Secretary, Planning Commission on the preparation of Annual Plan 2012-13 indicates that a detailed review of existing programmes need to be taken up to determine whether they should continue in the XII Plan or whether they need to be suitably altered to achieve new objectives.
- Emphasis is required on completion of on-going programmes.
- Up-gradation of existing capital assets before starting new projects.
- New projects to be taken up only after certain minimum number of partially completed / on-going projects are brought to completion.
- To improve productivity of existing capital assets and efficiency of resources, selective use of Plan funds not exceeding 15% of Plan outlay support to be used for maintenance, renovation and critical repairs.
- The State Planning Board was informed on the exercise of Zero Based Budgeting carried out in view of ensuing 12th Five Year Plan.
- UT's Central Assistance vis-à-vis UT's own resources has been on the decline due to change in the pattern of Plan Finance.
- Revenue receipt has an increase of 20% (₹145 crores) upto January 2012 against the corresponding period of the last year (January, 2011).
- As against ₹10705 crores of approved BE level by the Planning Commission for the 11th Five Year Plan, the likely expenditure would be around ₹6800 crores.
- The Draft Annual Plan proposals submitted by Departments for 2012-13 has been pegged at ₹3961 crores which is a 44% increase on 2011-12 approved outlay of ₹2750 crores, which is unrealistic. Hence, as per the Fiscal Road Map, a realistic outlay need to be fixed.

- The regional allocation need to be made by implementing departments as per the advice of the Planning and Research department in proportion to the population of the respective regions.
- SCSP is implemented by AD Welfare department. The allocation is to be made in proportion to the SC population.
- The strategies proposed for the Annual Plan 2012-13 has been highlighted.
- The main focus would be to achieve a balanced and sustainable growth with more diversified agricultural base integrated with environmental safeguards.
- Given the limited area under crops, thrust will be given to high value crops and promote development of Nursery Villages / Seed Villages to get higher returns.
- Measures will be introduced to increase livestock yield and specifically domestic milk production, development of dairy complexes with sufficient green fodder production, goat rearing, poultry rearing and mushroom production in home yards etc.
- Major infrastructure development such as fishing harbour, ice plants for preserving fish and market yards needs to be strengthened significantly to harness the full potential of the sector.
- Public Private Partnership (PPP) mode will be tapped to provide good infrastructure for accelerated growth of industries with increasing slant on exports.
- A conducive labour policy manual to synchronize with the industrial policy will be framed.
- In order to maintain reliable and stable power supply, it is proposed to provide improved power distribution network of high reliability with least transmission and distribution losses.

- It is also proposed to expand the existing Gas Power Plant by 100 MW to meet the growing power demand.
- In order to strengthen the quality of education at school level, it is proposed to identify habitation with infrastructure gaps and to bridge the gap facilities like construction of additional class rooms, strengthening of libraries, purchase of science kits, appointment of teachers.
- The paradigm shift in the focus of health care will be from “disease control” to “disease prevention” and from communicable disease management to non-communicable disease management which modify life style practices.
- To contain traffic congestion, it is proposed to construct over bridges and sub-ways, wherever necessary.
- To uplift SC population, focus would be on overall socio-economic development such as provision of quality education, imparting training and self-employment, providing houses etc.
- Tax efforts need to be enhanced. Planning Commission observed that in respect of Commercial Tax considering the buoyancy of 20%, there is scope to increase further taxation of 15%.
- Water tariff should be increased and the Sewerage Tariff be introduced. It was suggested to introduce charges on Health and Education sector particularly in Higher Education. To increase all fees and charges to 10% to 15% per year to help non-tax Departments.
- All the Plan Posts to be taken to the Non-Plan side and take up the issue with Ministry of Home Affairs & Ministry of Finance. Planning Commission will support the same.
- The system of giving subsidies on consumption is unhealthy and this needs to be looked at closely in all Departments.

- To create a Calamity Relief Fund by Government of Puducherry as Puducherry is not covered under Central Finance Commission.
- The cap of yearly borrowing as per the Fiscal Road Map has been highlighted.
- Plan borrowings has been capped upto ₹720 crores during 2011-12 and ₹780 crores during 2012-13
- The resource projected by Finance department for the Annual Plan 2012-13 is ₹1922 crores.
- A request of ₹500 crores towards relief measures got included in the Draft Annual Plan 2012-13.

H.E the Lt.Governor, Chairman initiating the discussion opined as below:

- The formulation of the Draft Annual Plan 2012-13 should spell out the mission and vision statement which will substantively fall within the realms of possibility of achievements
- Planning is essentially a process of an objective assessment of facts, formulation of possibilities and strategies for implementation coupled with evaluation, process and control.
- Plan process should dwell upon the threats in light of strength and weakness of past experience. It must rise beyond the limitations of past trends, immediate pre-occupations and pressing challenges to perceive emerging opportunities and concealed potentials.
- Experience should form the basis for evolving the strategic planning
- Availability of resources has been shown as ₹.1922 crores. Taking into consideration from the previous year's resources mobilisation, the funding pattern of 2012-13 is more optimistic than realistic. Hence to revise the outlay and give a judicious plan size.

- To go for PPP mode for infrastructure development and to maintain the economic growth. It is much imperative to identify the schemes that would be implemented under CSS and each department should interact with their Central Ministry to get Central Assistance to the maximum.
- REAP, Urban Development, Tourism, Medical and Public Health form the key sector for development and needs attention.
- Revitalisation of agricultural and allied activities, more employment opportunities, upgradation of skill for better utilisation of manpower etc, should form the focus of Plan.
- Welfare schemes should be target oriented for the beneficiaries. It should not be a burden on exchequer.
- Working of PSUs should be reviewed to make them self-sustaining. They need to be reviewed mandatorily in the State Planning Board.
- Borrowing has come to be a part of the substantial part of mobilisation. Liability of debt servicing is increasing steadily having a bearing on our repayment capacity.
- Borrowings should be put to productive purposes which will yield returns in the long run to meet the interest payments.

Thiru V. Narayanasamy, Hon'ble Minister of State, PMO had sent his comments for circulation as below:

- Status of plan expenditure for the current year 2011-12 has not been analysed. Surrender of funds likely in the current year.
- Objectives of 12th FYP as approved by NDC have to be reflected in the Vision Document.
- Norms prescribed by Hon'ble Supreme Court needs to be followed in the procurement of rice/paddy through FCI to meet the PDS requirements.

- In view of damages on account of "Thane" cyclone, future Annual Plans should focus on long term restoration measures.
- To work out a detailed plan of action for timely market borrowing to fund special schemes.
- Introduce latest technologies in Agriculture sector, focus on horticulture, Fisheries sector.
- Avail assistance from NASSCOM to upgrade IT hardware base.
- Preparation of action plans to focus on vocational training and skill development.
- Schemes to augment power generation.
- Unveil appropriate policy measure to higher and technical education.
- Fixing time-lines for constructing new roads, bridges, flyovers using funds from Govt. of India.
- Priority for implementation of Tirunallar Temple Town scheme. Laying new railway line between Karaikal-Peralam, Karikal-Salem via Perambalur, Ariyalur.
- New ventures into the Tourism sector which bring revenue to Puducherry.
- Avail funds under various Central Schemes, Centrally sponsored flag-ship schemes. This will give additional resources for implementing various social and infrastructure schemes in Puducherry.
- Periodic meetings of State Planning Board should be conducted as 'Stock-taking' helps better implementation of schemes

Dr.M.Ramadass, Director (Studies, Educational Innovation and Rural Reconstruction), Pondicherry University shared the views:

- Puducherry economy is above National Average i.e 13% growth rate. It is only when the economy grows, we are able to create employment and income opportunity to the people and this growth has to be sustained in the 12th Five Year Plan. Govt. of Puducherry deserves appreciation.

Appreciated that the Govt. had used zero based budgeting and reduce the number of schemes from 341 to 226. Growth will be greater in implementing these schemes.

- UT enjoys high Human Development index. Puducherry has advantage of high economic development next to Punjab and social development next to Kerala.
- The strategies proposed in the Vision document under preparation need to reflect in the Draft Annual Plan 2012-13 document being the first year of the 12th Five Year Plan.
- The Plan size of ₹.3961 crore is unrealistic. Past experience in spending has indicated to have a realistic plan size.
- The major portion of internal resources generated under tax, say, ₹.1000 crores need to be allotted to Plan for development programmes and the remaining portion only should go to Non-Plan budget. If there is a gap in Non-plan, administration can approach MHA to provide increased non-plan gap grant with proper justification instead of reducing the plan resources.
- Include UT of Puducherry under the Terms of Reference of Central Finance Commission which require a constitutional amendment so that funds under devolution could be obtained.
- To get Statehood and offered his services to help in the venture.

- Suggested to restrict the Plan size to a reasonable level say 10% of Approved Outlay of 2011-12.
- Avail CSS funds and create infrastructure.
- Population and area criteria should taken for regional allocation.
- Support price should be implemented to solve agriculture crisis.
- MGNREGA – should go for a social audit.
- Offered to give the services of MBA graduates to prepare feasibility report for the loss making PSUs so as to run on profit.
- The workers in the five textile mills are paid wages and no work. A viability report can be prepared and run the mills on profit.

Thiru P.Kannan, MP Rajya Sabha

- Per capita income of Puducherry seems to be high next to Punjab. Whether the income of French pensioners are included in this. The per capita income had to be realistic and not illusionary.
- UT has excelled in health field for the past 30 to 40 years and good development in the Education sector
- Presently there are no ring-roads, fly-overs etc and the traffic congestion has to be addressed upon. Parking of vehicles add to the traffic congestion and the erstwhile jail could be converted with ground level for parking and multi-storeys for commercial purposes.
- Thane Relief Fund need to be operated as a separate account.

Thiru V. Vaithilingam, Leader of Opposition observed the following points

- Actual per capita income for the current year is low. It has come down from 6% to 2% due to population growth.
- The total Plan outlay for 11th Five Year Plan period was ₹.10650 crores whereas the anticipated expenditure is to the tune of ₹.6900 crores.

- For the Annual Plan 2012-13, an outlay of ₹.3961 crores is projected, whereas the available resources is ₹1922 crores .
- Taxation for the last year is ₹.1090 crores. Govt. should achieve the current taxation of about ₹. 2120 crores to solve the financial crisis.
- Most of the educational institutions and corporations are funded under Plan. Since there is a ban from 1985 onwards, there is no creation. Govt of India considers any commitment for salaries and related matters only in respect of sanctioned and approved posts. But unfortunately most of the educational institutions/Societies do not follow this procedure.
- Strengthening and creation of more manpower in revenue earning departments like Commercial Taxes
- Regional allocation need not be disturbed. Mahe and Yanam regions earn more revenue than the Plan allocation made to the respective region.

Thiru Valsaraj, MLA, Special Invitee:

- Borrowing has to be curtailed. Public debt is around ₹.4040 crores
- Mahe region is next to the Headquarter in revenue realisation.
- More projects are not completed due to cost escalation and delay due to time component.
- Unspent allocation should not be transferred from one region to another and to be carried forward.
- One of objectives of the Vision Document is the infrastructure needs of the U.T. The traffic congestion in the old town is very heavy. There was a proposal to convert the old jail complex to multilevel parking. Consultation was given to ILFS. But so far no progress.
- In order to increase primary sector GSDP, the indiscriminate conversion of agricultural land has to be controlled.
- A robust scheme for tapping non-conventional source of energy is required.

- The local bodies are starving for funds and not able to take up any activity. Adequate funds need to be provided for Heritage conservation.
- Regional Board need to be constituted in Mahe and Yanam Regions.

Thiru Malladi Krishna Rao, MLA, Special Invitee

- Constitution of Regional Board for Yanam and Mahe.
- Since sanction has not been issued for 6 Kms for Dowleswaram drinking water supply project, drinking water problem is persistent in Yanam.
- Under Flood Management programme, foundation stone was laid during 2006 and work order was given in 2010. Since no State share was given and due to cost escalation, work not completed. Amount may be provided for completion.
- No specialist doctors in Yanam hospital and insurance scheme also turned to be a failure and hence outsourcing may be done.
- The interest for the loan availed by Self Help Groups @ ₹ 2.00 lakhs to be borne by the government but amount has not been sanctioned.

Hon'ble Chief Minister:

- Endorsed the views and suggestions of the Chairman and other members.
- Due to Assembly elections in April / May 2011 and bye-elections in October 2011, there was slow down in booking Plan expenditure during the current financial year. This would be made good in the next Annual Plan 2012-13.

Chief Secretary

- To approach Govt of India to provide the expenditure on Police and Pension Payment from MHA budget on par with Delhi.
- Inclusion of UT with legislature under the Terms of Reference of the Finance Commission so that we would have devolution of funds.

- As per Planning Commission, 60% of expenditure has been achieved with reference to Revised outlay for 2011-12.
- For 2012-13, a realistic and reasonable Plan size need to be fixed by the State Planning Board to send our proposals to Planning Commission.

Since the discussions remained inconclusive about the plan-size, it was unanimously decided that the Cabinet be permitted to decide about the plan-size. H.E. the Lt. Governor also accepted the suggestion.

Director (Plg.) proposed Vote of Thanks.
