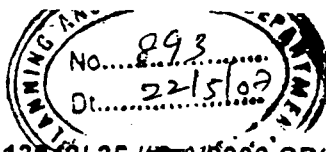


" Please hand over this letter to
Mr. S.B. Doval U.S to Govt of India "
Planning Cell, New Delhi

(3) 1



No.M-13048/35/(Py)/2006-SP(S)
Planning Commission
(State Plans Division)

OFFICE OF THE SECRETARY PLANNING & FINANCE PUDUCHERRY
No. 22/Suj/Fin/PA/07
Received 18/5/07
Despatched 18/5/07

Yojana Bhavan, Sansad Marg
New Delhi-110001
Dated: 10.05.2007

OFFICE OF THE CHIEF SECRETARY PUDUCHERRY
Tapal No 3410/C&107
Received on 17/5/07
Despatched on 18 MAY 2007

A copy of the Summary Record of discussions of the meeting between Deputy Chairman, Planning Commission and Chief Minister of Puducherry held on 19.02.2007 to finalise the Annual Plan 2007-08 of Puducherry is circulated herewith.

Sharma

(Sujata Sharma)
Director SP(S)
Tel. No.23096544

Encl: As above

Planning Commission

PMO

Principal Advisers	Director (Puducherry)
Advisers	<u>Ministry of Finance</u>
JS (SP)	Joint Secretary (PF-I)
Head of Divisions	Deptt. of Expenditure
	North Block, New Delhi

Coordinating Officers of all Central Ministries
(Except Ministry of Defence)

Copy to Private Secretary to:

Deputy Chairman/Minister of State/Members/Member Secretary

Copy also to:

Director (SP-Coordination)/Director (PC Division)/DA (MLP & Hill Areas)/Information Officer

Copy also to:

- (i) Principal Secretary to Chief Minister
- (ii) Chief Secretary, Government of Puducherry.
- (iii) Finance Secretary, Government of Puducherry.
- (iv) Planning Secretary, Government of Puducherry.
- (v) Resident Commissioner, Government of Puducherry, Puducherry House, New Delhi

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PLANNING COMMISSION
(State Plans Division)

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Summary record of the meeting between the Deputy Chairman and Chief Minister of Puducherry held on 19.02.2007 at Yojana Bhavan, New Delhi to finalise the size of the State's Annual Plan for 2007-08.

A meeting chaired by the Deputy Chairman, Planning Commission was held on 19.02.2007, at Yojana Bhavan, New Delhi, to finalize the size of the Annual Plan 2007- 08 of Puducherry. A list of participants is enclosed.

2. Welcoming the Chief Minister and the officers of Puducherry, Deputy Chairman stated that Planning Commission will try to its best to support the proposals of the Union Territory to the extent possible. Last year Puducherry was given an ambitious plan increase which almost became unrealistic. Hence, the officials of Puducherry can discuss with Member Secretary and arrive at a satisfactory plan outlay for 2007-08.

3. Chief Secretary of Puducherry then made a power point presentation indicating the geographical location and features of the Union Territory and then provided a brief on the thrust areas and the targets to be achieved by the UT during the Eleventh Plan 2007-12 and the Annual Plan 2007-08.

4. Member AH pointed out that economic growth and employment in Puducherry can be increased by giving a boost to industrialization and by the development of its services sector, especially tourism. Since industry in the UT is still in the way of development, its faster growth can be achieved by more investment in infrastructure. In Puducherry, there was a problem of the retention of tourists because people did not find a place to stay. Now Puducherry has laid out the plan to retain the tourists and it also has a beautification plan to attract more tourists. He stated that in other places, we have been successful in getting business in the BPOs because of the familiarity of the people with English language but in Puducherry people are familiar with French language so they should try to get the business in BPOs from France.

5. Member AS stated that Puducherry is one state where plan and non-plan expenditure are almost at par. Puducherry has a scheme of free distribution of rice to ration card holders. This should be booked under non-plan expenses and not from the plan side. Puducherry should take stock of what should be included in the Plan and

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also on Non-Plan side. The GSDP originating from Agriculture is only 3%, it seems that some subsidies, purchase of fertilizers etc. should be added on the plan side. Accounting in Puducherry should be on the same lines as is done elsewhere. He stated that being a UT, Puducherry was not previously allowed to borrow. But now even UTs can borrow. He desired to know the current status of this.

5. He also pointed out that in Puducherry, very large amount of land is covered under agriculture but the UT should also ensure a higher level of productivity. The emphasis in the UT should be more on live stock. There was also a need for the value addition in the marine fish activity.

6. Member KP stated that Puducherry was planning to set up a gas based power plant but they should ensure the adequate availability of gas for the UT. In Puducherry, the domestic consumption of power is heavily subsidized but the UT should also have a scheme of charging for the units beyond a certain point of consumption. In Puducherry, drinking water is getting affected due to pollution; therefore, there was a need for water conservation through methods like sprinkler irrigation and conservation of surface water.

7. Member SH stated that the drop out rate in Puducherry has been brought to zero. She requested the UT to record their experiences in this regard so that the other States can take a lesson. The Member further stated that the social and health indicators were outstanding in UT. Puducherry has very low rate of IMR/MMR, but there was a shortage of work force in the health centers and it needs to be strengthened. For women & children, Puducherry has a plenty of schemes like the provisions of free ration etc. but instead the UT should have the schemes for the empowerment of women and empowerment should be across the board. NCW report states that sex ratio in Puducherry is remarkable but child sex ratio is low at places like Veluhan. Puducherry Government has a good focus on coir, khadi and handicrafts.

8. Member VLC desired to know the steps taken by the UT for coastal afforestation belt for preventing soil erosion and also enquired about the status of the Biotechnology Park which was being set up. He said that with the kind of educational status in Puducherry, there was a possibility of using skilled workers to create more job opportunities and enquired about the status of such programmes.

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9. Taking part in the discussions the Chief Minister of Puducherry stated that they have proposed a plan outlay of Rs.10, 000 crores for the Eleventh Plan and also proposed an outlay of Rs.1600 crores for the Annual Plan 2007-08. He stated that though Puducherry has limited resources to increase the revenue, nevertheless they were trying their best to do so. At present, the grant loan ratio was 70:30. He requested for a system of 100% grant from Planning Commission. He further stated that various developmental works have been going on in Puducherry and new projects need to be taken up. Puducherry has conducted local body elections for the first time after a gap of 38 years and these bodies have to execute various works for which an amount of Rs.140 crore in the Annual Plan may be released as grants to local bodies.

10. He further stated that there is a long pending demand for laying of new railway lines between Nagore and Karaikal and the project has been approved by the Railway Board. For this the matching grant of Rs.25 crores was required to be released as the share for the Railway Board. He requested that a sum of Rs.1 crore may be approved for modernization of railway station at Mahe.

11. He said that a new Karaikal District has been created last year which depends 80% on canal irrigation, ultimately depending upon the Cauvery Water from Mettur Dam. Since Karaikal District is backward, it may be provided the BRGF grant.

12. According to him, Tourism has been declared as the thrust area due to which an airport will be built up in Puducherry and Karaikal. Hence, he suggested that special allocation of funds may be made for the execution of land purchase. He also said that sewerage and drainage works are being carried out in Puducherry and therefore more funds are required for these activities.

13. Yanam Region is frequently affected by cyclone and floods. Last year when the Central team visited Yanam to assess the flood damages, it strongly recommended a long-term intervention under the Plan to find out a permanent solution to the above problem, and recommended a relief of Rs. 96 crores. The Chief Minister requested that an amount of Rs.96 crores may be released during the Eleventh Plan for the above purpose, out of which Rs.25 crores may be approved in the Annual Plan 2007-08.

14. The Chief Minister stated that Puducherry was a welfare State and various welfare programmes are being implemented in the UT. To carry forward the schemes viz.

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distribution of colour TV, an employment allowance, free distribution of rice to public etc. special allocation of funds for these schemes may be made.

15. The Chief Minister stated that Puducherry was severely affected by Tsunami and expressed his gratitude to the Government of India for providing necessary financial assistance under the State Plan for creation of infrastructure facilities in the Tsunami affected area. For the current year, Planning Commission allowed a sum of Rs.220 crores. He requested the Planning Commission to approve at least Rs.250 crores in the Annual Plan 2007-08 for the Tsunami Reconstruction Programme.

16. The Chief Minister stated that they have a long-term housing scheme for fishermen. He said that they have a plan for more colleges in which UT plans to introduce new courses. He stated that to tap the expanding IT sector, the UT plans to develop Rajiv Gandhi Park in 50 acres. Since ground water is already over exploited, farmers are being encouraged to resort to sprinkler irrigation, drip irrigation etc.

17. The Chief Minister said with the support of Planning Commission, Puducherry has been implementing Plans Schemes in a successful manner and he ensured the implementation of all the schemes in future also.

18. Deputy Chairman stated that we share of sense of appreciation by the progress being made by Puducherry. He stated that whereas some of the Schemes can be supported, it will not be possible to take up all the schemes suggested by the UT.

19. In the end Member-Secretary announced a plan outlay of Rs.1455.00 crores and an ACA of Rs. 206 crores for the Union Territory of Puducherry. A copy of the scheme of financing for 2007-08 for the Union Territory of Puducherry is enclosed.

The meeting ended with a vote of thanks to the chair.

Annexure I

Puducherry (SOF)		Rs. in crores
		Annual Plan
Item		2007-08
		Approved
1		2
A. State Government		
1.	State's Own Resources	456
	a. Balance from Current Revenues *	231
	b. Miscellaneous Capital Receipts (Net)	-
	c. Plan Grants Under EFC	-
	d. ARM	271
	c. Reimbursement of CST Collections	185
	f. Opening Balance	-
2.	State's Borrowings (i-ii)	714
	(i) Gross Borrowings (a to h)	714
	a. State Provident Fund (Net)	0
	b. Small Savings	180
	d. Net Market Borrowings	
	e. Negotiated Loans (HUDCO)	247
	f. Bonds/Debentures	0
	g. Loans portion of NCA	177
	h. Loans for EAPs (Tsunami)	110
	(ii) Repayments **	
3.	CENTRAL ASSISTANCE (a+b+c)	284
	a. Normal Central Assistance	76
	b. ACA for EAP	2.25
	c. Others	206
A: State Government Resources (1+2+3)		1455
D. AGGREGATE PLAN RESOURCES (A+B+C)		1455
E. STATE PLAN OUTLAY		1455

Annexure II

ACA (Others)

Rs. in crore

NSAP	1.15
CRF	3.67
JNNURM	71.17
Tsunami Relief	130
Total	206

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List of participants of the meeting between Deputy Chairman, Planning Commission & Chief Minister of Puducherry, on Annual Plan 2007-08 held on 19th February 2007 in Yojana Bhavan.

LIST OF PARTICIPANTS

Sl.No.	Name of the Officers	Designation
1.	Sh. Pradip Mehra	Chief Secretary
2.	Sh.A.K. Chaturvedi	Secretary Planning
3.	Sh. A. Anbaran	Secretary (Works & Tourism)
4.	Sh. S. Gopalan	PS to CM
5.	Sh.K. Emile Ranjit.	OSD to CM
6.	Sh.A.K. Chaturvedi	Secretary
7.	Sh.M. Sreedharan	Director (Planning)
8.	Sh.A. Ramalingam	PS to Speaker
9.	Sh. R. Mogane	Joint Director (Planning)
10.	Sh.Aparajita Chodhury	Deputy Secretary, Deptt. Economic Affairs
12.	Sh.S.B. Donal	Under Secretary (Planning), W/o Home Affairs

PLANNING COMMISSION

Sl.No.	Names	Designation
1.	Sh.M.V. Rajasekharan	Minister of State for Planning and Ex-Officio, Member Planning Commission
2.	Sh. Montek Singh Ahluwalia	Deputy Chairman
3.	Sh. Rajeeva Ratna Shah	Member-Secretary
4.	Dr. Kirit S. Parikh	Member
5.	Prof. Abhijit Sen	Member
6.	Dr.V.L. Chopra	Member
7.	Dr. Bhalachandra Mungekar	Member
8.	Dr.(Ms.) Syeda Hameed	Member
9.	Sh.B.N. Yugandhar	Member
10.	Sh. Anwarul Hoda	Member
11.	Sh. R. Sridharan	Joint Secretary
12.	Smt. Sujata Sharma	Director (SP-S)
13.	Sh. R.P. Mishra	Research Officer
14.	Sh. Riyazuddin	Research Officer