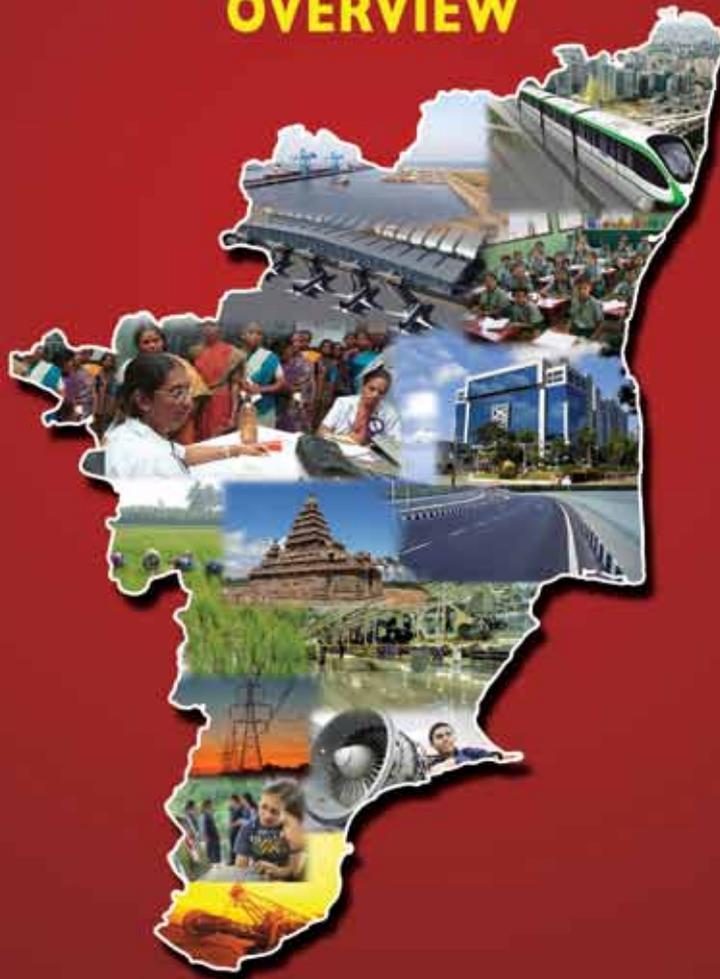




Twelfth Five Year Plan Tamil Nadu

2012-2017

OVERVIEW



**STATE PLANNING COMMISSION
CHENNAI**



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Hon'ble Chief Minister of Tamil Nadu /
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Date 26.11.2012

FOREWORD

I envision a Tamil Nadu where no youth remains unemployed, where poverty is totally eradicated, where every citizen has access to all basic amenities such as health care, education, water supply, sanitation, and above all, where all the people of the State enjoy prosperity, security and peace. It is with this Vision that I aim to put Tamil Nadu on the path to growth for achieving **Accelerated, Innovative and Inclusive Growth** in the Twelfth Plan period.

The Twelfth Five Year Plan will provide the road map for the achievement of the targets envisioned in the Vision Tamil Nadu 2023 document. The document projects how the per capita income of the people of Tamil Nadu will be more than doubled and reach much above the national average in the plan period. The Government of Tamil Nadu will adopt multiple strategies that will energise various segments of the economy and create a circle of enhanced competitiveness, efficiency and vibrancy in all sectors and galvanise the citizens and other stakeholders to march towards the targets in unison. The strategy for development is to build on the strengths of the State to exploit opportunities while simultaneously protecting the vulnerabilities that could arise due to intrinsic weaknesses and threats from the environment.

The Twelfth Plan projects an ambitious growth target of 11% and the achievement of the target requires massive investments not only from the State but also from other sources, particularly the private sector. Notwithstanding resource constraints, I propose to allocate Rs.2.11 Lakh Crores for the Twelfth Plan, which is more than double the outlay of the Eleventh Plan. The Agriculture Sector is on the path to achieving a **Second Green Revolution** with a projection of 5% growth in this Plan and would see the doubling of farm incomes. A new Industrial Policy to be released shortly would help in putting the State in the Number one position in terms of the Manufacturing Sector along with the revitalisation of the MSME Sector. Given the demographic profile of the State, the current cost and income levels and education and skill availability, the focus would be on attracting and developing industries that foster innovation and provide high value addition.

Education and family health are prerequisites for social development. The Twelfth Plan seeks to improve several human development indicators and also march towards the declaration of the State as **Poverty Free, Hut and Slum Free and Open Defecation Free**. The goals set are achievable and the journey towards them is as important as the destination, but it requires all stakeholders – the State Government, the urban and rural local bodies of Tamil Nadu, political leaders, civil servants, corporate entities, small and medium enterprises across the State, the academic institutions, the NGOs and the residents of the State – to go the extra mile to attain these goals.


J JAYALALITHAA
CHIEF MINISTER

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Chapter - I

Vision and Strategy

எண்ணிய எண்ணியாங்கு எய்துப எண்ணியார்
திண்ணியர் ஆகப் பெறிள்

– திருக்குறள் 666

What'er men think, ev'n as they think,
may men obtain, If those who think can
steadfastness of will retain.

- Thirukkural 666

Introduction

Tamil Nadu has been India's most progressive State and is amongst the top three on several economic and social indicators. The Twelfth Plan of Tamil Nadu will lay the foundation for the recently unveiled "VISION 2023 Strategic Plan for Infrastructure Development in Tamil Nadu" – a vision that aims to make the State India's most prosperous and progressive State by 2023 with the status of the first poverty-free State. The Twelfth Plan will place Tamil Nadu firmly on the path of an **Accelerated, Innovative and Inclusive Growth**. In this period, an average citizen in Tamil Nadu will enjoy the best standard of services among Indian States in terms of access to infrastructure, education and health services. People of the State will be educated, skilled, and trained adequately to contribute to the process of social and economic growth and enjoy a clean environment, connectivity, and employment opportunities. The Twelfth Plan aims to achieve an overall growth of 11 percent per annum.

Growth Performance: Tenth and Eleventh Plans

After growing only at 4.67 percent (in 1999-00 prices) in the Ninth Plan period (1997-2002), the economy accelerated in the Tenth Plan (2002-07) to record 9.7 percent, the highest in any Plan period so far (Table 1.1). This performance is consistent with the performance of the Indian economy that also recorded the highest growth in the Tenth Plan.



Table 1.1: GSDP with Annual Growth Rates during Tenth Plan - Tamil Nadu (2004-05 Prices)

Sectors	Target AAGR (%)	Gross State Domestic Product (₹ crore)						
		2002-03*	2003-04*	2004-05*	2004-05	2005-06	2006-07	AAGR (%)
Agriculture and Allied	4.0	18426.6 (-20.55)	17980.0 (-2.42)	21217.7 (18.01)	24361.8	27591.7 (13.26)	31244.3 (13.24)	4.3
Industry	7.1	42483.1 (9.84)	45428.8 (6.93)	50759.5 (11.73)	69312.6	79071.7 (14.08)	89699.8 (13.44)	11.2
Services	9.7	81385.4 (4.38)	87406.2 (7.40)	96107.3 (9.95)	125328.8	142903.6 (14.02)	166585.5 (16.57)	10.5
GSDP	8.0	142295.1 (1.75)	150815.0 (5.99)	168084.6 (11.45)	219003.2	249567.1 (13.96)	287529.7 (15.21)	9.7

Source: Department of Economics and Statistics; * - 1999-2000 prices; Figures in parentheses are growth rates (%); AAGR – Average Annual Growth Rate.

The Eleventh Plan (2007-12) somehow failed to accelerate the growth momentum achieved in the Tenth Plan period. The Eleventh Plan set a growth target of 9.0 percent against the achieved growth of 9.7 percent in the Tenth Plan. However, the State achieved an average growth of only 7.7 percent (Table 1.2). Growth in first two years of the Eleventh Plan declined due to negative growth of agriculture. The global slow down in those years along with rising oil prices and power shortage affected the performance of other sectors too, particularly industry.

Table 1.2: GSDP with Annual Growth Rates during Eleventh Plan - Tamil Nadu (2004-05 Prices)

Sectors	Target AAGR (%)	Gross State Domestic Product (₹ crore)					AAGR (%)
		2007-08	2008-09	2009-10	2010-11	2011-12	
Agriculture and Allied	4.0	29867.5 (-4.41)	29182.7 (-2.29)	30975.3 (6.14)	32381.5 (4.54)	34673.8 (7.08)	2.2
Industry	9.2	93158.0 (3.86)	91241.1 (-2.06)	110335.3 (20.93)	120439.3 (9.16)	127804.6 (6.12)	7.6
Services	10.1	182131.4 (9.33)	199660.9 (9.62)	211926.9 (6.14)	235152.0 (10.96)	254071.0 (8.05)	8.8
GSDP	9.0	305156.8 (6.13)	320084.7 (4.89)	353237.5 (10.36)	387972.8 (9.83)	416549.4 (7.37)	7.7

Source: Department of Economics and Statistics; Figures in parentheses are growth rates (%); AAGR-Average Annual Growth Rate.



Industry grew only at 7.6 percent in the Eleventh Plan as against its record level of growth of 11.2 percent in the Tenth Plan. Agriculture grew at 2.2 percent as against the target of 4.0 percent. However, growth picked up in the last three years. There is an element of cyclicity in the growth process. The first two years of both the Tenth and Eleventh Plan were recession years. Tamil Nadu economy successfully emerged out of the recession of the early years of both Tenth and Eleventh Plan. However, the recent global slow down (due to Euro Zone Crisis) affected the growth of industry and services and overall growth in 2011-2012 (Table 1.2).

In the early Eleventh Plan period, the State lost its edge in economic growth but the newly elected Government in May 2011 formulated a succinct strategy for rejuvenation. It also prepared the “Vision Tamil Nadu 2023” to identify thrust areas for growth and bottlenecks in such areas. The economy was revived through various sector-specific policies and is presently placed back on the path of prosperity and development. The overall growth rate improved at an average of 9.2 percent in the last three years. With the positive interventions of the Government, Tamil Nadu can achieve a sustained economic expansion that can significantly improve the well being of its people. If this momentum could be accelerated further in the coming years, Tamil Nadu would become “Number one” in the country.

While growth matters as it paves the way for better standard of life, growth by itself is not enough. The nature of growth needs to enable the participation of different sections of society. Inclusive growth will also eliminate or reduce prevailing imbalances in the society. It will eliminate/reduce the incidence of poverty, gender and regional inequalities and make significant improvement in health and education outcomes and infrastructure. The inter-district disparities based on Human Development Index (HDI) parameters reveal a lack of inclusiveness in the State.



Table 1.3: Per capita GDDP (2004-05 prices), HDI and Sex Ratio in Tamil Nadu: An Inter District Comparison

S.No.	District	Per capita GDDP (2008-09) in ₹	HDI (2011)	Sex Ratio (2011)	S.No.	District	Per capita GDDP (2008-09) in ₹	HDI (2011)	Sex Ratio (2011)
1	Kanniyakumari	68459	0.812	1010	17	Krishnagiri	45628	0.748	956
2	Coimbatore	65478*	0.802*	1001	18	Dindigul	42669	0.741	998
3	Tiruppur	N.A	N.A	988	19	Cuddalore	41840	0.742	984
4	Virudhunagar	63978	0.795	1009	20	The Nilgiris	41491	0.787	1041
5	Thiruvallur	61621	0.776	983	21	Dharmapuri	40445	0.707	946
6	Thoothukodi	59880	0.789	1024	22	Sivagangai	37410	0.733	1000
7	Chennai	57387	0.817	986	23	Thanjavur	37249	0.737	1031
8	Kancheepuram	56493	0.787	985	24	Ramanathapuram	37047	0.744	977
9	Namakkal	55592	0.768	986	25	Theni	33918	0.722	990
10	Erode	54929	0.746	992	26	Pudukkottai	33473	0.723	1015
11	Thiruchirappalli	54636	0.766	1013	27	Nagapattinam	32292	0.728	1025
12	Karur	52381	0.740	1015	28	Thiruvannamalai	30885	0.713	993
13	Thirunelveli	50546	0.777	1024	29	Villupuram	27405	0.704	985
14	Madurai	50463	0.736	990	30	Thiruvarur	26678	0.720	1020
15	Vellore	46096	0.753	1004	31	Perambalur	17761#	0.692#	1006
16	Salem	46089	0.747	954	32	Ariyalur	N.A	N.A	1016
	Tamil Nadu	48216	0.765	995					

Source: Department of Economics and Statistics, Census of India (2011) and State Planning Commission (TN)

* - Figures relating to composite district Coimbatore and Tiruppur

- Figures relating to composite district Perambalur and Ariyalur. NA - Not Available

Tamil Nadu's per capita income of ₹61,531 at constant prices in 2011-12 is relatively high when compared to the All India figure of ₹43,282. The existence of wide inter-district disparities in per capita income is a major concern. While Kanniyakumari had the highest per capita income of ₹68,459 in 2008-09, Perambalur had the lowest per capita income of ₹17,761 (Table 1.3). The highest per capita income district has nearly four times the income of the poorest district. In 18 out of 32 districts, the per capita income is below the average of the State per capita income.



Poverty is a major area of concern. Although the State has been successful in reducing poverty (measured by the head-count ratio) from 29.4 percent (as per the latest estimates by the Union Planning Commission using Tendulkar methodology) in 2004-05 to 17.1 percent in 2009-10, about 122 lakh people in Tamil Nadu still remain poor. In 2009-10, urban poverty ratio was 12.8 percent while rural poverty ratio was 21.2 percent. Besides, nearly one-third of the children aged 0-3 years in Tamil Nadu suffered from malnutrition in 2005-06 (National Family Health Survey III).

Tamil Nadu is one of the most socially developed States in the country. Education indicators such as literacy rate, enrolment ratio show steady improvement with declining dropout rates. As per the estimates of National University of Educational Planning and Administration (NUEPA), Tamil Nadu ranks second in the Educational Development Index for Primary and Upper Primary classes (2010-11) among the major States. It ranks fourth in both overall literacy (80.33 percent) and female literacy (73.86 percent) in 2011. It also ranks fourth in Human Development Index (2007-08). Further, it is a leader in technical education. However, there are large inter-district differences in literacy rate, particularly in female literacy rate. In Kanniyakumari, the female literacy rate was 90.5 percent in 2011 while in Dharmapuri, it was 60 percent.

While the Net Enrolment Rate (NER) is 99.6 percent at primary level and 98.9 percent at upper primary level, the NER is 65.6 percent in high schools and only 40.7 percent in higher secondary schools (2011-12). High dropout rate (23.9 percent) at the secondary level is also a major concern in Tamil Nadu. Education should ensure the absorption of the educated population in productive activities of the economy.

Tamil Nadu has been successful in bringing down the Infant Mortality Rate (IMR) from 53 in 1997 to 22 in 2011 as per Sample Registration System (SRS). It ranks second in IMR, next only to Kerala.



However, it is yet to achieve the Eleventh Plan target of reducing it to 20. While the State was successful in meeting its target (1.7 in 2011) relating to Total Fertility Rate (TFR), it is yet to achieve the target (45 by 2011-12) relating to Maternal Mortality Ratio (MMR). Its MMR was 73 in 2011-12 (State HMIS). Life expectancy at birth (2011) increased to 68.6 years for male and 71.8 years for female (as per Family Welfare Statistics in India). Yet this is well below the life expectancy of 80 years in many advanced countries. While the sex ratio (females per 1000 males) increased from 987 in 2001 to 995 in 2011, it was low in some districts, including Dharmapuri with 946, Salem with 954 and Krishnagiri with 956 (Table 1.3).

The present sectoral growth pattern poses several issues. Nearly 40 percent of people depend on agriculture sector for their livelihoods. But the agricultural growth has been low (2.2 percent) as well as volatile, making poor people vulnerable. As its risk-adjusted return is low, the agriculture sector is unable to attract private investment. Its output share in GSDP has eroded to 8.3 percent in 2011-12. This indicates a structural shift away from agriculture to non agriculture, particularly services sector. This has widened the rural-urban divide and has led to the out migration of people from agriculture. Industry has also shown a deceleration in growth in the Eleventh Plan (i.e., 7.6 percent). Power shortage coupled with rising international oil prices has contributed to the slow growth pace in the manufacturing sector. It is a major challenge to bridge the current power shortfall. Infrastructure development has not coped with the rapid growth of the economy.

Tamil Nadu has made considerable progress in various facets of development but it still has a long way to go in eradication of poverty and illiteracy, improving the standard of living, reducing gender and regional inequalities and to bring about an equitable society. The major challenges facing the State are: dismal growth of agriculture, slow pace of industrial growth, power shortage, infrastructure bottlenecks, gender gaps, low quality of educational outcomes, health



and nutritional issues, rapid urbanisation and related migration, skill development, climate and environmental concerns. The Twelfth Plan provides an opportunity to restructure policies to consolidate the gains that have been made in the Tenth and the Eleventh Plans and to correct the deficiencies that have emerged.

Vision for the Twelfth Plan

The vision is to make Tamil Nadu, the **“Numero Uno”** State in India, not only in terms of per capita income but also in terms of human development indicators. The Union Planning Commission has proposed a growth target of 8.0 percent for India. Accelerating both the services growth and the industrial growth, Tamil Nadu aims at 11.0 percent growth at the end of the Twelfth Plan. The target is not just accelerated growth but also innovative and inclusive growth, which ensures a balanced and significant improvement in the quality of life of all people. The Twelfth Plan is the first phase of action plan of the Vision Tamil Nadu 2023 which has identified Ten themes for the State: (i) Economic prosperity, (ii) Inclusive growth, (iii) Health for all, (iv) World class infrastructure, (v) Healthy investment climate, (vi) Innovation hub and knowledge capital, (vii) Creating conducive environment for human development, (viii) Nurturing a rich heritage and preserving the ecology, (ix) Protecting against vulnerability and (x) Improving the quality of Institutions and Governance.

Gender component is included in the Twelfth Plan across sectors in consonance with the sentiments, vision and firm commitment of the Government at the highest level. The entire Planning process is “Engendered”. The Plan will try to ensure the building of the economy on the Principle of Environmental Sustainability and Low Carbon.

Water Security, Food Security and Energy Security are not just the goals but outcomes as the Twelfth Plan seeks to move towards sustainable growth and development. Green growth has the potential to make the State a major player in accessing “Carbon Credits” (1 unit is equivalent to reduction of 1 metric tonne of CO₂ or its equivalent),



an income source besides becoming a trendsetter in international best practices. Better Governance, Accountability and Responsiveness to people's needs are underlying themes and requirements in the spirit and formulation of all programmes.

Thus, the broad vision of the Twelfth Plan includes several inter related components: **Accelerated, Innovative and Inclusive Growth** that reduces poverty and creates job opportunities, access to essential services in health and education, especially for the poor, equality of opportunity, empowerment through education and skill training, environment sustainability, gender equality, child rights and good governance.

Strategy for the Twelfth Plan

The strategy for “Accelerated, Innovative and Inclusive Growth” aims at achieving a particular type of growth process, which will meet the said objectives of inclusiveness and sustainability. It is based on sound policies that will provide an environment for rapid growth and support the key drivers of this growth. It also includes sector specific policies. The appropriate strategies are discussed in detail in the individual Chapters. The major strategies are summarised below:

Agriculture

Growth of agriculture is vital as it continues to be a dominant sector in providing livelihood to nearly 40 percent of people in Tamil Nadu. Agriculture also has its forward and backward linkages with other sectors of the economy. Since 1993-94, agriculture grew only at about 2.9 percent. The target of doubling the rate of growth of agriculture output to 5 percent is critical for inclusiveness. In order to ensure Food Security, the Twelfth Plan aims to increase the food grain production to 170 Lakh Metric Tonnes (LMT). This task is challenging as the net sown area has been continuously declining. Therefore, the focus in the Twelfth Plan is to improve the yield per unit of land/water.



The Twelfth Plan adopts a broad based and more inclusive **Second Green Revolution**. This mission aims to increase the farm income by 2 to 3 times from the present level through Farm Level Planning, large scale adoption of frontier techniques like System of Rice Intensification (SRI), Sustainable Sugarcane Initiatives (SSI), precision farming, **Millets Mission**, System of Pulses Intensification (SPI) as whole village concept, crop diversification through high value horticulture and commercial crops, market driven cropping pattern and rainfed area development.

Holistic water management, bringing nutritious cereals back into the food basket, addressing the concerns of “Soil Anaemia”, use of appropriate machinery, extensive use of Information and Communication Technology (ICT), supplying quality inputs and crop loans in time, distributing Farmers Integrated Handbooks, creating village level seed banks, establishing terminal markets and robust supply chain, strengthening research and extension services, empowerment of youth and women in the rural development process are other major strategies to boost the agriculture growth and farm income generation. Besides this, as a move to sustain the people’s health, adequate attention would be given to **promotion of traditional agricultural products like tender coconut, soapnut powder and cotton clothing**.

Nutritional Security can be achieved by giving greater importance to the locally grown nutritional grains through MILLETS MISSION. These nutritional grains may be distributed through Public Distribution System (PDS) and value addition can be done. Thus, the strategies are farmer oriented, crop focused, ICT enabled and region specific with adequate investment in developing rural infrastructure support and comprehensive subsidy schemes. These will translate the Second Green Revolution into an Ever Green Revolution.



Animal husbandry and fisheries are an integral part of farming and contribute significantly to nutritional security and farm income. Livestock rearing provides rural employment especially women self-employment. It also provides a diverse range of outputs from farm-based energy to organic manure. The Twelfth Plan aims to usher in Second White Revolution. The target is to increase milk production by nearly 14 percent i.e. from 68.34 LMT to 77.65 LMT, and egg production from 11,514 million to 19,718 million numbers per annum.

The strategies to promote animal husbandry sector include: bringing landless labourers and marginal farmers into the fold of organised livestock rearing, **distributing 24 lakh goat/sheep and 48,000 milch cows at no cost** to rural poor women, improving and involving youth in diagnostic services, providing veterinary delivery system and breeding services at doorstep, increasing fodder availability, strengthening extension services, providing marketing access and improving the cold chain.

Tamil Nadu is a leading State in fish production. Fisheries provide employment to fisher folk, offer low cost animal protein and boost export earnings. Appropriate welfare and relief schemes have been designed by the Government to improve the living standard of fisher folk. The target is to increase the inland and marine fish production using latest technologies.

Water is an essential input for agriculture. Linking of rivers, water harvesting and restoration of traditional waterbodies will improve the overall water availability in the State. Water use efficiency can be achieved by modernisation of irrigation systems, improved service delivery, participation of farmers and popularisation of micro irrigation.



Rural Development

According to 2011 Census, 3.72 crore people (51.55 percent) live in rural areas. The spread of rural population varies significantly across districts. The declining share of agriculture and high dependence of the rural masses on agriculture necessitates family based poverty reduction strategy and empowerment in rural areas. Provision of basic amenities, quality services for cleaner and greener villages and creation of productive assets for sustainable livelihoods are major thrust areas in the Twelfth Plan.

Tamil Nadu Village Habitation Improvement Scheme (THAI) is being implemented to improve the basic amenities in rural areas. Every year 60,000 Solar Powered Houses of 300 square feet will be provided to rural people through the Chief Minister's Solar Powered Green House Scheme. One lakh street lights will be energised with solar power during the Twelfth Plan period. Providing 24 x 7 piped water supply, Litter Free and Open Defecation Free Panchayats with locally managed liquid and solid waste management systems, renovating all the Integrated Women Sanitary Complexes, re-introducing Clean Village Campaign are the other notable schemes which will enable the State to improve the quality of life in rural areas.

The State has initiated a special programme, “**State Balanced Growth Fund**” to address the regional imbalances and backwardness in human development and gender parameters. 100 backward blocks including Urban Municipalities and Slum Areas of Corporations which are poor in per capita income, high incidence of Poverty, Unemployment, Health, Education and disparities in Gender will be identified for addressing backwardness and disparities in Social and Economic attainments. Focus will be on growth limiting factors and equitable development of the State within the plan period. An initial allocation of ₹100 crore has been made in the first year (2012-13) for implementation of the scheme.



Perspective Plans and District Human Development Reports will be prepared for decentralised and equitable development of the State

Industry

It is a matter of concern that Tamil Nadu, a leading manufacturer in automobile, textile, hosiery, pharma, leather, Information Technology and Information Technology Enabled Services (IT and ITES), has witnessed a slow pace of growth of industry (i.e., 7.6 percent) in the Eleventh Plan period. The growth of industry in the Tenth Plan was 11.2 percent. Industrial growth needs to be accelerated as large manufacturing as well as Micro, Small and Medium Enterprises (MSMEs) in rural areas have a large employment potential. They must provide a large portion of additional employment required to absorb people who move out of agriculture in pursuit of higher incomes and the services sector alone cannot absorb them. Therefore, the growth target set for this sector in this Plan is 10.5 percent (i.e., 11.4 percent for manufacturing and 8.5 percent for non manufacturing industries like construction, mining and quarrying etc). Growth in the manufacturing sector needs to be accelerated by providing the needed power and transport facilities at competitive cost.

Some sub-sectors of manufacturing are doing well. The growth rate of MSME sector has outstripped the overall industrial growth in recent years. With its agility and dynamism, this sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession. Tamil Nadu has attracted huge investments in electronics, glass and telecommunication in recent years. With large number of high tech engineering and research institutions and availability of skilled resource pool in aeronautical/avionics engineering, Tamil Nadu is poised to emerge as one of the top aerospace industry destinations in India. Sectors like auto industry, textiles, pharmaceuticals and IT are also performing well. The above success will be sources of competitive advantage for Tamil Nadu that could be developed into a broader strategy applicable to larger parts of the industrial sector. Policies of other industrialised countries and a



few industrialised Indian States can provide insights for formulating suitable strategies to achieve the target.

The strategic objectives for the industrial sector are as follows: (i) Make Tamil Nadu a global investment destination for automobile and auto parts, textiles, leather, engineering goods, (ii) Make the State a global destination of choice for IT and ITES industries, (iii) Special emphasis on sunrise sectors like bio-technology, nano-technology, pharmaceuticals, solar and clean energy, (iv) Attract investments in the ship building industry as Tamil Nadu is endowed with a long coastline, (v) Generate 15 lakh direct and indirect additional employment opportunities in MSME during the Twelfth Plan period, (vi) Enhance the competitiveness and scalable capacity of the MSME, and (vii) Promote industrial development in rural areas.

A multi dimensional approach can be adopted to achieve the targets. Some important strategies are: (i) New Industrial Policy, (ii) Industry specific policies for automobile and auto parts, biotechnology, nano-technology, aerospace, pharmaceuticals, and electronic hardware, (iii) Comprehensive IT industry friendly and Information, Communication Technology (ICT) Policy, (iv) Land Policy for acquisition of land for industrialisation, (v) New e-Governance Policy, (vi) Creating clusters for pharmaceuticals, gems, jewellery and silver, (vii) Subsidy assistance (interest subvention) to MSME setup in industrially backward areas, and (viii) Technological upgradation or modernisation to improve productivity and develop the infrastructure in all sectors, especially textile mills, power loom, pre and post-loom processing.

Efforts will be made to promote (i) Industry-Academia-Government collaboration for Research and Development, (ii) Innovations and Diffusion of technology in MSME sector, (iii) New Entrepreneur cum Enterprise Development Scheme (NEEDS) to train young first generation entrepreneurs, (iv) Training in modern management and production techniques and improving the skill of weavers and development of new designs, and (v) District Industrial Centres with better infrastructure so that they can promote MSME units.



As power shortage is one of the reasons for the slow growth of manufacturing in the Eleventh Plan, power infrastructure needs to be improved. Growing urbanisation and location of most industries in developed areas put pressure on the urban services and infrastructure. Efforts will be made to promote industries in a decentralised way.

Tamil Nadu infrastructure Development Board has been established to meet the infrastructure requirements and attract private investments by introduction of the Tamil Nadu Infrastructure Development Act 2012. The Board will play the role of a nodal agency to coordinate Government initiatives in the infrastructure sector. Various incentives such as exemption from payment or deferred payment of any tax/ fees or refund or loan in lieu of payment cesses, royalties or other statutory levies, right to trade in any specially created development rights on land or property, etc., will be provided to the PPP investors. An initial allocation of ₹1000 crore has been made for Tamil Nadu Infrastructure Development Fund.

Creating Industrial Corridors, setting up a Liquefied Natural Gas Import Terminal and Related Gas Pipeline Infrastructure near Ennore Port, new (minor) ports and Port-Industrial corridor road connectivity, engaging private sector in the mining of granite and other minerals with a condition that they must take responsibility for area development, employment etc., are some of the measures to achieve the target. All major industrial houses will be encouraged to focus their Corporate Social Responsibility to fill the gaps in Government service delivery and also in the maintenance of assets created by the Government.

Government of Tamil Nadu has signed Memoranda of Understanding (MoU) for 12 projects involving total investments worth ₹20,925 crore. These projects are expected to generate direct employment for 36,855 persons and indirect employment opportunities for one lakh people. Thus, the MoUs will translate into reality the 'Vision-2023' unveiled by the Government.



Services Sector

Services sector has been the main driving force of the overall economic growth of the State. Currently its share in GSDP is about 61 percent. According to NSS 66th round data, its employment share was 27.6 percent in 2009-10. In the Eleventh Plan, services grew at 8.8 percent as against the target of 10.1 percent. The fall in the growth of services sector was mainly due to a fall in the growth of its major sub sector: trade, hotels and restaurants to 4.82 percent. This was mainly because of global slowdown. Now there are signs of recovery in the global economy. The Twelfth Plan aims to accelerate the services sector growth to 12 percent. The services sector has the potential to grow above the target level and thereby push the overall GSDP growth beyond the projected target of 11 percent. This increased growth rate could offset any lag in the other sectors due to unforeseen circumstances and maintain the double-digit growth rate.

Energy

Energy is a key input for the overall economic development. Currently, power shortage is the major concern. The energy demand has been continuously increasing due to rapid growth of industries, urbanisation etc. But the supply is constrained by many factors. The Eleventh Plan targeted the creation of 7808 MW of additional capacity. But the actual capacity addition of conventional energy source was only 385 MW. The actual power generation was also less than the capacity. There is a greater uncertainty associated with wind power. While the wind energy capacity increased significantly in the Eleventh Plan period, it is found to be seasonal and contributing less during peak demand months. Delays exist in new capacity addition. Transmission, Distribution loss etc., are the other supply side constraints.

The total installed generation capacity of Tamil Nadu from conventional energy sources as on 31.05.2012 was 10364 MW. The average availability is 8500 MW but the demand ranges from 10000



MW to 12300 MW. The shortage is managed from wind energy, open market purchases and measures to restrict usage. Since open market prices are rising, purchases are becoming more expensive. Therefore, it is imperative to moderate the growth of energy demand by achieving higher levels of energy efficiency/conservation besides increasing the State's own capacity as much as possible. Captive power plants can also be encouraged. Apart from this, there is an installed capacity of 7971 MW (as on 30.06.2012) of renewable sources of energy: wind energy (7056 MW), biomass co-generation (637 MW), biomass power (167 MW), small hydro (90 MW), solar (17 MW) and waste to energy (4 MW). These are also harnessed to meet out the demand.

The gross energy consumption increased at 9.3 percent per annum during the period 2004-05 to 2011-12 and the implicit elasticity with respect to GSDP was 1.2. It is projected that in order to sustain 11.0 percent GSDP growth, the demand for power would grow by about 13.7 percent during the Twelfth Plan period. The State aims to become a power surplus state to attract industrial investments and accelerate growth in the Twelfth Plan period.

In order to achieve the Government of India's Plan to give "Power for All by 2012", the State is making progress in generation, transmission and distribution sectors. It has completed the electrification of all villages and towns in the State and is progressing towards electrification of all households.

The strategic objectives of the energy sector in the Twelfth Plan aims at the following: (i) Make Tamil Nadu a power surplus state, (ii) Improve energy efficiency, (iii) Project Tamil Nadu as a solar hub, (iv) Encourage indigenous solar manufacturing facilities in the State (v) Provide access to electricity to all rural households, (vi) Reduce Aggregate, Technical and Commercial (AT&C) losses to below 15 percent and (vii) Encourage renewable energy generating facilities.

The Twelfth Plan aims for the capacity addition of around 15,504.5 MW through conventional sources. The expected capacity



addition is 2039.5 MW from the following on-going projects: (i) Bhavani Kattalai Barrage, (ii) Vaigai Hydro Electric Projects, (iii) Mettur Thermal Power Stage III, (iv) North Chennai Thermal Stage II, and (v) Cogeneration in Sugar mills. Two joint venture projects, namely Neyveli Lignite Corporation Unit at Tuticorin, and National Thermal Power Corporation Unit at Vallur will add the capacity of 1428 MW. Central Generating Stations at Kudankulam Nuclear Power Project, Neyveli TS II Expansion, PFBR Kalpakkam etc., are expected to provide 1417 MW additional power to the State. New projects will add approximately 10,620 MW. The renewable sources - wind energy, biomass co-generation, small hydro, solar, waste to energy will add 10,650 MW capacity.

Tamil Nadu Government has unveiled the **Tamil Nadu Solar Energy Policy 2012** which seeks to tap 3000 MW of power in the next three years through solar energy. The policy intends to make the solar energy a people's movement similar to the rain water harvesting. The policy involves all High Tension Consumers including SEZs and IT Parks and mandates six percent Solar Purchase Obligation (SPO).

In utility scale, out of 1500 MW, 1000 MW will be funded through SPO and balance 500 MW through Generation Based Incentive (GBI) provided by the Government. A GBI of ₹2 per unit for the first two years, ₹1 for next two years and 50 paise per unit for subsequent two years will be provided for all solar or solar-wind hybrid rooftops being installed before March 31, 2014.

For its new buildings, the Government will provide solar rooftops, while for all existing buildings, it will provide solar panels in a phased manner. The Government will also energise over one lakh street lights through solar energy by 2015-16 and water supply installations in local bodies through solar power in a phased manner. Solar parks with a capacity of 50 MW each will also be developed in 24 districts across the State.



The policy also envisages a slew of incentives to power manufacturers, encouraging them to migrate to solar power. Further, the Transmission and Distribution losses, Aggregate Technical and Commercial Losses and other infrastructure expenditure will be reduced by setting up solar power plants in all industrial estates, subject to the availability of land at reasonable cost.

The Government will also promote net metering to promote rooftop penetration thereby encouraging households to produce solar power. It has announced electricity tax exemption, tax concessions, exemption from demand cut to those who produce solar power from their rooftop.

Various other policy measures to achieve the targets are: (i) Renewable Energy Policy, (ii) Policy reforms for further unbundling of distribution in a more decentralised way, (iii) Sustainable Energy Security Policy. The other strategies are: (i) Setting up of offshore wind power and biomass plants, (ii) Attract private investments on a commensurate scale, (iii) Renewable energy master Plan, (iv) Enhancing transformer capacities in the existing sub stations, (v) Bifurcation of high tension overload feeders and installation of capacitor banks at distribution transformers for injection of reactive power, (vi) Conversion of low voltage lines to high voltage lines along with feeder separation to reduce the distribution line losses, (vii) Segregation of agricultural loads, (viii) Adequate transmission network to evacuate the power generated from new plants and to distribute to the customers, (ix) Energy conservation by provision of CFLs, (x) Improving the efficiency of the agricultural pumpsets, (xi) Energy conservation building code and (xii) Energy star labeling in equipments.

Efforts are needed to make the distribution system financially viable during the Twelfth Plan by bringing modern systems of management, use of Information Technology, enforcement of accountability and privatisation or franchising. Merely pursuing



supply side options will not suffice. A paradigm shift to power utility (demand side) management that combines engineering with economic principles is the need of the hour.

Roads, Transports and Ports

An efficient, reliable and safe transport system is a vital requirement for overall economic development. The State's vision is "to increase the capacity, connectivity, efficiency and safety of the highways system" and "to improve the level of transport service to the public". Link roads to all the habitations with more than 1000 population in the State are already provided. Now efforts are made to cover all habitations.

The State transport services play a vital role in providing a variety of services viz., town, mofussil, ghat and express services. Due to increased urbanisation and exponential growth of vehicles, road infrastructure deficit continues and there is an enormous demand for dependable urban mass transit system. In fact, highways carry huge volume of passenger traffic and freight traffic in the State. This sector thus needs special attention. Efforts are needed to improve the road conditions and to reduce accidents.

International trade volumes have been growing faster than GSDP and will continue to do so, indicating the need to build adequate capacity in the ports. Further, appropriate linkages between ports, industrial corridors and railways need to be completed. To meet these expanding demands large investments are needed. Public sector may not be able to raise the required resources and this will be supplemented by investments by the private sector in Public Private Partnership (PPP) mode. In the case of energy and infrastructure funding, the Twelfth Plan proposes to explore possibilities of Public-Public-Partnership with Public Sector Enterprises of the State playing an active role.



In view of meeting the infrastructure requirements, the Twelfth Plan aims at: (i) Modernising many State highways with four lanes and conversion of other State highways and other highways to two lane roads with paved shoulders, (ii) Promoting Integrated public transport system, (iii) Developing minor ports along the east coast through PPP, (iv) Establishment of green field minor ports, (v) High speed passenger rail link connecting Chennai, Coimbatore, Madurai and Kanniyakumari, and (vi) Modernising and expanding the airports in the State.

The strategies suggested in the Twelfth Plan are: (i) Comprehensive Road Infrastructure Development Programme (CRIDP) to strengthen and widen the roads and to construct/improve the bridges/culverts, (ii) Improved Road Quality and Efficiency through Road Management System and Strategic Option Study, (iii) Road Accident Data Management System (RADMS), (iv) Road Safety Action Plan to reduce road casualty, (v) Improved public transport services by purchasing 15000 new buses and 40,000 electronic ticketing machines, (vi) Mono Rail Network connecting various parts of Chennai and Tier II cities (vii) Chennai Unified Metropolitan Transport Authority (CUMTA) to integrate all modes of transport (viii) Greenfield airport complex in Chennai and upgrading existing airports in Coimbatore, Trichy and Madurai to international standards, (ix) Setting up of captive ports, Jetties, and Moorings for the port based oil industries, thermal power plants etc., and (x) Building Road Over Bridges (ROB) and Road Under Bridges (RUB) at the cost of ₹3000 crore in the State.

Tourism

Tamil Nadu has a number of historical monuments and sites. It also has many popular and ancient temples. It has two important clusters of world heritage sites: (i) the group of monuments at Mamallapuram and (ii) the Great Chola Temples-Brahadiswara temple in Thanjavur and Gangaikondacholapuram in Jayankondam and Airavatesvara temple in Darasuram. The State witnessed an



inflow of over 184.1 million domestic and 3.6 million foreign tourists in 2012. The vision is to make Tamil Nadu an attractive international and domestic tourist destination and preserve our rich cultural heritage and monuments of architectural splendour. Our strategy is to promote all these sites to attract around 7 million foreign tourists by the year 2017 and 15 million foreign tourists by the year 2023. Efforts are also made to promote medical tourism, eco-tourism, adventure tourism, heritage tourism and pilgrimage tourism.

Of 788 places in the world declared by UNESCO as heritage sites, 26 are in India. Tamil Nadu is bestowed with 5 world heritage attractions. This is the highest for any State. Tamil Nadu Government declared 48 Heritage places in the State. These places will be linked with Temples in Trichy, Madurai, Chidambaram, Rameswaram, Tiruvanamalai, Thanjavur, Kumbakonam, Nagapattinam, Tirukadaiyur, Gunaseelam and six abodes of Lord Muruga. The places of worship are symbols of spirituality and more importantly of national integration and communal harmony. They are year round tourist destinations.

All the important roads leading to the heritage places, high density temples and shrines will become integral part of Cleanliness Drive movement. These stretches will become the focal point for Litter Free Zones/Plastic Free Zones/ Green Zones. The Chennai-Mamallapuram and similar heritage stretches will be given a facelift in terms of Waste Management with an enhanced thrust on maintenance.

Education and Skill Development

The Eleventh Plan targets relating to education were: (i) zero dropout rate at elementary schools, (ii) 90 percent literacy rate and (iii) 10 percent gender gap in literacy. Estimates indicate that while the literacy rate was 80.3 percent and the gender gap in literacy was 12.9 percent, the dropout rate was less than 1 percent at the end of Eleventh Plan. Further inter district disparities in literacy and female



literacy (e.g., in Dharmapuri the literacy and female literacy rate are 64.7 percent and 60 percent respectively) are the major concerns.

Specific objectives of school education are: (i) universalising primary and secondary education, (ii) to make “Nature, Future and Culture” as part of the curriculum, (iii) to provide a curriculum/ syllabus in consonance with National Curriculum Framework (2005) and Constitution of Expert Committee to recommend the changes to be made in the syllabus from I Std., to XII Std., and also to identify the defects in the existing text books, (iv) to provide adequate infrastructure facilities to all schools, (v) to provide Continuous and Comprehensive Evaluation (CCE) System, (vi) to introduce Trimester system to reduce book load of children, and (vii) to make schools/ colleges as “Green Campuses”.

The broad vision of the Government of Tamil Nadu in the realm of Higher Education encompasses the following: (i) Make institutions of higher education as Centers of Innovation, Excellence and Research and Development, (ii) Accessibility, Equity, Affordability, Flexibility and Quality Standard, (iii) Enhancing employable skills of graduating students, (iv) Popularise science programmes and create strong scientific temper, (v) Strengthening Tamil University and developing research and training for Tamil Development, (vi) Tamil Development through Information Technology, (vii) Centre of excellence in sports and sports hub, (viii) Promote sports and youth welfare activities, and (ix) Make Tamil Nadu a global hub for University Education.

The Twelfth Plan sets 90 percent target for literacy, zero dropout at elementary education, and 21 percent enrolment in higher education. It also sets the target of reducing the gender gap in literacy to 8 percentage points and universalisation of secondary education by 2017.



To achieve the targets, efforts are made to (i) implement Right To Education (RTE) Act, (ii) provide educational kits, text books, note books, uniforms, bus pass, bicycle without cost and special cash incentives to minimise dropout of 10th and 11th standard students (₹1500) and 12th standard students (₹2000), (iii) provide Nutritious meals through Puratchi Thalaivar MGR Nutritious Noon Meal Scheme, (iv) establish Parent-Teacher Association in every primary and middle school, (v) strengthen infrastructure facilities and quality interventions through Sarva Shiksha Abhiyan (SSA) and Rashtriya Madhyamik Shiksha Abhiyan (RMSA), (vi) providing ICT facilities in class rooms and implementing e-governance in all educational institutions, (vii) set up integrated knowledge park, integrated school and public libraries, (viii) set up Government Engineering Colleges in each district, (ix) establish new universities, community colleges and skill development centres and, (x) set up Green Campus and Clean energy in Colleges and Technical Institutions.

About 5 million people will be skilled afresh or re-skilled by the end of the Twelfth Plan. As projected in the Vision Tamil Nadu 2023 document, top five industries that need skilled manpower are textiles, construction, automotive, leather and engineering. To achieve the target, vocational education needs to be reformed. Efforts will be made to increase the proportion of students who enroll for vocational and higher education to over 50 percent (of the students completing secondary schooling). Educated youth will be trained for soft and vocational skills through Tamil Nadu Skill Development Mission (TNSDM). This mission, which is currently being implemented through a society, will be reorganised as a Special Purpose Vehicle (SPV) with participation of the private sector. The Government in addition also plans to provide laptops without cost to higher secondary, college and ITI students to give a major boost to IT literacy in the State. It also plans to fill up 50 percent vacant seats in 627 private ITIs by sponsoring the fees of poor students.



Health and Nutrition

The vision of the Twelfth Five Year Plan is universal access to public health services. The main task is to improve women's health, child health, sanitation/hygiene and universal immunisation. The Twelfth Plan aims to (i) provide effective tertiary care and integrated comprehensive primary health care, (ii) prevent and control communicable and non communicable diseases, (iii) promote healthy lifestyles and (iv) mainstream Indian System of Medicine.

Tamil Nadu's targets relating to health and nutrition in the Twelfth Plan are: (i) reduce Infant Mortality Rate (IMR) to 13, (ii) reduce Maternal Mortality Ratio (MMR) to 44, (iii) reduce Total Fertility Rate (TFR) to 1.6, (iv) reduce child (0-3 years) malnutrition to 16 percent (v) reduce the proportion of women who are anaemic to 33.2 percent, (vi) increase the Life Expectancy at Birth to 70 years for male and 73 years for female, and (vii) clean drinking water for all.

The strategies to achieve the health targets are: (i) One Tertiary Health care centre for every district and establishing five Medical colleges across the State with each college having a minimum of 500 bedded hospital attached to it, (ii) Setting up of 135 urban primary health centres, (iii) Chief Minister's Comprehensive Health Insurance Scheme (CMCHIS) to help patients from economically backward sections in overcoming difficulties in paying for expensive treatments with a coverage of ₹1.50 lakh and creation of corpus fund with an initial sum of ₹10 crore for treatment involving immuno suppressants for transplants, (iv) Hospital on Wheels Scheme, (v) Quality medical education and improvement in Nursing curriculum, (vi) State Cancer Registry, (vii) Birth Defect Registry, (viii) Menstrual Hygiene Programme, (ix) Online Clinical Documentation, (x) Awareness Creation about Indian System of Medicine (ISM), (xi) Maternity assistance of ₹12,000 up to 2 deliveries for poor women through Dr. Muthulakshmi Reddy Maternity Benefit Scheme and provision of Free Laptops to Village Health Nurses, (xii) Filling up of Nursing Assistant – Grade II and (xiii) Appointing adequate number of security staff for the hospitals through outsourcing.



The Twelfth Plan has “Nutrition Security” as an important goal. The vision is to make Tamil Nadu a “Malnutrition Free State”. The mission is to provide a whole life cycle nutrition security programme, with a focus on nutrition for the pregnant and lactating mothers, infants, children and adolescent girls.

To achieve the nutrition goals, the strategies are: (i) Universalisation of ICDS, (ii) Training ICDS functionaries for improving services delivery, (iii) Modernising Anganwadi Centres, (iv) Preventing anaemia and micronutrient deficiencies, and (v) Strengthening early childhood care and education.

Further, a tastier and healthier menu with thirteen varieties of rice and four types of egg masalas would be introduced in a block in each district on a pilot basis and these will be extended across the State in a phased manner. The children enrolled in Anganwadi Centres will also be provided a new menu as per their nutritional requirement and digestive capacity. This measure will pave way for ensuring the nutrient content of the meals offered and also go a long way in preventing dropouts in rural areas.

Towards achieving food security, the Twelfth Plan objectives in Tamil Nadu are two fold: Complete elimination of hunger and stabilisation of food prices and fortification of cereals in Public Distribution System (PDS). The strategies are: (i) Universal PDS, (ii) Distributing essential commodities at subsidised rate through PDS and (iii) Price Stabilisation Fund for procurement of essential commodities. Universal PDS and regular price check will ensure food security.

Urbanisation

Tamil Nadu is one of the most urbanised States in India. About 48.45 percent people live in urban areas. Rapid urbanisation creates pressure on urban amenities like housing, water supply, sanitation, solid waste management etc. The worst affected are the poor. The



Twelfth Plan aims to achieve “safe and affordable housing and also inclusive, sustainable and slum-free cities” in Tamil Nadu.

The strategies to achieve the targets are: (i) “Chennai Mega City Development Mission” and “Integrated Urban Development Mission” for other urban areas, (ii) Emphasis on slum free cities and low income housing, (iii) Conservation of heritage buildings, (iv) Monorail System integrated with MRTS (Mass Rapid Transport System) and Metro Rail for Chennai, (v) Monorail in Tier II cities, (vi) Creation of 24 hours urban health centres, (vii) Re-launch campaign for rain water harvesting, (viii) State wide Sanitation Policy to eradicate open defecation by 2015, (ix) Modernised Solid Waste Management system for garbage free environment, (x) Piped and pressurised 24 x 7 access to water for all, (xi) Tamil Nadu Urban Livelihood Mission to tackle urban poverty and (xii) Constitution of a State Level Property Tax Board. These will ensure that Tamil Nadu will become a pioneering State in “Ecologically Safe Sanitation”. Thus, not only a “Green State” but also a “Clean State” is the goal of Twelfth Five Year Plan.

Employment Opportunities

Growth that is employment intensive is the key to improve the per capita income in an inclusive manner. During 1999-2000 to 2009-2010, total workforce in Tamil Nadu increased from 289.74 lakh to 318.53 lakh (NSSO 66th round). While the share of primary sector in total employment declined from 50.3 percent in 1999-00 to 44.6 percent in 2009-10, the share of secondary sector increased from 23.7 percent to 27.9 percent and that of tertiary sector from 26.1 percent to 27.6 percent. Thus, evidence indicates that secondary sector created more job opportunities than services. The Twelfth Plan aims to create 4 million additional jobs. Widespread skill development initiatives are planned to equip the workforce with the necessary skills to take advantage of the opportunities that emerge in both Manufacturing and Service sectors. The skill development initiatives will focus on both high end skills and minimal skills so that all will



find opportunities for gainful employment in accordance with their skills and capabilities.

Social Justice and Empowerment

Empowerment and Welfare of Women, Scheduled Castes, Scheduled Tribes, Backward Classes, Most Backward Classes, Denotified Communities, Minorities, Transgender and Differently Abled persons, Social Security/Justice, Geriatric Care, and Child Rights are the thrust areas in the Twelfth Plan. The strategies are: (i) Life cycle approach to women's issues, (ii) Cradle Baby Scheme, (iii) Girl child protection scheme, (iv) Marriage assistance scheme, (v) Old Age Pension Scheme, (vi) Elimination of Child Labour, (vii) Safeguarding child rights, (viii) Infrastructure facilities in SC/ST habitations, (ix) Effective implementation of Scheduled Caste Sub Plan (SCSP) and Tribal Sub Plan (TSP) in all sectors and Government departments, (x) Provision of scholarship to SC/STs, (xi) Scholarships to BC/MBC, Minority and Denotified communities' students, (xii) Regional Training Centres for differently abled persons, (xiii) Credit Guarantee fund to provide self employment loans to differently abled persons, (xiv) 25 percent subsidy upto a loan of ₹15 lakhs to the transgenders who are part of SHGs and a pension of ₹1000/- to the destitute transgenders above the age of 40 and (xv) Creation of a State level supply and marketing society for marketing of products manufactured by women SHGs in addition to the support rendered by the District level Supply and Marketing Societies.

Governance

As stated in Vision Tamil Nadu 2023, Tamil Nadu will nurture a culture of responsive and transparent Governance that ensures progress, security and equal opportunity to all stakeholders. Procurement process in Government will be re-engineered within the existing rule framework to increase the efficiency in service delivery. Efforts are made to fully reap the benefits of Information Communication Technology (ICT) in Government with e-governance policy, which will remove intermediaries thereby taking governance closer to people.



Natural Resource Management

As the economy gains the capacity to grow rapidly, it will face constraints and limitations of natural resources and the need to use them in a sustainable manner. While Tamil Nadu focuses on industrial development at a pace faster than the National average, it will focus on the need to preserve the environment and its heritage. Efforts will be made to ensure a balance between development and environment. The draft Tamil Nadu State Environment Policy 2012 focuses on environmental sustainability and realise the objectives of Vision 2023.

The environmental preservation would encompass the entire ecological footprint of human activity. It would include increasing forest cover, mitigation of man-animal conflict, integrated wild life management, ecologically sustainable development of tribal/fringe villages, protection of wetlands, conserving groundwater, rivers and water bodies, protection of the coastal zones and fragile ecosystems, conservation of the zoological and botanical diversity of the State, protection of soil and other natural formations from abuse on account of human activity, laying durable black topped roads using plastic waste, efficient recycling of solid waste, ensuring minimal impact on the environment, minimising atmospheric pollution and in general maintaining the ecological balance across the State. Recycling of waste water for non drinking use can relieve pressure on overall demand of water for drinking purpose and also make the environment clean.

Pollution and environmental degradation has become rampant due to sewerage seepage into the water bodies and the above problem has become manifold in Ooty Lake which has a very fragile ecosystem. In order to preserve the Ooty Lake, in addition to the conventional process, an innovative bio-remediation process will be initiated which would result in a cleaner and safer environment.

Opportunities also exist in Tamil Nadu for reducing Carbon emissions through Clean Development Mechanism (CDM) process especially in the areas of biomass and bagasse cogeneration, solar



and landfill. Being a leader in wind energy, the State has already exploited the benefit of CDM. Reforestation and solar energy projects can also offer scope to derive CDM benefits.

State level Action Plans for Climate Change (SAPCC) would be prepared by the State and adequate provisions will be made in the Twelfth Plan.

Tamil Nadu has a long coastal line. The sea behaviour varies throughout the year. Formation of cyclones, depression and low pressure zones create problems frequently. Further, there is a need to protect lives and infrastructure in the Coastal regions from sea erosion. Hon'ble Chief Minister has directed to constitute a High Level Committee, consisting of the Chief Secretary, Additional Chief Secretary, etc., to identify the critical/ affected coastal areas which require immediate attention and to explore the need for additional anti-sea erosion works and appropriate funds in addition to the 50 works that are already identified at a cost of ₹200 crore.

Disaster Management

The Twelfth Five Year Plan will actively address the vulnerability of the State and its people to uncertainties arising from natural calamities, economic downturns, and other man-made disasters and to mitigate their adverse effects. In a move to mitigate the cyclonic havoc, one lakh houses will be constructed in Cuddalore and Villupuram districts. Frequent cyclones causes extensive damages to power supply infrastructure in the coastal areas and in order to reduce the impact, it is proposed to convert the overhead supply lines to underground cables at a cost of ₹ 490 crore in the affected districts. The Thane cyclone has caused extensive damages to the tree assets, created along the river/canal banks and the coastal belts by the Forest Department. In order to bring back the greenery and revive the ecosystem, restocking to an extent of 5535 ha of the affected area with tree species like teak, casuarina, eucalyptus etc. has also been proposed.



There has been a paradigm shift in the focus of the disaster management from response-centric activities like rescue, relief and rehabilitation to “Prevention, Mitigation and Preparedness”. The State is in the process of strengthening disaster management capacity. A dedicated State Disaster Rescue Force will also be formed.

It is essential to recognise the possible influence of weather and climate at all time scales – from days to decades, and plan for minimising its adverse impact and maximising its opportunities to achieve the development trajectories envisioned in the Twelfth Five Year Plan and the Vision Tamil Nadu 2023 through a Climate Risk Management framework. Therefore, the services of institutions such as Regional Integrated Multi-Hazard Early Warning System for Africa and Asia (RIMES) are proposed to be utilised for Planning process for climate risk management in the Twelfth Plan period.

Monitorable Targets

The Twelfth Plan sets target for many monitorable indicators that are shown in Table 1.4. The GSDP growth target of 11 percent per annum in the Twelfth Plan means that all sectors need to grow rapidly. Agriculture target is 5 percent while industry and services targets are 10.5 percent and 12.0 percent respectively. Although these targets seem to be ambitious, they can be achieved with suitable strategies as stated.



Table 1.4: Monitorable Indicators and Twelfth Plan Targets in Tamil Nadu	
Sectors/ Monitorable Indicators	Targets
Income and Poverty	
1. GSDP Growth (real)	11 percent per annum
2. GSDP Agriculture (real)	5 percent per annum
3. GSDP Industry (real)	10.5 percent per annum (11.4 percent for manufacturing and 8.5 for non manufacturing)
4. GSDP Services (real)	12.0 percent per annum
5. Poverty ratio	Reduced to 8 percent by 2017
Employment	
6. Employment Opportunities	4 Million (0.8 Million each year)
Education	
7. Dropout Rate (elementary schools)	Zero
8. Literacy Rate (gender gap in literacy)	90 percent (8 percentage points)
Health	
9. Infant Mortality Rate	13 per 1000 live births by 2017
10. Maternal Mortality Ratio	44 per 100000 live births by 2017
11. Total Fertility Rate	1.6 by 2017
12. Life Expectancy at birth	70 years for male and 73 years for female by 2017
Women and Children	
13. Child (0-3 years) Malnutrition	16 percent by 2017
14. Anaemia among Women	33.2 percent by 2017
15. Sex ratio	998 by 2017
16. Juvenile sex ratio (0-6 yrs)	965 by 2017
Infrastructure and Environment	
17. Electrification of Households	To all
18. Clean Drinking Water	To all



The detailed target growth rates for each sector are given in Table 1.5.

Table 1.5: Target Growth Rates for Sectors - Tamil Nadu	
Sectors	Growth Rate (%)
1. Agriculture	5.0
1.1 Agriculture and Allied Activities	5.0
1.2 Forestry and Logging	5.0
1.3 Fishing	5.0
2. Industry	10.5
2.1 Mining and Quarrying	8.5
2.2 Manufacturing	11.4
2.3 Electricity, Gas and Water Supply	8.5
2.4 Construction	8.5
3. Services	12.0
3.1 Trade, Hotels and Restaurants	13.0
3.2 Transport, Storage and Communications	10.8
3.2.1 Railways	9.0
3.2.2 Transport by Other Means	11.0
3.2.3 Storage.	13.0
3.2.4 Communication	11.0
3.3 Financing, Insurance, Real Estates and Business Services	11.2
3.3.1 Banking and Insurance	11.8
3.3.2 Real Estate, Ownership of Dwelling and Business Services	10.7
3.4 Community, Social and Personal Services	12.8
Gross State Domestic Product (GSDP)	11.0

Size of the Twelfth Plan

The total outlay in the Twelfth Plan is estimated at ₹2,11,250 crore. The share of central assistance is projected at ₹24,565 crore. As Tamil Nadu sets ambitious growth targets in the Twelfth Plan, huge investments are needed to achieve them. Private sector is expected to play a crucial role, by undertaking various Public Private Partnership (PPP) models particularly in energy, and infrastructure development. Public-Public Partnership model in specific areas will also be encouraged to ensure the attainment of set goals.

Mobilizing resources to finance the Twelfth Plan will call for a major effort at generating tax and non tax revenues and improving the resource generation capacity of the Public Sector Enterprises



and also controlling non Plan expenditures of the State Government. The necessary resources will be obtained by maintaining a steady 3 percent fiscal deficit to GSDP ratio, a surplus on revenue account of 2 percent of GSDP, and leveraging the resultant 5 percent capital expenditure to GSDP ratio to an even higher level by fostering strategic Public Private Partnerships. These issues are examined in detail in the next Chapter on Financing the Plan.





Chapter - II

Financing the Plan

இயற்றலும் ஈட்டலும் காத்தலும் காத்த
வகுத்தலும் வல்லது அரசு.

- திருக்குறள் 385

A king is he who treasure gains, stores up, defends.
And duly for his kingdom's weal expands

- Thirukkural 385

The Twelfth Plan of Tamil Nadu aims to achieve an **Accelerated, Innovative and Inclusive Growth**. Its broad vision includes several inter related components that are broadly consistent with ten main themes identified in the “Vision Tamil Nadu 2023” document. The Twelfth Plan is in fact the road map of the Vision Tamil Nadu 2023. Total outlay in the Twelfth Plan is estimated at ₹2,11,250 crore at current prices. This Chapter presents projections of the likely availability of resources in the Twelfth Plan period given the target Gross State Domestic Product (GSDP) growth rate of 11 percent along with an overview of resources realised in the Eleventh Plan. It also presents a detailed account of sectoral allocations of proposed outlay in the Twelfth Plan and a comparison with corresponding allocations in the Eleventh Plan.

Resources in the Eleventh Plan

The financing pattern during the Eleventh Plan is shown in Table 2.1. State Government resources are Own Fund, Budgetary Borrowing and Central Assistance in the form of grants. The own fund sources are: Balance from Current Revenues (BCR), Miscellaneous Capital Receipts (MCR) and Plan Grants from Government of India. The sources of Government budgetary borrowing are: State Provident Fund, Small Savings, Market Borrowings, Loans from NABARD, Externally Aided Projects (EAP) and others.



The Eleventh Plan projected 91.7 percent of the total Plan resources from the State Government resources and the rest from Public Sector Enterprises (PSEs) and Local Bodies (LBs). The realised State Government resource in the Eleventh Plan was 123.4 percent of the projected amount. The own fund was projected at ₹17,499 crore, but the realised amount at ₹25,214.2 crore was 144 percent of the projected level. The realised central assistance as well as borrowing exceeded their projected levels.

Table 2.1: Financial Resources for the Eleventh Plan - Tamil Nadu

₹ crore							
Sources	Projection (2007-2012)	Realisation (Actual)					
		2007-08	2008-09	2009-10	2010-11*	2011-12*	Total 2007-12
I. State Government Resources (a+b+c)	78280.5 (91.72)	15700.6 (110.4)	19718.5 (121.2)	19941.5 (111.8)	19244.3 (94.0)	22027.0 (93.6)	96631.8 (104.7)
(a) State Own Fund	17498.8 (20.5)	9072.8 (63.8)	6146.0 (37.8)	3648.6 (20.5)	4649.4 (22.7)	1697.5 (7.2)	25214.2 (27.3)
(b) Budgetary Borrowings	51375.1 (60.2)	4461.9 (31.4)	10194.8 (62.6)	14039.7 (78.7)	12453.1 (60.9)	17437.0 (74.1)	58586.5 (63.5)
(c) Central Assistance	9406.6 (11.0)	2165.8 (15.2)	3377.7 (20.8)	2253.3 (12.6)	2141.9 (10.5)	2892.5 (12.3)	12831.2 (13.9)
II. Resources of Public Sector Enterprises	5463.5 (6.4)	-1676.3 (-11.8)	-3843.4 (-23.6)	-2343.7 (-13.1)	825.6 (4.0)	980.8 (4.2)	-6056.9 (-6.6)
III. Resources of Local Bodies	1600.0 (1.9)	200.0 (1.4)	400.0 (2.5)	235.7 (1.3)	394.9 (1.9)	527.2 (2.2)	1757.8 (1.9)
Aggregate Plan Resources (I+II+III)	85344.0	14224.3	16275.1	17833.5	20464.8	23535.0	92332.7

Figures in parentheses are percentages; * revised estimates

While the resources of the PSEs in the Eleventh Plan were projected at 6.4 percent of the total Plan resources, the realised sources of PSEs were in fact negative. While the Eleventh Plan projected ₹ 1,600 crore from LBs, the actual realisation was ₹1,757.8 crore. It is noted that while realised share of State Government resources was higher than its projected share, the realised share of LBs was almost the same as the projected one. Evidence indicates that urban LBs



have not been able to fully tap their property tax revenue potentials. Therefore, based on the recommendation of the Thirteenth Finance Commission, the State proposes to constitute a State Level Property Tax Board which will review the present property tax system and will make suggestions for proper valuation of properties and assessment of dues. This move will improve the financial status of LBs in the State. The aggregate realised amount for the whole Plan at ₹92,332.7 crore was 108.2 percent of the projected level. Thus, the State Government resources increased sufficiently to finance the Eleventh Plan.

The revenue account showed a surplus in three years (2007 - 08, 2008-09 and 2011-12) of the Eleventh Plan period. While in other two years (2009-10 and 2010-11) the revenue account showed a deficit, the revenue deficit was less than 1 percent of GSDP (Chart 2.1). The fiscal deficit relative to GSDP was kept below 3 percent in all years except 2010-11. The borrowings, which were required to cover the fiscal deficit, resulted in an increase in outstanding liabilities of the Government. At the end of the Eleventh Plan, the total liabilities increased to ₹1,15,350 crore (Table.2.2). The share of total liabilities to GSDP was 19.83 percent which is acceptable as the Twelfth Finance Commission suggested an overall target of 28 percent for the State as a whole.

Chart 2.1: Revenue and Fiscal Deficit as Percent of GSDP

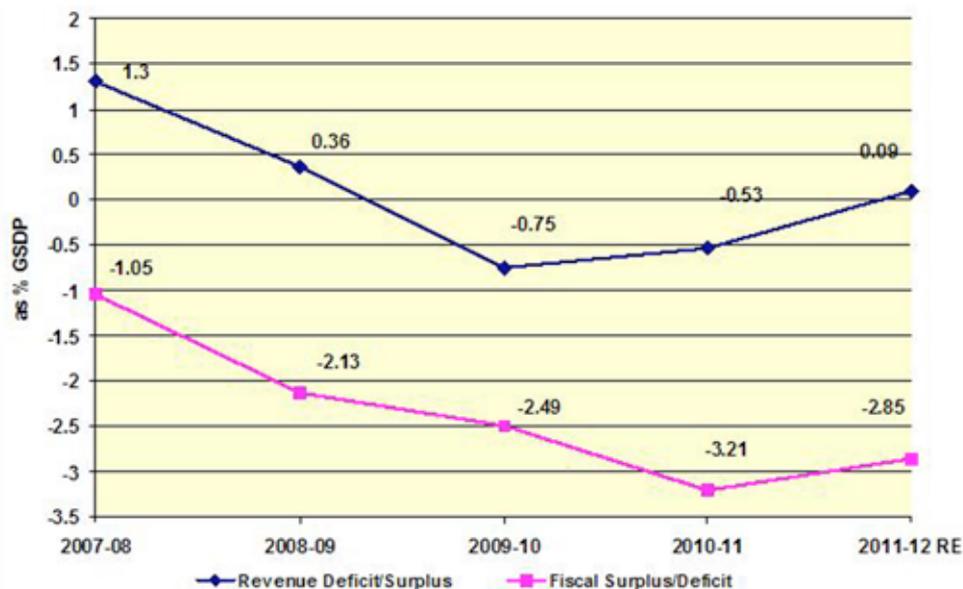




Table 2.2: Tamil Nadu State Finances: Selected Fiscal Aggregates

Fiscal Indicators	2007-08	2008-09	2009-10	2010-11	2011-12 RE
₹ crore					
Own Tax Revenues	29619	33684	36547	47782	59932
Own Non-tax Revenues	3304	5712	5027	4651	5543
State's Own Revenue	32923	39396	41574	52434	65475
Total Central Transfers	14597	15646	14270	17754	20078
Share in Taxes and Duties	8065	8511	8756	10914	12715
Grants	6532	7135	5514	6840	7363
Total Revenue Receipts	47521	55042	55844	70188	85553
Total Revenue Expenditure	42975	53590	59375	72916	85016
Revenue Surplus/Deficit	4545	1452	-3531	-2729	537
Fiscal Surplus/Deficit	-3686	-8548	-11807	-16647	-16597
Capital Outlay	7462	9104	8573	12436	16388
Outstanding Liabilities	64655	74858	88883	101349	115350
GSDP (current price)	350819	401336	473519	518576	581635
As Percent of GSDP					
Own Tax Revenues	8.44	8.39	7.72	9.21	10.30
Own Non-tax Revenues	0.94	1.42	1.06	0.90	0.95
State's Own Revenue	9.38	9.82	8.78	10.11	11.26
Total Central Transfers	4.16	3.90	3.01	3.42	3.45
Share in Taxes and Duties	2.30	2.12	1.85	2.10	2.19
Grants	1.86	1.78	1.16	1.32	1.27
Total Revenue Receipts	13.55	13.71	11.79	13.53	14.71
Total Revenue Expenditure	12.25	13.35	12.54	14.06	14.62
Revenue Surplus/Deficit	1.30	0.36	-0.75	-0.53	0.09
Fiscal Surplus/Deficit	-1.05	-2.13	-2.49	-3.21	-2.85
Capital Outlay	2.13	2.27	1.81	2.40	2.82
Outstanding Liabilities	18.43	18.65	18.77	19.54	19.83
Source (Basic Data): State Budget Documents of Tamil Nadu, various years. RE - Revised Estimates					

As a percentage of GSDP, own tax revenues in Tamil Nadu have traditionally been one of the highest among the major States for many years. It was slated to be at 10.3 percent in 2011-12. The slightly lower figure for own tax revenue relative to GSDP in 2009-10 was due to the revenue impact of introduction of State Value Added Tax (VAT). Non tax revenue as a percentage of GSDP accounted for merely 1 percent.



Fiscal transfers to Tamil Nadu come from Finance Commission transfers, Plan grants, and grants under various centrally sponsored schemes. In the aggregate, the transfers remained around 3 to 4 percent during the Eleventh Plan period except in 2007-08. In that year, it was about 4.2 percent. The Thirteenth Finance Commission has fixed Tamil Nadu's share in total divisible pool of central taxes at 4.969 percent (5.047 percent in the case of service tax) as against 5.305 percent recommended by the Twelfth Finance Commission. However, the Thirteenth Finance Commission has recommended a grant of ₹11,366.9 crore for the five year period (2010-15) towards maintenance of roads and bridges, improving administration of justice, Unique Identity (UID) Scheme, forests, water sector, elementary education etc.

Financing the Twelfth Plan

Table 2.3 (Chart 2.2) presents the resources of the Government of Tamil Nadu and its funding in the Twelfth Plan. The own fund available for the Twelfth Plan is estimated at ₹32,777 crore at current prices. The central assistance to Tamil Nadu works out to be ₹24,565 crore as against the realised amount of ₹12,831 crore in the Eleventh Plan period. Budgetary borrowings are projected at ₹1,43,768 crore as against the realised amount of ₹58,587 crore in the Eleventh Plan. Thus, Twelfth Plan projects about 95 percent of resources from the State Government sources of which large portion is a budgetary borrowing. The rest is projected from PSEs and LBs.

It is noted that the projected share of State's own fund in the Twelfth Plan is less than its realised share in the Eleventh Plan. Partly the reason is that while the State has suffered a huge revenue loss on account of the Central Sales Tax (CST) rate reduction, the centre has restricted the CST compensation for 2010 - 11 by deducting the additional revenue realised through the revision of Value Added Tax (VAT) rate from 4 to 5 percent. It has also been decided to stop the CST compensation from 2011-12. The State also anticipates a huge revenue loss if proposed Goods and Services Tax (GST) is implemented by the Centre.



Table 2.3: Eleventh Plan Realisation and Twelfth Plan Resources - Tamil Nadu (₹ crore)		
Sources	Eleventh Plan (2007-12) Realisation	Twelfth Plan (2012-17) Projections
1. State's Own Fund	25214	32777
2. State Government's Budgetary Borrowing	58587	143768
3. Central Assistance	12831	24565
I. State Government Resources (1+2+3)	96632	201110
II. Resources of Public Sector Enterprises	- 6057	6542
III. Resources of Local Bodies	1758	3598
Aggregate Plan Resources (I+II+III)	92333	211250

Chart 2.2: Eleventh Plan Realisation and Twelfth Plan Resources (in %)

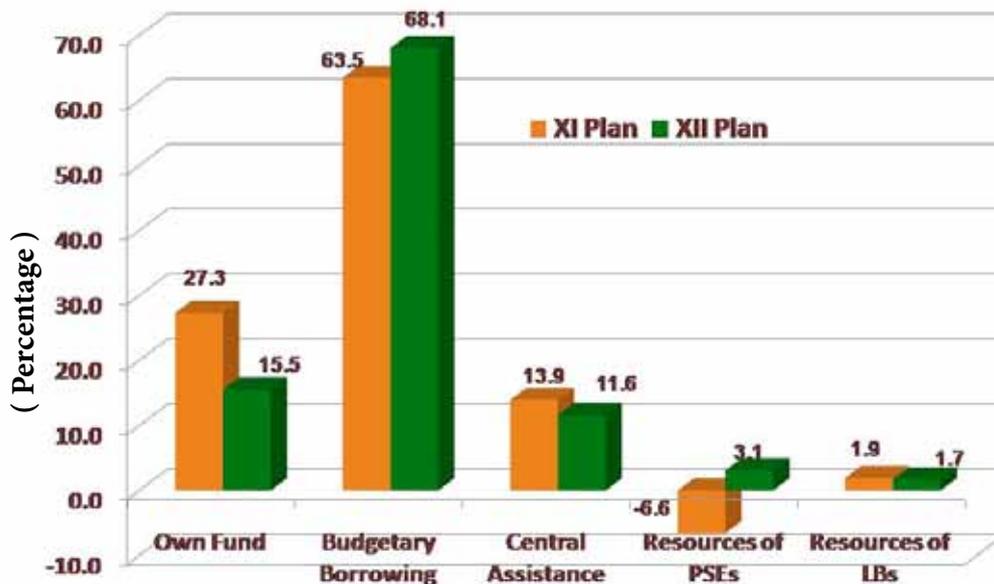


Table 2.4 presents the year wise projected resources of the Government of Tamil Nadu for financing the Twelfth Plan in current prices. Own fund is projected to increase from ₹1,983 crore in 2012-13 to ₹10,202 crore in 2016-17. Government budgetary borrowing is estimated to increase from ₹20,716 crore in 2012-13 to ₹38,125 crore in 2016-17. The Central assistance is expected to increase from ₹3,473 crore in 2012-13 to ₹6,675 crore in 2016-17.



It may be noted that Normal Central Assistance (NCA) is projected at ₹664 crore for the year 2012-13. The State has requested the Union Planning Commission to recommend an increase of the NCA level to at least 20 percent of the Annual Plan Outlay, with a grant component of 50 percent as against the present level of 30 percent.

Table 2.4: Year wise Scheme of Financing for Twelfth Plan - Tamil Nadu (₹ crore)						
Sources	2012-13	2013-14	2014-15	2015-16	2016-17	Total 2012-17
a.Balance from Current Revenues	3146.25	6555.03	7992.39	9461.67	10757.76	37913.1
b.Miscellaneous Capial Receipts	-2098.94	-1731.87	-1924.44	-1447.46	-1124.95	-8327.66
c.Plan grants from Gol (TFC)	935.9	547.74	569.24	569.24	569.24	3191.36
I. Own Fund (a+b+c)	1983.21	5370.9	6637.19	8583.45	10202.05	32776.8
d.Net Accretion to State Provident Fund	1322.79	1455.07	1600.58	1760.64	1936.7	8075.78
e. Gross Small Savings	2000	2000	2000	2000	2000	10000
f. Net Market Borrowing	16931.33	20231.45	24086.6	28604.79	33921.72	123775.89
II Gross Borrowing (d+e+f)	20254.12	23686.52	27687.18	32365.43	37858.42	141851.67
g.NABARD	1500	1500	1500	1500	1500	7500
h.Others (HUDCO,PFC,NCDC,etc)	70.77	74.31	78.03	81.93	86.03	391.07
i.Loan portion of ACA for EAP	3.69	3.00	0.00	0.00	0.00	6.69
j.Loans for EAPs	1582.56	1661.69	1744.77	1832.01	1923.61	8744.64
k.Other Loans	25	25	25	25	25	125
III Gross Negotiated Loans (g+h+i+j+k)	3182.02	3264	3347.8	3438.94	3534.64	16767.4
l.Repayment of Gol Loans	550.74	595.17	648.94	696.49	717.51	3208.85
m.Repayment of NSSF	1224.39	1251.09	1254.17	1288.91	1401.88	6420.44
n.Repayment of Negotiated Loans	865.96	909.26	954.72	1002.46	1052.58	4784.98
o.Repayments - Others	79.05	83	87.15	91.51	96.09	436.8
IV Repayments (l+m+n+o)	2720.14	2838.52	2944.98	3079.37	3268.06	14851.07
V. Budgetary Borrowing (II+III-IV)	20716.00	24112.00	28090.00	32725.00	38125.00	143768
p.Normal Central Assistance	664.42	784.02	909.46	1064.07	1276.88	4698.85
q. ACA for EAPs	153.44	181.06	210.03	245.74	294.89	1085.16
r.Others	2655.62	3133.63	3635.01	4252.96	5103.55	18780.77
VI. Central Assistance (p+q+r)	3473.48	4098.71	4754.50	5562.77	6675.32	24564.78
s.Internal Resources	-11681.74	-12032.19	-12393.16	-12764.95	-13147.90	-62019.94
t.Extra Budgetary Resources	12919.71	13302.31	13698.37	14109.33	14532.68	68562.40
VII. Resources of PSEs (s+t)	1237.97	1270.12	1305.21	1344.38	1384.78	6542.46
u.Urban Local Bodies	328.55	361.4	397.54	437.29	481.02	2005.80
v.Rural Local Bodies	260.79	286.87	315.56	347.11	381.83	1592.16
VIII. Resources of Local bodies (u+v)	589.34	648.27	713.1	784.4	862.85	3597.96
Aggregate Plan Resources (I+V+VI+VII+VIII)	28000.00	35500.00	41500.00	49000.00	57250.00	211250



Eleventh Plan Outlay

The proposed outlay in the Eleventh Plan was ₹85,344 crore which was more than double the proposed outlay in the Tenth Plan of ₹40,000 crore (Table 2.5). The highest priority was given to the social services. The outlay for this sector was ₹36,732 crore as against its outlay of ₹13,632 crore in the Tenth Plan. The next priority was given to transport with an outlay of ₹11,647 crore and then agriculture, irrigation, flood control with an outlay of ₹11,145 crore. Energy outlay was ₹10,743 crore as against its Tenth Plan outlay of ₹8,030 crore.

Table 2.5: Plan Outlays: Tenth, Eleventh and Twelfth Plans - Tamil Nadu (₹ crore)			
Sectors	Tenth Plan	Eleventh Plan	Twelfth Plan
Agriculture, Irrigation and Flood Control	6307	11145	29380
Rural Development	4100	10241	23869
Energy	8030	10743	27517
Industry and Minerals	555	3716	5468
Transport	6730	11647	20854
Science and Technology	160	147	414
Economic Services	176	284	3879
Social Services	13632	36732	99404
General Services	310	689	465
Total Outlay	40000	85344	211250

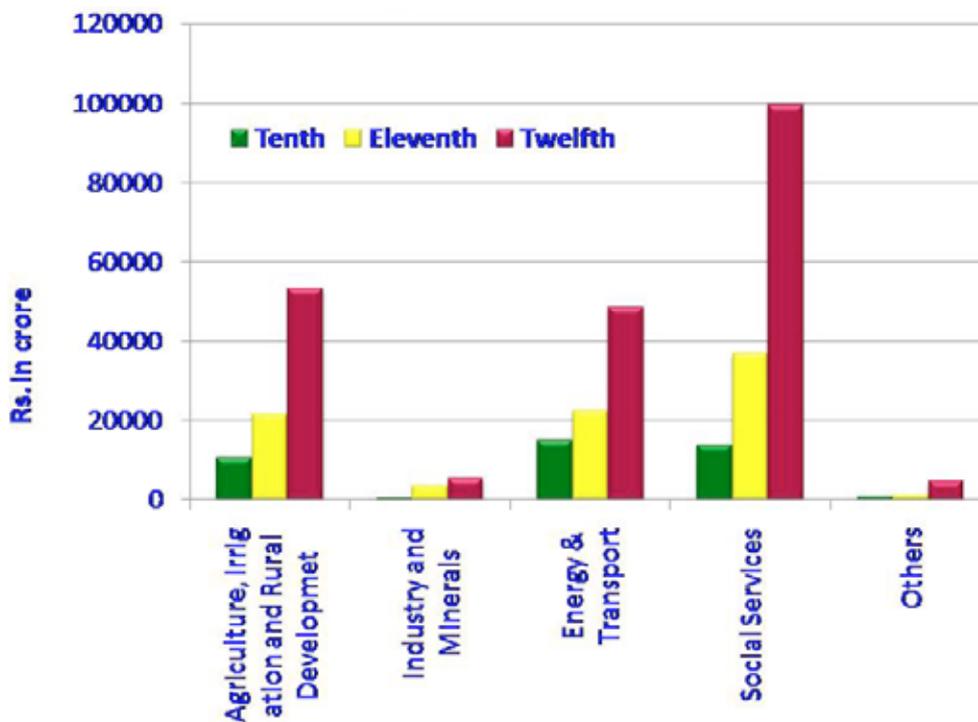
Twelfth Plan Outlay

Total outlay in the Twelfth Plan needed for 11 percent growth of the economy is projected at ₹2,11,250 crore. This is 2.48 times the proposed outlay of ₹85,344 crore in the Eleventh Plan and 5.3 times the outlay of ₹40,000 crore in the Tenth Plan (Table 2.5 and Chart 2.3). Social services get priority with a share of 47 percent of the total outlay. As this sector includes education, health and nutrition, water supply, sanitation, urban development, housing and social welfare, the Twelfth Plan proposes an outlay of ₹99,404 crore for this sector, which is about 2.7 times the corresponding outlay in the Eleventh Plan.



Agriculture, irrigation, flood control and rural development together get a share of 25.2 percent in the Twelfth Plan. The proposed outlay for these sectors is ₹53,249 crore, which is about 2.49 times the corresponding outlay of ₹21,386 crore in the Eleventh Plan. The share of energy sector is 13.0 percent while the share of transport sector is about 9.9 percent. Others including industry and minerals get a combined share of about 3 percent. It may be noted that the shares of many of these sectors have fallen despite their being in the priority list. This is not a reflection of lack of priority but a reflection of a conscious policy to shift from public sector funding in these sectors to a strategy of increased Public-Private- Partnership.

Chart 2.3: Plan Outlays: Tenth, Eleventh and Twelfth Plans



Sectoral Outlays: Twelfth Plan

A detailed break up of sectoral outlay in the Twelfth Plan is shown in Table 2.6. Within agriculture and allied activities, Crop Husbandry and Horticulture (₹7,923 crore) are given the highest priority with a combined share of 3.8 percent, followed by Cooperation (1.5 percent share) and Forestry and Wildlife (1.0 percent share). While the share



of Major and Medium Irrigation and Flood Control is 4.1 percent of total outlay, the share of Minor Irrigation is 0.8 percent. Within the Energy sector, the power (conventional) share is 12.6 percent while the non-conventional energy share is 0.4 percent. About 9.9 percent of proposed outlay is for Transport.

The proposed outlay for General and Technical Education is ₹18,092 crore, accounting for 8.6 percent of the total outlay. Water Supply and Sanitation in the Twelfth Plan is being given higher allocation of 5.4 percent in line with the State's commitment to provide world class infrastructure facilities. The State has allocated 9.0 percent for Social Welfare and Social Security sector. To meet the increased demand for urban amenities and infrastructure, the Twelfth Plan allocates 6.0 percent of the total proposed outlay for Urban Development. It allocates 5.1 percent for Medical and Public Health. The share of the Nutrition in the proposed outlay is 5.3 percent. The Twelfth Plan proposes 4.2 percent of total outlay for the welfare of SCs, STs and OBCs, 1.1 percent for Labour Welfare, 1.6 percent for Housing and 1.6 percent for Civil Supplies (Table 2.6).



Table 2.6: Sectoral Allocation in Twelfth Plan - Tamil Nadu

Sectors	Outlay ₹ crore	% to total	Sectors	Outlay ₹ crore	% to total
Agriculture & Allied Activities			Science, Technology & Environment		
Crop Husbandry and Horticulture	7923	3.8	Scientific Services & Research	177	0.1
Agriculture Research & Education	1924	0.9	Ecology & Environment	237	0.1
Food Storage, Ware Housing etc	541	0.3	General Economic Services		
Soil & Water Conservation	1203	0.6	Secretariat Economic Services	20	0.0
Animal Husbandry	1661	0.8	Tourism	364	0.2
Dairy Development	339	0.2	Economic Advice and Statistics	34	0.0
Fisheries	1874	0.9	Weights and Measures	11	0.0
Forestry & Wild Life	2146	1.0	Civil Supplies	3450	1.6
Cooperation	3066	1.4	Social Services		
Rural Development (RD)			General Education	16062	7.6
Special Program for R.D.	23869	11.3	Technical Education	2030	1.0
Irrigation & Flood Control			Sports & Youth Services	1339	0.6
Minor Irrigation	1622	0.8	Art & Culture	201	0.1
Command Area Development	148	0.1	Medical & Public Health	10832	5.1
Major, Medium Irrigation, Flood Control	6933	3.3	Water Supply & Sanitation	11306	5.4
Energy			Housing (Incl. Police Housing)	3383	1.6
Power	26719	12.6	Urban Development	12685	6.0
Non-Conventional Energy	798	0.4	Information & Publicity	27	0.0
Industry & Minerals			Welfare of SCs/STs/OBCs	8783	4.2
Other Industries (other than VSI)	1133	0.5	Labour & Labour Welfare	2408	1.1
Information Technology	433	0.2	Social Welfare & Security	19062	9.0
Village & Small Industries	3873	1.8	Nutrition	11285	5.3
Minerals	29	0.0	Other Social and Community Services	2	0.0
Transport			General Services		
Roads and Bridges	16911	8.0	Stationery & Printing	8	0.0
Road and Inland water Transport	3942	1.9	Public Works	457	0.2
Grand Total				211250	100



Externally Aided Projects (EAP)

EAPs have become an important component of Plan assistance. The State has been availing assistance for development projects from External Donor Agencies-World Bank, Japan International Cooperation Agency (JICA), German Development Bank and Asian Development Bank. The assistance is generally extended to the State through Government of India. The Department of Economic Affairs (DEA) in the Ministry of Finance, Government of India is the nodal agency for receiving foreign assistance from multilateral/bilateral agencies and is responsible for all policy issues pertaining to external aid received by the Central Government. The DEA plays an important role in prescribing limits, if any, for external borrowings (sector-wise or lender-wise), developing pipeline projects, negotiating external assistance and monitoring implementation.

In recent years, the scope of the externally aided projects has widened. The State has been able to create assets in the field of Energy, Irrigation, Roads, Health, Forestry, Animal Husbandry etc. through such assistance. In spite of resource constraints, the State is able to take up a lot of developmental projects due to receipt of assistance from the Donor Agencies. The availability of external aid has enabled the implementation of several developmental schemes in the State.

EAP in Eleventh and Twelfth Plan

Table 2.7 provides the details of EAPs continuing from the Eleventh Plan, new schemes commencing from 2012-13 and also the details of EAPs that are in the pipeline. The proposals for the projects in pipeline have been forwarded to the concerned Ministry in Government of India.

**Table 2.7: Details of Externally Aided Projects (EAP) in Twelfth Five Year Plan - Tamil Nadu**

Name of the Project	Funding Agency	₹ crore
A. Ongoing Projects		
Tamil Nadu Afforestation Project TAP-II	Japan International Cooperation Agency (JICA)	567.42
Tamil Nadu Urban Development Project III	IBRD/World Bank	1884.21
Pudhu Vaazhvu Project	IDA/World Bank	717.1
Hydrology Project	IBRD/World Bank	25.27
Post Tsunami Sustainable Livelihoods Program	IFAD	283.71
Irrigated Agriculture Modernisation and Water Bodies Restoration and Management project (IAMWARM) Project	IBRD&IDA/World Bank	2547
Tamil Nadu Urban Infrastructure Project	JICA	344.7
Hogenakkal Water Supply	JICA	1928.8
Sustainable Municipal Infrastructure Financing in Tamil Nadu (SMIF)	KfW German Development Bank	500
Additional Financing Tamil Nadu Health System Project (TNHSP)	IDA/World Bank	627.72
Additional Financing Pudhu Vaazhvu Project	IDA/World Bank	950
Tamil Nadu Bio Diversity and Greening Project	JICA	686.00
B. New Project		
Dam Rehabilitation and Improvement Project	World Bank	745
C. Projects in Pipeline		
Tourism Infrastructure Development Project	JICA	598
Power Transmission & Energy Project	JICA	3573
Tamil Nadu Investment Promotion Project	JICA	1000
Tamil Nadu Road Sector Project - Strategic Optional Study (SOS) Phase-II	To be decided	8000
Cauvery Delta Climatic Change Adoption Project	ADB	1560
Disaster Risk Reduction Project	World Bank	1142.75

The State finances are stable and well managed. The State meets the requirements of Fiscal Responsibility and Budget Management (FRBM) Act. It has a revenue surplus in 2011-12 and its fiscal deficit is less than 3 percent to GSDP in 2011-12. Its debt is also under control. The additional resource mobilisation measures taken by the Government is expected to yield good revenue growth. Hence, the State will certainly be able to finance the Twelfth Plan targets.





Full Commission Meeting Chaired by Hon'ble Chief Minister and Chairperson of State Planning Commission, **Selvi J Jayalithaa** on 26.11.2012 to approve Twelfth Five Year Plan



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