



POLICY NOTE

ON

**PLANNING, DEVELOPMENT AND SPECIAL
INITIATIVES DEPARTMENT**

DEMAND No. 36

2011-2012

O. PANNEERSELVAM
Minister for Finance

©
GOVERNMENT OF TAMIL NADU
2011

DEMAND No.36

PLANNING, DEVELOPMENT AND SPECIAL INITIATIVES DEPARTMENT

NOTE ON POLICY

INTRODUCTION

Planning, Development and Special Initiatives Department is primarily responsible for the State's Plan preparations, Monitoring and Review of expenditures in State Plan Schemes, Poverty Alleviation Programmes, Twenty Point Programme and the Centrally Sponsored Schemes. The Department coordinates with various Government departments for this objective and as the administrative department, draws on the expertise of the State Planning Commission (SPC), Department of Economics & Statistics (DOES), and Department of Evaluation & Applied Research (DEAR). The department performs coordination functions for new areas in Government and takes up design and implementation of special, innovative multidisciplinary projects and policies including the Chennai Metro Rail Project of its Special Initiatives Wing. The department's website www.tn.gov.in/departments/pd.html contains various details and documents in relation to its activity.

1.0 MAIN ACTIVITIES

- i. Preparation of Five Year Plans and Annual Plans and liaison with the Union Planning Commission;
- ii. Preparation of perspective plan, mid-term review of five year plan, assessment of development indicators, and evaluation of major plan schemes. Stewards studies on formulation and implementation of specific programmes including natural resource assessments of land and water use in the State;
- iii. Monitoring and Review of Plan Schemes, Twenty Point Programme, Centrally Sponsored Schemes, and Schemes shared between State and Centre;
- iv. Monitoring and Review of progress in major infrastructure projects;
- v. Coordination activities in Special Projects involving several Government departments and agencies such as the Development and Use of Remote Sensing Geographic Information Systems Applications. In the past, the department has taken the lead in computerisation and in formulating the State's approach to World Trade Organisation Policy and domestic impacts;
- vi. Collection, compilation and dissemination of statistical data from public and private data sources including State Income Estimates, Economic Census, Agricultural Census, Special

- Surveys, and Monthly Reports on the State's economy;
- vii. Evaluation of Plan Schemes, Centrally Sponsored Schemes and Externally Aided Projects;
 - viii. Special or New Project Design and Implementation of schemes such as the Hill Area Development Programme and Western Ghats Development Programme;
 - ix. Initiating Metro Rail Project under Special Initiatives wing; and
 - x. Facilitating the operations of the State Planning Commission, Department of Economics and Statistics, and the Department of Evaluation and Applied Research.

2.0 NOTES ON ACTIVITIES

The nature and status of each activity area is briefly described below:

2.1 *Consistent Growth in Outlays of Five Year Plans*

The State Government's programme expenditures have consistently exceeded planned Outlays encouraging higher growth rates. These have

enabled increasing levels of Approved Plan Outlays as tabled below for reference:

(₹ crore)

Plan	Period	Approved Outlay	Expenditure
First Plan	1951-1956	86	80
Second Plan	1956-1961	186	188
Third Plan & Annual Plans	1961-1969	608	613
Fourth Plan	1969-1974	552	559
Fifth Plan	1974-1979	1,122	1,165
Sixth Plan	1980-1985	3,150	3,645
Seventh Plan	1985-1990	5,750	6,317
Annual Plan	1990-1991	1,450	1,591
Annual Plan	1991-1992	1,600	1,726
Eighth Plan	1992-1997	10,200	14,024
Ninth Plan	1997-2002	25,000	25,036
Tenth Plan	2002-2007	40,000	43,568

2.2 Eleventh Five Year Plan (2007 – 2012)

The Eleventh Five Year Plan is being implemented with an outlay of ₹85,344 crores, an 113% rise over the outlay for the Tenth Plan. The Plan incorporates the objective of achieving over 2007-2012, an Average Annual Growth Rate (AAGR) of nine per cent in the State's economy.

2.2.1 Outlays & Expenditure during Annual Plans 2007-2011

(₹ crore)

Year	Approved Outlay	Expenditure
11 th FYP (2007-2012)	85,344	--
2007-2008	14,000	14,224
2008-2009	16,000	16,275
2009-2010	17,500	17,834
2010-2011	20,068	20,465 (P)

(P)Provisional

Expenditures exceeded Approved Outlays in every year of the Eleventh Plan period as shown in the above table. However, growth in industry and agriculture lagged and only higher growth in services enabled the economy to achieve an estimated AAGR for 2007-2011 of 7.96%.

2.2.2 Annual Plan 2011 – 2012

The Approved Outlay for 2011-2012, the final year of the Eleventh Five Year Plan, has been finalized at ₹23,535 crores during the meeting held on 6-7-2011 between the Hon'ble Chief Minister and the Deputy Chairman, Union Planning Commission at New Delhi. This approved outlay represents 27.58% of the total outlay of ₹85,344 crores for the Eleventh Five Year Plan, and is a sharp increase of 17.28% over the previous year.

2.2.3 Twelfth Five Year Plan 2012-2017

Activities for formulating the Twelfth Five Year Plan of the State has been taken up by the Department and work entrusted to the State Planning Commission. The department coordinates the involvement of various Secretaries and Heads of Departments to ensure their participation in the Steering Groups and Working Groups or Sub-Groups formed by the Union Planning Commission to effectively reflect the views and priorities of Tamil Nadu. Central Government guidelines and schematic priorities are kept in view while formulating the State's Twelfth Five Year Plan.

2.3 Review of Plan Expenditure

The progress of expenditure in plan schemes, centrally supported schemes and composite activities like the Twenty Point Programme are systematically monitored and reviewed.

2.3.1 *Review of Plan Programmes*

The expenditure in schemes under the Annual Plan is received from the concerned Secretariat Departments every month and reviewed by the Chief Secretary with a view to ensure full achievement of plan outlay.

2.3.2 *Review of Centrally Sponsored Schemes & Schemes shared between State and Centre*

The Centrally Sponsored Schemes which are fully funded by Government of India and Schemes shared between State and Centre are implemented in the State by different Departments and Agencies. Their progress is systematically monitored and on quarterly basis.

2.3.3 *Review of Twenty Point Programme-2006*

The Twenty Point Programme (TPP) was formulated as a composite poverty alleviation project in 1975 and restructured in 1982, 1986, and 2006, when it was renamed "TPP 2006". Progress in the various component schemes is reviewed monthly and a ranking of districts in achieving progress towards targets is arrived for encouraging focused efforts of district officers.

The main objective of the programme is to eradicate poverty and improve the quality of life of the

poor and under-privileged population. The programme components span specific issues of income deprivation, employment generation, education, housing, health, agriculture, land reforms, irrigation, drinking water, protection and empowerment of weaker sections, and consumer protection.

Monthly progress reports are sent to Ministry of Statistics and Programme Implementation in the Government of India. The Central Government ranks States by order of their monthly performance as reported after cross-verification with the Department of Rural Development.

2.4 Monitoring and Review of Major Infrastructure Projects

Planning & Development department services a High Level Official Committee headed by the Chief Secretary formed to review Major Infrastructure Projects with outlays exceeding ₹100 crores. For this purpose, major infrastructure projects are categorised in four Groups: i) Energy, Industries and Information Technology; ii) Highways and Minor Ports; iii) Infrastructure Projects within Chennai Metropolitan Area; and iv) Other Urban Infrastructure and Drinking Water Projects. The Committee reviews progress in implementation of these projects, the bottlenecks involved in timely completion and advises on steps to be taken for resolving such problems including those that require inter-departmental coordinated action.

2.5 Co-ordination: Development of Remote Sensing and Geographic Information Systems

Recognising that remote sensing was a vital tool with manifold applications, the Government formed a State Level Co-ordination Committee (SLCC) on Remote Sensing by G.O. Ms. No.19, Planning and Development (PC) Department, dated 15.02.1984 serviced by the Higher Education Department. Subsequently, in the context of overall computerisation of Government functions at district and taluk levels, the Government reconstituted the SLCC in G.O. Ms No. 30, Planning and Development (DB) Department, dated 27.03.2001. By this order, Planning and Development department was entrusted the coordination task for development of Geographic Information Systems (GIS) and Institute of Remote Sensing (IRS), Anna University was nominated Member-Secretary with the nodal function of a Central Repository for all GIS applications and digital maps. The purpose of coordination was to ensure the streamlined development of this tool by various Government departments, popularise and widen awareness of its potential, and encourage use. A major role was to eliminate wastage by duplication or over-specification in the purchase of costly satellite data, equipment, etc. The Committee was reconstituted twice, in G.O.Ms No.115, PD&SI (TC.I) Dept., dated 2.11.2004 and again in G.O.Ms. No. 63, PD&SI (TC1) Dept., dated 5.7.2005, when the Chief Secretary assumed Chairmanship of the SLCC. A review of developments in different departments in Remote

Sensing use revealed that IRS at Anna University had completed the Government-financed acquisition of satellite data under Natural Resource Information System (NRIS) but had only hosted the material on their own server and not the Government server where it could be accessed by various departments. Further, that several departments and projects were directly acquiring Remote Sensing data from National Remote Sensing Agency (NRSA), Hyderabad leading to duplication and overlaps in database. Therefore, a State Level Geographic Information Systems Task Force was constituted in the State Planning Commission in G.O. Ms No.64, PD&SI (ST-II&E) Dept., dt. 3.8.2006. The Task Force was charged with the responsibility of identifying the issues of inadequate coordination, sharing of data and materials that had led to redundancy and overlaps in activity and to develop a GIS Plan for the State to meet needs of various State departments and for creation of a district level GIS structure (NRDMS-Natural Resources Database Management System). Four agencies appointed for carrying out NRDMS projects in five districts completed the task but used slightly different approaches and software. Therefore, in order to harmonise the activity to meet Government requirements, the SLCC met on 16.11.2009 and constituted a Core Group to draw up a detailed strategy with time-lines for implementation. The Core Group has also submitted its report covering a situational review, requirements to develop a State-wide TNGIS network and methodology for implementation. Meanwhile, the Department of Information Technology has also obtained budgetary sanction of ₹43.50 lakhs as a

Part-II scheme during 2010-11 for establishing a GIS Data centre with workstation. The Core Group is now considering the status of this effort in order to advise the SLCC for its further consideration and to remove bottlenecks for rapid implementation.

2.6 *Collection, Compilation and Dissemination of Statistics*

The department is the nodal centre in Government for the provision of statistical information relating to the State and its economy. Such data is collected and compiled in Government itself from primary and secondary sources and also from private sources.

2.6.1 *In-house Information Provision*

Most statistical information requirements of departments are met through the Department of Economics and Statistics established for this purpose under this department's control. In addition, the department collects statistics from the rest of the country for comparing relative performance.

2.6.2 *I-cube services of CMIE*

The department has coordinated the availability of a variety of statistical data relating to various sectors of the state's economy and appraisal reports on specific sectors by subscribing to the I-cube service provided by the Centre for Monitoring Indian Economy (CMIE), a leading business and economic analysis private Indian

company. At an annual cost of ₹19.55 lakhs, CMIE positioned an Information Expert in the Planning and Development Department who would, on request, obtain data in eleven databases relating to financials of registered firms; port-wise exports and imports; performance of industries; database of large and medium firms in India; new investment activities; mutual funds; time series databases on the Indian economy; agricultural production; and international economic statistics. In addition, the Expert would provide an analytical macro economic view of the Indian economy and produce a Monthly review of the State's economy.

The experience and utility of the service has been found to be satisfactory. The data has been used by the Secretariat departments and certain Heads of Departments through the Information Officer of CMIE stationed within the Computer Centre of the department. In addition, the I-cube officer assisted the department officials in compiling various reports and by providing relevant data support.

Recently, the CMIE have proposed to withdraw their I-cube services and have recommended migration to their web-based I-cube service from this year. This service permits a selection by the department of the database access service that is of most relevance for users as ascertained from past practice from commencement of their services. The company has now proposed to scale down the annual cost to ₹5.86 lakhs including log-in charges of ₹0.60 lakh per user, for provision of data on formation of new industrial capacities in the country, state and inter-state data, data on performance of various companies in India, and

an industry analysis service. These services would include occasional reports on each State and a monthly analysis of the macro economic trends in the Indian economy.

2.7 *Evaluation of Major Programmes and Schemes*

Evaluation of schemes to ensure that benefits actually reach the targeted population is an important function of the Department. Both concurrent and terminal evaluations are done through the Directorate of Evaluation and Applied Research (DEAR). The selection of programmes for evaluation is decided by the Director in consultation with the Planning & Development Department and after obtaining suggestions and requests from various departments and the State Planning Commission. In addition, the DEAR has been provided with ₹6 lakhs as Part-II funding to out-source certain evaluations through reputed institutions. The outcomes of evaluation are brought out as documents containing results of field data collection, systematic analysis, diagnosis and recommendations on course corrections and policy changes for consideration by the implementing departments.

2.8 *Implementation of Special Programmes and Projects*

The department implements from 1975, two Centrally-assisted Plan programmes aimed at conserving the unique ecology of the Western Ghats

that form a rich forest border between Tamil Nadu and Kerala states. The programme that focuses on Nilgiris district is separately categorised as the Hill Area Development Programme (HADP) with higher funding while the rest of the hill range to the south is covered by the Western Ghats Development Programme. Both programmes are being considered for renewed funding during the Twelfth Five Year Plan and the State has pressed for continuation with substantial increase in investment.

2.8.1 Hill Area Development Programme

Hill Area Development Programme (HADP) is implemented in the Nilgiris District from 1975 under Special Central Assistance funds from the Union Planning Commission, Government of India and is currently funded with 90% grant component. The Programme aims to supplement the efforts of the State Government in preservation, protection, and enrichment of biodiversity in the Hill Area. The scheme is implemented directly by the Planning and Development department through a Project Director located at the Project Office at Udhagamandalam. The plans are prepared on integrated watershed basis based on the guidelines of the Union Planning Commission. The strategy is Watershed-based land use planning and implementation coupled with area development projects in all parts of the district.

2.8.1.1 PROGRAMME OBJECTIVES

The main objectives of the programme are:

- ❖ Eco-preservation, eco-restoration, and eco-development of the Hill district;
- ❖ Development of infrastructure in the areas of soil and water conservation, forestry, agriculture, horticulture, health, education, tourism, animal husbandry & dairy development, improved land use, and basic facilities in rural and urban bodies, and amenities aimed at the socio-economic development of residents;
- ❖ Improving livelihoods of tribals in isolated settlements; and
- ❖ Promotion of Non-Conventional Energy Sources such as solar, hydropower, and biomass.

2.8.1.2 IMPLEMENTATION DESIGN

Under this programme, the entire Nilgiris district has been delineated into 75 macro-watersheds. HADP is targeted to cover 37 out of the 75 macro-watersheds that are to be taken up in phases for implementation of schemes. Micro-watersheds are developed by conserving rain water through treatment of drainage lines and promoting in-situ moisture conservation using eco-friendly agricultural production system on arable land. Work in 27 macro watersheds has been completed under Hill Area Development Programme.

The annual allocation of Special Central Assistance (SCA) for this Programme is determined by the Union Planning Commission. The previous full grant funding was reduced in 2005-2006 fiscal to 90% Central grant with the remaining 10% to be sourced internally by the State including by loan. From 2005-2006 onwards, the Government of India releases only the grant component of SCA. From Annual Plan 2009-10 onwards, loan portion (10% of SCA) is being treated as “State share”.

2.8.1.3 PERFORMANCE DURING 2010-2011

The total allocation for the year 2010-2011 was ₹42.93 crores and was entirely disbursed. The sectors that received major allocations were Soil Conservation, Forestry, Horticulture, Welfare of SC/ST, Development of Urban and Rural Local Bodies, Minor Irrigation, Roads, and Tourism. For the year 2011-12, Government of India has agreed to an outlay of ₹47.19 crores, which represents a 9.9% increase.

2.8.1.4 PLAN PROPOSALS FOR 2011-2012

The Draft Annual Plan for 2011-12 has been sent for approval. In the draft Annual Plan, priority has been given to Development of Urban and Rural Local Bodies, Soil Conservation, Forestry, Welfare of SC/ST, Gap Filling Infrastructure, Roads and Road safety, Horticulture, Human Resources Development, Tourism

and Minor Irrigation. Special emphasis has been laid on measures for flood and landslide mitigation.

2.8.2 Western Ghats Development Programme

The Western Ghats region in Tamil Nadu is spread over 26,000 sq km covering around 20% of the total area of the State and falls within eight districts of the State covering 60 Blocks and 33 Taluks. Of the eight districts, Theni and Kanniyakumari districts are fully covered under the Western Ghats Development Programme while the rest are partially covered. From the Annual Plan 2010-2011, the implementation of Western Ghats Development Programme for Dindigul, Theni and Madurai has been done through the Tamil Nadu Watershed Development Agency on pilot basis in order to promote the watershed approach, elicit community needs and participation, promote sustainable agriculture, and ensure both closer supervision and community execution of works.

2.8.2.1 PROGRAMME OBJECTIVES

The main objectives of the programme are:

- ❖ Restoration and Maintenance of ecological balance and biodiversity;
- ❖ Land and water resource development and conservation; and

- ❖ Creating awareness about ecological degradation for People's Participation in eco-development schemes that promote sustainable livelihoods.

2.8.2.2 IMPLEMENTATION DESIGN

Western Ghats Development Programme (WGDP) is implemented in Tamil Nadu from 1975-76 under Special Central Assistance Funds from the Union Planning Commission, Government of India and is currently funded with 90% grant component. The programme adopts 'watershed' as a spatial unit for planning and development. A total of 187 watersheds are included, of which 166 watersheds have been identified for coverage under integrated development. An added area approach covering different sectors seeks to promote livelihoods and improve infrastructure and amenities in these areas. The main developmental activities undertaken include Soil and Water Conservation, Horticulture, Forestry, Minor Irrigation, Rural Roads, Fisheries, Sericulture, Welfare of Scheduled Castes & Scheduled Tribes, Tourism and Non-Conventional Energy.

2.8.2.3 PERFORMANCE DURING 2010-2011

For the Annual Plan 2010-2011, an outlay of ₹20.61 crores has been approved by the Union Planning Commission. Expenditure has lagged due to delayed fund release as late as January 2011. For Annual Plan 2011-2012, the outlay has been raised by 10.5% to ₹22.77 crores by the Union Planning Commission.

2.8.2.4 PLAN PROPOSALS FOR 2011-2012

The Draft Annual Plan for 2011-2012 has been formulated and sent for approval by the Union Planning Commission. In the draft Annual Plan, priority has been given to Integrated Watershed Development through the State Watershed Agency, Forestry, Welfare of SC/ST, Tribal Welfare, Roads, Development of Rural Local Bodies, Animal Husbandry and Renewable Energy.

2.9 *Special Initiatives and Projects*

2.9.1 The Government decided in G.O.Ms.No.31, Planning and Development (WTO) Department, dated 29.4.2003 to expand the Planning and Development to include a wing for Special Initiatives and Projects. The objectives of the Planning, Development and Special Initiatives Department was to process innovative schemes that emanate from different sources. A large number of schemes were identified for coordination with respective administrative departments.

In G.O. Ms. No.146, Planning, Development and Special Initiatives Department, dated 02.11.2006 orders were issued for inclusion of the subject "Special Initiatives" in the First Schedule of the Business Rules under "Concurrent Subjects". Instructions were thereupon issued detailing the process by which an initiative may become a Special Initiatives and may be advanced to implementation either by Planning, Development & Special Initiatives department or coordinated for this end. Once the initiative has

reached a level of maturity not requiring any further attention of Planning, Development & Special Initiatives department, the project would be transferred to the appropriate administrative department. On this basis, in G.O.Ms.No.10, Planning, Development and Special Initiatives Department, dated 18.01.2007, Chennai Metro Rail Project has been declared as a 'Special Initiative' under the Planning, Development and Special Initiatives Department.

3.0 HEADS OF DEPARTMENTS

The departments under the administrative control of Planning, Development and Special Initiatives Department are :

- (i) State Planning Commission
- (ii) Department of Economics and Statistics
- (iii) Department of Evaluation and Applied Research
- (iv) The Chennai Metro Rail Project, a Joint Sector project under a separate Secretary (Special Initiative).

The activities of the above departments are briefly given below:

3.1 *State Planning Commission*

3.1.1 The State Planning Commission was constituted in Tamil Nadu on 25th May 1971 under the Chairmanship of the Hon'ble Chief Minister as an Advisory Body to make recommendations to the

Government on various matters pertaining to the development of the State. The Commission has been reconstituted with a Vice Chairman and five Part Time Members in G.O.Ms.No.105, Planning, Development & Special Initiatives (SPC) Department, dated 2.7.2011. The Principal Secretary to Government, Planning, Development and Special Initiatives and the Principal Secretary to Government, Finance Department are ex-officio Members. The Member-Secretary of the SPC is responsible for the administration of the Commission Office.

3.1.2 *The main responsibilities of the Commission are:*

- i. Advise the Government on the priorities of the Five Year Plan (FYP) and on inclusion of new schemes therein;
- ii. Constitute Steering Committees/Working Groups as required for preparation of the draft FYP, prepare and send the draft FYP to Government for approval and for sending the same to the Union Planning Commission (UPC), New Delhi;
- iii. Advise the Government on the approval of new schemes for inclusion in the State Budget and in the Annual Plan, subject to availability of resources;
- iv. Prepare and send the draft Annual Plans to Government for approval and for sending the same to the UPC, New Delhi;

- v. Review the progress of implementation of projects and programmes included in the FYP on a periodical basis, with reference to achievement of targets/goals envisaged in the FYP;
- vi. Undertake Mid-Term review of the FYP and advise the Government on appropriate modification/restructuring of the schemes;
- vii. Undertake evaluation of major plan schemes through the Evaluation and Applied Research Department and recommend to Government the measures necessary to restructure or improve the schemes based on such evaluation;
- viii. Advise the Government on the effective implementation of Decentralised District Planning (DDP) with reference to existing guidelines and Government orders;
- ix. Integrate the functions of DDP and initiate planning process at District/Block/Village level;
- x. Advise the Government on formulation of the Scheduled Caste Sub Plan (SCSP) and Tribal Sub Plan (TSP) as an integral part of Five Year/Annual Plans;
- xi. Undertake special studies as required for formulation and implementation of plan projects and programmes;

- xii. Maintain the data base as required for planning purposes, including data relating to Government of India and other States;
- xiii. Assist the Rural Development and Panchayat Raj Department in coordinating the activities of District Planning Committees in preparation of District Plan in accordance with the guidelines already issued;
- xiv. Monitor the development indicators that influence the Human Development Index (HDI), Gender Development Index (GDI) etc. at a disaggregated level and advise the Government for appropriate intervention; and
- xv. Monitor the Tamil Nadu economy and send reports to Government as necessary.

3.1.3 *Twelfth Five Year Plan (2012-2017)*

The State Planning Commission is taking up the preparation of the Twelfth Five Year Plan (2012–2017). The first major step in this direction and to firm up broad policies for the XII Five Year Plan, the State Planning Commission will prepare an “Approach Paper to the Twelfth Plan for Tamil Nadu” for approval of the Union Planning Commission. For this purpose, the State Planning Commission will be organising a series of consultations with Government departments, academic institutions and various stakeholders. In addition, steering committees and working groups will be constituted for the critical sectors to discuss the current

situation, problems, objectives, constraints, possible solutions and strategies and to identify financial requirements. On this basis, reports for the effective implementation of various developmental schemes and projects will be formulated. The reports will serve as inputs for the preparation of sectoral chapters for the Twelfth Five Year Plan.

The State's XII Five Year Plan will also incorporate certain priorities and emphasis contained in the country's XII Five Year Plan which is under preparation. The State government and State Planning Commission, therefore, actively interact with the Union Planning Commission. As a part of regional consultations for the preparation of Approach Paper to the Twelfth Five Year Plan (2012-2017) of the Government of India, the Union Planning Commission conducted a Southern Regional Level Consultation on 10th and 11th June 2011 in Bengaluru. The Principal Secretary to Government, Planning, Development & Special Initiatives Department and the Member Secretary, State Planning Commission participated and made a presentation on the general aspects of the approach of the State for the Twelfth Five Year Plan. A further interaction is likely to be held shortly when the Union Planning Commission would formally present the Approach Paper of Government of India to the XII Plan.

3.1.4 *Eleventh Five Year Plan (2007-2012)*

The Eleventh Five Year Plan was prepared for an outlay of ₹85,344 crores and an expenditure of ₹68,401 crores has been incurred upto March 2011. An expenditure of ₹91,000 crores is anticipated

at the end of the XI Plan period by 31.3.2012. The sector-wise outlay and expenditure for the period ending March 2011 is as follows:

**SECTORAL OUTLAYS/EXPENDITURE IN
ELEVENTH PLAN**

(₹ crore)

Sector	2007 to 2011	
	Outlay	Expenditure
Agriculture and Allied	5,194	6,073
Rural Development	7,634	8,128
Energy	8,428	10,123
Transport	9,653	9,099
Social Services	29,620	29,099
Others	7,039	5,879
TOTAL	67,568	68,401

3.1.5 Annual Plan for 2011-12

The State's Annual Plan largely follows the objectives and priorities of the Five Year Plan of the State as well as those of the Central plan. The Annual Plan 2011-12 has been formulated in consonance with the broad objectives of the Eleventh Five Year Plan and has been approved by the Union Planning Commission following a meeting with the Hon'ble Chief Minister and her team of Finance Minister and officials on 6th July 2011. The Approved Outlay for 2011-12 has been finalised at ₹23,535 crores.

3.1.6 *Appraisal of New Schemes*

As part of the preparation of Annual Plans, the State Planning Commission has appraised the new schemes of departments for 2011-12. The Commission received Part II proposals (new schemes) from all the Administrative Departments of Government and held discussions with the Secretaries and Heads of Departments concerned during June 2011. After weighing the needs and priorities of departments during these discussions, the State Planning Commission has recommended and forwarded new schemes for ₹150.30 crores to the Government. Following approval by Government in the Standing Finance Committee, these proposals have been included in the Annual Budget.

3.1.7 *Tamil Nadu State Land Use Research Board*

The Tamil Nadu State Land Use Board (SLUB) was established in 1975 under the Chairmanship of Minister for Agriculture. In 1981 the functions of SLUB were transferred to the State Planning Commission. Further, SLUB was reconstituted in 1990 under the Chairmanship of Member (Agriculture) SPC, with a view to carry out its functions effectively. From November 2000 onwards, SLUB was implemented in the State through Government of India as a Shared scheme on 90:10 sharing basis. An amount of ₹576.28 lakhs has been received from Government of India as grant-in-aid till the year 2009. From the month of August 2009 onwards, the scheme is implemented as a State scheme following withdrawal of Central Government

funding for this scheme and diversion of the funding to other Agriculture programmes in the State.

Thereafter, the Government (in the G.O.MS. No: 58, Planning, Development & Special Initiatives (SPC) Dept, dated: 10.02.2011) has created the "Tamil Nadu State Land Use Research Board (TNSLURB)" as a permanent body in the State Planning Commission. This Board replaces the previous TNSLUB and is intended to promote interaction and study in this vital area of land use. The terms of reference of the Board include the need to evolve formal interaction with various stakeholders and to arrive at policy options. The State Planning Commission will also hold Seminars/ Workshops and commission studies on sustainable management of land and water resources. The objectives of the Board are:

1. To assess the land resources; provide advice to Government for policy planning; co-ordination; develop an overview and possible priorities for land use changes, especially in diversion of fertile agriculture lands; development of waste lands and marginal lands for alternative uses; and to promote integrated scientific planning;
2. To review programme implementation, promote formation of a database and utilize the same for integrated and perspective planning;
3. To advise the Government on sound, scientific and policy interventions for

changing environmental factors such as pollution and global warming; and

4. To conserve and manage land and water resources.

The Government has permitted the Board to incur a sum of ₹1.00 crore from the year 2011-12 to conduct its activities.

3.1.8 *Human Development Assessment*

Human Development Reports were planned for preparation in different States with full funding support from UPC/UNDP under the “Strengthening State Plans for Human Development” project. Human Development Reports (HDR) have been prepared in earlier years for Dindigul, Sivaganga, Tiruvannamalai, Cuddalore and Nagapattinam districts. In addition, HDIs have now been prepared for the districts of the Nilgiris, Kanyakumari, and Dharmapuri. The concept of Human Development has been disseminated to all districts through workshops organized in the concerned district. An amount of ₹2.19 crores was received as funding from UPC for the project period 2005-2009 towards this project and the project has now been completed and closed.

3.1.9 *New Schemes for 2011-12*

The State Planning Commission has proposed to conduct seminars and workshops for the preparation of Twelfth Five Year Plan, to impart training for capacity

building and to strengthen infrastructure facilities in the Commission at a cost of ₹30.00 lakhs during 2011-12.

3.2 *Department of Economics and Statistics*

3.2.1 The objective of the Department of Economics and Statistics is to collect, compile and disseminate timely Decision Support Information for policy formulation of the State and Central Governments. It is the designated nodal statistical agency in the State. The Department undertakes the collection and compilation of data and dissemination of Statistics relating to Agriculture, Industry, State Income, District Income, Prices, Market Intelligence, etc. The Department prepares an Annual Statistical Hand Book and Season Crop Report, Monthly Reviews of the Tamil Nadu Economy, Quinquennial Agriculture/Economic Census Reports, 31 Scheme Annual Reports, 1 Quarterly Statistical Abstract and other Monthly Reports.

This department has prioritised to the following Plan schemes and Non Plan schemes:

3.2.2 PLAN SCHEMES

A) *STATE SCHEMES*

Modernisation of Systems for Data Collection and Management

In order to facilitate functioning the Department of Economics and Statistics, computerization has been made at all levels. All officials have been trained for

compilation and transmission of data online. Data Bank System has been established in this Department and important data bases are stored. Digital Library of reports and back-up data are maintained at the Computer Centre. Local Area Network Connectivity with powerful server is installed in this department to speed up the internal sharing of information and resources.

B) CENTRALLY SPONSORED SCHEMES

i. *Agricultural Census:* Agricultural Census is an essential part of a broader system of collection of Agricultural Statistics. It is a large-scale statistical operation for the collection and compilation of quantitative information on agriculture in the State. These data are based on the holdings details obtained from land records, social status of land holders, land use, nature of irrigation, cropping pattern, tenancy status, livestock, use of agriculture machinery and implements, fertilizers use, etc. The Ninth Agricultural Census 2011-12 with reference year 2010-11 is to be conducted shortly.

ii. *Crop Estimation Survey on Fruits and Vegetables and Minor Crops:* This scheme aims to provide reliable estimates of production and yield per hectare of Fruits and Vegetables and Minor Crops through crop cutting experiments. Under the scheme, 1110 crop cutting experiments are conducted in 555 villages every year to arrive the yield rates of important horticulture crops viz., Mango, Jackfruit, Banana, Guava, Orange, Lemon and Pineapple; and vegetable crops viz., Tomato, Lady's finger (Okra), Brinjal and

Cabbage. Under the scheme of minor crops, 1110 crop cutting experiments are conducted in 555 villages every year to arrive the yield rates of Chillies, Onion, Turmeric, Potato, Coriander, Tapioca, Cashew nut and Ginger.

iii. *National Technical Manpower Information System:* Data on Engineering, Management, Pharmacy, Hotel Management and Catering Technology Institutions in Tamil Nadu, the technical manpower production i.e., Engineering Graduates and Diploma Holders in various disciplines, is collected every year to assess the demand and supply of technical manpower in the State.

iv. *India Statistical Strengthening Project:* India Statistical Strengthening Project is a fully centrally funded project with World Bank assistance of ₹40.76 crores to be implemented during XI and XII Plan period. The project aims to provide physical infrastructure such as buildings, IT equipment, a Statistical Training Institute and other Human Resources Development activities for the Department of Economics and Statistics in addition to computing infrastructure for 22 line departments. India Statistical Strengthening Project (ISSP) seeks to:

- ❖ Improve the co-ordination and management of statistical activities;
- ❖ Improve Human Resource Capacity and Statistical Infrastructure;
- ❖ Invest in physical infrastructure including Information Technology; and

- ❖ Improve statistical operations with dissemination of statistical data.

The Ministry of Statistics and Programme Implementation of Government of India is the nodal Ministry for this project. The State has already constituted a State Steering Committee to oversee the implementation of the project. The State will shortly execute a Memorandum of Understanding (MoU) with Government of India.

v. *Improvement of Statistical System at State and District level under 13th Finance Commission Grant:* The 13th Finance Commission has recommended a grant of ₹31 crore for improvement of the state's Statistical System especially to fill the data gaps in statistical infrastructure. This includes preparation of local body accounts, improvement of data on farm activities, providing network connectivity among districts and with State Headquarters and for undertaking 102 Statistical surveys to compute the intermediate rates and ratios required for estimating State Income and Green GDP. This will be useful for preparing the Annual Plans. An Action Plan for ₹31 crore has been sent to Government of India for approval.

vi. *Timely Reporting Scheme on Area of Crops:* Land use statistics are collected for the entire State by enumeration performed in 20% sample villages every year. The data is intended to estimate the area under high yielding and native crop varieties and the area under irrigation over all the three seasons. Joint azmoish (field inspection by survey number) is also conducted by the officials of Statistics, Agriculture and

Revenue departments in 20% of the sample villages for the selected survey numbers. Discrepancies found are communicated to the District Revenue Officer to rectify the village records maintained by the Village Administrative Officers.

During 1421 Fasli (2011-12), 3458 villages have been selected under this scheme.

vii. *Improvement of Crop Statistics:* This scheme seeks to identify deficiencies in the system of collection of agricultural statistics in the State by exercising meaningful supervision by Central and State authorities over the primary field workers-Village Administrative Officers, and to suggest remedial measures for improvement in the system. The scheme is further expected to propose specific improvements in the Crop Estimation System. The discrepancies noted in the inspection report of azmoish of Statistical Inspectors with reference to Land Records are communicated to the Commissioner of Revenue Administration and District Revenue Officers for all Districts.

This scheme involves the following activities:

❖ *Sample check on area enumeration (A.S. 1.0):*

All the Schedules (260 villages each for Central and State sample) have been received for 2011-12 for both the Samples in respect of Phases-I, II & III. The final tables of the three phases have been prepared and sent to National Sample Survey Organisation, Faridabad.

❖ *Page totalling of Adangal Register (A.S. 1.1):*

Page-wise cropped areas have been totaled and verified for the selected 260 villages and a final report was sent to National Sample Survey Organisation, Faridabad. During Fasli 1421 (2011-12), 260 villages have been selected.

❖ *Supervision of Crop Cutting Experiments (A.S. 2.0):*

During Fasli 1421 (2011-12), 780 experiments for Central and State Samples have been selected.

3.2.3 NON PLAN SCHEMES

Non-Plan Schemes of statistics collection and compilation that are implemented in the department include State Income Estimation, State Accounts, Capital Formation, Annual Survey of Industries, Monthly Index Number of Industrial Production, Season and Crop Report, Crop Forecast Report, Crop Estimation Survey on Food and Non-Food Crops, National Agricultural Insurance Scheme, Coconut and Arecanut Survey, Collection of Rainfall Statistics, Irrigation Statistics, Index of Agricultural Wages, Housing Statistics, Building Construction Cost Index, Municipal Year book, District Statistical Hand Book, Statistical Hand Book of Tamil Nadu, Annual Statistical Abstract for the State, Handloom Sector, Manpower and Employment, Foreign Trade, Market Intelligence and Prices, Consumer Price Index for Industrial Workers, Wholesale Price Index, Environment Statistics,

Marketable Surplus, Plantation Labour, Consumption Studies and National Sample Survey.

3.2.4 *Evaluation Study on Basic Amenities provided to the Public by Government:*

Government have commissioned a survey to assess the quality of services provision in regard to basic infrastructural facilities required by the general public such as Water Supply, Health Care, Education, Civil Supplies, Roads, Transport and Anganwadi Centres. The survey has been jointly conducted by the Department of Economics and Statistics and the Department of Evaluation and Applied Research twice a year. So far two reports were submitted to government. These reports revealed the extent of the reach of development schemes to rural and urban areas in the State.

3.2.5 *Survey on Non-Profit Institutions:*

Survey on Non-Profit Institutions was taken up to assess their source of income, members involved and various welfare measures carried out by them. This survey is 100% funded by Government of India. About 1,41,322 Non-Profit Institutions across the State have been covered under this survey.

3.2.6 *The survey on Employment and Unemployment:*

A survey on Employment and Unemployment was sponsored by the Ministry of Labour and

Employment, Government of India. In the first phase, during the period February 2010 to May 2010, this survey was conducted in the 20 Districts of Thiruvannamalai, Vellore, Coimbatore, The Nilgiris, Dindigul, Dharmapuri, Thanjavur, Ariyalur, Tiruchirappalli, Sivagangai, Salem, Kanyakumari, Theni, Villupuram, Cuddalore, Krishnagiri, Thirunelveli, Thoothukudi, Kancheepuram, and Chennai. The survey indicated that labour participation rate in Tamil Nadu is 446 per thousand population and unemployment rate is 60 per thousand job-seeking population. In the second phase, from July 2011 to October 2011, all the 32 districts in the State will be covered in this survey.

3.2.7 A Pilot survey on Basic Statistics on Local Level Development (BSLLD):

A Pilot survey on Basic Statistics on Local Level Development (BSLLD) was conducted during the year 2008-09 in all the villages of Dindigul District, as per the guidelines given by the Ministry of Statistics and Programme Implementation, Government of India. Second phase of work under this survey has commenced in the same district covering all the villages.

Contents of the Statistical Schemes, including Plan and Non Plan Schemes, operated by Department of Economics and Statistics are as follows:

AGRICULTURE STATISTICS :		
1.	Forecasting of Crop area and production	Advance estimates of area and production computed in September, December, March and June every year.
2.	Estimating Final Area from village Jamabandhi Accounts	Crop area is compiled from village to state level from Jamabandhi accounts at the end of every Fasli year.
3.	General Crop Estimation Survey	8000 Crop cutting experiments are conducted on major 16 crops to assess the average yield rate.
4.	Crop Estimation Survey on Fruits and Vegetables	1110 Crop cutting experiments conducted for 8 major Fruit Crops : Banana, Mango, Pineapple, Guava, Jack, Orange, Lemon and Grape, and 5 Vegetable Crops: Cabbage, Lady's finger, Brinjal, Sweet Potato and Tomato.
5.	Crop Estimation Survey on Minor Crops	1090 Crop cutting experiments conducted for 8 minor crops : Chillies, Turmeric, Tapioca, Coriander, Ginger, Onion, Potato and Cashewnut.

6.	Crop Estimation Survey on Coconut and Arecanut	Area and production estimates for coconut in 380 villages and for arecanut in 70 villages.
7.	National Agricultural Insurance Scheme	80000 crop cutting experiments conducted on 22 crops for estimating firka level threshold yield for payment of indemnity to affected farmers.
8.	Agricultural Census	9 th Agricultural Census is about to be commenced. Collection of data on type of holdings and holder's social status, land use, irrigation status, cropping pattern, tenancy status, livestock, agriculture machinery and implements, use of fertilizers, etc.
9.	Improvement of Crop Statistics	This scheme locates deficiencies in the system of collection of agricultural statistics by supervising VAO's work.
10.	Timely Reporting Scheme	Land use statistics collected in 20% sample villages every year to estimate the area under high yielding and native crop varieties and the area under irrigation

11.	Rainfall Statistics	Rainfall collected from 628 manual rain gauge stations and monthly, seasonal, annual rainfall statistics are compiled.
12.	Irrigation Statistics	Cropped area and source-wise Irrigation intensity, area irrigated for major crops.
13.	Index of Agricultural Wages	Agricultural Wages collected in all the 385 blocks and index computed monthly.
14.	Marketable Surplus	Quantity of Paddy available for sale after deducting the own consumption of cultivators and seed reserves.
15.	Disaster Management	Data collected from the district collectorates on the impact of natural calamities and the relief measures taken by the district administration for the future policy decision.
16.	Environment Statistics	Data relating Environmental parameters are collected and tabulated. A compendium of Environment Statistics is released once in three years.

SOCIAL STATISTICS :		
17.	National Sample Survey	Annual survey on household consumer expenditure and few special subjects like employment and un-employment, unorganized sectors etc.
18.	Housing Statistics	Housing and Building activities in Public and Private sectors.
19.	Building Construction Cost of Index	Prices of certain important building materials and wages of building labourers prevailing in 16 district centres are collected on a Quarterly basis and index computed.
20.	National Technical Manpower Information System	<p>i) Data from Engineering, Polytechnic, Management, Pharmacy and Catering Institutions on intake and graduation of students. Annual report released.</p> <p>ii) Report on Employment Scenario of Technical Manpower prepared annually on the basis of data obtained through the data collected from the out gone Students of above.</p>

INDUSTRIAL STATISTICS		
21.	Annual Survey of Industries	Annual survey conducted on selected industries registered under Section 2m(i) and 2m(ii) of the Factories Act, 1948 to collect data on Capital Invested, Outstanding loans, Number of Workers, Wages paid to them, Input and Output and Value Added etc.,
22.	Index of Industrial Production	Index of Industrial Production is being compiled every month from production data collected from 1475 selected industries.
23.	Handloom Statistics	Data on production, sales and stock of Handloom cloth is collected and monthly report is brought out.
24.	Foreign Trade Statistics	Data collected from the Customs Department, on import and export through the Sea and Air ports located in Tamil Nadu and report released annually.

25.	Plantation Labour Statistics	Employment, average working days and wages earned are being collected on quarterly basis from 504 Coffee, Tea, Rubber estates registered under Plantation Act.
26.	Economic Census	A complete enumeration of entrepreneurial units taken up which provide information on number of establishments in the state, their type, employment provided, number of establishments with and without hired labourers etc.
STATE INCOME STATISTICS :		
27.	State Income and District Income	The Gross State Domestic Product (GSDP) and Net State Domestic Product (NSDP) under 17 sub-sectors and per capita income are estimated which serves as an indicator of sectoral growth of economic development. District Income Estimates are also computed.

28.	State Accounts	Data on State Accounts from Budgetary transaction of the State Government and all 1104 Local Bodies are collected and compiled.
29.	Capital Formation	Gross Fixed Capital Formation in State Public Sector is computed.
PRICES STATISTICS		
30.	Market Intelligence and Prices	Prices, arrivals, off-take, stocks and other production, market sentiments, etc., in respect of important agricultural commodities from 96 Centres spread over the State.
31.	Wholesale Price Index (WPI)	Wholesale prices for agriculture and industrial commodities are collected monthly and WPI is computed.
32.	Consumer Price Index	Prices collected and supplied to Labour Bureau for computation of Consumer Price Index for 6 Centres. In addition, this department computes Consumer Price Index for Cuddalore and Nagercoil Centres monthly.

OTHER ITEMS		
33.	Publications	This department releases about 37 reports. Important publications include Statistical Hand Book of Tamil Nadu, Annual Statistical Abstract, Season and Crop Report, Monthly Economic Review of Tamil Nadu, District Statistical Hand Book and Block Statistical Hand book are also brought out in limited numbers.
34.	Training	Capacity upgradation is carried out through induction training, in service training and training on computer applications in a limited level. Training programmes can be planned more intensively on establishing the proposed training institute under India Statistical Strengthening Project (ISSP).

3.2.8 *State Statistical Committee :*

Realizing the importance of statistics, Government has last reconstituted the State Statistical Committee vide G.O. Ms. No. 13, PD&SI (ST2&E) Dept., dated: 03-03-2008 to make the state statistical system function effectively, strengthen inter-departmental coordination, and streamline the functions of the statistics generating departments in Government, with special reference to Department of Economics and Statistics, so as to ensure proper collection, processing, storage, retrieval, dissemination and use of statistics in Government as well as by researchers and academicians.

3.2.9 *New Schemes for 2011 -2012 :*

To strengthen the infrastructure facilities of the Department of Economics and Statistics, ₹40.00 lakh has been provided under Part II Schemes for the year 2011-2012.

3.3 *Department of Evaluation and Applied Research*

3.3.1 The Central and State Governments have been implementing and funding a wide range of developmental schemes and programmes. It becomes imperative to assess the impact and outcome of such schemes. Accordingly, the Department of Evaluation and Applied Research (DEAR), has been entrusted the responsibility of undertaking Evaluation Studies to

assist in policy formulation and improve programme implementation.

3.3.2 *The major functions of the Department are:*

- i. Evaluating schemes, projects and programmes sponsored by both the Central and State Governments and Externally-aided Agencies;
- ii. Carrying out ad-hoc studies relating to specific areas and socio-economic surveys; and
- iii. Bringing out two annual Publications, viz., 'Tamil Nadu Economic Appraisal' and 'An Economic-cum-Functional Classification of Budgetary Transactions of Tamil Nadu'.

3.3.3 *Evaluation studies are conducted with a view to identify the following aspects:*

- i. the design of the project;
- ii. assessing process and impact dimension;
- iii. progress in terms of physical and financial targets;
- iv. fulfillment of objectives set forth under the project;
- v. ascertaining whether the benefits have reached the intended target groups and whether the programme authorities have got full value for the money spent.

3.3.4 The evaluation studies undertaken by the Department include schemes implemented by State and Central Governments and Externally Aided Projects of World Bank, Danish International Development Agency (DANIDA), Swedish International Development Agency (SIDA), European Economic Community (EEC) and International Development Agency (IDA) in Tamil Nadu. In addition, the Department has been concurrently taking up regular evaluation studies on various components of the Hill Area Development Programme (HADP) and the Western Ghats Development Programme (WGDP). Apart from these, the Department undertakes quick studies and ad-hoc research studies.

3.3.5 Since its inception, upto May 2011, the Department has undertaken 673 evaluation studies spanning various sectors including Nutrition, Health, Irrigation, Agriculture, Forest, Education, Housing, Adi-dravida and Tribal Welfare, Horticulture, Transport and Basic Services. The findings and suggestions of evaluation studies are intended to facilitate the scheme/project implementing authorities to take corrective measures for effective implementation of the programme. With the introduction of outsourcing, the department has entrusted eleven studies to institutions and other agencies.

3.3.6 *New Schemes for 2011-2012*

The infrastructure facilities in the department are to be strengthened and the professional capabilities of officials of the Evaluation and Applied Research Department are to be improved under Part-II scheme 2011-12, at a total cost of ₹10.00 lakhs as follows:

- i. Undertaking evaluation studies through outsourcing;
- ii. Imparting training and capacity building to technical staff in a National Institution; and
- iii. Purchase of books for the Library.

3.3.7 *Studies to be taken up during 2011-12*

ii

A total number of 23 evaluation studies under various sectors are to be undertaken during 2011-12 in respect of Western Ghats Development Programme (WGDP), Hill Area Development Programme (HADP), Command Area Development Programme (CADP), National Watershed Development Project for Rainfed Areas (NWDPPRA), SC/ST Tribal Sub-Plan, and other flagship schemes. In addition, the department will author two Annual Publications, viz., 'Tamil Nadu Economic Appraisal' and 'An Economic-cum-Functional Classification of Budgetary Transactions of Tamil Nadu'. Further, outsourcing of evaluation will be continued to identify partner institutions who could undertake specific evaluation studies for the department.

3.4 *Special Initiative: Metro Rail Project*

In G.O.Ms.No.10, Planning, Development and Special Initiatives Department, dated 18.01.2007, Chennai Metro Rail Project has been declared as a 'Special Initiative' of the Planning, Development and Special Initiatives Department.

3.4.1 *Chennai Metro Rail Project*

With the rapid growth of the Chennai Metropolis, there has been increasing pressure on transport infrastructure, especially due to runaway growth in road traffic volumes. As a step to resolve this need, the Government of Tamil Nadu decided to introduce the Chennai Metro Rail Project as a new rail-based rapid transport system. This project aims to provide in Chennai, a fast, reliable, convenient, efficient and economical mode of public transport, which is strategically integrated with other forms of public and private transport in the city including buses, suburban trains, and the Mass Rapid Transport System (MRTS) as well as with future additional rail systems including monorail transport.

Under the Chennai Metro Rail Project, two corridors have been taken up for implementation based on the Detailed Project Report (DPR) prepared by the Delhi Metro Rail Corporation Limited (DMRC) who is now CMRL's Principal Consultant. These rail corridors from Washermenpet to Chennai Airport for 23.1 km and from Chennai Central to St Thomas Mount for 22.0 km are planned to cover the following stations:

Corridor-1: Washermenpet – Mannadi – High Court - **Chennai Central** – Government Estate – LIC – Thousand Lights - Gemini – Teynampet – Chamiers Road – Saidapet – Little Mount - Guindy – **Alandur** – Officers Training Academy – Meenambakkam - Chennai Airport; and

Corridor-2: **Chennai Central** – Egmore – Nehru Park - Kilpauk Medical College – Pachaiyappa's College - Shenoy Nagar – Anna Nagar East – Anna Nagar Tower - Tirumangalam – Koyambedu – CMBT – Arumbakkam – Vadapalani – Ashok Nagar – K.K.Nagar - SIDCO – **Alandur** – St. Thomas Mount.

The above two rail corridors will converge at Chennai Central and at Alandur. The sections of Corridor 1 from Washermenpet to Saidapet and from Chennai Central to Thirumangalam in Corridor 2 will operate underground while the remaining sections will operate on elevated supports. The alignment and stations given above are tentative and may change during detailed design and execution.

Following in principle approval of the Government of Tamil Nadu of the above scheme, the proposal was recommended to Government of India for funding and for loan assistance from domestic and international institutions. The Government of India accorded administrative approval in February 2009 for implementing the project at an estimated completion cost of ₹14,600 crores on joint ownership basis

between the Government of India and the Government of Tamil Nadu by conversion of the Special Purpose Vehicle (SPV) already formed into a Joint Venture Company. The Central Government consented to contribute 15% of the project cost as equity and 5% as subordinate debt. The State Government agreed to contribute 15% as equity and 5.78% as subordinate debt. The balance 59.22% will be financed by the Japan International Cooperation Agency (JICA) as loan assistance in accordance with guidelines of the Government of India for such external assistance funding.

The Government of Tamil Nadu had already incorporated the "Chennai Metro Rail Limited" (CMRL) on 03.12.2007 under the Companies Act. The company has later been restructured on 4.6.2009 as a joint venture company reflecting the relative stakes of the Central and State Governments. By virtue of this agreement, Government of India has nominated five Directors including the Secretary, Urban Development as non-executive Chairman while the State Government has nominated five Directors including the Managing Director.

The Government of Tamil Nadu has released ₹810 crores as equity and ₹840 crores as subordinate debt. The Government of India has released as at March 31, 2011, ₹188.79 crores as equity, ₹46 crores as subordinate debt and ₹570 crores as pass-through assistance constituting a senior term debt from JICA.

For implementation of the Project, lands belonging to State Government departments and

agencies are obtained based on Government orders. CMRL is also taking action to get lands from Government of India and their agencies directly. Regarding private lands, land acquisition process has been initiated under the provisions of Land Acquisition Act, 1894.

Chennai Metro Rail Project is progressing as per schedule. Seven elevated packages, five underground packages, two depot packages and eight system related packages have been awarded for the value of ₹10,306.75 crores. Chennai Metro Rail Project is accordingly expected to be commissioned by the end of 2015.

O.PANNEERSELVAM
Minister for Finance.