

# Annual Plan 2013-14

Kerala

# State of Economy

- 8% growth during 11<sup>th</sup> plan period.
- State's economy grew at 9.5 % in 2011-12.
- Services at 11.81%, Industries at 7% , while Agriculture was (-) 0.7 % .
- Changing the direction of growth positively to a high growth trajectory has been made possible due to improved fiscal management and efficient implementation during the last two years.
- State's economy is expected to grow at 9.58% during the current fiscal.
- The speed of the tail wind within the region is accelerating to keep the momentum of growth despite the adverse head winds at the national level.

# State of Finances

- State remains on course in achieving the FRBM target.
- FD projected in the current fiscal is 2.8% well below 3% expected to be met in 1015.
- RD is 0.54% and Effective RD is (-) 0.29%
- Debt/GSDP is 27.8%
- Salaries+pension+interest payment is 63% of TRR
- Fiscal space is slowly but surely being reclaimed.
- Percapita state's own revenue is Rs 9578 against Rs 5469 for all states.

# Annual Plan (2013-14) Figures at a glance

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	(` crore)
• Proposed outlay for 2013-14	17000
• Outlay for 2012-13	14010
• Increase over the previous year (%)	21.34
• SCP outlay	1667.70
• SCP outlay (%)	9.81
• TSP outlay	389.85
• TSP outlay (%)	2.3
• Assistance to Local Bodies	4000
• Assistance to Local Bodies (%)	23.53

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# Annual Plan (2013-14)

## Sector wise proposed Outlays

		( Crores)	
		Annual Plan 2012-13	Annual Plan 2013-14
Sl. No.	Sector / Sub Sector		
1	2	3	4
I	AGRICULTURE AND ALLIED ACTIVITIES	1236.41	1409.51
II	RURAL DEVELOPMENT	467.69	544.32
III	SPECIAL AREA PROGRAMMES	284.30	265.70
IV	IRRIGATION AND FLOOD CONTROL	465.80	505.14
V	ENERGY	1165.41	1222.70
VI	INDUSTRY & MINERALS	547.70	595.33
VII	TRANSPORT	1195.81	1596.35
VIII	SCIENCE, TECHNOLOGY& ENVIRONMENT	446.52	534.43
IX	GENERAL ECONOMIC SERVICES	276.56	705.16
X	SOCIAL SERVICES	4650.13	5572.69
XI	GENERAL SERVICES	45.67	48.67
	TOTAL - I to XI	10782.00	13000.00
XII	LSGD	3228.00	4000.00
	<b>GRAND TOTAL</b>	<b>14010.00</b>	<b>17000.00</b> <sup>5</sup>

# Annual Plan (2013-14) - Thrust Areas

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	<i>Increase over 2012-13 (%)</i>
➤ Animal Husbandry	23
➤ Dairy Development	36
➤ Co-operation	21
➤ Community development and Panchayaths	18
➤ Special Packages	38
➤ Major and Medium irrigation	20
➤ Roads and Bridges	58
➤ Science Technology and Environment	20
➤ Education	18
➤ Medical and Public Health	15
➤ Urban Development	18
➤ Scheduled Castes and Scheduled Tribes	47
➤ Other Backward Classes and Minority	93

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# SCP / TSP Proposed Outlay for 2013-14

(` Crore)

Outlay	Dept.	LSGI	Total
SCP	839.50(50.34)	828.20(49.66)	1667.70(100)
TSP	265.55(68)	124.30(32)	389.85(100)
Total	1105.05	952.50	2057.55

# LSGIs Proposed Outlay for 2013-14

- ❖ Outlay proposed is ` 4000 crore
- ❖ The assistance to LSGI's out of the total outlay of ` 17000 crore is 23.53 %.
- ❖ Out of LSGI's outlay of `4000 crore, `952.50 crore (23.81%) is SCP/TSP outlay.



## Special Focus

- Kasargod Package
- Kerala Road Transport Project (2<sup>nd</sup> Phase)
- Kochi Metro, Thiruvananthapuram-Kozhikkode Mono Rail, Kannur Airport, Mobility Hub, Vizhinjam port, and Capital Region Development Programme.
- A separate new head with a lump sum provision is proposed for major capital development projects.
- Technology upgradation, Development of Entrepreneurship and Employment generation.
- Skill Development through Higher Education and Labour Department

*Cont'd....*

# Special Focus

- Quality improvement in Higher Education
- Programmes for Old Age and Disabled
- Focus on health related issues especially life style diseases, mental health and communicable diseases
- Gender related programme, Women and Child Care
- Investment facilitation and Industrial Promotion activities

*Cont'd....*

## Special Focus

- Kochi-Palakkad NIMZ (National Investment and Manufacturing Zones)
- Petroleum, Chemical and Petrochemical investment region (PCPIR)
- Telecom Incubator at Hi-tech Park, Kalamassery, Seaport-Airport Road at Kochi
- Emphasis is given to PPP mode projects
- Development of ports, Inland water ways, and Seaplane.
- Aadhar enabled Biometric Public Distribution System (TPDS)

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## Major Capital Development Projects

- ❑ During 2013-14 a lump sum provision has been made under a new head for all the major Capital Development Projects.
- ❑ This is on realisation that a single head with flexibility to utilise against any scheme depending on its requirement and performance.

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# Major Capital Development Projects

- ❑ Schemes identified for pooling of outlays, viz. Kochi Metro, Thiruvananthapuram – Kozhikode Mono rail, Kannur Airport, Mobility Hub, High Speed Rail Corridor, Vizhinjam Project, Capital Region Development Programme and National Games.
- ❑ A total outlay of ` 800 crore is provided for all these projects during 2013-14 under a new capital head which will be controlled and operated by the Principal Secretary, Planning and Economic Affairs Department.

**System setting for  
effective design,  
implementation and monitoring  
of Plan Schemes**



# Principles of Plan Allocation

- **Full justification** required for Plan Schemes
- Clear Financial and Physical outcomes with monitorable milestones should be specified
- For CSS schemes matching share has to be provided
- Low performing on-going schemes to be weeded out.
- Limiting New schemes.
- Discouraging recurrent expenditure.
- In the case of corporations, if their bye-laws have indicated that they should be self-sufficient within a specific time, then continuing support will be discouraged.

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# Principles of Plan Allocation

- **Regional disparities**
  - Schemes to promote reduction of regional disparity will be encouraged
- **Capital Expenditure**
  - A single head of account to encompass all major capital account schemes will be operated by Department of Planning and departments with robust DPRs may draw from this infrastructure fund. This will facilitate expenditure on major projects and prevent diversion of funds from capital to revenue heads
- **Incentive for Timely Monitoring of Plan expenditure**
  - All departments have been given several opportunities to train personnel for providing timely inputs to PLANSACE , a management tool to monitor the plan progress. Those departments which are still unwilling to participate in this systemic improvement will be subjected to 5% cut in their current year's outlay compared to previous year.



# PLAN SPACE – Effective monitoring of Plan Expenditure

- Web based online information system, which facilitates online monitoring and concurrent evaluation of Plan Schemes. (*www.planspacekerala.in*)
- In the first phase, the departments and implementing agencies are networked so as to update monthly progress and implementation of various schemes online.
- 485 Officers from 205 departments were trained as part of the programme during 2012-13.
- It has been proved to be an effective monitoring tool and further improvements are underway.
- The system is now used by all departments and implementing agencies.

# **EXPERT COMMITTEES – ALIGNING Kerala's Plan with Central 12<sup>TH</sup> FIVE YEAR PLAN**

- Nine Expert Committees on major sectors were constituted to examine various programmes and policies proposed in the Draft Central 12<sup>th</sup> Plan (2012-13), that are beneficial to the State.
- The following are the Expert Committees (1) Resources & Plan Implementation (2) Agriculture (3) Industry (4) Infrastructure (5) Energy (6) Health (7) SC/ST Development (8) Employment & Skill Development and (9) Education.
- The Expert Committees are expected to identify schemes that the State can take maximum advantage of Central Schemes, to identify road blocks and suggest measures to overcome them and prepare plan of action for each sector.

# Award System to incentivize performance

- **Concept**

- Categorization of departments will be made on the basis of Annual Plan allocation

Category	Outlay (Rs. crore)
I	Up to 10
II	11 to 100
III	101 to 300
IV	301 to 600
V	601 to above

- Award will be given to departments in each category based on performance.

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# Award System

- 100 point weighted Index will be followed for the assessment of best performance of departments

<b>Criteria</b>	<b>Weightage</b>
Plan Governance	15%
Expenditure	50%
Physical Achievement	20%
Innovation	10%
Implementation	5%
<b>Total</b>	<b>100%</b>

- Further each criteria is subdivided with different parameters and weightage.

# Extra Budgetary Funding

## Project Financing Cell

- to examine the feasibility of outside funding, including PPP, for all projects of the State.
- In full Planning Board meeting, it was decided that all new Plan Projects involving plan funds above Rs. 5 Crores shall be sent to PFC for comments on scope for extra budgetary funding before being considered by the special working group.
- Frameworks are being set up to encourage PPP in the State.
- Considerable capacity building is required.