

11. TWELFTH FIVE YEAR PLAN (2012-17) – A WAY FORWARD

Backdrop:

The Eleventh Five Year Plan (2007-12) is nearing completion and the State along with the Nation is gearing up for the launch of the 12th Five Year Plan slated to commence from the 1st April, 2012. Andhra Pradesh State, keeping its surge in the economy in the past few years, especially after 2004-05, had fixed the growth target to be 9.5% during the 11th Five Year Plan. The achievement although falls short of the target like its All-India counterpart, is none the less encouraging. With an average annual growth of 8.33% for the 11th Plan (2007-08 to 2011-12) even surpassed the All-India's growth rate of 7.94% during the same period.

With the fairly decent growth experience behind, the Nation is poised to make yet another impressive mark during the 12th Five Year Plan and has come out with an approach paper with the likely strategies and disaggregated sectoral growth targets.

12th Five Year Plan(2012-17):

The **main goal of the 12th Plan** would be **'faster, sustainable and more inclusive growth'**.

The Government of India had initiated a structured process for preparing its approach paper for 12th Five Year Plan by involving the civil society and NGOs, seeking their inputs, suggestions and experiences in identifying challenges and areas that require special focus. The Central Government had released its draft approach paper for the 12th Plan and placed it for discussion in the NDC meeting. An overall growth target of 9% is envisaged by the GoI for the 12th Plan with sectoral targets for Agriculture, Industry and Services sectors as 4%, 9.6% and 10% respectively with probable inflation ranging somewhere between 4.5% and 5% for the plan period.

One important feature of the growth experienced in the Eleventh Plan, which is relevant for inclusiveness, is that high rates of economic growth have been more broadly shared than ever before across the States.

Andhra Pradesh – Preparations for 12th Plan:

In line with the thinking of the Planning Commission, GoI, the State Government have also started the process in a similar manner and have designated the Centre for Economic and Social Studies(CESS), Hyderabad as the nodal agency for preparing the draft approach of the 12th Plan of Andhra Pradesh.

The State Government in its endeavour to firm up the ideas and prepare appropriate strategies and eventually come up with an approach for its 12th Five Year Plan in line with the thinking of the Government of India, have broadly formed ten Working Groups covering Agriculture, Industry and Services sectors and stationed them at the CESS. Each of these Working Groups is headed by a Professor/Senior faculty from the CESS and ensuring due representation from line departments, NGOs, Civil Society Organizations. These Working Groups made detailed discussions with the respective line departments for firming the strategies for preparing the approach for the 12th Plan in line with State's thinking and with broad overall Nation's objectives.

The Hon'ble Chief Minister had participated in the Southern States Chief Minister's Regional Conference at Bengaluru on the approach for 12th Five Year Plan during October, 2011 and indicated the State's most likely priorities for the 12th Plan. In the 56th National Development Council (NDC) meeting on Approach to 12th Five Year Plan also the State's approach and Strategies for the 12th Five Year Plan were discussed. Some of the issues identified include: Priority continues to be accorded to

agriculture in the State and subsidy provided to power use, interest on the loans and other inputs. The State is making large investments in developing water potential both for irrigation and for drinking purposes as well. The approach aims to provide an opportunity to restructure policies to achieve a new vision of growth that will be faster, more broad-based, sustainable and more inclusive.

The overall strategy would be to look beyond growth and focus on generation of employment to the millions of the youth in the State. This would eventually result in a faster reduction in unemployment and poverty through skill development and also help bridging multiple divides. The State Government has identified the need for substantial increases in plan outlays to the identified core sectors viz., Agriculture, Livestock, Fisheries, Horticulture, Industries, IT, Tourism, Youth Welfare and Minority welfare from the first year of the 12th Plan itself i.e., Annual Plan 2012-13.

Flagship programmes:

One area that attracts due attention during the 12th Plan period would be implementation of flagship programmes more effectively. As observed in the approach paper of the GoI for the 12th Plan, there is a proliferation of centrally sponsored schemes over a period of years which led to poor implementation, duplication, lack of convergence and sub-optimal results. There is an urgent need to transform the system and sharply reduce the number of schemes.

Result Framework Model:

The State Government is also working out on evolving a Result Framework on the lines of the Government of India which provides a summary of the most important results that a department expects to achieve during the financial year. This document has two main purposes: (a) move the focus of the department from process-orientation to results-orientation, and (b) provide an objective and fair basis to evaluate

department's overall performance at the end of the year.

Fitting into the Result framework, the State Government is embarking on an innovative idea to identify 5 most important outcomes of core departments for regular and systematic monitoring for better results, shifting the traditional focus from the outlays to outcomes.

Growth Vision

With the experience gained during the last few years through implementation of several welfare and developmental programmes reinforced with fiscal discipline, Andhra Pradesh is confident of targeting a growth of 10% during the 12th Plan period with the corresponding sectoral growth targets of 6% for Agriculture, 10.5% for Industry and 11.5% for Services.

The most important thrust area, among other key issues, identified by the State for effectively utilizing the abundant labour force would be enhancing skill development since demographic dividend can add to growth potential, subject to fulfillment of two conditions

- First, much higher levels of health, education and skill development must be achieved.
- Second, creation of an environment in which the economy not only grows rapidly, but also expands good quality employment/livelihood opportunities to meet the needs.

The State is totally committed to ensure the delivery mechanism robust and hassle-free through a process of appropriate mechanism. The Government is equally keen to ensure that the Aadhaar-based Smart Card System is in place at the stroke of the commencement of the 12th Five Year Plan i.e, positively by 1st April, 2012. This would help ensure optimum utilization of scarce resources so that the benefits would reach the eligible and needy through plugging the possible delivery leakages.

Key issues to be addressed:

In these challenging times, the State is totally committed to the measures taken by Government of India, which has taken up a number of initiatives including entitlement based legislations for growth, equity, inclusiveness and security. For achieving the desired growth targets, it requires continual leadership to forge consensus among States for issues like early implementation of the Goods and Services Tax (GST) which is expected to spur growth. In addition, in the implementation and financing of the Centrally Sponsored Schemes, there is a need for providing some flexibility to the

states to take care of their state specific priorities and programmes. Further, State is also proposing to focus more on Flexi-flagship programmes which would help the State to use the funds more effectively through dovetailing with State funds and target them for local-specific requirements. The final thrust areas and broad strategies of the State for the 12th Five Year Plan would be ready in a few month's time.
