

D.O.No.. M-13040/36/2007-SP.Coord

October 11, 2007

Dear

I am writing in connection with the proposed work programme for finalizing the Annual Plan of States for 2008-09.

2. The targeted annual average rate of growth, plan priorities sectoral policies and thrust areas for inclusive growth in the economy are highlighted in the Approach Paper to the Eleventh Five Year Plan, approved by the National Development Council . These need to be kept in view along with the potential and constraints present in each State, while formulating the Annual Plan (2008-09) of your State.

3. I expect that you would have already initiated preparation of District Plans as part of the draft Annual Plan of your State for 2008-09. I would request you to expedite the preparation of the draft State Annual Plan 2008-09 assuming an increase of 10% over the Central Assistance provided in 2007-08 and to ensure that the proposals are sent to the Planning Commission by 10<sup>th</sup> November, 2007.

4. Adviser (Financial Resources) vide his letter No.4/1/2007 dated 9<sup>th</sup> October 2007 has already requested the Finance Secretary of your State to furnish the requisite data to hold a discussion on the resource position of the State. We propose to hold official level resource discussions with the State Governments for Annual Plan 2008-09 beginning in the first week of November and continuing upto mid December, 2007. Deputy Chairman, Planning Commission would like to meet the Chief Minister of your State between last week of November 2007 and 31<sup>st</sup> January 2008 to discuss Plan priorities and related issues to work out the appropriate resource-based Plan size for Annual Plan 2008-09.

5. In the last three years, immediately after the Deputy Chairman and Chief Minister level meeting, our effort has been to hold the official level Working Group meeting. Most of the States have cooperated in our endeavor which has enabled early finalization of the sectoral composition of the Plan and issue of the Approved Annual Plan outlay. I solicit your cooperation to continue this arrangement to hold a two day meeting with the State Governments for finalization of Annual Plan

2008-09. On the first day, Deputy Chairman will hold discussions with the Chief Minister to arrive at an agreement on priorities and to finalize the size of the Plan. On the second day, Working Group discussions will be held by the Member/State Plan Adviser concerned with the Chief Secretary and State Government officials to finalize the sectoral outlays. The Planning Commission will issue the Scheme of Financing and Approved Sectoral Outlays within ten days of the aforesaid meeting. The proposed schedule for the Annual Plan exercise for 2008-09 is indicated in the Annexure to this letter.

6. In the recent past, the Planning Commission has emphasized the importance of earmarking outlays for Special Component Plan, Tribal Sub-Plan and schemes covered under Bharat Nirman and Flagship programmes of the Government. It has been observed that some States have, in the past, not been able to fully utilize the Central allocation for these important schemes because of inadequate provision made in the State Plan towards the counterpart funding required from the States. This has also led to delay in the issue of Planning Commission's letter conveying approval of Annual Plan of States. I urge you to provide adequate State share of resources for the aforesaid schemes so that the State is not deprived of Central share of resources provided for them.

7. Joint Secretary (State Plans) in the Planning Commission would shortly forward to your Planning Secretary a set of formats for inviting proposals for Annual Plan (2008-09).

8. I look forward to your cooperation and support in completing the Annual Plan exercise for 2008-09 on schedule.

Yours sincerely,

Sd/-

(RAJEEVA RATNA SHAH)

**To,  
Chief Secretaries of States/UTs  
(As per list attached)**

**ANNEXURE**

**Schedule for Annual Plan exercise for 2008-09**

Last date of receipt of draft Plan Documents from States and Union Territories	10 <sup>th</sup> November, 2007
Official level resource discussions	6 <sup>th</sup> November-15 <sup>th</sup> December, 2007
Two day meeting Deputy Chairman-Chief Minister /Working Group discussions	26 <sup>th</sup> November, 2007 to 31 <sup>st</sup> January, 2008
Issue of finalized Sectoral Outlays and Scheme of Financing	Within ten days of the above meeting.