



सत्यमेव जयते

सुधा पिल्ले, आई.ए.एस.
सचिव

SUDHA PILLAI, I.A.S.
SECRETARY, PLANNING COMMISSION



जय हिन्द

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D.O No. M- 13048/38/2009-SP-C

8th October, 2009

Dear Chief Secretary,

I am writing to you in connection with the discussions on Annual Plan 2010-11 of States/UTs with the Planning Commission. We would like to complete this exercise with your cooperation, before the Annual Budget of the States is presented so that they reflect the Plan priorities.

2. Planning Commission is undertaking the Mid Term Appraisal (MTA) of the 11th Plan. In this context we have engaged reputed agencies to prepare study reports on the performance of States on the 15 Flagship programmes of the Government and in achieving the monitorable targets set out in the current Plan. We seek your support and cooperation to the agencies to enable them to complete their task in time, as their inputs would feed into MTA. The MTA is going to be available by the end of 2009 and will give a comprehensive assessment of the state of the economy along with suggestions for policy measures needed to attain the goals of the 11th Plan.

3. As you are aware plan resources have come under severe pressure in the next two years because growth in the economy is expected to be lower than projected in the 11th plan. The problem is compounded by the impact of drought on kharif crops, floods in the Southern States and expected increase in Finance Commission transfers. Therefore, strong steps are needed to bring improvement in the efficiency of resource use, curtail non-plan expenditure and reprioritize across sectors so that we can manage with the resources available. In reprioritizing the new priority areas which has been identified, especially health, education and infrastructure will have to be adequately funded. This means that other sectors will receive less than was originally intended. The level of the Centre's Gross Budgetary Support for the Annual Plan 2010-11 is yet to be decided. You may kindly go ahead with the preparation of the draft Annual Plan on the basis of 10% enhancement over the Central Support given to your State in Annual Plan 2009-10.

4. Adviser (Financial Resources) vide his D.O. letter No. 4/1/2009-FR dated 23rd September, 2009 (copy enclosed) has requested the Finance Secretary of your State to furnish the requisite data to hold discussions on the resources position of the State. We request you to furnish the information timely so that the official level resource discussions with the State Governments for Annual Plan 2010-11 are completed in November, 2009.

5. Planning Commission has stressed the importance of preparation of District Plans leading to finalization of States' draft Annual Plan. At the commencement of the Eleventh Plan, guidelines for preparation of District Plans were communicated vide our D.O letter No. M-13011/1/2006-SP-

Contd/-

8th October, 2009

C dated 25.08.2006. However, during the last three Annual Plan discussions, we have observed that in most of the States, District Planning has not become meaningful for the process of formulating the States' Plan. We would, therefore, urge you to ensure that the guidelines issued by us are operationalised.

6. The arrangements to hold Annual Plan (2010-11) discussions would be like last year i.e. first official level Working Group meeting to be chaired by the Member in charge of the State and the Deputy Chairman – Chief Minister level discussion, thereafter on a mutually convenient date.

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 2010-11. We expect to receive the Draft Annual Plan 2010-11 proposals of your State soon after the meeting on assessment of resources is completed so as to initiate the Working Group discussions and then schedule the Deputy Chairman- Chief Minister level discussion. The proposed schedule for the Annual Plan exercise for 2010-11 is indicated in the Annexure.

8. I do hope that with your cooperation and support we will be able to complete the Annual Plan exercise for 2010-11 well in time.

With regards,

Yours Sincerely,


(Sudha Pillai)

Encl. : As above

To,
Chief Secretaries of all the States/UTs

Annexure

Schedule for Annual Plan Exercise for the Year 2010-11

Official level resource discussion	1 st to 30 th November 2009
Last date for receipt of draft plan documents from States/UTs	30 th November 2009
Two day working group discussion	1 st to 31 st December 2009
Deputy Chairman – Chief Minister level discussion	January-February 2010
Issue of finalised sectoral outlays and scheme for financing	Within Ten days of the above meeting

To
Principal Secretaries/Secretaries/Commissioners - Finance
All States