



राजीव रत्न शाह
RAJEEVA RATNA SHAH

सचिव
भारत सरकार
योजना आयोग
योजना भवन, तलव मार्ग
नई दिल्ली-110001
Secretary
Government of India
Planning Commission
Yojana Bhavan, Parliament Street
New Delhi-110 001
Tele : 23096574 Fax : 23096575
Email : rshah@nic.in

D. O. No. 4/27/2003-FR(AP)

18th October, 2004

Dear Khairwal,

Please refer to D.O. No. M-13011/1/2003-SP-CO/DCH/11/2004/649 of 23rd August 2004 of the Deputy Chairman of the Planning Commission to the Chief Minister of Pondicherry regarding the manner in which it is proposed to issue the approval letter relating to the Annual Plan of Pondicherry for 2004-05. In this connection, I enclose herewith the projected Scheme of Financing for the Annual Plan 2004-05 along with the share of Central Assistance.

Taking the above Scheme of Financing into account, you may please finalise the Annual Plan outlay of Pondicherry for 2004-05 and sectoral outlays and send them to us by 20th October, 2004 at the latest to enable us to issue the approval letter for 2004-05 by 30th October 2004.

Regards,

Yours sincerely,


12/10/2004
(Rajeeva Ratna Shah)

Shri C. S. Khairwal,
Chief Secretary,
Government of Pondicherry,
Chief Secretariat Building,
Pondicherry
Fax No. : 0413-2337575

Copy to :

1. Mrs. Sathiyavathy, Finance Secretary, Govt. of Pondicherry, Chief Secretariat Building, Pondicherry. Fax No. : 0413-2337575
2. Mr. Sridharan, Director (Planning), Govt. of Pondicherry, Chief Secretariat Building, Pondicherry. Fax No. : 0413-2337575

ANNEXUREALLOCATION OF RESPONSIBILITIES FOR OVERSEEING STATE PLANS

Name of the Member	State/Union Territory
Dr. Kirit S. Parikh	Uttar Pradesh Uttaranchal Karnataka
Prof. Abhijit Sen	Andhra Pradesh Orissa Jharkhand
Dr. V.L. Chopra	Punjab Delhi (NCT) Goa
Dr. B.L. Mungekar	Madhya Pradesh Chhattisgarh Kerala
Dr. (Mrs.) Syeda Hameed	Haryana Himachal Pradesh Rajasthan
Sh. B.N. Yugandhar	Maharashtra Gujarat North East & Sikkim
Sh. Anwarul Hoda	Tamil Nadu Pondicherry West Bengal

PONDICHERRY

Projected Scheme of Financing for Annual Plan 2004-05

(Rs. Crore)

RESOURCES	Annual Plan 2004-05
States Own Resources (1 to 4)	275.00
1. Balance from Current Revenues (Of which ARM)	165.00 (165.00)
2. Net Small Savings	80.00
3. ARM	165.00
4. Adjustment of Opening Balance	30.00
Total Central Assistance (5-7)	195.00
5. Normal Central Assistance	188.53*
6. ACA for Externally Aided Projects	0.00
7. Others \$	8.47
Aggregate Plan Resources (A+B)	470.00
<i>Details:</i>	
a) Prime Minister's Gramodaya Yojana	4.65
b) Nutrition Programme for Adolescents Girls.	0.26
c) Slum Development	1.00
d) National Social Assistance Programme	0.54
e) Roads and Bridges	2.02
TOTAL (a to e)	8.47

Excluded for the purpose of funding.
This includes provision for NCMP of Rs.9 crore.

एम. एस. आहलुवालिया
MONTEK SINGH AHLUWALIA



उपाध्यक्ष
योजना आयोग
भारत
DEPUTY CHAIRMAN
PLANNING COMMISSION
INDIA

D.O.No.M-13011/1/2003-SP-CO/36M/11/2004/649

August 23, 2004

Dear

I am writing in connection with the proposed work program for finalizing the State Plans for 2004-05 and for the subsequent year. Normally, Chief Ministers and the Deputy Chairman, Planning Commission meet to discuss priorities and fix the overall size of the State Plan during the period March to July/August. The discussions usually commence after the budgeted figure on Gross Budgetary Support for the Plan in the Central Budget is announced and draft Annual State Plans from the State Governments are received. Following the fixation of the overall plan size the practice was for State Plan Advisers and State Government officers to meet in a Working Group to finalise the sectoral outlays of the Annual Plan.

2. While there has been some improvement in the timeframe for completion of discussions in the last few years, the exercise was still being completed well after the beginning of the financial year, by which time most States have already approved their budgets and begun implementation of the Plan. This problem is clearly magnified in the current year owing to the elections and the change in Government. The scheduled Deputy Chairman-Chief Minister level discussions to finalize the Annual Plan 2004-05 could not be held as per the programme indicated in U.O. letter No.M-13011/1/2003-SP-CO dated 18th September, 2003 from Secretary, Planning Commission to Chief Secretaries. For most States, the Government's Budget for the current financial year has been approved and more than one third of the year has already elapsed, reducing the relevance of the exercise for finalization of Annual Plan 2004-05.

3. I am sure you will agree that to make the Plan process more meaningful, we need to set ourselves the objective of finalizing the Annual Plans of States before the presentation of their Budgets so that Plan priorities are properly reflected in them. Therefore, we have decided to make an attempt to put the Annual Plan exercise back on track in the following manner.

4. For the Annual Plans for 2004-05, it may not be necessary to have a meeting at our level to finalise this year's Plan outlay since half the year will have passed. Instead, our aim should be to finalize your State's share in Central Assistance arising out of this year's Central Government Budget within a month and then focus on advancing the time table for discussion of the State's Annual Plan 2005-06 so that these discussions take place early enough to influence the structure of the Plan. I would therefore suggest that we plan for detailed discussions with you and your officers on the Annual Plan 2005-06 to be completed by February 2005 at the latest.

5. For the Annual Plan 2004-05, Secretary, Planning Commission will shortly inform the Chief Secretaries of the projected Scheme of Financing and the States' share of components of Central Assistance/borrowings. Taking this into account, you may please

योजना भवन, संसद मार्ग, नई दिल्ली-110001 दूरभाष : 23096677, 23096688 फैक्स: 23096699
Yojana Bhawan, Parliament Street, New Delhi-110001 Phones : 23096677, 23096688 Fax: 23096699
E-MAIL : dch@yejana.nic.in

ISSUED

एम. एस. आहलुवालिया
MONTEK SINGH AHLUWALIA



उपाध्यक्ष
राज्य योजना
मंडल
DEPUTY CHAIRMAN
PLANNING COMMISSION
INDIA

Finalise your Annual Plan for 2004-05 and its sectoral outlays and send it to us latest by 30th September, 2004. If we receive these documents by this date, we will be able to issue the approval letter relating to Annual Plan 2004-05 by 15th October 2004.

6. To accelerate decisions regarding the Annual Plan 2005-06, we will have to discuss the matter before the Gross Budgetary Support has been announced by making assumptions based on trends. I would, therefore, request you to immediately commence preparation of the draft State Annual Plan 2005-06, based on an expected increase of 18% in the Central Support given to your State in 2003-04. This would in effect be the 'core plan' based on conservative resource estimates wherein financing of investments proposed could be largely protected. In the event of the actual provisions in BE 2005-06 for Central Assistance to State Plans being more than 18% higher than BE 2003-04, an additional allocation will be made to your state as per the extant formula/arrangement. This allocation could subsequently be incorporated in your State's revised outlay for Annual Plan 2005-06. The draft Plan proposals for Annual Plan 2005-06 may kindly be submitted to the Planning Commission by 15th October, 2004. I appreciate that this would require considerable effort on the part of the State, but I hope it will be possible for you to meet this deadline. To facilitate this, I will separately request the Ministry of Finance to release installments of Central Assistance to States from November 2004 onwards only after confirmation by the Planning Commission of the approval of Annual Plan 2004-05 and receipt of the draft proposal for Annual Plan 2005-06.

7. We propose to hold official level resource discussions with the State Governments for Annual Plan 2005-06 during the period September-November, 2004. I would also like to meet with you between November 2004 and February 2005 to discuss Plan priorities and issues for Annual Plan 2005-06, and to work out the appropriate resource-based Plan size for the coming year's Annual Plan. Adviser (Financial Resources) and Joint Secretary (State Plans) in the Planning Commission would shortly forward to your State Government a schedule of these meetings.

8. As pointed out above, under the arrangement in force in the past, the finalization and issue of the sectoral outlays was a time consuming process completed well after the State Plan was finalized at the Deputy Chairman - Chief Minister level and sometimes took months. We propose to reduce these delays by holding a two day meeting with State Governments for finalization of Annual Plan 2005-06. On day one, in the forenoon session, preliminary discussions will be held at the official level on financial resources, followed, in the afternoon, by discussions with the Chief Minister to arrive at an agreement on priorities and to finalize the size of the Plan. On day two, 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.

राज्य योजना भवन, संसद भवन, नई दिल्ली-110001 दूरभाष : 23096677, 23096688 फैक्स : 23096699
Yojana Bhawan, Parliament Street, New Delhi-110001 Phones : 23096677, 23096688 Fax: 23096699
E-MAIL : dch@yojana.nic.in

एम. एस. आहलुवालिया
MONTEK SINGH AHLUWALIA



उपाध्यक्ष
योजना आयोग
भारत
DEPUTY CHAIRMAN
PLANNING COMMISSION
INDIA

9. To recapitulate, the proposed schedule is as under:

Annual Plan 2004-05

Last date of receipt of finalized Plan documents and sectoral outlays from States and Union Territories, (based on indication of Central Assistance made available to the State).	30 th September, 2004
Issue of Approval Letter as per proposals received from States.	15 th October, 2004

Annual Plan 2005-06

Last date of receipt of draft Plan Documents from States and Union Territories	15 th October, 2004
Official level resource discussions	September-November, 2004
Two day meeting Deputy Chairman-Chief Minister /Financial Resources discussions/Working Group discussions	November, 2004 to February, 2005
Issue of finalized Sectoral Outlays and Scheme of Financing	Within ten days of the above meeting.

10. To give added thrust and focus to this consultative process, Members of the Planning Commission will be closely associated with the State Plans for the States for which they are responsible. I trust this will help intensify our dialogue and cooperation, and enable the Planning Commission to bring high-level attention to bear on key issues concerning the State. The Member-wise responsibility for different State Plans is enclosed.

11. I look forward to your cooperation and support in completing the Annual Plan exercise for 2004-05 and 2005-06 on schedule.

With regards,

Yours sincerely,

Chief Ministers of all states/UTs.
(As per list enclosed)

Montek Singh Ahluwalia
(Montek Singh Ahluwalia)