

एम.एस. आहलुवालिया
MONTEK SINGH AHLUWALIA



उपाध्यक्ष
योजना आयोग
भारत
DEPUTY CHAIRMAN
PLANNING COMMISSION
INDIA

D.O.No.M-13011/3/2005-SP-Co.

September 6, 2005

I am writing in connection with the proposed work programme for finalizing the State Plans for 2006-07.

2. As you know, it was for the first time last year that, with the active cooperation of State Governments and Union Territory Administrations, we were able to complete the discussions with the Chief Ministers on Plan priorities and fix the overall size of the State Plans prior to the beginning of the financial year 2005-06. This enabled inclusion of Plan priorities in the Budgets of the States. We propose to follow a similar arrangement in 2006-07 and I solicit your cooperation in this regard.

3. Although the Gross Budgetary Support for Annual Plan 2006-07 has not yet been decided, you may like to proceed with the preparation of the draft State Plan of your State for 2006-07 assuming an increase of 10% over the Central Assistance provided in 2005-06. I would, therefore, request you to immediately commence preparation of the draft State Annual Plan 2006-07 so that the proposals are sent to the Planning Commission by 15th October, 2005. 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.

4. We propose to hold official level resource discussions with the State Governments for Annual Plan 2006-07 beginning in the second half of October and continuing through December, 2005. I would like to meet with you between November 2005 and February 2006 to discuss Plan priorities and issues for Annual Plan 2006-07, and to work out the appropriate resource-based Plan size for the coming year's Annual Plan. Principal Adviser (Financial



Resources) and Joint Secretary (State Plans) in the Planning Commission would shortly forward to your State Government a proposed schedule of these meetings.

5. Based on our experience last year, we feel that holding of the Working Group meeting immediately after the meeting of the Deputy Chairman and Chief Minister enabled early finalization of the sectoral composition of the Plan and issue of the Approved Annual Plan outlay. We therefore propose to hold a two day meeting with the State Governments for finalization of Annual Plan 2006-07. On the first day, preliminary discussions will be held at the official level on financial resources in the forenoon session. This will be 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 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 2006-07 is indicated in the Annexure to this letter.

6. I would also like to take this opportunity to underline two issues; one related to the Planning process and the other relating to the content of the Plan.

7. For several years now, we have been emphasizing the need to build up State Plans from below, through a participative process that gives scope for the articulation of felt needs at the grassroots level and responds to this by appropriate programmes and policies. With the enactment of the 73rd and 74th Amendments to the Constitution, this process has acquired additional legal sanction. I would like to draw your attention specifically to Article 243 ZD of the Constitution that provides for District Planning Committees and specifies their role. We hope that the preparation of the draft Annual Plan proposals for 2006-07 will follow a process that implements

एम.एस. आहलुवालिया
MONTEK SINGH AHLUWALIA



उपाध्यक्ष
योजना आयोग
भारत
DEPUTY CHAIRMAN
PLANNING COMMISSION
INDIA

the mandate of the Constitution in letter and spirit. We will be separately sending you some guidelines that you might like to consider following in this regard.

8. The second issue that I wish to draw your attention to is the Special Component Plan and the Tribal Sub-Plan. As you are aware, these are policy instruments designed to ensure the fulfillment of constitutional guarantees and entitlements enjoined for the SC and ST communities. Special care needs to be bestowed on drawing up these plans, taking into account the actual experience in the past few years with respect to their implementation. The Prime Minister has directed that the Planning Commission should pay special attention to monitoring progress on this front for the Central Government and we propose to do the same at the State level.

9. Joint Secretary (State Plans) will be separately sending the formats for presenting the Annual Plan 2006-07 to your Planning Secretary.

10. I look forward to your cooperation and support in completing the Annual Plan exercise for 2006-07 on schedule.

With regards,

Yours sincerely,

(MONTEK SINGH AHLUWALIA)

Chief Ministers of States/UTs

ANNEXURE

Schedule for Annual Plan exercise for 2006-07

Last date of receipt of draft Plan Documents from States and Union Territories	15 th October, 2005
Official level resource discussions	October-December, 2005
Two day meeting Deputy Chairman-Chief Minister /Financial Resources discussions/Working Group discussions	November, 2005 to February, 2006
Issue of finalized Sectoral Outlays and Scheme of Financing	Within ten days of the above meeting.