

GUIDELINES FOR PREPARATION OF THE ANNUAL PLAN 2005-06

A. General points

1. The Guidelines issued for the Tenth Five Year Plan may continue to guide the preparation of the Annual Plan 2005-06. The recommendations of the Task Force and Working Groups may be taken into account while drafting the Annual Plan.
2. The rapid mid-term assessment done by the departments may be utilized for change of priority as well as change in implementation methodology. Based on this quick assessment, suggestions for dropping schemes originally included in the Five year Plan may be made along with proposals for modification of existing schemes or introduction of new schemes.
3. New schemes can be introduced only if fully justified by the midterm assessment or on the basis of studies carried out or as a result of any new policy packages announced by the Government.
4. The priorities suggested in the National Common Minimum Programme may be borne in mind while drafting the Annual Plan 2005-06.
5. Schemes which are found redundant and schemes which are too small to have any significant impact may be avoided.
6. Schemes which relate to functions transferred to local governments should not be proposed by departments.
7. The State share of the Centrally Sponsored Schemes would be the first charge on the Plan resources. However the Departments have to ensure that the scheme is being continued by Government of India and that the expected allocation is reasonable on the basis of the experience of the first three years.
8. As regards externally assisted projects which have already been approved the allocation may be limited to the annual targets fixed in the project or on the potential to spend whichever is lower.
9. In the case of departments having major projects the second charge on Plan resources would be completion of ongoing projects.
10. Only salaries of staff created after 1-4-2002 can be included in the Plan. All other salary commitments have to be transferred to non-plan if not already done.

11. In the case of departments like Public Works Department, and Irrigation Department where establishment costs are charged on the work the maximum that can be done so is limited to 15% of the cost of the work.

12. Departments having long pending infrastructure projects should prepare a special note in accordance with the policy announced by the Government on long pending infrastructure projects. Allocation to such projects should strictly be on the basis of the approved policy.

13. All departments have to submit a Plan for capacity building of staff with an outlay not exceeding 0.5% of the total Plan allocation of the Department. This should be on the basis of a Training Plan.

14. All departments dealing with Public Services should give special priority for improvement of Delivery of Public Services. This should be for improving facilities in institutions delivering public services and attainment of minimum standards of Service Delivery in such institutions.

B. Priority Areas

The specific priority areas for the Annual Plan 2005-06 would be:

- 1) Improving production and productivity, maximum utilization of value addition opportunities and enhancing incomes in the agriculture and allied sectors.
- 2) Rehabilitation of traditional industries through technology upgradation, capacity building, provision of common facilities and improved marketing through the cluster approach.
- 3) Improving Service Delivery particularly in Health, Education, Social Welfare and Development of Scheduled Castes and Scheduled Tribes.
- 4) Completion of schemes/projects that will bring benefit to the people in 2005-06; and
- 5) State Components for Central Schemes which State Government has taken up for clearance/approval in the Centre.

The General Priority Areas of the Annual Plan would be:

- ❖ Generation of Jobs – both direct and indirect
- ❖ Reduction of poverty by full utilization of the Community Development Society net work put in place under Kudumbashree
- ❖ Upgradation and optimum utilization of the assets already created
- ❖ Provision of minimum facilities in Service Delivery institutions
- ❖ Capacity building
- ❖ Mode of governance with special focus on E-governance

C. Format for preparation of the Annual Plan.

It is seen that a large number of departments have not been following the Instructions issued regarding the format for preparation of the Annual Plan. This has led to lot of difficulties and delays in finalizing the Annual Plan. Hence it is reiterated that the instructions given below may be followed fully.

The Annual Plan document for 2005-06 should be in two parts – the first part in narrative form and the second part in the form of statements in the proformae prescribed by the Planning Commission (copies enclosed). The narrative part should itself be in two parts. The first part should be for the department as a whole and contain clear descriptions of the following elements.

1. Key policy principles
2. Detailed objectives of the Plan
3. Monitorable targets for the Annual Plan 2005-06
4. A critical assessment of the performance of the first 2 ½ years of the Tenth Plan
5. An indicative assessment of the expected performance, physical and financial in the Annual Plan 2004-05.
6. Reforms initiated so far and the reforms proposed to be introduced during the next year with special reference to sectoral policy institutions, procedures, resource mobilization etc
7. Linkage with decentralized plans of local governments
8. Indicators of performance of the sector in the Tenth Five year Plan with focus on outputs. If available indicators of outcomes may also be given.

The second part of the narrative component would be details of individual schemes. In order to facilities easy approval of the schemes it is necessary that the write up follows a pattern as suggested below:

- Objective of the scheme
- Components of the Scheme
- Proposed mode of implementation of the Scheme-this should indicate how the geographical area of implementation would be identified, the beneficiaries selected, the mode of distribution of assistance etc.
- For State-wide schemes, the norms for selection of districts and norms for devolution of funds have to be clearly indicated.
- Quantifiable indicators of performance
- Implementing agency
- Expected gains of the scheme
- Relevance and justification of the scheme

DRAFT ANNUAL PLAN 2005-06 – PROPOSED OUTLAY

(Rs. Lakhs)

Code No.	Major Head/Minor Head of Development	Tenth Plan (2002-2007) Projected Outlay at 2001-02 Prices			Annual Plan 2004-05 at current Prices					
		Total	Continuing Schemes	New Schemes	Agreed Outlay			Anticipated Expenditure		
					Total	Continuing Schemes	New Schemes	Total	Continuing Schemes	New Schemes
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

DRAFT ANNUAL PLAN 2005-06 – PROPOSED OUTLAY

(Rs. Lakhs)

Code No	Major Head/Minor Head of Development	Annual Plan 2005-06 at current Prices					
		Proposed Outlay			Of which capital content		
		Total	Continuing Schemes	New Schemes	Total	Continuing Schemes	New Schemes
(1)	(2)	(12)	(13)	(14)	(15)	(16)	(17)

SI No	Item	Unit	Tenth Plan (2002-07) Target	Annual Plan 2004-05		Annual Plan 2005-06 Target	Remarks
				Target	Anticipated Achievement		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)