GOVERNMENT OF ANDHRA PRADESH

ABSTRACT
Administrative Reforms - Reorganisation of the Departments of Secretariat - Seperation of Finance Wing and Planning Wing of Finance and Planning Department – Orders – Issued.

GENERAL ADMINISTRATION (AR&T - I) DEPARTMENT

ORDER:

The Deputy Chairman, Planning Commission and Advisor, State Plan while finalizing the Annual Plan for Andhra Pradesh for the Financial Year 2000-2001 have observed that Planning Department of the State was unaware of many developments concerning release of funds schematic structures, and various initiatives being taken up by sectoral departments and of many matters concerning sectoral schemes and was not in position to explain reasons for certain developments. This was on account of the fact that the centrality of Planning Department in the Planning process has been diluted. The negative effect of this feature unique to Andhra Pradesh, has been brought to the notice of the State Government earlier also through a tour note. The State was advised that the matter needs to be seriously look into and effectiveness of Planning Department needs to be restored.

2. Accordingly, the matter has been examined in detail. Presently, the Finance and Planning (Finance Wing) Department and Finance and Planning (Planning Wing) Department exist as two independent wings under one Secretariat Department, viz., Finance and Planning Department. Andhra Pradesh is the only State in the Country, where the Planning Department does not exist as an independent Secretariat Department. In many States the name of the department is either Planning and Coordination Department or Planning and Development Department.

3. The State Plan has essentially the following six components:

   (i) Externally Aided Projects (EAP)
   (ii) Centrally Sponsored Schemes (CSS)
   (iii) Rural Infrastructure Development Fund (RIDF)
   (iv) Special Schemes of Additional Central Assistance (PMGY/NSDP/AIBP)
   (v) State Schemes (SS)
   (vi) Eleventh Finance Commission (EFC)

According to the existing procedure, the Planning Department is only being involved in the implementation of Centrally Sponsored Schemes and State Schemes and is not aware of the other four components of the State Plan. The above situation has further deteriorated with the decision taken by the Finance Department recently to issue Budget Release Orders for the initial six months of the financial year to the concerned sectoral departments which is the fundamental role of the Planning Department. Release of Central Assistance by the Planning Commission will be seriously affected in future. Monitoring of the SCP and TP has been
seriously affected in the recent past for which the Government of India has decided to stop further release of funds.

4. According to the A.P. Government Business Rules, preparation and monitoring of the EAPs is a subject assigned to the Planning Department. The Project Monitoring Unit (PMU) which was created originally in the Planning Department has been transferred to Finance Department subsequently. The Planning Department toady is not aware of the EAPs being implemented in the State, which constitutes more than 40% of the State Plan Outlay.

5. In view of the circumstances and to take follow up action on the directions of the Planning Commission, Government hereby order that the name of the Department be changed as Planning Department instead of Finance and Planning (Planning Wing) Department. Similarly the Finance and Planning (Finance Wing) Department shall be renamed as Finance Department.

6. All the Secretariat Department shall route their proposals relating to Annual Plan including EAP/CSS/EFC/SPS/RIDF etc. to the Planning Department for the release of funds, Policy issues involved if any, and forwarding proposals to Government / other External Funding Agencies.

7. The General Administration (Cabinet) Department shall issue necessary orders for amending the Business Rules.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

K.SWAMINATHAN,
CHIEF SECRETARY TO GOVERNMENT (I/C)

To
The Planning Department
The Finance Department
The Genl. Admn.(Cabinet) Department
All Departments of Secretariat.
All Heads of Departments.
All District Collectors.
Copy to:
The Pay and Accounts Officer, Andhra Pradesh, Hyderabad.
The Accountant General, Andhra Pradesh, Hyderabad.
The Prl. Secy to Chief Minister
The P.S. to Chief Secretary.
The P.S. to Secretary (Ser.) G.A. Department

//FORWARDED BY ORDER//

SECTION OFFICER