

# PROCESS OF PLAN FORMULATION AND IMPLEMENTATION

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- ▶ India is a socialism - oriented mixed economy.
- ▶ In 1950 the Planning Commission was established to formulate five year plans.
- ▶ First five year plan was started from April 01, 1952.
- ▶ Twelfth five year plan ended on March 31, 2017 was the last five year plan of the country.
- ▶ Modi Govt. has stopped five year plan strategy and established NITI Aayog in place of Planning Commission.

# INTRODUCTION

- ▶ Data is the main base for planning. The establishment or improvement of systems for data collection require careful planning to ensure that the implementation proceeds in comprehensive, cost-effective and timely ways. This involves a range of tasks that can be encompassed within a plan or project cycle framework from identification and analysis of needs, through project formulation and budgeting, to system design, implementation, monitoring and appraisal.
- ▶ Identification and analysis of needs is a crucial phase of the plan or project cycle. Infrastructure requirements, mainly policy, legal and institutional frameworks, are often not given enough emphasis. These issues are sometimes more important for sustaining a Plan Information System than more obvious requirements such as assessment of the required information technology.

## NEED OF PLANNING

► The most important considerations are:

-The information system policy must be formulated at a high government level, as it will eventually have to provide support for the economic policy at this level.

-A legal framework ensuring the active participation of all states in providing information must be available in an early stage of development.

-The institutional framework needs to be analyzed and then altered to facilitate the active involvement of all plan stakeholders and institutions.

-In designing a functional Plan Information system, budgeting must consider the current and future personnel and capital assets for a sustainable system.

-In the implementation phase, considerable attention and resources must be directed towards continuous training of all staff involved. Often, this is only superficially considered.

-It is always advisable to start with a pilot system and then expand when the core system has been appraised and proved stable.

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- ▶ The formulation of the development plan is/was the first stage of the economic planning.
- ▶ At the top, the Planning Commission used to formulate a draft plan in consultation with the various ministries or economic councils.
- ▶ Similarly, at the bottom, individual perspective plan on the basis of past experience and future requirements was prepared.
- ▶ The Planning Commission used to assess the balances of technical possibilities, recommendations, suggestions and requirements in the light of reports given by two agencies—one from the top and the other from the bottom. The final draft has been a comprehensive, coherent and well knit document.

## PLAN FORMULATION

- ▶ First of all, Planning Commission used to lay down tentatively certain general goals for the long time, i.e., for fifteen or twenty years, after making a careful analysis of technical possibilities, the basic and non-basic needs of the economy and various methods of development.
- ▶ In the second stage, the Commission used to formulate a short memorandum which was placed before the cabinet and the National Development Council. In the third stage, a draft outline of the Five Year Plan was prepared keeping in view observations made by the National Development Council and was published several months before the plan is to come into force.

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- ▶ This was presented before the Parliament for discussion and later on sent to different Central Ministries, State bodies and State Governments. In short, these proposals were discussed widely in the press, universities and other institutions. Then, final report was prepared and presented before the cabinet, National Development Council and finally before the Parliament for approval.
- ▶ The Planning Commission, even after its final approval, used to examine the various aspects from time to time and modify the plan as and when required. The Five Year Plan, then was broken into annual plans.

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- ▶ During the months of November or December of each year, there was a series of consultations between the Commission and the Central and State Ministries for reviewing the progress and making further reassessment of resources and technical possibilities of adjustment and readjustment of targets and requirements of the annual plan for the next year.

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- ▶ In most of the planned economies, the Central Planning Commission is merely an advisory body and the execution of the plan is entrusted to the central administration which involves the various agencies and departments of the government. In the initial stages, there was a greater possibility of centralization but in the later stage, decentralization brought effective control and administration.
- ▶ Even the most planned countries like Soviet Union and East-European countries have been tending to establish democratic decentralization.
- ▶ This tendency was also being followed in India as well. Proper execution was really a difficult task and unfortunately this had happened in the case of Indian planning. In the words of Prof. Lewis, “Indians are better planners than doers.”

## IMPLEMENTATION OF THE PLAN

- ▶ The supervision of the plan was one of the essentials of successful planning. Supervision must be separated from their execution and done by some special body. Therefore, execution of plans necessitates constant supervision as it helps to detect failures and shortcomings from time to time.
- ▶ Constant supervision improves the conditions of successful implementation of the plan. In India, supervision was done by the planning agency or a special agency. The programme evaluation organization( now office ) which is an impartial body, supervised the plans.

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- ▶ Programme Evaluation Office ( erstwhile organization) or PEO is mainly responsible for mid term and end term evaluation of the plans.
- ▶ It has many regional offices in State capitals.
- ▶ National Sample Survey Organization's survey rounds on various specific issues also help in deciding further policy design.

▶ Courtesy- [your articlelibaray.com](http://yourarticlelibaray.com)

## EVALUATION OF THE PLAN