

No.M-12043/03/2013-PC
Planning Commission
(Plan Coordination and Management Division)

Yojana Bhavan, Sansad Marg,
New Delhi – 110001,
July 11, 2013

OFFICE MEMORANDUM

Subject: Restructuring of Centrally Sponsored Schemes in the 12th plan – approval of the Cabinet

The undersigned is directed to inform that following proposals for restructuring the Centrally Sponsored Schemes under the 12th Plan have been approved:

1. The existing CSS/ACA Schemes in the Twelfth Five-Year Plan have been re-structured into 66 Schemes, including Flagship Programmes. The list of 66 schemes approved by the Cabinet is enclosed at Annex-I. It may be mentioned that in the current financial year, budgetary provision has been made for 137 CSS and 5 scheme based ACA schemes. The indicative mapping of these schemes into 66 CSS, placed at Annex-IA has also been approved. The list of the CSS components which may be implemented as Central sector schemes is at Annex-II.
2. In the 12th plan, no new CSS other than those which have been included in the list of 66 CSS would be introduced. For the 66 CSS/ACA/Flagship schemes, implementing Ministries/ Departments should obtain scheme wise approval of the Competent Authority in case guidelines of the scheme are proposed to be changed for implementation in the 12th plan. Where no specific guidelines are to be changed and the schemes have been merged into Umbrella schemes, implementing Ministries/ Departments may issue instructions to that effect. It is further proposed that where introduction of an additional component within an existing Umbrella scheme or modification of an existing component is sought, the level of approval would be determined by the extant financial delegation as if the said component is a stand - alone scheme.
3. If a new CSS is proposed to be introduced, they may ordinarily be considered only at the stage of mid - term appraisal of the 12th Plan. In addition, such proposals may be first placed before the empowered Inter-Ministerial Committee co-chaired by Secretary Planning Commission and Secretary Expenditure and with representatives of the Administrative Ministry after consultation with State Governments.

4. Out of the 66 approved CSS, 17 would be implemented as Flagship Programmes as listed at Annexure III.
5. At least 10% of the outlay of each CSS/ACA/Flagship Scheme would be kept as Flexi funds. In this regard, Planning Commission would be issuing guidelines separately.
6. All Plan schemes under which Central Assistance is provided to the States are to be classified and budgeted together as Central Assistance to State Plans with effect from 2014-15 (BE) onwards.
7. State specific guidelines for each CSS/ACA/Flagship scheme may be formulated for which an Inter-Ministerial Committee under the Co-chairpersonship of the Secretary (Planning Commission) and Secretary (Department of Expenditure) with representative of the State Government concerned is to be constituted. A notification forming the aforesaid Committee is being issued separately.
8. For each new CSS/ACA/Flagship scheme, at least 25% of funds may be contributed by the General Category States and 10% fund by the Special Category States including States of J&K, Himachal Pradesh and Uttarakhand.
9. For all CSS/ACA schemes funds will be placed with the Administrative Ministries for transfer to the States through the Consolidated Fund of the States concerned. This mode of transfer may be implemented in a phased manner in BE 2014-2015.
10. These arrangements shall come into force for the remaining years of the Twelfth Five Year Plan.

(Rakesh Ranjan)
Adviser (PCMD & HUA)
Planning Commission
Tel. 23096783

To

All Secretaries of Government of India (as per the list)

F.No.55(5)/PF.IV/2011
Ministry of Finance
Department of Expenditure
Plan Finance-II Division

New Delhi, dated January 6, 2011

Office Memorandum

Subject: Guidelines for Flexi-Funds within Centrally Sponsored Schemes (CSSs).

Objectives

The introduction of a flexi-fund component within the Centrally Sponsored Schemes (CSS) has been made to achieve the following objectives:-

- (i) To provide flexibility to States to meet local needs and requirements within the overall objective of each programme or scheme;
- (ii) To pilot innovations and improved efficiency within the overall objective of the scheme and its expected outcomes;
- (iii) To undertake mitigation/restoration activities in case of natural calamities in the sector covered by the CSS.

Budgetary Allocation

2. Central Ministries concerned shall keep at least 10% of their Plan budget for each CSS as flexi-funds, except for Schemes which emanate from a legislation (e.g. MGNREGA), or, schemes where the whole or a substantial proportion of the budgetary allocation is flexible (e.g. RKVY).

Allocation of State Share

3. After approval of the Plan Budget, Central Ministries shall communicate tentative allocations for each CSS to States including the allocation of flexi-funds by the end of May of every financial year. In the CSS that are demand-driven or project-driven and it is not feasible to make allocations to States, tentative allocations for a quarter/half-year/year shall invariably be communicated to States by the end of May of every financial year. Allocation to the States shall be based on transparent and equitable criteria. Central Ministries shall make allocations for 10% of flexi-funds for the CSS amongst States in the same proportion as tentative State allocations in the 90% portion of the CSS.

4. *Flexi-funds will be a part of the CSS and the name of the concerned CSS will precede the word 'flexi-funds', in the communication to States. There will be no separate budget and account head for this purpose.*

5. *As flexi-funds are a part of the concerned CSS, the same State share (including beneficiary contribution, if any) would be applicable for the flexi-fund component as well. However, States may provide additional share (including beneficiary contribution, if any) over and above the required State share for the flexi-funds component of the allocation for the CSS.*

Use of flexi-funds

6. *States may use the flexi-funds for the CSS to meet the objectives mentioned above in accordance with the broad objectives of the main Scheme. The flexi-funds may also be utilized for mitigation/restoration activities in the event of natural calamities in accordance with the broad objectives of the CSS. However, the specific guidelines of the CSS, applicable for 90% of the CSS allocation, will not be essential for the Flexi-funds component of the CSS, except for State share requirements.*

7. *The flexi-funds of a CSS in a particular sector, however, shall not be diverted to fund activities/schemes in other sectors. For example, if a particular CSS relates to elementary education, the flexi-funds for that scheme can only be used for elementary education and not for agriculture or any other sector. But it would be permissible to converge flexi-funds of different schemes to improve efficiency and effectiveness of outcomes.*

8. *The purpose of providing flexi-funds is to enable States to undertake new innovative schemes in the particular area covered by the CSS. Flexi-funds shall not be used to substitute State's own non-Plan or Plan schemes/expenditure. It shall also not be used for construction/repairs of offices/residences for Government officials, general publicity, purchase of vehicles/furniture for offices, distribution of consumer durables/non-durables, incentives/rewards for staff and other unproductive expenditure.*

9. *Schemes taken up with Flexi-funds shall invariably carry the name of concerned CSS.*

10. *The State-level Sanctioning Committee (SLSC) may sanction projects under the flexi-funds component. States will not be required to send the project to Ministries for approval under the flexi-funds window as the SLSC will have a representative of the concerned Ministry and Planning Commission.*

States wishing to use flexi funds as part of the normal 90% component are free to do so.

Release of Flexi-funds

11. Release of flexi-funds for each CSS may be made on a prorata basis along with the normal releases under CSS. In other words, no separate system for release or for utilization certificates for flexi-funds would be required.
12. Flexi-funds within each CSS will be subject to the same audit requirements as the main CSS including the audit by the Comptroller & Auditor General of India (CAG).

Monitoring & Evaluation

13. Web-based requirements for reporting the use of flexi-funds may be designed by adding modules to the existing MIS. Outcomes (medium term) and outputs (short term) need to be part of the MIS along with pictures/images and good practices to ensure greater transparency and cross-learning across States. For this purpose, web portal for sharing best practices is proposed to be created in Planning Commission.
14. Evaluation of flexi-funds may be done through the existing evaluation processes including those by Ministries, Programme Evaluation Organisation (PEO) and Independent Evaluation Organisation (IEO), Planning Commission and by independent third parties. Terms and conditions for evaluation may be designed in such a manner that outcomes of the Scheme as a whole as well as flexi-funds are well identified/measured.
15. These guidelines will be applicable from the financial year 2014-15.

Saurabh Garg 6/11

(Dr. Saurabh Garg)
Joint Secretary (Plan Finance-II)
Government of India

To,

1. Secretaries,
All the Departments/Ministries
Government of India.
2. Chief Secretaries,
All States/Union Territories.

Table: Proposal in flagship schemes

Sl No	Name of the Scheme	Total No of suggestions	Proposals which can be readily agreed upon. (% of total)	May be agreed to after IMC approval (% of total)	Needs higher budgetary support (% of total)
1	Rashtriya Krishi Vikas Yojana	32	13	4	15
2	Nirmal Bharat Abhiyan	6	0	3	3
3	National Rural Drinking Water Programme	34	10	8	16
4	National Health Mission	35	22	0	13
5	Mid Day Meal	25	18	0	7
6	Sarva Siksha Abhiyan	34	19	1	14
7	Integrated Child Development Services	49	15	3	31
8	Pradhan Mantri Gram Sadak Yojana	45	16	10	19
9	MGNREGA	46	6	3	37
10	National Social Assistance Programme	24	10	4	10
11	Indira Awas Yojana	38	14	9	15
12	National Rural livelihood Mission	15	7	1	7
13	BRGF	12	7	1	4
14	RGPSA	7	3	2	2
15	Accelerated Irrigation Benefit & Flood Management Programme	109	35	23	51
	Total	511	195 (38%)	72 (14%)	244 (48%)