

F. No. 42(02)/PF-II/2014
Government of India
Ministry of Finance
Department of Expenditure

North Block, New Delhi.
Dated : 23rd February, 2017

OFFICE MEMORANDUM

**Subject : Continuation of ongoing Schemes beyond 12th Five Year Plan :
Instructions regarding.**

Reference is invited to this Department's O.M. No. 1(3)/PF-II/2011 dated December 14th, 2011 on the subject of continuation of Plan Schemes from 11th to 12th Five Year Plan. In the past every scheme, proposed for continuation beyond a five year plan, was revisited at the end of that plan period. The plan era is ending with the present 12th Five Year Plan. To improve quality of the Government expenditure, every scheme should have a sun-set date and an outcome review. Accordingly for aligning the schemes with financial resources cycle of Central and State Governments, these will be co-terminus with the Finance Commission cycles, the first such one being the remaining Fourteenth Finance Commission period ending March, 2020. In the following paragraphs the guidelines for continuation of schemes beyond 12th Five Year Plan are elaborated. These guidelines are equally applicable to both Central Sector Schemes (CSs) and Centrally Sponsored Schemes (CSSs).

1. As per this Department's O.M. No. 24(35)/PF-II/2012 dated 5th August, 2016 (Para 11), it has been directed that all Ministries / Departments should undertake an outcome review of their ongoing schemes at the end of 12th Five Year Plan (FYP) and for further continuation resubmit the same for appraisal and approval unless the scheme has already been made co-terminus with the Fourteenth Finance Commission (FFC) period or beyond.
2. The Ministries / Departments should ensure submission of their schemes for appraisal at the earliest before end of March, 2017, so that the schemes can continue beyond 12th Five Year Plan in a smooth, rationalized and effective manner.
3. The approval for continuation of the scheme may be sought if the outcome review for the scheme has been positive and shows that though the scheme has been effective in achieving its objectives, still, there is a need to continue the scheme in view of its mandate and performance. Depending upon the outcome review, the scheme can continue in its present form or with necessary modifications.

4. It may be ensured that in all such schemes which are proposed for continuation, there should be no scheme where the competent authority had specifically decided to terminate it at the end of 12th Five Year Plan.

5. In the run-up to Union Budget 2016-17, schemes were rationalized in consultation with the implementing Ministries / Departments with respect to their outcome framework. However, in the proposal for continuation of the schemes / sub-schemes, further rationalization may be carried out by merging, restructuring or dropping existing schemes and sub-schemes that are duplicate or have become redundant or ineffective with the passage of time. The Department of Expenditure reserves the right to merge, restructure or drop any existing scheme / sub-scheme in consultation with the Administrative Ministry / Department to improve economies of scale for better outcomes.

6. For continuation of schemes with a total financial implication below Rs. 500 Crore for the approved period, the proposals may be appraised and approved within the delegated financial powers to the Ministries / Departments as per the extant procedure given in Department of Expenditure ibid O.M. dated 5th August, 2016. The proposals for continuation of schemes with such total financial implication worth more than Rs. 500 crore should be processed by the Ministries / Departments for appraisal / approval as per the laid down procedure through EFC / PIB in two parts :-

- a) Part A should contain a consolidated proposal in respect of all the umbrella schemes of the Ministry / Department for continuation. The overall financial implication of each umbrella Centrally Sponsored Scheme (programme) pertaining to one Ministry / Department should be taken into account for determining the competent authority for appraisal / approval.
- b) Part B should contain a consolidated proposal for all the Central Sector schemes of the Ministries / Departments for continuation. However, for the purpose of appraisal / approval, the cost of each Central Sector schemes will be considered separately for determining the competent authority. The proposal in this consolidated manner may be sent only for those Central Sector schemes where there is no major change in the basic features / guidelines of the ongoing schemes. There may be schemes where a major change is proposed in the scheme's architecture, design, features and / or guidelines while still retaining its original objectives. This proposal for changes may be based on outcome evaluation, a paradigm shift in policy or any other valid and sound reason. In all such schemes, the proposal for continuation should be initiated separately on stand-alone basis, since it will require a more thorough inter-ministerial consultation and appraisal which may take more time.

7. The extant orders on the structure, categorizations and architecture of the schemes / sub-schemes along with the prescribed format for appraisal / approval should be strictly adhered to.

8. To eliminate overlap of activities / objectives for the same target beneficiaries, the proposal should reflect a clear convergence architecture with other similar or related schemes of Central Government. This is desirable for optimum deployment of resources. Further, the Ministries / Departments should examine various ongoing schemes being administered by them / other Ministries to explore the possibilities of merger / dropping of schemes with overlapping objectives.

9. Unnecessary creation of Establishment, administrative expenses and thin spread of resources should be avoided.

10. The Ministries / Departments should be conscious of the fact that common norms should be evolved and followed in all the Central Government schemes with similar activities / objectives in order to achieve better coordination and harmonization of effort. This should be incorporated in the proposals for continuation of ongoing schemes especially all the scholarship schemes, schemes with skill development component and for integration of funds meant for awareness generation, empowerment of PRIs for their greater and meaningful involvement in implementation of all Panchayat Centric Programmes / Schemes in consultation with Panchayati Raj Ministry and all other such schemes / sub-schemes / components.

11. For continued improvement in public service delivery, the Government is placing great emphasis on identification of authentic beneficiaries, Aadhar seeding and transfer of direct benefit to the same. The proposals for continuation of schemes should effect necessary modification in the implementation mechanism accordingly. The flow of funds in all the schemes should be through PFMS.

12. Similarly, cashless and electronic transactions of financial resources should be incorporated suitably in the scheme design to promote the objective of digital and less cash economy.

13. The projected outlay of the schemes of a Ministry / Department should be aligned to the Medium Term Expenditure Framework given by the Budget Division.

14. This issues with the approval of the Finance Minister.



(Dr. Sandeep Dave)

Joint Secretary to the Government of India

All Secretaries to the Government of India
All Financial Advisers to Ministries / Departments
Cabinet Secretariat
Prime Minister's Office
NITI Aayog
Railway Board
Internal Circulation