

No.01(01)/PFC-I/2022
Ministry of Finance
Department of Expenditure
Public Finance Central-I Division

North Block, New Delhi
Dated the 08th April, 2022

OFFICE MEMORANDUM

Subject: Appraisal of Schemes – Centrally Sponsored Schemes (CSSs) and Central Sector Schemes (CSs) to be continued over the XVth Finance Commission Cycle (approved for continuation by the Cabinet till 30.09.2022 or such shorter period as may have been approved by the EFC) – Guidelines.

Attention is drawn to Department of Expenditure's (DoE's) O.M. of even number dated 01.02.2022 (**copy enclosed**) containing list of CSSs and CSs approved for continuation by the Cabinet vide its decision dated 19.01.2022 and conveyed vide Cabinet Secretariat's communication No.2/CM/2022(i) dated 28.01.2022. **As regards the CSSs and CSs contained in the ibid O.M. of 1.2.2022, the Cabinet had decided that they may be continued till 30.09.2022 or such shorter period as may have been approved by the Expenditure Finance Committee (EFC).** It had further decided that fresh appraisal shall be carried out on "Zero-Based Budget Review" with a view to identify whether these schemes need to be merged or closed or allowed to continue with such modification in their design, architecture and financial outlays as may be needed to optimize the use of public funds and to produce optimal benefit to the public.

2. In pursuance to the directions of the Cabinet, for the listed schemes, EFC Memos submitted by the Ministries (reference to Ministries includes Departments as well) for continuation over the XVth Finance Commission cycle including the minutes of the EFC meetings have been examined. Based on the examination, for the schemes which require re-appraisal in terms of the above referred Cabinet decision, other schemes which have similar interventions/further action points have been identified. A list containing such CSSs and CSs has been prepared and the Ministries which need to present their EFC Memos for fresh appraisal by the EFC have been categorized as "Lead Ministries". Other Ministries which implement similar schemes and action points, in respect of some schemes, have also been identified. (**Annex**)

3. For the appraisal and approval of the schemes contained in DoE's O.M. of even number dated 01.02.2022, the following guidelines shall apply: -

- a) The lead Ministries shall circulate their EFC Memos to other Ministries as stated in Annex, DoE and NITI Aayog for their comments. EFC memos shall be prepared and circulated after completion of the action points.
- b) While examining the EFC memos, the recipients of the EFC Memos shall, *inter alia*, identify schemes similar in design and intended benefits being implemented by other Ministries and offer their comments in terms of whether such schemes (including the

scheme being presented for appraisal by the EFC) should be rationalised through merger/closure or what modifications must be carried out so as to ensure that each scheme uses optimum resources without duplication of efforts and intended benefits. Suggestion may be given to ensure that overlaps are avoided.

- c) The Lead Ministry shall examine the comments received and offer their counter comments. If the Lead Ministry proposes to accept the recommended modifications in the scheme being implemented, the EFC Memo should be accordingly modified.
- d) In terms of the mandate of the Cabinet for conducting fresh appraisal on "Zero-Based Budget Review", EFC shall take within its ambit and scope, not only the scheme being presented by the Lead Ministry but also, as may be considered appropriate, and after considering views of the implementing Ministry, such other scheme/s which are identified as having overlaps and scope for rationalisation in terms of closure and merger and make suitable recommendations.
- e) Based on the appraisal of the scheme presented by the Lead Ministry, EFC shall recommend financial outlays including Outputs-Outcomes for the balance period of the Finance Commission cycle. This may, if deemed necessary, may also extend to other scheme/s in order to ensure that duplication in resource allocation is avoided.
- f) EFC, while appraising the scheme/s shall consider the following:-
 - i. Closure of scheme/s
 - ii. Continuation of the scheme/s with only financial outlay provided for its committed liability.
 - iii. Merger of a scheme with another scheme.
 - iv. Reduction in the scope and coverage of scheme/s or its components.
 - v. Reduction in the financial outlays of scheme/s or its components.
 - vi. Modification in the timelines for implementation of the scheme/s under consideration.
 - vii. Merger of Programme Monitoring Units/Administrative Units.

4. In view of above, all ministries are requested to circulate the draft EFC to all stakeholders and follow the timelines (in reference to issue of this O.M.) for appraisal of schemes as per schedule given below:

Activities	Time Schedule
Preparation of draft EFC Memo	2 weeks
Internal circulation in the Ministry seeking comments thereon (including IFD)	1 week
Circulation of draft EFC to all stakeholders seeking comments on the proposal (if required meeting can be held between the Ministries for fruitful	2 weeks

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discussion)	
Preparation of final EFC proposal its circulation as indicated in Annex.	1 weeks

5. This issues with the approval of Finance Secretary & Secretary (Expenditure).

Encl: - As above.

H. Jaiswal
08/04/2022
(Hema Jaiswal)
Director (PFC-II)
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All the Secretaries to the Government of India (listed in Annex)
All Financial Advisers Ministries/Departments (listed in Annex)
Prime Minister's Office
Cabinet Secretariat
NITI Aayog
Internal Circulation
DoE's website

Schemes to be appraised by EFC having scope for further rationalization across Ministries – Annex to DoE's OM dated 01.02.2022.					
S. No	Lead Ministry	List of Central Sector Schemes	List of Centrally Sponsored Schemes	Action Points	EFC Memo to be circulated to the Ministries
1	Commerce	Sustainable and Inclusive Development of Natural Rubber Sector (Rubber Board)		MoA&FW to examine taking over operations of these bodies and schemes being implemented by them in order to bring synergies with agricultural research and extension facilities.	1. DA&FW 2. DARE 3. NITI Aayog 4. DoE
2		Integrated Coffee Development Project (Coffee Board)			
3		Tea Development and Promotion Scheme (Tea Board)			
4		Integrated Scheme for Export Promotion and Quality Improvement in Spices and Research & Development of Cardamom (Spices Board)			
5	Home Affairs	Police Infrastructure: Building Projects of CAPFs, CPOs and Delhi Police		MHA to carry out a comprehensive rationalization exercise of this Scheme to ensure that only priority projects,	1. NITI Aayog 2. DoE 3. MoHUA

				keeping in view resource availability/sharing of infrastructure amongst CAPFs wherever possible, are sanctioned.	
6	Home Affairs	Safety of Women under implementation in MHA		MHA to ensure that there is adequate convergence with other Schemes of Government, including the Smart City Projects of MoHUA and women safety schemes implemented by Ministry of Women and Child Development.	<ol style="list-style-type: none"> 1. MoHUA 2. MoWCD 3. NITI Aayog 4. DoE
7	Home Affairs		Border Area Development Programme from 1st April, 2021 to 31st March, 2026.	MHA must ensure that development works are taken up in convergence with flagship schemes of key ministries implemented in the same area, including special focus scheme for aspirational districts. BADP may be used for critical gap filling in these areas. District Magistrates of these border districts may be sensitized on this approach and the Scheme design must include District Level committee for BADP including District officers of Education, Health, W&CD, Drinking Water, Power, Drinking Water and Sanitation, etc.	<ol style="list-style-type: none"> 1. DoRD 2. DoHFW 3. DoSEL 4. MoWCD 5. DoDWS 6. NITI Aayog 7. DoE 8. Any other Ministry having scheme creating physical Infrastructure in the border areas.
8	Textiles	National Handicrafts Development Programme (NHDP)		MoT shall ensure convergence with different schemes of various ministries targeting artisans like USTAAD Scheme of Ministry of Minority Affairs and SFURTI scheme of MoMSME.	<ol style="list-style-type: none"> 1. MoMSME 2. MoMA 3. DPIIT 4. NITI Aayog 5. DoE

9	Textiles	National Handloom Development Programme (NHDP)		MoT shall ensure convergence amongst the schemes supporting artisans within the Ministry and across the Ministry	<ol style="list-style-type: none"> 1. MoMSME 2. MoMA 3. DPIIT 4. NITI Aayog 5. DoE
10	MSME	Scheme for Fund for Regeneration of Traditional Industries (SFURTI)		MoMSME shall ensure convergence with different schemes of various ministries targeting artisans like USTAAD Scheme of Ministry of Minority Affairs and NHDP (Handloom and Handicrafts) schemes of MoT.	<ol style="list-style-type: none"> 1. MoT (convergence/merger with National Handicrafts Development Scheme & National Handloom Development Scheme) 3. MoMA 4. DPIIT 5. NITI Aayog 6. DoE
11	Financial Services	Augmentation of the corpus of Credit Guarantee Fund for Micro Units		DFS may examine the merger of all the guarantee funds operating under the umbrella of NCGTC or retention of separate funds with inter-fund transferability and accordingly submit a revised proposal	<ol style="list-style-type: none"> 1. MoMSME 2. Ministry of Textiles 3. DoSJE 4. MoTA 5. NITI Aayog 6. DoE
12	Minority Affairs	Pradhan Mantri Educational Empowerment Scheme (PMEES)		MoMA may examine scope for rationalisation in convergence with different scholarship schemes across Ministries viz MoMA, MoTA, DoSJE and DEPwD	<ol style="list-style-type: none"> 1. DoSJE 2. MoTA 3. DEPwD 4. DoSEL

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					5.NITI Aayog 6. DoE
13	Water Resources, RD&GR		Flood Management & Border Area Programme	The rationalization of this scheme has been envisaged to part finance it from the fund to be allocated (for reducing the risk of urban flooding in seven most populous cities in the country) from NDMF amounting to Rs.2500 crore during the period from 2021-22 to 2025-26 as recommended by XVth Finance Commission.	1.NITI Aayog 2. MHA 3. MoHUA 4. FCD Division of DoE
14	Rural Development	Management Support to Rural Development Programmes and Strengthening of District Planning Process Scheme		EFC has recommended continuation till 31st March 2022. AJNIFM to undertake evaluation study on the efficacy of the scheme. Further continuation of the scheme depends on the recommendations of AJNIFM.D/o Rural Development intends to seek interim extension for the scheme till 31st, May, 22 or in order to make changes, if any based on the Evaluation Report.	1. AJNIFM 2. NITI Aayog 3. DoE
15	DoNER	Schemes of North East Council		EFC recommended its continuation for 1 year only. Ministry to decide inter se allocation. Ministry has been asked to reduce the committed liabilities first.	1. MoWCD 2. DoRD 3. NITI Aayog

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16	DoNER	SDP for BTC (new)		Renewal of schemes beyond 31.03.2022 would require review and rationalisation.	4. DoE
17	DoNER	North East Special Infrastructure Development Scheme		i. Under NESIDS, large number of projects are duplication of the initiatives under the ongoing schemes of other Ministries such as ICDS, MGNREGA etc.	
18	DoNER	North East Road Sector Development Scheme		ii. With regards to NERSDS, there are already various schemes being implemented by various Ministries / Departments for constructions of roads in NER.	
19	DoNER	Special Development Packages		iii. Ministry may close down the defunct projects under Non Lapsable Central Pool of Resources (NLCPR).	
20	Ministry of Co-operation/ Agriculture & Farmers' Welfare	Integrated Scheme on Agricultural Cooperation		iv. Special Development Package (SDP) for Bodoland Territorial Council (BTC) (new) may be made a sub-scheme of Special Development Packages. EFC had recommended that this scheme will be continued only for one year i.e. 2021-22 and will be reviewed later by the new Ministry for Cooperation (MoC). A New Scheme in place of ISAC is being formulated by the Ministry of Cooperation (MoC) for 2022-23 onwards. MoC may ensure that the redesigned and fresh scheme has no overlap with	1. DA&FW 2. MoDoNER 3. NITI Aayog 4. DoE

				schemes implemented by MoC and schemes of other Ministries/ Department	
21	Fertilizers	Urea Subsidy		The Scheme has been approved by EFC for one year till March 2022. Continuation beyond this period will be decided after due rationalisation and review of extant orders.	1. DA&FW 2. NITI Aayog 3. DoE
22	DFFPD	Revised policy for distribution of sugar through Public Distribution System (PDS) for Antyodaya Anna Yojana (AAY) families		In view of the recommendation of the Expenditure Management Committee and Rangarajan committee that the sugar subsidy should be completely phased out by the Central government, EFC had recommended that the scheme may continue only till 31st March, 2023. In view of the decision of the Cabinet, DFFPD may need fresh appraisal for continuation beyond 30.09.2022.	1. NITI Aayog 2. DoE
23	Agriculture & Farmers' Welfare		Krishionnati Yojana (Components)	Scope for further rationalizations deliberated during EFC meeting: i. Mission on Organic Value Chain Development for North East Region (MOVCDNER) should be merged with Paramparagat Krishi Vikas Yojana in view of the overlap in objective. The scheme has overlapping components with other schemes like Formation of FPOs, PM Kisan Sampada Yojana and National Rural Livelihood Mission. A convergence architecture	1. NITI Aayog, 2. DoE, 3. DoNER, 4. DARE, 5. DoRD, 6. DoLR 7. MoFPI

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				<p>needs to be built in by the Department.</p> <p>ii. Components of setting up of bio-fertilizers labs of Soil Health and fertility sub-scheme to be merged with the schemes aimed for promotion of Organic Farming.</p> <p>iii. Agriculture Census, Statistics and Economics scheme is not a beneficiary-oriented scheme and the components related to administrative nature of work should be classified as non-schemes and changes in Budget Heads should accordingly be made.</p> <p>iv. Sub-Mission on Agricultural Extension to be merged with Rashtriya Krishi Vikas Yojana. Also, the administrative components of the scheme need to be moved to Establishment expenditure.</p> <p>v. Mission for Integrated Development of Horticulture (MIDH) has overlaps with the scheme Formation of FPOs, Pramparagat Krishi Vikas Yojana, National Bee Keeping and Honey Mission. The scheme needs to be rationalized by taking out the overlapping components. Also, the expenditure on National Horticulture Board and Coconut Board to be moved Establishment Expenditure.</p> <p>vi. Sub-Mission on Seed and Planting Material (SMSP) is not a beneficiary</p>	
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			<p>oriented scheme and the components related to administrative nature of work should be classified as non-schemes and changes in Budget Heads should accordingly be made.</p> <p>vii. National Food and Nutrition Security Mission (NFNSM) has overlaps with other schemes or components such as mechanization, micro irrigation, soil and plant protection management, post harvest management etc. and therefore it need to be re-structured. Overlapping components such as oil management may be shifted to Soil Health, water management component may be merged with PMKSY-PDMC, plant protection management may be merged with Plant Protection and quarantine and component on distribution of farm implements may be merged with Sub-Mission on Agricultural Mechanisation.</p> <p>viii. Integrated Scheme on Agricultural Marketing (ISAM) should be CSS and the component of catalyzing private investment in setting up of agribusiness projects to be merged with RKVY.</p> <p>ix. Component of seed production and distribution, creation of seed hubs of National Mission on Edible Oil (NMEO) – Oilseeds have overlaps with Sub Mission on Seed and</p>	
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				Planting Material. The irrigation management has overlaps with PM Krishi Sinchai Yojana.	
24	Agriculture & Farmers' Welfare		Rashtriya Krishi Vikas Yojana (Various Components)	<p>Scope for further rationalizations deliberated during EFC meeting:</p> <p>i. With the inception of Agriculture Infrastructure Fund (AIF), scope of this scheme needs to be reduced. Every aspect of the scheme has overlap with either the schemes of DA&FW or other departments such as DAHD and DoF.</p> <p>ii. Rainfed area development scheme has overlaps with National Food and Nutrition Security Mission (NFNSM) and thus needs to be rationalized by taking out the overlapping components. Also, Water harvesting and management component may be merged with Integrated Watershed Development Programme of DoLR.</p> <p>iii. Paramparagat Krishi Vikas Yojana has overlaps with the scheme entitled Formation of 10000 FPOs and convergence mechanism needs to be elaborated and the outlay needs to be restricted.</p>	<ol style="list-style-type: none"> 1. NITI Aayog, 2. DoE, 3. DoWR 4. MoEF 5. DoRD 6. DoLR 7. DARE 8. DAHD 9. DoF
25	Coal	Exploration of coal and Lignite		<p>i. Earlier approval of EFC stands superseded by the decision of the Cabinet dated 19th January 2022.</p> <p>ii. Reference is invited to CCEA's approval on the adoption of methodology for auction of coal and</p>	<ol style="list-style-type: none"> 1. Ministry of Power 2. Railways. 3. NITI Aayog 4. DoE

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				<p>lignite mines/blocks for sale of coal / lignite on revenue sharing basis and tenure of coking coal linkage on 20th May, 2020. This would enable competition in exploration of coal and lignite with the participation of more private players and would allow discovery of prices through market. Therefore, it is felt that Government spending in this sector is not needed.</p> <p>iii. Ministry of Coal may collect credible data regarding future projections of demand of coal keeping in mind environmental concerns, climate change, technological advancement and the emerging renewable energy sector.</p> <p>iv. Ministry may engage an independent agency look into the need for promotional/regional exploration.</p> <p>v. NITI Aayog may workout the demand forecast.</p>	
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*Following Schemes were not part of the Cabinet Approval. However, these schemes have scope of further rationalization and needs to be appraised by the EFC in terms of the guidelines being issued vide this OM. Concerned Ministries/Departments are requested to do the needful.

S. No	Lead Ministry	List of Central Sector Schemes	List of Centrally Sponsored Schemes	Action Points	EFC Memo to be circulated to the Ministries
1.	Agriculture and Farmers Welfare	Price Support Scheme (PSS), Price Deficiency Payment Scheme (PDPS), pilot of Private Procurement & Stockist Scheme (PPSS) under PM-AASHA and Market Intervention Scheme (MIS)		There is a need for major institutional corrections for protecting interest of both consumers and farmers. Going by the expert analysis, our own experience and international experiences, and by the majority views of the participants, it is clear that a single agency under a single Department would be able to play a better role in price stabilization. Therefore, decision regarding single Ministry and single agency who will implement the combined scheme need to be taken.	1. NITI Aayog, 2. DoE, 3. DA&FW 4. DoC 5. DFPD 6. MoFPI 7. DEA 8. DoCA
2.	Consumer Affairs	Price Stabilisation Fund (PSF) scheme		(Ref :Meeting held on 15 th July, 2021to consider Rationalization of Schemes for Price Intervention in Oilseeds, Pulses and Horticultural Crops).	

F.No. 01(01)/PFC-I/2022
Ministry of Finance
Department of Expenditure
PFC-I Division

North Block, New Delhi

Dated: 1st February, 2022

Office Memorandum

Subject: Approval of schemes – Centrally Sponsored Schemes (CSSs) and Central Sector Schemes (CSs) to be continued over the 15th Finance Commission cycle.

This is with reference to approval of Centrally Sponsored Schemes (CSSs) and Central Sector Schemes (CSs) to be continued over the 15th Finance Commission cycle. In this regard, the undersigned is directed to convey that the Cabinet vide its decision dated 19-01-2022 conveyed vide Cabinet Secretariat No.2/CM/2022(i) dated 28th January, 2022 has approved the following:

- i) With regard to schemes listed in Annexure, irrespective of the appraisal and recommendations of Expenditure Finance Committee (EFC) and in supersession of any approval of any component authority made for their continuation over the 15th Finance Commission cycle, the schemes may be continued only up to 30th September, 2022 or such shorter period as may have been approved by the EFC. Continuation of these schemes will be subject to adherence of the recommendations of the EFC. Fresh appraisal shall be carried out on an inter departmental basis by the EFC by then. This fresh appraisal shall be on the basis of 'Zero Base Budget' review with a view to identify whether these schemes need to be merged or closed or allowed to be continued with such modification in their design, architecture and financial outlays as may be needed to optimize the use of public fund and produce optimal benefits to the public.
- ii) During the period till 30th September, 2022 the schemes may continue to operate, disburse funds and sanction new commitments even if some such commitments may require expenditure beyond that date. However, the pace of expenditure including such commitment shall be reasonable for the time period and broadly proportionate to the overall outlay recommended by the EFC (approximately 1/10th of the outlay envisaged over the 5 years).

2. Guidelines for fresh appraisal will be issued separately. In the meanwhile, the Ministries/Departments may have a fresh look at these schemes in terms of broad guidelines given in DoE OM No. 42(02)/PF-II/2014 dated 8th December, 2020 keeping in view the objectives of further rationalization of these schemes through merger, closure and restructuring. The findings of the evaluation reports for these schemes may also be kept in view for such review. The appraisal process will also take into account the outcomes achieved by these schemes, the inherent strength of a Ministry/Department to

implement them including a decision on which Ministry should implement which scheme.

3. Any Cabinet Note or proposals by Ministries/ Departments for approval of the Finance Minister related to these schemes may be considered as disposed of.

4 This issues with the approval of Finance Secretary & Secretary (Expenditure).

Encl: As Above.



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All Secretaries to the Government of India
All Financial Advisers Ministries/ Departments
Cabinet Secretariat
Prime Minister's Office
NITI Aayog
Railway Board
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Schemes continued up to 30-09-2022 or earlier				
S. No	Ministry/ Deptt.	List of Central Sector Schemes	List of Centrally Sponsored Schemes	Amount Recommended by EFC for XVth FC Cycle (₹ in Crore)
1	Commerce	Sustainable and Inclusive Development of Natural Rubber Sector		1,408
2		Integrated Coffee Development Project		1,159
3		Tea Development and Promotion Scheme		968
4		Integrated Scheme for Export Promotion and Quality Improvement in Spices and Research & Development of Cardamom		578
5	Home Affairs	Police Infrastructure : Building Projects of CAPFs, CPOs and Delhi Police		21,087
6	Home Affairs	Safety of Women under implementation in MHA		4,574
7	Home Affairs		Border Area Development Programme from 1st April, 2021 to 31st March, 2026.	4,535
8	Textiles	National Handicrafts Development Programme (NHDP)		998
9	Textiles	National Handloom Development Programme (NHDP)		950

10	MSME	Scheme for Fund for Regeneration of Traditional Industries (SFURTI)		2,000
11	Financial Services	Augmentation of the corpus of Credit Guarantee Fund for Micro Units		7,000
12	Minority Affairs	Pradhan Mantri Educational Empowerment Scheme (PMEES)		2,294
13	Water Resources, RD&GR		Flood Management & Border Area Programme	4,500
14	Rural Development	Management Support to Rural Development Programmes and Strengthening of District Planning Process Scheme		176
15	DoNER	Schemes of North East Council		2,800
16	DoNER	SDP for BTC (new)		
17	DoNER	North East Special Infrastructure Development Scheme		
18	DoNER	North East Road Sector Development Scheme		
19	DoNER	Special Development Packages		
20	Agriculture & Farmers' Welfare	Integrated Scheme on Agricultural Cooperation		144
21	Fertilizers	Urea Subsidy		60,467

22	DFPD	Revised policy for distribution of sugar through Public Distribution System (PDS) for Antyodaya Anna Yojana (AAY) families		380
23	Agriculture & Farmers' Welfare		Krishionnati Yojana (Components)	73,092
24	Agriculture & Farmers' Welfare		Rashtriya Krishi Vikas Yojana (Components: Organic farming, Soil Health & fertility, Rainfed area development, Agriculture Mechanisation (including Promotion of Agricultural Mechanisation and Management of Crop Residue (CRM)), Village haats & GRAAMS, Crop Diversification Programme and Per Drop More Crop)	
25	Coal	Exploration of coal and Lignite		2,143