GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
RAJYA SABHA
UNSTARRED QUESTION NO. 1655
Tuesday, August 3, 2021/Sravana 12, 1943 (Saka)

Recommendation of the 15th Finance Commission to rationalise CSSs

1655. SHRI SATISH CHANDRA DUBEY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the 15th Finance Commission has recommended to rationalise Centrally Sponsored Schemes (CSSs) and reduce their number;
(b) if so, the details thereof;
(c) whether the Government has taken any initiative in pursuance of the recommendations; and
(d) if so, the details of centrally sponsored schemes which were discontinued or proposed to be discontinued in pursuance of the same?

ANSWER
MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): Yes. 15th Finance Commission in Para 12.51 (iv) of its report has recommended to fix a threshold amount of annual appropriation below which the funding for a Centrally Sponsored Scheme (CSS) may be stopped. Below the stipulated threshold, the administrating department should justify the need for the continuity of the scheme. As the life cycle of ongoing schemes has been co-terminus with the cycle of Finance Commission, the third party evaluation of all CSS should be completed within stipulated timeframe.

(c) & (d): Government of India has started the appraisal/approval process for the continuation of the ongoing CSS schemes co-terminus with the 15th Finance Commission cycle. Department of Expenditure vide its OM No. 42(02)/PF-II/2014 dated 8th December, 2020 has issued instructions and guidelines for the continuation of schemes beyond 31st March, 2021. Ministries/Departments have been instructed to ensure that no standalone centrally sponsored scheme or scheme under an umbrella CSS should have financial outlay for five years below Rs.300 crore. It has been stated that before bringing the proposal for continuation of schemes, necessary rationalization of existing schemes should be ensured by administrative Ministries/Departments. Ministries/Departments have been requested to submit continuation proposals along with evaluation reports and complete all the due process and get the schemes appraised at the earliest. Discontinuation/rationalization of schemes may ensue during such appraisal.

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