

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE**

**RAJYA SABHA  
UNSTARRED QUESTION NO: 1973**

ANSWER ON Tuesday, March 10, 2026

**Introduction of sunset clauses for Central Government schemes**

**1973. Smt Geeta alias Chandraprabha:**

Will the Minister of **FINANCE** be pleased to state:

- a) whether the Ministry has decided to introduce mandatory sunset clauses for all Central Government schemes from 2026 onwards, as part of efforts to improve fiscal discipline, administrative efficiency and performance evaluation;
- b) whether the likely administrative and operational impact of introducing such sunset clauses has been assessed, if so, the details thereof;
- c) the measures proposed/ taken to ensure that the introduction of sunset clauses does not disrupt ongoing schemes or affect beneficiaries adversely; and
- d) whether Government plans to monitor and evaluate the performance of schemes under these clauses to ensure timely decision-making regarding continuation, modification, or closure of schemes?

**ANSWER**

**MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)**

- a) to d): As per OM No.24(35)/PF-II/2012 dated 5<sup>th</sup> August 2016 issued by Department of Expenditure, in order to improve the quality of Government expenditure, every scheme should have a sun-set date and continuation of a scheme shall be based on an appraisal/outcome review. Accordingly, from 14<sup>th</sup> Finance Commission (FC) Cycle onwards the schemes are normally appraised, approved and sanctioned by the competent authority for five-year period co-terminus with the FC Cycle. At the end of the stipulated five-year period, the schemes are subjected to Third Party Evaluation. An important mandate of these evaluation studies is to suggest scheme rationalization including suggestions on modification, continuation or closure of the schemes.

While appraising the schemes for continuation based on Third Party Evaluation, due consideration is given to beneficiary-oriented schemes, schemes which are backed by legislation, schemes which aim at saturation, etc., so that the beneficiaries are not adversely affected.

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