

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
LOK SABHA
UNSTARRED QUESTION NO. 4567

Monday 22nd July, 2019/ Ashadha 31, 1941 (Saka)

Centrally Sponsored Schemes

4567. SHRI JAYADEV GALLA:

Will the Minister of FINANCE be pleased to state:

- a) The Details of each of the Centrally Sponsored Schemes (CSSs) being implemented in the country along with the status of their implementation, State-wise;
- b) Whether it is true that 15th Finance Commission has asked for rationalisation of CSSs;
- c) If so, the details thereof;
- d) Whether it is true that the States have been demanding increased flow of untied fiscal resources in place of tied fiscal resources that come with CSSs; and
- e) If so, the action taken by the Government in this regard?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (e): Considering the dominant view of the States that a majority of the resources should flow in the form of tax devolution and the suggestion of an overwhelming majority of States for reducing the number of Centrally Sponsored Schemes (CSSs) as well as outlays on them, the 14th Finance Commission recommended a jump of 10% in the States' share in the net proceeds of the Union tax revenues from 32% to 42%. In view of the substantial increase in devolution of taxes to States and higher revenue deficit grants recommended by the 14th Finance Commission, the Central Government on 9th March, 2015 constituted a Sub-Group of Chief Ministers on rationalization of Centrally Sponsored Schemes.

Based on the recommendation of the Sub Group of Chief Ministers and in consultation with various Ministries/ Departments and other Stakeholders, GoI has rationalized the

existing 66 Centrally Sponsored Scheme (CSSs) into 28 schemes and revised the funding pattern for CSSs which was communicated by NITI Aayog vide it's O.M. dated 17.08.2016. The existing 66 Centrally Sponsored Schemes have been rationalized into 28 schemes, broadly divided into two categories, namely, (i) Core of the Core Schemes (6), (ii) Core Schemes (22). The funding pattern of the restructured Centrally Sponsored Schemes is (i) Core of the Core schemes (6 in nos): No change in the erstwhile funding pattern, (ii) Core schemes (22 in nos): For the 8 North Eastern States and Himalayan States of Uttarakhand, Himachal Pradesh and Jammu & Kashmir, 90% of expenditure is borne by Centre, and remaining 10% by States. For the rest of the States - sharing ratio between Centre and State is 60:40.

Further, the level of flexi fund available in each CSS has been raised from 10% to 25% after revising the funding pattern of CSS. This was done to enable the States to satisfy the local needs and undertake innovations.

The trend in outlays in the Expenditure Budget of Gol for 28 CSSs for the last four years shown below reflects an increase of around 37.42% in 2019-20 BE (Final) compared to actual of 2016-17.

(Rs. in Crore)			
Actual 2016-17	Actual 2017-18	RE 2018-19	BE (Final) 2019-20
2,41,296	2,85,448	3,04,849	3,31,610

The Terms of Reference (ToR) for the 15th Finance Commission, mandates that while making its recommendations, the Commission shall have regard, among other considerations, to the impact on the fiscal situation of the Union Government of substantially enhanced tax devolution to States following recommendations of the 14th Finance Commission, coupled with the continuing imperative of the national development programme including New India –2022; and the Commission may consider proposing measurable performance - based incentives for States, inter alia, in the area of achievements in the implementation of flagship schemes of Government of India, disaster resilient infrastructure, sustainable development goals, and quality of expenditure.
