

File No. 1(3)/PF.II/2001
Ministry of Finance
Department of Expenditure
Plan Finance-II Division

New Delhi the December 14, 2011

OFFICE MEMORANDUM

Subject: - Continuation of on-going Schemes from XI to XII Plan: Instructions regarding.

Reference is invited to this Department's earlier OMs of even number dated May 29, 2007 on the subject of continuation of Plan Schemes from X to XI Plan. In the following paragraphs, the modality for continuation of Schemes from XI to XII Plan is elaborated. This modality is equally applicable to both Central Sector (CSs) and Centrally Sponsored Schemes (CSSs).

2.1 It is often seen that there is inadequate synergy or a lack of synergy between various Ministries, resulting in duplication of efforts and sub-optimal utilization of Government resources. It is important that unnecessary creation of establishment and thin spread of resources is avoided. Further, there needs to be constant interaction between various Ministries to avoid wasteful duplication of efforts.

2.2 Elimination of overlap of activities (not only within the Departments/Ministries but also among inter Departmental CSSs) are desirable for efficient deployment of resources. During the past one year itself, many such instances have been noticed, where a number of Ministries proposed similar activities/project.

As such, Ministries are advised to examine various schemes being administered by them/other Ministries to explore the possibilities of merger of schemes with overlapping objectives.

3.1 For continuation of schemes from XI Plan to XII Plan period, Schemes falling under the following categories require appraisal and approval in terms of extant OMs of Department of Expenditure:

- (i) Schemes requiring modification as suggested by the Planning Commission;
- (ii) Merger of schemes with modifications in basic parameters of the constituent schemes;

- (iii) Schemes which were supposed to run their course in the XI Plan period but due to some reason, significant part of their mandate remains to be fulfilled; and
- (iv) Schemes approved for the XI Plan period but proposed to be continued in XII Plan period as well.

3.2 Herein, it is expressly clarified that mere fact of merger/amalgamation under different umbrella, along with change in nomenclature will not be an adequate or sufficient reason for fresh appraisal and approval of a continuing Scheme. The necessary condition for this purpose is a modification in basic parameters.

3.3 For schemes not falling under the above categories, administrative Ministries/Departments are to ensure that before approving continuation of the Schemes in the XII Plan, the schemes are subjected to evaluation through an independent, impartial and reputed agency and the evaluation reports put through a rigorous scrutiny with regard to performance in the XI Plan.

4.1 The Financial Advisor of the concerned Ministry shall invariably be involved with such scrutiny. This would ensure that the Schemes are scrutinized as above before approving the same for continuation in the XII Plan. While the Administrative Ministry is free to evolve an appropriate format for such scrutiny, it may be advisable to use the existing EFC format for this purpose.

4.2 The scrutiny as above, may, inter alia yield recommendations with regard to the following:

- (i) Whether the Scheme needs to be continued in XII Plan or dissolved forthwith;
- (ii) In case it is to be continued, then:
 - a. Need for improvement;
 - b. Phasing of Expenditure in the XII Plan for each component of the Scheme;
 - c. Setting of physical and financial milestones/targets for the XII Plan for each component.

4.3 Dovetailing Aadhaar numbers with delivery mechanism of Centrally Sponsored Schemes for identification and authentication is required to be ensured in respect of all schemes. Such linkage would need to be built both for new schemes as well as existing schemes.

5.1 The administrative Ministry may approve the continuance of the scheme for the XII Plan period, if and only if, after the scrutiny as above, all the following conditions are fulfilled:

(a) No major change in the content or parameters of the scheme is proposed;

The word “major” is left to the interpretation of the appraising authorities, with the suggestion that any change in basic parameters, e.g., change in objective, quantum, pattern and extent of subsidy, user fee, delivery mechanism, population coverage/beneficiary definition, eligibility conditions/criteria and so on would constitute a “major” change;

(b) No change in the pattern of assistance to the States, having the effect of reducing the proportionate share of States in total outlay of a Centrally Sponsored Schemes, is envisaged;

(c) The projected requirement of funds for implementing the Scheme over the Plan period is within the outlay approved by Planning Commission;

(d) While approving the scheme for implementation during XII Plan, the competent authority (CCEA) should not have specifically decided to terminate the scheme at the end of XI Plan;

5.2 In all other instances, the extant appraisal and approval mechanisms of Government would need to be followed. However, schemes, which have been approved to run their course in the XIIth Plan period or a part thereof, may be brought for re-appraisal only after the end of the originally approved time cycle.

6. Fresh appraisal of all the XI Plan schemes, intended to be carried forward to XII Plan period, must be complete, as per the extant delegation of power in this regard, during the first year of the XII Plan period, viz., 2012-13. Notwithstanding the above, all such Schemes which have not gone through any appraisal during the X and XI Plan periods may be discontinued in the XII Plan period.

7. A question might arise as to what would be the appropriate forum for appraisal and approval in respect of such Schemes where the XII Plan outlay for the Scheme has not yet fixed by Planning Commission. In this regard, it is clarified that the benchmark here, till such time that Planning Commission does not fix the final Plan outlays in respect of the Schemes, would be the higher of the XII Plan allocation recommended by the Sectoral/Departmental Working Group for XII Plan constituted by Planning

Commission, and the figure communicated finally by the Ministry/Department to the Planning Commission. In all other cases, the advice rendered by Planning Commission in this respect would be final.

8. This issues with approval of Finance Minister.

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(Meena Agarwal)
Joint Secretary to Government of India

Secretaries of all Ministries/Departments;
Financial Advisors (FAs) of all Ministries/Departments;

Copy to:

1. Advisor (PAMD), Planning Commission;
2. Cabinet Secretariat (Shri Rajive Kumar, Additional Secretary);
3. Prime Minister's Office (Ms. Vini Mahajan, Joint Secretary).

(Meena Agarwal)
Joint Secretary to Government of India