

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4437

ANSWERED ON:08.08.2014

SHARE OF STATES IN CSS

Nimmala Shri Kristappa

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has urged the State Governments to maintain their share in the Centrally Sponsored Scheme (CSS) so as to ensure that the budget outlay of the schemes stay within the outlay approved by the Planning Commission;
- (b) if so, the details thereof and the action taken thereon State-wise;
- (c) the details of the step taken by the Government to ensure better coordination amongst various Ministries for optimum utilization of resources and avoidance of overlapping of work;
- (d) whether instructions have been issued for strict compliance of the guidelines with regard to the ongoing CSS during the 12th Five Year Plan and identification of schemes which can be merged/ subsumed so as to avoid needless expenditure; and
- (e) if so, the details and response of the State Governments/UT Administration there from. State/UT-wise?

Answer

Minister of State in Ministry of Finance (SMT. NIRMALA SITHARAMAN)

(a) & (b) Centrally Sponsored Schemes (CSSs) are jointly funded by the Central and State Government. While the general pattern has been the Central and State share in the ratio of 75:25 in General Category States and 90:10 for States of North Eastern Region (NER)/in Special Category States, the actual share in a particular scheme which is governed by the design of the scheme may vary. This broad pattern has been further endorsed during restructuring of the Centrally Sponsored Schemes in June 2013 where it has been decided that in all new CSS, at least 25% and 10% of the share should be contributed by the General and Special Category States respectively. Since in a scheme, instalments of central share are released as per the guidelines of the scheme, this arrangement ensures that prescribed State shares are maintained.

(c) Launching of a new CSS and continuation of an existing CSS from one plan period to another are in accordance with the recommendations in the relevant Five Year Plan. While formulating the Plans the rationale and requirement of the schemes are examined. Guided by the recommendations of the 12th Five Year Plan, relevant Central Ministries have formulated the guidelines of the schemes so that scheme objectives are efficiently met.

(d) In addition to review of implementation of a scheme by the Administrative Ministries and the concerned State Governments, functioning of the CSS as a whole are also reviewed to improve its efficiency, scale and impact. In June 2013, government has carried out restructuring of CSS by re-organizing the schemes into 66 umbrella schemes. Details of the aforesaid restructuring of CSS is at Annex-T. While review of CSS for improving their efficiency is a continuous process, at present, there is no such proposal to further reduce its number from its current number of 66.

(e) The aforesaid restructuring entails providing greater flexibility to the State Governments in implementing the schemes and routing of the central assistance in a scheme through the State Consolidated Funds. Both these measures are in response to the demand raised by some of the States in National Development Council from time to time.