

22228/FTS

No.2-2/2015-Finance
Government of India
Department of Agriculture & Cooperation
Finance Division

Krishi Bhavan, New Delhi.
Dated 9th April, 2015

Subject : Issue of Sanctions for implementation of Centrally Sponsored Plan Schemes of DAC for FY 2015-16 – Funding pattern – regarding.

Divisions should be aware that the Union Budget 2015-16 has made significant changes in the financing pattern of some of the schemes run by the Central Government, delinking many Centrally Sponsored Schemes (CSS) from Union Support and similarly running a large number of CSSs with a changed sharing pattern with a reduction in the Central share. The funding of CSSs has hitherto been shared between the Central Govt. and the State Govts. in a fixed ratio. In view of the recommendations of the Fourteenth Finance Commission (FFC) and a reduction in central resources due to increased devolution to the States from 32 to 42 percent, a need has been felt to change the funding pattern of some of the CSSs. The Govt. of India is considering to change the funding pattern of Centrally Sponsored Schemes of DAC to 50 : 50 (Centre : States) with the condition that the existing objectives and coverage targets of the schemes are nevertheless achieved even with reduced Central allocation. The proposed funding pattern will be in force for the remaining period of the 12th Plan or till such time the NITI Aayog restructures the existing CSSs in a comprehensive manner whichever is earlier.

2. The Programme Divisions are advised to prepare the Annual Action Plans for 2015-16 in respect of CSSs handled by them within the Budget allocation for 2015-16 on the basis of 50:50 sharing pattern between Central and State Govts. The State-wise allocations so decided should be treated as interim in nature at present which might undergo change on the basis of sharing pattern between Central and State Govts. as finally approved by Cabinet / Govt. of India. As stated above, the States should be urged to achieve the objectives and coverage targets envisaged for the Centrally Sponsored Schemes even with the reduced allocation from the Centre by bringing in resources from the enhanced FFC devolutions. The Programme Divisions are also advised to put this caveat in the scheme sanctions to be issued during 2015-16 accordingly.

(Raghav Chandra)

Additional Secretary & Financial Adviser

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All Divisional Heads in DAC (as per list)

Copy to : PPS to Secretary (A&C) / Director (Budget) / DS(Fin.)

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