Sub: Funding Pattern of Centrally Sponsored Schemes.

Dear Secretary,

The Report of the Sub-Group of Chief Ministers on Rationalization of Centrally Sponsored Schemes constituted by the NITI Aayog has been considered and it has been decided that:

1. The funding pattern of following schemes will remain unchanged:
   i. Mahatma Gandhi National Rural Employment Guarantee Scheme
   ii. National Social Assistance Program
   iii. Umbrella Program for Development of Scheduled Castes
   iv. Umbrella Program for Development of Scheduled Tribes
   v. Umbrella Program for Development of Differently Abled Persons
   vi. Umbrella Program for Development of Minorities
      a. Multi-sectoral Development Program for Minorities
      b. Education Scheme for Madarsas/Minorities
   vii. Umbrella Program for Development of Backward Classes and other vulnerable groups

2. The funding of the following core schemes, which form part of the National Development Agenda, will be shared 60:40 between the Centre and the States (90:10 for the 8 North-Eastern and 3 Himalayan States):
   i. Krishi Unnati Yojna
   ii. Rashtriya Krishi Vikas Yojna
   iii. Pradhan Mantri Krishi Sinchai Yojna
   iv. Rashtriya Pashudhan Vikas Yojna (Livestock Mission, Veterinary Services and Dairy Development)
v. Swach Bharat Abhiyan (Rural and Urban)
vi. National Rural Drinking Water Program
vii. National Health Mission (including AYUSH, Medical Education and RSBY/RSSY)
viii. National Education Mission (including SSA, RMSA, RUSA, Teachers Training and Adult Education)
ix. Integrated Child Development Services (including nutrition mission, maternity benefits and program for adolescent girls)
x. Integrated Child Protection Scheme
xi. Mid-Day Meal Program
xii. Housing for All (Rural and Urban)
xiii. National Livelihood Mission (Rural and Urban)
xiv. Forestry and Wildlife (including Green India Mission, Project Tiger and Integrated Development of Wildlife Habitats)
xv. Urban Rejuvenation (AMRUT) and Smart Cities Mission
xvi. Modernisation of Police Forces
xvii. Infrastructure Facilities for Judiciary

In case a scheme/sub-scheme in the above mentioned list has a central funding pattern less than the level mentioned at the beginning of para 2, the existing funding pattern will continue.

For Pradhan Mantri Gram Sadak Yojna instructions will be issued separately. For the ICDS Program, provision of additional funds for the current financial year will also be made at the supplementary stage.

3. All other schemes (not listed in para 1 and 2 above) will be optional for the State Governments and their fund sharing pattern will be 50:50 between the Centre and the States (80:20 for the 8 North East and 3 Himalayan States).

4. The following schemes may be run as Central Sector Schemes from the Financial Year 2016-17 onwards (in accordance with the budget provision as far as FY 2015-16 is concerned):

(i) National AIDS and STD Control Program which is externally aided and implemented through special purpose vehicles and the voluntary sector.

(ii) National Skill Initiatives/Skill Development Mission under the umbrella of recently launched Pradhan Mantri Kaushal Vikas Yojana.

(iii) Programs with network externalities like National Disease Surveillance Systems and the Crime and Criminal Control Network.
(iv) To ensure economies of scale in the implementation of centrally sponsored schemes small programs like Modernisation of Land Records, National Service Scheme, Yuva Krida and Khel Abhiyan, Social Security Cards, etc. may also be suitably restructured as Central Sector Schemes.

5. For Union Territories, the Centrally Sponsored Schemes will be funded 100 percent by the Central Government. However, schemes that will be implemented in a particular Union Territory will be decided by the Central Government in consultation with the administration of the Union Territory concerned.

6. Expenditure on all schemes in the financial year 2015-16 will be limited to the budgetary resources made available through the Budgetary Estimate and the Supplementary Budgets during the course of the year.

With regards.

Yours sincerely,

Ratan P. Watal
Finance Secretary

All Secretaries to the Government of India