

No W.11042/75/2013-NBA
Government of India
Ministry of Drinking Water & Sanitation
NBA Division

12th Floor, Paryavaran Bha
Lodhi Road, CGO Corr
New Delhi-110
Dated 11th April, 2014

To,
The Principle Secretary/Secretary
In-charge Rural Sanitation
All states/UTs

Subject: Guidelines for Flexi-Funds with Centrally Sponsored Schemes (CSSs).

Sir,

As you are aware Nirmal Bharat Abhiyan (NBA) is one of the Centrally Sponsored Schemes (CSSs). Government of India, Ministry of Finance, Department of Expenditure has issued guidelines for Flexi-Funds with Centrally Sponsored Schemes (CSSs) vide their Circular No. F.No.55(5)/PF.II/2011 dated 6th January, 2014. Copy of the guidelines is sent herewith for information and further necessary action.

It is requested that these guidelines may be brought to the notice of all concerned relative to NBA Programme.

Yours faithfully


(Sujoy Mojum
Director (NBA))

Encl : copy of the Guidelines

Copy to:

1. State NBA Coordinators – All States/UTs
2. Director (NIC) – for hosting in Ministry's website

No. 10(1)/2013-WR
 Planning Commission
 (Water Resources Division)

250, Yojana Bhaw
 Sansad Marg, New De
 Dated: 31.03.20

Subject: State specific guidelines in Centrally Sponsored Schemes.
 Ref.: MDWS LETTER No. G-11011/6/2011/Water-I dated 25.03.2014.

Reference is invited to MDWS LETTER No. G-11011/6/2011/Water-I dated 25.03.20 on the subject mentioned above. In the response by the Ministry on suggestions of Government of Gujarat, it has been mentioned that the Ministry is awaiting the guidelines from Planning Commission regarding Flexi Fund. In this connection, it is to inform that guidelines for Flexi Fund within Centrally Sponsored Schemes (CSSs) has been issued by Ministry of Finance vide their OM No. 55(5)/PF.II/2011 dated 06.01.2014 and circulated to all the Ministries of Government of India. A copy of OM is being enclosed for information and necessary action.

Comments of Ministry on the suggestions of State Governments may please be updated and send to the Planning Commission in the light of the guidelines at the earliest.

Encl. as above

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 31/3/14
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To
 1. Joint Secretary (Water)
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 Paryavaran Bhavan, CGO Complex
 New Delhi-110 003
 (Fax No. 24364113)

By fax
 2. Joint Secretary (NBA)
 Ministry of Drinking Water and Sanitation
 Paryavaran Bhavan, CGO Complex
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 (Fax No. 24361062)

Dr (S) [Signature]
 31/3/14
 For [Signature]
 31/3/14
 [Signature]

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F.No.55(5)/PF.II/2011
Ministry of Finance
Department of Expenditure
Plan Finance-II Division

New Delhi, dated January

Office Memorandum

Advt (PC HD) : Please circulate

PRIORITY

Ref: 1/1/14

Subject: Guidelines for Flexi-Funds within Centrally Sponsored Schemes (CSSs).

Objectives

The introduction of a flexi-fund component within the Sponsored Schemes (CSS) has been made to achieve the following objectives:

- (i) To provide flexibility to States to meet local needs and requirements within the overall objective of each programme or scheme;
- (ii) To pilot innovations and improved efficiency within the objective of the scheme and its expected outcomes;
- (iii) To undertake mitigation/restoration activities in case of calamities in the sector covered by the CSS.

Budgetary Allocation

2. Central Ministries concerned shall keep at least 10% of their Plan for each CSS as flexi-funds, except for Schemes which emanate from legislation (e.g. MGNREGA), or, schemes where the whole or a proportion of the budgetary allocation is flexible (e.g. RKVY)

Allocation of State Share

3. After approval of the Plan Budget, Central Ministries shall communicate tentative allocations for each CSS to States including the allocation of flexi-funds by the end of May of every financial year. In the CSS that are project-driven or project-driven and it is not feasible to make allocations tentatively for a quarter/half-year/year shall be communicated to States by the end of May of every financial year. All allocations to States shall be based on transparent and equitable criteria. Central Ministries shall make allocations for 10% of flexi-funds for the CSS amongst States in the same proportion as tentative State allocations in the 90% portion of the

4. Flexi-funds will be a part of the CSS and the name of the concern will precede the word 'flexi-funds', in the communication to States. There will be no separate budget and account head for this purpose.

5. As flexi-funds are a part of the concerned CSS, the same State (including beneficiary contribution, if any) would be applicable for the fund component as well. However, States may provide additional (including beneficiary contribution, if any) over and above the required share for the flexi-funds component of the allocation for the CSS.

Use of flexi-funds

6. States may use the flexi-funds for the CSS to meet the objectives mentioned above in accordance with the broad objectives of the main fund. The flexi-funds may also be utilized for mitigation/restoration activities in the event of natural calamities in accordance with the broad objectives of the CSS. However, the specific guidelines of the CSS, applicable for 90% of the allocation, will not be essential for the Flexi-funds component of the allocation except for State share requirements.

7. The flexi-funds of a CSS in a particular sector, however, shall not be diverted to fund activities/schemes in other sectors. For example, if a particular CSS relates to elementary education, the flexi-funds for that scheme cannot be used for elementary education and not for agriculture or any other sector. However, it would be permissible to converge flexi-funds of different schemes to improve the efficiency and effectiveness of outcomes.

8. The purpose of providing flexi-funds is to enable States to undertake innovative schemes in the particular area covered by the CSS. Flexi-funds shall not be used to substitute State's own non-Plan or Plan schemes/expenditure. Flexi-funds shall also not be used for construction/repairs of offices/residences of Government officials, general publicity, purchase of vehicles/furniture for offices, distribution of consumer durables/non-durables, incentives/rewards to staff and other unproductive expenditure.

9. Schemes taken up with Flexi-funds shall invariably carry the name of the concerned CSS.

10. The State-level Sanctioning Committee (SLSC) may sanction projects under the flexi-funds component. States will not be required to send project proposals to Ministries for approval under the flexi-funds window as the SLSC will have a representative of the concerned Ministry and Planning Commission.

States wishing to use flexi funds as part of the normal 90% component to do so.

Release of Flexi-funds

11. Release of flexi-funds for each CSS may be made on a pro along with the normal releases under CSS. In other words, no separate release or for utilization certificates for flexi-funds would be required.
12. Flexi-funds within each CSS will be subject to the same audit requirement as the main CSS, including the audit by the Comptroller & Auditor General of India (CAG).

Monitoring & Evaluation

13. Web-based requirements for reporting the use of flexi-funds designed by adding modules to the existing MIS. Outcomes (medium term outputs (short term) need to be part of the MIS along with pictures/inputs good practices to ensure greater transparency and cross-learning across For this purpose, web portal for sharing best practices is proposed to be in Planning Commission.
14. Evaluation of flexi-funds may be done through the existing processes including those by Ministries, Programme Evaluation Organisation (PEO) and Independent Evaluation Organisation (IEO), Planning Commission and by independent third parties. Terms and conditions for evaluation designed in such a manner that outcomes of the Scheme as a whole as flexi-funds are well identified/measured.
15. These guidelines will be applicable from the financial year 2014-15

Saurabh
(Dr. Saurabh
Joint Secretary (Plan Fin
Government

To,

1. Secretaries,
All the Departments/Ministries
Government of India.

2. Chief Secretaries,
All States/Union Territories.