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STATES TO SOON HAVE 10% SAY IN CENTRAL SCHEME FUNDS

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NEW DELHI: The Centre is expected to meet a key demand of state governments this week by allowing them to spend 10% of the funds given under Centrally Sponsored Schemes (CCS) as per their wish.

The Planning Commission has got a go-ahead from a group of ministers on restructuring of the CCS to allow 10% of around ₹ 185,000 given to states every year under the schemes as flexi-funds. The Union Cabinet is expected to consider the proposal on Thursday.

According to officials, the flexi fund will be used as incentive for state governments to make innovation in central schemes as per local needs. "We want the states to think out of the box and innovate," a senior plan panel functionary said.

Many states have complained they cannot use Pradhan Mantri Gramin Sadak Yojana money for building bridges longer than 50 metres, as it is prohibited in the scheme guidelines. Punjab had cited the guidelines as a hindrance to improve rural roads.

Once the Cabinet approves the restructured CCS to be implemented from next financial year, the panel expects such bottlenecks to be removed. A committee of secretaries will consider having a state-specific guideline for CCS, whose number would be reduced from 147 to 70.

Lesser schemes, officials say, would provide central ministries flexibility in providing money for development as per states' requirement. "If one state wants more money for livestock and another for horticulture it would be possible in the new format," the official said.