

No. 01(01)/PFC-II/2025
Government of India
Ministry of Finance
Department of Expenditure
[PFC-II Division]

North Block, New Delhi
Dated: 06th June, 2025

OFFICE MEMORANDUM

Subject: Guidelines for Appraisal and Approval of Schemes ending on 31st March 2026 and to be continued during the XVIth Finance Commission Cycle – reg.

Reference is invited to Department of Expenditure's OM No. 24(35)/PF-II/2012 dated 05th August, 2016 vide which Ministries and Departments were informed that in order to improve the quality of Government expenditure, every scheme should have a sun-set date and continuation of a scheme shall be based on an outcome review. Further, for aligning the schemes with the financial resources cycle of Central and State governments, these were made co-terminous with the Finance Commission cycles (FC).

2. The XVth FC cycle will end on 31-03-2026. Therefore, schemes ending on 31.03.2026 and which are proposed for continuation over the next FC cycle are to be subjected to an appraisal and approval process based on an 'outcome review'. Development Monitoring and Evaluation Office (DMEO), NITI Aayog is conducting an evaluation exercise covering the Centrally Sponsored Schemes. For Central Sector Schemes, the Ministries/Departments concerned have to carry out Third Party Evaluation for which this Department has already issued an OM No. 66(59)/PFC-II/2018 dated 05.05.2025 containing Terms of Reference (ToRs) for conducting Third Party Evaluation. After getting the schemes evaluated, Appraisal (EFC/SFC) Memos must be submitted for appraisal/comments by DoE, by the Ministries/Departments concerned ideally by 31.10.2025.

3. The following paragraphs provide the general guidelines for preparing and forwarding proposals for appraisal and approval of schemes proposed for continuation beyond 31-03-2026 including schemes of scientific Ministries/Departments (Ref: Cabinet Secretariat OM No. 1/50/1/2025-Cab. dated 28th May, 2025(Copy enclosed)). These guidelines are equally applicable to both CSSs and CSs.

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FINANCIAL

- (i) Schemes with estimated outlay upto Rs 500 Crore for the period from 2026-27 to 2030-31 may be appraised and approved by the Administrative Ministry as provided in the DoE's OM No. 24(35)/PF-II/2012 dated 05.08.2016. It may be ensured that such appraisal/approval is completed before 31.03.2026 giving requisite cognizance to third party evaluation report on the Schemes appraised/approved. A list of all such Schemes (both CSS and CS) shall be provided to DoE in the prescribed format (Annexure I).
- (ii) As regards Schemes with estimated outlay above Rs 500 Crore, for the period from 2026-27 to 2030-31, the appraisal and approval will be done through EFC as per this DoE's OM No. 24(35)/PF-II/2012 dated 05.08.2016.
- (iii) Keeping in view the minimum critical mass required for a central government scheme to have meaningful impact across States/UTs, it must be ensured that no CSS should have financial outlay below Rs. 300 crore for five years.
- (iv) With regard to CSs, it may be ensured that the financial outlay should not be less than Rs. 50 crore for five years.
- (v) Normally, a Central Sector Scheme with an outlay of less than Rs 100 Crore should have achieved its purpose during a given FC cycle. However, in exceptional cases, if such a scheme is to be continued in the next FC cycle, based on an evaluation report which justifies continuation of the said scheme, the scheme shall be subjected to appraisal/approval process as provided in Para 8 of DoE's OM No.24(35)/PF-II/2012 dated 05.08.2016.
- (vi) The total projected outlay of a continuing scheme of a Ministry/Department for five years over the XVIth FC cycle should not ordinarily be more than 5.5 times of average of the annual expenditure under the scheme for FYs 2021-22 to FY 2023-24 (AE) and FY 2024-25 (RE).
- (vii) Ministry/Department will have the flexibility to seek more funds for a scheme with commensurate reduction in another scheme based on specific justification.
- (viii) All schemes will operate as FUND LIMITED schemes, which means that the total sanctions over the FC cycle must not exceed the approved outlay.
- (ix) For schemes which contemplate saturation and demand driven approach,(eg. Scholarships/ PMAY etc), the outlay shall be determined based on the approximate number of beneficiaries to be covered in a FC

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cycle and sanctions shall be restricted to the approved outlay with a flexibility to carry forward any committed expenditure within the approved outlay to the next FC cycle. The details of such spill over expenditure should be part of the EFC Memo. However, if there is a need for upward revision of the outlay during the approved duration of the Scheme, due to increase in the number of beneficiaries beyond the projected figure (as the scheme aims for saturation), the Administrative Ministry/Department should seek specific approval for the increased outlay from the competent authority with due concurrence from Department of Expenditure.

(x) Funding pattern proposed in a Centrally Sponsored Scheme should be as per NITI Aayog's OM No.O-11013/02/2015-CSS&CMC dated 17.08.2016 and 26.10.2019 .

EVALUATION

- (xi) Evaluation of CSSs is being done by DMEO, NITI Aayog. On receipt of the draft Evaluation Report from NITI Aayog, Ministries and Departments are requested to respond to the draft recommendations quickly allowing NITI Aayog to finalise the final Evaluation Report and its submission. Ministries and Departments are requested to formulate the scheme taking into consideration the recommendations of the Report and submit the Appraisal Memo to DoE.
- (xii) The approval for continuation of the schemes may be sought only if the evaluation report for the scheme shows positive outcomes and brings out an assessment to the effect that though the scheme has been effective in achieving its previously laid down objectives /targets, there still is a need to continue the scheme in view of its mandate, performance and/or scaling up of targets.
- (xiii) Depending upon the findings and recommendations of the evaluation process and its recommendations, a scheme may be continued in its present form or with necessary modifications.
- (xiv) Recommendations of XVIth FC, wherever relevant, will also be considered while appraising a scheme for continuation including its financial outlay.
- (xv) For continuing schemes, especially CSSs, Ministries and Departments are advised to engage with States to ensure that National goals are given due priority in their schemes and ensuring overall synergy in expenditure of Centre and States.

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TIMELINES

- (xvi) Ministries/Departments should circulate the Appraisal (EFC/SFC) Memos to all the stakeholders including Ministries/Departments/NITI Aayog and incorporate their comments in the final Appraisal Memo for appraisal.
- (xvii) Cabinet Secretariat vide its OM no. F. No. 1/50/2/2024- Cab. Dated 14.05.2025 (copy enclosed) has mandated timelines for finalising Cabinet/Cabinet Committee notes. Timelines mentioned in the Annex thereto must be followed for the appraisal process as well.
- (xviii) Ministries/ Departments should ensure submission of Appraisal Memo along with evaluation reports at the earliest and ideally by 31st October, 2025 to DoE (see para 2 above).
- (xix) Based on the data available with DoE it is noted that several schemes of a Ministry/Department may require fresh appraisal and approval for continuation beyond 31.03.2026. Therefore, composite appraisal of all the schemes of a particular Ministry/Department, as far as possible, shall be carried out as per the schedule to be circulated in due course of time / intimated separately.

SCHEME STRUCTURE/DESIGN

- (xx) Schemes may be formulated with consistency across components. For example, if a scheme is a Central Sector Scheme, then all the components must be funded in the same pattern (*unless justification for otherwise is provided*). Specific recommendation in this regard may be obtained from the EFC/SFC after consulting DoE.
- (xxi) The Ministries/Departments should follow common norms such as Skilling norms, UGC norms etc for costing purposes.
- (xxii) For continued improvement in public services delivery, the Government is placing great emphasis on Aadhaar seeding and transfer of direct benefit through Aadhaar authentication. The proposals for continuation of schemes should effect necessary modification in the implementation mechanism accordingly. Disbursement of the funds should be done through Aadhaar Enabled Payment System (AEPS) to ensure Aadhaar authentication, and not merely Aadhaar seeding in such cases.
- (xxiii) Similarly, cashless and electronic transactions of financial resources should be incorporated suitably in the scheme design to promote the objective of digital and less-cash economy.

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- (xxiv) Schemes may be designed in a manner which allows for inter-component flexibility for transfer of resources across components for better targeting and effectiveness. While inter-component flexibility is encouraged, Ministries and Departments must have a ceiling beyond which this must not be allowed lest more than required resources are spent on easy to implement components. Specific approval in this regard must be detailed in the Appraisal Memo with appropriate justification.
- (xxv) Ministries and Departments are requested to use the 25% flexi-fund allowance as stated in para 6.2 of NITI Aayog's OM no. O-11013/02/2015/-CSS & CMC dated 17th August 2016 for CSSs.

RATIONALISATION

- (xxvi) Schemes denote public funded programmes which may or may not have components/sub-components. Based on the recommendations of the third-party evaluation, experience gained in implementing the scheme/component etc, following may be attempted:
- a. recalibrating the design, the architecture of the scheme going forward.
 - b. restructuring of the scheme whereby redundancies, ineffective and sub optimal interventions are removed.
 - c. closure of schemes which have either outlived their utility or have fulfilled their objectives.
- (xxvii) To eliminate overlap of activities /objectives for the same target beneficiaries, the proposal should reflect clear convergence architecture with other similar or related schemes of Central Government. This is desirable for optimum deployment of resources.
- (xxviii) Ministries/ Departments should examine various ongoing schemes being administered by them / other Ministries to explore the possibilities of merger / dropping of schemes with overlapping objectives.
- (xxix) It has been a constant endeavour of the Government to rationalize schemes through merger, closure, restructuring which have become redundant or ineffective with passage of time. Before formulating proposal for continuation of schemes, necessary rationalization of existing schemes should be ensured by Ministries/ Departments.

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PMU AND ADMINISTRATIVE EXPENSES

- (xxx) Unnecessary creation of Establishment, Administrative Expenses and thin spread of resources on these should be avoided. As far as possible, a single monitoring body such as a PMU should be established at the Central Ministerial level/state level.

POST CREATION

- (xxxi) Implementation of CSSs should not result in creation of permanent posts. Similarly, CSs should also not ordinarily result in creation of permanent posts.

4. The appraisal of the schemes of various Ministries/Departments shall be carried out as per the schedule which will be informed separately. Expenditures under any scheme for which the approval date ends on 31.03.2026 will not be allowed unless the appraisal and approval processes are completed by 31.03.2026.

5. This issues with the approval of Secretary (Expenditure).

Encl: As above

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06/06/2025

(Hema Jaiswal)
Dy. Director General (PFC-II)

To,

All the Secretaries to the Government of India
All the Financial Advisers to the Government of Indi

Copy to:

1. Prime Minister's Office
2. Cabinet Secretariat
3. Internal Circulation
4. Website of DoE

Annexure-I

List of CSS/CS Schemes with an outlay upto Rs 500 Crore which have been appraised/approved by the Administrative Ministry/Department

Name of the Ministry/Department:

S.No.	Name of the Scheme	Nature (CS/CSS)	Period	Financial Outlay (Rs. in Cr)	Date of Appraisal	Date of Approval

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F. No. 1/50/2/2024 - Cab.
Cabinet Secretariat
Rashtrapati Bhawan

New Delhi, the 14th May, 2025

OFFICE MEMORANDUM

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Subject: Timelines for finalizing Cabinet / Cabinet Committee notes and measures for expediting finalization of notes.

The undersigned is directed to say that an analysis of time-cycle of notes at various stages was undertaken by this Secretariat which revealed delays at every stage of preparation/ finalization of notes. A Committee of Secretaries (CoS) deliberated upon this issue in its meetings held on 16.11.2024 and 06.05.2025. Based on its recommendations, and to expedite finalization of Cabinet/ Cabinet Committee notes resulting in faster decision-making of important policies, programmes and schemes of the Government, timelines for various stages in finalization of notes have been reviewed and reassessed. Remedial actions for checking delays have also been considered.

2. Accordingly, in supersession of extant instructions on the subject, relevant guidelines contained in the Handbook on writing Cabinet Notes and the Time Frame for Appraisal and Approval of Schemes and Projects contained in Department of Expenditure O.M. No. 24(35)/PF-II/2012 dated 05.08.2016 relating to timelines for various stages of appraisal and approval processes, the revised timelines contained in the **Annex** to this Memo., are for information and compliance of Ministries (which term also includes Departments for the purpose of this Memo).

3. Ministries are also requested to take note of the following for facilitating timely finalization of notes:

(i) Sponsoring Ministry shall refer the Appraisal Memo/ Draft Note to only those Ministries whose business is impacted as stipulated under Rule 4 of the Government of India (Transaction of Business) Rules, 1961. Careful scrutiny and judicious selection of Ministries for consultations will help in reducing unnecessary delays.

(ii) The mode of transmission of Cabinet/ CCEA note by the sponsoring Ministry will be through dispatch of hard copy of the note to stakeholder Ministries. The sponsoring Ministry will ensure that the hard copy of the note is delivered on the same day as the date mentioned in its forwarding memo.

(iii) While circulating the Appraisal Memo/ Draft Note, the sponsoring Ministry shall also flag to each Ministry the specific points or paragraphs or issues on which comments are solicited. It is also advisable that these are, as far as possible, clearly delineated and mentioned in the forwarding memo by the sponsoring Ministry. This will give clarity to consulted Ministries as to what is expected of them, and will enable them to expedite their comments.

(iv) Financial implications in policy proposals shall be (at least roughly) indicated/ flagged by the sponsoring Ministry to enable D/o Expenditure to give its comments expeditiously on the Draft Note.

(v) In case the proposal is complex, it is advisable that a preliminary inter-ministerial meeting through physical mode/ VC may be convened by the sponsoring Ministry immediately after circulation of draft note, to familiarize the consulted Ministries with the proposal(s) contained therein and to give clarity.

(vi) Intra-ministerial meetings/ VCs may also be convened by consulted Ministries, where necessary, with Attached/ Subordinate offices/ IFD/ Wings, etc. for expediting comments.

(vii) The Sponsoring Ministry is expected to pursue vigorously with consulted Ministries whose comments are considered critical for an informed decision making in respect of that proposal.

(viii) Regular review and monitoring of pendency should be undertaken in Senior Officers' Meetings in respect of Cabinet/ Cabinet Committee Notes being piloted by the Ministry as well as those pending with it. The Secretary of sponsoring Ministry may consider reminding Secretaries of consulted Ministries in case comments are not forthcoming. If required, meetings may also be convened through physical mode/ VC.

4. A new module, namely, 'Inter-Ministerial Consultations' is now available on e-Samiksha portal which will enable Ministries concerned, and the Cabinet Secretariat, to monitor and review delays/ pendency occurring at various stages of finalization of Cabinet/ CCEA notes. Generation of various reports and other features/ functionalities based on the suggestions/ recommendations made in the aforementioned CoS meetings have been incorporated in the module. Ministries concerned are required to upload bare

details of Cabinet/ CCEA notes on the portal. It is clarified that the content of the proposal is not required to be uploaded on the portal. In cases where the subject of Cabinet/ CCEA itself is sensitive, the same may be suitably modified or redacted by sponsoring Ministry while uploading relevant information on the portal.

5. Finalization of Cabinet/ CCEA notes is a collaborative exercise. It is, therefore, imperative that efforts are made by both the sponsoring as well as consulted Ministries to ensure that the revised timelines for finalization of notes are strictly adhered to.

6. These instructions may be disseminated to all concerned for strict compliance.



(Satendra Singh)
Additional Secretary
Tele: 2301 2697

All Secretaries to the Government of India

Annex to Cabinet Secretariat O.M. No. 1/50/2/2024-Cab. dated 14.05.2025

Revised timelines for finalization of Cabinet/ Cabinet Committee notes

Sl. No.	Activity	Revised Timeline
Time frame in cases where proposals involve Appraisal of Schemes & Projects		
1.	Consulted Ministries to furnish comments on Detailed Paper/ Detailed Project Report and draft EFC/PIB memo. circulated by sponsoring Ministry	21 days
2.	Preparation of final EFC/ PIB memo. by sponsoring Ministry based on comments received, and circulating the same for Appraisal and Approval	14 days
3.	Fixing the date of EFC/ PIB meeting by Department of Expenditure after receiving the final EFC/ PIB memo.	7 days
4.	Issue of minutes of EFC/ PIB after the appraisal meeting has been done	7 days
Time frame for finalization of Notes		
5.	(i) Consolidation of draft Cabinet/ Cabinet Committee note (DCN) and its circulation by sponsoring Ministry to D/o Expenditure for obtaining approval (in cases of agreement with recommendations of Appraisal Body)	7 days
	(ii) D/o Expenditure to communicate its comments to sponsoring Ministry	7 days
6.	Consulted Ministries to furnish comments on DCN circulated by sponsoring Department on:	
	(i) Legislative and policy proposals	21 days
	(ii) Proposals (Projects/ Schemes) which have been appraised (in cases of disagreement with the recommendations of Appraisal Body)	7 days
	(iii) Proposals other than those listed at 6 (i) & 6 (ii) above	14 days
7.	Sponsoring Ministry to finalize single note for Cabinet/ Cabinet Committee and circulate 06 copies of note to Cabinet Secretariat and 01 copy to Prime Minister's Office	Immediately after completion of inter-ministerial consultation
8.	Furnishing of comments, if any, by Cabinet Secretariat to sponsoring Ministry	7 days
9.	Revision of note based on comments of Cabinet Secretariat and forwarding requisite number of copies to Cabinet Secretariat	10 days from the receipt of comments

In so far as consultation with the Empowered Technology Group (ETG) is concerned, the extant instructions continue to be in force and there is no change in the prescribed timeline. Accordingly, proposals in the prescribed proforma i.e. 'Self-Appraisal Form for Submission of Notes to Empowered Technology Group' as prescribed vide Cabinet Secretariat O.M. No. 1/50/2/2022-Cab. dated 02.05.2023, would be cleared by ETG in a time bound manner not later than within a month of receipt. Such proposals as are within the mandate of ETG will be placed before the ETG prior to their submission to the EFC/ Cabinet/ Cabinet Committee. Further, draft Cabinet/ Cabinet Committee notes, along with inter-ministerial comments, shall also be shared with the ETG.

F. No. 1/50/1/2025 – Cab.
GOVERNMENT OF INDIA (भारत सरकार)
CABINET SECRETARIAT (मंत्रिमंडल सचिवालय)
RASHTRAPATI BHAWAN (राष्ट्रपति भवन)

New Delhi, the 28th May, 2025

OFFICE MEMORANDUM

Subject: EFC / PIB appraisal of schemes/ projects needing cabinet approval – reg.

The Department of Expenditure has prescribed procedures for appraisal of schemes and projects through the mechanism of the Standing Finance Committee/ Expenditure Finance Committee/ Department Investment Board/ Public Investment Board. The procedure for appraisal of schemes and projects in scientific Ministries / Departments has been re-examined in accordance with recent Cabinet decisions and evolving circumstances.

2. It has been decided that, notwithstanding anything contained in the instructions of the Department of Expenditure, for Schemes and Projects requiring Cabinet approval, the Expenditure Finance Committee/Public Investment Board shall be chaired by the Secretary (Expenditure) in the following types of cases: -

- (i) Continuation of ongoing Schemes of scientific Ministries/Departments at the end of a Finance Commission cycle.
- (ii) New schemes and projects of scientific Ministries/Departments involving subsidies/grants/equity/incentives payable to the private sector, as well as Revised Cost Estimates of projects of such nature.

3. The procedure in paragraph 2 shall also apply to all schemes/projects cleared by the Digital Communications Commission which require Cabinet approval (whether or not they fall under sub-para (i) and (ii) of paragraph 2 above).

4. This instruction does not apply to the Department of Space and the Department of Atomic Energy which have special appraisal/approval procedures.

5. For the purpose of this instruction, 'Cabinet approval' includes approval of Committees of the Cabinet, when the context so requires.



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To


✓ Secretary, M/o Electronics and Information Technology
Secretary, D/o Telecommunications
Secretary, M/o Environment, Forest and Climate Change

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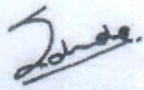
Office of Secretary, (MeitY)
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(Satendra Singh)
Additional Secretary

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(Satendra Singh)
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