

GUIDELINES ON UTILISATION OF SPECIAL CENTRAL ASSISTANCE TO SCHEDULED CASTES SUB PLAN

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SHASTRI BHAWAN, NEW DELHI

D.O. 11014/21/97-SCD-II

DATED 6TH OCTOBER 1998.

Subject: Special Central Assistance (SCA) to Special Component Plan (SCP) for Scheduled Castes (SCs) - Modifications in the criteria for release of SCA to States/UTs, utilization etc.

As you are aware, Special Central Assistance is provided to State Governments/UT Administrations as an additive to their Special Component Plan for Scheduled Castes. Its main objective is to give a thrust to the development programmes for Scheduled Castes with reference to their occupational pattern and the need for increasing the productivity of and income from their limited resources. It will help in bringing about occupational diversification in the labour surplus economy. SCA is expected to give thrust to family oriented schemes of economic development of SCs below the poverty line, by providing resources for filling the critical gaps and for providing missing vital inputs so that the schemes can be more meaningful. Since the schemes/programmes for SCs may be depending upon the local occupational pattern and the economic activities available, the States/UTs have been given full flexibility in utilizing SCA with the only condition that it should be utilized in conjunction with SCP and other resources available from other sources like various Corporations, financial institution etc.

2. An illustrative list of areas under various sectors of development where SCA could be utilized has already been circulated vide this Ministry's d.o. letter No.19020/35/93-SCD-VI dated 29th July, 1993 (copy vide Annexure I). The condition of blocks having 50% or more of SC population for use of SCA for infrastructural development programmes has been relaxed and villages having 50% or more of SC population can now be considered for infrastructural development programmes with the support of SCA funds. Only 10% of the total SCA released to the State Government/UT Administration in a year should be utilized for infrastructural development programmes. Copy of the d.o. letter No.19020/35/93-SCD-VI dated 7th September, 1998 issued in this connection is enclosed as (copy vide Annexure II)

3. The continuation of the Scheme of Special Central Assistance to Special Component Plan for SCs during the IX Five Year Plan has been approved by the Cabinet Committee on Economic Affairs with the following modifications and conditions: -

(i) The SCA will be released to the state Governments/UT Administrations on the basis of following criteria:-

(a)	On the basis of SC population of the States/UTs.	40%
(b)	On the basis of relative backwardness of the States/UTs (inverse of State Per Capita Domestic Product)	10%
(c)	On the basis of the percentage of SC families in the States/UTs covered by composite economic development Programmes in the Plans to enable them to cross the Poverty line.	25%
(d)	On the basis of the Special Component Plan to the Annual Plan as compared to the SC population percentage in the States/UTs	25%

(ii) 2% of the total budget allocation for the scheme will be earmarked for North Eastern States, which implement SCP for SCs.

(iii) 15% of the total SCA released to the States/UTs, On the basis of the Criteria a (i) above will be utilized by State Governments/UTs Administrations exclusively on viable income generating economic development schemes/Programmes for SC Women.

(iv) 5% of the total SCA released to the States / UTs will be utilized by them exclusively for the economic development of disabled persons among SCs

(v) 3% of the total SCA released to the States /UTs shall be utilized by the States/UTs for supervision, monitoring and evaluation of economic development schemes implemented with the support of SCA funds.

(vi) Second installment of SCA should be released to the States/UTs after ensuring expenditure of cumulative opening balances of the previous year and 75% of the first installment for the current year.

4. The limit of SCA permitted for staff meant for supervision implementation, monitoring and evaluation of Schemes at various levels has been increased from r% to 3% taking into account the requirement of staff and infrastructure for the purpose at all levels of implementation. Proper and timely utilization of SCA funds on viable schemes for the economic development of SC families below the poverty line needs greater attention. The State Governments/UT Administrations should strengthen their monitoring mechanism at State and district levels. There should be regular feed back through monthly progress report on implementation and utilization of funds from the implementing agencies to the District Level Monitoring Committee and from District Level Committee to the State Level Monitoring Committee on quarterly basis. The Secretary of the Department concerned with the SC welfare and development should send the quarterly progress report on utilization of SCA within 15 days after the end of each quarter and he annual progress report on the utilization of funds within 3 month of the end of each financial year to the Government of India, Ministry of Social Justice and Empowerment. Based on the progress reports received from the State Governments/UT Administrations, the Ministry will send consolidated State-wise report on the subject especially on utilization of funds under SCA to SCP indicating diversion of funds, if any to the Planning Commission.

5. Late release of funds to the Implementing departments/agencies, non-utilization of funds sanctioned/released to the implementing departments/agencies for the purpose for which it is sanctioned, accumulation of unspent balances of funds for considerable long period with the implementing departments/agencies, keeping funds in Civil Deposits, Fixed deposits, saving bank accounts, P.L.A. etc. for considerable long period, lack of proper action plan for implementation of schemes, sanction of funds for schemes without ascertaining their feasibility and viability, leakage of benefit of schemes meant for SCs to Non-SCs, etc. decelerate the process of economic development of the target group. An effective device needs to be evolved to remove such shortcomings/loopholes so that the purpose of SCA could be served meaningfully. Amongst various measures for effective implementation of development schemes for SCs, the following points may be given more stress: -

- i. Release of funds to the implementing agencies without loss of time after getting the SCA from the Government of India.
- ii. Separate Account of SCA released to the implementing agencies may be maintained and utilization of SCA funds by the implementing agencies may be watched regularly through periodical progress reports from the implementing agencies.
- iii. It may be ensured that Utilization Certificates from the concerned implementing agencies are obtained in time.
- iv. Annual Audit of SCA accounts of State and District/Block Level Implementing Agencies may be ensured.
- v. Keeping SCA funds in civil deposits, fixed deposits, saving bank account, PLA etc. for long periods by implementing agencies or nodal department may be discouraged. Delay in identifying schemes & beneficiaries and sanction of schemes and release of assistance to the beneficiaries often lead to deposit the funds in various accounts. Release of funds to the implementing agencies without ascertaining the utilization of funds released to them earlier leads to accumulation of unspent balances and increase in the deposit in various accounts.

Identification of viable schemes as per the developmental needs of SCs and identification of eligible beneficiaries to be considered for assistance in a financial year should be completed well before the commencement of the financial year. Sanction of schemes and release of assistance can thus be ensured in time soon after the receipt of SCA funds. This will help in avoiding last minute sanction of schemes at the fag end of the financial year and in ensuring the full utilization of funds.

6. The Government of India, Ministry of Social Justice and Empowerment will intimate the tentative allocation of SCA to State Governments/UT Administration at the beginning of the financial year and will release the first installment of SCA on the basis of SC Population and relative backwardness of States/UTs during the first quarter of the financial year. The State Governments/UT Administrations should furnish the information on effort-based criteria {the criteria at (c) and (d) mentioned in Para 3 (i)} and the utilization of SCA released to them during the previous year and first installment released during the current year, in the month of August every year. This will ensure the release of second installment in the beginning of the second half of the financial year.

7. Utilization of 15% and 5% of total SCA released to the State Governments/UT Administrations exclusively for the economic development schemes/programmes for SC women and disabled persons among SCs respectively may be ensured from this year (1998-99) onwards. The progress on utilization of SCA for SC Women and disabled among SCs indicating the schemes implemented, funds utilized and the number of beneficiaries covered, may be furnished to this Ministry within a month after the end of this financial year. From next year onwards the progress report in this regard may be furnished to this Ministry within one month after the end of

each six months period.

8. The skill developing training programmes to be implemented with the support of SCA funds should be formulated in such a way that after the completion of training, the placement of trained candidates either in waged employment or in self-employment is ensured.

9. Follow up of the beneficiaries after the schemes are sanctioned to them is necessary to ascertain whether they have acquired necessary assets and utilizing the assets for income generating activities. Proper maintenance of records regarding the accounts of funds received, given to the beneficiaries including subsidy and bank loan, full address of the beneficiaries, assets created under various schemes sanctioned to the beneficiaries, etc. by the implementation departments/agencies should be ensured.

10. I shall be grateful, if the various measures for ensuring full utilization of SCA funds and effective implementation of schemes for the benefit of the target group are given adequate attention and made into practice.

Yours sincerely,

Sd/-

(A.K. Choudhary)

To

1. The Chief Secretary of 24 States/UTs as per list attached.
2. The Secretary concerned with SC Welfare & development of the 24 States/UTs as per list enclosed.

Copy to:

1. Adviser (SW&BC), Planning Commission, Yojana Bhavan, New Delhi.
2. Secretary, National Commission for SC/ST, Loknayak Bhavan, New Delhi.
3. Director, Audit, Officer of the C & AG, Indraprastha Estate, ITO, New Delhi
4. Director (Finance), Ministry of Social Justice and Empowerment, Shastri Bhavan, New Delhi.

(A.K. Choudhary)
Joint Secretary
