

Urgent

F. No. M-11011/8/2017-SJE
Government of India
NITI Aayog
(Social Justice and Empowerment Division)

Parliament Street, New Delhi,
Date: 20.11.2017

OFFICE MEMORANDUM

Subject: Guidelines on New Arrangement for Earmarking of Funds for Scheduled Castes Sub-Plan (SCSP) and Tribal Sub-Plan (TSP).

Ministry of Finance, Department of Economic Affairs vide their D.O. letter No. 2 (21)-B(Cdn) / 2016, dated 31.12.2016 had earlier requested NITI Aayog to review Ministry / Department wise existing arrangement of SC/ST allocations and update it keeping in view the changes, since the last earmarking was done by the Planning Commission.

2. The issues were considered in NITI Aayog in consultation with various stakeholders i.e. concerned Central Ministries/Departments, State Governments, National Commissions for SCs and STs and Samavesh Forum of NITI Aayog, in addition to internal examination and review of the issues in NITI Aayog. On the basis of suggestions that emerged from the consultations and internal review the guidelines new arrangements for earmarking of funds and implementation of schemes for SCs and STs have been prepared.

3. The Guidelines are enclosed for consideration by the Ministry of Finance for the upcoming Union Budget 2018-19.

This issues with the approval of Vice Chairman, NITI Aayog.



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NITI Aayog
(Social Justice & Empowerment Division)

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**Guidelines for earmarking of funds for Development Action Plan for SCs
and STs (DAPSC & DAPST)**

The earlier system of planning has been discontinued and there has been merger of plan and non-plan expenditure with effect from 2017-18. In the changed system of budgeting, there is a need for clarity regarding new arrangement for earmarking of funds for SCs and STs in their budgets by the concerned Central Ministries/Departments.

2. Earlier earmarking of funds for SCs and STs were done by the concerned Ministries/Departments against their Plan allocation under the broad strategies of Scheduled Castes Sub-Plan (SCSP) and Tribal Sub-Plan (TSP) as per the criteria recommended by the Task Force, 2010. Earmarked allocation was also shown Ministry/Department-wise against the respective Centrally Sponsored Schemes (CSSs) and Central Sector Schemes (CSSs) in the Union Budget document. The Task Force constituted by the erstwhile Planning Commission had recommended for differential earmarking i.e. earmarking at different rates the Ministries/Departments and only against their plan outlay. Non-Plan component of the outlays were kept out of purview of the Sub-Plans. The Task Force had identified 26 Ministries/Departments for SCSP and 32 for TSP as obligated to earmark funds and implement schemes for SCs and STs.

3. In view of new system of budgeting, NITI Aayog was entrusted with the task of looking into the issue of alternative arrangements for earmarking of funds for SCs and STs. The matter was considered by the Senior Management Committee (SMC) of NITI Aayog in its meeting on 24.04.2017. The SMC desired, Shri Ratan P. Watal, Principal Adviser, Social Sector, NITI Aayog to guide SMC on the matter. The recommendations stated in these guidelines are outcome of consultation process (2017) under the Chairmanship of Principal Adviser, and would guide the earmarking of funds by the Ministries/Departments for DAPSC and DAPST, while going beyond and building on the recommendations of the earlier Task Force 2010, signifying continuity with enrichment. Some other issues considered regarding earmarking of funds, were as follows:

- (i) Whether strategy for implementation of the schemes for welfare of SCs and STs shall continue as per existing guidelines?
- (ii) Decision regarding 'No-Obligation Ministries/Departments'.
- (iii) Need or otherwise of a national level institution to work as think-tank for SCs and STs.

- (iv) Need or otherwise of a Central Legislation to ensure non-divertibility and/or non-lapsability of allocation and to guide planning & implementation.
- (v) How to ensure mainstreaming most vulnerable community groups in major flagship programmes, as reflected in development outcomes in addition to earmarked allocations and specific schemes ?
- (vi) How to enhance /create institutional capacity at national/state/district and local levels for ensuring a voice and social inclusion of the most vulnerable community groups?
- (vii) How to create a framework for Social Sector Outcome Monitoring, that addresses multiple vulnerability and is responsive to the most vulnerable?

4. The issues were considered in NITI Aayog in consultation with various stakeholders i.e. concerned Central Ministries/Departments, State Governments, National Commissions for SCs and STs and Samavesh Forum of NITI Aayog, in addition to internal examination and review of the issues in NITI Aayog.

5. On the basis of suggestions that emerged from the consultations and internal review of the issues, the recommendations made regarding the new arrangements for earmarking of funds and other issues regarding implementation of schemes for SCs and STs have been detailed in the following paragraphs.

Continuation and Enrichment of strategy and Guidelines for implementation

6. So far as strategy for implementation of the sub-plans is concerned, promoting socio-economic interest of SCs and STs is a constitutional mandate. It is also an area of priority and commitment for the present government to promote the socio-economic empowerment and inclusive development of the SCs and STs. The commitment to ensure inclusive development of the most vulnerable and deprived community groups - especially SCs and STs has been further reaffirmed by the call for a New India By 2022, the 75th Year of India's Independence, This calls for an India free from poverty, dirt, corruption, terrorism, casteism and communalism, among other features. The need for an Antyodaya approach to reach the poorest of the poor and the most deprived has also been highlighted. The schemes and programmes, therefore will continue to be implemented in the broader contours of the earlier sub-plans. ***In the new system of budgeting SCSP and TSP may be renamed as Development Action Plan for SCs (DAPSC) and Development Action Plan for STs (DAPST).***

Earmarking against overall allocation of CSSs and CSs and not against total budget of the Ministries/Departments

7. Earmarking should be against the overall allocation for schemes of the Ministries/Departments and not against the total budget of the concerned Ministries/Departments over and above the overall allocation for the schemes. However the Ministries/Departments will have flexibility to allocate funds for SCs and STs for specific activities within their overall budget, in case their existing schemes are not amenable to or do not have the scope for any such activities for SCs and STs.

Recommendations

8. The following are the guidelines recommended regarding identification of Ministries/Departments and earmarking of funds of DAPSC and DAPST and also to strengthen the existing guidelines in post planning stage:

Identification of Ministries and Earmarking of Funds

- (i) The earmarking should be done under specific schemes of the Ministry/Department. Overall earmarking of the Ministry/Department should be calculated against the total allocation of these schemes and not against the total budget of the Ministry/Department. However, some flexibility may be provided in specific instances wherever deemed necessary, and in case of non-utilization under one scheme, the budget should be utilized under the other schemes of the department, but for DAPSC or DAPST, as the case may be, with approval of the Ministry and Financial Adviser.
- (ii) Percentage of earmarking should not be less than 50% of the population proportion or as decided by the Task Force, or actuals whichever is higher. Ministry/ Department allocating funds for SCs and STs at higher percentages shall maintain existing percentages.
- (iii) All the Ministries/Departments which fall in the category II (Identified by the Task Force) i.e. earmarking of funds in the range of 0-15% for SCSP and 0-7.5% for TSP should earmark at least minimum of 8.3% for DAPSC and 4.3% for DAPST (as per 2011 Census).
- (iv) Ministries/Departments which are earmarking funds only for SCs at present should also earmark funds for STs and *vice versa* except the nodal Ministries. For example, D/o Animal Husbandry and Commerce should also earmark for DAPST. D/o Agriculture Research, Coal, Telecommunication, Water Resources, etc. which are there in DAPST should earmark for DAPSC. Minimum percentage of earmarking should be as indicated in para (i) and (iii) above.

- (v) Ministries/Departments like M/o Development of North Eastern Region, DONER, M/o Skill Development and Entrepreneurship, and D/o Empowerment of Persons with Disabilities (DPwD) have earmarked funds under STs in 2017-18 i.e. @ 27.18%, 8.14% and 10.17% respectively. These Ministries/Department have been implementing mostly beneficiary oriented schemes and therefore should be brought in the 'obligatory' category.
- (vi) Ministries/Departments which have direct or indirect bearing on the welfare of SCs and STs in the country, but remain outside the purview of DAPSC & DAPST i.e. a) Department of Fertilizers, (b) Department of Pharmaceuticals, (c) Ministry of Food processing industries, (d) Department of Consumer Affairs, (e) Ministry of Urban Development and (f) Ministry of Petroleum and Natural Gas. These Ministries/Departments should earmark funds to the extent of at least 50% of population proportion of SCs and STs.
- (vii) Ministries/Departments which are earmarking funds in proportion to the population of SCs or STs as per 2001 Census or closer to that should earmark fund in proportion to population of SCs or STs as per 2011 Census.
- (viii) So far as Nodal Ministry of Social Justice and Empowerment (SJE) is concerned, the present level of earmarking of 72.5% of funds by the D/o SJE for SCs as recommended by the Task Force should continue. However, over and above this, Scheduled Caste communities should also benefit from schemes implemented for other vulnerable sections like senior citizens, transgender, destitutes, drug addicts, etc. The issues of multiple vulnerability should also be addressed appropriately.
- (ix) State-wise distribution of allocation under various Centrally Sponsored Schemes by Central Ministries/ Departments, especially under beneficiary oriented schemes should be done in proportion to population for SCs and STs in the respective States/UTs.
- (x) Some Ministries/Departments like D/o Fertilizers, D/o Telecommunications, M/o Coal, M/o Mines, M/o Culture, etc. which do not have any scheme for SCs and/or STs, should set aside the earmarked allocation, evolve new and focused interventions and use the same for appropriate schemes/activities in consultation with the Nodal Ministry of Social Justice and Empowerment and Ministry of Tribal Affairs. The Nodal Ministries should coordinate as to how to use such allocations for direct benefits of SCs and STs.

Non-lapsability and non-divertibility

- (xi) In India the system of cash-based budgeting is followed. In view of this it is not feasible to follow the practice of non-lapsability. The issue of non-divertibility is already inbuilt in the system due to allocation of funds on the basis of 'budget head'. However diversification of fund within the budget head shall be allowed subject to conditions mentioned in para (ii) above. Any further clarification, in this regard may be looked into by the Department of Expenditure.

National Level Institute for SCs and STs

- (xii) A National level Institute each for SCs and STs, on the pattern of National Institute for Rural Development should be set up to work as Think Tank and Resource Centre each for SCs and STs. For SCs, the Ambedkar International Centre or its infrastructure may be considered to be utilized as the National Institute. For STs, National Institute of Labour Economics Research and Development (NILERD) could be converted or infrastructure of NEILRD could be utilized for the same.
- (xiii) Linked to the National Institutes, States should also be encouraged to have/set up such institutes - at the State level and progressively at District levels. The district level institutes may specifically work for providing specific inputs for formulation of suitable projects/schemes at the ground level in the interest of SCs and STs. This is especially relevant in the context of enhanced devolution of resources to States, urban local bodies and panchayati raj institutions, as per the implementation of the Fourteenth Finance Commission recommendations.

Enabling Provisions

- (xiv) Ministries concerned and States/UTs must ensure mainstreaming of the most vulnerable community groups in major flagship programmes under the National Development Agenda, as reflected in development outcomes- in addition to earmarked allocations and specific schemes.
- (xv) Ministries concerned and States/UTs may enable and promote institutional capacity at different levels to ensure improved utilization, effectiveness, efficiency and outcomes of allocations earmarked for SC/STs. This includes enabling representation in institutional mechanisms etc.

- (xvi) The performance of States and Districts on Social Inclusion may progressively be recognized and incentivized.
- (xvii) Ministries concerned and States/UTs must address multiple vulnerability through convergent interventions that may be multi sectoral in nature, specific to the State/district context.
- (xviii) Ministries concerned and States/UTS may be encouraged to design new interventions based on programme implementation experience, with innovative ideas for Ministries which were earlier considered to be non obligatory.

Monitoring and Evaluation

- (xix) Monitoring of the DAPSC and DAPST should be necessarily a priority area. Monitoring should be both output and outcome based and through dashboard. The nodal Ministries i.e. Ministry of Social Justice and Empowerment and Ministry of Tribal Affairs will be responsible for the monitoring as per amendment to Allocation of Business Rule 1961 vide Gazette Notification a F. No. 1/21/26/2016-Cab. dated 31st January, 2017.
- (xx) The monitoring initiative should have special focus on people with multiple vulnerability such as SC/ST widows or women or men with disabilities; Particularly Vulnerable Tribal Groups (PVTGs); destitute SC/ST children etc.
- (xxi) The social sector monitoring framework adopted at the central level under DAPSC and DAPST should also be carried forward to be implemented at the State and District levels for outcome monitoring of the initiatives for SCs and STs.
- (xxii) The social sector monitoring framework should include integration of concerns related to inclusion of SC/STs in the existing Common Review Missions of major flagship programmes by concerned Ministries and National Commissions as a complementary approach for field based outcome monitoring. (Ministries such as MHFW, MHRD, MWCD & MRD are using Common Review Missions for National Health Mission, Elementary Education, WCD/ICDS & Rural Development Programmes.)

9. Details of criteria proposed for earmarking of funds for **DAPSC and DAPST** by respective Ministries/Departments may be seen at **Annexure-I**.

11. NITI Aayog's Role

- (i) While the Nodal Ministries should also be responsible for coordination with the concerned Ministries and Departments to ensure adequate fund for SCs and STs. NITI Aayog should also, in consultation with the nodal Ministries, ensure earmarking of the funds by the identified Ministries/Departments and periodically review their performance.

- (ii) NITI Aayog should be responsible for evaluation of DAPSC and DAPST. The nodal Ministries, M/o SJE and MoTA and the concerned Central Ministries/Departments should also undertake evaluation of their schemes as per the overall strategies of DAPSC and DAPST.

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Annexure-I

Category A: Obligatory Ministries/Departments

Ministry / Department wise existing earmarking and proposed percentage of earmarking

DAPSC (2011 Census)

S.No.	Ministries/Departments	Existing percentage of earmarking	Actual earmarking % in 2017-18	Proposed % for earmarking to DAPSC*
1	Agriculture & Cooperation	16.20	16.13	16.60
2	Animal Husbandry, Dairying and Fisheries	16.20	16.18	16.60
3	AYUSH	5.00	14.02	8.30
4	Commerce	4.50	1.07	8.30
5	Development of North East Region;	2.00	2.01	8.30
6	Drinking Water Supply	22.00	22.00	22.00
7	Information Technology	2.00	1.39	8.30
8	Environment & Forest	2.20	2.01	8.30
9	Health and Family Welfare	15.20	15.90	16.60
10	Housing and Urban Poverty Alleviation	22.50	22.42	22.50
11	School Education & Literacy	20.00	21.74	20.00
12	Higher Education	15.00	53.44	16.60
13	Labour and Employment	16.20	16.45	16.60
14	Micro, Small and Medium Enterprises	12.00	11.39	16.60
15	New and Renewable Energy	3.50	3.48	8.30
16	Panchayati Raj	16.20	15.78	16.60
17	Ministry of Power	8.30	9.29	16.60
18	Rural Development	25.00	8.07	25.00
19	Land Resources	16.20	15.44	16.60
20	Science & Technology.	2.50	4.35	8.30
21	Department of Social Justice and Empowerment	72.50	79.27	72.50
22	Textiles,	5.00	2.80	16.60
23	Woman and Child Development	20.00	16.91	20.00
24	Youth Affairs and Sports	16.20	25.28	16.60

DAPST (2011 Census)

S.No.	Ministries/Departments	Existing % of earmarking	Actual earmarking % in 2017-18	Proposed % for earmarking to DAPST*
1	Agriculture & Cooperation	8.00	7.97	8.60
2	Department of Agriculture Research and Education	3.60	3.46	4.30
3	AYUSH	2.00	4.03	4.30
4	Ministry of Coal	8.20	4.49	8.60
5	Department of Telecommunication	0.25	0.26	4.30
6	Department of food and Public Distribution	1.40	0.00	4.30
7	Ministry of Culture	2.00	4.80	4.30
8	Ministry of Drinking Water and Sanitation	10.00	10.00	10.00
9	Minsitry of Eletronics and Information Technology	6.70	4.67	6.70
10	Health and Family Welfare	8.20	8.58	8.60
11	Housing and Urban Poverty Alleviation	2.40	2.39	4.30
12	School Education & Literacy	10.70	12.49	10.70
13	Higher Education	7.50	26.73	8.60
14	Labour and Employment	8.20	8.33	8.60
15	Micro, Small and Medium Enterprises	8.20	7.73	8.60
16	Ministry of Mines	4.00	0.00	4.30
17	Panchayati Raj	8.20	8.09	8.60
18	Ministry of road Transport and Highways	3.50	0.62	4.30
19	Rural Development	17.50	5.63	17.50
20	Land Resources	10.00	9.78	10.00
21	Science & Technology.	2.50	4.35	4.30
22	Textiles,	1.20	1.04	8.60
23	Ministry of Tourism	2.50	2.54	4.30
24	Ministry of tribal Affairs	100.00	139.47	100.00

S.No.	Ministries/Departments	Existing % of earmarking	Actual earmarking % in 2017-18	Proposed % for earmarking to DAPST*
25	Ministry of WR, RD and GR	0.73	0.83	8.60
26	Woman and Child Development	8.20	6.50	8.60
27	Youth Affairs and Sports	8.20	13.26	8.60

Category B: Non-Obligated Ministry /Departments but allocating in 2017-18

DAPSC

S.No.	Ministries/Departments	Existing % of earmarking for DAPSC	Actual earmarking % in 2017-18	Proposed % for earmarking to DAPSC *
1	Department of Empowerment of persons with Disabilities	0.00	20.25	16.60
2	Skill Development and Entrepreneurship	0.00	16.09	16.60

DAPST

S.No.	Ministries/Departments	Existing % of earmarking for DAPST	Actual earmarking % in 2017-18	Proposed % for earmarking to DAPST *
1	Development of North East Region;	0.00	27.18	8.60
2	Environment & Forest	0.00	0.29	8.60
3	New and Renewable Energy	0.00	1.74	8.60
4	Skill Development and Entrepreneurship	0.00	8.14	8.60
5	Department of Empowerment of persons with Disabilities	0.00	10.17	8.60

Category C: Ministries/Departments which are earmarking for either DAPSC or DAPST

Ministries/Departments which are earmarking for DAPST should also earmark for DAPSC

S.No.	Ministries/Departments	Existing % of earmarking for DAPST	Proposed % for earmarking to DAPSC*
1	Department of Agriculture Research and Education	3.46	8.30
2	Ministry of Coal	4.49	8.30
3	Department of Telecommunication	0.26	8.30
4	Department of food and Public Distribution	0.00	8.30
5	Ministry of Culture	4.30	8.30
6	Ministry of Mines	0.00	8.30
7	Ministry of road Transport and Highways	0.62	8.30
8	Ministry of Tourism	2.54	8.30
9	Ministry of WR, RD and GR	0.83	8.30

*Atleast 50% of population proportion (8.30%)

Ministries/Departments which are earmarking for DAPSC should also earmark for DAPST

S.No.	Ministries/Departments	Existing % of earmarking for DAPSC	Proposed % of earmarking for DAPST
1	Animal Husbandry, Dairying and Fisheries	16.18	8.60#
2	Commerce	1.07	4.30
3	Ministry of Power	9.29	8.60#

#These Ministries implement direct beneficiary oriented programme, they are obligated in proportion to population (ST-8.60%)

Category D: Ministries/Departments which are Non-Obligated

New Ministries / Departments obligated for earmarking and implementing DAPSC/DAPST

Sl. No.	Ministries/Departments	Existing	Proposed % for DAPSC*	Proposed % for DAPST*
1	Department of Fertilizers	00	8.30	4.30
2	Department of Pharmaceuticals	00	8.30	4.30
3	Department of Consumer Affairs	00	8.30	4.30
4	Ministry of Food Processing Industries	00	8.30	4.30
5	Ministry of Petroleum and Natural gas	00	8.30	4.30
6	Ministry of urban Development	00	8.30	4.30

*At least 50% of population proportion (8.30%)