



**Housing and
Land Rights
Network**

**National Campaign
on Dalit
Human Rights**



PRESS RELEASE

Diversion of Social Sector Funds to Commonwealth Games Reveals Corruption and Financial Mismanagement

New Delhi, August 3, 2010: In a press conference held in the capital today, *National Campaign on Dalit Human Rights (NCDHR)* and *Housing and Land Rights Network (HLRN)* provided alarming details about the diversion of **Rs. 744.354 crore** between the years 2006-07 and 2010-11 from the **Special Component Plan (Scheduled Caste Sub Plan)** to meet Commonwealth Games (CWG 2010) related expenses. In a press release issued on July 15, 2010, HLRN had exposed this shocking and illegal diversion of funds, as confirmed by the Delhi State Government's Department for the Welfare of SC/ST/OBC/Minorities in response to a Right to Information (RTI) application requesting information on the same. An analysis of this information by HLRN and NCDHR reveals that the departments of the Delhi Government which have diverted funds are: Transport (NDMC), Transport (MCD), Transport (PWD), Sports and Youth, Delhi Jal Board (Urban Water Supply) and Urban Development.¹

The Special Component Plan (SCP) was introduced in the year 1979-1980 by the Government of India as a means for micro-economic development and promotion of the welfare of Scheduled Castes. The Delhi government, however only adopted the SCP from the financial year 2006-07.

Since the inception of the SCP in 1980 during the tenure of Indira Gandhi, several Prime Ministers have stressed the critical importance of the SCP. They have stressed, in particular, the non-divertible nature of this programme. Most recently, Prime Minister, Manmohan Singh on June 27, 2005, in his speech at the meeting of the 51st National Development Council (NDC) had affirmed that, "If the benefits of growth have to reach all sections of our diverse society, there is a need to equip them with the necessary skills and resources to become active participants in growth processes.... Tribal Sub-Plans and Special Component Plans should be an integral part of Annual Plans as well as Five Year Plans, **making provisions therein non-divertible and non-lapsable**, with the clear objective of bridging the gap in socio-economic development of the SCs and STs..."

In a response dated June 30, 2010 to an RTI application, the Government of Delhi affirmed that Rs. 744.354 crore from the SCP fund have been utilized for the purpose of the Commonwealth Games. Table Two (attached as annex) presents information derived from the Special Component Plan documents of the Government of Delhi for the years 2006-07 to 2010-11, and explains the specific components under which these funds are being used for Commonwealth Games related expenditures.

Expenditure from SCP for financial year 2006-07: The analysis of official SCP documents, presented in Table Two, shows that in 2006-07, Rs. 1.9712 crore was diverted to Commonwealth Games. Rs. 1.6218 crore was spent by the Urban Development Department to meet the expenses of Queen's Baton Relay in the cultural segment.

Expenditure from SCP for financial year 2007-08: The Transport Department showed expenditure of Rs. 3.8905 crore through Public Works Department (PWD) without any specified target, which implies no achievement; Rs 0.5952 crore was shown as being spent through New Delhi Municipal Council (NDMC) for the purpose of "development of road around Shivaji Stadium" but this was not achieved; Sports and Youth Department showed expenditure of Rs. 9.7 crore "to develop infrastructure at Chhatrasal and Tyagraj Stadiums" but this was also not done, implying mismanagement of funds in these cases.

Expenditure from SCP for financial year 2008-09: The Transport Department showed expenditure of Rs. 160 crore through PWD and Rs. 1.19 crore through NDMC without any specified target or achievement. Transport Department also spent an additional Rs. 12.6629 crore. The Sports and Youth Department showed expenditure of Rs. 25 crore without any target, implying corruption.

¹ See Table One (attached as annex).

Expenditure from SCP for financial year 2009-2010: For the purpose of 'smooth traffic flow' for Commonwealth Games, the Transport Department spent Rs. 178.5 crore through PWD, Rs. 4.59 through NDMC and Rs. 46.24 crore through Municipal Corporation of Delhi (MCD). Sports and Youth department showed expenditure of Rs. 45 crore but again this was without any specified target and achievement. The Water Supply and Sanitation Department spent Rs. 3.4 crore through Delhi Jal Board to supply water to the Commonwealth Games Village. The Department of Urban Development spent Rs. 0.51 crore to co-ordinate Commonwealth Games projects.

This diversion of the SCP fund has been undertaken without consent from the state assembly. It also violates the objectives and action plan of the SCP. This reveals not just the unethical diversion of SCP funds for the CWG but also the grave issue of corruption. Alarming, in spite of being aware of this, the Planning Commission has continued to sanction the Delhi government department budgets without questioning or challenging the diversion of SCP funds for the preparation of the Commonwealth Games. Furthermore, it casts doubt on the role, responsibility, and authority of the NDC, specifically in ensuring the welfare of Scheduled Castes and Scheduled Tribes.

Since the purpose of the SCP is to promote the welfare of Scheduled Castes (SCs), one of the most marginalized groups in India, funds from the SCP could instead have been spent on the following purposes:

- To provide a support system, including loans, for manual scavengers.
- To encourage and support SC entrepreneurs through Khadi Gramodyog and National Small Industries Corporation.
- To meet expenses of training and deployment of SC youth in private sector by National Institute Entrepreneurship and Small Business Development (NIESBUD).
- To meet expenses of bank guarantee and support price for the purchase of materials and finished goods from SC manufacturers and traders in government offices.
- Support construction of houses and shops for SCs.
- To support displaced SCs.
- To provide educational support for SC students.

The analysis of data from the SCP fund provided above clearly demonstrates not just the serious offence of diversion of funds allocated for the welfare of Scheduled Castes in Delhi but also highlights the rampant corruption and mismanagement of funds with expenditures being shown without achievement of targets. The complete lack of accountability and transparency, and violation of the government's commitments to Delhi's marginalized populations reflects a serious abrogation of constitutional duties.

In light of these facts, NCDHR and HLRN call for:

- an urgent order by the Chief Minister of Delhi to stop any further diversion of SCP funds towards the Commonwealth Games (around Rs. 180 crore has been allocated for 2010-11 but has still not been spent);
- an immediate submission of an audited report by the Delhi government;
- provision to return the entire amount diverted from the SCP fund for Commonwealth Games since 2006-07;
- an immediate audit by the Comptroller and Auditor General of India (CAG) of the Rs. 744 crore diverted from the SCP;
- an expansion of the current investigation being undertaken by the Central Vigilance Commission (CVC) to include the mismanagement of funds related to the SCP, including a probe into how these decisions were sanctioned, by whom, and under which authority;
- an investigation related to its mandate by the Central Bureau of Investigation (CBI) of the diversion of funds and the prosecution of officials who took the decision to divert and embezzle public money;
- an investigation by an independent authority (such as the Parliamentary Finance Committee) or an expert committee into the process of allocation and sanction that allowed such diversion of funds;
- an immediate explanation to the nation by the Prime Minister of India on the exact expenditure of the Commonwealth Games, highlighting the impact on social welfare programme budgets.

For more information contact:

*Umesh Babu - 9910115791; N. Paul Divakar- 9910046813;
Miloon Kothari – 9810642122; Shivani Chaudhry - 9818205234*

TABLE ONE: SCP Funds Being Used for Commonwealth Games 2010

SCP Funds Being Used for Commonwealth Games 2010							
(source: Scheduled Caste Sub Plan (Special Component Plan), Draft Annual Plan 2010-11, Department for the Welfare of SC/ST/OBC/Minorities, Government of Delhi)							
						Figures in Rupees Crore	
Major Head	Sub Head / Sector	Year					
		2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 (Anticipated Expenditure)	2010-11 (Allocated)	
Transport	Commonwealth Games (New Scheme - PWD)	0	3.8905	160.0183	178.5	111.69	
	Commonwealth Games (Widening & Improvement)	0	0	0	0	34	
Transport - NDMC	Commonwealth Games (New Scheme)	0	0.5952	1.19	4.59	2.55	
Transport MCD	Commonwealth Games (New Scheme)	0.3494	1.37	12.6629	46.24	25.5	
Sports and Youth	Commonwealth Games (New Scheme)	0	9.7133	25.2011	45	7.4	
DJB-Urban Water supply	Commonwealth Games	0	0.0073	0.0162	3.4	1.19	
Urban Development	Commonwealth Games (New Scheme)	1.6218	0	0	0.51	0.17	
		0	0	0	0	0	
	Total	1.9712	15.5763	199.0885	277.73	182.33	
Total amount from 2006-07 to 2009-10 (in Rs. Crore)					676.696		

TABLE TWO:

Details of Diversion from SCP Funds for CWG 2010

(derived from Scheduled Caste Sub Plans (Special Component Plans), 2006-07 to 2010-11,
Department for the Welfare of SC/ST/OBC/Minorities, Government of Delhi)

Financial Year	Expenditure Components	Department	Expenditure (Rs. crore)	Expenditure (Rs. crore)
2006-07	7 Grade Separator / RCB	Transport - MCD	0.3494	1.9712
	Outstanding dues of final installment of grant-in-aid - 9.54 crore released to the Organizing Committee for cultural segment of Queen Baton relay	Urban Development	1.6218	
2007-08	NIL	Transport - PWD	3.8905	15.5763
	<i>NIL against target</i> - development of road around Shivaji Stadium	Transport -NDMC	0.5952	
	RUB Vivek Vihar	Transport - MCD	1.37	
	<i>NIL against target</i> - to develop infrastructure at Chhatrasal and Tyagraj stadium	Sports and Youth	9.7133	
	1 MGD (million gallons per day) water treatment plant	Water Supply & Sanitation - DJB	0.0073	
2008-09	NIL	Transport - PWD	160.0183	199.0885
	NIL	Transport - NDMC	1.19	
	<i>Deliverables</i> - to complete - Vivek Vihar – RUB (road under bridge) To take up: 1. Face lifting of area surrounding Old Delhi Railway Station & New Delhi Railway Station 2. Improvement of major roads : a. J. L. Nehru Marg b. M.G. Road c. Road connected with Stadia 3. Purchase of 50 mechanical sweepers	Transport - MCD	12.6629	
	NIL	Sports and Youth	25.2011	
	<i>Deliverables</i> - MGD water treatment plant	Water Supply & Sanitation - DJB	0.0162	
<u>Approved and Anticipated (2009-10)</u>				
2009-10	Smooth Traffic Flow	Transport - PWD	178.5	278.24
	Smooth Flow of Traffic	Transport -NDMC	4.59	
	Smooth flow of traffic and less traffic congestion which will ultimately lead to less fuel consumption and time saving of road users.	Transport - MCD	46.24	
	NIL	Sports and Youth	45	
	To provide water supply in Commonwealth Games village	Water Supply & Sanitation - DJB	3.4	
	Coordination of all Commonwealth Games related Project	Urban Development	0.51	
2010-11		Transport - PWD	111.69	182.5
		Transport - PWD	34	
		Transport -NDMC	2.55	
		Transport - MCD	25.5	
		Sports and Youth	7.4	
		Water Supply & Sanitation - DJB	1.19	
		Urban Development	0.17	

Total – as per SCP documents of the Govt. of Delhi from 2006-7 to 2010-2011

677.376

Amount not accounted for in the SCP Documents of the Govt. of Delhi from 2006-7 to 2010-2011

66.978

Total amount diverted - as per RTI of June 30, 2010 diverted to CWG 2010 from SCP fund

744.354