INTEGRATED CHILD DEVELOPMENT SERVICES (ICDS)

Budgeting for Change Series, 2011

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This report is the product of a collaboration between the Centre for Budget and Governance Accountability (CBGA), New Delhi and UNICEF India.

It focuses on analysis of public spending on children in selected states and districts of India. Field data reported in this summary report was gathered during 2007-08. The long version of this report is available on www.cbgaindia.org. CBGA and UNICEF gratefully acknowledge the valuable guidance provided by Dr. N.C. Saxena and Dr. A.K. Shivakumar at all stages of the research and analysis.

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Note to readers:
Rs. 10 million is equivalent to Rs. 1 crore
Rs. 100,000 is equivalent to Rs. 1 lakh

1. BACKGROUND

Children below the age of 18 years account for nearly 40 per cent of India's population. This gives India a comparative advantage of a younger workforce compared with countries with ageing populations. But with the largest number of malnourished children in the world - over half the children in the country are moderately or severely malnourished and 30 per cent of newborns are underweight - India faces a challenge in terms of investing in its large and growing young population. While infant mortality rates have declined to 50 deaths per 1000 live births, those who survive have nearly a 1 in 10 odds of dying before they reach their fifth birthday[1].

Two-fifths of India's population is below the age of 18.

Launched in 1975, the Integrated Child Development Services (ICDS) is the only major national programme that addresses the needs of children under the age of six years. The main objectives of the programme are to improve the health, nutrition and development of children. It offers health, nutrition and hygiene education to mothers, non-formal pre-school education to children aged 3 to 6, supplementary feeding for all children and pregnant and nursing mothers, growth monitoring and promotion services, and links to primary healthcare services such as immunisation and vitamin A supplementation.

These services are delivered in an integrated manner at an *Anganwadi* or childcare centre. Each centre is run by an *Anganwadi* Worker and a helper. The *Anganwadi* Worker undergoes a one-time induction training of 8 days, job orientation training of 32 days and refresher training of 7 days, while the Helpers undergo a one-time job orientation training of 8 days and a refresher training that lasts 5 days.

Three of these services, namely, immunisation, health check-up and referral services, are delivered through the public health infrastructure i.e. the Health Sub Centre and Primary and Community Health Centre under the Department of Health and Family Welfare. The remaining three services are delivered through the *Anganwadi* Centres (AWCs).

This summary report assesses the extent of public spending on the ICDS programme and the quality of spending with regard to the outputs and services delivered. In particular, it examines the bottlenecks that constrain effective implementation of the programme. The summary report builds both on secondary data and primary data gathered from one district each in two states in India – Uttar Pradesh and Chhattisgarh – by the Centre for Budget and Governance Accountability (CBGA). Primary evidence includes case studies from Barh and Jakhora blocks in Lalitpur district of Uttar Pradesh, and Chhuria and Dongargaon blocks in Rajnandgaon district of Chhattisgarh. The case studies are used to exemplify the kinds of constraints that arise in utilising funds effectively under the ICDS programme. They in no manner surmise the functioning of the programme across India.

1 National Human Development Report, 2001, Planning Commission, Government of India, March 2002.

2. IMPLEMENTATION STATUS

The ICDS programme is a flagship programme of the Government of India aimed at improving child health, nutrition and development.

The ICDS is the largest programme of its kind in the world, with over 1.2 million centres nationwide – nearly 91 per cent of the sanctioned number (Table 1, as reported by the State Governments to the Union Government in December 2010). Since its inception in 1975, the programme has matured and expanded and covers over 16 million expectant and nursing mothers and over 75 million children under the age of six. Of these children, about half participate in early learning activities (Table 2, as reported by the states in 2010). However, there are huge variations across states. Table 1 for instance shows that Uttar Pradesh has a significantly higher ratio of operational *Anganwadi* Centres (91 per cent of those sanctioned) than Chhattisgarh, where only about half of the sanctioned *Anganwadi* Centres were operational in December 2010.

Table 1: Number of ICDS Projects and Centres

	No. of ICDS Projects		No. of *Anganwadi* Centres	
	Sanctioned	Operational	Sanctioned	Operational
Chhattisgarh	220.0	163.0	64390.0	34646.0
Uttar Pradesh	897.0	897.0	187517.0	170230.0
All India	**7015.0**	**6719.0**	**1366776.0**	**1241749.0**

Source: State-level Consolidated Report sent to Union Govt. as on 31.12. 2010

Table 2: Status of ICDS Beneficiaries

	Beneficiaries for Supplementary Nutrition			Beneficiaries for Pre-school Education		
	Total Children (6 months – 6 years)	Pregnant and Lactating Mothers	Total Beneficiaries	Boys (3 – 6 years)	Girls (3 – 6 years)	Total (3 – 6 years)
Chhattisgarh	1911076.0	459265.0	2370341.0	502856.0	512173.0	1015029.0
Uttar Pradesh	20086505.0	4553373.0	24639878.0	4816144.0	4422779.0	9238923.0
All India	**75102978.0**	**16762402.0**	**91865380.0**	**18101413.0**	**17400724.0**	**35502137.0**

Source: State-level Consolidated Report sent to Union Govt. as on 31.12. 2010

Despite an expansion in the number of ICDS centres after 2005, about 46 per cent of children in India continue to be malnourished.

Despite more than a million centres across India, the indicators that the ICDS attempts to improve (e.g. nutritional outcomes of young children) remain poor. Table 3 gives results from Uttar Pradesh, Chhattisgarh and the all-India average. It shows that nearly 46 per cent of children in India were malnourished as of December 2009 – numbers that are commensurate with malnutrition figures reported in the third round of the National Family Health Survey (NFHS) in 2005-06[2]. This suggests that despite an increase in the number of *Anganwadi* Centres (after the Supreme Court order in 2005), and four years since, there has been no change whatsoever in the nutritional outcomes of children.

2 According to the NFHS-3, about 45 per cent of children below the age of 3 in India were stunted in 2005-06, while 40 per cent were underweight.

Table 3: Classification of Nutritional Status of Children under ICDS in Chhattisgarh and Uttar Pradesh (in per cent)

	Normal	Grade I	Grade II	Grade I &II (Moderate)	Grade III & IV (Severe)
Chhattisgarh	47.0	33.8	18.5	52.3	0.7
Uttar Pradesh	47.3	32.0	20.2	52.2	0.5
All-India	**54.2**	**32.4**	**13.1**	**45.5**	**0.4**

* Moderately malnourished children (Grade-I & Grade-II); Severely malnourished children are those children which are in Grade-III & IV. Data as on December 31, 2009

Source: Data table on Statewise details of Classification of Nutritional Status of Children under ICDS programme as on 31st December 2009, accessed at www.wcd.nic.in on September 8, 2011

3. EXTENT AND QUALITY OF SPENDING

What makes for poor outcomes? An analysis of the budgetary and spending patterns for ICDS reveals two broad concerns: inadequate funds for the programme and poor quality of fund utilisation.

Budgetary outlays for the ICDS have seen an increase in recent years, but they are significantly lower than the funds earmarked originally for the programme in the Eleventh Five Year Plan.

3.1 INADEQUATE FUNDS FOR THE PROGRAMME

Allocations for the ICDS programme have seen a significant increase from Rs. 48.6 billion in 2007-08 to Rs. 87 billion in 2010-11. However whether or not this is still adequate to meet the needs of early childhood care and development of a burgeoning, young population is difficult to judge. One way of assessing the priority accorded to the programme viz. fund allocation, is to examine the allocations for the programme against appropriate benchmarks. In the absence of any other parameters, the outlays earmarked for the programme in the Eleventh Five Year Plan (FYP) may be taken as a benchmark. Judging from the availability of funds by this criterion, CBGA finds that in the five years of the Eleventh Plan period, i.e. 2007-08 to 2011-12, the Union Government had allocated 93 per cent of the outlay recommended originally in the Eleventh Plan period for the programmme (Table 4). This is reflective of the outlays being inadequate to address the gaps in child development outcomes.

Table 4: Priority for ICDS in the Union Government Outlays – A Comparison with Planning Commission recommended Outlays in the Eleventh Plan (2007-08 to 2011-12)

Outlay Recommended for Eleventh Plan (in Rs. Crore) [at current prices]	Plan Allocation made in the Union Budget (in Rs. Crore)					Total Union Budget allocation made in the Eleventh Plan (in Rs. Crore)	Union Budget Allocation made during 2007-08 to 2011-12 as % of Outlay Recommended for Eleventh Plan
	2007-08	2008-09	2009-10	2010-11 (RE)	2011-12 (BE)		
42400.0	5193.2	6932.7	8154.5	8700.0	10330.0	39310.5	92.7

Note: * Figures for Union Budget allocations for these schemes do not include the Lumpsum provision of funds for North Eastern Region and Sikkim, if any; BE: Budget Estimates, RE: Revised Estimates.

Source: Compiled by Centre for Budget and Governance Accountability (CBGA) from Eleventh Five Year Plan, Planning Commission, Govt. of India; and Union Budget, Govt. of India, various years.

Another approach that enables examining the attention given to child development is to analyse the priority for this sector in the state's budgeted expenditure. A child budget analysis of five states: Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Bihar and Odisha, reveals the lack of focus on child development. The share of state government expenditure on *Early Childhood Care and Development* from the total State Budget ranges from merely 0.3 per cent to 2.2 per cent (Table 5).

Table 5: Share of Early Childhood Care & Development in the Total Expenditure of State (in per cent) (2003-04 to 2007-08)

Year	Uttar Pradesh	Madhya Pradesh	Chhattisgarh	Bihar	Odisha
2003-04	0.3	1.3			
2004-05	0.9	1.0	1.1	1.3	1.3
2005-06 RE	1.1	1.5			
2005-06			1.1	1.6	2.1
2006-07 BE	1.3	2.0			
2006-07 RE			0.5	2.0	2.2
2007-08 BE			1.4	1.6	1.7

Notes: BE: Budget Estimates, RE: Revised Estimates

Source: Detailed Demands for Grants, State Budget for various States, various years (as part of Child Budget Analysis done by CBGA for the five States)

Within the overall budgetary envelope, there is very little data, if any, on activity wise allocations. For example, allocations are usually released under two budget heads – ICDS (general) and Supplementary Nutrition (which primarily covers spending towards food). While the former should then in principle cover funding for all non-food activities (i.e. pre-school education and health), there is no clarity in which specific components can be funded from there. A sample analysis of budget documents from some states suggests that while ICDS (general) provides funding for pre-school kits, it has no separate provision for funding preschool activities.

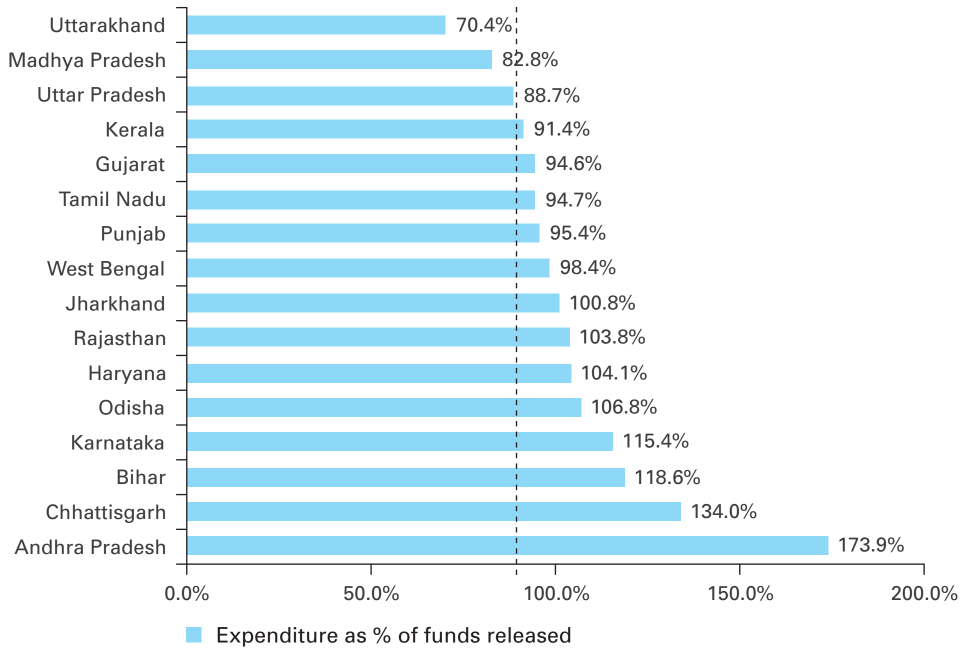
Fund utilisation is not a concern per se under ICDS as states spend over and above what is allocated to them by the Union Government; but quality of spending is.

3.2 POOR QUALITY OF FUND UTILISATION

With regard to fund utilisation, though levels of fund utilisation under the ICDS are high (in fact slightly better than other government programmes with utilisation levels of nearly 90 per cent or more), the quality of utilisation is poor. In particular, fund utilisation has picked up in recent years, particularly after the Supreme Court order in 2005 to universalise the programme. This has led to a remarkable increase in the number of operational projects and a concomitant increase in fund utilisation levels.

Figure 1 below gives fund utilisation for some of the major states in India and Table 6 is an indicative sample of fund utilisation at the district level (using Lalitpur district in Uttar Pradesh as a case study). At both levels,

Figure 1: More than 100 per cent ICDS fund utilisation levels indicate higher contribution by states; suggest that utilisation is not a concern per se



Notes: Funds Released and Expenditure Reported under ICDS for 2008-09 (data upto 12.11.2009). from website of Ministry of Women and Child Development, accessible at www.wcd.nic.in. Last accessed August 9, 2011

Table 6: Fund Utilisation in ICDS at the District Level (Lalitpur, Uttar Pradesh) (2006-07 to 2007-08)

Component	2006-07 (%)	2007-08 (%)
ICDS (General)	100.0	97.3
District level staff	98.7	74.3
Additional Salary	100.0	95.3
Additional Salary (Non-Plan)		99.3
Balika Shree (General)		100.0
Balika Shree (SCSP)	100.0	100.0
Construction of *Anganwadi* Centre	100.0	
Transport of Supplementary Nutrition (State Plan)		100.0
Transport of Supplementary Nutrition (Non Plan)	0.0	100.0
Monitoring & Evaluation		100.0
Total	**99.9**	**98.7**

Notes: The Balika Shree programme is specific to Uttar Pradesh. Initiated in the financial year 2006-07, the programme aims at overall development of girls up to the age of 18 years and who belong to either a Scheduled Caste or a Scheduled Tribe family. Girls below the age of 5 are provided an insurance cover of Rs. 9600 per year through the *Anganwadi* Centre

Source: District Programme Office, Lalitpur utilisation levels of 100 per cent or more (indicating higher contribution by states) suggest that utilisation is not a concern per se. But it cannot be presumed that a higher level of spending leads to better implementation.

The quality of fund utilisation can be assessed according to following parameters:

i. SPENDING ACROSS COMPONENTS

Both states and districts tend to spend more money on some activities (e.g. establishment expenditure and salaries), thereby restricting fund availability for the most critical component i.e. the programme expenditure per se. Moreover, there is hardly any tracking of spending, on the activities or interventions funded by the programme per se (e.g. health or preschool education). Table 6 for instance gives a breakdown of fund utilisation in Lalitpur district, Uttar Pradesh. But the most critical component – expenditure on the programme (ICDS (General)) is not broken down further into expenditure on specific interventions / inputs such as provision of pre-school kits. Instead expenditures on programme activities are aggregated into two broad categories– ICDS (General) and Provision of Supplementary Nutrition. Expenditures are reported against these two broader categories in addition to reporting on salaries, transport and monitoring and evaluation.

Even so, at least some basic level of reporting exists at the district level. There is no expenditure reporting at the block level, which is the key administrative unit of delivery. As a result, the entire amount transferred is often showed as being fully utilised at the block level.

A review of the implementation of the World Bank supported ICDS project in Uttar Pradesh during the period 1999-2000 to 2004-05 by the Comptroller and Auditor General of India[3] indicates how skewed spending can be. The review observed that as against an allocation of 16 per cent in the budget, establishment expenditure constituted 56 per cent of the project cost and expenditure. The expenditure on three key services, i.e. provision of nutrition, health services and pre-school education to children, suffered as a result. Also, innovative activities initially featured in the project (e.g. improvement in system of delivery of services, formation of *Mahila Mandals* or women's groups for promoting health awareness etc) were left uncovered.

ii. SPENDING ACROSS FINANCIAL QUARTERS IN A YEAR

Another important indicator to assess the quality of spending is to analyse whether funds are being spent uniformly through the year or are bunched up at the end of the fiscal. Although the fund transfers are better under the ICDS as compared to other programmes in terms of not being crowded in the last two financial quarters, concerns persist. An analysis of fund transfers at the unit of primary service delivery (*Anganwadi* Centres) in Uttar Pradesh undertaken by

3 Comptroller and Auditor General of India (2006), "Audit Report (Civil) for the year ended 31 March 2005- Uttar Pradesh" available at www.cag.nic.in

Table 7: Fund Releases for Supplementary Nutrition Programme at the *Anganwadi* Centre Level (Sirsi, Jakhora)

Date of Receipt	Amount (in Rs.)
14/7/07	11700.0
13/12/07	11700.0
11/3/08	11700.0
18/7/08	8800.0

Source: Child Development Programme Office, Jakhora

Table 8: Fund Releases for Supplementary Nutrition Programme at the *Anganwadi* Centre Level (Udaipura, Barh)

Date of Receipt	Amount (in Rs.)
29/07/07	11700.0
12/11/07	11700.0
14/03/08	11700.0
9/07/08	8800.0

Source: Child Development Programme Office, Barh

CBGA, for instance, shows that the maximum amounts of funds are transferred in the second and third financial quarters. At times, the money for one financial year gets transferred to the following financial year (Tables 7 and 8).

iii. SPENDING ON NON-WAGE COMPONENTS

Yet another vital measure to judge quality of spending is the distinction between wage and non-wage components. While wages and salaries are critically important in social sectors, non-wage components such as drugs, equipment, and other essential interventions are required to keep the system functioning smoothly. It has been observed that there is a tendency among the states to cut back non-wage spending to cope with efforts to contain fiscal deficits.

4. WHERE DO THE HURDLES LIE?

Complexities around cost sharing mean that both Union and the State Governments consider the other responsible for under-utilisation or resource shortfalls.

Our analysis suggests that the major factors which constrain effective utilisation of funds under ICDS emanate from budgetary and institutional bottlenecks. These include:

4.1 COMPLEX COST AND RESPONSIBILITY SHARING ARRANGEMENTS

The cost sharing system between the Union Government and the State Governments is quite complex. While the former bears a significant proportion of the costs of the programme, State Governments are asked to contribute a certain mandated amount for some components.

For example, the Union Government funds all costs incurred towards training. However, states are asked to bear 50 per cent of the total expenses towards the Supplementary Nutrition Programme with the Union Government contributing the rest. In addition, the Union Government recommends that the states contribute additionally to the honorarium paid by it to the *Anganwadi* Worker and the helper, and also provide funds for weighing scales, utensils to promote hygienic eating habits under the Supplementary Nutrition Programme, and vehicles for supervising tribal projects. Given that both the Union Government and the State Governments contribute, it is entirely possible that each party considers the other responsible for under-utilisation or resource shortfalls.

Two, although the ICDS falls under the Ministry of Women and Child Development, funds for construction of *Anganwadi* Centres are drawn also from the Backward Region Grant Fund (BRGF), managed by the Ministry of *Panchayati Raj*[4] (MoPR). In addition, the Food Corporation of India (FCI) under the Ministry of Food is responsible for supplying food grains for the targeted group of under-6 children, pregnant and lactating mothers through a network of fair price shops. These grains then go to Self-Help Groups, and further on to the *Anganwadi* Worker at the *Anganwadi* Centres. These additional channels of funds and responsibility further create the possibility of the Union Government and states blaming other organizations (in this case the FCI or the MoPR) for not having met targets.

Three, and unlike some other social sector programmes, the fund flow for ICDS is channelled completely through the State Treasury. Since all the income and expenditure under the ICDS is routed through the state budget, the Directorate of Women and Child Development invites a rough estimate of annual financial requirements from Child Development Programme Offices based on guidelines provided by the Union Government. Every year by August, proposals for consolidated demand for funds from the Directorate are sent to the State Finance department for scrutiny. After detailed discussions, Ministers of both the departments (Finance and Women and Child Development) finalise the draft and send it to the State Cabinet. By the end of January, the process is complete and demands are presented in February in the Vidhan Sabha (state legislative assembly) for approval.

Once approved, money is sent by the Union Government through the Reserve Bank of India to the State Finance Division electronically to reach the Department of Women and Child Development. It is then transferred to the District Project Offices through the “e-Kosh” (online treasury information system of accounts and pensions) by paper allotment. The Treasury issues bank cheques to the District Project Offices and Child Development Programme Offices as per the activities and items of expenditure mentioned in the budget books.

4 The system of decentralised governance in India is also known, popularly, as the *Panchayati Raj*. Panchayat means an elected village assembly and Raj literally stands for governance. The system operates at three levels: village, block and district, each of which is empowered to look after its own affairs.

Not all states have the capacity (defined in terms of human resource and / or skills) to undertake this rigorous demand estimation exercise. Often times, therefore, they fall short of their estimated fund requirement and thus have to put resources out of their own budget.

Financial requirements submitted by states are not accompanied by any work plan on how they propose to undertake the intended activities.

4.2 DEFICIENCIES IN PLANNING

Unlike the National Rural Health Mission and *Sarva Shiksha Abhiyan*, there is no provision for preparation of an annual work plan and budget under the ICDS. In Lalitpur in Uttar Pradesh, for instance, CBGA found that while the District Project Office sends its annual financial requirements to the State Department of Women and Child Development, there is no accompanying work plan (or even a provision for preparing it) to carry out the intended activities.

Similarly in Chhattisgarh, the Union Government transfers funds in installments on the basis of the quarterly receipt of Statement of Expenditure from the State Government. The latter in turn invites demand for funds for different components of the programme from lower units of administration and consolidates it at the state level for provisioning in the state budget. However, as in the case of Uttar Pradesh, no work plan is required to be submitted. Thus any discrepancy in the annual work plan and budget, should it arise, **does not affect the fund flow process** under the ICDS. Also, while district level financial requirements to an extent reflect needs in the district as a whole, they do not reflect the suggestions of the ground level functionaries i.e. the *Anganwadi* Workers. In an ideal world, say to plan health related activities, both the *Anganwadi* Workers and the Auxiliary Nurse Midwives (ANMs) should be the ones undertaking the planning exercise, which is then aggregated at the block, district and finally state level. However, such *micro planning* is found to be absent. Instead, CBGA's fieldwork, both in Uttar Pradesh and in Chhattisgarh suggests that all the planning takes place at the district and the block level and is limited to those directly employed under the ICDS (Child Development Programme Officers and Supervisors) with no interaction with those from the Department of Health and Family Welfare.

4.3 BOTTLENECKS IN FINANCIAL REPORTING AND FUND UTILISATION

Several constraints relating to budgetary processes affect fund utilisation under the programme. To begin with, the ***capacity of the staff to report financial information*** is limited. Field observations from CBGA's study in Uttar Pradesh and a Performance Audit by the Accountant General of Uttar Pradesh reveal that District Project Offices, Child Development Programme Offices and *Anganwadi* Workers are insufficiently trained in financial management. Due to poor qualifications and low levels of awareness about accounting, the *Anganwadi* Workers are unable to take care of financial management of the programme. They are therefore usually dependent on the supervisor in this regard, owing to which financial reporting gets delayed at every stage of reporting in the district.

It is felt that inadequate staff and poor technical knowledge at the district, block and village levels are the reasons for this situation.

Financial expertise is necessary to minimise delays in the flow of funds. As normally assumed, fund delays are not so much from the Union Government to the State Governments as the former sends the money in four installments per year. Moreover, the state government is not dependent on the receipt of Union Government funds since annual funds for the programme are allocated and passed by the State Budget. Most of the delays actually occur during the last installment due to non-receipt of statements of expenditure from the state. This statement of expenditure is required at all levels – at the level of the state, the district, down to the *Anganwadi* Centre. In the absence of such statements say from the District Project office, the transfer of funds from the state to the former gets delayed, which stalls the entire process of funds reaching the *Anganwadi* Centre to provide cooked food under the Supplementary Nutrition Programme and the honoraria for *Anganwadi* Workers and Helpers. District offices on their part blame the *Anganwadi* Workers' inability to submit utilisation certificates for expenditure borne by them.

In Lalitpur for instance, CBGA researchers observed a two-month delay in the flow of funds from the state to the Child Development Programme Offices and *Anganwadi* Centres in 2007-08. In this regard, the process of the District Project Office submitting the allotment paper to the District Treasury to draw the money was identified as the bottleneck. There was a time lag of more than two months between receipt of allotment paper from the state, its submission to the District Treasury, withdrawal from the treasury and disbursal of cheques to the Child Development Programme Offices. The reason for the delay was attributed to the shortage of accounts staff at the District Project Office level. In some cases, cheques for the honoraria of *Anganwadi* Workers were released considerably late. For example, the honoraria for January onwards arrived in Jakhora and Barh blocks of Lalitpur only in July 2008. Furthermore, money for the Supplementary Nutrition Programme was not disbursed regularly, compelling the *Anganwadi* Workers to borrow or procure material from shopkeepers on credit.

Anganwadi Workers are saddled with multiple reporting requirements.

The second factor that constrains fund utilisation and adversely affects the programme's outcomes is the ***multiple reporting requirements*** imposed on ICDS staff. As almost the entire data pertaining to ICDS gets generated at the *Anganwadis*, a series of registers have to be maintained at the *Anganwadi* centres (Box 1). These registers have to be updated regularly by the *Anganwadi* Worker and the Supervisor has to ensure that the data is being properly entered. In addition, the data gathered from the registers has to be summarised by the *Anganwadi* Worker in a Monthly Progress Report (MPR) and sent periodically to the Child Development Project Officer (CDPO) / Assistant Child Development Project Officer (ACDPO) in charge of the ICDS Project, through the Supervisor. Besides, an Annual Progress Report (APR) also has to be sent by the *Anganwadi* Worker.

In addition to the regular updating of survey registers to ascertain the number of children in each house in the village, their age and weight and height, being the only barefoot functionary appointed for social services in the village, the *Anganwadi* Worker is also often saddled with the responsibility of undertaking other survey work (e.g. for the census).

Box 1: Multiple Reporting Requirements of *Anganwadi* Workers

1. *Anganwadi* Survey Register (includes birth information and weight and height measurement of children)
2. Supplementary Nutrition and Pre-School Education Register
3. Immunisation Register
4. Services for Pregnant and Lactating Mothers Register
5. Mortality Register
6. Daily Diary

The third factor that constrains effective fund utilisation is the ***inadequate monitoring*** of the programme. Since there are huge vacancies at the level of Chief District Project Officers and supervisors, there is a lot of work pressure on those present to supervise 40 or more *Anganwadi* Centres in some cases. The inability to monitor these centres has resulted in irregular timings of centres in many places. The non-availability of drivers and inadequate amounts being set aside for petrol are major obstacles in the process of monitoring of *Anganwadi* Centres. Community participation in the process of implementation is also found to be lacking, which has affected monitoring of the programme.

Fourth, ***coordination between line departments,*** especially between the *Anganwadi* Centres and the Health Department and *Panchayati Raj* Institutions is not found to be satisfactory. Auxiliary Nurse Midwives rarely visit the centres to conduct health checkups for children. Centres in interior areas are usually found to be non-functional. As a consequence, the mandatory visit by the ANMs to the *Anganwadi* Centres is irregular and at times does not take place at all. During CBGA researchers' fieldwork, they also came across many *Anganwadi* Workers who lived in towns and consequently did not come to the centre regularly.

Coordination with other departments including Health and *Panchayati Raj* is weak. This affects the *Anganwadi* Centre's ability to provide services, particularly referral and outreach services such as health.

The role of *Panchayati Raj* Institutions in supporting *Anganwadi* services is also found to be wanting in several respects. In terms of providing support to run the centres, *Anganwadi* Workers complain that these institutions are not very helpful. Representatives of the panchayats however feel that the ICDS programme does not fall under their jurisdiction. As per the guidelines on the role of *Panchayati Raj* Institutions at the district, block and *Gram Panchayat* level, there is no clear responsibility assigned to them for the ICDS. The local body's role is limited to when the *Anganwadi* Centre is constructed wherein the money for construction of the *Anganwadi* Centre is given to the *Panchayati Raj* Institutions after opening of a joint bank account of the *Gram Pradhan* (village chairperson) with the programme supervisor.

Fifth, in general CBGA found ***motivation levels*** *of Anganwadi Workers and Anganwadi* Helpers to be low. This was mostly on account of the low honoraria paid to them and the contractual nature of their employment. *Anganwadi* Workers were until recently provided Rs.1,500 per month as honorarium while the helper was paid around Rs. 750, in spite of their high work load. Only recently have the honoraria been revised upwards in the Union Budget 2011-12.

Sixth, there is a concern around ***low and unrealistic unit costs.*** With the prevalent unit costs for a majority of the components being low and unrealistic, it is difficult for implementing officials to effectively operate and spend money under the programme. That apart, due to the high rate of inflation, the unit costs for petrol, oil and lubricants (POL), material for early learning, and information, education and communication (IEC) also need to be upwardly revised.

Finally, CBGA's fieldwork revealed considerable ***deficiencies in the provision of services*** in many *Anganwadi* Centres. For example, the weighing machines did not work regularly, recreation material was not provided, the seating arrangements were not child-friendly, and toilet facilities were not available in most *Anganwadi* Centres. In Jakhora block of Lalitpur, few *Anganwadi* Centres were housed in independent buildings while the others were run in rented facilities. Most *Anganwadi* Centres, being located in interior regions, suffered from infrastructure and communication problems indicating a need for extra funds for construction of new buildings, and for the maintenance of the existing buildings.

There is a significant shortfall of supervisors across states, resulting in inadequate monitoring and considerable pressure on those in position to monitor as many as 40 *Anganwadi* Centres in some cases.

4.4. SYSTEMIC WEAKNESSES

Large-scale vacancies in Programme and Finance Management staff at the district and state levels also lead to ineffective implementation. This is a systemic weakness that hampers various activities including implementation, planning, monitoring, reporting, and training (Figures A1, A2, A3 and A4 in the annex). Comparing states, Chhattisgarh shows a significantly higher proportion of vacancies (compared to posts sanctioned) than Uttar Pradesh at all levels, but particularly at the level of the CDPOs and Supervisors. In fact, at the level of the *Anganwadi* Worker and helper, Uttar Pradesh does better than the all-India average when compared on the ratio of posts vacant to those sanctioned. But one can also conclude from the figures in the annex that given the size of Uttar Pradesh, staff strength (in the absolute) is considerably low.

Vacancies exist at all levels. Fieldwork conducted by CBGA researchers in 2006-07 found that about 32 out of 57 posts in the District Project Offices in Uttar Pradesh were vacant. Similarly, 336 out of 897 posts in the Child Development Programme Offices, 2,146 out of 6,059 posts for Supervisors and 4,508 out of 151,469 posts at the *Anganwadi* Centres were also found to be vacant.

There were also staff shortages at the district level in Lalitpur, Only 21 out of 39 posts for supervisors, 3 out of 70 posts for clerks, 3 out of 7 posts for Child Development Programme Officers, and 4 out of 7 positions for drivers were occupied, while the post of District Project Officer was filled only in late 2008 after lying vacant for a long period.

At the block level in Jakhora, there were 169 functional *Anganwadi* Centres with 169 *Anganwadi* Workers and Helpers. However, there were no Child Development Programme Officers working in the block, and only 3 of the 7 supervisor posts had been filled. As a result, the supervisors had to monitor more than 40 *Anganwadi* Centres, which on average took them at least three months to cover. The situation in Barh block was similar, with 1 out of 5 posts for supervisors filled. Besides the low strength of staff at the grassroots level, the capacity of the staff present was also inadequate.

While money is provided by the Union Government to impart training to all levels of staff, the state government is expected to conduct training for the staff working at various levels under the ICDS. At the time of appointment for instance, *Anganwadi* Workers are given induction training. However, training centres are located very far from the district headquarters and *Anganwadi* Centres. According to the Lalitpur District Project Officer, the duration (1 month) and quality of training given to *Anganwadi* Workers is poor and inadequate due to which the training period should be at least 3 months for those who join the programme and should be conducted at the block level only. Officials associated with the Integrated Child Development Services at the district and block levels were also of the view that the training programme needs to focus more on financial management of the programme, provision of health and education services, and convergence with other departments.

The non-availability of key implementing staff affects Chhattisgarh as well. At the time CBGA conducted its fieldwork in 2007-08, there were around 6,000 vacant posts for *Anganwadi* Workers in the state apart from those for Child Development Programme Officers, supervisors, clerk-cum-accountants and drivers at various project offices. It was learned during the study visits in Rajnandgaon that in some cases, the burden of record-keeping and informal education for the entire block fell on a single supervisor.

In Rajnandgaon district, the number of staff in the Child Development Programme Offices was found to be inadequate. Only 34 out of 70 supervisor posts, 3 out of 70 clerks, 5 out of 10 Child Development Programme Officers and 9 out of 10 drivers' posts were filled. Owing to lack of staff monitoring and preparation, the financial reporting of the programme suffered. The multi-tasking role played by *Anganwadi* Workers also hampered routine work at the *Anganwadi* Centres while the shortage of staff like supervisors and Child Development Programme Officers at the project level, created bottlenecks in implementation. There were also instances of staff recruitment being delayed due to non-framing of service rules.

Staff strength and capacity remains at the core of the discussion with regard to making the implementation of programmes like the ICDS more effective.

In Chhuria block of Rajnandgaon too, staff shortage was acute, with only 3 out of 9 supervisors, 193 out of 226 *Anganwadi* Workers and 189 out of 226 *Anganwadi* Helpers available. In some instances, the Child Development Programme Office, District Project Office and supervisor level transfers created problems in implementation and delayed activities. Excessive focus on food distribution also took away focus from other ICDS activities (like pre-school education and health). This can be illustrated with the example of Chhuria block of the district, where distribution of dry ration to beneficiaries every Tuesday took a long time; it was found that the *Anganwadi* Workers spent 4 to 5 days a month only for distributing rations. Further, they had to spend 2 days meeting the Child Development Programme Officers and 1 or 2 days on the immunisation programme every month. Given the massive workload of the *Anganwadi* Workers, the delivery of services under the programme was adversely affected. One measure suggested to address this problem was the distribution of dry rations twice a month instead of once every week.

In sum, a key indicator of the governance and implementation system (i.e. staff strength) remains at the core of the discussion with regard to making the implementation of programmes like the ICDS more effective. The long-standing demand of child rights activists and groups to move the child development intervention out of the ambit of a Plan scheme[5] notwithstanding, significant efforts are required for provision of adequate staff and for streamlining the service conditions of the programme.

5. CONCLUSIONS

Based on the above analysis, the following suggestions emerge:

Outlays for child development need to be increased. The priority for children as a constituency in the budgets at the level of the Union and state governments should be increased considerably. In this regard, the Union Government is in a better position to ensure that the problem of fund crunch faced by most of the economically weaker states is taken care of.

Recruitment of staff should be expedited in an effort to reduce some of the systemic weaknesses. A two-worker per *Anganwadi* Centre norm might be considered given the huge workload on *Anganwadi* Workers. Staff limitation stems from the fact that (a) the target groups for both

5 Plan scheme refers to expenditure incurred in a government programme / scheme under the ongoing Five Year Plan or the unfinished programmes / schemes of the previous Five Year Plans.

components are different with the nutrition component catering to under 3-years children and early childhood education to children between 3-6 years, and (b) the content and mode of implementation for both components are qualitatively very different (Gupta, 2007)[6]. The primary responsibility of one *Anganwadi* Worker therefore could be to take care of children under three years and pregnant and nursing mothers. The other worker could have the responsibility to ensure pre-school education for children in the 3-6 years age group and to provide supplementary food to them. Some states like Rajasthan and Chhattisgarh are now experimenting with a model whereby the Accredited Social Health Activist (ASHA) worker's duties are extended to serve as a second specialist *Anganwadi* worker (called the ASHA –Sahyogini in Rajasthan and the *Mitanin* in Chhattisgarh). In addition to being cost effective, this model obviates the need to search for yet another literate worker when there are already problems in finding properly educated workers in the rural setting. But for it to be sustainable in the long run, some additional costs would be involved nonetheless as the ASHA workers would need more than financial incentives as offered currently to take on additional work. To begin with, the two- worker model may be implemented only in those blocks / districts which are nutritionally and educationally most backward.

Going forward, it is critical that the programme strengthen both the numbers and capacity of ICDS staff at all levels, so quality of spending can be monitored regularly for improved outcomes.

Yet another model that could be adopted is the one used in Tamil Nadu, under the Tamil Nadu Integrated Nutrition Program (TINP). The latter used an approach that was different from the ICDS in regard to food supplementation. Rather than serving a meal at lunchtime, the program provided a supplement (a slightly sweetened snack) early in the morning. This suited children below the age of three – the most vulnerable nutritionally – as their mothers could leave them at the nutrition centres, which were open for a longer duration during the day, before they went to work. Despite the fact that the *Anganwadi* worker in TNIP worked for longer hours and was paid more, the strategy was still more effective – both in terms of cost and reducing malnutrition – as supplementary feeding was only provided to children whose growth was seen as faltering. In other words, rather than being seen as an entitlement, nutrition supplementation was seen as a temporary intervention designed to show mothers how they could prevent and treat malnourishment at home with small quantities of extra food.

Capacity of the implementing staff needs to be augmented in a regular and sustained manner. The regularity and quality of *Anganwadi* Worker and Helper training programmes should be improved. Training is also required for supervisors and Child Development Programme Officers to strengthen monitoring and supervision mechanisms for the programme. Given the substantial number of *Anganwadi* centres across the country (more than a million), it is surprising that until July 2010, only 514 *Anganwadi* Worker Training Centres were operational in India, despite sanctions for several more. This has resulted in a considerable training backlog. As a first step,

6 Gupta, D.B. 2007. Integrated Child Development Services Time and Work Study of *Anganwadi* Workers. Draft Report.

the training centres already sanctioned should be made operational and their capacity (in terms of trainers) should be augmented so they can keep up with the requirements of training an increasing *Anganwadi* workforce.

Spending on maintenance and regular upkeep of Anganwadi centres needs to be hiked. The *Anganwadi* Centre being the primary unit of service delivery is a necessary pre-condition for attaining outcomes. It should have its own independent *pucca*[7] building. Construction and maintenance grants could be made available for this purpose. A specific proportion of funds under the Integrated Child Development Services could be earmarked for construction, as in the case of the *Sarva Shiksha Abhiyan* where 30 per cent of the programme outlay is provided for civil works.

Unit costs need to be revised and made more realistic. Interactions with government officials associated with implementation of the programme during CBGA's field visits suggest that the existing unit costs for the Supplementary Nutrition Programme need revision. While the cost norms have been revised with effect from October 16, 2008 to Rs. 4.21 per beneficiary per day (from the earlier levels of Rs. 2.06 per beneficiary per day), these are still insufficient to meet nutritional standards given rising food prices. Also, these do not reflect issues, beyond food, that affect child development e.g. unit costs for educational kits, unit costs for training and costs towards maintenance and upkeep of AWCs.

Rules for the financial sanction of smaller amounts from the State Finance Department to the State Department of Women and Child Development either need to be scrapped or be made more flexible. After the programme has been sanctioned through the State Budget, ideally, an approval should not be required from the State Finance Department. The Department of Women and Child Development should be given more autonomy to spend the money in the programme as and when required, with financial powers decentralised instead of being vested only with the Finance Department.

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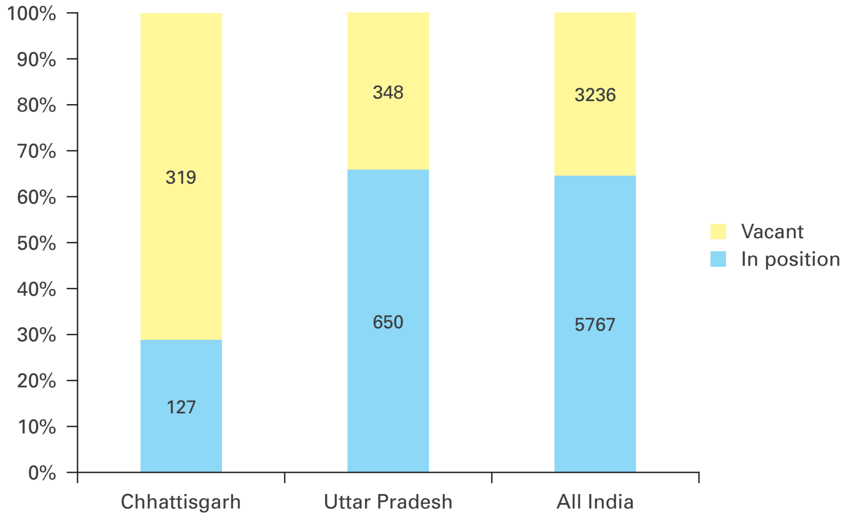
7 The word "pucca" derives from the Hindi word "pakka", literally meaning cooked. In this context, it means solid, concrete, permanent buildings typically made from bricks, stones, tiles, metal etc in contrast with the traditional "kutcha" homes made from mud, hay etc.

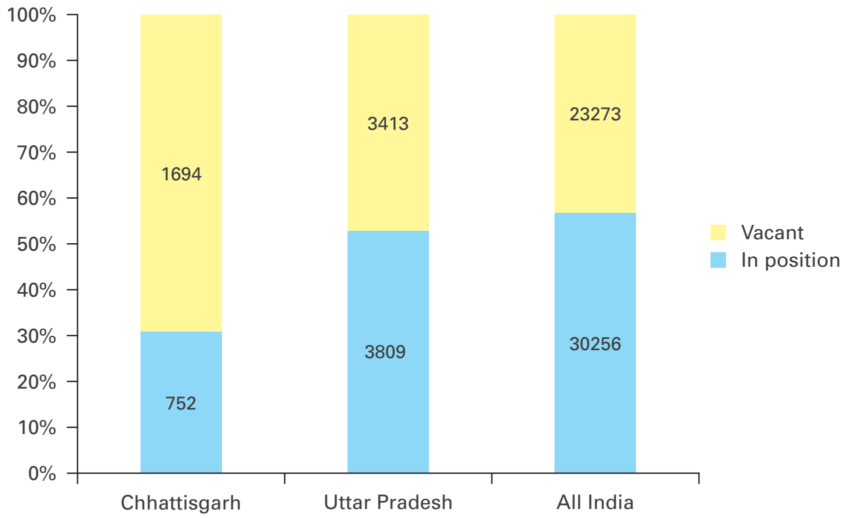
ANNEX

Figure A1: Status of Staff Vacancy at level of CDPOs / ACDPOs in ICDS in 2009



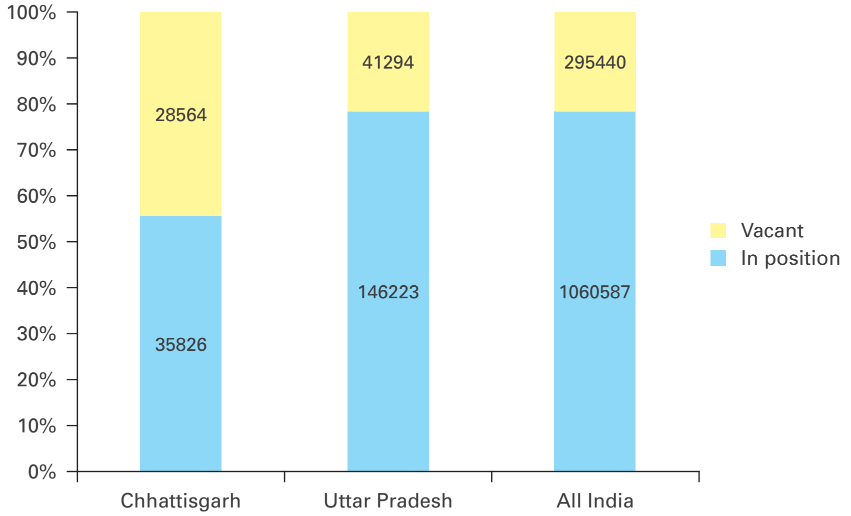
Source: Details of Number of Posts of CDPOs / ACDPOs Sanctioned, In-position and Vacant (as on 31.12.2009) from website of Ministry of Women and Child Development, accessible at www.wcd.nic.in. Last accessed August 9, 2011

Figure A2: Status of Staff Vacancy at level of Supervisors in ICDS in 2009



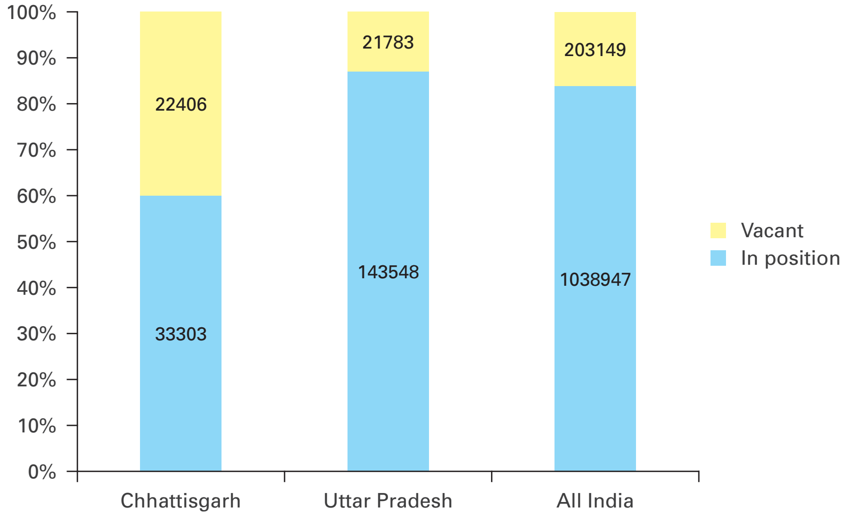
Source: Details of Number of Posts of Supervisors Sanctioned, In-position and Vacant (as on 31.12.2009) from website of Ministry of Women and Child Development, accessible at www.wcd.nic.in. Last accessed August 9, 2011

Figure A3: Status of Staff Vacancy at level of *Anganwadi* Workers in ICDS in 2009



Source: Details of Number of Posts of *Anganwadi* Workers Sanctioned, In-position and Vacant (as on 31.12.2009) from website of Ministry of Women and Child Development, accessible at www.wcd.nic.in. Last accessed August 9, 2011

Figure A4: Status of Staff Vacancy at level of *Anganwadi* Helpers in ICDS in 2009



Source: Details of Number of Posts of *Anganwadi* Helpers Sanctioned, In-position and Vacant (as on 31.12.2009) from website of Ministry of Women and Child Development, accessible at www.wcd.nic.in. Last accessed August 9, 2011

GLOSSARY

Acronyms

ACDPO	Assistant Child Development Project Officer
ANM	Auxiliary Nurse Midwives
APR	Annual Progress Report
ASHA	Accredited Social Health Activist
AWCs	*Anganwadi* Worker Centres
BE	Budget Estimates
BRGF	Backward Region Grant Fund
CBGA	Centre for Budget and Governance Accountability
CDPO	Child Development Project Officer
FCI	Food Corporation of India
FYP	Five Year Plan
ICDS	Integrated Child Development Services
IEC	Information, Education and Communication
MoPR	Ministry of *Panchayati Raj*
MPR	Monthly Progress Report
NFHS	National Family Health Survey
POL	Petrol, Oil and Lubricants
RE	Revised Estimates
TINP	Tamil Nadu Integrated Nutrition Program

Translations

Anganwadi : Community child care centre
Sarva Shiksha Abhiyan : Education for All Scheme

Key Terms

Actuals: The figures (of receipts and expenditure) for the previous fiscal year would be referred to as Actuals or Accounts.

Approved Budget: It is the total amount of funds approved by the Central Government as expenditure for the financial year.

Budget Estimates (BE): The estimates presented in this Budget for the approaching fiscal year would be called Budget Estimates (BE).

Central Sector Schemes (also known as Central Plan Schemes): The entire amount of funds for a Central Sector Scheme / Central Plan Scheme is provided by the Central Government from the Union Budget.

The State Government implements the Scheme, but it does not provide any funds for such a Scheme from its State Budget.

Centrally Sponsored Schemes (CSS): Government schemes wherein the Central Government provides a part of the funds and the State Government provides a matching grant. The ratio of contributions by the Centre and a State is pre-decided through negotiations between the two. CSS were formulated with monitorable targets at the central level with adequate provision of funds in the Union Budget under various Ministries. The objectives, strategy and methodology of implementation are prescribed and funds are released to the States based on their requirements. These schemes which were initially restricted to a few well defined activities, have multiplied to include considerable areas of activity performed by the State Governments. CSS came into being also due to the availability of external funding for social sector programmes which was earlier available only for economic activities of the Government.

CSS also introduced a new mechanism for fund transfer from the Centre to the States, by routing the funds outside the State Budget through autonomous societies. This was done to address the growing fund flow problems faced by States during the first half of the financial year, leading to untimely releases and delayed implementation.

Electronic Fund Transfer (EFT): The Electronic Fund Transfer system (or National Electronic Fund Transfer) was introduced by Reserve Bank of India in March 2004 through which electronic instructions can be given by banks to transfer funds. EFT allows for paperless direct debit and credit transactions by banks. Prior to this system, a pay order was sent followed by the cheque, which delayed the transfer of funds from one level of government to the other.

Funds Available: It includes the total approved budget for the financial year plus unspent balances with the State Government plus the interest earned on money parked in the bank account.

Funds Released: It is the total amount of funds that are released by the Central Government as expenditure for the financial year. Owing to the problem of poor fund utilisation, the total funds released are usually lower than the total budget approved for the financial year.

Gross Domestic Product (GDP): The Gross Domestic Product (GDP) of a country indicates the size of the country's economy. Usually, GDP of a country for any particular year is expressed as a comparison with its value for the previous year. For instance, if we read somewhere that the GDP in 2007-08 will grow by 5 per cent, what it means is the economy will be 5 per cent larger than what it was last year.

Non-Plan expenditure: Any expenditure of the government that does not fall under the category of Plan Expenditure is referred to as Non-Plan Expenditure. Sectors like Defence, Interest Payments, Pensions, Subsidies, Police, Audits etc. have only Non-plan Expenditure since these services are completely outside the purview of the Planning Commission; while sectors like Agriculture, Education, Health, Water & Sanitation etc. have both Plan and Non-plan Expenditure.

Net State Domestic Product (NSDP): Net State Domestic Product (NSDP) equals the Gross State Domestic Product (GSDP) minus depreciation on capital goods. GSDP refers to the size of the State's economy. NSDP is the most complete measure of productive activity within the borders of a State, though its accuracy suffers from the difficulty of measuring depreciation (or capital consumption allowance).

Plan Expenditure: Plan Expenditure is meant for financing the development schemes formulated under the given Five Year Plan or the unfinished tasks of the previous Plans. Once a programme or scheme pursued under a specific Plan completes its duration, the maintenance cost and future running expenditures on the assets created or staff recruited is not regarded as Plan Expenditure.

Public Expenditure: In the present set of outputs, the terms public expenditure and government expenditure are used interchangeably. Public expenditure is the amount of funds spent by the Government on provision of critical services and functions.

Revised Estimates (RE): The estimates presented in this Budget for the current / ongoing fiscal year based on the disbursements in the first two to three Quarters of the fiscal year would be called as Revised Estimates (RE).

Social Services: There are three kinds of government services / functions – economic, social and general. Government services / functions which usually lead to income generating activities for people and promote the expansion of economic activities in the country are called Economic Services. Social Services usually refer to the interventions by the Government which are expected to promote social development. Although better outcomes in the social sector, like better education and better health, also contribute towards economic development, this effect would be indirect and take more time to be realized. The term General is meant to distinguish these services from the other two kinds of services, i.e. Economic and Social. E.g. interest payments, repayment of debt, defence, law and order and pensions.

Social Sector: In the discourse on public policy in India, the terms Social Services and Social Sector are used interchangeably. In the present set of outputs, however, the term Social Sector refers to Reserve Bank of India's (RBI) definition of Social Sector. According to the RBI (in its document – State Finances: A Study of Budgets), Social Sector includes all Social Services, Rural Development, and Food Storage and Warehousing.

State Own Tax Revenue: Every State Government mobilises its Own Revenues from various sources. State Governments have been vested with the powers to levy certain types of taxes and duties, which include: Sales Tax (tax on intra-State sale of goods), State Excise (a duty on manufacture of alcohol), Stamp Duty (a duty on transfer of property), Land Revenue (a levy on land used for agricultural / non-agricultural purposes), Duty on Entertainment and Tax on Professions.

State Own Non-Tax Revenue: State Governments can also mobilise from Non-Tax Revenue. Interest receipts, Fees / User Charges, and Dividend & Profits from Government Enterprises together constitute the Non-Tax Revenue of the Government. For instance, if a State owns a hospital and levies user fees, the revenue accruing from the same would comprise part of the State's Own Non-Tax Revenue.

State Plan Schemes: There are three different kinds of Plan Schemes, which are implemented in any State, viz. State Plan Schemes, Central Sector Schemes and Centrally Sponsored Schemes. The funds for State Plan Schemes are provided only by the State Government, with no 'direct contribution' from the Centre. However, the Centre may provide, at the recommendation of Planning Commission, some assistance to the State Government for its State Plan schemes, which is known as 'Central Assistance for State & UT Plans'. Unlike the Centre's grants to a State under central schemes, the 'Central Assistance for State & UT Plans' cannot be tied to any conditionalities of the central government ministries.

Total Central Transfers: Total Central Transfers to State Governments include three components – Share of State in Central taxes, Loans from Centre and Grants from the Centre. Grants comprise of both Finance Commission-recommended grants as well as Planning Commission-recommended grants.

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