TOTAL SANITATION CAMPAIGN (TSC)

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.

For further information, please contact:
Social Policy, Planning, Monitoring and Evaluation (SPPME)
UNICEF India
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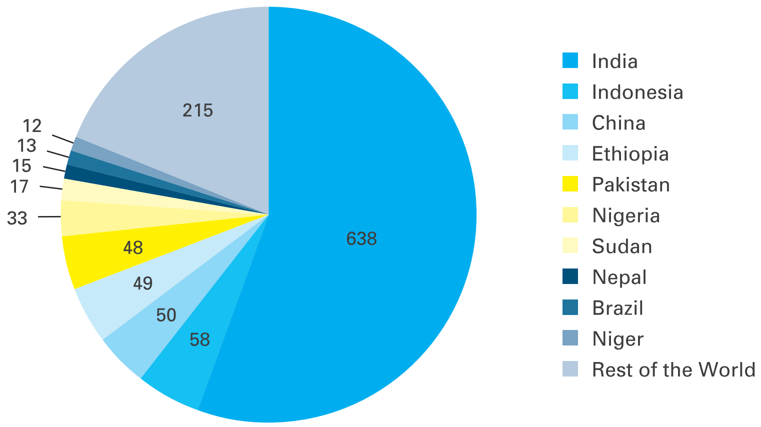
Note to readers:
Rs. 10 million is equivalent to Rs. 1 crore
Rs. 100,000 is equivalent to Rs. 1 lakh

1. BACKGROUND

58 per cent of 1.1 billion people that defecate in the open, worldwide, live in India.

The World Health Organisation finds inadequate sanitation to be a major cause of disease world-wide and improving sanitation as a tool to ensure a significant beneficial impact on health, both in households and across communities. Access to improved sanitation facilities also forms a key part of the United Nations Millennium Development Goals[1]. However, with half of the developing regions in the world without sanitation, the 2015 target appears to be out of reach. Nearly 1.1. billion people around the world practised open defecation in 2010. Figure 1 reveals that 81 per cent of these people were concentrated in ten countries; 58 per cent in India alone.

Figure 1: 81 per cent of 1.1 billion people that defecate in the open, worldwide, live in 10 countries; 58 per cent live in India alone (Population in Millions)



Source: Progress on Sanitation and Drinking Water, 2010 Update, WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation, 2010

Yet, the Millennium Development Goals Report (2010) observes that sanitation and drinking water are often relatively low priorities for domestic budget allocations and official development assistance, despite the benefits for public health, gender equity, poverty reduction and economic growth. And in many cases, interventions are not targeted to the populations most in need.

This summary report attempts to assess the magnitude of public spending on sanitation in India, specifically on the Total Sanitation Campaign (TSC), and the quality of spending with regard to the outputs and services delivered. The focus is on understanding the issues that constrain fund utilisation in the Campaign, right from the Union Government to the State Government level, and further down to the district, block, village and the primary unit of service delivery (in this case an individual household, a primary school, or an *Anganwadi* Centre[2]). The summary report builds on secondary data and primary evidence gathered by the Centre for Budget and

1 Target 7c under Goal 7 of the Millennium Development Goals that focuses on ensuring environmental sustainability proposes to halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.

2 An *Anganwadi* Centre is a pre-school unit or a community child development centre operated at the level of a village for maternal care and care of children below 6 years of age.

Governance Accountability (CBGA) in two states – Uttar Pradesh and Chhattisgarh, in particular from Barh and Jakhora blocks in Lalitpur district of Uttar Pradesh, and Chhuria and Dongargaon blocks in Rajnandgaon district of Chhattisgarh. However, findings from the two states regarding the functioning of the Campaign are taken as case studies, with the recognition that these cannot be generalized to all of India.

2. ABOUT THE TOTAL SANITATION CAMPAIGN

The Total Sanitation Campaign aims to accelerate sanitation coverage in rural India through access to toilets to all by 2012.

The Government of India launched the Central Rural Sanitation Programme in 1986 with the objective of accelerating sanitation coverage in rural areas. It was restructured in 1999, exhibiting a paradigm shift in the approach, and the Total Sanitation Campaign (TSC) was introduced. Implemented by the Ministry of Rural Development, Government of India, the TSC aims to:

a. Improve the general quality of life in rural areas;
b. Accelerate sanitation coverage in rural areas through access to toilets to all by 2012;
c. Motivate communities and *Panchayati Raj*[3] Institutions through awareness creation and health education;
d. Cover schools and *Anganwadis* in rural areas with sanitation facilities by March 2012, and promote hygiene education and sanitary habits among students;
e. Encourage cost effective and appropriate technologies for ecologically safe and sustainable sanitation; and
f. Develop community managed environmental sanitation systems focusing on solid and liquid waste management.

In sum, the broader goal of the TSC is to eradicate the practice of open defecation. In terms of expenditure, funding is released for the following components (more details in Annex 1):

a. Start-Up Activities such as assessment of needs and preparation of plans
b. Information, Education and Communication (IEC) activities
c. Rural Sanitary Marts and Production Centres
d. Provision of Revolving Fund in the District
e. Construction of Individual Household Latrines (IHHL)
f. Construction of Community Sanitary Complexes
g. Construction of Institutional Toilets
    - School Toilets
    - *Anganwadi/Balwadi*[4] Toilets
h. Ecological Sanitation
i. Solid and Liquid Waste Management
j. Administrative Charges

To better understand the concerns with regard to the implementation of the programme, it is useful to identify the principal actors involved. As per the 73rd Amendment Act, 1992 – through which powers and responsibilities were devolved to the *Panchayati Raj* Institutions –

3 The system of decentralized 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.

4 A *Balwadi* is a nursery or pre-primary school, run on a door-step model in villages and backward areas of cities in India. The word "bal", used in several Indian languages, means child and the concept of *Balwadi* schools is somewhat similar to the government-sponsored *Anganwadi* for mother and child care.

sanitation is included in the 11th Schedule of the Constitution and is the responsibility of the *Panchayats*. At the district level, the *Zilla Panchayat* implements the project. Similarly, at the block and village levels, the *Panchayat Samiti* and *Gram Panchayat*[5] are involved in implementation of the Total Sanitation Campaign. *Gram Panchayats* play a pivotal role in implementation along with Non-Governmental Organisations (NGOs) to mobilise people for construction of toilets and maintenance of a clean environment by way of safe disposal of waste. They also have the primary responsibility to operate and maintain common facilities constructed. *Panchayats* can contribute from their own resources for school and *Anganwadi* Centre's sanitation facilities, apart from opening and operating the Production Centres and Rural Sanitary Marts.

Non-Governmental Organizations primarily undertake Information, Education and Communication activities as well as help in setting up Production Centres or Rural Sanitary Marts. Their services are required not only for bringing about awareness among the rural people on the need for sanitation but also for ensuring that people actually make use of the sanitation facilities. NGOs can also open and operate Production Centres and Rural Sanitary Marts on the condition that they only undertake sanitation related activities and do not branch out into other sectors like education or health.

Budgetary priority given to sanitation is inadequate in India: in 2010-11, the Union Government's allocations for TSC were about Rs. 34 per annum per person defecating in the open.

Expenditure incurred under the TSC is shared between the Union Government, State Governments and beneficiaries in different ratios. For instance, while startup activities are funded completely by the Union Government, IEC funds are shared between the Union Government and State Governments in an 80:20 ratio. For the construction of toilets in households, schools and *Anganwadi* centres, beneficiaries also have to contribute a predetermined percentage of the costs incurred.

An analysis of the spending patterns under the TSC reflects three broad concerns: inadequate funds for the programme; states' inability to draw more funds because of low utilisation levels in the past; and poor quality of utilisation.

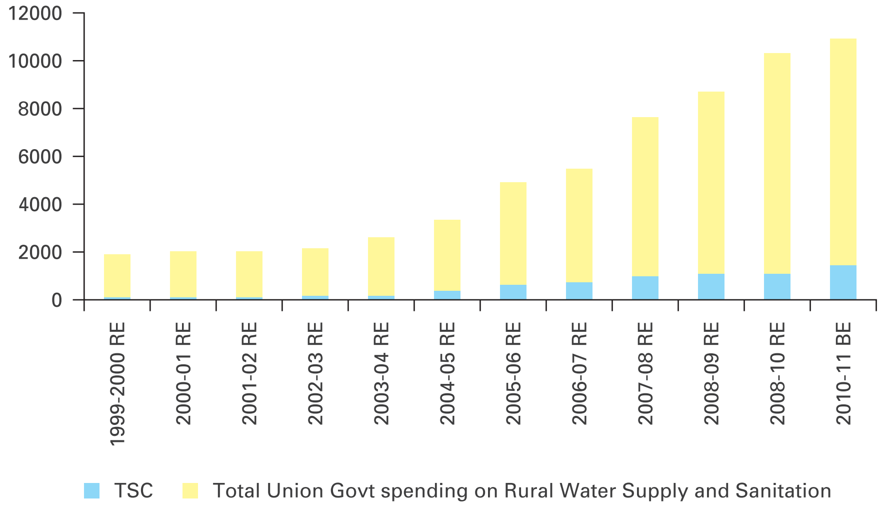
3. EXTENT AND QUALITY OF SPENDING

3.1 INADEQUATE FUNDS FOR THE PROGRAMME

In a situation where rural sanitation coverage is pegged at around 31 per cent (as estimated by the Joint Monitoring Programme for Water Supply and Sanitation in 2009), it is critical for the government to focus on this sector through increased outlays. In 2010-11, fund releases for the programme (including contributions from the Union Government, State Governments and beneficiaries) totaled to about Rs. 2170 crore. However, considering that about 640 million people in India defecate in the open (Figure 1), this worked to an allocation of only Rs. 34 (or about 70 cents per annum) to reach such people.

5 The *Gram Panchayat* is the lowest tier (at the village level) of self-governance under the *Panchayati Raj* Institution system, introduced with the 73rd Constitutional Amendment Act, 1992. For details, visit www.rural.nic.in.

Figure 2: Low priority accorded to the Total Sanitation Campaign in total Union Government Spending on Rural Water Supply and Sanitation (in Rs. Crore) (1999-2000 to 2010-11)



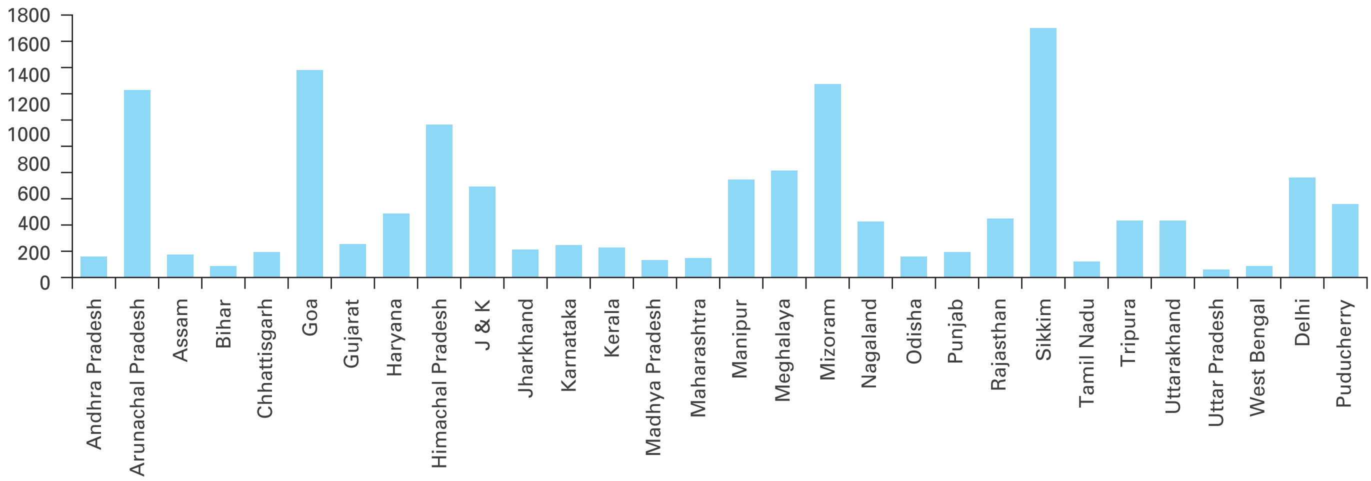
Source: Expenditure Budget Volume II, Union Budget documents, various years

Figure 2 indicates that the priority for the Total Sanitation Campaign (measured as its share in total Union Government spending for Rural Water Supply and Sanitation) is inadequate.

Annual per capita spending on rural water supply and sanitation varies, considerably, across states.

Another indicator through which the level of spending can be judged is per capita spending. The per capita public spending on rural water supply and sanitation in our two focus states, Uttar Pradesh and Chhattisgarh, was also very low. Averaging the annual per capita spending on rural water supply and sanitation for four years from 2005-06 to 2008-09, Chhattisgarh has been spending Rs.174 while the amount for Uttar Pradesh is even lower at Rs.54. This indicates a gap in the budgetary outlays of Chhattisgarh and Uttar Pradesh when seen in light of the much higher average per capita spending of other states (Figure 3).

Figure 3: Annual per capita spending (from the State Budgets) on rural water supply and sanitation in Uttar Pradesh and Chhattisgarh is lower than in other states (Amount in Rs.)



Source: State Finances: A Study of Budgets, Reserve Bank of India, various years.

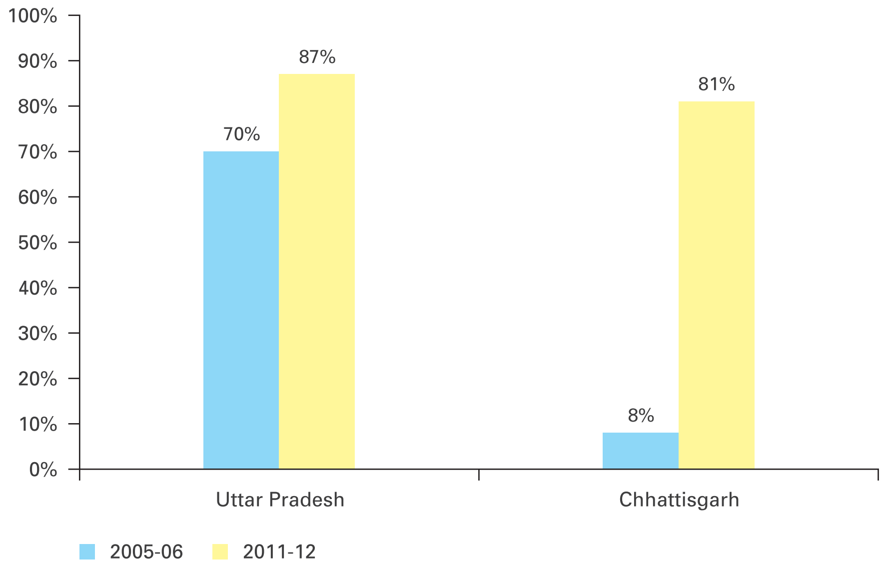
Spending capacity influences future allocations; states that are able to spend more also benefit from increased budgets for the TSC in the next project implementation period.

3.2 STATES' INABILITY TO DRAW MORE FUNDS BECAUSE OF LOW UTILISATION LEVELS IN THE PAST

Expenditures on TSC have steadily improved. In FY 2005-06, about 60 per cent of funds released (including funds released by the Union Government, State Governments and those contributed by beneficiaries themselves) were spent at an all India level. This increased to 83 per cent in FY 2010-11. But when considered as a proportion of the total budget approved for the programme since its launch (i.e. total sum kept aside for TSC from 1999-2000 up until July 2011), utilisation shrinks to 49 per cent. In other words, only half of the outlay ever approved for the programme has been utilised over its 12-year duration. Fund utilisation when seen as a proportion of the approved budget is critical as the amount that remains unspent gets carried over to the next financial year and therefore determines the budget that is approved for the next project period. Thus, **the higher the level of under-utilisation of funds, the lower would be the budget allocated for the next project implementation period**.

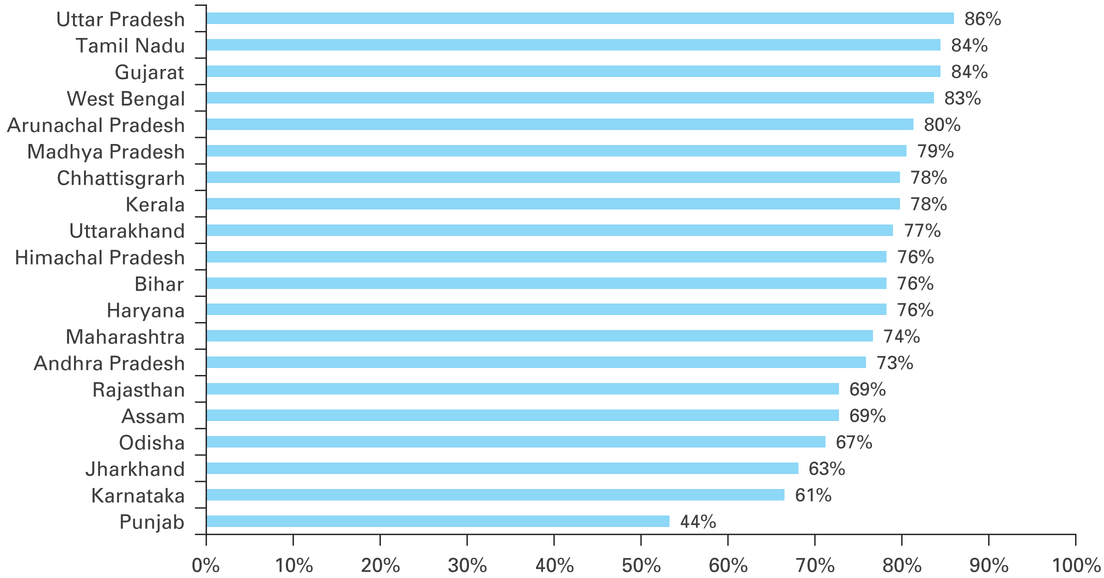
Looking at our two states, in Uttar Pradesh, about 70 per cent of the funds released were utilised in 2005-06, which improved to 87 per cent in 2011-12 (Figure 4). In Chhattisgarh however the problem has been one of poor release from the Union Government – most districts do not opt for second installments, because of poor utilisation levels in the previous fiscal. Even so, utilisation levels have shown considerable improvement in the state (see Figure 4). Also, if one looks at total expenditure as a percentage of release over the entire duration of the programme (1999 to July 2011), then Chhattisgarh fares better than states like Jharkhand, Karnataka and Punjab, which have utilisation levels of 63 per cent, 61 per cent and 44 per cent respectively (Figure 5).

Figure 4: Fund Utilisation (as a percentage of release) in TSC: Improvements registered both in Uttar Pradesh and Chhattisgarh



Source: http://tsc.gov.in/Report/Financial/RptStateLevelFinyrwise.aspx (Accessed on September 6, 2011)

Figure 5: Fund Utilisation (as a percentage of release) over the entire duration of TSC: Uttar Pradesh and Chhattisgarh fare better than states like Kerala and Karnataka



Source: http://tsc.gov.in/Report/Financial/RptFinancialProgressStatewiseDistrictwise.aspx (Accessed on July 19, 2011)

3.3 POOR QUALITY OF UTILISATION

But does more money spent mean better outcomes? The quality of utilisation can be assessed from the following parameters:

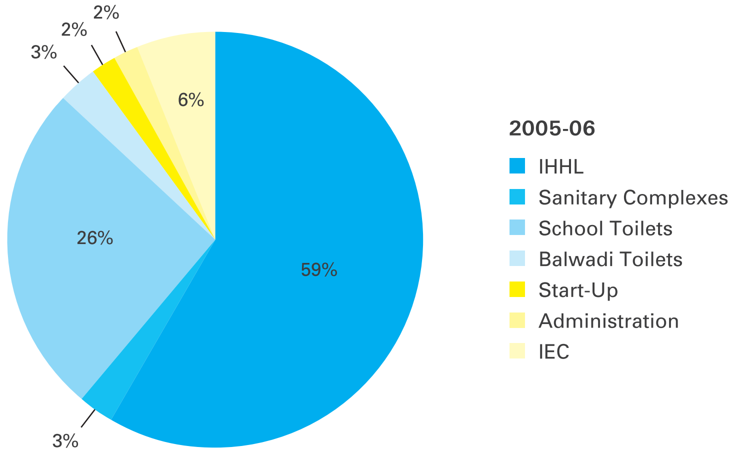
i. Spending across components

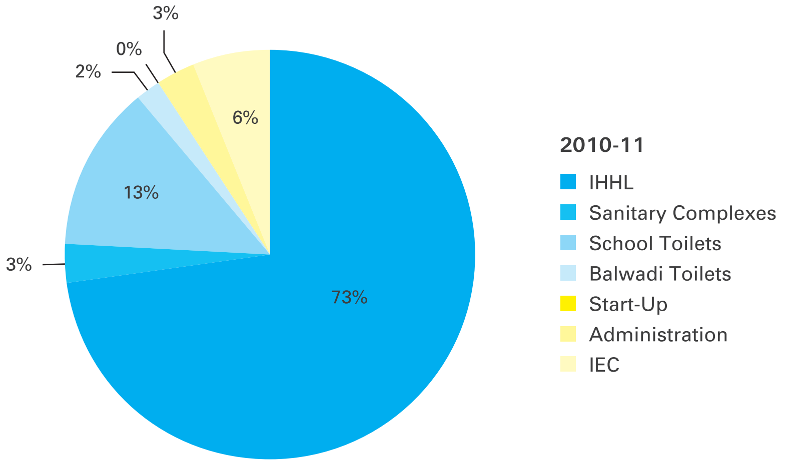
In the case of the Total Sanitation Campaign, spending is skewed in favour of components that involve construction, such as construction of Individual Household Latrines, School Toilets, *Balwadi* Toilets, while spending on other components, (e.g. spending on start-up and Information and Education and Communication activities) is considerably low. Worse, this pattern has become more skewed over the years, with more money being spent on funding household toilets (Figure 6). Chhattisgarh does better than Uttar Pradesh in spending on other activities – about 19 per cent of its total expenditure on TSC in FY2010-11 went towards IEC activities. In contrast, only 10 per cent of the total money spent on TSC in Uttar Pradesh in FY2010-11 went towards IEC activities. This reflects a tendency among states to cut back on such spending to cope with efforts to contain construction costs and accompanying deficits. This despite the fact that in a sector like sanitation, households need to be motivated to keep good hygiene, make toilets, and not defecate in the open.

Despite the relatively high spending on construction, unpacking expenditures against approved budget heads reveals that only about half the of funds set aside by the Union Government, State Government and beneficiaries together for construction of household, school, *balwadi* toilets and sanitary complexes had been spent

More than 90 per cent of TSC funds are spent on construction of toilets; leaving little room for funding activities like awareness campaigns around hygiene.

Figure 6: More than 90 per cent of TSC funds are spent on construction; leaving little room for funding activities like IEC





Source: http://tsc.gov.in/Report/Financial/RptQueryStateWiseFinancialExpenditure.aspx (Accessed July 24, 2011)

The imbalance in spending arises from the stage of planning itself, with about 90 per cent of the approved budget in Project Implementation Plans (PIPs) being set aside for construction alone.

over the entire duration of the programme[6]. Still, it was higher than the expenditures incurred on IEC activities. From the start of the programme and until October 8, 2011, only about 30 per cent of funds set aside both by the Union and State Governments for IEC activities had been spent. There is of course state level variation with some states like Himachal Pradesh spending nearly 80 per cent of funds ever approved for IEC, while some like Punjab recording mere 2 per cent spending.

This imbalance between construction and other spending arises from the stage of planning itself. CBGA's analysis of budgets approved for TSC at the district level in Lalitpur, Uttar Pradesh, revealed that nearly 90 per cent of the approved budget (as per the Project Implementation Plan (PIP) in 2008) had been allocated for construction, leaving only 10 per cent for activities like administration and IEC. This imbalance in budget then reflects in spending patterns. Between 2003-04 and 2007-08, total construction-related expenditure accounted for nearly 97 per cent of the total TSC expenditure in Lalitpur **(Table 1).**

6 Source: http://tsc.gov.in/Report/Financial/RptQueryStateWiseFinancialExpenditure.aspx (Accessed on October 8, 2011).

Table 1: Component-wise Expenditure of TSC Budget in Lalitpur – As per information received up-to March 2008 (Rupees in Lakhs) (2003-04 to 2007-08)

TSC Components	2003-04	2004-05	2005-06	2006-07	2007-08	Total Expenditure	% of Total Expenditure
IHHL	35.6	35.8	78.4	365.7	193.4	708.9	77.8
School toilets	5.8	13.1	6.6	72.4	66.2	164.1	18.0
Balwadi toilets	0.0	0.0	1.4	8.0	0.0	9.5	1.0
Total Expenditure on Construction	0.0	48.9	86.4	446.1	259.6	882.5	96.9
IEC	41.5	0.3	3.4	0.6	1.0	11.4	1.3
Administration	6.1	1.3	1.3	1.8	3.7	11.4	1.3
Start-Up	3.3	2.5	0.1	0.0	0.0	5.9	0.6
Total Expenditure on Other Components	3.3	4.1	4.8	2.4	4.6	28.7	3.2
Total Expenditure	**12.8**	**53.0**	**91.2**	**448.5**	**264.2**	**911.2**	**100.0**

Source: http://ddws.nic.in/TSC/crsp/rep_compofinexp_distfinyrwise.asp (Accessed on 13-Jan-2009)

Despite a focus on construction related activities, most states are found wanting on meeting their physical targets of constructing latrines.

The component-wise expenditure in Rajnandgaon district (Chhattisgarh) was similarly skewed (though not as much as Lalitpur) towards construction both in terms of the approved budget as well as expenditure. According to the approved Total Sanitation Campaign budget for Rajnandgaon (based on the Project Implementation Plan in 2008), 78 per cent of the approved share was allocated for construction of toilets (in households, schools and *balwadis*) and construction of rural sanitary marts. The remaining 22 per cent was allocated for start-up, administration and IEC activities **(Table 2).** This initial imbalance in the approved amount found reflection in the pattern of expenditure as well.

Yet, and despite a focus on construction related activities, most states (with the exception of Kerala, Sikkim[7] and Himachal Pradesh) are found wanting on meeting their physical targets of constructing latrines for Below

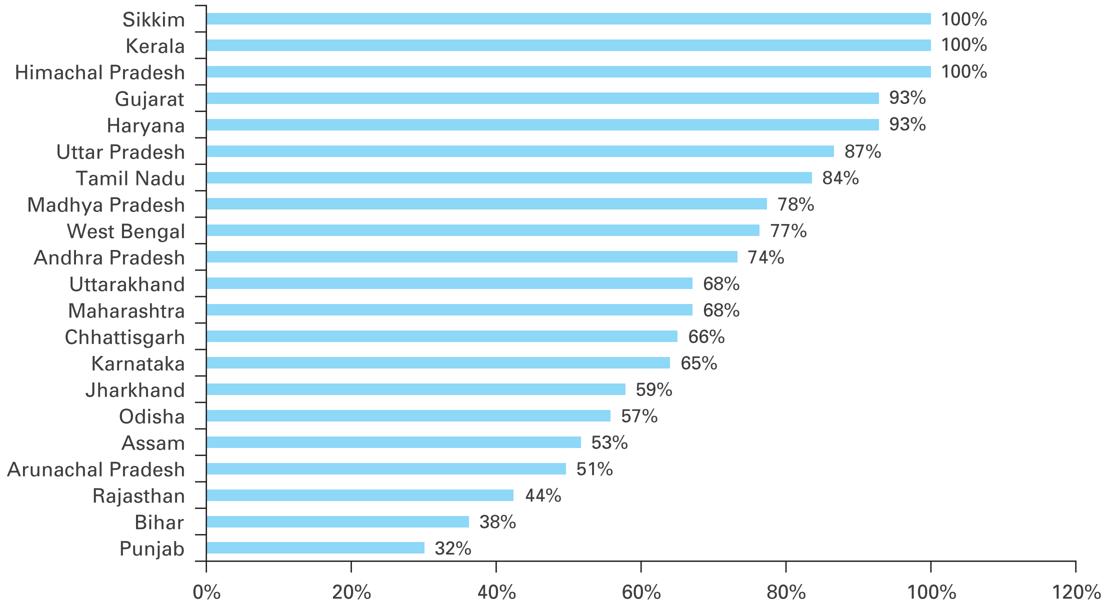
Table 2: Component-wise Expenditure of TSC Budget in Rajnandgaon*
As per information received up-to May 2008 (Rupees in Lakhs)

TSC Budgetary components	Approved Project	% Approved Share	Total Expenditure	% of Total Expenditure
Construction of toilets and rural sanitary marts	1412.3	78.0	686.1	89.0
IEC, administration and start-up	401.4	22.0	88.0	11.0
Total TSC Budget (Union+State Government)*	1813.8	100.0	774.1	100.0

Note: *Rajnandgaon TSC Budget excludes the Beneficiary share.
Source: Programme Implementation Plan 2006 & Monthly Progress Report upto May 2008, Rajnandgaon District, Chhattisgarh.

7 Sikkim was declared open defecation free in 2008; the first state in India to achieve this status.

Figure 7: Kerala, Sikkim and Himachal Pradesh met their targets for constructing toilets for BPL households; Uttar Pradesh and Chhattisgarh lagged behind, despite higher utilisation (all figures as a percentage of physical target achieved for the entire duration of TSC)



Source: http://tsc.gov.in/Report/Physical/RptStateWisePerAch_OnlyTSC.aspx (Accessed July 26, 2011)

Poverty Line (BPL) households (Figure 7). Uttar Pradesh fares better than Chhattisgarh in terms of meetings its targets – a gap that reflects at the district level too (see Tables 3a and 3b). But even so, the actual outcomes are not commensurate with the high utilisation of funds in Uttar Pradesh, which has more than exhausted all the funds approved for the construction of such toilets since the start of the campaign. In comparison, Himachal Pradesh utilised only 31 per cent of the funds approved for this component, yet managed to achieve its target of constructing toilets for BPL households.

Table 3a: Sanitation Position in Lalitpur District

	Baseline Survey Data 2004*				TSC Information Received till December 10, 2010**		
Sanitation Units	**With Toilets**	**Without Toilets**	**Total Units**	**% Coverage**	**Project Objectives**	**Project Performance**	**% Performance**
Above Poverty Line (APL) Households	4018	47239	51257	7.84	47239	31593	67
Below Poverty Line (BPL) Households	16866	84687	101553	16.61	90107	70169	78
Total (APL+BPL) Households	20884	131926	152810	13.67	137346	101762	74
***Anganwadi* Centres (Government+Private)**	499	67	566	88.16	568	568	100
Schools (Government+Private)	1298	70	1368	95	2468	3468	100

** Information updated till December 2010, Source: ddws.nic.in

Source: *Baseline Survey Report, 2004, District Lalitpur, Uttar Pradesh and District Rajnandgaon, Chhattisgarh.

Table 3b: Sanitation Status of Rajnandgaon District

	Baseline Survey Data 2004*				TSC Information Received till December 10, 2010**		
Sanitation Units	With Toilets	Without Toilets	Total Units	% Coverage	Project Objectives	Project Performance	% Performance
APL Households	10112	103204	113316	9	117846	65402	55
BPL Households	4904	74646	79550	6	89706	59019	65
Total (APL+BPL) Households	15016	177850	192866	8	207552	124421	60
Balwadi Centres (Government+ Private)	15	1075	1090	1	619	619	100
Schools (Government+ Private)	315	2171	2486	13	5285	2528	48

** Information updated till December 2010, Source: ddws.nic.in

Source: * Baseline Survey Report, 2004, District Lalitpur, Uttar Pradesh and District Rajnandgaon, Chhattisgarh.

ii. Spending across financial quarters in a year

Another useful indicator to assess the quality of spending is to see whether funds are being spent all through the year or at the end of the fiscal though in the case of the Total Sanitation Campaign, it might not be the most useful. This is because the Campaign budget is spread over five years. It would be more relevant to examine the fund flow from the Union Government to the district and further down to the sub-district levels.

There is considerable delay in the release of the Union Government funds in most instances.

CBGA undertook a fund flow analysis to trace the number of days one installment from the Union Government takes to reach the state of Chhattisgarh, down to Chhuria and Dongargaon blocks of Rajnandgaon district. They found that there is considerable delay in the release of the Union Government's share in most instances. To cite an example of the extent of delay, while the first part of the installment was released on 24/03/2003, the second part was released after two years and two months (on 08/06/2005), and the last part on 10/07/2007 (after another two years). Moreover, the initial cheques to Dongargaon block for construction of Individual Household Latrines were issued after 14 months of the release of the first installment and the cheques for Chhuria block were issued 17 months later. In another example, although a Project Implementation Plan was sent to the National Scheme Sanctioning Committee through the Public Health Engineering Department, Chhattisgarh, on 11/12/2006 (and was approved by the 35th Round of the National Scheme Sanctioning Committee on 20/01/2007), the Union Government's share was released after 180 days (10/07/2007).

4. WHERE DO THE HURDLES LIE?

Our analysis suggests that the major factors that constrain utilisation of funds under TSC emanate from budgetary and institutional bottlenecks.

4.1 DEFICIENCIES IN PLANNING

At the district level, the true spirit of decentralised planning continues to be more of a theoretical construct owing to multiple plans being formulated and implemented. Instead of several plans being made, a district plan that includes all the interventions would be more holistic and would provide the implementing officials at the district level the requisite ease to effectively see through the programme.

Related to this is the problem of low community involvement. Since panchayat level functionaries are also responsible for the overall implementation of other programmes at the district level, such as the Mahatma Gandhi National Rural Employment Guarantee Scheme and the *Ambedkar Gram Yojana*, a sense of ownership is absent among the staff with regard to the Total Sanitation Campaign.

To illustrate this, in Lalitpur in Uttar Pradesh for instance, the District Water and Sanitation Mission and District *Panchayati Raj* Office (DPRO) play a significant role in preparing the plan. However, the Project Implementation Plan does not reflect the local demands emerging from the block and *Gram Panchayat* levels. No workshops are conducted at the district level for preparation of or revision of the existing plan. On the other hand, the plan preparation is either the handiwork of the District Planning Committee or a restructured version of an existing Project Implementation Plan. Data used are also usually outdated – either based on the 2001 census or a baseline survey data conducted by the District *Panchayati Raj* Office for initial project preparation, with no updates to assess the current status of sanitation.

Officials planning also face capacity constraints. There is lack of capacity at the state level to train district and sub-district level officials. Consequently, the task of translating physical interventions into financial requirements continues to be done mechanically at lower (read sub-district) levels. Higher levels in turn lack the capacity to appraise plans submitted by the lower levels. Yet, there is not much effort undertaken to build capacity. For example, even though there was a proposal to set up a Communication and Capacity Development Unit in Lucknow (Uttar Pradesh)[8] in 2008, it was yet to have started operations at the time CBGA conducted fieldwork. Thus there was no facility for capacity building and training of district and sub-district level officials at the state level in Uttar Pradesh. The Union Government, on the hand, had such a unit under the aegis of the Ministry of Rural Development, but here too there was

8 Lucknow is the capital city of Uttar Pradesh.

no representation of the *Panchayati Raj* Department – the key unit involved in implementation of the programme.

The amount of time and effort required for carrying out bottom-up planning of sanitation facilities is not adequately provided for.

Added to this is the constraint of time. The amount of time and effort required for carrying out bottom-up planning is not adequately provided for, owing to excessive workload and non-availability of crucial staff like Finance Officer and Data Officers. In any financial year, the period during which planning for the next financial year is done, i.e., the last two quarters, is very hectic as most of the programme implementation activities are also simultaneously taking place around that time.

4.2 BOTTLENECKS IN BUDGETARY PROCESSES

Several hurdles relating to the existing budgetary processes under the Total Sanitation Campaign impede fund utilisation. A delay in fund transfer from the Union Government to the State governments down to the district level is a major factor that constrains utilisation of available funds. A time motion analysis of the fund flow in Lalitpur, Uttar Pradesh, reveals that, from the time the funds are approved to when they are received in the bank account, money remains in transit for considerable periods of time (ranging between 15 to 428 days) (see Annex 2). To compound the delays in fund transfers, the amounts are transferred in small and numerous installments. The involvement of multiple line departments, and hence, numerous windows, also causes delay.

Observations gathered from the Total Sanitation Campaign officials in Lucknow and Lalitpur, Uttar Pradesh, ascertain that delays in the release of the Union Government share are due to long checklists attached as a condition for release of impending installments such as submission of audit report, utilisation certificate, baseline survey findings and review mission report (if any). Moreover, there is lack of clarity in procedures and guidelines – most of the Union Government guidelines are in English and are written in a cumbersome style, making it difficult for implementing officials to understand. Inadequate delegation of financial powers is another vital gap. All of these factors together lead to delays in fulfilling reporting requirements and consequent delay in release of funds from the Union Government.

Lack of clarity in procedures and guidelines issued by the Union Government leads to delays on the part of State Governments to fulfil their reporting requirements and draw upon funds.

Similar evidence emerges from Rajnandgaon in Chhattisgarh, although here the problem underlying delayed fund transfer is lack of coordination between the *Panchayati Raj* department and Public Health Engineering Department. As the Public Health Engineering Department does not have a functionary at the *Gram Panchayat* level, the money for Individual Household Latrines and school toilets is released through the Chief Executive Officer (CEO), *Zilla Panchayat*, and Basic Education Officer, at the block level, thus creating problems of coordination between these departments. The programme design needs to provide for stronger and more effective coordination.

4.3 SYSTEMIC WEAKNESSES

A major reason for poor sanitation services is staff shortage in the states. Large-scale vacancies in Programme and Finance Management staff at the district and state levels lead to ineffective implementation. Of the seven sanctioned posts at the State Programme Management Unit, only four had been filled in Chhattisgarh at the time of CBGA's fieldwork. Of the 16 districts in the state, four did not have any district programme manager while in six districts there were no accounts or data officers. However vacancies reflect only a part of the problem. Posts are usually sanctioned only for the state level and at the most, the district level, while what the programme needs are frontline staff, akin to the *Anganwadi* workers in each village. While some states are trying to put in place block level staff, these too are insufficient.

Lack of proper staff at all levels hampers various activities including implementation, planning, monitoring, reporting and training. Several instances could be found where lack of proper staff had affected implementation. For example, the Communication and Capacity Development Unit based in Raipur (Chhattisgarh)[9] had a Director with a support staff of only one stenographer, one peon, one data entry operator and two externally appointed contract staff to look after IEC activities for the entire state of Chhattisgarh. Similarly, at the district level in Rajnandagaon district, Chhattisgarh, no post had been filled in the Total Sanitation Campaign Cell since 2004 up until the time CBGA undertook fieldwork in 2008. All the staff involved in programme implementation were from the Public Health Engineering Department or on deputation. The officer in charge of the Total Sanitation Campaign in the district in 2008 was also on deputation from a Block Resource Centre.

5. CONCLUSIONS

Social sector spending remains a critical area in which to ensure that government priorities are guided by principles of equitable access to resources and services for all. The planning process is the first step to bringing about changes in the implementation of government programmes catering to providing access to basic rural water supply and sanitation to everyone. In this regard, it is necessary to decentralise the planning process to ensure that the plans are reflective of ground realities.

Another critical aspect relates to the budgetary processes. Streamlining fund flow channels to ensure that fund transfers are efficiently managed, with special attention to reducing the hurdles in budgetary transfers, would be a significant step. While programme specific interventions (e.g. construction of toilets) are useful to

9 Raipur is the capital city of Chhattisgarh.

With the availability of homestead land for toilets proving to be a challenge, more funds are needed for awareness campaigns and construction and more importantly, the maintenance of community toilets.

address critical gaps, it is necessary to increase spending on items that cater to the day-to-day management of the programme, such as the maintenance of existing infrastructure and ensuring that human resources at all levels – managerial, programmatic, frontline service providers, and financial management staff – are adequately trained for the smooth functioning of the programme.

Finally, it seems that the TSC continues to accord higher priority to construction related expenditures with no focus on IEC activities to spread messages about the importance of sanitation. Even within construction costs, *Anganwadi/Balwadi* toilets have not been accorded as high a priority as individual toilets or school toilets. Two other key components – Sanitation Complex and Solid and Liquid Waste Management – have also not been implemented despite getting budgetary approval. These need adequate attention at the level of budget planning itself. Not all households in rural India have homestead land to construct toilets. Thus, significant efforts are required through IEC activities, to sensitise households about the importance of constructing toilets and observing hygiene practices for good health. In addition to increasing investments in construction, in order to increase toilet usage, it will be critical to ensure that community sanitary complexes are maintained.

ANNEX 1: BRIEF DESCRIPTION OF COMPONENTS IN TSC

(A) START-UP ACTIVITIES

The start-up activities include conducting of preliminary survey, conducting a Baseline Survey (BLS), preparation of Project Implementation Plan (PIP), initial orientation and training of key programme managers at the district level. The costs of start-up activities are met fully by the Government of India assistance and, should not exceed 5 per cent of the total project costs.

(B) IEC ACTIVITIES

The IEC activities carried out should be area specific and should also involve all sections of the rural population. IEC is not a one-time activity. IEC strategy and plan have to be implemented not just to create demand but also for use, maintenance and up gradation. At the district level, focus should be on inter-personal communication, use of folk media and also outdoor media like wall painting, hoarding etc. IEC funding is split in the ratio of 80:20 between the Union Government and State Governments and the total IEC cost including start up grant is limited to 15 per cent of the total project cost.

(C) RURAL SANITARY MARTS AND PRODUCTION CENTRES

The Rural Sanitary Mart (RSM) is an outlet dealing with the materials, hardware and designs required for the construction of not only latrines but also other sanitary facilities, such as soakage and compost pits, vermi-composting, washing platforms, certified domestic water filters and other sanitation and hygiene accessories required for individuals, families and communities in the rural areas. Production Centers (PCs) are the means to improve production of cost effective affordable sanitary materials. The Production Centers/Rural Sanitary Marts can be opened and operated by NGOs/self-help groups/women's organizations/ *Panchayats*. Support of private entrepreneurs may also be taken for ensuring an effective supply chain. Funding for this component is split in the ratio of 80:20 between the Union Government and the State Government. A maximum amount of Rs.3.5 lakh per Rural Sanitary Mart/ Production Centre is provided.

(D) PROVISION OF REVOLVING FUND IN THE DISTRICT

Based on the successful initiative taken by Self Help Groups and Dairy Cooperative Societies in arranging low/zero interest finance to their members for toilet construction in many parts of the country, a sum of up to Rs 50 lakh (subject to the restriction of 5 per cent funds earmarked for alternate delivery mechanism, which includes the cost for setting up RSMs and PCs) may be given to each TSC project as revolving fund. Households above the poverty line can access this revolving fund as well.

(E) THE UNIT COST OF AN INDIVIDUAL HOUSEHOLD LATRINES

The unit cost of Individual Household Latrine (IHHL) under TSC is estimated at Rs.2500 (Rs. 3000 for hilly and difficult areas). Of this, the incentive given to BPL households by the Union Government is Rs.1500 (Rs.2000 in hilly and difficult areas), the State Government incentive is Rs.700 and the beneficiary contribution is Rs.300. State Governments are allowed the flexibility to provide higher incentive for a household toilet, of the same or higher unit costs from their own funds. The BPL household may also contribute to value addition to the basic unit at its own expense.

(F) COMMUNITY SANITARY COMPLEX

The programme provides for the setting up of a Community Sanitary Complex with an appropriate number of toilet seats, bathing cubicles, washing platforms, wash basins etc, in a place in the village acceptable to women/men/ landless families and accessible by them. Maximum unit cost prescribed for a community complex is up to Rs.2 lakh. These costs are split amongst the Union Government, State Government and the community in the ratio of 60:30:10. The community contribution, however, can be made by the Panchayat out of its own resources, from grants of the Twelfth/Thirteenth Finance Commission or from any other fund of the State Government duly permitted by it.

(G) INSTITUTIONAL TOILETS

School Toilets: The programme provides for construction of toilets in all types of government schools i.e. Primary, Upper Primary, Secondary and Higher Secondary and *Anganwadis*. It places emphasis on toilets for girls in schools. The Union and State Government provide funding for school sanitation in the ratio of 70:30. Accordingly the Union Government's assistance per unit is restricted to 70 per cent for a unit cost of Rs.35,000 (Rs. 38,500 in case of hilly and difficult areas). The programme mandates separate toilets for girls and boys in all co-educational schools, which are to be treated as two separate units, with each unit being entitled to assistance from the Union Government.

Anganwadi Toilets: The programme mandates that each *Anganwadi* be provided with a baby friendly toilet. The unit cost of one such toilet is set at Rs 8,000 (Rs. 10,000 in case of hilly and difficult areas). Of this, the incentive given by the Union Government is restricted to Rs 5,600 (Rs 7,000 in case of hilly and difficult areas). Additional expenses are to be met by the State Government, *Panchayats* or funds from Twelfth/ Thirteenth Finance Commission, the Member of Parliament Local Area Development Scheme (MPLADS), and the Member of Legislative Assembly Local Area Development Scheme (MLALADS).

(H) ECOLOGICAL SANITATION

Eco Sanitation structures that allow storage of human excreta and urine, for composting or converting to usable and safe manure or fertilizer can be taken up under the Total Sanitation Campaign. It should, however, be ensured that they do not involve the practice of manually cleaning and removing human excreta and are not in contravention of any existing provisions of law. Further, the structures should be so located that they do not lead to contamination of existing water bodies, the groundwater table, rain water or other water streams.

(I) SOLID AND LIQUID WASTE MANAGEMENT

Panchayati Raj Institutions (PRIs) are required to put in place mechanisms for garbage collection and disposal and for preventing water logging. Up to 10 per cent of the project cost can be utilised for meeting capital costs incurred under this component. The fund-sharing pattern between the Union Government, State Government and Panchayat / Community is mandated in the ratio of 60:20:20. Under this component, activities like common compost pits, low cost drainage, soakage channels/ pits, reuse of waste water, system for collection, segregation and disposal of household garbage etc may be taken up.

(J) ADMINISTRATIVE CHARGES

Administrative Charges include money spent on training, salary of temporary staff deployed during project period, support services, fuel charges, vehicle hire charges, stationery, and monitoring and evaluation of the TSC project.

The following items of expenses are specifically prohibited under "administrative expenses":

- Purchase of vehicles
- Purchase of land and buildings
- Construction of official buildings and rest houses (this excludes toilet units needed for TSC projects)
- Purchase of office equipments
- Expenses for any political party and religious organisations
- Expenses for gifts and donations
- Purchase of cell phones
- Transfer of funds to the State level institutions for meeting administrative expenses.

Source: Guidelines for Total Sanitation Campaign, June 2010, Dept. of Drinking Water & Sanitation, GOI

ANNEX 2

Time Motion Analysis of Union Government Share to Lalitpur, Uttar Pradesh

Financial Year	Date of PIP Approval	Date of Released Installments	Amount (In Rs. Lakh)	Amount Credited in Bank (Date)	Money in Transit before reaching DPRO	Remarks
2001-02	29/01/2002	18/03/2002	35.7	---	---	
2002-03	----	----	----	3/4/2003	428 days	Time lag between first PIP approval and amount reaching the bank
2003-04	----	15/03/2004	35.7	31/03/2004	15 days	Time lag between first installment and second tranche of money
2004-05	----	-----	-----	-----	----	No Union Government fund was released in this financial year
2005-06	15/07/2005	14/10/2005	177.4	22/10/2005	98 days	The difference between first PIP and second PIP approval took 3 years 6 months and it took 3 months, 8 days (98 days) to release funds after approval
2006-07	31/07/2006 & 01/08/2006	-----	-----	-----	----	While the second PIP was approved, the Union Government's share was released in this financial year
2007-08	-----	24/10/2007 & 26/02/2008	34.7 & 145.0	14/11/07 & 14/03/2008	40 days (period before money received in Bank for the two installments)	Two installments from the Union Government released in a single financial year

Source: Various Sanction Orders of Union Government Share, Letters attached to several PIP and dates when money received in Bank Account of District Selection Committee, Lalitpur.

GLOSSARY

Acronyms

BPL	Below Poverty Line
CBGA	Centre for Budget and Governance Accountability
CEO	Chief Executive Officer
DPRO	District Panchayati Raj Officer
IEC	Information, Education and Communication
IHHL	Individual Household Latrines
MLALADS	Member of Legislative Assembly Local Area Development Scheme
MPLADS	Member of Parliament Local Area Development Scheme
NGOs	Non-Governmental Organisations
PC	Production Centres
PIP	Project Implementation Plan
RSM	Rural Sanitary Mart
TSC	Total Sanitation Campaign

TRANSLATIONS

Anganwadi : Community child care centre

Balwadi : Community pre-primary school centre

Gram Panchayat : Local government at the village level

Panchayati Raj : Institution of self-government at the village, block or district level

Panchayat Samiti : Link between the *Gram Panchayat* and district administration

Zilla Panchayat : District level tier of *Panchayati Raj* System

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 prer 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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United Nations Children's Fund

India Country Office
UNICEF House
73, Lodi Estate
New Delhi- 110003
Tel +91 11 24690401

www.unicef.in

CBGA
Centre for Budget and
Governance Accountability

B-7 Extn/110A (Ground Floor) Harsukh Marg
Safdarjung Enclave, New Delhi - 110029
Tel: (11) 4920 0400, 4050 4846

www.cbgaindia.org