



**Public Investment in Nutrition: Challenges and
Opportunities in the New Fiscal Architecture in
India**

A Report on the Consultation held on March 11, 2016 at

India Habitat Centre, New Delhi

CBGA with support from UNICEF organised a day long consultation on 'Public Investment in Nutrition: Challenges and Opportunities in New Fiscal Architecture' on March 11 at India Habitat Centre, New Delhi. Experts were invited from the nutrition and the budget domain to initiate a wider discussion and deepen our understanding of the following:

- of the new developments in the policy framework in India for nutrition both at the national level and at the level of States;
- identify issues and challenges across a range of sectors that require greater attention in the policy framework; and
- discuss some of the important issues pertaining to public spending for nutrition, which would have to be addressed in the coming years.

The Consultation was organised in three sessions. The presentation and the discussion in each of the sessions have been presented below.

SESSION 1: THE POLICY FRAMEWORK FOR REDUCING UNDERNUTRITION IN INDIA

The inaugural session of the Consultation laid out the problem of undernutrition in India, issues in developing a national nutrition strategy and the approach towards addressing the problem.

Stating the Problem

The session started by underlying the point that malnutrition is a “silent emergency” engulfing India as almost 47 million children in India are stunted and that there is a need to show a sense of urgency in addressing it. There is a very high disparity prevalent in India, where on one hand there is high economic growth and on the other inequities are not reducing. There are groups such as Scheduled Castes and Scheduled Tribes who have not benefitted in equal measure from the growth process. Since nutrition is a multi-sectoral issue the biggest challenge that is felt by every country grappling with nutrition is “convergence”. This is also the case with India. The resolution of the issue requires very strong leadership and political will. The adequate financing for nutrition will come only if eradication of undernutrition problem is ingrained in civil servants and politicians. It was suggested that some states, districts and sub-districts were making advances in this area, notably Maharashtra, which is now being emulated by other states.

It was emphasized that the governments should not adopt easily available quick fixes, in fact it should engage in long term planning and investment as per the demand of the issue. The solutions it is believed are well-known, feasible and highly cost-effective—especially when targeted to the narrow window of opportunity for prevention of chronic under-nutrition i.e. the first 1,000 days of life.

Issues in developing a national nutrition strategy

In the new fiscal scenario, the leverage of the Centre vis-à-vis states is coming down because of the increase in the untied funds devolved to the states. Because of this the financial upper hand that the centre had in directing the states to prioritize on an issue has gone down. It is believed that the action now lies in the state capitals, so newer ways need to be evolved to find ways to engage with state capitals. NITI Ayog is also trying to do the same, to align the states to prioritize these issues.

It was pointed out that the NITI Aayog is in the process of developing a new national nutrition strategy and seeks suggestions on the following three issues:

1. Measuring undernutrition: The issue here is that on the one hand data collected by ICDS is problematic /fudged and on the other data produced by third party surveys is delayed or published after a time lag. In such a scenario how do we estimate the extent of the problem and fix responsibility?
2. Convergence between departments: It was stated that “nutrition does not lend itself to narrow departmentalism. All departments become very important.” However, each department has its own way of functioning and sometimes this leads to multiplicity of interventions with no convergence of schemes either at the field or at the national level. For instance multiple registrations for different schemes (such as IGMSY and JSY) by Ministries is an issue that should be resolved for effective outcomes. Moreover, there is no joint accountability of the various agencies/departments. In such a scenario how do we ensure convergence and accountability for nutrition?
3. Uniform vs. state-specific schemes: Given the differences in governance capacities of the states, should there be different models for different states or uniform model should be continued across states for schemes?

Evidence-based initiatives and refining of schemes

It was expressed that country experiences such as that of China (food security for all, provision of basic medicines and training of barefoot doctors), Thailand (increase in the number of workers, i.e. a worker for 20 persons), and Indonesia (focus on better hygiene) show that undernutrition comes down with improvement in public services. Similar examples are seen in some of the Indian states such as Gujarat (celebrating *Mamta Divas*), Odisha (provisioning of eggs in ICDS), Kerala and Tamil Nadu. While undertaking evidence-based analysis it is important to determine the weakest link, which may differ in each state. At the same time identify the best performers. Also, the interventions should be meticulously planned and directed towards the severely malnourished. There is definitely a need for greater allocation of resources. It has been observed that a little increase in resources results in visible improvement in IMR. It is not enough to simply say ‘increase allocations’. The planning needs to be more nuanced than that.

It has to be understood that ICDS is not the only programme for nutrition. There are other linkages such as between education and nutrition—increased enrolment of girls, improves age of marriage, which in turn increases chances of healthier pregnancies and also lower fertility rates. In this context, it can be said that “development is the best contraceptive.”

Capacity building of the political and government functionaries, communities

It is important to share data with the workers and political executives. For instance so much data is generated by ICDS but the information generated is never shared with the community and this may be the reason that the data is not accurate. Therefore, MPR data should be put in public domain and

the findings or analysis shared with the functionaries and community to help improve outcomes and also the data.

Also, it was pointed out that maps are understood better than tables and graphs by political and government functionaries.

It is important here to understand the importance of community-initiative, creating community cadre of women and care givers and generating local level information database to be used by the workers. Younger people, with newer energies need to be brought into the fore.

SESSION 2: UNDERSTANDING BUDGETING FOR NUTRITION FROM A MULTI-SECTORAL PERSPECTIVE

The discussion in this session was on widening our understanding of the conceptual framework and to look at it from different perspectives for undertaking effective interventions.

It was recalled that the consequences of undernutrition are lifelong, which have a bearing on the survival and brain development of a child. The burden of undernutrition is much high among the poorest, 51 percent children belonging to the poorest 20 percent are stunted as per the RSOC. Also the concentration of undernutrition is high among Scheduled Castes and Scheduled Tribes. The regional concentration of undernutrition too is a concern as 54% of stunted children are located in 4 high population density states (UP, Bihar, MP and Maharashtra). In this context it was emphasised that economic growth in itself is not sufficient as doubling income reduces malnutrition by only a third.

Multi-sector nutrition planning and costing:

The speaker in the session proposed developing a multi-sector nutrition planning framework, wherein internal, external and institutional links are identified, for better results in nutrition. It was suggested that this would help in developing a nutrition perspective by each sector/department in its area of concern. Although developing a framework is a time consuming exercise but it should be undertaken for effective scheme outcomes. There is also a need to scale-up programmes in a coordinated and systematic manner. This would entail a costing exercise which is discussed in the next paragraph.

Costing is a critical part of Strategic Nutrition Planning Process. The key questions here are:

- Are current interventions cost-effective?
- Are marginalised groups sufficiently covered and utilising services?
- Are the most vulnerable periods in life are primary focus – e.g. adolescence, pregnancy, lactation, and early childhood.
- Are priorities set with medium- to long- term perspective?
- Are there opportunities for reallocation?

Along with costing, there is a need to identify relevant, feasible and high-impact interventions and high priority geographic areas. The key principles here are to invest effectively (ensure that

investments are focused on the highest impact interventions), efficiently (reduce the cost of delivery) and optimally (reallocate resources for maximum impact).

Delivering nutrition-interventions at scale

Several recent analyses highlight the importance of both immediate and underlying determinants of changes in undernutrition over time. It is noteworthy that policies exist for most of the essential nutrition interventions however operational guidelines and/or monitoring indicators are not available for all interventions. There are program platforms in place for delivering at scale but strategy for achieving continuum of care is missing. There is thus a need that each department has a nutrition approach, wherein they may incorporate specific nutrition goals and actions or the department may serve as delivery platforms for nutrition specific interventions.

It has been estimated that the annual cost of implementation of full set of interventions at 100% coverage would be around \$5.9 billion per year (approx. Rs. 37,000 crore per year). Given the cost it appears the ICDS is falling short of what is required to deliver supplementary foods for intended target population even at 2014 expenditure levels. India Plus estimate for the cost of food supplementation is US\$ 2.2 bn (covers children 0-3 years), whereas Government of India spent less than US\$ 2 bn in 2014 under SNP (covers children 0-6 years). Clearly funding fell short!

High fertility rates in states like Uttar Pradesh, Bihar, West Bengal, Maharashtra, Madhya Pradesh, and Rajasthan would require a large proportion of expenditure.

Focus on basic causes of under-nutrition

Household food security, which is an underlying cause of undernutrition, is a symptom of basic cause. Efforts must be made to improve household income, especially of agriculture households since majority households are dependent on agriculture. This would then involve public expenditure on agriculture, animal husbandry and any activity which improve household income. This means any income increasing scheme is nutrition sensitive. This would entail a lot of interventions such as strategies to improve land utilization (by decreasing the time land is left fallow), ensure labour market portability for migrant labourers and so on. Since the interventions are wide ranging, there is a need to decide the scope of each programme, i.e. whether it should be universal, local or individual-centric.

Demand-side approach to public spending

To address the multiple dimensions of deprivation, it is necessary that disadvantaged community are involved in the budget making process. This would lead to human dignity and social equality becoming an integral part of policy framework. It would also ensure ownership of programmes by disadvantaged communities.

In order to encourage demand-side approach in budgeting and policy framework, some background work needs to be undertaken such as spatial mapping of vulnerable groups, forming cluster teams of women's group, and developing negotiation measures.

In order to ensure regularity of outreach and community involvement, built-in accountability mechanisms need to be developed, such as putting disaggregated data in public domain to monitor progress, using RTI to access information and so on.

SESSION 3: PUBLIC PROVISIONING FOR NUTRITION: EXPERIENCES FROM STATES

The discussion in this session was focused on the changes in the centre-state sharing of resources and its implications on spending for nutrition.

The session began with the presentation on the recommendations of the FFC. It was pointed out that the recommendations of FFC have led to a compositional shift in the resources transferred from centre to states. The proportion of untied grants to states increased to 42% of total central divisible pool of taxes following the recommendation of FFC. Thus while devolution of taxes constituted about 49% of total transfers in 2014-15, this was raised to about 63% in 2015-16, thus addressing the complaints of states against tied and conditional grants. However, total transfers from centre to states as percentage of shareable pool remained around 63% in 2015-16, which was approximately 62% in 2014-15. Thus, the Union government fiscal space was preserved, consisting of 38 percent of shareable pool, cesses and surcharges, and non-tax revenue.

Issues in budgeting

1. It was pointed out that budgets are being curtailed for social sector schemes by Union government and similar was the case in some states such as Maharashtra.
2. One aspect of budgeting is mobility of funds between schemes, i.e. flexibility of funds at local level. To encourage local innovations by field-workers, it is necessary that there is flexibility in fund utilisation. This will help in effective utilisation of funds, enhance utilisation in areas where funds are limited, as well as empower local functionaries. The approach should be fact-finding rather than fault-finding.
3. Active involvement of all tiers of local government should be a priority. Currently there is low community and panchayat participation in monitoring and advocating better practices in terms of feeding the child.
4. Allocations are not been fully utilized, therefore more attention needs to be given to how best the current allocations can be utilized.

Identifying design flaws in scheme design

The departments' views are sometimes very regressive when it comes to delivering public services. For instance there is a belief that there is high demand for curative health vis-a-vis preventive health care and hence low priority on preventive health. Therefore there is a need for a lot of advocacy. There is a need to assess why some programmes do well and others don't. It is necessary to identify flaws in the scheme design and rectify them for better results. For example, initial focus of ICDS was on 3 to 6 years old, it was only later that the focus on 6 months to 3 years was incorporated in the scheme. In present scenario it is necessary to realise that the AWW is not able to focus on 3 months to 3 years due to the kind of food requirement of this group which require frequent feeding and semi-mashed food. The initiation of THR for this group is not good as it lends to corruption due to presence of contractors. Moreover, for a child between 6 months and 3 years the care given at the AWC is much more useful than the THR. There is thus a need for more caregivers/community workers. Similarly, there are other issues in the scheme such as pregnant, lactating mothers, adolescent girls are practically invisible at the Centres; many AWCs are running in rented or

'donated' rooms; AWCs in upper caste localities imply little benefit to dalit children; domestic child care and feeding practices are not being monitored and so on.

Summing up

It emerged from the discussion in the sessions that nutrition has to be visited from all perspectives. Multi-sectoral is definitely a way-forward but there is a need to develop a framework wherein each department develops its own nutritional goals. The issue requires full political backing along with dedicated, dynamic and best officers for effective delivery of services. At the same time nutrition is a societal thing and hence community involvement is a must.