SARVA SHIKSHA ABHIYAN (SSA)

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

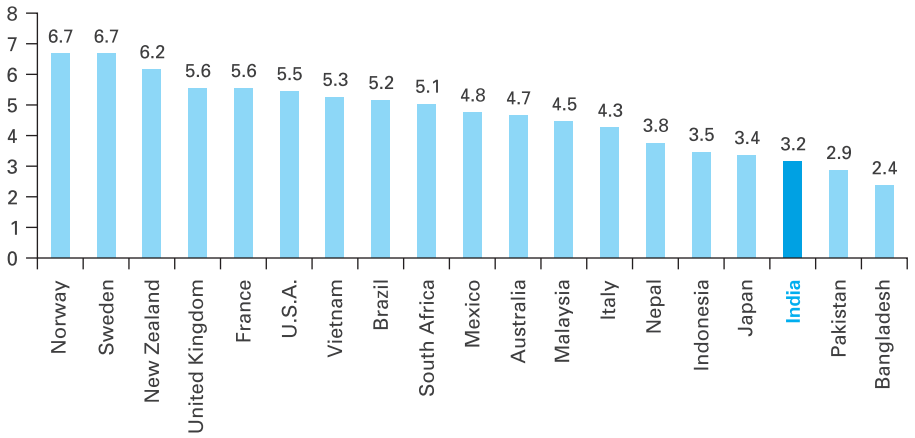
More than 40 years ago, the first Education Commission in India (1964-66) had in its report noted that, "[We] should strive to allocate the largest proportion of Gross National Product possible to educational development". The time was then opportune, with the country's transformation into an independent republic, to assess the critical gaps and address these in right earnest. It was proposed that universal primary education be made a goal and that the government increase its spending on education to 6 per cent of the Gross National Product (GNP) within the next 20 years, that is, by 1985-86. Although a lot has changed since, many concerns persist. India's total public spending on education (at 3.23 per cent of Gross Domestic Product (GDP) in 2009-10) is nowhere near the promised 6 per cent and the educational outcomes reveal critical gaps. So, while the Right of Children to Free and Compulsory Education Act passed by Parliament in August 2009 is a welcome step, there is scope for increasing its clarity with regard to financing and implementation.

While the Government of India has significantly expanded outlays for education, outcomes when contrasted with neighbouring countries like Bangladesh, continue to be poor.

More recently, the United Nations Summit on the Millennium Development Goals in September 2010 reiterated the need for focusing on education to improve the quality of life. A comparison of the expenditure on education in India with select developing countries reveals the need for greater government spending in this area (refer to Figure 1).

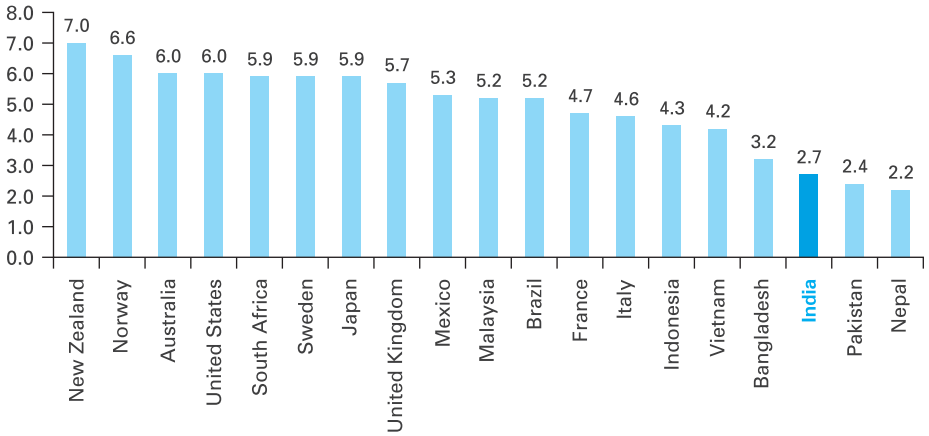
While the Government of India has significantly expanded outlays for education in recent years, outcomes continue to be poor. A comparison of the average years of primary schooling among women 15 years of age and above reveals that India, along with other countries in South Asia, is a poor performer. What is interesting, however, is the fact that Bangladesh, despite spending less on education, registers better outcomes (Figure 2).

Figure 1: India's total spending on education stands at about 3 per cent of GDP



Source: Human Development Report 2010, UNDP

Figure 2: A 15+ woman in India receives on average only 2.7 years of schooling



Source: Barro-Lee dataset (www.barrolee.com last accessed on 16.09.2011)

Of the total budgetary outlays reserved for education in India, about 50 per cent go towards financing elementary education which is primarily delivered through a Government of India's flagship known as the *Sarva Shiksha Abhiyan*.

Of the total budgetary outlays reserved for education in India, about 50 per cent go towards financing elementary education. Within the elementary education budget too, nearly 65 per cent go towards one programme – the *Sarva Shiksha Abhiyan* (SSA) – which is the Government of India's flagship for delivering education to India's children until Class VIII. The outlays for elementary education are financed primarily through the 2 per cent cess that the Government of India levies on all central taxes (e.g. the income tax). The Department of Elementary Education and Literacy, housed within the Ministry of Human Resource Development (MoHRD), Government of India receives the proceeds from the cess and maintains them under a non-lapsable fund called the *Prarambhik Shiksha Kosh* (Fund created at Union Government level to finance elementary education). This is then used as a supplementary resource to finance the SSA and other programmes for elementary education (e.g. the Midday Meal Programme), other funds coming in from the outlays reserved for education under the Government of India's budget for a given fiscal.

Launched in 2001, the goal of the SSA is to ensure that 'every child is in school and is learning well.' To achieve this goal, the programme promises to provide universal primary education to children between the ages of 6 to 14 through community ownership of the school system, in a mission mode. It is the primary programme used for delivering the Right to Education. At the time it was launched, the main objectives of the programme were:

i. All children in school, Education Guarantee Centre, Alternate School or 'Back-to-School' camp by 2003 (since revised to 2005);
ii. All children complete five years of primary schooling by 2007;
iii. All children complete eight years of elementary school by 2010;
iv. All gender and social category gaps bridged, at primary stage by 2007 and at elementary education level by 2010;
v. Focus on elementary education of satisfactory quality with emphasis on education for life; and
vi. Universal retention by 2010.

The Right to Education (RTE) Act was passed (in 2009) following the SSA, and entitles all children between the ages of 6-14 years to free and compulsory admission, attendance and completion of elementary education. While 'compulsory education' casts an obligation on the appropriate Government to provide and ensure admission, attendance and completion of elementary education; 'free education' means that no child, other than a child who has been admitted by his or her parents to a school which is not supported by the appropriate Government, will be liable to pay any kind of fee or charges or expenses which may prevent him or her from pursuing and completing elementary education.

With the passage of the RTE and to ensure that it was followed up on, a roadmap was recommended, which included the following activities:

- Establishment of schools in all neighbourhoods or areas or limits prescribed as a neighbourhood within three years of the Act coming into force i.e. by 31st March, 2013;
- Provision of infrastructure in all schools (i.e. all weather school buildings, one classroom per teacher, an office-cum-store-cum-head teacher room, toilets and drinking water facilities, barrier free access, library, playground and fencing/boundary walls) by 31st March 2013;
- Provision of teachers in all schools as per prescribed pupil-teacher ratios by 31st March 2013;
- Training of all untrained teachers by 31st March 2015; and
- All other quality interventions and provisions needed to implement the Act (with immediate effect).

Tangible improvements have been observed since the start of the *Sarva Shiksha Abhiyan*: the proportion of out of school children in India has declined and school infrastructure has improved.

While activities to ensure the RTE have only just been rolled out, tangible improvements have been observed since the start of the SSA. Independent surveys, such as the Annual Status of Education Report (ASER, 2010) undertaken by Pratham observe that the percentage of children out of school in rural India, is at its lowest ever. According to the survey, the percentage of children (age 6-14) in rural India not enrolled in schools in 2010 was 3.5 per cent – a dip from 4 per cent in 2009 and 6.6 per cent in 2005 (the first time the ASER survey was undertaken; also see figure 4). More importantly, the proportion of girls (age 11-14) out of school has declined considerably from 11.2 per cent in 2005 to 5.9 per cent in 2010, with big improvements in Bihar[1]. Other surveys such as the SRI-IMRB survey in 2009 and the recent PROBE Revisited Survey confirm this trend (PROBE Revisited, 2011). Thus the dream of universal school participation seems within reach.

There have been other positive developments as well. Schooling infrastructure seems to have improved, school meals (provided under the Midday Meal programme) are encouraging children to come to school and numerous incentives have been promised by the Union Government and different State Governments to bring children to schools (e.g. free uniforms, textbooks, scholarships and other

1 The percentage of out of school girls and boys in all age groups in Bihar has been declining steadily since 2005. In 2006, 12.3 per cent of boys and 17.6 per cent girls in the state were out of school in the 11 to 14 age group. By 2010, these numbers had declined to 4.4 per cent for boys and 4.6 per cent for girls showing very little difference by gender (ASER 2010).

Learning outcomes, however, continue to be poor; more parents now opt to send children to private schools.

incentives such as bicycles to ride to schools). These are reflected both in official data (Table 1) and in independent surveys (PROBE Revisited, 2011; Figures 3a, 3b and 3c).

However, mere enrolment or improved infrastructure, as educationists would argue, does not assure attendance, and more importantly, learning. Several surveys in India deride the poor quality of teaching

Figures 3a, 3b, 3c: Schools now have better infrastructure and give more incentives

Source: School Surveys: PROBE, 1996 and PROBE Revisited, 2006

Table 1: Official data confirms improvement in school infrastructure (2007-08 to 2009-10)

Key Indicators	2007-08	2008-09	2009-10
Average number of rooms (all government schools)	n.a.	3.6	3.7
% Schools with Drinking Water	86.7	87.8	92.6
% Schools with Common Toilet	62.7	66.8	54.3
% of Schools with Girls' Toilet	50.5	53.6	58.8

Source: District Information on School Education (DISE, 2011), MoHRD

Attendance is dropping by the year in states like Uttar Pradesh and Bihar.

in schools. This is reflected in poor learning outcomes as well as an increasing preference among parents to send their children to private schools. In 2010, nearly 26 per cent of boys and 22 per cent of girls surveyed for ASER in rural areas were enrolled in private schools (as opposed to 21 per cent and 18 per cent respectively in 2007). In other words, despite the drive to enrol children in schools, enrolment levels in government schools were actually on the decline, with households in some states like Kerala, Manipur, Meghalaya and Haryana showing near equal enrolment in government and private schools (Figure 4)[2].

The other cause of worry is attendance. While states like Kerala and Himachal Pradesh are doing well on this front (recording attendance levels of more than 90 per cent), attendance is dropping by the year in states like Uttar Pradesh and Bihar. Uttar Pradesh for instance registered a decline in the proportion of schools registering more than 75 per cent attendance in subsequent rounds of the ASER survey –from 31 per cent in 2007 to 17 per cent in 2010. A similar decline was reported in Bihar (from 21 to 13 per cent over the same period).

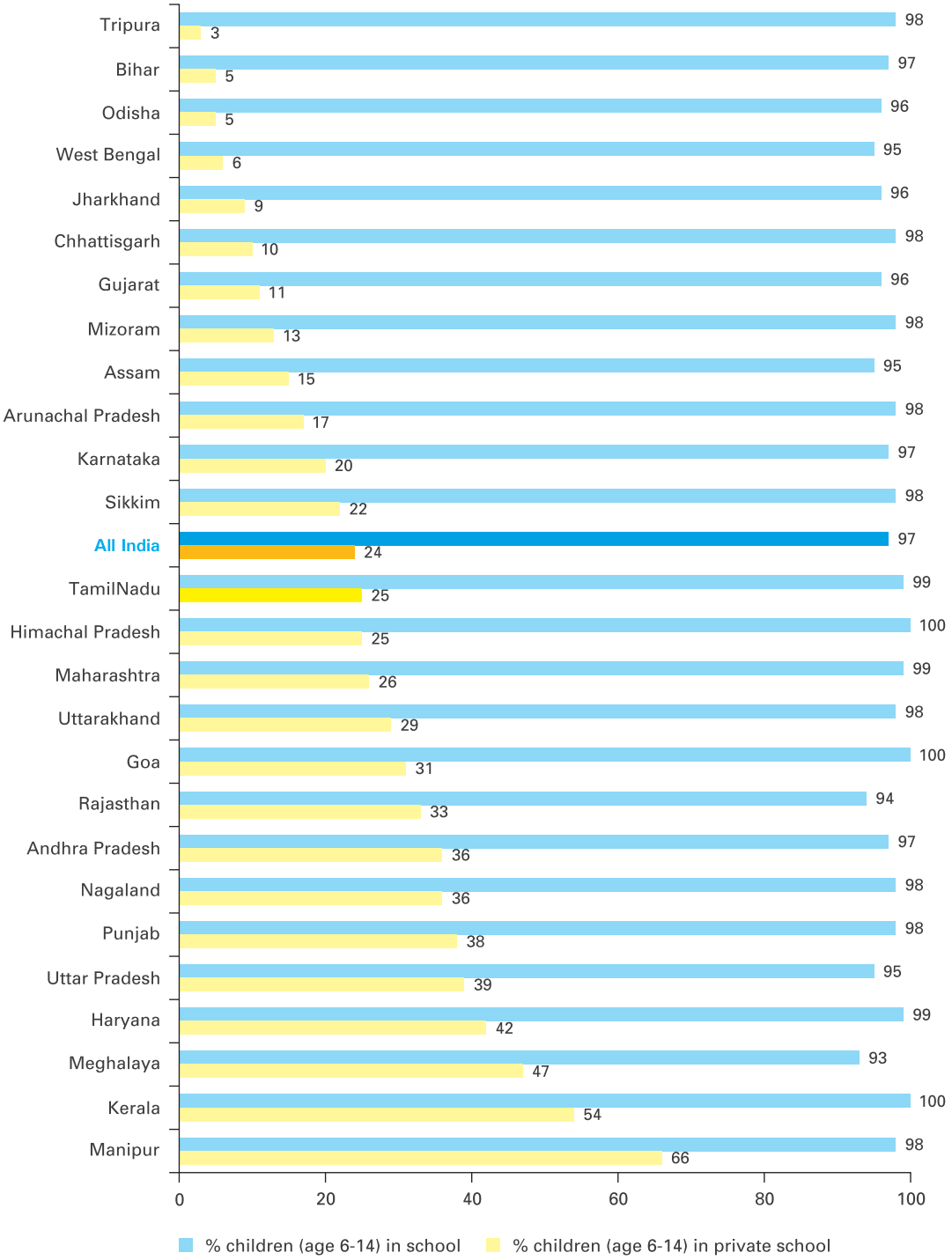
Although school infrastructure has expanded, amenities provided by schools (e.g. toilets) remain largely dysfunctional.

Again, being in class does not guarantee learning. Upon giving standard V children a reading task (that of reading simple standard I text), ASER found that only 53 per cent of the children surveyed in rural India in 2010 were able to read it. This is a test that ASER has been using year after year since 2005, and learning levels have only declined for the worse from 58 per cent in 2007 to 53 per cent in 2010. ASER 2010 also reports a decline in children's ability to do simple math. In this context, the RTE's provision to promote all children until Standard VIII without exams is likely to have a further deleterious impact on learning levels.

Finally, although school infrastructure has expanded, amenities provided by schools remain largely dysfunctional. Toilets are either locked or broken; handpumps are not usable; and the quality of building material used is often suspect leading to leakages during the monsoons. Among the schools surveyed by the PROBE team in 2006, only one-third had separate toilets for girls, and of these too, only half were functional. A majority of schools used blackboards, but had no chalk or duster or even a safe place to keep school registers (PROBE Revisited, 2011).

2 Interestingly, households in many of the southern states are now opting to send their children to private schools. While households in Kerala had been doing so earlier as well, the percentage of children (age 6-14) in private schools has increased considerably between 2009 and 2010 in Andhra Pradesh (from 29.7 to 36.1 per cent), Tamil Nadu (from 19.7 to 25.1 per cent) and in Karnataka (from 16.8 to 20 per cent).

Figure 4: Nearly one in every four school going children in rural India are in private schools



Source: ASER 2010

In sum, despite a substantial increase in allocations, there does not seem to be a significant improvement in outcomes as measured through attendance, learning levels and infrastructural amenities for children and teachers. This leads to the question: do allocations get spent effectively, in a manner that reflects needs on the ground?

This summary report looks at the quality of spending with regard to the outputs and services delivered by the *Sarva Shiksha Abhiyan*. Four broad

concerns emerge. First, we find that despite an increase, budgets set aside for the programme are still significantly short of budgets provided for education internationally (Figure 1) and lower than the average out of pocket expenses incurred by parents in sending their children to government run primary schools. Second, even for the funds allocated, there is scope for improving efficiency in utilisation. Funds allocated for the programme are presently under-utilised, which means that there is room for increasing spending within the given envelopes. Third, existing spending patterns do not reflect needs on the ground with more funds being allocated for building infrastructure and financing teacher salaries than on components like teacher training. Also, with funds arriving usually in the last two quarters of the year, expenditures are rushed with money being spent on needless infrastructure creation, that too of poor quality.

Fourth, and finally, underlying the issues of adequacy and quality of spending are institutions and processes within the government that channel spending on education. As we shall see in this summary report, it is these institutions and processes that account for delays in fund and programme delivery. We attempt to uncover these institutional and procedural bottlenecks by tracking the flow of funds for the SSA from the Union Government down to the State Governments and further down to the district, block and the primary unit of service delivery (in this case the primary school). The summary report builds both on secondary data obtained from the SSA website (www.ssa.nic.in) and primary data gathered by the Centre for Budget and Governance Accountability (CBGA) in 2007-08 in two states – Uttar Pradesh and Chhattisgarh. In particular, it builds on four case studies from Barh and Jakhora blocks in Lalitpur district of Uttar Pradesh, and Chhuria and Dongargaon blocks in Rajnandgaon district of Chhattisgarh recognising upfront the caveat that findings from these case studies cannot be generalized to all of Uttar Pradesh and Chhattisgarh, let alone all of India.

2. INADEQUATE BUDGET FOR ELEMENTARY EDUCATION

One measure of judging the adequacy of public spending on education is its ratio to the country's GDP. On this count, as seen in Figure 1, India lags behind other developing countries like Brazil and Vietnam.

India lags behind other developing countries like Brazil and Vietnam in terms of public spending on education.

Since 2005-06, there has been nearly a 3-fold increase in spending on elementary education through the SSA. The erstwhile *Kasturba Gandhi Balika Vidyalaya* (KGBV) and National Programme for Education of Girls at Elementary Level (NPEGL) are now part of the programme. Yet, the average public spending, per child, on elementary education works out to be lower than the average per child costs incurred by parents to send their children to government schools. This is illustrated by the following numbers. In 2009-10, slightly over 130 million children were enrolled in government run elementary schools in India (DISE 2011). In the same year, the Government of India earmarked in its Union Budget

Nearly one-fourth of the funds allocated by the Union and State Governments for SSA remained unutilised in 2009-10.

an allocation of Rs. 13,100 crore to be spent on the SSA, the primary vehicle for delivering elementary education to children. This works out to an annual budgetary allocation of approximately Rs. 1000 per child. In contrast, the per capita out-of-pocket expenditure incurred by an average parent in 2008 to send her child to government run elementary schools was Rs. 1243 (NSS 2008). Even assuming that these do not reflect outlays set aside for the SSA by individual State Governments, the fact that Union Government allocation is lower than individual spending (which given inflationary pressures would have risen further by 2010) suggests that the funds provided for the programme are still inadequate. Also, since not all allocations translate into expenditures (section 3), actual Union Government 'spending' on elementary education may work out to be lower than the Rs. 1000 estimate derived above.

Clearly, allocations of the Union government on elementary education do not seem to be meeting the needs of the sector when seen in light of the high out-of-pocket expenses incurred by individuals on education.

3. UNDER-UTILISATION OF AVAILABLE FUNDS

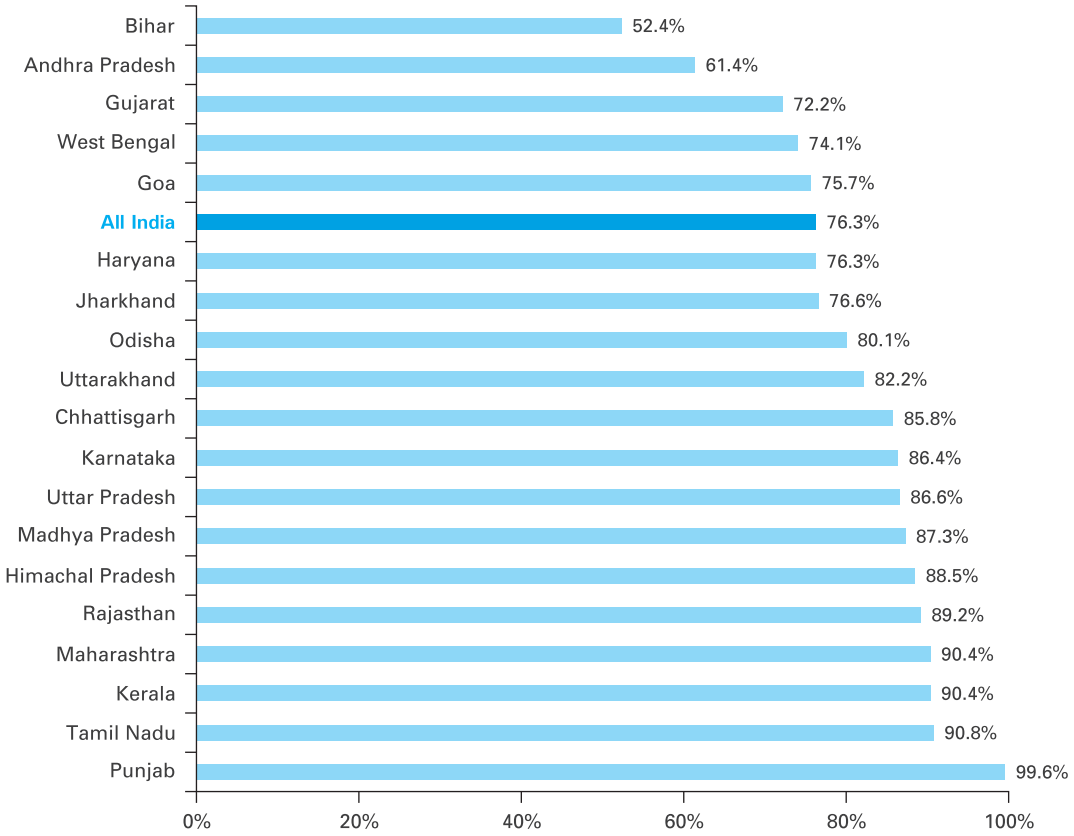
Comparing programme expenditures against planned allocations we find that nearly one-fourth of the funds allocated by the Union and State Governments for SSA remained unutilised in 2009-10. At an all India level, both the Union and the State Governments together provided for an outlay of Rs. 27574 crores of which nearly Rs. 21038 crores were spent. In other words, nearly Rs. 6536 crores or 25 per cent of the approved outlays remained unspent. There were of course variations by states. While states like Punjab, Tamil Nadu, Kerala, Maharashtra and Rajasthan posted high utilisation, utilisation levels in Bihar remained low despite recent initiatives by the State Government to provide incentives to students to attend school (e.g. the *Mukhya Mantri Cycle Yojana* which provides free bicycles to girls to help them reach schools).

There is a tendency to over report expenditures, particularly at lower levels of administration, to justify more funding. Thus actual utilisation reported for a given fiscal may be higher than actual expenditures on the ground.

Has utilisation improved over time? Only marginally it seems. About 32 per cent SSA funds went unutilised in 2005-06. This ratio had dropped to 25 per cent in 2009-10. At the state level too, the problem of under-utilisation persisted (Figures 6a and 6b). Both Chhattisgarh and Uttar Pradesh utilised only about 60 per cent of their approved outlays for SSA in 2008-09, with utilisation levels actually showing a dip from previous years. The only time utilisation levels registered improvement were in 2004 owing to the introduction of Electronic Fund Transfers and the concomitant improvement in financial management. Under-utilisation was similarly observed at lower levels (district and school). Figures 7a and 7b highlight the trends of utilisation at the district and school levels, respectively.

The aforementioned numbers on utilisation (or lack thereof) however need to be treated with caution as there is a tendency to over report expenditures, particularly at the lower levels to justify more funding.

Figure 5: About 25 per cent funds allocated for the SSA in 2009-10 went unspent



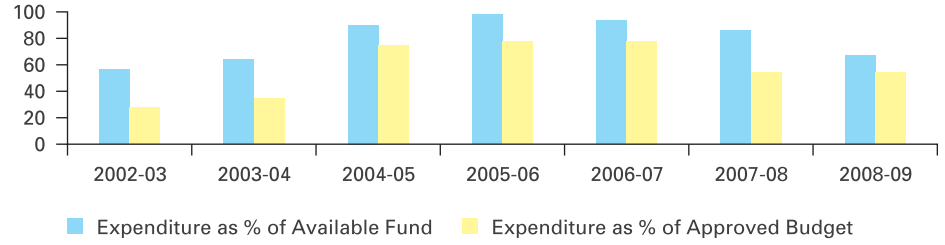
Source: Statements of outlay approved and expenditure under SSA, 2009-10 (www.ssa.nic.in accessed on September 13, 2010).

This is complicated by the nature of reporting expenses in SSA. All funds transferred as an advance from the district down to the school level are treated as expenditures. These advances are adjusted only upon the receipt of utilisation certificates or expenditures statements from schools. Ordinarily, schools are required to submit utilisation certificates within one month of the completion of a financial year, but they end up submitting them much later. This creates a sufficient time lag within which expenditures can be reported without actual money being spent on the ground. In other words, actual utilisation reported for a given fiscal may be higher than actual expenditures on the ground.

Also, funds allocated are not the same as funds available. Each year, the Union Government receives from different State Governments their Annual Work Plan and Budget (AWPB) which is a summary document of the progress achieved against previous targets, activities proposed in the current fiscal and funds required to undertake them. Depending on individual state requirement and previous unspent balances, the Project Approval Board (PAB) at the MoHRD releases funds. These are then matched by funds by the State Governments for the SSA. The total funds available for spending at the state level therefore, are a sum of releases by the Union and State Government plus any unspent balance from the previous year. Independent studies comparing

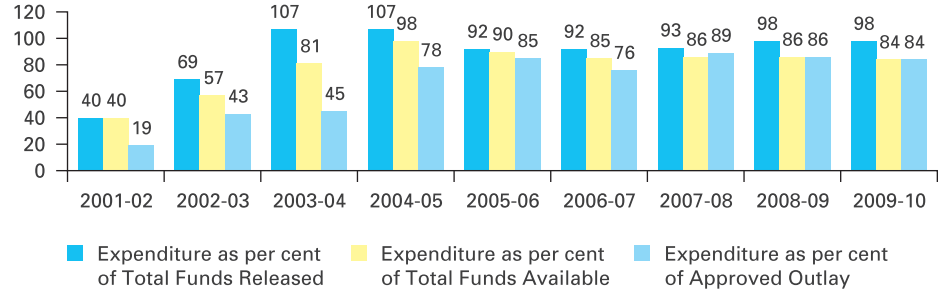
Figure 6: Utilisation of Funds in SSA at State Level (2002-03 to 2008-09)

6.a: Utilisation of Funds in SSA in Chhattisgarh



Source: State Project Office, Chhattisgarh, 2008 and SSA website

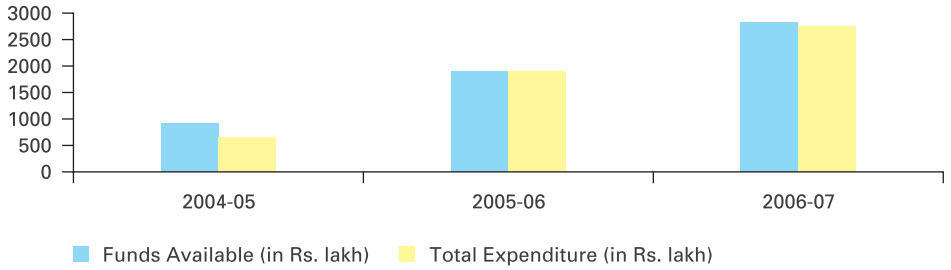
6.b: Utilisation of Funds in SSA in Uttar Pradesh (2001-02 to 2009-10)



Source: State Project Office, U.P., 2008 and SSA website

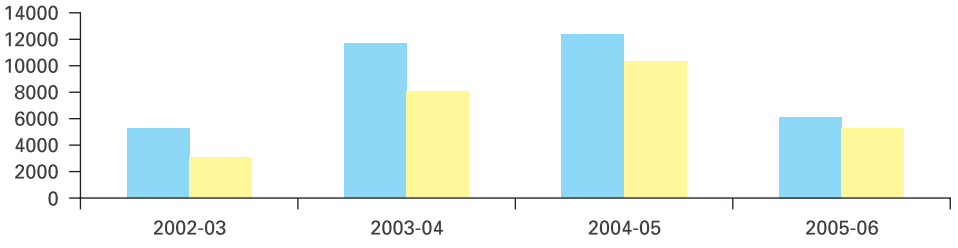
Figure 7: Utilisation of Funds in SSA at District and School Levels (2004-05 to 2006-07)

7.a: Utilisation of Funds in SSA at District Level in Rajnandgaon



Source: District Project Office, Rajnandgaon, Chhattisgarh, 2008

7.b: Utilisation of Funds in SSA at School Level, Salhetola, Block Chhuria, Rajnandgaon (2002-03 to 2005-06)



Source: District Project Office, Rajnandgaon, Chhattisgarh, 2008

utilisation levels against funds available also find that about 83 per cent of funds available were utilised in 2009-10 (e.g. Accountability Initiative, 2011). This is more than utilisation when seen against allocated funds, implying that not all funds allocated are released.

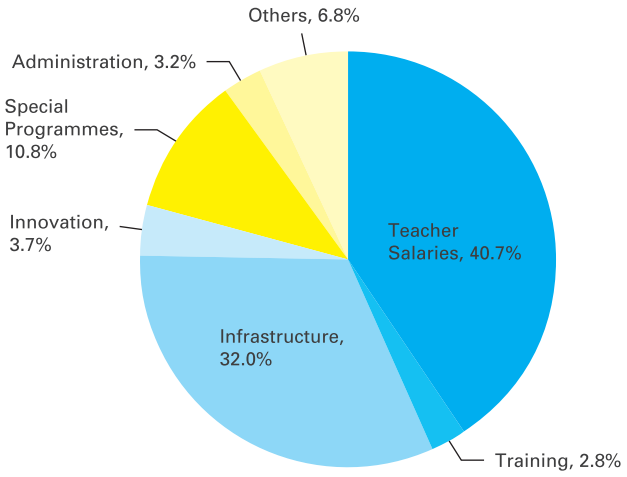
4. MISMATCH BETWEEN SPENDING AND NEEDS

A significant proportion of SSA funds are set aside for paying salaries to teachers and financing infrastructure, leaving little funds for training, innovation or monitoring.

Next, looking at the kind of activities against which expenditures are incurred in the SSA, we find that a significant proportion of funds in the programme are set aside for paying salaries to teachers and financing infrastructure. This imbalance arises from the stage of planning itself. For example in 2009-10, about 72 per cent of funds allocated by the Union Government were earmarked for salaries and infrastructure (Figure 8). This imbalance is consequently reflected in the expenditure shares of different components.

Spending patterns at the state level suggest that expenditure is far more imbalanced, particularly towards financing salaries. In Uttar Pradesh, teacher salaries accounted for 75 per cent of the expenditures incurred on the SSA in 2009-10 (Figure 9a). The remaining funds were spent mostly on civil works, leaving very little room for spending money on training, innovation or administrative activities like monitoring. A similar situation was observed in Chhattisgarh (Figure 9b). Despite such high levels of expenditures on funding salaries, outcomes such as pupil-teacher ratios recorded little improvement. In 2009-10 for

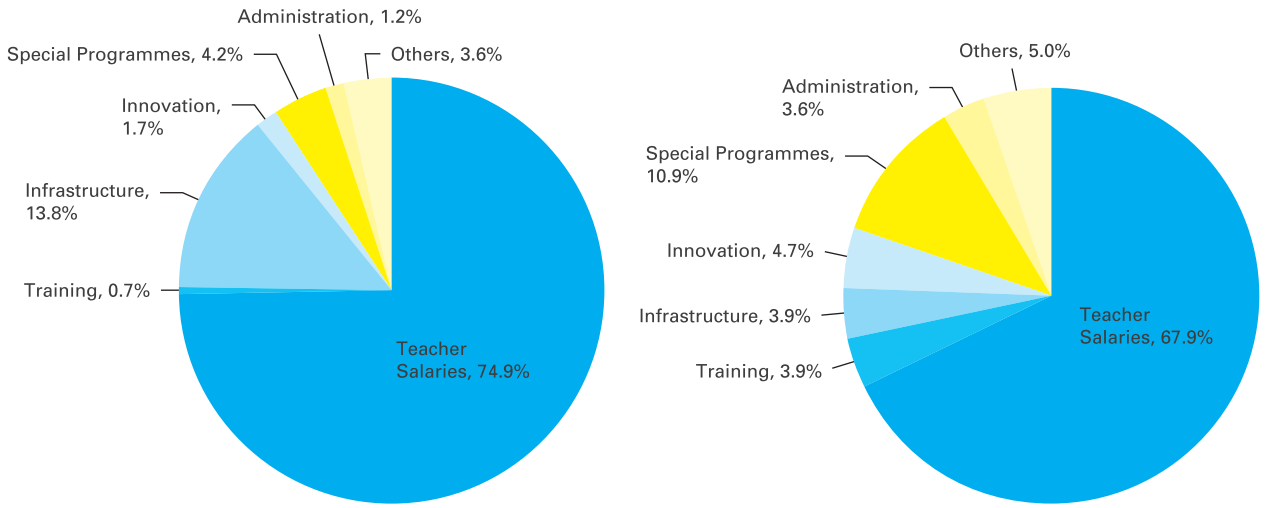
Figure 8: Teacher Salaries and Infrastructure account for 73 per cent of SSA allocations



Notes: Teacher salaries include salaries and grants; training includes both teacher and community trainings; infrastructure includes civil works, major repairs and maintenance grant; innovation includes innovation component and learning enhancement programme; special programmes include inclusive education, out of school children & remedial education, and free textbooks; administration includes funds for Research and Evaluation and Management; others includes school grant, funds for BRC and CRC other than civil works, and teacher learning equipment.

Source: Statements of component wise expenditure, 2009-10 (www.ssa.nic.in accessed on September 13, 2010).

Figures 9a and 9b: Nearly three-fourths of SSA expenditures in Uttar Pradesh and Chhattisgarh are accounted for by teacher salaries



Source: Statements of component wise expenditure, 2009-10 (www.ssa.nic.in accessed on September 13, 2010).

Nearly three-fourths of SSA expenditures in Uttar Pradesh are accounted for by teacher salaries. Still, the pupil-teacher ratio in the state is one of the highest in the country.

instance, government schools in Uttar Pradesh had the third highest pupil-teacher ratio in the country, with 42 pupils per teacher, after Jharkhand (43) and Bihar (57)[3]. More significantly, pupil-teacher ratio in the state declined only marginally from 49 in 2008-09 to 42 in 2009-10. Also, the average number of teachers remained more or less stagnant at 3 teachers per government school.

On the other hand, the requirements for training remained significant. In 2009-10 for instance about 36 per cent of total teachers in government schools in Uttar Pradesh and 40 per cent of teachers in government schools in Chhattisgarh were contractual teachers. Of these, only half and one-third, respectively had received any professional training. Yet, as Figures 9a and 9b illustrate, hardly any budget had been set aside for teacher training in both the states.

Similarly, a very small proportion of spending in both states went towards administration and monitoring. While wages and salaries are critically important in social sectors, non-wage components such as communication, transport, and equipment are required to keep the system functioning smoothly. However, in their field visits to district Rajnandgaon in Chhattisgarh, the CBGA team found that there was no budget to cover the cost of a vehicle for the Block Resource Centre Coordinator and Cluster Resource Centre Coordinator so they could monitor the specified number of schools under them. Allowances for vehicles and telephones make the task of monitoring easier and translate into better utilisation. Yet, and oftentimes, these costs are not provided for while making a budget. Instead the CBGA team found that the amount dedicated for management at the block level in Rajnandgaon, Chhattisgarh was only about Rs. 12,000 per year. This included costs towards electricity, conducting meetings,

3 The average pupil-teacher ratio for India as a whole in 2009-10 was 33.

Only about 60 per cent of schools, both in Uttar Pradesh and Chhattisgarh had a functional toilet in 2009-10. Still relatively lower proportions of total SSA expenditures went towards financing civil works in both states.

stationery, communication and transportation. With such a small budget, it was no surprise that the Cluster Resource Centre Coordinator, who is mandated with the responsibility of evaluating the needs of around 20 schools per month (irrespective of distance, terrain and other factors), got a travel allowance of only Rs. 200-300 per month.

The biggest shortfall, however, was in infrastructure spending. Only about 60 per cent of schools, both in Uttar Pradesh and Chhattisgarh had a functional toilet in 2009-10. Similarly about 50 per cent of schools in the former state and 70 per cent of schools in the latter had a boundary wall. Still relatively lower proportions of total SSA expenditures went towards financing civil works in both states, reflecting a mismatch between spending and needs on the ground.

Before one concludes that expenditures are mostly undertaken arbitrarily, it is critical to note the manner in which funds are released. Usually, the Union Government transfers funds in two installments to State Governments – once in April and then again in September. However, the second installment is released only after the State Government has transferred its matching funds. Also, the first installment is usually delayed which means that schools, say, aiming to undertake pre-monsoon repairs, are bereft of funds to do so. To substantiate this with the case of Chhattisgarh, as against the stipulated two installments, the state received eight installments in 2004-05, seven in 2005-06, six in 2006-07 and five in 2007-08, with the major share of transfers happening at the very end of the year (Table 2). The situation in 2006-07 is indicative of this phenomenon with just 0.98 per cent of the total disbursements being released as the first installment and over 31 per cent of the funds being released as the seventh installment. A similar situation was found in Uttar Pradesh (Table 3).

Delays in transfer of funds are common at the sub-district level as well. In Dongargaon block of Rajnandgaon district, Chhattisgarh, CBGA found that the money came to the block in 19 installments in 2006-07 and 27 installments in 2007-08 (Figure 10), making it more of an exercise for the block level officials to manage this money flow (receiving and disbursing money) rather than focusing on monitoring programme implementation.
Figure 10: Spending across Financial Quarters in SSA at Block Level (2006-07 to 2007-08)

Table 2: Share of Total Disbursements in SSA across the Financial Year in Chhattisgarh (2004-05 to 2007-08)

Financial Year	I	II	III	IV	V	VI	VII	VIII
2004-05	13.1	15.5	9.6	16.6	6.3	8.8	25.0	5.2
2005-06	5.4	3.1	37.5	12.2	0.6	14.9	25.7	0.6
2006-07	1.0	7.4	40.6	9.9	0.3	0.8	31.2	8.9
2007-08	38.6	32.6	4.9	23.9	0.0	0.0	0.0	0.0

Source: State Project Office, Rajiv Gandhi Shiksha Mission, Chhattisgarh, 2008

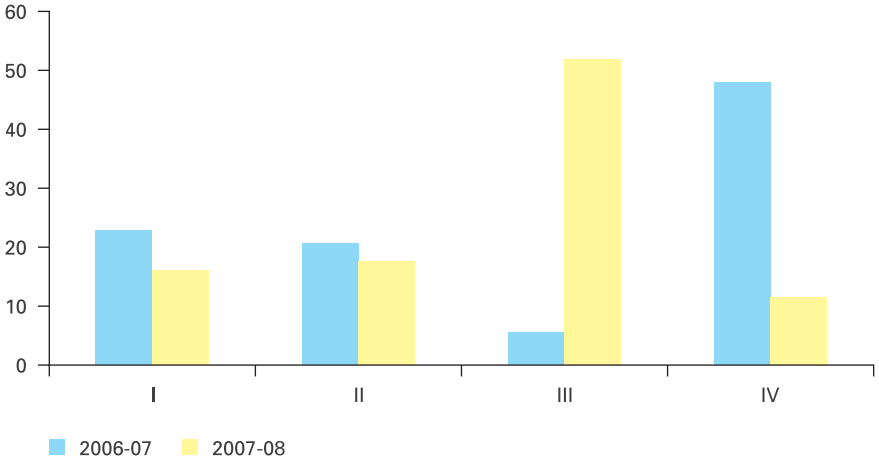
Table 3: Delay in Receipt of Funds under SSA in U.P. (2004-05 to 2006-07)

Year	No. of Installments		% Share of Receipts in the 3rd Quarter	% Share of Receipts in the 4th Quarter
	Centre	State		
2004-05	5.0	10.0	4.2	35.4
2005-06	6.0	11.0	30.7	16.5
2006-07	4.0	12.0	38.7	0.0

Source: Uttar Pradesh Education For All Project Board Office, Lucknow, 2008

Similarly, in Uttar Pradesh, because of the time taken for the funds to move from one level of government to the next (State Project Office to District Project Office to the block level), most of the money travelled in the third and fourth quarters and remained parked for considerable time periods in the State and District Project Offices despite having been officially disbursed. So for instance in 2007-08, money for the Block Resource Centres - travel allowance, teaching learning material and contingency – was released by the State Project Office, Uttar Pradesh in August 2007 (second quarter of the financial year) but was released by the District Project Office, Lalitpur, only by February 2008 (last quarter). Given that the Block Resource Centre serves as a professional support agency by providing decentralised training and teacher support activities, delay in receiving money disrupted implementation. Travelling to distant schools to provide continuous support to teachers and preparation of Teaching Learning Materials were some of the critical activities that were adversely affected. Other examples abound. On visiting primary and upper primary schools in Lalitpur in 2008, CBGA found that the construction of overhead tanks in the schools could not be completed as the money was released by the District Project Office only in February 2008.

Figure 10: Spending across Financial Quarters in SSA at Block Level (2006-07 to 2007-08)



Source: Basic Shiksha Adhikari Office, Block Dongargaon, Rajnandgaon, 2008

Delays in receipt of funds mean a rush to spend money towards the end of the year which results in poor quality spending.

Delays in receipt of funds also mean a rush to spend money towards the end of the year which results in poor quality spending. For instance, in Uttar Pradesh, the CBGA team found a case of a training module on gender sensitisation, for which the money came in as late as on 29 March 2008. Funds for Management Information Systems (MIS), data entry, and computer education were disbursed by the State Project Office on 31 March 2008 and released by the District Project Office, Lalitpur, the very same day. With money coming in on the last day of the financial year, it was clear that neither much of the MIS data entry nor any computer education would have been attempted at the district level or at levels further down for the financial year 2007-08. Similarly, instances were found of schools undertaking activities like white washing to justify spending than actual repairs and maintenance.

5. HOW FUND UTILISATION IS CONSTRAINED BY INSTITUTIONAL AND BUDGETARY PROCESSES

5.1 DEFICIENCIES IN PLANNING

The process of making annual work plans often takes up more time than the actual implementation of the programme.

According to SSA guidelines, the Annual Work Plans and Budgets of individual State Governments must be prepared through a decentralised planning process starting from the level of the community. Plans must be prepared for each habitation by the School Management Committee (comprising both parents and teachers), in consultation with community members. These should then be aggregated at the block level, further on to the district and the state level[4]. States are usually required to submit their plans to the Union Government by April each year. Accordingly they set a deadline of January for districts to submit their individual plans.

In reality though, significant delays are observed in the planning process. CBGA's fieldwork in Chhattisgarh revealed for instance that in 2003-04, the State Project Officer of Raipur (Chhattisgarh) received the Annual Work Plan and Budget from districts only in April. In spite of having sent it to the Government of India the same month, the Project Approval Board at the MoHRD approved the plan in September. The final approved plan was sent back to the District Project Offices in October, giving them only five months to implement the entire year's plan (Table 4). This example illustrates how the planning process often takes up more time than actual implementation of the programme. Moreover, the district plans do not reflect actual demands from the field. The plans emanating from the village and panchayat levels[5] are required to be submitted in English and this poses a problem due to a lack of knowledge of the language. Hence, field level plans generally do not project ground realities since they are often "cut-paste jobs" or replicas of plans, possibly from another state. Weak capacity of functionaries and lack of a proper planning mechanism at the grassroots is another reason why actual demands are not reflected in the Annual Work Plan and Budget.

4 The block level planning team consists of the Block Education Officer, Panchayat members and NGO representatives. The district level team includes the District Project Officer (DPO) and representatives from different departments such as health, public works, social welfare, and women and child development.

5 *Gram Panchayats* are 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.

Table 4: Timeline for Implementation of Annual Workplan and Budget (AWPB) and Related Delays (2003-04 to 2005-06)

Financial Year	Receipts of AWPB (Month)	Sent to GOI for Approval	Approval from PAB	Conveyed to DPOs	Delay in Commencement (In months)
2003-04	April	April	3-Sep	Oct-03	6
2004-05	April	April	26-Jul	Aug-04	4
2005-06	March	March	8-Aug	Sep-05	5

Source: State Project Office, Rajiv Gandhi Shiksha Mission, Chhattisgarh, 2008

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

Weak reporting of financial information impedes effective fund utilisation.

5.2 BOTTLENECKS IN BUDGETARY PROCESSES

Several hurdles relating to existing budgetary processes under the *Sarva Shiksha Abhiyan* impede effective fund utilisation. Weak reporting of financial information owing to poor capacity of the financial management staff is one vital gap. The CBGA team found for instance that the District Project Office in Lalitpur, Uttar Pradesh had only one ad-hoc MIS Data Entry Operator. The overload of data entry on one person led to several errors in the Statement of Expenditure, which did not match with the Ledger. Another instance of poor record-keeping was found in Barh block of Lalitpur where the Assistant Block Resource Centre Coordinator was unable to provide CBGA with details of the trainings conducted and the materials purchased by the Block Resource Centre.

Similar instances of irregularities in financial reporting were found in Chhattisgarh. The internal audit reports for two years (2006-07 and 2007-08) in Rajnandgaon district in Chhattisgarh revealed the following gaps:

- Delay in settlement of advances provided for procurement and other activities;
- Mismatch with regard to fixed assets reported in the books of accounts and those purchased;
- Improper register maintenance and infrequent physical verification of assets;
- Transfer of funds under School Grants, Teacher Grants, Maintenance Grants and Teaching Learning Equipment Grants to the accounts of the Block Resource Centre (BRC) and Cluster Resource Centre (CRC) despite instructions of transferring the money directly into the account of the schools; and
- High receipt of interest in the savings account owing to money being parked in the District Missions for much longer than necessary despite State Mission guidelines (November 2005) instructing District Missions to remit funds to villages within three days.

To give an example of the nature of misreporting, the CBGA found in Lalitpur, Uttar Pradesh, that although money was disbursed to the Village Education Committees for various items of expenditure in 2007-08, records showed the entire amount as unspent. This was because the Committees did not submit Utilisation Certificates to support the spending. The listed items of unspent expenditure were those related to Civil Works, *Shiksha Mitra*[6] Honorarium, Block Resource Centre (BRC) and Naya Panchayat Resource Centre (NPRC)[7], Integrated Education for the Disabled, Education Guarantee Scheme and Alternative and Innovative Education, District Institute of Education and Training (DIET) and National Programme for Education of Girls at Elementary Level.

Programme delivery staff are overburdened with multiple reporting requirements.

To cite another example, the District Project Officer as per the *Sarva Shiksha Abhiyan* Finance and Procurement Manual, is supposed to maintain block-wise accounts of funds disbursed and their subsequent adjustments of advances after receiving the Utilisation Certificates. However, the District Project Office of Lalitpur was yet to do so at the time CBGA visited the project office in 2008.

Even at the school level (Primary School Bhiloni Lodha, Barh block, Lalitpur), no set guidelines were being followed for reporting as the Utilisation Certificates also included components of another programme – Integrated Child Development Services. This apart, the funding receipts for some of the components were dated before the beginning of the fiscal. For example, money for maintenance (painting) for 2006-07 was, allegedly, received in January 2006 even before the financial year had begun. Similarly, a part of the honorarium component for the *Shiksha Mitra* was received after the financial year ended in April 2007. The principal of the primary school in question was ignorant of how accounts were being maintained, as it was the *Gram Pradhan* (village head) who kept the details of the money coming in.

Such irregularities are closely linked to issues of poor capacity of programme staff to undertake the financial processes related to the programme. At the time of CBGA's field visit, district officials in Lalitpur, for instance, were still using the outdated single entry system which is not ideally designed for recording financial transactions, as it has a wider margin of error. Village Education Committee members were provided with a few hours of training, which included financial and accounting matters, but this was insufficient.

In addition, Programme Delivery and Accounts staff are overburdened with multiple reporting requirements. This is compounded by staff shortage and untrained staff. Over-burdened accounts staff seems to be engaged most of the time in managing money in transit and ensuring that the necessary reporting gets done. It is thus not only counter-productive to the overall financial management processes by putting undue stress on the existing financial staff, but also leads to immense

6 *Shiksha Mitra* is the locally used term in Uttar Pradesh for para teachers. They are known as *Shiksha Karmis* in Chhattisgarh. Para teachers are recruited to perform similar functions to regular teachers. They are usually less qualified than regular teachers and paid lower honorarium. Activists and educationists have consistently highlighted the service conditions of para teachers as a cause for concern in ensuring quality education, as these teachers receive lower remuneration for the same amount of work that they perform and have a contractual job.

7 While the Block Resource Centre (BRC) functions at the block level, the Naya Panchayat Resource Centre (NPRC) functions at the cluster level and provides regular academic support, conducts teacher trainings, undertakes follow up workshops and meetings, and provides a platform for peer learning as well as sharing of good practices.

Table 5: Register Maintenance by School Teachers

Student Attendance (Daily)	Uniform (Yearly)	Health Check-up (Half-yearly)
Admission (Yearly)	Maintenance (Yearly)	Functional Library (Yearly)
Scholarship (Half-yearly)	Letter etc. (Monthly)	Stocks & stores (Monthly)
Child Survey (Yearly)	MTA/PTA Meeting (Monthly)	UNICEF (Yearly)
MDM (Monthly)	Information/Notification (Monthly)	*Shiksha Mitra* Honorarium (Monthly)
Development (Monthly)	Examination Results (Yearly)	ECC/AWW Honorarium (Monthly)
Sports (Monthly)	Monitoring & Inspection (Yearly)	Teacher Attendance (Daily)
Textbook (Yearly)	VEC Records (Monthly)	Enrolment (Yearly)
Total Number of Registers Maintained = 24		

Source: Primary School Bhiloni Lodha, Block Barh, District Lalitpur, Uttar Pradesh, 2008

delays in programme implementation and money lying unutilised for long periods. On the other hand, Programme Delivery staff like the teachers also have multiple non-teaching responsibilities that keep them away from providing quality education (Table 5).

Another vital concern relates to inadequate decentralisation of financial powers. The District Project Committee has the authority at the district level to implement the *Sarva Shiksha Abhiyan* but has no financial powers to sanction funds (except for an amount under Rs. 25000). It is the District Magistrate, who is also the District Mission Director for the *Sarva Shiksha Abhiyan*, who is the financial sanctioning authority. This constrains day-to-day implementation as even for spending Rs.700 a day beyond the specified Rs.25,000, the District Project Committee needs approval from the District Magistrate's Office, which is a time consuming process, depending on the availability of the senior official, other pressing matters and the chain of command followed at the District Magistrate's Office to move the file for approval.

5.3 SYSTEMIC WEAKNESSES

Apart from the problems outlined, vital to the effective utilisation of funds and proper implementation of any programme, is a strong government apparatus to support and take forward any development initiative.

Availability of programme and accounts staff remains a challenge for the *Sarva Shiksha Abhiyan*. At the time of the CBGA survey i.e. in 2008, about 1400 teacher posts needed to be filled in Chhattisgarh (August 2008). At the district level (Rajnandgaon), 28 out of 30 teacher posts were lying vacant. Further, the recruitment process followed for *Shiksha Karmis* was slow, which aggravated the situation. The Finance Controller, State Project Office, Raipur, noted that at the block level, with the stipulated norm of 10 Block Resource Persons for each block, and with over 200 schools in the block, there was a huge shortage of Block Resource Persons.

Substantial vacancies were also noted for finance management staff, both at the state and at lower levels. While at the State Project Office, Chhattisgarh one State audit officer post was lying vacant in 2008, at the District Project Office, Rajnandgaon, posts of one audit officer and one assistant audit officer were vacant. In nine blocks of Rajnandgaon, the Block Resource Centres had only ad hoc accountants. In some blocks like Dongargaon, the accountant post did not even exist. Lack of proper staff at all levels hampered various activities including implementation, planning, monitoring, reporting, and training.

Related to the issue of staff shortage is the poor capacity of available staff. Yet, low priority was accorded to training in terms of programme finances (Figures 9a and 9b). It was also found that the training funds were hugely underutilised; the spending for teacher training for 2007-08 in Rajnandgaon had not been approved until August 2008.

Human resources – their availability, training and tenure – remain the most important challenge for the *Sarva Shiksha Abhiyan*.

Another aspect related to human resources is the short tenure of the key implementing officials of the programme. Evidence from CBGA's fieldwork shows that the tenure of many important government officials is short. In Lalitpur, Uttar Pradesh for instance, key staff such as the Basic Shiksha Adhikari, Block Development Officers, and District Magistrates were frequently transferred and were in office for periods ranging from 15-20 days to two or four days.

The second systemic challenge is poor infrastructure. Lack of basic infrastructure – buildings for schools, Block resource Centre, Cluster Resource Centre, District Institute of Education and Training (DIET), etc – is one of the most important factors responsible for poor education indicators in both the study states. In the absence of a separate building, the Cluster Resource Centres operate out of middle schools in many places in Chhattisgarh. Delays in the commencement of civil works are another factor stalling programme implementation. CBGA's field surveys substantiate this fact (Case Studies 1, 2 and 3 in the annex present a bleak picture of the infrastructure in place at the level of the primary school in rural areas).

The third challenge is that of monitoring and supervision. The number of schools falling under the purview of one Cluster Resource Centre (CRC) is unwieldy and unmanageable. According to the norms, one Cluster Resource Centre caters to about 10-12 schools. However, in Mohala block in Rajnandgaon district, Chhattisgarh, CBGA found 10 clusters and 400 schools, which meant that each CRC catered to around 40 schools, making it impossible to do any effective monitoring.

Finally, as is the case with other programmes, there are too many agencies involved in decision making and implementation in the SSA. On the one hand is the chain command of the Education Department which is responsible for programme implementation, delivery and monitoring. However, funds for the SSA are managed by the *Gram Panchayat*

specifically the *Gram Pradhan*. Thus, instances are aplenty when civil works are not undertaken or textbooks are not purchased owing to the *Gram Pradhan* not releasing the money (as CBGA found in Didora village, Lalitpur, Uttar Pradesh). The other problem arises at the level of hiring and firing officials. In case a teacher is found to be abstaining from his duty, the case is to be reported to the District Magistrate who falls under a third chain of command, namely the Department of Rural Development. Given that s/he is in charge of other departments apart from education, there is often a considerable time lag between reporting a grievance and action.

In sum, horizontal coordination between departments becomes a challenge. The time taken to fire a teacher is an illustration of coordination failure across departments. Similarly, a coordination failure can be seen in the manner in which *Shiksha Karmis* dominate over regular (permanent) teachers in Chhattisgarh. The former report to the *Zilla Panchayat* (district level tier of the *Panchayati Raj* System) and do not come under the purview of the District Project Committee of the *Sarva Shiksha Abhiyan*. Another illustration relates to the doing away of the Assistant Engineer (State Project Office, Chhattisgarh) post and allocating their work to Rural Engineering Services (RES) in Chhattisgarh. This makes for delay as the RES cadre do not come under the command of the Education department and cannot be held accountable.

6. CONCLUSIONS

The Right to Education Act in India represents a historic effort at providing a judiciable right to all children of India to free and compulsory education. However, the country is as yet far from making any headroom on the roadmap framed in 2010 to guaranteeing the RTE. Although enrolments in government schools have increased, learning outcomes continue to be poor. A significant proportion of schools in India still lack basic amenities like functioning toilets. Worse, independent surveys reveal a year on year increase in parent preference to send their children to private schools.

The first step to achieving any improvement in education is to allocate funds for it. Fund allocation for education in India has increased significantly in the past few years, though it is still short of the funds set aside by other developing countries like Brazil for education. What is of concern is the states' inability to utilise the funds allocated (although there is substantial inter-state variation with states like Punjab, Kerala and Tamil Nadu spending more than 90 per cent of the funds allocated to them under the *Sarva Shiksha Abhiyan*).

Clearly, there are lessons to be learnt from the more successful states. But more significantly, there is need to improve the quality of spending i.e. getting better outcomes for the money spent (a concern that persists

across other government programmes as well). A component wise break up of SSA expenditure suggests that a significant proportion of funds go towards financing teacher salaries and civil works. Yet, quality of infrastructure built remains poor and pupil-teacher ratios remain high. Underlying these issues of quality are several bottlenecks – mostly procedural and resolvable. A time and motion study of how funds travel from one level of state administration to the next can help in identifying where the delays lie. Conversely, an analysis of planning can ensure that spending truly matches needs and that plans are submitted in time for release of funds. But for both these recommendations to be acted upon, capacity of staff needs to be built. More funds need to be set aside for their training and for monitoring and supervision. Else, the vicious circle of funds reaching the schools only in the last quarter, resulting in poor quality outcomes, will continue.

ANNEX

CASE STUDY 1: BLOCK DONGARGAON, DISTRICT RAJNANDGAON, CHHATTISGARH

- Primary School Gungeri Nawagaon, Dongargaon block has primary and upper primary classes managed by six teachers of which only one is a permanent teacher. There are 109 and 125 students enrolled in the Middle School and Primary School respectively. The Middle School has 63 boys and 46 girls while the Primary School has 54 boys and 71 girls.
- At the school level, funds are released as teacher grant, school grant and school maintenance. This apart, salary of *Shiksha Karmis* is released by the Block Education Officer (BEO) once in two months. There is a Monitoring Committee under the BEO for the purpose of monitoring. The school session starts from June 16 and there have been instances of delayed supply of books and the supply being short.
- In 2007-08, books were available up to class III but not for classes III and IV. In the same year, uniforms were supplied only to 17 out of 48 students by the BEO.
- Funds reach the school by September/December. Funds for all components are short, including *Shiksha Karmis* who feel de-motivated and insecure and strike in retaliation. Constraints also include poor teacher strength and less number of classrooms. With regard to training, teachers are trained for 15 days at the Naya Panchayat Resource Centre (NPRC) on Sundays and 5 days at the BEO level. This has led to teachers complaining that training has affected their weekly holidays.

Source: CBGA Field Visit, 2008

CASE STUDY 2: BLOCK CHHURIA, DISTRICT RAJNANDGAON, CHHATTISGARH

Primary School Salhe Tola, block Chhuria gets money from the SSA under School Grant, Maintenance Grant and Teacher Grant. But the funds usually reach the school by the month of December. Low allocations for each of the components has impacted the quality of teaching, record maintenance and school infrastructure. Classroom shortage has also been observed due to which children sit outside in the open. Not only is the teacher strength short, they have to manage both classroom teaching and providing Mid Day Meals. Uniforms are short and are only given to children belonging to the Scheduled Caste and Scheduled Tribe households. Textbooks are also short for all the classes and for every subject.

Source: CBGA Field Visit, 2008

CASE STUDY 3: BLOCK CHHURIA, DISTRICT RAJNANDGAON, CHHATTISGARH

Primary School Khobha, Chhuria has 194 students with 4 teachers, 2 of whom are *Shiksha Karmis* appointed by the District Education Office. Money for Maintenance, School Grants and Teacher Grants does not come at the same time. There is no fixed month in which funds are released to the school. Usually, money reaches by September – December. Due to lack of availability of funds in April, repair work gets delayed due to which during the rains, the ceilings of the classrooms leak and make it difficult for children to sit in the room, much less do any learning.

The delay in Teacher Grant and School Grant also affects school work as teachers are unable to buy stationery and other innovative learning materials for children. Further, there is a shortage of uniforms for Scheduled Caste and Scheduled Tribe girls. Many classes are yet to receive textbooks, thus, affecting the academic work and teachers are unable to complete the syllabus in due time. Teachers also complain of reporting work and attending regular meetings that affects teaching activities. The two para-teachers in the school complain about not being treated like the regular teachers in terms of salary and other facilities and feel demotivated. None of the teachers have any idea about school planning and how to go about it.

Source: CBGA Field Visit, 2008

GLOSSARY

Acronyms

AWPB	Annual Workplan and Budget
BEO	Block Education Officer
BRC	Block Resource Centre
CRC	Cluster Resource Centre
DIET	District Institute of Education and Training
MIS	Management Information Systems
MoHRD	Ministry of Human Resource Development
NPEGEL	National Programme for Education of Girls at Elementary Level
NPRC	Naya Panchayat Resource Centre
PAB	Project Approval Board
RES	Rural Engineering Services
RTE	Right to Education Act
SSA	*Sarva Shiksha Abhiyan*

TRANSLATIONS

Gram Panchayat	:	Local government at the village level
Gram Pradhan	:	Village head
Panchayati Raj	:	Institution of self-government at the village, bloack or district level
Prarambhik Shiksha Kosh	:	Fund created at Union Government level to finance elementary education
Sarva Shiksha Abhiyan	:	Education for All Scheme
Shiksha Karmi	:	Locally used term for para teachers in Chhattisgarh
Shiksha Mitra	:	Locally used term for para teachers in Uttar Pradesh
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 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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unicef
unite for children

United Nations Children's Fund

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