

Budget Outlays for Nutrition Sensitive Programmes in Bihar

Policy Brief 2 | 2017



Why we did it

Bihar has a high concentration of under-5 stunting, where almost 48 % under-5 children are stunted. Although the proportion of stunted children under-5 has declined from 56 % in 2005-06, the rate of progress is far from satisfaction. Child stunting can be reduced by 20 % if Direct Nutrition Interventions (DNIs) are provided at 90 % coverage. For addressing the remaining 80 % of the child stunting, the DNIs need to be available concomitantly with the Nutrition Sensitive Programmes and Schemes (NSP). In the aftermath of the Fourteenth Finance Commission's (FFC) recommendations and the subsequent changes in financing of Centrally Sponsored Schemes (CSS), there has been considerable debate pertaining to how states have responded in financing of the nutrition related programmes.

In this context we studied i) what has been the state's response in public provisioning for NSP, in the changed fiscal architecture? ii) what are the NSP, their delivery platforms, and sectoral priorities in the state for achieving targeted nutritional outcomes? iii) what is the quantum of funds budgeted for and spent on NSP, and iv) issues pertaining to fund utilization?

How we did it

- A sector-wise approach was adopted to understand the delivery of NSP and to identify the relevant departments / platforms within state government administrative units.
- A comprehensive analysis of budget allocations and spending on relevant programmes / schemes,

under various sectors, carried out

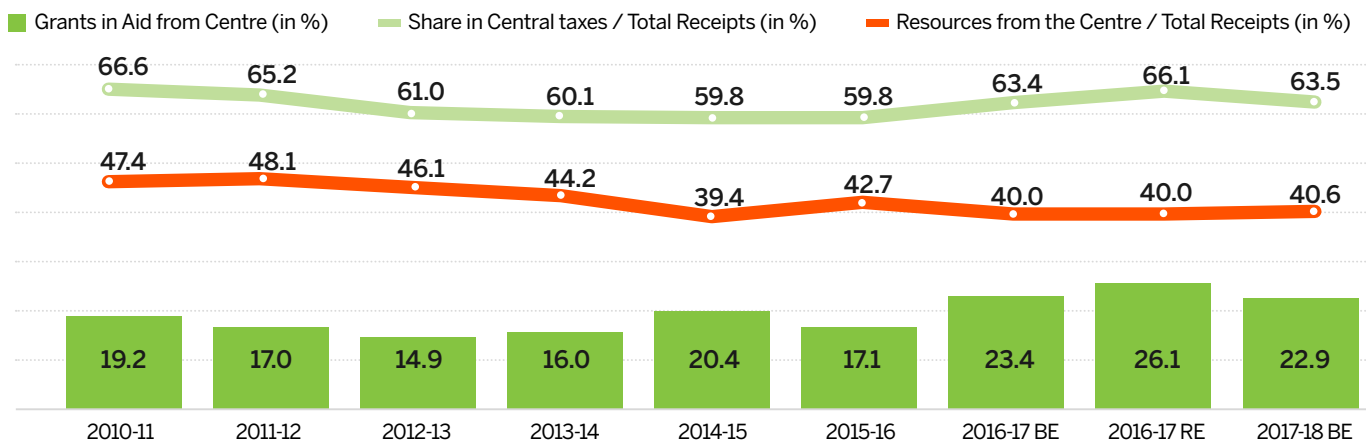
- Budget Summary document of the government of Bihar, for various years, were used to collate relevant budget figures in locating state's response to the changing fiscal priorities.
- Information on the budget outlays and expenditure for the nutrition sensitive programmes and schemes were sourced from the Detailed Demands for Grants (DDGs) for the FYs 2016-17 and 2017-18 of the respective administrative departments of the government of Bihar.
- Relevant Audit Reports, Economic Survey 2016-17 and other Annual Reports of the administrative departments of Government of Bihar have been used to analyse issues pertaining to allocations, utilization and implementation for select schemes within NSP of the state.
- Actual Expenditures (AE) for FYs 2014-15 and 2015-16, Revised Estimates (RE), and Budget Estimates (BE) for FYs 2016-17 and 2017-18, including the first supplementary budget of the FY 2017-18 have been collated for the purpose of analysis.

What we found

Positive response from the State in provisioning NSP in the changed fiscal context

Close to 5 percentage point increase in overall fiscal space of the state between 2014-15 and 2017-18, is a positive indication of increase in public provisioning of the state (Figure 1). The visible increase in fiscal space of the state in the post-FFC recommendation period

Figure 1: Contribution of centre in the total receipts of the state



is marked with the increase in grants-in-aid from the Union Government, whereas, the resource devolution through state's share in central taxes has stagnated. The increase in overall budget of the state did translate into increase in NSP budget envelop during the post-FFC period. The shares of NSP budget from the state's total expenditure and GSDP were 11.9 % and 2.8 % during 2014-15, increased to 13.3 % and 3.8 % in 2017-18 BE, respectively (Figure 2).

are potentially contributing towards improving nutritional outcomes in the state. These NSP are being implemented by 16 administrative departments, where majority of interventions are found in a few sectors (Figure 3). With multiplicity of agencies and schemes and the issues of inter-department coordination, overlap of objectives and strategies measuring the resultant outcomes of public expenditure is difficult.

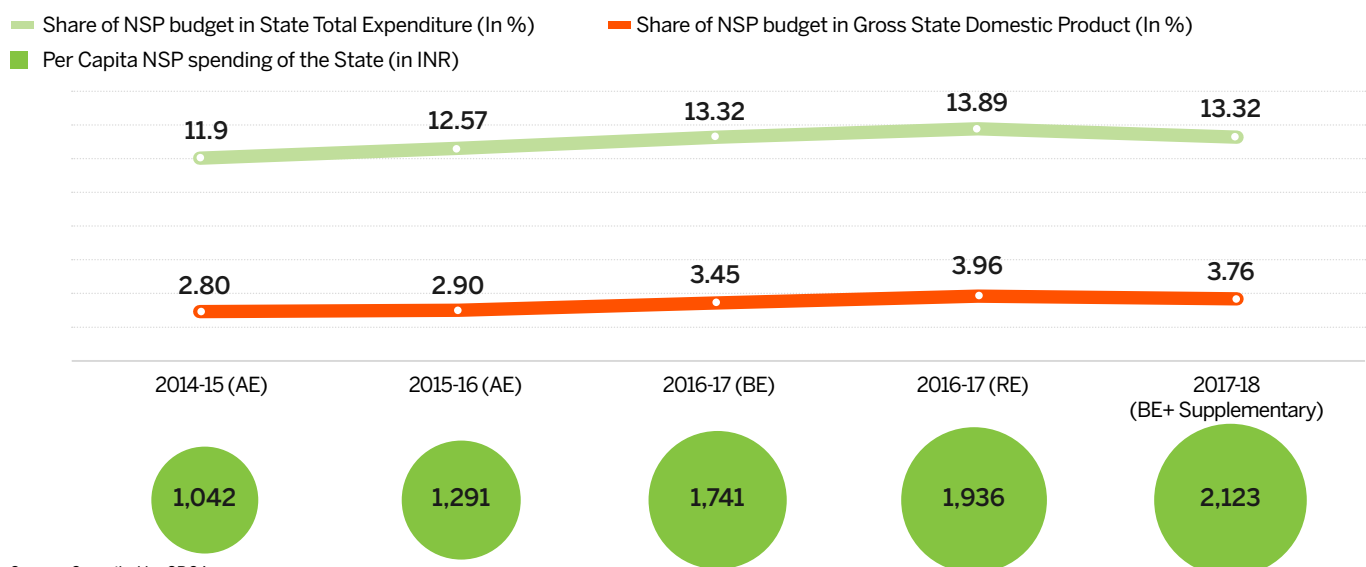
A number of schemes relevant for NSP being delivered by large number of administrative units at the state

The NSP are spread across multiple sectors; large number of administrative units and platforms in the state have been delivering NSP. There are as many as 30 state specific schemes in Bihar, which

Multiple objectives of schemes (delivering NSP) make it difficult to understand the sectoral priorities of NSP budget envelop

The sector-wise analysis of NSP and categorising schemes into a particular nutrition sensitive sector poses problems as a scheme often has multiple objectives. For instance, MGNREGA, which has been

Figure 2: Share of NSP allocation and spending in total expenditure and GSDP and per capita NSP spending of the state



Source: Compiled by CBGA

categorised under poverty alleviation sector, also contributes to the agriculture sector in facilitating a number of land development activities, which therefore could be categorised under the Agriculture sector as well. Hence, drawing a clear boundary for the schemes, to be categorized as NSP, could draw serious critiques from various quarters.

No consistency in budget allocation and spending across nutrition sensitive sectors and schemes

In terms of sectoral priority in budget allocation and spending within NSP budget envelop over the years, both agriculture and health sectors are in bottom position. The food security and social safety nets sector has the highest share of the total NSP budget, followed by education and WASH sector.

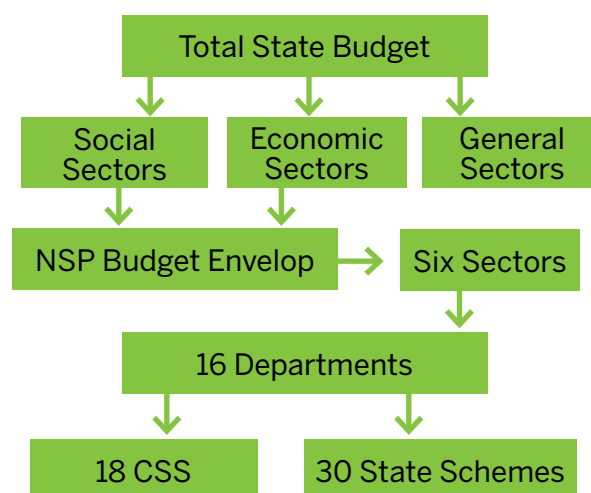
Poor quality of budgeting for NSP in the state

The high proportion of savings by the administrative departments is indicative of poor fund utilisation by these departments. This, in turn, is a result of poor quality of budgeting in the state. In the FY 2017-18 budget, 13 out of 48 schemes (both CSS and State Schemes) mapped under NSP for Bihar have supplementary budget allocation. This supplementary grants account for 17 percent of the original budget allocation for NSP in the state. Schemes like distribution of dresses and cycles the state had provisioned INR 250 crore and INR 100 crore respectively in 2017-18 BE, received supplementary allocation of INR 344 crore and INR 257 crore respectively in the first supplementary budget of 2017-18. For 6 of 18 CSS and 11 of 30 state specific schemes, received lower allocations in 2017-18 BE compared to 2016-17 RE. This points to inconsistency in budget planning and priority (in terms of allocation) for nutrition sensitive sectors in the state.

Concerns relating to quality of fund utilization

Quality of fund utilization under NSP can be better understood by looking at the amount spent by the administrative departments during the fourth quarter of the Financial Year, especially during the month of March. Departments like agriculture, cooperative, food and consumer protection and urban development and housing have spent more than 50 % of their budgets

Figure 3: Delivery of NSP in Bihar



Source: Compiled by CBGA

in the last quarter of the FY 2015-16. The social welfare department, hosting majority of social security and safety nets programmes, has spent 45 % of its budget in the last quarter. The share of expenditure during the month of March itself reported to be 38 % to 60 % for the financial year 2015-16 for important departments providing platforms for NSP in the state. Weak financial management, deficient planning and implementation of the administrative departments have been highlighted as reasons for not reaping intended outcomes of the public spending in the programmes.

Low levels of fund utilization due to shortage of human resources leading to less allocation in the subsequent years.

The shortage of health personal and institutions delivering health needs in the state is huge. The human resource shortage in health sector (in position against the sanctioned strength), particularly the Medical Officers/Specialist Medical Officers (MOs) and Auxiliary Nurse and Midwives (ANM) / Staff Nurse in the state is to the tune of 57 % and 29 %, respectively. It has also been reported that due to inadequate antenatal care and shortage of gynaecologists in health care units nearly half of the pregnant women opted for home delivery (CAG, 2015). In such a situation, even an increased allocation under NHM, may not result in actual spending in 2016-17. This could be one of the reasons for lower allocation under NHM in the financial year 2017-18 compared to previous year.

Figure 4: Share of savings by select departments to total budget allocation of the department
(Values in %)

Departments	2011-12	2012-13	2013-14	2014-15	2015-16
Agriculture Department	28	29	45	44	54
Building Construction Department	45	58	36	54	40
Cooperative Department	21	37	9	31	33
Food and Consumer Protection Department	15	11	93	44	41
Information and Public Relation Department	13	12	13	44	35
Labour Resource Department	18	10	11	53	56
Public Health Engineering Department	41	36	16	37	32
Rural Development Department	6	23	13	54	52
Urban Development and Housing Department	52	24	39	46	37

Source: Compiled by CBGA from the base data given in Accounts at a Glance, 2015-16, AGs, Bihar

Several state-specific schemes delivering NSP are designed with gender and social lens

In addition to the CSS, there are dedicated schemes for girls' education, women empowerment, dress distribution to anganwadi children, assistance to fishermen, a number of social security schemes in Bihar. To incentivise girl students and to support the family income of the poorer sections of the population, dress and cycle distribution scheme for girls have been helpful to retain them in the education system. This ultimately delays the age of marriage, and hence prevents pregnancies too soon, thus promoting better health and nutritional outcomes for them.

Policy asks

- Multiple objectives of programmes and schemes make it difficult to track and categorize the schemes into various sectors of NSP and quantify the total budget envelope for NSP. Hence, there is an urgent need for developing a comprehensive framework for capturing budget outlays and expenditure for NSP and bringing convergence, greater coordination among the administrative departments.

- There is a pressing need in strengthening / institutionalizing monitoring mechanisms to oversee better implementation of schemes to deliver the desired outcomes in a complex public financing framework.
- Better financial management system is urgently needed for improving the quality of budgeting in the state by bringing consistency in the budget allocation and spending across sectors instead of following an ad-hoc approach of funding various NSP through a schematic approach.
- There is also a need for addressing infrastructure bottlenecks, human resource shortages, improving planning by incorporating need-based planning could go a long way in addressing constrains of fund utilization and other such pressing needs of the sector.
- Need is to introduce more nutri-sensitive features in the existing relevant programmes and schemes, across different sectors, by the state. Building in a social lens in these schemes for socio-economic empowerment of disadvantaged communities would also help address the basic causes of undernutrition in the state.



For details please refer to: Working Paper 2.

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