

Budgeting for Nutrition-Specific Interventions in Bihar in 2014-18: Outlays, Adequacy and Expenditure

Policy Brief 1 | 2017



Why we did it

Bihar has made some progress in reducing the levels of undernutrition in the state over the last decade (between NFHS-3 in 2005-06 to NFHS-4 in 2015-16). However, despite improvements, Bihar continues to have one of the highest burden of undernutrition in India, with high levels of stunting and wasting among children, low BMI and high anaemia levels among women and adolescents. There is evidence that by scaling up Direct Nutrition Interventions (DNIs), which address the immediate causes of undernutrition – disease and inadequate dietary intake, the maternal and child nutrition can be improved. These DNIs in Bihar are delivered through components within 4 Centrally Sponsored Schemes (CSS) -ICDS, IGMSY, NHM and SABLA, funding of which is shared between the Union and state governments.

In this context we studied the (i) trends in budget outlays for DNIs in Bihar for last 4 fiscal years, (ii) resource adequacy for select DNIs, and (iii) fund utilisation and associated implementation challenges for the DNIs in the state.

How we did it

- Analysis was done for a set of DNIs included in India's policy framework. These included the 14 India Plus Interventions (Menon et al., 2015) and 3 additional interventions, viz. maternal calcium, maternal deworming, and supplementary feeding for adolescent girls.
- Budget outlays and expenditure data (wherever possible) was collated for the DNIs and categorised

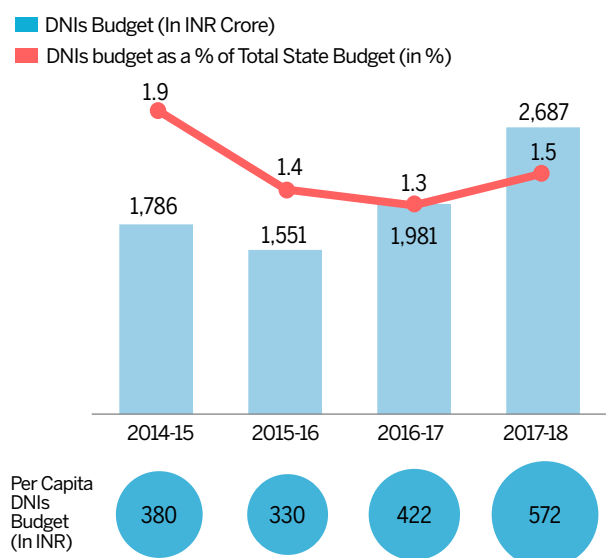
into 5 thematic areas: behaviour change interventions, micronutrient supplementation and deworming, supplementary feeding, severe acute malnutrition treatment and 'others'.

- Analysis was done for 4 fiscal years (FYs)– 2014-15, 2015-16, 2016-17 and 2017-18.
- The budget adequacy was assessed using two different sets of data for different DNIs:
 - i. Costs estimates for delivering micronutrient supplementation and deworming to children, adolescents and P and L women for the state prepared by Chakrabarti and Menon (2017) were compared with budgets approved for these interventions for FY 2017-18.; and
 - ii. Budget outlays for ICDS-SNP were compared against resource requirement as per scheme norms and number of beneficiaries reported by the state government for FYs 2015-16 and 2016-17.
- Fund utilisation analysis was done separately for DNIs under Social Welfare Department (SWD) and Health Department. For Social Welfare Department DNIs, Revised Estimate for FYs 2014-15 and 2015-16 were compared with Actual Expenditure in these 2 years. For DNIs delivered by the health department, the Total Budget Available was compared with Actual Expenditure for FY 2016-17.

What we found

- **Low Budgets for DNIs in Bihar:** DNIs comprise less than 2% of the total state budget in all the 4 years under analysis (Figure 1). While there is an absolute increase in allocations for DNIs, their

Figure 1: Budget outlays for DNIs in Bihar



share in total state budget has decreased from 1.9% in FY 2014-15 to 1.5% in FY 2017-18. The per capita budget outlays are also very low in Bihar in all four years.

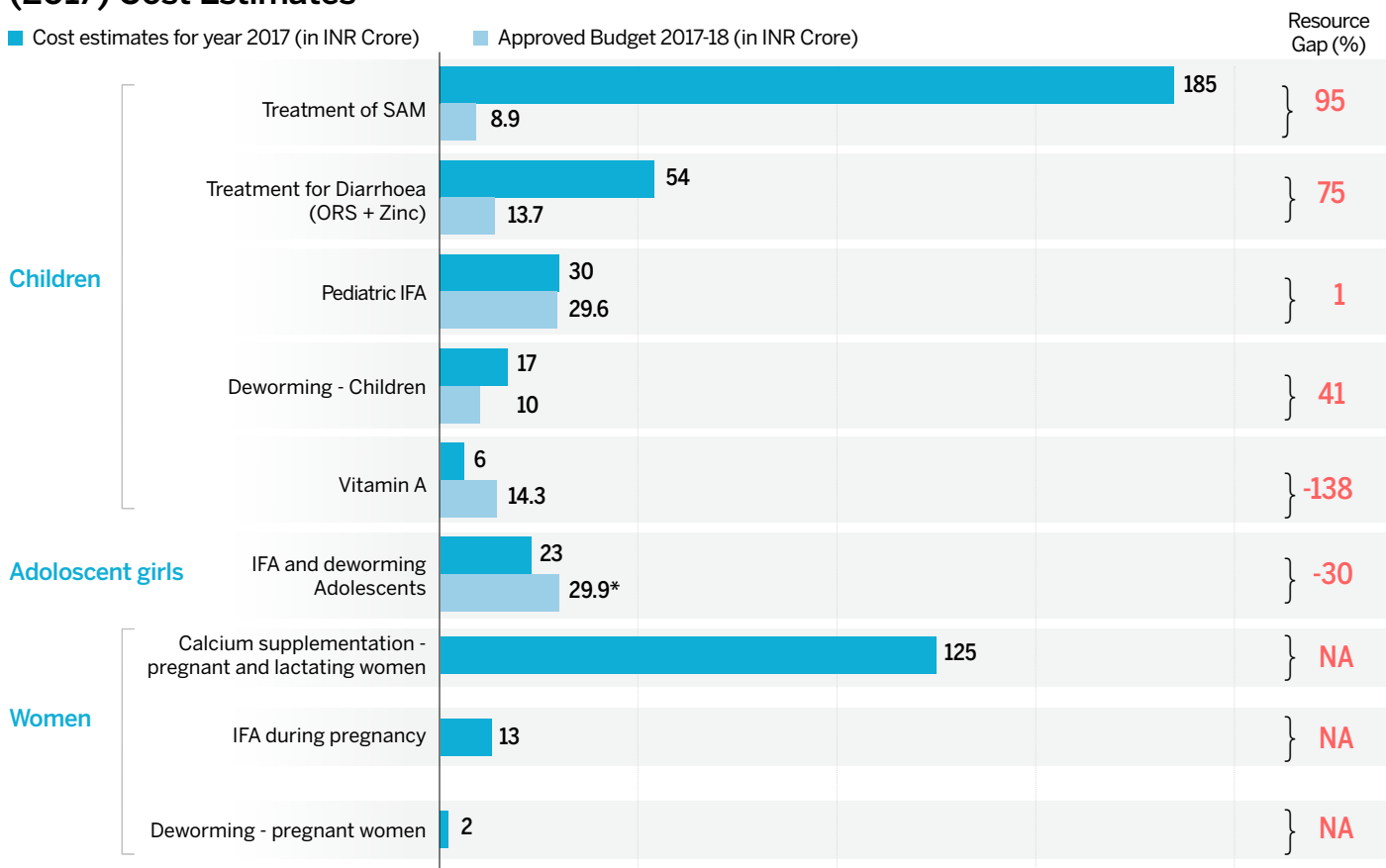
- Significant gap in resources required and funds allocated for health-DNIs: The highest resource gap is for Treatment of SAM (95%) and Treatment of Diarrhoea (75%) (Figure 2). Allocations for adolescents¹ and paediatric IFA and Vitamin A are almost as per requirement. Budgets for DNIs pertaining to P and L women were not separately reported in FY 2017-18.
- Funds allocated for ICDS-SNP are much below the requirement: Resource gaps for the FYs 2015-16 and 2016-17 were ~31% and ~27% respectively (Figure 3). Moreover, since poor fund utilisation has been an issue in Bihar, the gap increases further when compared against Actual Expenditure. This further constrains the functioning of the scheme in the state. Additionally, the resource requirements will increase significantly if ICDS-SNP is universalised in Bihar, and revised unit costs are accounted for (~INR 5,500 crore for one fiscal year).
- The scenario with respect to utilisation of funds differs significantly between FY 2014-15 and FY

2015-16 (Figure 4). While levels of fund utilisation were better in FY 2015-16 compared to FY 2014-15 for both ICDS-SNP and IGMSY/PMMVY, levels of utilisation remained low for SABLA-SNP in both years. The fund utilisation here has been compared with Revised Estimates for both years. However in FY 2015-16, significant budget was added for these schemes through second and third supplementary grants, which is not reflected in the Revised Estimates. For example, in FY 2015-16, total budget outlays after adding all three supplementary grants was INR 1656 crore for ICDS-SNP, INR 116 crore for SABLA-SNP and INR 98 crore for IGMSY. Thus, if that additional amount is added to the total outlays for these schemes, the proportion of fund utilisation in all three schemes will reduce further.

- Fund utilisation for most of the interventions within NHM is low (Figure 5). Of the eight schemes / interventions, the expenditure as a proportion of the total funds available is <10% in 5 schemes / interventions, around 40% treatment of SAM and National Iodine Deficiency Disorders Control Programme (NIDDCP) and at ~80% for Janani Suraksha Yojana.
- Poor fund utilisation in Bihar is rooted in deep systemic issues such as shortage of human resources, lack of decentralised planning, delays in fund flow, etc. Significant underfunding in these sectors over a period of time has resulted in low resource absorption capacity. Thus, even the limited budgets allocated are not getting properly spent. This in turn adversely affects allocation of additional funds for these interventions in subsequent years as allocations are now linked to funds spent in the previous years.
- Paucity of data constrained the analysis significantly. For example, the actual expenditure figures for Health DNIs are not available in public domain, barring for FY 2016-17, for which Union Health Ministry has uploaded the FMR for one year. Data on physical coverage of schemes such

¹ In FY 2017-18, only INR 0.1 crore was allocated for IFA for adolescents as the Union Ministry of Health and Family Welfare stated that the state has committed unspent amount of INR 25 crore, which it should use for this activity. For adequacy analysis, total amount available has been considered.

Figure 2: Resource Requirement for Health Related DNI as Per Chakrabarty and Menon (2017) Cost Estimates



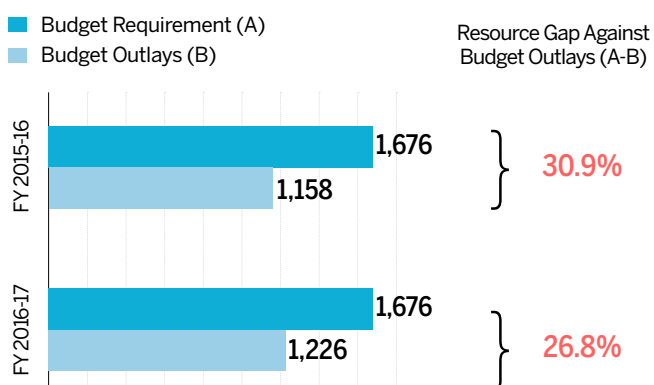
Note:

*In FY2017-18 the amount allocated for IFA and deworming for adolescents was INR 4.4 crore. However in addition to this, the state was asked to use committed unspent amount of INR 25.49 crore from previous year, making it a total of INR 29.9

Figures in negative indicate outlays greater than cost estimates.

Source: Cost Estimates from Chakrabarty and Menon (2017); Budget Outlays from ROPs for FY 2017-18, Ministry of Health and Family Welfare

Figure 3: Resource Gap Analysis for SNP-ICDS in Bihar for FY 2015-16 and FY 2016-17 as Per Existing Scheme Coverage



Values in INR Crore

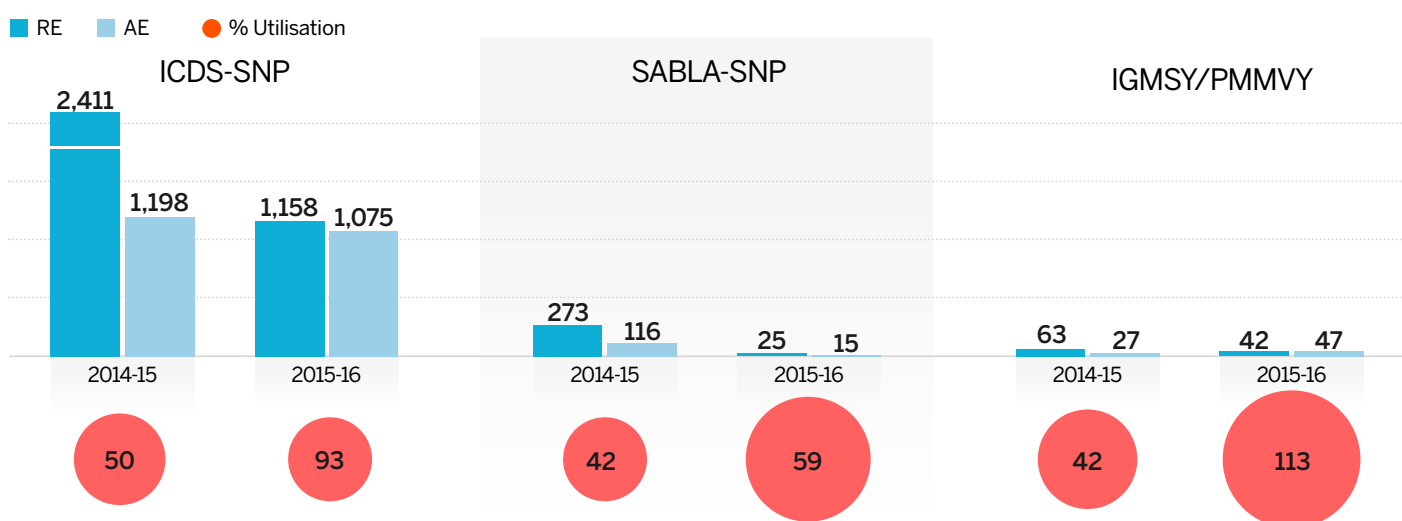
Source: For number of beneficiaries: Directorate of ICDS, Government of Bihar. (ii) For budget outlays: Detailed Demand for Grants for Social Welfare Department 2016-17 and 2017-18, Government of Bihar.

as ICDS-SNP, SABLA-SNP, and IGMSY are also not available in public domain. The data on number of beneficiaries for ICDS-SNP had to be obtained from the ICDS Directorate, Government of Bihar.

Policy Asks

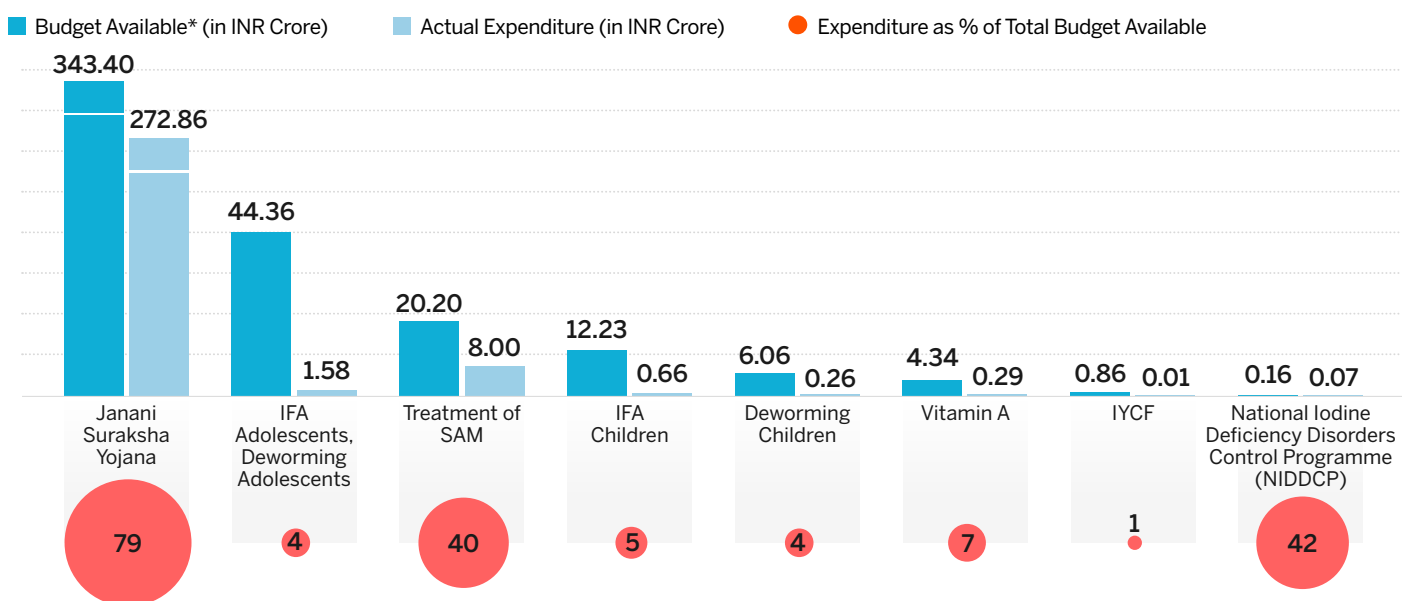
- The significant resource gaps for almost all DNIs analysed need to be addressed at the earliest. For this, both the Union and Bihar government should increase the budget outlays for the 4 CSS and within them, budgets for the DNIs.
- While planning and budgeting for schemes in the state, there is a need to identify state-specific concerns and ensure budget allocations for those. For example, Bihar has high burden of diarrhoea, at the same time funds allocated for diarrhoea prevention are much below the resource requirement (75% resource gap for diarrhoea treatment in FY 2017-18).
- Factors constraining the fund utilisation for DNIs in the state need to be addressed at the earliest. Government needs to address shortfalls in

Figure 4: Fund utilisation under schemes implemented by Social Welfare Department for FY 2014-15 and FY 2015-16 (Values in INR Crore unless mentioned otherwise)



Source: Detailed Demand for Grants for FY 2016-17 and FY 2017-18, Government of Bihar

Figure 5: Fund Utilisation under schemes implemented by Health Department for FY 2016-17



Note: *Includes budget outlays for FY 2016-17 and committed unspent balance from previous fiscal

Source: ROP and FMR for FY 2016-17; Ministry of Health and Family Welfare, 2017

basic infrastructure and human resources of the two departments. The planning and budgeting processes in the state should be strengthened to ensure needs-based budgeting and improve utilisation of allocated funds.

expenditure data as well as schemes' physical coverage need to be addressed. The respective departments should make the budget outlays and expenditure data for DNIs available in public domain in a timely manner. At the same time, the physical coverage of these schemes needs to be regularly updated and released in public domain.

- Data gaps with respect to the budget outlays and

