

THE BUDGET TRAILS



Fiscal Governance Reforms at District Level for Improving Fund Flow and Utilisation in Development Schemes

Date: 17th January 2020

Venue: Tamarind Hall, India Habitat Centre,
Lodhi Road, New Delhi - 110 003

A Consultation by



TATA TRUSTS

■ Concept Note

Major development schemes across important sectors like education, health and nutrition, water and sanitation, agriculture and rural development, and social protection for the disadvantaged sections have been constrained by under-utilisation of available funds. There is a persistence of uneven utilisation of funds across quarters, geographies and interventions, and a sizable amount remains unspent at the end of almost every financial year. Given the limited fiscal space available to the government and competing demands for public resources from a large number of sectors, India cannot afford sub-optimal utilisation of the available budgetary resources in any sector.

There has been a growing acknowledgement of this issue over the last one and a half decades, and to monitor the performance of schemes at the district level, the District Development Coordination and Monitoring Committee (DISHA Committee) was instituted in August 2016. Despite this, the problems in resource absorption in the social sector schemes have not been addressed comprehensively and dearth of evidences from the ground have impeded effective reforms.

In this context, CBGA and Tata Trusts have carried out a two-year project focusing on fiscal governance reforms needed at the district level for improving fund flow and utilisation in development schemes across sectors. It focused on eleven social sector schemes (viz. SSA, MDM, NHM, ICDS, SBM, NRDWP, MGNREGS, NSAP, PMAY, PMFBY and RKVY) in five districts across four States. Balasore and Bolangir in Odisha, Chandrapur in Maharashtra, East Singhbhum in Jharkhand, and Krishna in Andhra Pradesh are the districts covered in this initiative.

The project assessed the pace of fund flow and the extent and quality of fund utilisation in the select development schemes in each of the five districts; it has generated a host of policy suggestions for improving planning and budgeting at the district level and improving the processes of fund flow and utilisation in the social sector schemes.

The initiative has generated useful pointers towards developing a comprehensive roadmap for fiscal governance reforms at the district level. Our analysis of district level budgeting and implementation of social sector schemes suggests that systemic reforms are needed for addressing the issues pertaining to availability, capacity and accountability of staff, the problem of delayed flow of funds, deficiencies in decentralised planning, issues relating to financial norms and guidelines, and problems of convergence in service delivery, among others. Fiscal governance reforms at the district level assume greater significance now in view of the growing emphasis on districts that are lagging behind, for instance, in the Aspirational Districts Programme of the Government of India.

CBGA and Tata Trusts are organising a day-long Consultation to share the learnings and insights generated through this project and discuss those with a range of important actors. It will bring together relevant officials and policymakers from select States and the Union Government as well as technical experts and development partners for discussing the issues flagged above. The Consultation aims to develop a roadmap for fiscal governance reforms that are needed to ensure significant improvement in fund flow and utilisation in development schemes.

Agenda

9:00 am - 9.30 am	Registration
9.30 am - 10.15 am	Inaugural Session <ul style="list-style-type: none"> Welcome and Introduction to the Consultation Keynote Address
10.15 am - 11.30 am	Fund Flow and Utilisation in Development Schemes: Evidence from the Districts The session will have a presentation of the major findings and key policy takeaways emerging from the CBGA - Tata Trusts project over the last two years. Discussants from the government as well as technical experts will comment on the evidence and policy implications. The discussion will flag some of the important areas of fiscal governance reforms required at the district level.
11.30 am - 11.45 am	Tea
11.45 am - 1.15 pm	How comprehensive is our understanding of the problems in fiscal governance at the district level? This session will bring together a number of academic researchers and policy experts to discuss the problems in fiscal governance at the district level. The purpose of this discussion will be to probe how well we understand the bottlenecks at the district level.
1.15 pm - 2.15 pm	Lunch
2.15 pm - 3.45 pm	What kind of policy actions can address the bottlenecks in fund flow and utilisation in development schemes? This session will have a number of policymakers and senior implementing officials discuss the possible measures that can address the bottlenecks and improve the pace and quality of fund utilisation in development schemes. The officials will be from the Union Government, State Government departments as well as district administrations.
3.45 pm - 4.00 pm	Tea
4.00 pm - 5.00 pm	Interaction with Media This session will have a discussion on the study findings and policy takeaways with select representatives of print and electronic media at the national level.
5.00 pm - 5.15 pm	Concluding Remarks and Vote of Thanks