

The Budget Trails

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



Key Information

I. About the project

What is this project about?

Over the past 15 years, there is growing acknowledgement about the issue of sub-optimal utilisation of funds meant for development schemes. Given the limited fiscal space and the enormous needs of important sectors like education, health and nutrition, water and sanitation, agriculture and rural development, and social protection for disadvantaged sections, India cannot afford under-utilisation of funds.

The changing nature of fund flow, scheme norms and guidelines, process of implementation and mechanisms to monitor social sector schemes render adequate evidence from the field for appropriate policy action at various levels of governance. There are several factors that constrain smooth and timely flow of funds and effective utilisation of available funds in

social sector schemes. This project is an attempt to document evidence from the implementing agencies of social sector schemes at the level of districts and below on various factors that are constraining / enabling them in translating public expenditures to better outcomes.

Why was this project conceptualised?

A fair amount of information on fiscal governance and performance of several fiscal indicators at the level of the Union government of India is available in the public domain. At the state level too, substantive fiscal information is available, making it possible for the public to engage in the fiscal governance discourse. However, below state level, some of the most relevant information on fiscal performance is not available in the public domain. Further, districts are considered as the key administrative unit to implement various development schemes, but the lack of, or inadequate,

budget-related information hinders public participation in budgetary and policy discussions. This project was, therefore, conceptualised to understand, document and disseminate findings to improve the understanding of mechanisms of fund flow, and extent and quality of fund utilisation across social sector schemes.

What were the project objectives?

Some of the objectives were to analyse the quantum of resource availability for the districts; to map different channels of fund flow, and extent and quality of fund utilisation in development schemes; document better practices and gaps in implementation of development schemes; and suggest policy actions to expedite fund flow and utilisation of funds more effectively. A host of policy recommendations for better planning and budgeting at the district level, and improving the processes of fund flow and utilisation in social sector schemes, have been generated by this project.

What did this project look into?

The study focused on tracking fund flow, extent and quality of fund utilisation of 11 development schemes: Sarva Shiksha Abhiyan (SSA); Mid-Day Meal (MDM); Integrated Child Development Services (ICDS); National Health Mission (NHM); National Rural Drinking Water Programme (NRDWP); Swachh Bharat Mission (SBM); National Social Assistance Programme (NSAP); Pradhan Mantri Awas Yojana (PMAY); Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS); Pradhan Mantri Fasal Bima Yojana (PMFBY) and Rashtriya Krishi Vikas Yojana (RKVY).

Where was this project carried out?

Five districts: Balasore and Bolangir in Odisha; Chandrapur in Maharashtra; East Singhbhum in Jharkhand; and Krishna in Andhra Pradesh.

Why were these districts selected?

The presence of Tata Trusts in these districts through a number of project interventions in supporting the district administration increased the possibility of getting relevant financial information from them. Further, looking at the socio-economic development indicators of these districts, they also constitute a representational sample, from better-off districts (Krishna and Chandrapur) to aspirational districts (Bolangir and East Singhbhum).

What was the timeline for this project?

The project was carried out from November 2017 to December 2019.

How was this project conducted?

The project was undertaken by the Centre for Budget and Governance Accountability (CBGA), a public policy think-tank based out of Delhi, with support from Tata Trusts. Collaboration with district administrations was sought to obtain relevant budget data, and support to document innovations and better practices on various issues pertaining to fiscal governance at the district level.

Five District Budget Analysts were placed at the district headquarters during the entire duration of the project. Physical and financial components pertaining to the schemes under consideration, along with the quarterly, component-wise and block-wise break-up of the budget expenditure, was sought from the relevant line department offices at the district level.

II. About the knowledge products

Policy Briefs

A number of issue-specific policy briefs pertaining to budget information architecture, fund flow mechanisms for social sector schemes, extent and quality of fund utilisation in social sector schemes, availability and capacity of human resources at the district level, scheme norms and guidelines for implementing schemes, etc. have been prepared.

Innovations and Better Practices: Notes from the Districts

A set of notes document innovations and better practices on various themes from the districts. These notes highlight policies that are being implemented well on the ground; suggest possible replication of some practices; and identify gaps in the existing provisions of the scheme and suggest how they can be addressed to ensure effective implementation and better impact.

Scoping Study Reports

At the beginning of this project, one Scoping Study Report was produced for each district. This was to gauge the extent of data gap / availability and fund flow mechanisms for each social sector scheme in every district, with a very brief socio-economic profile of the district.

Consolidated Report

This report documents the key lessons learnt from the project. The purpose, scope, objectives, methods, key findings and challenges have been documented in this report.

What knowledge products have been generated as part of this project?

Quarterly Budget Updates

Several quarter-wise budget updates have been prepared for each district for financial years 2018-19 and 2019-20. These documents provide the base of preparing other knowledge products. They are also a data repository on financial performance of social sector schemes in the districts.

Perspective Papers

These papers capture the development issues and governance challenges for the districts documented through discussions with various relevant stakeholders, e.g., district-level officials, academics as well as members of civil society.

III. About the consultation

What is the purpose of the National Consultation?

The findings of this project will be discussed and the knowledge products, which present key findings in detail, will be released.

Who will be participating?

A range of stakeholders, from policy makers at the central level to policy implementers at the district

level, academics, experts from development partner institutions and journalists will be part of the event to discuss the findings and key takeaways.

When is the Consultation taking place?

The Consultation is scheduled to take place on the 17th of January, 2020.

Where will the Consultation be held?

The venue for the Consultation is Tamarind Hall, India Habitat Centre, New Delhi.

For more information, please contact us at: consultation-team@cbgaindia.org