



Summary Report

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

January 2020

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**Summary Report**

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

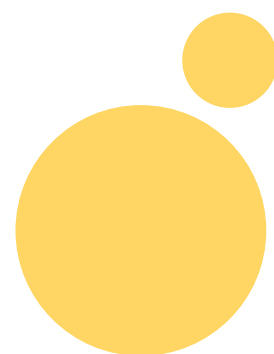
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# Abbreviations

<b>AAC</b>	Autoclaved Aerated Concrete
<b>ADMOs</b>	Additional District Medical Officers
<b>ANM</b>	Auxiliary Nurse Midwife
<b>APO</b>	Assistant Programme Officers
<b>AWH</b>	Aanganwadi Helper
<b>AWWs</b>	Aanganwadi Workers
<b>BCC</b>	Behavioural Change Communication
<b>BDOs</b>	Block Development Officers
<b>BEO</b>	Block Education Officer
<b>BMI</b>	Body Mass Index
<b>BPM</b>	Block Programme Manager
<b>BRC</b>	Block Resource Centre
<b>BSSO</b>	Block Social Security Officer
<b>C&amp;AG</b>	Comptroller and Auditor General of India
<b>CAMPA</b>	Compensatory Afforestation Fund Management and Planning Authority
<b>CBGA</b>	Centre for Budget and Governance Accountability
<b>CDPO</b>	Child Development Project Officer
<b>CEO</b>	Chief Executive Officer
<b>CHCs</b>	Community Health Centres
<b>CLTS</b>	Community Led Total Sanitation Programme
<b>CMO</b>	Chief Medical Officer
<b>CPF</b>	Centre for People's Forestry
<b>CSR</b>	Corporate Social Responsibility
<b>CSS</b>	Centrally Sponsored Scheme
<b>DBT</b>	Direct Benefit Transfer
<b>DC</b>	District Collector
<b>DDOs</b>	Drawing and Disbursement Officers
<b>DEO cum DPO</b>	District Education Officer cum District Programme Officer
<b>DIC</b>	District Industry Centre





<b>DISHA</b>	District Development Coordination and Monitoring
<b>DLO</b>	District Level Officer
<b>DMFT</b>	District Mineral Foundation Trust
<b>DMHP</b>	District Mental Health Programme
<b>DMO</b>	District Mineral Officer
<b>DPM</b>	District Programme Manager
<b>DQAC</b>	District. Quality. Assurance Committee.
<b>DSE-cum- ADPO</b>	District Superintendent of Education Cum Additional District Programme Officer
<b>DSWO</b>	District Social Welfare Officer
<b>FMRs</b>	Financial Management Reports
<b>FRBM</b>	Fiscal Responsibility and Budget Management
<b>FTO</b>	Fund Transfer Order
<b>FY</b>	Financial Year
<b>GDP</b>	Gross Domestic Product
<b>GoI</b>	Government of India
<b>GPDP</b>	Gram Panchayat Development Plan
<b>GPs</b>	Gram Panchayats
<b>HM</b>	Headmaster
<b>HRD</b>	Human Resource Development
<b>HTML</b>	Hyper Text Markup Language
<b>ICDS</b>	Integrated Child Development Scheme
<b>IEC</b>	Information Education and Communication
<b>IHHLs</b>	Individual Household Latrines
<b>ILA</b>	Incremental Learning Approach
<b>IMR</b>	Infant Mortality Rate
<b>ITDA</b>	Integrated Tribal Development Agency
<b>JE</b>	Junior Engineer
<b>JSY</b>	Janani Suraksha Yojana
<b>KMC</b>	Kangaroo Mother Care
<b>KVK</b>	Krishi Vigyan Kendra
<b>LHV</b>	Lady Health Visitor
<b>LML</b>	Last Mile Linkage



# Abbreviations

<b>MARI</b>	Modern Architects for Rural India
<b>MBPY</b>	Madhu Babu Pension Yojana
<b>MDM</b>	Mid-Day Meal
<b>MGNREGS</b>	Mahatma Gandhi National Rural Employment Guarantee Scheme
<b>MIS</b>	Management Information System
<b>MLALAD</b>	Member of Legislative Assembly Local Area Development Scheme
<b>MMDRA</b>	Mines and Minerals (Development and Regulation) Amendment Act
<b>MME</b>	Management Monitoring and Evaluation
<b>MMR</b>	Maternal Mortality Rate
<b>MPLAD</b>	Member of Parliament Local Area Development Scheme
<b>MWCD</b>	Ministry of Women and Child Development
<b>NCDs</b>	Non Communicable Diseases
<b>NGOs</b>	Non Government Organisations
<b>NHM</b>	National Health Mission
<b>NIC</b>	National Insurance Company
<b>NLEP</b>	National Leprosy Eradication Programme
<b>NPCB</b>	National Programme for Control of Blindness
<b>NPHCP</b>	National Preventive Health Care Programme
<b>NRC</b>	Nutrition Rehabilitation Center
<b>NRDWP</b>	National Rural Drinking Water Programme
<b>NRHM</b>	National Rural Health Mission
<b>NSAP</b>	National Social Assistance Programme
<b>NVBDCP</b>	National Vector Borne Disease Control Programme
<b>NWM</b>	Night Watch Man
<b>ODF</b>	Open Defecation Free
<b>OTMS</b>	Online Treasury Management Systems
<b>PD</b>	Project Director
<b>PDDRDA</b>	Project Director District Rural Development Agency
<b>PDF</b>	Portable Document Format



<b>PEETHA</b>	Peoples Empowerment - Enabling Transparency and Enhancing Accountability
<b>PEOs</b>	Panchayat Executive Officer
<b>PHCs</b>	Primary Health Centers
<b>PIP</b>	Programme Implementation Plan
<b>PMAY</b>	Pradhan Mantri Awas Yojana
<b>PMC</b>	Project Management Committee
<b>PMFBY</b>	Pradhan Mantri Fasal Bima Yojana
<b>PMSSY</b>	Pradhan Mantri Swasthya Suraksha Yojana
<b>QBU</b>	Quarterly Budget Update
<b>RBSK</b>	Rashtriya Bal Swasthya Karyakram
<b>RCH</b>	Reproductive Child health
<b>RF</b>	Revolving Fund
<b>RKS</b>	Rogi Kaylan Samiti
<b>RMNCH</b>	Reproductive Maternal and Newborn Child Health
<b>SBM-G</b>	Swachh Bharat Mission-Grameen
<b>SC</b>	Scheduled Caste
<b>SEGS</b>	State Employment Guarantee Society
<b>SMCs</b>	School Management Committees
<b>SSA</b>	Sarva Shikshya Abhiyan
<b>SSSO</b>	Sub Divisional Social Security Officer
<b>ST</b>	Scheduled Tribe
<b>TTs</b>	Tata Trusts
<b>U5MR</b>	Under Five Mortality Rate
<b>ULBs</b>	Urban Local Bodies
<b>VDP</b>	Village Development Plan
<b>VHSC</b>	Village Health and Sanitation Committee
<b>WASH</b>	Water Sanitation and Hygiene



# Executive Summary

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. Given the limited fiscal space available to the government and competing demands for public resources from a large number of sectors, India cannot afford constrained 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.

While information pertaining to budgetary resources and its utilisation is available and easily accessible at union and state level, the same does not hold true for district and sub-district level. In order 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, 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. The brunt of these systemic loopholes is entirely borne by the common citizens or beneficiaries of the programmes as quality of services gets affected due to poor utilisation of funds.

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 five different sectors, which are a) agriculture and allied activities; b) education; c) health and nutrition; d) rural development; and e) social security and welfare. It focused on ten social

sector schemes (viz. SSA, MDM, NHM, ICDS, SBM, NRDWP, MGNREGS, NSAP, PMAY and PMFBY) 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 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. Also, these districts constitute a representative sample, as Krishna and Chandrapur are relatively better-off districts and Bolangir and East Singhbhum belong to the group of aspirational districts.

Under this project, the pace of fund flow and the extent and quality of fund utilisation in select development schemes in each of the five districts have been analysed. Better practices and gaps in this domain have been identified to suggest policy measures to district authorities, state finance departments and union ministry of finance on these issues.

A lot of fiscal information pertaining to the districts was gathered from secondary sources. An attempt has been made to do an in depth analysis of relevant data in the public domain. Along with this, primary surveys were conducted through interactions with relevant government officials in the select districts. Validation, standardization and analysis of data were carried out in the process of analysis. Various rounds of data and perception collection processes were undertaken during the course of the project.

Mainly five different channels have been identified through which budgetary resources flow into any district. These are Treasuries; Societies; Member



of Parliament Local Area Development fund; the District Mineral Foundation Trust (DMFT) fund created in tribal dominated districts, and Direct Benefit Transfers to beneficiaries.

It has been noticed that during the period of analysis (i.e. 2017-18 and 2018-19), districts have shown satisfactory levels of fund utilisation under various CSS. The analysis has generated evidence to suggest that resource absorption capacity in schemes has improved compared to what is reported in the existing literature for earlier years. Thus, the narrative that large proportions of available funds remain unutilised in CSS in social sectors needs to be changed now. The findings suggests that schemes like SSA, ICDS, MGNREGS, NSAP, SBM-G and NRDWP were performing well in terms of fund utilisation and that there remains scope for improvement in schemes like MDM and NHM in some of the districts. Fund utilization rates in schemes such as ICDS, SSA, MGNREGS, NSAP, NRDWP and SBM-G were higher than 85 per cent (i.e. actual expenditure as proportion of total funds available in a year) during the financial years 2017-18 and 2018-19. The extent of fund utilisation across schemes and districts is not uniform even within these well-performing schemes.

However, quality of fund utilisation deserves much closer attention since the findings revealed skewed distribution of expenditure across quarters, and uneven utilisation of funds across components and blocks in the study districts. Expenditure during first quarter of the financial year is very low across schemes. Districts were found to have utilised largest share of funds in most of the CSS during second or last quarter of the financial year, there were some exceptions though. Component wise analysis revealed how capacity issues, staff shortages and monitoring mechanism have not received adequate priority in the process of

implementation of schemes. Fund absorption capacity varied across blocks, with tribal blocks reporting very low fund utilisation rates.

Probing further into the matter, some of the key determinants leading to poor quality of utilisation have been identified. Delays in the flow of funds, rigid scheme guidelines, staff shortages and capacity issues, and transparency and accountability issues have been found to be the most important factors, among others, which affected the quality of utilisation. The analysis of the factors causing underutilisation of funds in CSS is based heavily on the perceptions and insights shared by implementing officers in the project districts.

It has also been observed that district administrations have adopted several measures, within their capacity, to overcome impediments to full utilisation of funds and effective implementation of schemes. Some districts have resorted to additional sources of fund in order to deal with delays in fund flow. Such examples are found in Krishna (Revolving Fund mechanism in SBM), Bolangir (convergence of different schemes), and East Singhbhum (DMFT fund). Generating awareness and enhancing community participation were effective in order to overcome issues related to rigid scheme guidelines. In Bolangir, systematic account keeping for presentation before DISHA committee meetings has addressed the problem of transparency and accountability to some extent. It is worthwhile to flag here that issues related to staff shortages and capacity building have been neglected across these districts. The present report also proposes some actionable policy measures to address delays in fund flow, rigid guidelines, human resource issues, and accountability and transparency issues.





# 1

## Introduction

This report aims to consolidate the findings and policy takeaways from a project by CBGA and Tata Trusts on “Fiscal Governance Reforms at District Level for Improving Fund Flow and Utilisation in Development Schemes”.

## 1.1 About the project

### 1.1.1 Rationale

Over the last one and a half decades, the Union Government has taken several steps to enhance transparency in government finances; also, initiatives pursued by some State governments with regard to making budget information available publicly have been worthwhile. However, access to budget information decreases substantially as we go down the governance tiers of the country, particularly at the district and sub-district levels (Table A.1 in the appendix).

One of the fundamental limitations of government budgets in our country is that the data available in public domain on Union and State governments’

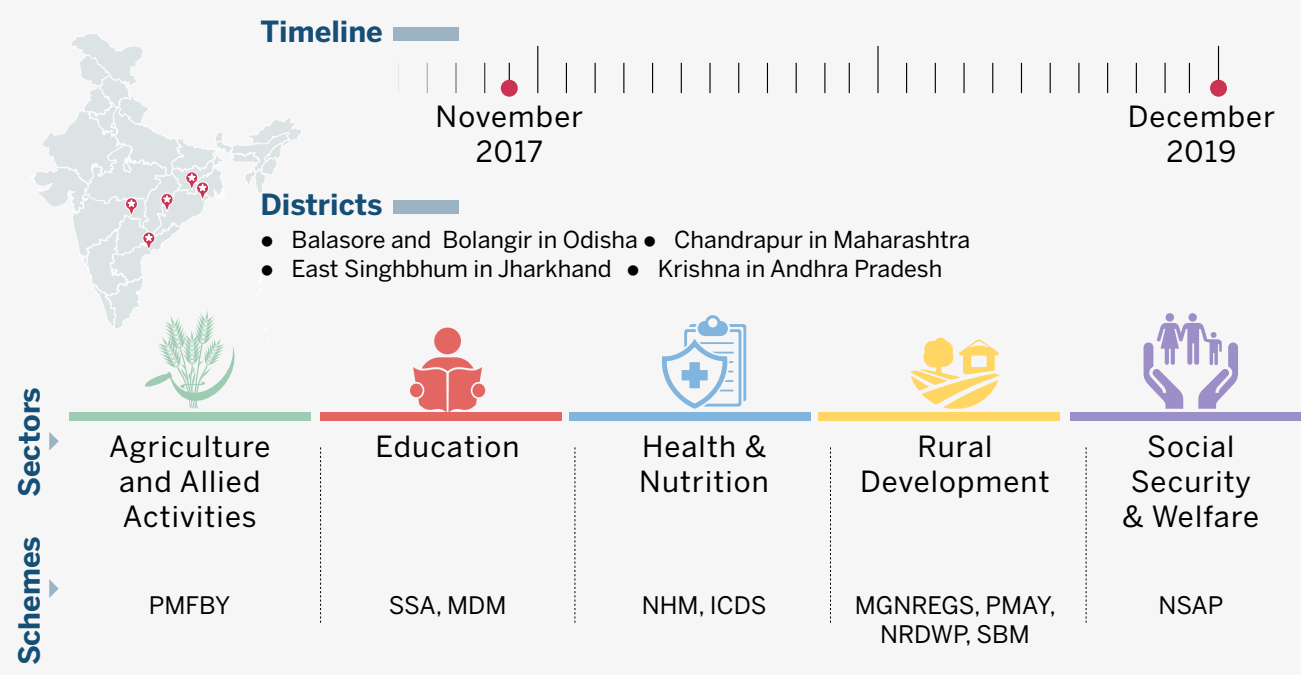
allocations / expenditure are aggregate level figures for the country or for an entire State. they do not provide any information on how the funds have been distributed across different districts.

As a result of the lack of transparency about budgets and expenditure at the district and sub-district level, the understanding (in terms of the general understanding of different actors in the policy community in the country) of the challenges in flow and utilisation of funds in the social sectors is limited. The problems of unspent funds or under-utilisation in social sector schemes, especially in the major CSS, are highlighted frequently in the public discourse.

However, there is limited understanding of the causal factors underlying constrained fund utilisation in social sector schemes. Hence, it is pertinent to unpack the challenges in the process of fund flow and utilisation and identify the major factors that need to be addressed.

Also, the existing literature on this issue does not probe in depth the possible linkages between

**Figure 1.1: Timeline and Scope of the Project**







under-funding/inadequacy of budgets for a sector over a long period of time and poor capacity of the sector to absorb resources in the schemes at the present.

The present research project aimed to fill this crucial gap in public understanding of fiscal governance issues at the district level.

### 1.1.2 Timeline and Scope

CBGA and Tata Trusts have carried out this two-year project starting from November, 2017 to December, 2019. The project focuses on five sectors and 10 social sector schemes, and five districts across four states (Figure 1.1).

Some states like Andhra Pradesh, Maharashtra, Jharkhand and Odisha have made significant progress in establishing Online Treasury Management Systems (OTMS). Therefore, the project has selected these States since their OTMS are providing disaggregated district level treasury data on actual disbursements on a real time basis.

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.

Selected districts constitute a representational

sample, as Krishna and Chandrapur are better-off districts and Bolangir and East Singhbhum belong to aspirational districts.

### 1.1.3 Objectives

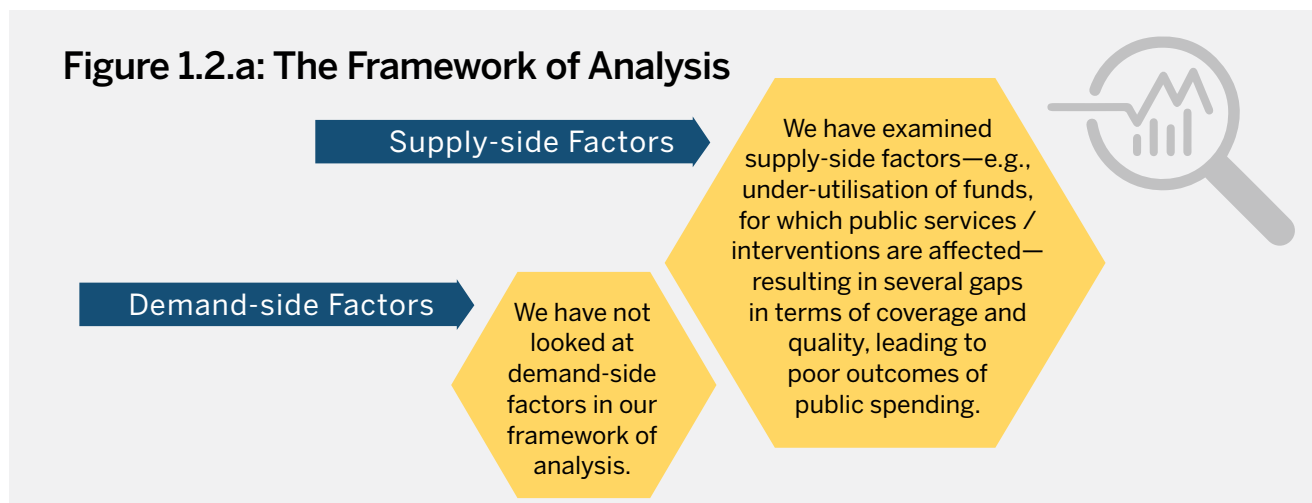
- Assess the pace of fund flow, and the extent and quality of fund utilisation in select development schemes
- Identify better practices and gaps in this domain
- Suggest policy measures to district authorities, state finance departments and union ministry of finance on issues pertaining to fund flow and utilisation, better planning and budgeting

### 1.1.4 Methodology

#### Framework of Analysis

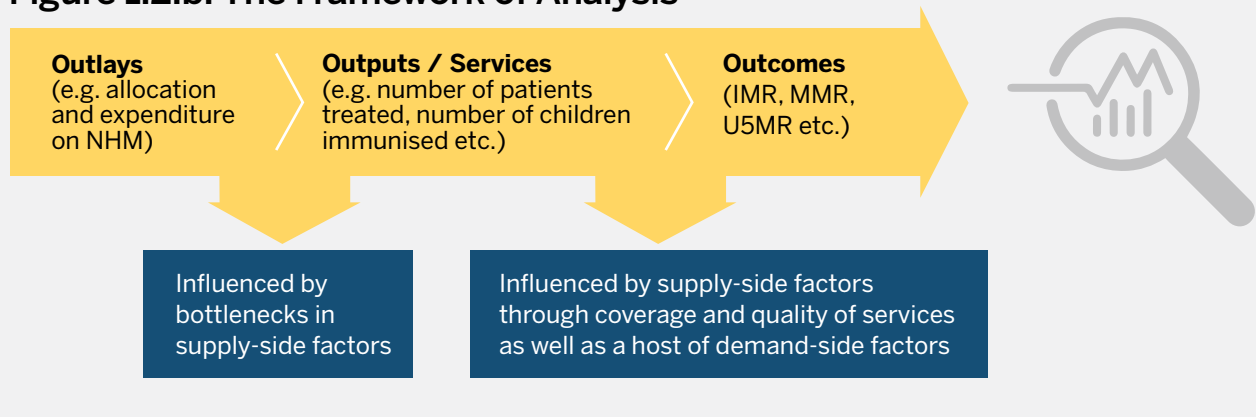
The project focused mainly on supply-side factors affecting public services and interventions in social sectors (Figure 1.2.a). As depicted in Figure 1.2.b, the entire process of public delivery of services in the context of attaining development goals is contingent on how well outlays are translated into outputs and services, and subsequently, how these outputs influence the status of outcome indicators. The process of outlays generating outputs and services is influenced by supply-side factors like delays in fund flow, under-utilisation of funds, etc., while those outputs and services leading to improvement in outcome indicators depends on both demand- and supply-side factors.

**Figure 1.2.a: The Framework of Analysis**





**Figure 1.2.b: The Framework of Analysis**



## Sources of Data

Secondary data from public portals: A thorough review and analysis of data in the public domain was carried out. Relevant information was gathered from the following secondary sources:

- Union and state budget documents / reports / papers
- State and district treasuries
- National and state portals for schemes, MIS reports and databases available in the public domain
- Annual reports / district plan documents / programme implementation plans, record of proceedings, monthly and quarterly progress reports, performance and outcome reports, monitoring and evaluation reports, review reports and relevant budget papers / documents for the district.

Table A.2 in Appendix lists various secondary data sources used for analysis.

Secondary data not available on public portals: A lot of offline data was gathered from district-level offices, especially related to financial progress of schemes. Primary surveys were conducted through field visits, interactions with government officials and other stakeholders. Validation, standardisation and analysis of all data was carried out in the process of analysis.

Perception: To understand what factors affect fund

utilisation and how, various rounds of perception collection processes were undertaken during the project. Table A.3 in Appendix describes the type of stakeholders covered in each district for this purpose.

## Activities Undertaken

- Recruitment and training of a team of budget analysts to do the project work in the districts.
- Desk research to prepare baseline reports on each district. We compiled relevant budget information on schemes from state budget documents. Budget information on allotment and expenditure from treasury web portals was collated for this purpose. Various rounds of interactions took place with government officials to document the mechanisms and processes of fund flow in development schemes.
- Conduct perception survey in each district during the initial phase of the project to identify development and governance challenges in the study districts.
- Worked closely with the district administration to collate financial and physical progress data on schemes, across quarters, components and blocks.
- Analyse data to understand the fund utilisation pattern in the study districts, along with inputs from district officials.
- We also provided inputs to the district officials in reporting financial data for some of the schemes. Also, participated in DISHA committee meetings and shared our findings.



## Figure 1.2.c: Outputs Prepared

<b>Scoping Study Reports</b>	At the beginning of this project, one Scoping Study Reports were 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.
<b>Perspective Papers</b>	These 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 societies in the project districts.
<b>Quarterly Budget Updates (QBUs)</b>	Several quarter-wise budget updates were prepared for each district for financial year 2018-19 and 2019-20. These documents provide the base of preparing other knowledge products.
<b>Notes from the Districts</b>	These notes document innovations and better practices on various themes from the districts. These notes highlight policies that are being implemented well on the ground; suggested 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.
<b>Policy Briefs</b>	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.
<b>Summary Report</b>	This present document is meant to summarise the scope, objectives, methods, key findings and policy implications of the said research project.

- We conducted roundtable discussions, and shared findings and observations with district administration.
- We documented better practices / case studies to facilitate cross-learning on various themes.

It would be worthwhile to note here that we assessed fund utilisation in select schemes to understand how these schemes were performing in the districts.

We focused on fund utilisation in a district in each of the select schemes instead of addressing utilisation at the State level.

Actual expenditure as a proportion of the total

funds available in a year is referred to as the rate / extent of utilisation. To arrive at total funds available in a year for a district, we took the sum of funds released to the district for the particular year, its unspent balance from the previous year, and the interest accumulated in the respective bank accounts of the schemes in the district.

Quality of fund utilisation was examined by studying the pattern of utilisation across various quarters of the financial year, components of schemes and blocks.

Under-utilisation of available funds and gaps in quality of utilisation, however, are viewed in our analysis as symptoms of deeper problems.



Since quantitative analysis of the causal factors is extremely difficult (due to unavailability of relevant data), we have collected perceptions of officials, carried out one-to-one discussions and conducted roundtable meetings with the district administrations to understand the deeper problems underlying poor fund utilisation.

## 1.2 About the Report

In this project, we managed to gather a fair amount of information/evidence to identify obstacles in effective implementation of development schemes in the districts, as well as remedies adopted at the local level to address those challenges. These issues are not uniform across regions or states or districts. Every district has some unique features, which depend on state-specific policies, geographical factors and prevailing socio-economic conditions, among other factors. Nevertheless, there are several issues that are common across sectors, as well as districts. It is necessary to summarise those and present a comprehensive understanding of the issues and possible remedies at one place.

The Summary Report has seven Chapters. This chapter shares some important aspects of the project and our research. Chapter 2 presents a review of the available literature on the subject.

Chapter 3 describes the basic features of the study districts. Chapter 4 presents our findings on fund flow and utilisation in select schemes in the chosen districts. Chapter 5 discusses the factors affecting fund utilisation. Chapter 6 documents innovations and better practices in some districts towards addressing the bottlenecks associated with fund flow and utilisation. Chapter 7 focuses on policy implications.

## 1.3 Limitations of this Research

We had to restrict our research to five districts across four states only. Thus, the findings cannot be generalised for the entire country. The extent and quality of fund utilisation in development schemes could be much worse in some under-developed states and better in some better-performing states.

We have examined supply-side factors like adequacy of resources, delay in fund flow, under-utilisation of funds etc., for which public services / interventions are affected, resulting in gaps in coverage and quality, and leading to poor outcomes of public spending. We have not looked at demand-side factors in our framework of analysis





# 2

## **A Brief Overview of Literature on Fiscal Governance Issues in Social Sectors**



This chapter presents a brief overview of the different types of fiscal governance issues that have been highlighted for social sectors in India,

especially for the last two decades. The literature reviewed pertains mainly to policy research work in this domain at the national level.

**Table 2.1: A Brief Overview of Fiscal Governance Issues in the Social Sectors in India Highlighted in Policy Research in Recent Years**

<p><b>Inadequacy of Public Resources for Social Sectors</b></p>	<ul style="list-style-type: none"> <li>• Inadequacy of public resources for social sectors in the 1990s was flagged in a number of studies. Between mid-1980s and early 2000s, fiscal health of most States had deteriorated because of decline in grants from the Centre and decline in their own revenue collection.</li> <li>• Another view is that the growth of public expenditure in the 1980s precipitated the fiscal crisis of the 1990s.</li> <li>• However, it has also been argued that the economic reforms of the 1990s led to a significant decline in indirect tax revenue, which could not be compensated on the direct tax front. This was at the root of the fiscal crisis faced by states in the late 1990s and early 2000s.</li> <li>• It was also pointed out that the implementation of 5th Pay Commission recommendations by the Centre and then the States at the end of 1990s had precipitated the fiscal crisis of States.</li> </ul>	<p>Prabhu (1994); Prabhu, 1999; Rao, 2004; Joshi, 2006; Patnaik (2005); Jha and Das (2007)</p>
	<ul style="list-style-type: none"> <li>• Fiscal Responsibility and Budget Management (FRBM) Acts were enacted during 2003 to 2005 to push the Centre and States towards fiscal prudence.</li> <li>• This development in the decade of 2000s led to compression of budgetary spending in social sectors. States had to reduce their revenue expenditure to maintain fiscal prudence. Expenses on human resources in social sectors were the most affected.</li> </ul>	<p>Joshi, 2006; Dev &amp; Mooji, 2009</p>
	<ul style="list-style-type: none"> <li>• The financial performance of most CSS was poor during the Tenth Five Year Plan period (2002-2007) on account of poor fund absorption capacities of implementing agencies. This problem of under-utilisation of budgets coexisted with shortage of resources.</li> <li>• For instance, there was a budget shortfall of 15-36 per cent on supplementary nutrition under Integrated Child Development Services (ICDS) Scheme during 2006 to 2011. Similarly, the average public spending on elementary education was less than the average out-of-pocket expense incurred by parents for elementary education during this period.</li> <li>• India's total public expenditure on all social sectors (i.e. combined Central and State expenditure on all social sectors) is at 7.5 per cent of GDP, which is quite low by international standards. Public provisioning for healthcare is at a low of 31 per cent of the total spending on healthcare in the country, compared to 55 per cent by China and 75-80 per cent by the United Kingdom and Europe.</li> </ul>	<p>CBGA 2011; 2011a; 2011b; 2011c; Accountability Initiative, 2013; Ali, 2013; C&amp;AG, 2013; CBGA, 2011; Sinha, 2019</p>
<p><b>Constraints relating to Planning in Schemes, Norms and Operational Guidelines</b></p>	<ul style="list-style-type: none"> <li>• The Issues of rigidity of scheme norms and guidelines, lack of needs-based planning in the schemes and lack of monitoring in the CSS were highlighted in the Chaturvedi Committee Report on restructuring of CSS.</li> <li>• A performance audit of the implementation of the Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) by the C&amp;AG of India in 2018 flagged that the scheme's objectives were not being realised because of inadequacies in planning and financial management, poor contract management, bottlenecks in execution of works and a lack of coordination in activities. The report argued that the lack of formulation of operational guidelines and ad hoc decision-making by the Project Management Committee (PMC) had resulted in poor planning and financial management.</li> </ul>	<p>C&amp;AG, 2018; Planning Commission, 2011).</p>

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**Table 2.1: A Brief Overview of Fiscal Governance Issues in the Social Sectors in India Highlighted in Policy Research in Recent Years**

<p><b>Issues relating to the Routes of Fund Flow and Delays</b></p>	<ul style="list-style-type: none"> <li>It had been argued that bypassing the state treasury (i.e. central funds for CSS being sent directly to autonomous bank accounts of implementing societies in the states/districts) resulted in weakened systems and incomplete information, raising concerns on transparency and accountability. Further, it was opined that it was difficult to track actual expenditure under CSS in states and there was scope for misreporting.</li> <li>In 2014-15, on the recommendation of the B.K. Chaturvedi Committee on restructuring of CSS, the fund flow mechanism for most CSS was changed. Central funds for CSS that were earlier transferred directly to the implementing agencies began to be routed through the state treasury. There are arguments both against and in favour of this decision. However we may note here that the District Treasuries continue to get bypassed in many CSS; only the bypassing of State Treasury was altered.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Both the treasury and society routes of fund flows in CSS have been criticised. It has been argued that complicated bureaucratic procedures lead to delays in flow of funds through the route of societies. Delays have been observed at several levels – from the Union Ministry to the State level officers, and from State Offices to the Drawing and Disbursement Officers (DDOs).</li> <li>It has been observed that sending NHM funds to the State Treasury first has led to huge delays. An average delay of 2-3 months was observed in the release of NHM funds from state treasuries to the implementing societies in Bihar and Maharashtra during FY 2015-16 and 2016-17. In FY 2017-18, the extent of this delay was as high as 191 days in Bihar and 187 days in Jharkhand.</li> <li>On the other hand, it has also been argued that the treasury route reports a higher fund utilisation rate than the society route.</li> </ul>	<p>Dikshit, Viswanathan and Raghunandan (2007)</p> <hr/> <p>Thornton (2010); Choudhury and Mohanty (2018); Berman, Bhawalkar and Jha, 2017; NITI Aayog, 2019</p>
<p><b>Gaps in Extent and Quality of Utilisation of Available Funds in Social Sector Schemes</b></p>	<ul style="list-style-type: none"> <li>Only 25 per cent of allocations for SSA were being utilised during the early 2000s. It improved significantly in subsequent years.</li> <li>Poor utilization of funds in NRHM has been flagged in several studies, with unspent amounts in the scheme rising from Rs. 7,375 crore in 2011-12 to Rs. 9,509 crore in 2015-16. It has also been noted that the fund utilisation rate under NHM was low for states with poor health indicators.</li> <li>In 2016-17, the fund utilisation rate in NHM for states like Kerala, Tamil Nadu and Gujarat stood at 80 per cent. The Standing Committee on the subject noted that poor fund utilisation rates in NHM should not be used as a reason for reducing budget outlays for the scheme further.</li> <li>Departmentally Related Standing Committee Report No. 308 noted that the utilisation of ICDS funds by the Union Ministry of Women and Child Development (MWCD) hovered at 95 per cent in 2015-16 and 2016-17, which was better compared to earlier years. Seeing the overall pace of the expenditure by the Ministry, the committee noted that adequate funds should be provided under the ICDS scheme to cover all the targeted beneficiaries and that the budget should be allocated as per the ministry’s projected requirements.</li> </ul>	<p>CBGA, 2011a; AI, 2018; Gol, 2018; C&amp;AG, 2017; Choudhury and Mohanty, 2018; CBGA, 2011c; Gol, 2018</p>

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# 3

## **District Profiles: Development Indicators, Key Challenges Across Social Sectors, and Budget Information Architecture**

## 3.1 Introduction

As mentioned in the previous chapter, two aspirational districts and three better-off districts were selected for this project, viz. Balasore and Bolangir (Odisha), East Singhbhum (Jharkhand), Chandrapur (Maharashtra) and Krishna (Andhra Pradesh). This chapter describes the basic features of the study districts, and the development challenges they face.

## 3.2 Geography

### Balasore

Balasore is a coastal district, located in the northern part of Odisha. Its area is 3,634 sq.km, of which almost 9 per cent is forest land. The district shares its border with West Bengal in the north, Bay of Bengal in the east, Bhadrak district in the south, and Mayurbhanj and Keonjhar districts of Odisha in the west.

### Bolangir

Bolangir district is situated in the western region of Odisha. Its area is 5,165 sq.km. Bolangir district is bounded by other districts of Odisha: Bargarh in the north, Kalahandi in the south, Sonepur in the east and Nuapara in the west.

### Chandrapur

Chandrapur district is located in the eastern region of Maharashtra. Chandrapur is comparatively a larger district with an area of 11,443 sq.km. The district is surrounded by Bhandara and Nagpur

in the north, Wardha and Yavatmal in the west, Gadchiroli in the east and Telengana state in the south.

### East Singhbhum

East Singhbhum, a tribal-dominated district, is located in the southeast region of Jharkhand. The district covers an area of 3,533 sq.km, of which 50 per cent is covered by forests and mountains. The district is known for its mining activities. It shares borders with West Bengal in the east and the north, Odisha in the south and West Singhbhum district in the west.

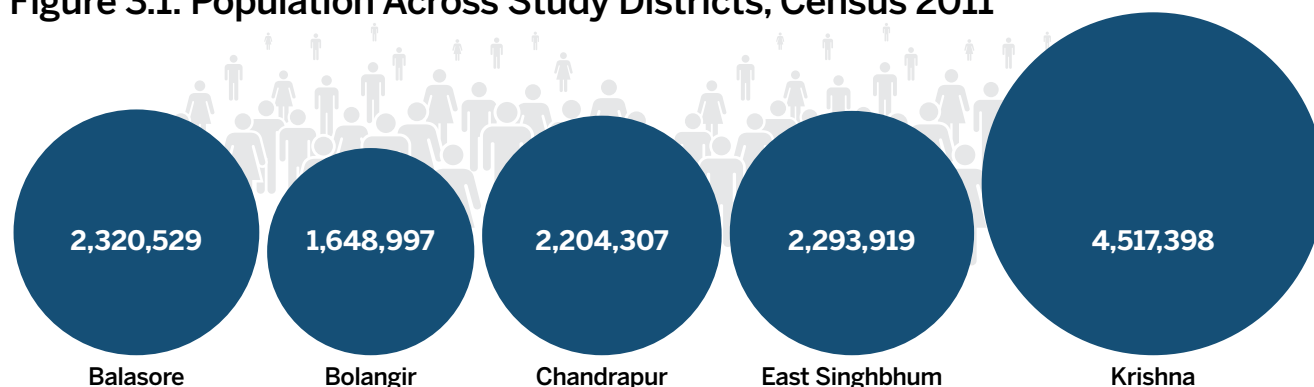
### Krishna

Krishna is a coastal district located in the eastern region of Andhra Pradesh. It is spread over an area of 8,727 sq.km. The district shares its border with West Godavari in the east, Bay of Bengal in the south, and Telengana in the west and the north.

## 3.3 Demography

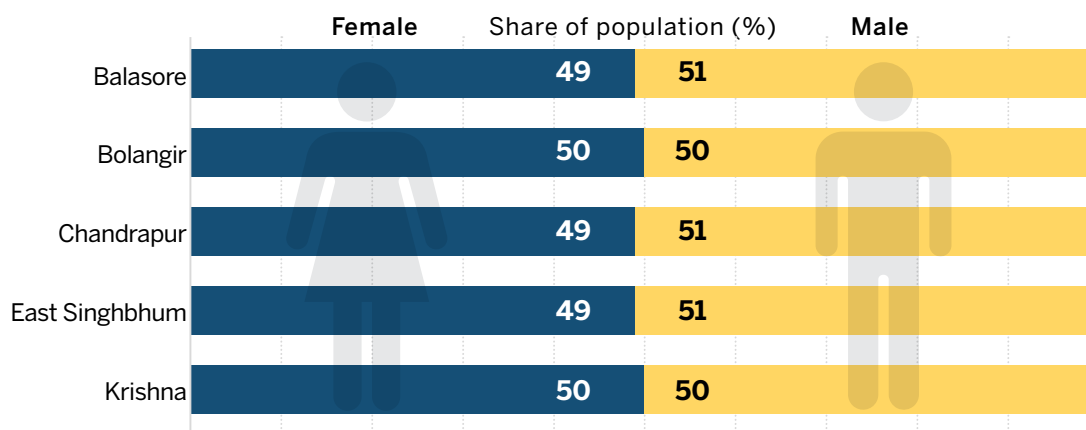
According to Census 2011, the population of Krishna district, at around 45 lakh, is the largest among the five selected districts followed by Balasore, East Singhbhum, Chandrapur and Bolangir (Figure 3.1). The composition of population by gender is not found to be skewed against women in any of the study districts (Figure 3.2). The share of SC and ST population is the highest in Bolangir, followed by Chandrapur, East Singhbhum, and Balasore (Figure 3.3).

Figure 3.1: Population Across Study Districts, Census 2011

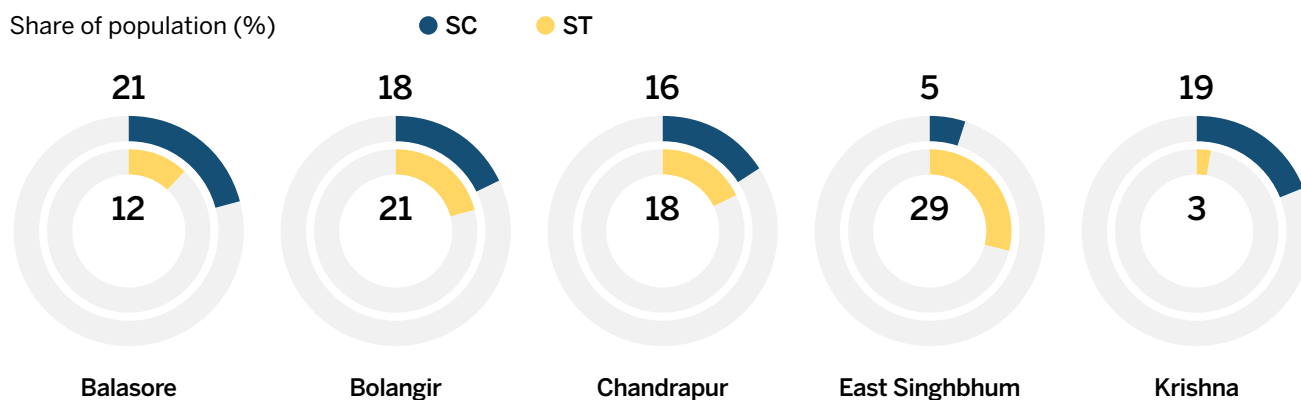




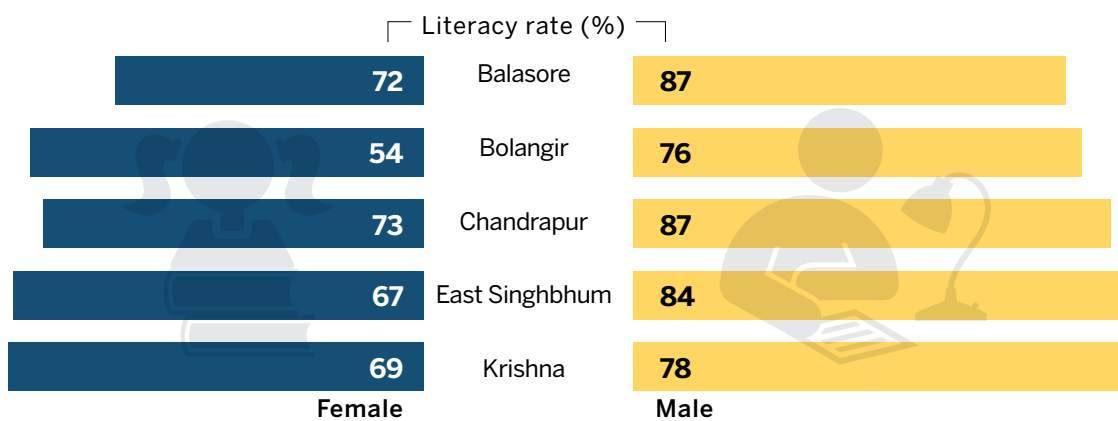
**Figure 3.2: Gender Composition of the Population of the Study Districts, Census 2011**



**Figure 3.3: Share of SC and ST population, Census 2011**



**Figure 3.4: Gender Distribution of Literacy, Census 2011**



Note: Population above 6 years has been considered to compute literacy rate.

**Table 3.1: Health and Nutrition Status of the Districts, 2015-16**

Indicators	Balasore		Bolangir		East Singhbhum		Krishna		Chandrapur	
	Rural	Total	Rural	Total	Rural	Total	Rural	Total	Rural	Total
<b>Maternal and Child Health-Maternity Care (for last birth in the 5 years before the survey)</b>										
Mothers who had antenatal check-up in the first trimester (%)	51.6	52	75.1	73.7	42.8	73.7	87.9	89	67.5	67.3
Mothers who had at least 4 antenatal care visits (%)	57.7	57.3	76.6	76.5	34.9	76.5	90.9	88.2	74.8	79.9
Mothers who received financial assistance under Janani Suraksha Yojana (JSY) for births delivered in an institution (%)	65.9	65.8	78.7	78.6	48.1	78.6	23.6	18.4	7.8	5.9
Average out of pocket expenditure per delivery in public health facility (Rs.)	3,425	3,401	4,863	4,989	1,201	4,989	3,091	2,485	1,858	1,803
<b>Delivery Care (for births in the 5 years before the survey)</b>										
Institutional births (%)	92.5	91.9	87.6	87.1	76.1	81.7	95	96.4	89.7	91.7
Institutional births in public facility (%)	82.7	81.9	85.2	84.9	65.5	49.4	38.4	36.8	75.1	66.5
Home delivery conducted by skilled health personnel (out of total deliveries) (%)	3	3	4.2	4.3	5.3	4.1	3.1	2	2.7	2.2
Births assisted by Doctor / Nurse / LHV / ANM / other health personnel (%)	87	87	91.8	91.4	81.1	85.7	95.5	95.1	92.4	93.1
<b>Nutritional Status of Children</b>										
Children under 5 years who are stunted (height-for-age) (%)	32.1	33.2	44.4	44.4	50.2	39.3	23.8	22.6	34	32.2
Children under 5 years who are wasted (weight-for-height) (%)	18.4	18	28.3	26.1	48	40.6	27.1	20.7	34.6	31.3
Children under 5 years who are severely wasted (weight-for-height) (%)	7.2	6.8	10.2	9.5	21.3	19.9	7	5.1	17.3	16.1
Children under 5 years who are underweight (weight-for-age) (%)	34	33.7	46.8	44.7	62.6	49.8	34.2	27.7	40.5	40.3
<b>Nutritional Status of Adults (age 15-49 years)</b>										
Women whose Body Mass Index (BMI) is below normal (BMI < 18.5 kg/m <sup>2</sup> ) (%)	26.6	25.4	34.5	31.8	28	20.2	14.9	13.5	37.1	29.9
Men whose Body Mass Index (BMI) is below normal (BMI < 18.5 kg/m <sup>2</sup> ) (%)	15.4	15.5	15.4	15.5	16.4	14.8	16.1	12.4	41.6	29.7

Source: National Family and Health Survey 4



### 3.4 Literacy

Literacy rates in Balasore, Bolangir, East Singhbhum, Chandrapur and Krishna are 80, 65, 75, 80 and 74 per cent respectively. Male literacy is higher than female literacy in each of the study districts. The gender gap in literacy is the highest in Bolangir and the lowest in Krishna (Figure 3.4).

### 3.5 Health and Nutrition

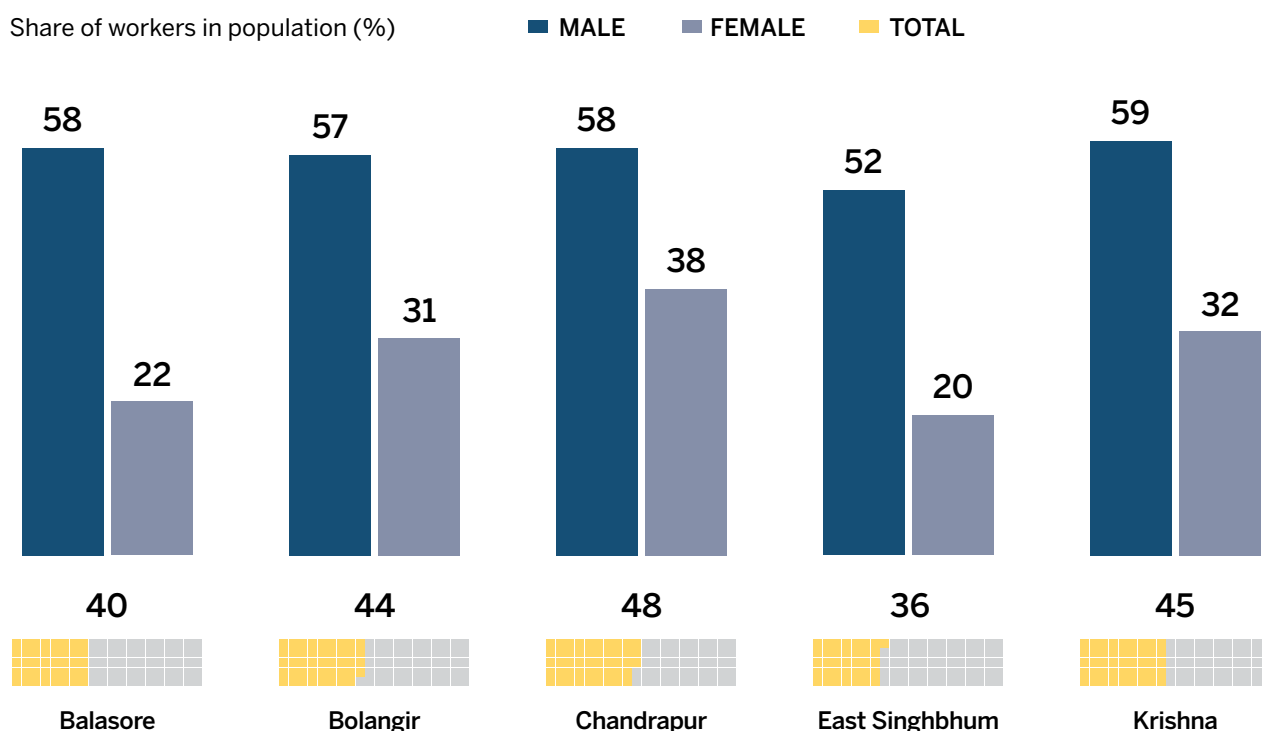
Krishna performs better on health and nutrition indicators compared to other study districts. However, within Krishna, compared with the district average, rural areas were found to be performing worse in health and nutrition (Table 3.1).

### 3.6 Employment Scenario

According to Census 2011, the share of workers in the population is the highest in Chandrapur (48 per cent), followed by Krishna (45 per cent), Bolangir

(44 per cent), Balasore (40 per cent) and East Singhbhum (36 per cent). Male worker population ratio was higher than female worker population ratio in every district (Figure 3.5). More than 80 per cent of total workers received employment for above 180 days in Krishna in 2011, but this figure was below 70 per cent in Balasore, Bolangir and East Singhbhum. Along with literacy and health, Krishna performs way better than other study districts in generating employment. However, the percentage of male 'main workers' is higher than female 'main workers' in all the study districts, which indicates that a larger number of women did not receive employment for even half the year (Figure 3.6).

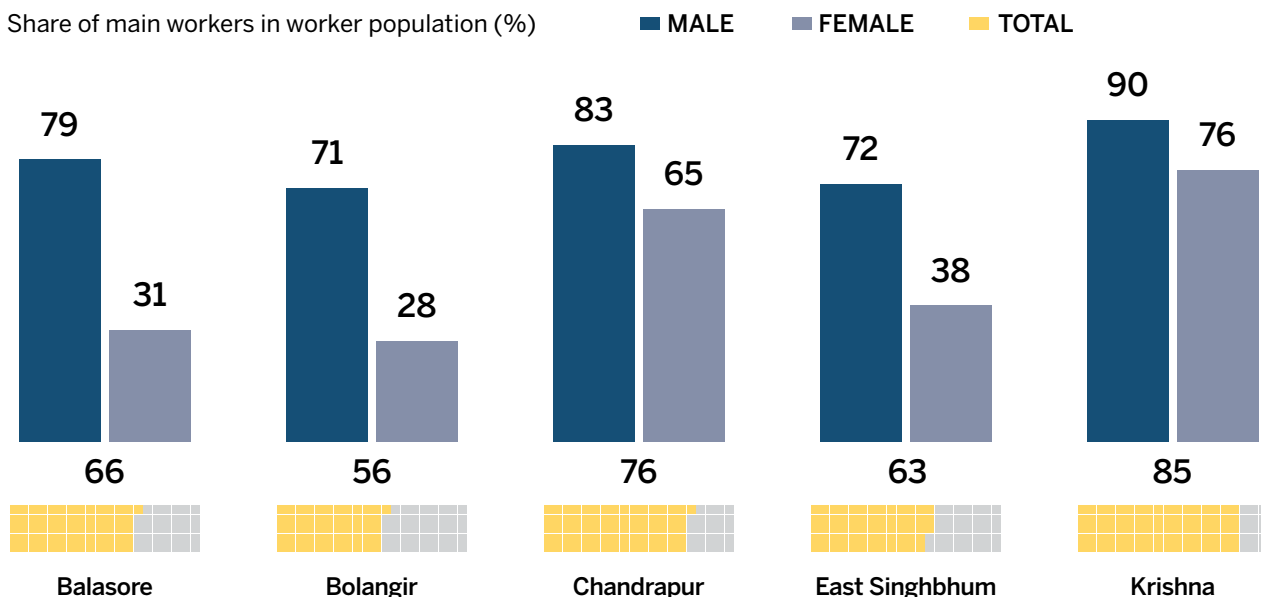
**Figure 3.5: Worker Population Ratio, 2011**



Source: Census 2011



**Figure 3.6: Percentage share of main workers, 2011**



Source: Census 2011

### 3.7 Analysis of Budgets flowing into the districts through the District Treasury

#### 3.7.1. Fund Flow Through the District Treasury

In 2016-17 and 2017-18, Krishna district spent the highest amount through the District Treasury among all study districts, followed by Chandrapur, East Singhbhum and Balasore. Bolangir spent only Rs. 479 crore through the District Treasury in 2018-19 (Figure 3.7). The education department received the highest share of expenditure across the study districts, compared to other sectors like agriculture, health and social security (Figure 3.8).

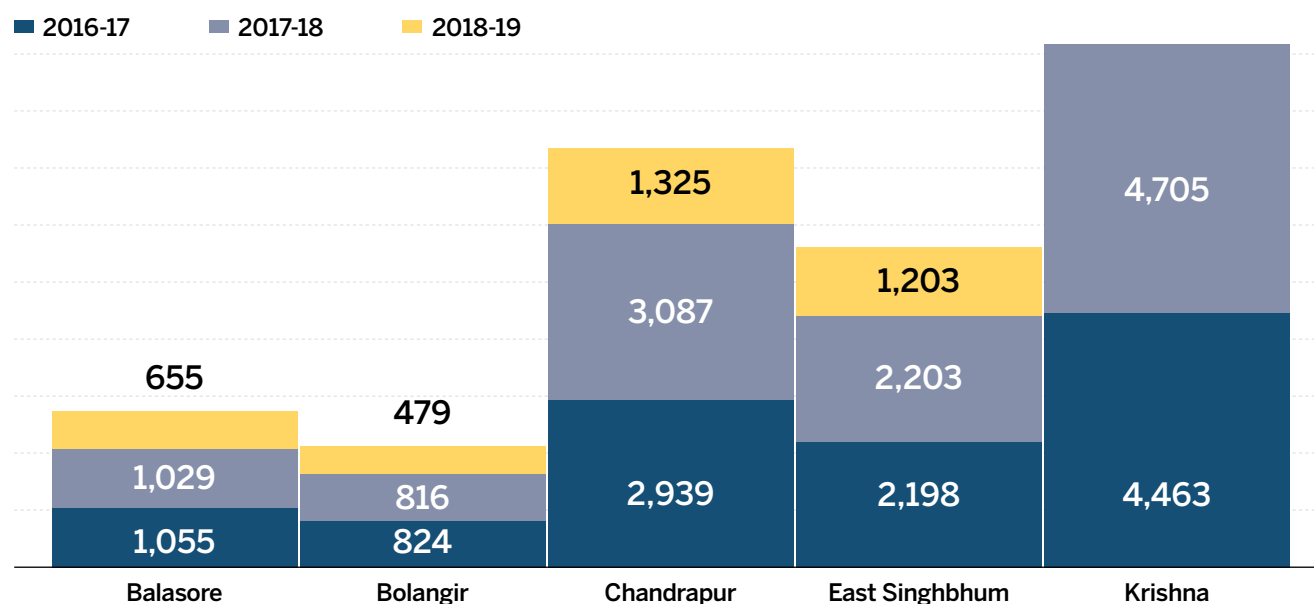
### 3.8. How scattered are sources of data for the districts?

There is no comprehensive document prepared by the district that captures the total funds that flow into the district through various channels. Various documents and reports are produced by different agencies, comprising different aspects related to fund flow and utilisation. Thus, none of the documents comprehensively provide information on fund flow and utilisation in a district in any financial year. These reports are usually prepared to fulfill reporting formalities in an ad-hoc manner. Moreover, a lot of this information is not available publicly.





**Figure 3.7: Total Expenditure through Treasury Across Districts During 2016-17 to 2018-19, (in Rs. Crore)**



Note: AP has not updated 2018-19 treasury data on its online treasury portal.  
Source: Compiled by CBGA from the data available on the treasury portals of respective states.

**Figure 3.8: Expenditure on Various Departments Through Treasury Across Districts During 2016-17 to 2018-19 (in Rs. Crore)**

	Balasore	Bolangir	East Singhbhum	Chandrapur	Krishna
<b>Agriculture</b>					
2016-17	34	37	625	203	132
2017-18	36	36	546	184	130
2018-19	21	14	227	73	-
<b>Education</b>					
2016-17	531	311	304	805	1160
2017-18	527	332	353	892	1254
2018-19	325	201	223	449	-
<b>Health</b>					
2016-17	69	63	130	206	258
2017-18	70	59	148	197	292
2018-19	51	33	93	82	-
<b>WCD &amp; social security/Social welfare</b>					
2016-17	179	144	62	191	100
2017-18	171	122	62	178	60
2018-19	91	88	30	74	-

Source: Compiled by CBGA from the data available on the treasury portals of respective states.



**Table 3.2: Basic Characteristics of the Online Treasury Portal Across the 5 Districts**

	<b>Availability and Accessibility</b>	<b>Comprehensiveness or Completeness</b>	<b>Level of disaggregation</b>
<b>Bolangir / Balasore</b>	Not easily accessible Not available in machine readable format Not real time.	Provides incomplete information Information on allocation is provided No metadata provided	Monthly / quarterly disaggregation is not available Sector-wise disaggregation not provided Scheme-wise data is not available
<b>East Singhbhum</b>	Available online. Not provided in machine readable format. Easily accessible Real time availability	Provides incomplete information. Allocation related information are not provided. No metadata provided.	Sector-wise data are available Daily/Monthly data available
<b>Krishna</b>	Available online. Provided in machine readable format. Easily accessible. Not on real time basis	Incomplete information. Allocation related information are not provided. No meta data provided.	Major head and minor head wise data available Sector wise data available. Monthly data available. Scheme wise data not available.
<b>Chandrapur</b>	Available in machine readable format. Easily accessible. Relevant information. Real time data.	Extensive information has been shared. No metadata provided.	Monthly/ quarterly data available. Sector, state scheme and block wise data available.

Source: Compiled by CBGA

A large share of budgetary resources flow into a district through the (district) treasury route and the society route. In the latter, the funds for specific schemes flow into a district through bank

accounts of scheme-implementing societies that have autonomy in fund flow (eg. In SSA, NHM, SBM, NRDWP, PMAY, etc.)



### 3.9. Development Challenges in the Districts (Perceptions of a diverse set of actors in the Districts)

#### EDUCATION

##### Balasure

- Low female literacy rate
- Low literacy among SC, ST communities
- Shortage of budget allocation for improvement in infrastructure, teacher capacity-building
- Delay in disbursement of scholarships for marginalised students

##### Bolangir

- Low overall literacy rate
- Low literacy among females, and SC, ST communities
- Shortage of budget allocation for improvement in infrastructure, teacher capacity-building

##### East Singhbhum

- Poor learning outcomes in mathematics, languages in primary and secondary schools
- Learning difficulties for tribal children, no instruction in local language
- Higher dropout rates among ST students, schools inaccessible because of distance

##### Chandrapur

[The actors who were interviewed did not flag any specific challenges pertaining to Education]

##### Krishna

[The actors who were interviewed did not flag any specific challenges pertaining to Education]

#### HEALTH

##### Balasure

- Shortage of doctors and 108 / 104 ambulance services at PHCs/ CHCs
- Poor quality of free medicines at outpatient departments, forcing patients to buy from outside and incur high expenditure

##### Bolangir

- High rate of stunting among children under 5
- High anaemia prevalence among children
- High out-of-pocket expenditure per delivery at health facilities

##### East Singhbhum

- PHCs/CHCs operate in rented spaces, suffer from poor infrastructure
- Lack of general physicians and specialist doctors at block level, except in large towns

##### Chandrapur

- Low number of Primary Health Centres (PHCs)
- PHCs not equipped to tackle malaria, filariasis and hydrocele, especially in tribal areas.
- High pollution near mines leading to stress, and chronic respiratory and skin diseases

##### Krishna

- High anaemia prevalence among women and children
- Shortage of doctors and 108 / 104 ambulance services at PHCs/ CHCs
- Lack of tarred roads in village blocks impedes medical services



## SANITATION

### Balasore

Poor construction quality of Individual Household Latrines (IHHLs) due to low unit costs, leading to low usability, poor drainage

### Bolangir

[The actors who were interviewed did not flag any specific challenges pertaining to Sanitation]

### East Singhbhum

[The actors who were interviewed did not flag any specific challenges pertaining to Sanitation]

### Chandrapur

[The actors who were interviewed did not flag any specific challenges pertaining to Sanitation]

### Krishna

- No access to functional toilets for 15% of population
- Poor quality of construction of Individual Household Latrines (IHHLs), frequent breakdowns and poor drainage

## AGRICULTURE AND LIVELIHOODS

### Balasore

- High outmigration during lean agricultural season, especially towards brick kilns
- Education youth perceive lack of industrial development, inadequate opportunities after formal education

### Bolangir

- Low agricultural productivity, lack of technologies for improvement of yield or mitigating adverse weather patterns
- Inadequate credit infrastructure resulting in low uptake of agricultural credit
- Challenge of drought-led migration and inadequate opportunities for non-farm employment

### East Singhbhum

Farming unviable for many because of small landholdings, lack of irrigation facilities, inadequate budgetary support, lack of storage facilities and facilitation of Krishi Vigyan Kendra (KVK) research, lack of long-term planning for sector

### Chandrapur

- High outmigration because of closure of mines and mineral-related industries, and general lack of industrial jobs
- Inadequate irrigation facilities in tribal areas
- Inadequate agricultural marketing system

### Krishna

- Improvement in irrigation facilities through schemes like Soil Health Card, Polam Pilustundi, farm mechanisation, distribution of seeds, and Integrated Nutrient Management
- Agricultural productivity suffers because of frequent cyclones and tidal storms; tidal storms also responsible for deterioration in groundwater quality
- Challenges in implementing MGNREGS, very few families have been given 100 days work; frequent delay in payments, irregular fund allocation and monitoring
- Workers in Chintakoola, Koduru district not accommodated in MGNREGS after losing jobs when their fields were converted to aqua ponds
- Non-availability of work in fields results in distress migration.

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## OTHER ISSUES

### Balasure

- Most rivers in danger of flooding during monsoons, leading to damage of agricultural lands and epidemics
- District also prone to frequent cyclones and associated loss of life and property.
- The quality of construction of Individual Household Latrines (IHHLs) is poor due to low unit costs and hence rate of usability of those toilets are very low. Most of these latrines are also beset with problems of regular flow of water and poor drainage connectivity.

### Bolangir

- Issue of trafficking of girls across demographic groups
- Trafficking of girls is a major problem in the district. This issue cuts across demographic groups and is not restricted to the marginalized communities

### East Singhbhum

Concerns of indigenous people not factored in planning and implementing infrastructure and mining projects, resulting in adverse economic, social and environmental consequences for them

### Krishna

- Groundwater and freshwater pollution due to proliferation of industries; climate change leading to uncertain and heavy rainfalls, frequent floods.
- Freshwater streams and smaller water bodies remain dry for most of the year affecting agriculture as well as the larger ecosystem.
- There is a growing problem of groundwater and freshwater pollution due to proliferation of industries in Krishna district. Coupled with climate change, it is increasing the temperature of the district all through the year leading to uncertain and heavy rainfalls and frequent floods. Freshwater streams and smaller water bodies remain dry for most of the year affecting agriculture as well as the larger ecosystem.

Source: Perspective Papers by District Budget Analysis Team (based on Structured Interviews with a range of diverse actors, eg. district officials (present/retired), media persons, academics, political representatives and members from development partners among others, in each district – on what are the key development issues for their district)



**Figure 3.9: Documents / reports / statements and MIS (Management Information System) providing budget information in a district**

<b>Plan documents</b>	<ul style="list-style-type: none"> <li>Five-year plan / annual plan</li> <li>Perspective plan / vision document</li> <li>Sector-specific plan</li> <li>Plan for schemes / programmes</li> <li>Regional / area-specific plan</li> <li>Community specific sub-plan</li> </ul>
<b>MIS of schemes and department websites</b>	<ul style="list-style-type: none"> <li>Various scheme MIS, including district web portal</li> </ul>
<b>Review meeting reports</b>	<ul style="list-style-type: none"> <li>Reports of review meetings on physical and financial performance</li> <li>Minutes of review meetings</li> </ul>
<b>District statistical handbooks</b>	<ul style="list-style-type: none"> <li>Census reports</li> <li>Report on health and nutrition statistics</li> <li>Report on geographical and other socio-economic indicators</li> </ul>
<b>DISHA dashboard / district dashboard / NITI Aayog portal</b>	<ul style="list-style-type: none"> <li>Dashboards and web portals for the district</li> <li>NITI Aayog's portal of various themes</li> </ul>
<b>Annual / half-yearly / quarterly / monthly reports</b>	<ul style="list-style-type: none"> <li>By line departments</li> <li>Scheme performance reports (including MPLAD and MLALAD funds)</li> <li>By independent / autonomous agencies</li> <li>By district-level nodal bank</li> </ul>
<b>Treasury MIS</b>	<ul style="list-style-type: none"> <li>Fortnightly reports on receipt and expenditure</li> <li>Quarterly reports</li> <li>Annual reports</li> </ul>
<b>Reports / documents by civil society organisations (development partners)</b>	<ul style="list-style-type: none"> <li>Research study reports</li> <li>Baseline and endline survey reports</li> <li>Monitoring and evaluation reports</li> </ul>
<b>Press releases / government orders</b>	<ul style="list-style-type: none"> <li>Various government orders on scheme implementation and other such circulars / notifications</li> <li>Press releases</li> <li>Newspapers / periodicals and Journals</li> </ul>

Source: Visualized by the author





**Table 3.3: Gaps in fiscal data on the Centrally Sponsored Schemes in the study districts**

<b>MGNREGA</b>				
<p><b>Balasure</b></p> <p>Analytical reports needed to improve access for laypersons and generate insights on planning and budgeting</p>	<p><b>Bolangir</b></p> <p>Analytical reports needed to improve access for laypersons and generate insights on planning and budgeting</p>	<p><b>East Singhbhum</b></p> <ul style="list-style-type: none"> <li>• Data not easy to understand</li> <li>• Planning and budgeting process for schemes at the district and sub-district level not available</li> <li>• Timing of fund release and disbursement to beneficiaries not available in public domain</li> </ul>	<p><b>Chandrapur</b></p> <p>Analytical reports needed to improve access for laypersons and generate insights on planning and budgeting (especially for Panchayats while preparing labour budgets)</p>	<p><b>Krishna</b></p> <p>Analytical reports needed to improve access for laypersons and generate insights on planning and budgeting</p>
<b>NRDWP</b>				
<p><b>Balasure</b></p> <p>Information on fund allocation or funds demanded, component-wise disaggregated information, data on beneficiaries/ outputs/ outcome data, data on staffing and vacancies not available in public domain.</p>	<p><b>Bolangir</b></p> <p>Information on fund allocation or funds demanded, component-wise disaggregated information, data on beneficiaries/ outputs/ outcome data, data on staffing and vacancies not available in public domain.</p>	<p><b>East Singhbhum</b></p> <ul style="list-style-type: none"> <li>• Information on status of funds demanded and utilised across components, blocks/ panchayats, beneficiary-wise disaggregated data not available.</li> <li>• Details of physical progress (personnel involved in the programme, projects undertaken, completed etc.) at the district/block level not available.</li> </ul>	<p><b>Chandrapur</b></p> <p>Information on demand for funds, component wise data for the district, panchayat-wise demand and amount spent under programmes not available in public domain</p>	<p><b>Krishna</b></p> <p>Information on fund allocation or funds demanded, component-wise disaggregated information, data on beneficiaries/ outputs/ outcome data, data on staffing and vacancies not available in public domain.</p>
<b>NSAP</b>				
<p><b>Balasure</b></p> <p>Data not available on funds released to district under scheme, quarter-wise funds released from state to district</p>	<p><b>Bolangir</b></p> <p>Data not available on funds released to district under scheme, quarter-wise funds released from state to district</p>	<p><b>East Singhbhum</b></p> <p>Data not available on funds required for district across pension schemes during financial year, quarter-wise funds released from state to district and blocks</p>	<p><b>Chandrapur</b></p> <p>Information not available on block-wise funds released, across various pension schemes</p>	<p><b>Krishna</b></p> <p>Data not available on funds released to district under scheme, quarter-wise funds released from state to district</p>

Continued on next page..







**Table 3.3: Gaps in fiscal data on the Centrally Sponsored Schemes in the study districts**

<b>MDM</b>				
<p><b>Balasore</b></p> <p>Data not available on budget allotment for scheme at district level, component-wise information of scheme, component wise physical data for the district</p>	<p><b>Bolangir</b></p> <p>Data not available on budget allotment for scheme at district level, component-wise information of scheme, component wise physical data for the district</p>	<p><b>East Singhbhum</b></p> <p>Data not available on budget allotment for scheme at district level, component-wise information of scheme, component wise physical data for the district , quarter-wise budget released, spent and unutilised funds</p>	<p><b>Chandrapur</b></p> <p>Data not available on fund utilization at district or block level (has to be compiled from treasury data and implementing agencies), grants approved at block level, actual expenditure, across components and across blocks for different quarters</p>	<p><b>Krishna</b></p> <p>Data not available on budget allotment for scheme at district level, component-wise information of scheme, component wise physical data for the district.</p>

<b>NHM</b>			
<p><b>Balasore</b></p> <ul style="list-style-type: none"> <li>Data not available on allocation, release and expenditure at district and block level, component wise allocation, release and expenditure data</li> <li>Financial Management Reports or the FMRs that provide actual expenditure not available in public domain.</li> </ul>	<p><b>Bolangir</b></p> <ul style="list-style-type: none"> <li>Data not available on allocation, release and expenditure at district and block level, component wise allocation, release and expenditure data</li> <li>Financial Management Reports or the FMRs that provide actual expenditure not available in public domain.</li> </ul>	<p><b>Chandrapur</b></p> <ul style="list-style-type: none"> <li>Data not available on allocation, release and expenditure at district and block level, component wise allocation, release and expenditure data</li> <li>Financial Management Reports or the FMRs that provide actual expenditure not available in public domain. (data presented above was collected from PIP of District Health Society)</li> </ul>	<p><b>Krishna</b></p> <ul style="list-style-type: none"> <li>Data not available on allocation, release and expenditure at district and block level, component wise allocation, release and expenditure data</li> <li>Financial Management Reports or the FMRs that provide actual expenditure not available in public domain.</li> </ul>

<b>ICDS</b>
<p><b>Chandrapur</b></p> <ul style="list-style-type: none"> <li>Treasury does not provide the data on allocation and approved amount for the scheme;</li> <li>Data not available on detailed disaggregation of scheme allocation and expenditure for blocks</li> </ul>

Source: Scoping Study Report, CBGA (based on a comprehensive assessment of availability of fiscal information for the 10 select schemes in the project districts)





# 4

## **Assessing the Extent and Quality of Utilisation of Funds Available**

## 4.1 Introduction

This chapter presents our assessment of the extent and quality of utilisation of funds available in select social-sector schemes in the five project districts. The extent of fund utilisation in a scheme in a district is evaluated by comparing actual expenditure in a year with the total funds available to the district for the scheme concerned for that year. Thus, higher the amount of unspent funds at the end of the year, lower is the extent of utilisation.

Quality of fund utilisation is assessed by referring to the pattern of utilisation across the four quarters of a year, across different blocks and different components within a scheme. The rationale is that relatively high levels of utilisation for a district for a year can hide uneven utilisation across quarters, across geographies and components.

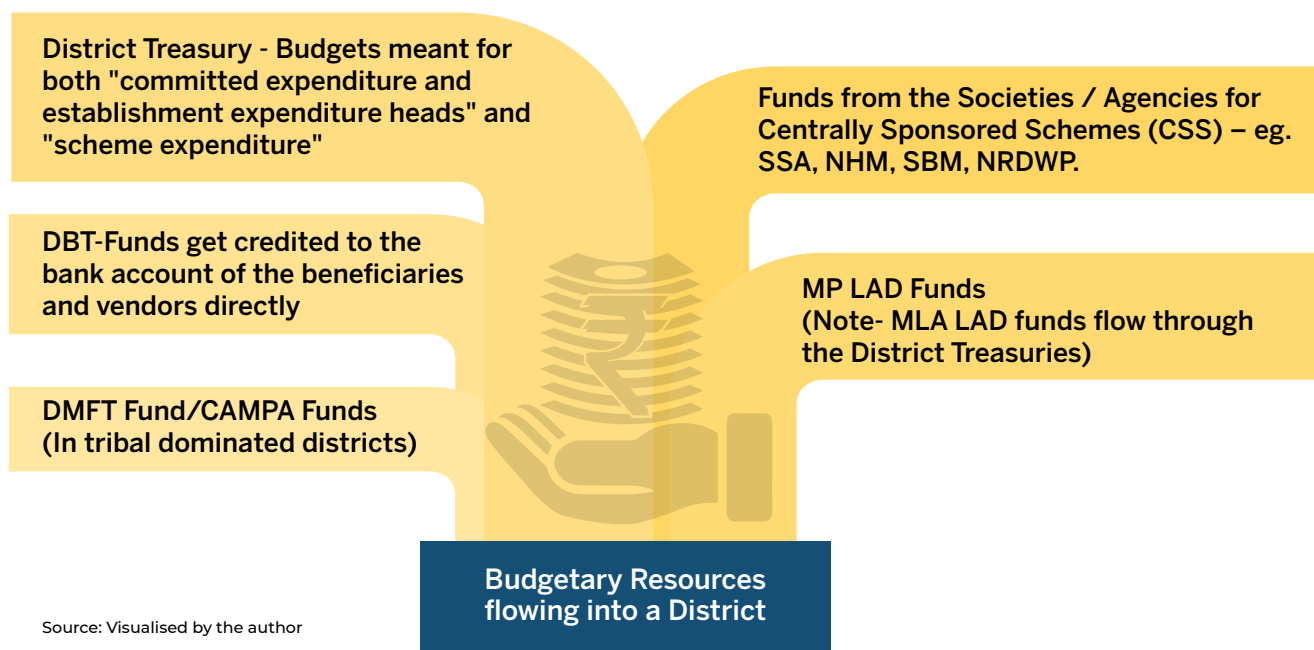
## 4.2 Multiple channels and sources of flow of budgetary resources into a district

Five main channels have been identified through which budgetary resources flow into any district. These are Treasuries, Societies, Member of Parliament Local Area Development fund, the District Mineral Foundation Trust (DMFT) fund created in tribal-dominated districts, and Direct Benefit Transfers to beneficiaries.

Of these five channels, the Treasury route and the Society route together account for a very large proportion of the total budgetary resources flowing into any district. The Treasury route deals with the flow of budgets meant for both 'committed expenditure and establishment expenditure heads' (the erstwhile Non-Plan Budgets) as well as 'scheme expenditure heads' (the erstwhile Plan budgets). The Societies route deals solely with 'scheme expenditure heads' in various Central Schemes (or CSS).

Among the 10 selected schemes, in SSA, NHM, SBM, NRDWP, MGNREGS, PMFBY and PMAY, Central funds are bypassing District Treasuries (for wage component of MGNREGS, even the State Treasury is bypassed). For ICDS, NSAP and some components of MDM, Central funds do flow into a district through the District Treasury.

Figure 4.1: Major Channels of Flow of Budgetary Resources to a District





It's important to note here that in the late-1990s and 2000s, several Union Ministries adopted the Societies route (for bypassing both State and District Treasuries) on grounds of expediting fund flows to districts. The Comptroller and Auditor General (CAG) of India had pointed out the loss of transparency in the Societies route vis-a-vis the Treasury route, and advocated for restoring the latter.

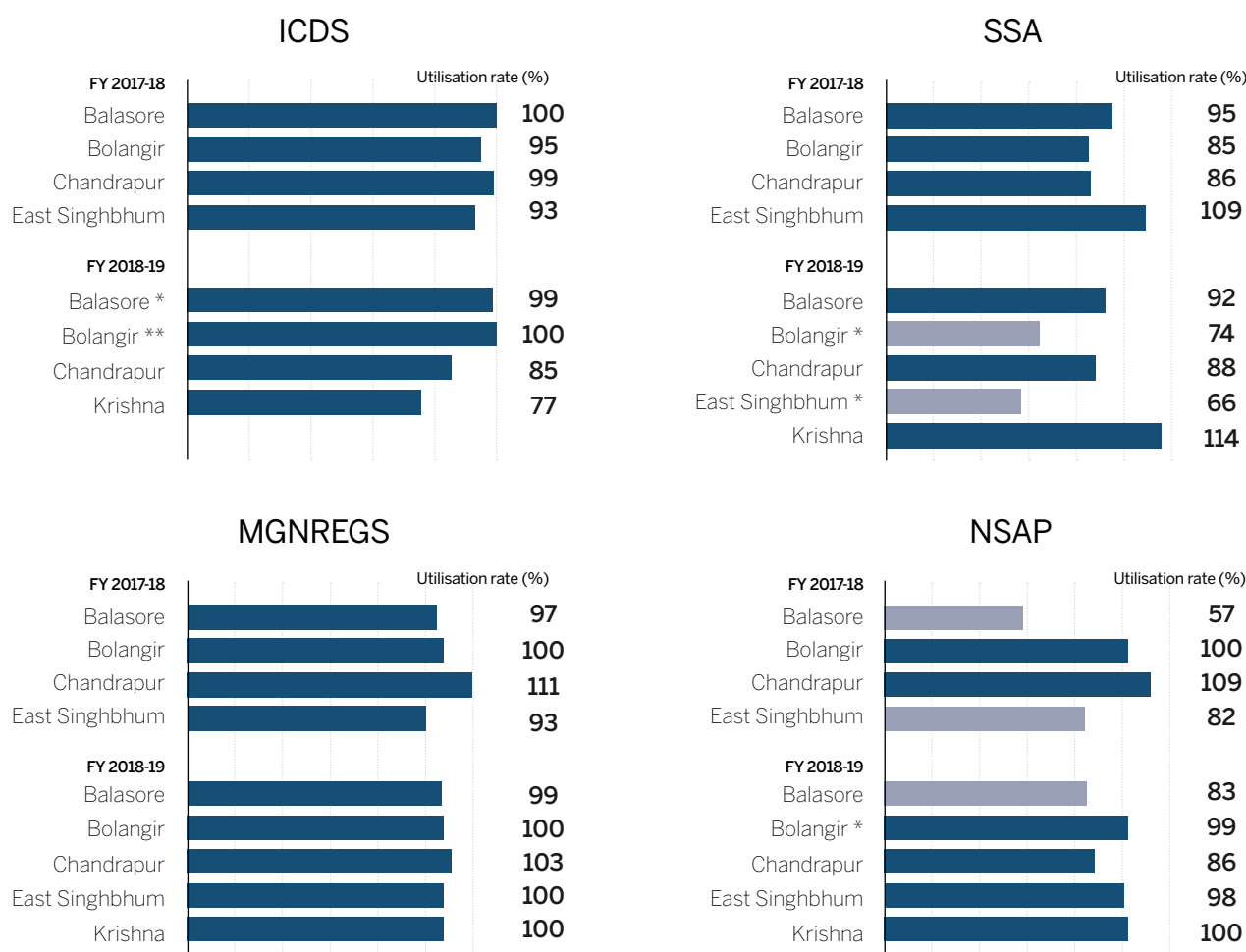
The B.K. Chaturvedi Committee, set up by the erstwhile Planning Commission, recommended that Central funds should be sent to State Treasuries first (2012), which was implemented by the Union Government from FY 2014-15. However, as mentioned above, some CSS get transferred

from the State Treasury to the autonomous bank accounts of Societies (set up in every state to implement these schemes), and hence continue to bypass District Treasuries.

Given this context, one needs to pay close attention to the following two parameters / aspects for CSS relying on the Societies route (like SSA, NHM, SBM, PMFBY, PMAY and NRDWP) vis-a-vis CSS relying on the Treasury route (like ICDS and MDM):

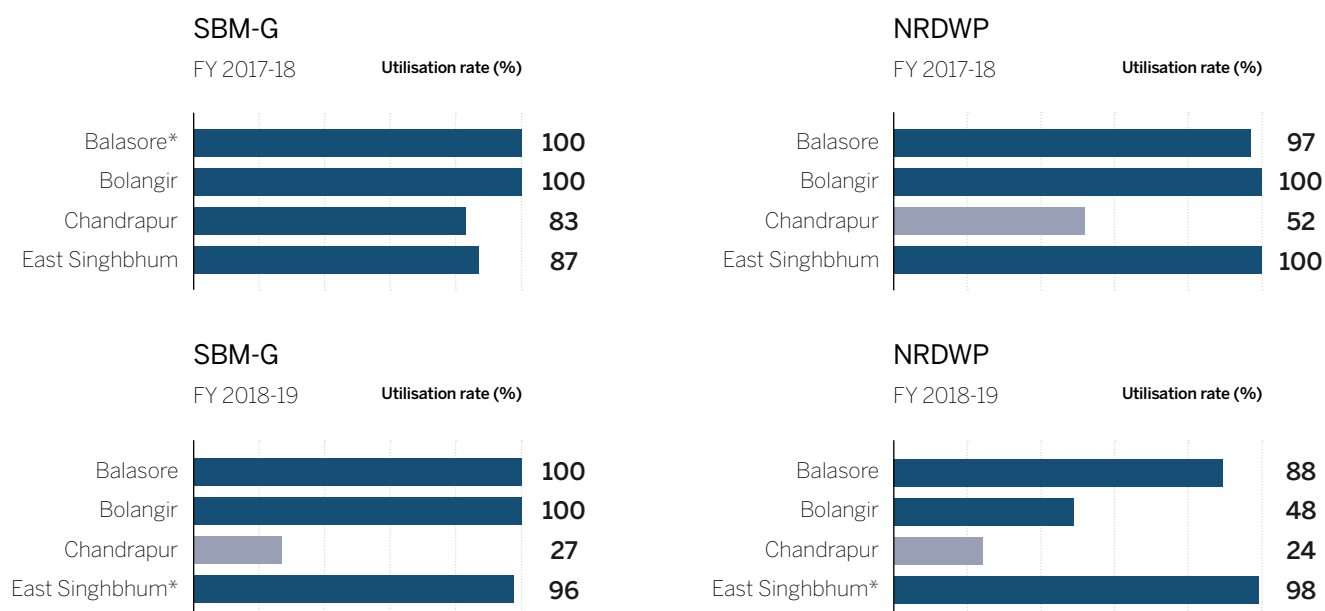
- The pace of fund flow into the districts.
- The level of fiscal transparency in the schemes at a more disaggregated level.

**Figure 4.2: Schemes with Fund Utilisation Rates above 85 Per Cent**



Bars marked in pink indicate utilisation below 85% \* Data up to third quarter \*\* Data up to second quarter  
 Source: Compiled by CBGA based on data shared by officials of respective districts.

**Figure 4.3: Chandrapur is an Outlier in Utilising Funds under NRDWP and SBM-G**



\* Data up to second quarter ; Source: Compiled by CBGA from district level officials

## 4.3 Extent and Quality of Utilisation of the Available Funds

### 4.3.1 Overall Utilisation in a Year and Pattern Across Four Quarters

Our analysis suggests the narrative of under-utilisation of funds in CSS cannot be generalised for all schemes or all districts. Also, it cannot be generalised that districts do not have the capacity to absorb funds in social-sector schemes. At least since 2016-17, districts have been showing satisfactory levels of fund utilisation under various CSS.

We have plotted the extent of fund utilisation for eight CSS for two financial years in four districts, and five CSS for one financial year in one district under study. That's 68 data points: 16 each for Balasore, Bolangir and Chandrapur have, 15 for

East Singhbhum, and 5 for Krishna. The list of better-performing districts has been prepared by taking into account the number of instances in which each district has utilised over 85 per cent of the funds available with them. Both Odisha districts—Bolangir (11 data points) and Balasore (11 data points)—and East Singhbhum (11 data points) in Jharkhand have performed better compared to Chandrapur (8 data points) in Maharashtra and Krishna (3 data points) in Andhra Pradesh.

Fund utilisation rates<sup>1</sup> in schemes such as ICDS, SSA, MGNREGS, NSAP, NRDWP and SBM-G are above 85 per cent (which we have considered as a benchmark) during financial years 2017-18 and 2018-19. The analysis reveals that schemes such as NHM and MDM performed moderately in terms of utilisation of funds in financial years 2017-18 and 2018-19. However, the extent of fund utilisation across schemes and districts is not uniform even within the well-performing schemes.

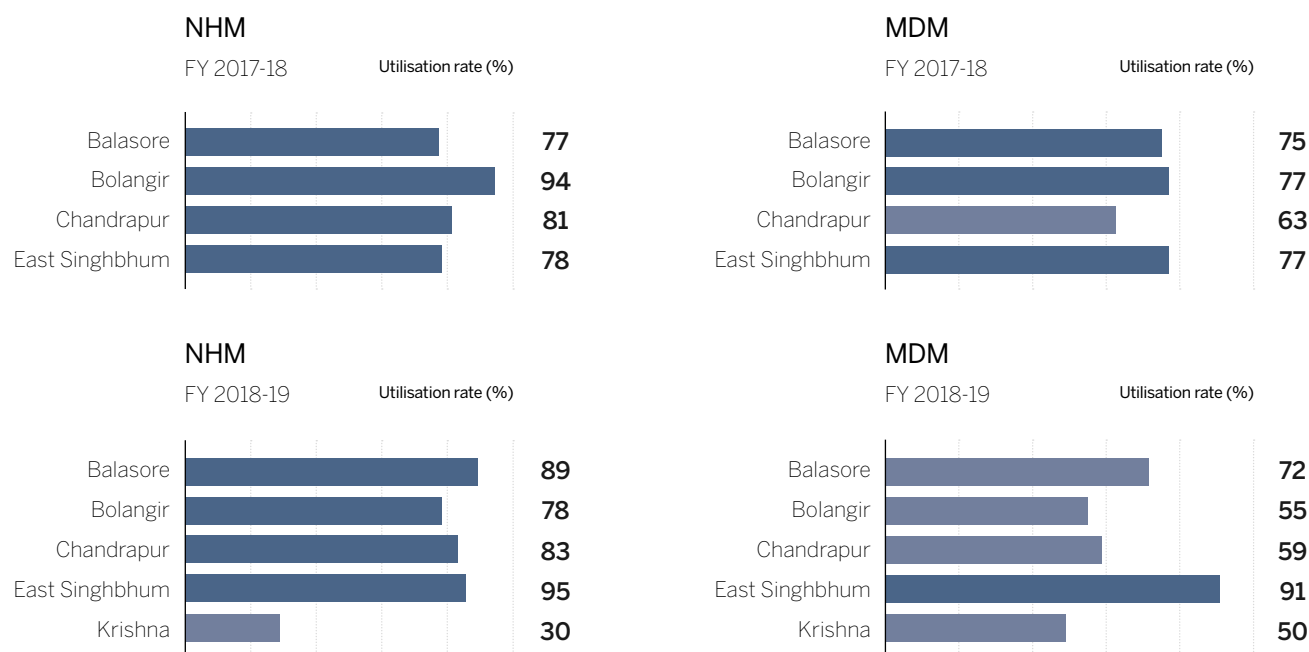
Although the extent of utilisation of available

<sup>1</sup> Extent of fund utilisation across schemes is computed based on the funds utilised and the funds available with the districts, which is the sum of unspent balances carried forward from last year, the release of funds in the current year and the interest accrued.





**Figure 4.4: Schemes with Fund Utilisation Rates Above 75 per cent**



funds in social sector programmes has improved significantly over the last decade, there is uneven utilisation of funds across the four quarters in every district studied. Four different types of pattern of distribution of total expenditure have been observed across quarters. These are as follows:

1. Some districts spent the highest share of funds during the second quarter of financial year 2018-19 (Bolangir on SSA, Chandrapur on SSA and ICDS, East Singhbhum on MDM).
2. Some districts spent more than 40 per cent on schemes during the last quarter of financial year 2018-19.
3. All the study districts, except Balasore, showed the highest share of expenditure on MGNREGS during the first quarter of the financial year.
4. Expenditure on ICDS was somewhat evenly distributed across quarters in Bolangir and Krishna.(Figures 4.5 to 4.8).

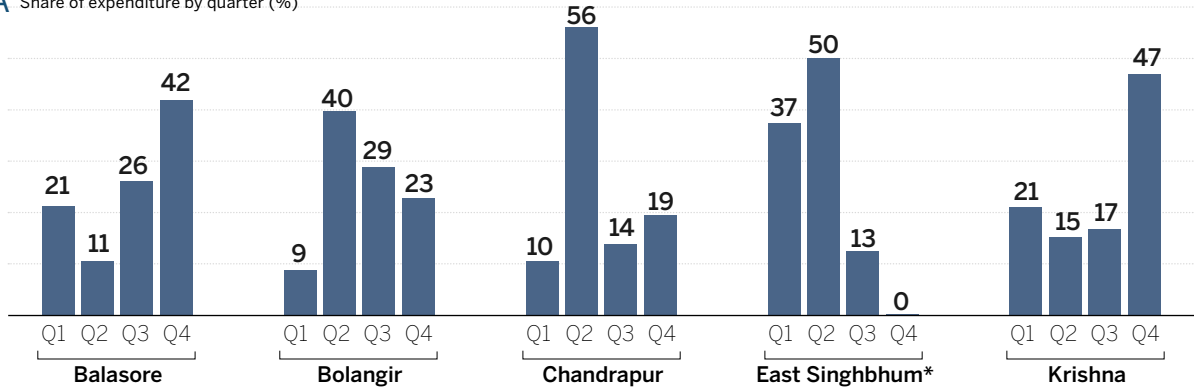
### 4.3.2 Quality of Fund Utilisation: Utilisation of Funds Across Various Components in a Scheme

This analysis highlights the gaps in quality of fund utilisation in some CSS, which get concealed by the overall high utilisation rates of funds by the districts. The focus here is on low utilisation of funds in case of some components within schemes, which may be affecting the quality of services delivered through the schemes.

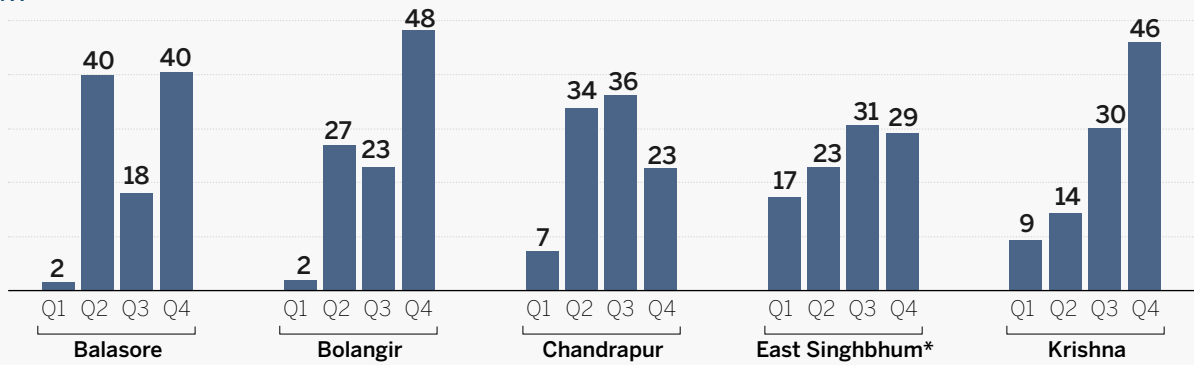
**Salary:** Utilisation of funds on salary components was found to be very high, sometimes more than the available resources (the latter indicating inadequate funding for staff salaries vis-à-vis the requirement). During 2018-19, Balasore and Chandrapur spent 96 per cent and 64 per cent of the available funds, respectively, for teachers' salaries under SSA. Chandrapur did not spend on new teachers' salaries in the first quarter of FY

**Figure 4.5: Uneven Distribution of Expenditure Across Quarters Under CSS (2018-19, in %)**

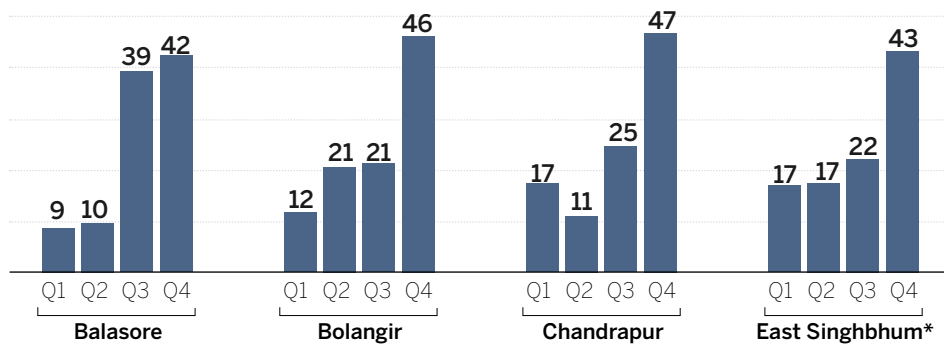
**SSA** Share of expenditure by quarter (%)



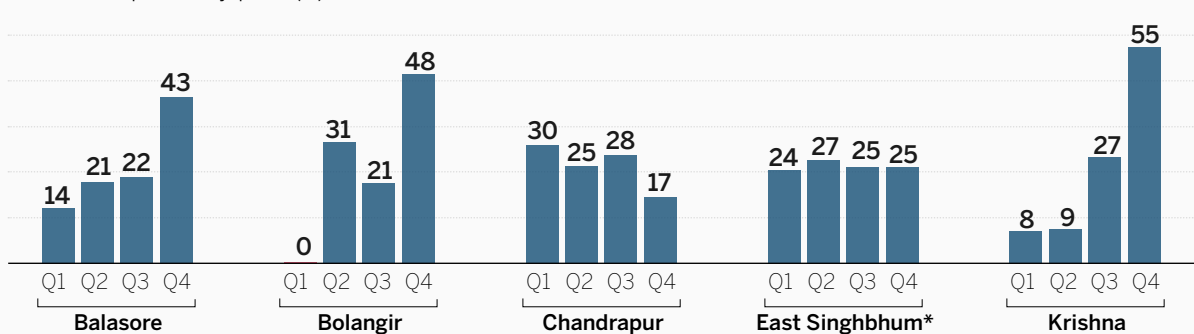
**MDM** Share of expenditure by quarter (%)



**NHM** Share of expenditure by quarter (%)

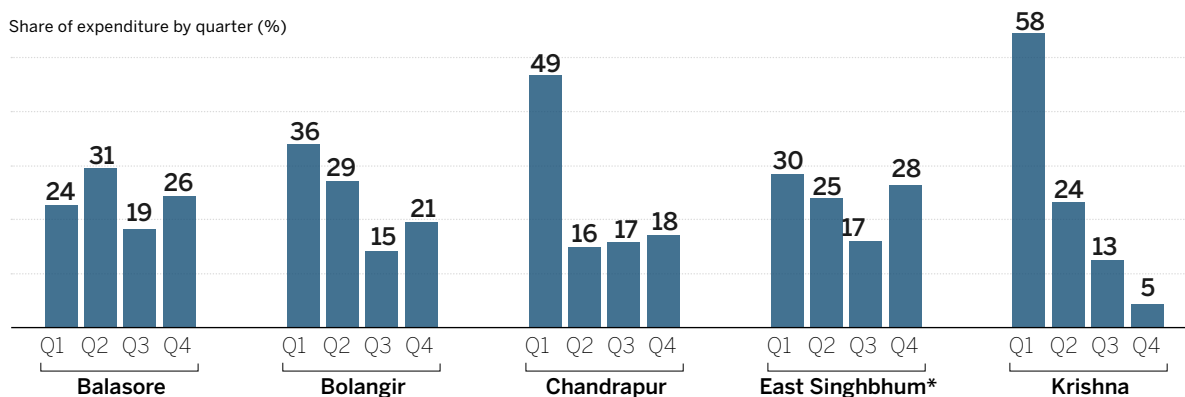


**NSAP** Share of expenditure by quarter (%)

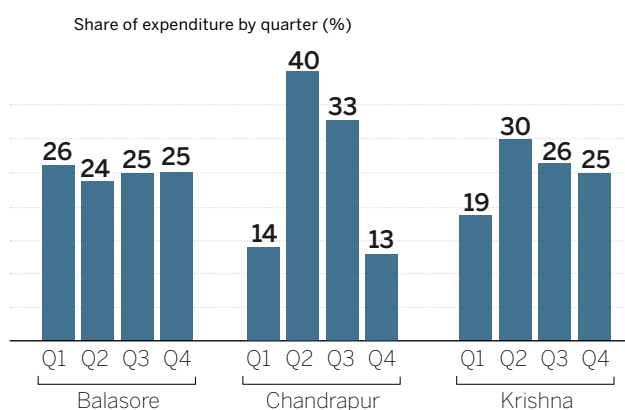




**Figure 4.6: Highest Share of Expenditure During First Quarter in MGNREGS, Except Balasore (2018-19, in %)**



**Figure 4.7: Distribution of Expenditure on ICDS (2018-19, in %)**



2018-19. The district spent around 118 per cent of the available funds for Aanganwadi workers' salaries in 2018-19, whereas Balasore spent the entire amount on each component.

**Training:** In 2018-19, Balasore spent 64 per cent of the total amount available for teachers' training in SSA, whereas Chandrapur spent the entire amount available for this component. According to SSA officials in East Singhbhum, the unit cost of teachers' training had been reduced and the district received the budget to conduct training programmes for two days, which initially was supposed to be held for five days. This, according to officials in the district, had affected the quality of training for teachers.

**Non-Communicable Diseases:** In 2018-19, in Balasore, funds available to treat non-communicable diseases (NCDs), such as NVBDCP, NLEP, NPCB and NPHCP, fell far short of the requirement. Therefore, the district had to spend more than the available balance, and recorded expenses in the journal account. Following this, fund utilisation on these components was reported to exceed 100 per cent at 136 per cent, 161 per cent, 147 per cent and 123 per cent, respectively.

**Books and Uniforms:** Balasore spent on text books in the second quarter of the financial year, which implies the district procured books two months after the beginning of the academic session in schools. Chandrapur spent around 55

per cent on school uniforms in the second quarter of financial year 2018-19, which again implied delay in procurement of uniforms during the academic session.

**Information Education and Communication (IEC), Human Resource Development (HRD) and Management Monitoring and Evaluation (MME):** The combined expenditure on IEC, HRD and administrative cost on SBM-G was observed to be very low in Balasore (around 4 per cent). Under SBM-G, the lion's share of resources had been spent on IHHL. In the first quarter of FY 2018-19, under SBM-G, East Singhbhum spent 99 per cent of total expenditure on IHHL, and there was no expenditure on human resource development and administrative purposes, although the district had already achieved around 94 per cent of its physical target in 2017-18. East Singhbhum spent around 91 per cent on IEC only during the fourth quarter of 2018-19. Bolangir spent a negligible proportion on MME under MDM. Expenditure on MME improved over quarters in Bolangir in FY 2018-19, from 1 per cent to 14 per cent. There was no provision of funds for MME under ICDS in East Singhbhum. Districts

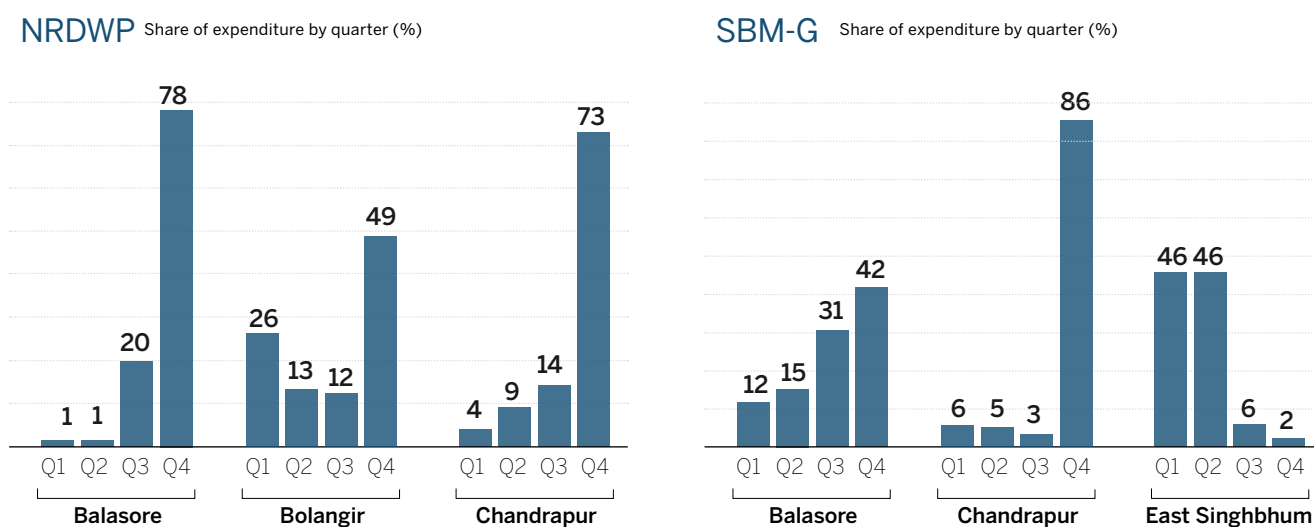
did not spend on MME under NSAP as well.

**Wage component:** Expenditure on wage component under MGNREGS was found to be less than that on material component during the third quarter of financial year 2018-19 in Chandrapur. All the districts had run a negative balance in their MGNREGS accounts. A shortfall of funds was reported during the last three years in every district and these districts did not generate 100 days of work for all households that demanded employment. The ratio of number of households that received 100 days of employment varied across districts, which was very low.<sup>2</sup>

### 4.3.3. Pattern of Fund Utilisation in Schemes across Blocks

Utilisation of funds varied across blocks, with some not being able to spend the entire amount available to them. Tribal blocks, mostly, were found to be under-utilising funds. Blocks like Titilagarh in Bolangir, Korpana, Rajura, Jiwti and Pombhurna in Chandrapur, and Soro in Balasore were found to have underutilised funds for CSS. All blocks in

**Figure 4.8: Districts Spending Highest share in Fourth Quarter for NRDWP and SBM-G (except East Singhbhum) (2018-19, in %)**



2 Data compiled from MGNREGS web portal.



**Table 4.1: Block-wise Rate of Fund Utilisation Across Schemes in Study Districts**

	Balasore (12 Blocks)	Bolangir (14 Blocks)	Chandrapur (15 Blocks)	Krishna (49 Taluks)
SSA	All Blocks > 80 %	NA	All Blocks >90 %	NA
MDM	NA	NA	All Blocks 100 %	All Taluks 100 %
ICDS	All Blocks 100 %	11 Blocks > 80 %, Titilagarh (34%), Deogaon (66 %) and Gudvella (77 %)	14 Blocks >70 %, Korpana (53 %)	NA
NHM	11 Blocks < 75 %, Soro (35%)	All Blocks >80 %	All Blocks >85 %	48 Taluks < 70 %, Vijayawada Rural (72 %)*
NSAP	All Blocks 100 %	All Blocks 100 %	Nagbhid 100 %, 14 Blocks <100 %	All Taluks 100 %
MGNREGS	11 Blocks 100 %, Remuna (88 %)	All Blocks 100 %	All Blocks >100 %	NA

Notes: NA: Not Available; \* Data is available for last quarter of 2018-19 only. We did not receive block wise disaggregated data of CSS from East Singhbhum.  
Source: Compiled by the district budget analysis team based on data shared by the respective district officials

Balasore spent more than 80 per cent on SSA, ICDS, NSAP and MGNREGS. As far as block-wise pattern of utilisation is concerned, Bolangir performed well in ICDS, NHM, NSAP and MGNREGS; Chandrapur did well in SSA, MDM, NHM and MGNREGS; and Krishna did well in MDM and NSAP (Table 4.1).

### 4.3 Concluding observations

The evidence on extent of fund utilisation shows

that resource-absorption capacity at the district level has improved significantly in most CSS. There are some exceptions—NHM and MDM seem to have scope for further improvement. But almost all CSS have a lot of scope to improve the pattern of utilisation across the four quarters, components of schemes and blocks. Thus, quality of utilisation needs a lot more attention now.







# 5

## Major Factors Affecting Utilisation of Funds



## 5.1 Introduction

This chapter discusses some major factors affecting utilisation of funds in select social sector schemes in the study districts. While the focus is mainly on factors impeding fund utilisation, a few enabling factors too are flagged. Wherever possible, an attempt has been made to quantify the evidence. But the analysis is based heavily on the perceptions and insights of key implementing officials at the district level.

## 5.2 Factors Leading to High Rates of Fund Utilisation in Select Schemes

**Prioritisation of Schemes:** In many instances, it was noticed that the extent of fund utilisation is high if special attention is given by various quarters of the government for implementing a particular intervention. For example, the implementation of SBM has received a lot of attention to achieve Open Defecation Free (ODF) status in recent years. In this regard, the Union and state governments exerted a lot of pressure on district administrations to prioritise effective implementation of the programme and achieve targets, leading to full utilisation of available funds.

**Inadequate Budgets:** According to district-level implementing officers, the rate or extent of utilisation of funds under schemes like ICDS and MGNREGS is high as allocations for these schemes mostly fall short of actual requirements on the ground. In other words, due to inadequate budget provision, the rate of utilisation of funds under some of the schemes is found to be high.

**Entitlement-Based Schemes:** The nature of scheme and its implementation mechanism drives the extent of fund utilisation. According to many district-level implementing officers, the extent of fund utilisation for schemes such as the NSAP is

always high. The main reason for high rates of fund utilisation in such schemes is that beneficiaries are well-defined and unit costs are given. In such cases, estimated costs are taken into consideration while preparing the budget. Thus, actual expenditure is always close to the allocation available.

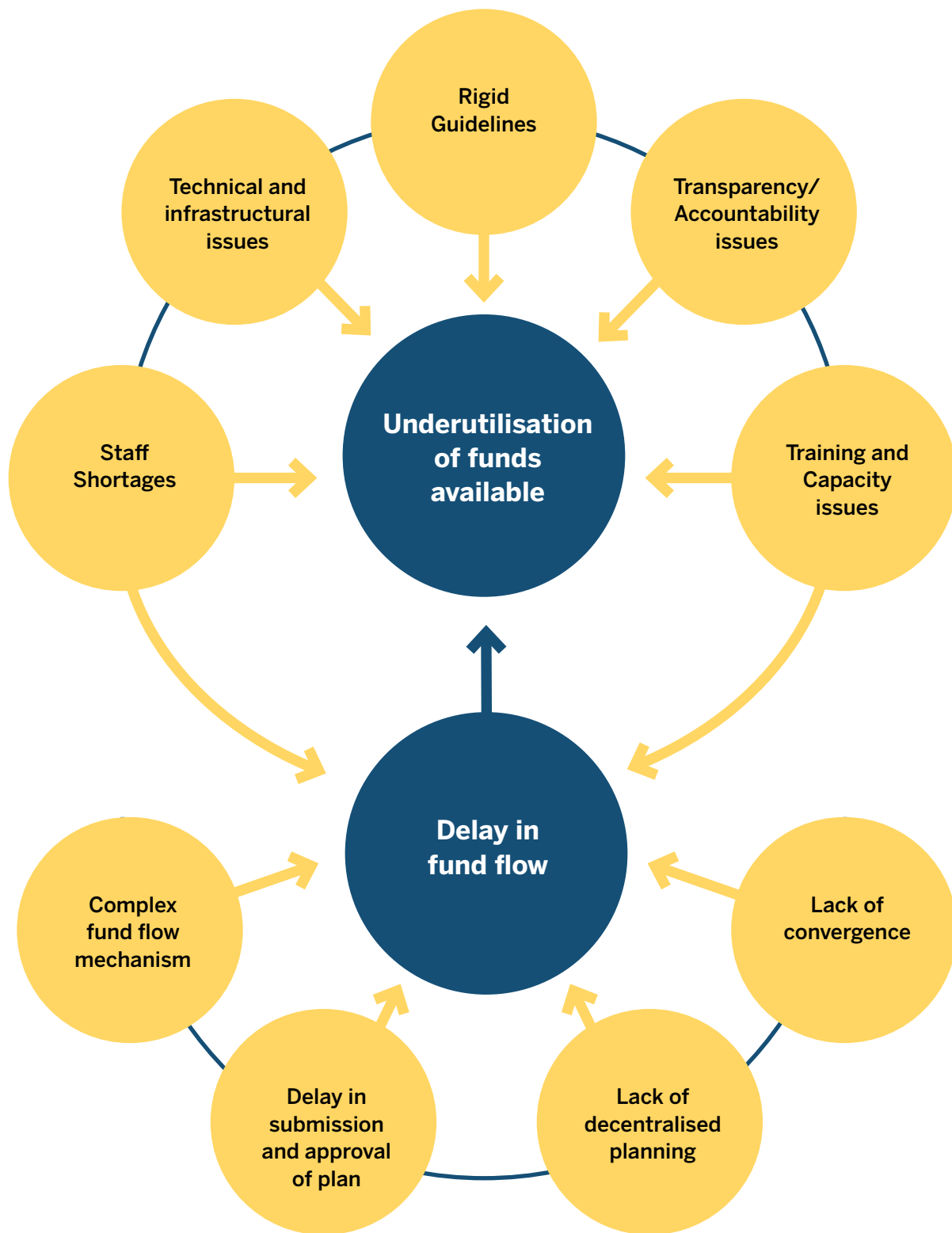
**Direct Benefit Transfer (DBT):** The introduction of DBT has certainly improved the extent of fund utilisation under various social sector schemes such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Swachh Bharat Mission (SBM), Pradhan Mantri Awas Yojana (PMAY) and National Social Assistance Programme (NSAP). The implementing agencies and local administrations are responsible for assessing demand, identifying and registering beneficiaries, and generating labour days in their jurisdiction. Wages are transferred directly to workers' bank accounts and material costs are given directly to vendors or implementing agencies, thus leading to full utilisation of funds under MGNREGS. Similarly, the creation of dedicated bank accounts under PMAY and SBM and their integration with beneficiary bank accounts, along with the process of online demand, approval and release of funds, has resulted in higher fund utilisation rates (District officials of various departments in East Singhbhum).

**Effective Monitoring and Handholding Support:** Adequate and effective monitoring can ensure optimum utilisation of the available funds in the districts. A case in point is the implementing authority of Sarva Shiksha Abhiyan (SSA) in Balasore. The district implementing agency regularly monitors and follows up with the blocks and schools. The Block Education Officer (BEO) and the Block Resource Centre (BRC) coordinators supervise and inspect schools regularly, and provide necessary technical support to the schools for effective implementation of the programme in the blocks.

Thus, a relatively high rate of fund utilisation in a scheme does not necessarily imply that the scheme



Figure 5.1 Factors Causing Under-utilisation of Available Budgets



is fulfilling its objectives on the ground adequately. The nature of the schemes, the budgeting for those, priority of the government and payment mechanisms are factors that may lead to high utilisation of available budgets.

## 5.3 Factors Constraining Utilisation of Funds

An analysis of the views of implementing officials in the chosen districts and some of the quantitative information available suggests a number of factors that impede utilisation. These are delay in fund flow, rigid guidelines of schemes, staff shortages, capacity issues, technical and infrastructural bottlenecks, and transparency and accountability issues. Delay in fund flow again is dependent

on staff shortages, training and capacity issues, complicated fund flow mechanism, delay in submission and finalisation of plans, lack of decentralised planning and lack of convergence. Some of these factors are outlined with evidence from the districts in the following sub-sections.

### 5.3.1 Delay in Flow of Funds

Implementing agencies at the district level receive the first instalment by the end of first quarter of the financial year and, sometimes, even during the second quarter. As a result, they are unable to spend on activities planned during the first quarter. The opening balance in a scheme does not always enable implementing agencies to carry out their activities adequately until they receive the first instalment for the new financial year.



#### Insights from District Officials

- » According to officials in East Singhbhum, most funds allocated to the district under MDM were disbursed during the last quarter of 2018-19.
- » Chandrapur received funds to construct toilets in Anganwadi Centres in March in financial year 2018-19.
- » East Singhbhum district authorities reported they received funds under CSS in 12 to 13 instalments and the first instalment was credited in the bank account of the Drawing and Disbursing Officer only by the end of the first quarter of 2018-19.
- » In all study districts, once the fund was disbursed in the first quarter, it was mostly used for expenses booked during the last quarter of the previous financial year and to pay the salary component for the first quarter of 2018-19.
- » In some cases, states did not release its matching share on time. As a result, districts had to wait for the financial decision, as the Centre's share alone was insufficient to undertake due activities (e.g. MDM in East Singhbhum).
- » CBGA and Tata Trusts organized a roundtable discussion with the district administration in East Singhbhum on the theme of expediting fund flow and utilisation under development schemes in the district. One of the issues discussed during the meeting was that banks, who act as intermediaries in the fund flow process of CSS, are not very supportive to the government. They do not transfer money on time under PMFBY. On further investigation, it was found that for 2016, the empaneled insurance company received premiums on 26 December, 2018. The process of claim settlement started after that. Therefore, claimants received the insured amount late. Moreover, banks could not process some claims on time due to some wrong entries of claimants in the bank records. Those entries had to be manually done by following up with the National Insurance Company (NIC) before initiating the fund transfer process. This further delayed the process.



### 5.3.1.a Complicated Fund Flow Mechanism:

Funds for CSS flow into the district following a complex mechanism. Respective Union ministries issue sanction orders to the Reserve Bank of India (RBI) after reviewing the demand placed by states for the entire financial year. Following this, the fund is transferred from the Consolidated Fund of India to State Treasuries. Thereafter, societies responsible for implementing different schemes submit requisition letters to respective state departments for releasing the fund. Subsequently, the departments, in consultation with state finance department, review all documents and generate

bills, following which the fund gets credited in the bank account of respective societies.

The process varies across states. Recently, an important change has been noted at the district level, where a number of ministries have introduced Direct Benefit Transfer (DBT) mechanism. In this system, funds are directly credited to the bank account of beneficiaries, vendors or frontline service providers. Gradually, the entire system of financing and governance are getting digitised. At this juncture, familiarity with advanced technology and infrastructure are necessary for effective implementation of schemes, which the districts are often reported to be lacking in.



### An Example of MGNREGS

- » The fund flow mechanism under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is unique. Funds for material and administrative expenses are transferred from the State Treasury to the State Employment Guarantee Society (SEGS), an account created under the NREGS cell of the nodal administrative department. These funds do not flow below the state level.
- » The Project Director (PD) at the district level is the signing authority to spend money in the district. The PD authorises Block Development Officers (BDOs) as the signing authority at the block level. BDOs authorise Assistant Programme Officers (APO) as the signing authority to take care of expenses by panchayats. APOs pass on the authority to Panchayat Executive Officers, who, along with the elected head of the Panchayat, credits the fund in the bank accounts of vendors (public / private) to buy material. There's a ceiling on administrative expenses: 6 per cent in the district and 4 per cent in blocks, of the allocated amount, which are primarily utilised by PDDRDA and BDO.
- » On the other hand, the wage component under MGNREGS is directly credited to the bank account of the State Employment Guarantee Society (SEGS), an account created under the NREGS cell of the state nodal department. From there, the wage component is directly transferred to the bank account of beneficiaries or workers. The Panchayat Executive Officer prepares a muster roll, enlisting all beneficiaries and the respective number of days they have worked for, and submits it at the block office. The accountant at the block office feeds the data into the online portal. Once the data is uploaded, the BDO verifies the data and generates a Fund Transfer Order (FTO), which is sanctioned by the Project Director at the district level. This is submitted to the NREGS cell at the state level, after which funds are transferred directly from the SEGS account to beneficiary bank accounts. This clearly shows that funds are not devolved to districts and below under the wage components of MGNREGS.



### 5.3.1.b Delay in Submission and Finalisation of Annual Action Plan and Budget:

We came across a number of instances, across districts, where the annual plan and budget was

finalised only by the end of the second quarter of the financial year. As a result, substantial funds, meant for activities during the first two quarters of the financial year, remained unspent.



#### Insights from District Officials

- » The annual work plan and budget for SSA was finalised and shared with Balasore district in September 2019. This prevented the district from spending on any head other than teachers' salary.
- » This also pushed the procurement of school uniforms for children to the third quarter of 2019-20.
- » Similar concerns were expressed by a Block Programme Manager (BPM) in Balasore with respect to utilisation of funds under NHM.

### 5.3.1.c Lack of Decentralised Planning:

The creation of local governments, with requisite powers to prepare need-based plans and budgets, is important for effective implementation of

development schemes. All scheme guidelines have outlined how need-based planning is necessary to achieve targeted outcomes. However, guidelines are not followed, as local bodies have never been conferred with the responsibility to prepare plans and budget documents at their level.



#### Insights from District Officials

- » In Balasore, funds were equally distributed among blocks for some components under SSA. Remuna and Basta could not utilise those funds since there was no requirement of funds under those components. There was demand for funds for peripheral school development component in these two blocks, but that did not receive any attention.



### 5.3.1.d Poor Coordination Between Departments and Lack of Convergence Among Interventions:

Coordination between different departments is critical for effective implementation of schemes,

especially when social sector programmes and schemes are designed in such a manner that two or more departments require convergence for the pooling of resources in order to deliver services optimally. Lack of coordination between spending departments, both at the levels of the state and the districts (line department offices) can lead to poor utilisation of funds.



#### Insights from District Officials

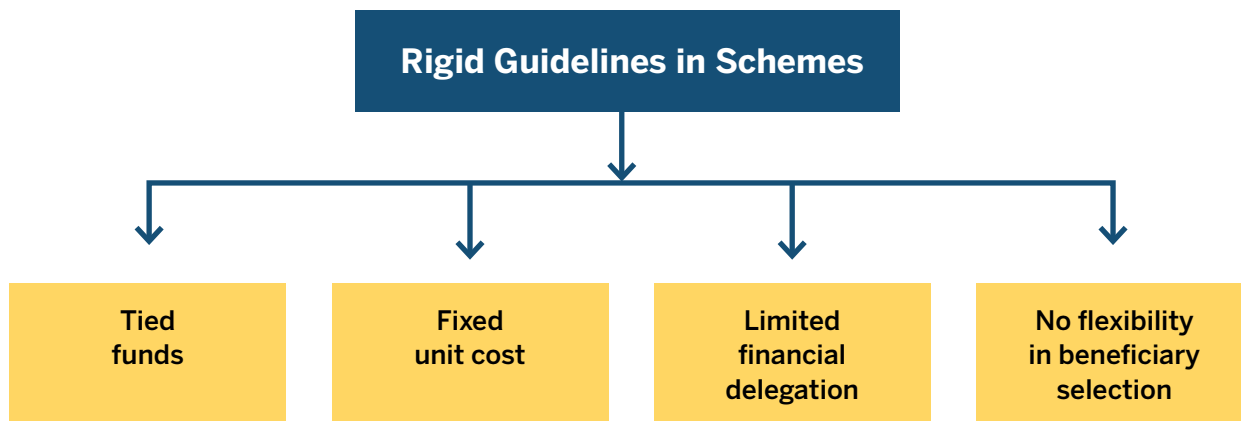
- » In Balasore, we noticed the lack of coordination between the School Management Committees (SMCs) and the principals affected fund utilisation under SSA. This delayed most construction-related works, and consequently, the funds remained unspent.
- » Due to poor coordination between the Office of the Project Directorate of the District Rural Development Agency and the District Social Welfare Office in Balasore, the targeted construction of Anganwadi Centres could not be taken up during 2018-19.

### 5.3.2 Rigid Scheme Guidelines

Rigid guidelines are another major cause for underutilisation of funds. Districts do not prepare annual plans and budgets for schemes. Both the

Union ministries and state line departments have been imposing conditions on districts.

Figure 5.2: Different Types of Rigidity in Guidelines







## Insights from District Officials

- » In Bolangir, the line department could not organise an event under SSA for which funds had been approved in the work plan. It did not get timely approvals from the state to spend the funds to organise the proposed event.

Due to lengthy bureaucratic procedures for obtaining approvals to use the funds, district implementing agencies could not utilise the entire amount disbursed to them.

### 5.3.2.a Tied Nature of Funds under CSS:

Districts receive tied funds for each component of a CSS. Funds received under one head of expenditure cannot be used for other heads. This rigidity, sometimes, leads to under-utilisation of

funds. We came across several instances where districts could not spend surplus funds allocated for one head on other heads that might have excess demand for funds for a particular quarter.



## Insights from District Officials

- » Bolangir could not spend funds on a particular head under SSA since the fund was tied to some other component.
- » Balasore could not utilise entire funds available with them under MDM and NSAP, as the guidelines suggest that districts cannot spend the bank interest parked in the account.
- » Chandrapur needed funds to hire sweepers to clean community toilets. These toilets are not attached to a proper drainage system and are supposed to be cleaned manually at regular intervals. Some grants for cleaning and maintenance are required for making

these toilets usable. In the absence of such a provision, the district did not build community toilets and the funds remained unutilised.

- » In East Singhbhum, the NHM department shared they received a very small amount for communicable diseases, but they could not meet the additional demand by spending surplus funds from the RCH-head. The department then had to loan out for the NCD component from the RCH component, which was a complicated and time-consuming process. Consequently, the district was found to have under-utilised funds under CSS.





### 5.3.2.b Fixed Unit Cost:

Pre-defined and fixed unit costs under various CSS

has been posing a major constraint for effective implementation of schemes by fully utilising available resources.



#### Some Evidences

**Table 5.1: Unit Cost for Mid-Day Meal Scheme, 2018-19**

Class	Old rate (rice and vegetable cost) (In Rs.)	New rate (rice and vegetable cost) (In Rs.)	Dal (new component included) (In Rs.)	After deduction of cooking cost of dal, as per new rate (In Rs.)
1-5	4.13	4.35	1.26	3.09
6-8	6.18	6.51	1.90	4.61

Note: Egg cost is Rs. 6 for 2 days in a week decided by state. Although the cost is increased, the availability of egg to children is reduced by two days per week in East Singhbhum.

**Table 5.2: Unit Cost for Complementary and Supplementary Feeding Programme under ICDS Scheme, 2018-19**

Beneficiaries	Existing norms per beneficiary (Rs.)	Revised cost norms per beneficiary per day (as per phased roll-out)
Children (6-72 months)	4.00	6.00
Severely malnourished children (6-72 months)	6.00	9.00
Pregnant women and lactating mothers	5.00	7.00



#### Insights from District Officials

» Allocation for Teaching Learning Material grant under SSA was around Rs. 500 per teacher per year in East Singhbhum in 2018-19. This amount

is not sufficient for students in higher classes as they require apparatus for experiments.

### 5.3.2.c Limited Delegation of Financial Powers:

Fund utilisation under CSS is contingent on the financial powers delegated to implementers at

ground level. Implementing agencies at the levels of district and block have not been given adequate financial powers, and they need sanction orders from competent authorities to undertake activities.



#### Insights from District Officials

- » In Odisha, Additional District Medical Officers (ADMOs) can spend up to Rs. 1 lakh under NHM. Chief District Medical and Public Health Officer is the authority to approve expenses, if the amount ranges between 1 lakh to 10 lakh and more.
- » In East Singhbhum, the Chief Medical Officer (CMO) can decide on untied funds and annual maintenance grants to RKS, CHC, PHC, Sub-Centres and VHSC; civil works undertaken under NHM is approved by the deputy collector; CMO can spend up to Rs. 5 lakh for repairs and renovations; DPM can approve up to Rs. 15,000 for drug procurement, the administration opens tender for drugs for large-scale procurement.
- » For SSA, District Project Coordinator and Financial Consultant are joint signatories and can approve up to Rs. 5 lakh for civil works and Rs. 2 lakh for other works. District Project Coordinator, jointly with the district collector, can approve amounts above Rs. 5 lakh for civil works and Rs. 2 lakh for other works in Odisha.
- » In Maharashtra, the education officer is authorized to spend up to Rs. 1 lakh, and expenses above that level have to be approved by the CEO of Zilla Parishad.
- » In East Singhbhum, DEO cum DPO, along with DSE cum ADPO, and accountant approve up to Rs. 10 lakh for contracting out works. Approval is to be taken from collector for amount beyond Rs. 10 lakh. A small group is constructed by DEO/DPO for purchases worth up to Rs. 50,000 and a committee, constituting officer from District Industry Centre (DIC), DEO/DPO, DSE and ADPO, account officer and component in charge, is formed to look after purchases worth above Rs. 50,000.
- » Under MDM, District Education Officer (DEO) can spend up to Rs. 20,000 for contingencies and other regular purchases. However, for expenses above Rs. 20,000, the implementing authorities require approval from district collector. Under ICDS, DSWO and CDPO have the authority to spend up to Rs. 1.5 lakh Jharkhand, while there is no restriction or limit imposed on DSWO at districts, in Odisha. Under SBM-G, Executive Engineer can spend up to Rs. 10 lakh in a day and any amount above this has to be approved by deputy collector.



### 5.3.2.d Beneficiary Selection/ Inclusion:

Districts, mostly, do not have the authority

to include beneficiaries under social sector programmes.



#### Insights from District Officials

» During the roundtable, officials of East Singhbhum district reported that they could not utilise funds under PMAY fully since they don't have the flexibility to add beneficiaries.

In their opinion, districts should be given some flexibility to select beneficiaries of about 2-3 per cent above the targets set by the state.

### 5.3.3 Staff shortages

Shortages of staff, across departments and at every tier of the government, have a huge implication on fund utilisation. In order to be fiscally prudent, states started curtailing their revenue expenditure by reducing the number of new hires more than a decade ago, leaving a large number of positions vacant in almost every department. In the absence of the required number regular and technical staff,

delivery of services has been adversely impacted.

Most departments hire staff for short-term contractual positions. These employees do not receive any social security benefits and work for a paltry remuneration. Thus, the rate of attrition is also very high, which creates a huge burden on employers in terms of loss of time to hire and train new employees. This also affects the delivery of services and production processes immensely.



#### Some Evidences

» There is a shortfall of doctors (3), ANM/Nurse (42), technical staff (13), finance staff (1), other administration position (22) in Balasore district. There is a shortfall of Junior Engineer (1), RMNCH Counselor (1), Laboratory Technician (4), Block Data Manager (1), Ayush Doctor (3), Additional ANM (3), Staff Nurse (30), Clinical Psychologist-DMHP (1), Psychiatric Nursing – DMHP (1), Malaria Technical Supervisor (2), Opth. Asst. – NPCB (1), LT – RNTCP (2), ANM – NRC (5), Ayush Doctor – RBSK (14), Pharmacist – RBSK (1), Staff Nurse/ANM at RBSK (4), and Staff Nurse at KMC (1) in Bolangir. In East Singhbhum, positions for DQAC, Block Programme Manager, ANMs,

Staff Nurse, Cold Chain Handler, Block Data Manager, RMNCH+A counselor, Pharmacists of RBSK and Ayush, Epidemiologist, Nutritionist etc remain unfulfilled.

» In Balasore, six positions for CDPO, 11 positions for supervisor, 78 and 78 positions for AWW and AWH are lying vacant. In Bolangir, 1 position for Additional District Social Welfare Officer, 1 position for Child Development Project Officer, 12 positions for Statistical Assistant, 10 positions for Lady Supervisors, 50 positions for AWW and 13 positions for AWH are lying vacant. In East Singhbhum, 1 position for District Social Welfare Officer, 7 for CDPO, 11 for Statistical



## Some Evidences

Assistant, 22 for Lady Supervisor, 5 for Clerks, 9 for Drivers, 6 for Peons, and 48 for AWW and 118 for AWH are lying vacant.

- » In Bolangir, positions for District Project Coordinator, Financial Consultant, Block Education Officer, Additional Block Education Officer, Cluster Resource Centre Coordinator and BRC accountant of SSA are lying vacant. In East Singhbhum, positions for Assistant Project Officer, Accounts Officer, Assistant Accountant, Assistant Engineer, and Junior Engineer at district are lying vacant along with other positions.
- » Other than those mentioned above, under PMAY, positions for Accountant-cum-Computer Operator and Block Coordinator are lying vacant in East Singhbhum. Under NRDWP, positions for Assistant Executive Engineer, Assistant Engineer/JE, Section Officer, Junior

Assistant, Junior Laboratory Assistant, Daftary, Peon, and NWM-cum-sweeper are lying vacant in Balasore. Other than that, wage work-related position and other clerical position like computer operator, watchman etc. are lying vacant in Balasore. Under MGNREGS, 6 positions for Block Project Officers, 6 positions for Assistant Engineer, 5 for Computer Assistants, 5 for Accountant Assistants, 30 for Junior Engineer and 70 for Gram Rojgar Sevak are lying vacant in East Singhbhum. Under RKVY, positions of Agronomist, Plant Protection Officer, Joint Quality Control Inspector, Assistant Agricultural Officer, Agricultural Overseer, Clerks, Statistical Investigators, Drivers, Watchman and Peon are lying vacant in Balasore. Under NSAP, positions for BSSO, Junior Assistant, Peon, Programme Accountant and SSSO are lying vacant in Balasore, while positions for BSSO, Junior Clerk are lying vacant in Bolangir. There is no shortfall of human resources in East Singhbhum.



## Some Evidence of Staff Shortage

**The shortfall of staff against sanctioned positions across schemes in respective districts**

**Table 5.3: Shortfall of Staff Across Departments in Study Districts**

	Balasore	Bolangir	East Singhbhum		Balasore	Bolangir	East Singhbhum
SSA	-	32	52	NRDWP	179	-	-
MDM	2	0	0	MGNREGS	-	-	122
ICDS	7	87	227	PMFBY/RKVY	70	-	-
NHM	81	75	414	NSAP	22	23	0
SBM	-	1	9	<b>Total</b>	<b>361</b>	<b>218</b>	<b>828</b>
PMAY	-	-	4				



## Insights from District Officials

- » East Singhbhum district officials reported shortfalls of AWWs in the district. They added that workers in position were overburdened, and did not get time to prepare and submit bills on time in 2018-19. The unevenness, featuring in their quarterly progress report, is due to a delay in reporting expenditure and processing bills.
- » In East Singhbhum, only one accountant has been appointed at the district level for NSAP to issue, verify and approve relevant documents. This has affected the functioning by local bodies. Moreover, the staff is not trained to work on computers.
- » One Child Development Project Officer is looking after two to three blocks. There is no statistical assistant to enter data and prepare reports in any block in East Singhbhum.
- » In Balasore, there is a shortage of staff at block and district line departments of SSA. There exist a huge number of vacant teaching positions in schools. Recruitment or promotion has not happened in the department since 2014-15. There are a number of schools where the principal or Headmaster (HM) is not appointed, and other teachers are taking responsibilities of HM. There are shortages of non-teaching staff as well.
- » In Chandrapur, the data operator's position under MDM was lying vacant for long. Thus, the district could not spend the amount allocated for paying salary to the operator in 2018-19.
- » Staff shortages at CDPO office and Aanganwadis affected fund utilisation in Balasore.
- » In Balasore, 6 BSSO posts are lying vacant for long, and PEOs have taken charge in their absence. PEOs are supposed to look after all the schemes implemented in GPs. Therefore, they are always overburdened. One PEO said that he was so involved with PMAY implementation that he could not initiate beneficiary inclusion process under NSAP in GPs.
- » Staff and medical professionals in Balasore district were multi-tasking. As one of them pointed out, timely delivery of services and quality of services often get compromised.
- » According to an official, districts don't have the authority to appoint statistical assistants, even in contractual positions. Meanwhile, states, citing fiscal prudence, have stopped recruiting staff in regular positions. The condition of tribal blocks is even worse in East Singhbhum.

### 5.3.4 Training and Capacity Issues

Delays in preparation, finalisation and submission of action plans for various programmes at the district and state levels are also caused by shortages of quality human resources. The lack of accountants, technical staff and managers under various schemes across districts impede preparation and the execution of programmes on the ground. Regular capacity-building and training

programmes have not been undertaken at the district and block levels, affecting implementation of schemes. This is one of the major reasons behind under-utilisation of NHM funds in Balasore and Bolangir. Training of both existing and new staff is critical for effective implementation of schemes. During our interaction with government officials, we learnt that staff capacity is a major factor that hinders project implementation.



## Insights from District Officials

- » Training programmes are not organised on a regular basis. Blocks were not disbursed with sufficient budgets to organise training programmes for teachers in Balasore.
- » In Chandrapur, a block-level official noted that a day-long training takes place in the district, and it is more in the nature of ticking a box. Unless training is not intensive and conducted over 4-5 days, it is a wastage of state's resources, the official adds.
- » Line departments in Krishna organised regular training programmes for most of their staff. However, the training module needs to be revised. AWWs were given a month-long intensive training, but it required them to stay away from home, raising feasibility issues. At the moment, one week-long refresher courses are taking place, but the Assistant Project Director of ICDS emphasised that a more effective system employing Incremental Learning Approach (ILA) needs to be designed.
- » Another issue flagged during discussions with block- and district-level officials was budgeting for premises to provide effective training, especially in schemes like ICDS, where office space is limited and training programmes for a large number need to be conducted in rented spaces.
- » Officials of East Singhbhum district shared how staff shortages, and their inability to enter data into the computer, led to under-utilisation of funds in MGNREGS.
- » Computer illiteracy has hampered implementation of programmes badly across departments and districts.

### 5.3.5 Technical and Infrastructural Bottlenecks

Real-time updation of databases at the district level is crucial for effective implementation and quick policy action. Under NSAP, linking beneficiary accounts with Aadhaar numbers has become a prerequisite to identify beneficiaries for DBT. The entire process of transferring funds becomes ambiguous when the Aadhaar number of the beneficiary becomes inactive or the Aadhaar link fails due to a technical error or infrastructure shortage. Further, though DBT is seen as an improvement over the earlier cash transfer programme, insufficient institutions of banking

and incomplete knowledge of banking transactions poses barriers. As a result, the present fund flow architecture has been able to neither ensure accountability and transparency nor address delays in fund flow.

### 5.3.6 Transparency and Accountability

The weak budget information architecture (Chapter 3) dilutes accountability and transparency. Data discrepancies are also found in quarterly progress reports of some of the districts.





## Insights from District Officials

- » In East Singhbhum, during an interaction with district officials, it was revealed the DLO did not receive any information regarding the quantum of funds released (total grant under SSA) to the district for financial year 2018-19. Funds are released in instalments on the basis of approvals for different components. Only a

copy of District Plan (draft) reached the DLO for revision of the physical activities sanctioned. Hence, in the absence of information on the quantum of the funds released, it is difficult to measure and improve the extent of fund utilisation.

### 5.3.7 Other Factors

#### 5.3.7.a Seasonality

The financial year in India starts from April 1 and ends on March 31, covering two calendar years partially. During the initial months of the financial year, due to shortages of resources, expenses meant for salary and miscellaneous expenditure are prioritised over other components like civil

works. Hence, implementing agencies often receive funds for construction-related work only from the second quarter onwards. However, construction-related activities cannot be undertaken during the monsoon: the second quarter of the financial year (July-September). This leads to under-utilisation of funds. Construction-related activities further get delayed due to festivals during the third quarter of the financial year.



## Insights from District Officials

- » In Chandrapur, necessary construction-related works and the setting up of pipelines for drinking water supply in 2018-19 could not be completed due to the monsoon. The district had no option

but to initiate the process in December, which affected fund utilisation under NRDWP. Such examples are found with regard to PMAY and SBM-G across districts.







# 6

## Measures Adopted in Districts to Address Hurdles

## 6.1 Introduction

This chapter discusses some of the measures adopted by district-level implementing agencies to deal with some of the hurdles in utilisation of funds in the selected schemes. These measures are not comprehensive, yet they can be replicated in many districts across the country. However, a number of substantive policy measures are needed to expedite fund utilisation and improve the quality of utilisation in social sector schemes, which are discussed in the subsequent chapter.

## 6.2 Measures to deal with delay in fund flow in schemes

### 6.2.1 Revolving Fund (RF) Mechanism

A situational analysis done by Tata Trusts in one village in Krishna revealed that over three times the number of households that needed individual household latrines (IHHLs) were not even registered in the list of beneficiary households, and thus no sanctions were made in their name. This was communicated to the local administration. Following their own ground-level surveys, the district agreed the baseline assessment had missed many households.

In May 2016, Tata Trust set up a Pilot Revolving Fund of Rs. 16.5 lakh (for 110 toilets) for five villages in Nandigrama Mandal of Krishna District to work out a cost-effective way of constructing a toilet within the given amount of Rs 15,000.<sup>1</sup>

### Pilot Revolving Fund

A cost analysis was done by constructing toilets in three different households using three kind of

materials: cement bricks, AAC blocks and normal bricks was done to work out the cost. It was recognised that ACC blocks and cement rings were the most economical materials to keep the cost within the stipulated Rs. 15,000. It was also found out that locally-manufactured cement rings could be cheaper than bricks. For this purpose, a number of self-help groups were given training in preliminary materials like iron moulds to make the cement rings. This also generated rural livelihoods. Numerous masons were also given adequate training.

About 25 items were needed to construct a toilet. Due to bulk purchases and supply chain management, material costs were significantly reduced as compared to individual purchases. To reduce the labour cost, people were encouraged to construct their own toilets: shramdan. This had the added advantage of enhancing their sense of ownership. Once a fair understanding of economies of scale was reached and it became known how to limit the cost to Rs. 15,000, the district administration wanted the project to be scaled up to the entire district. By end -2016, Tata Trusts set up a Revolving Fund for 6,000 toilets, i.e. Rs. 9 crores.

### The Workings of a Revolving Fund

First, Tata Trusts wrote to the District Collector (DC) seeking permission and support for the construction of toilets across the district by instituting an RF. Payments for IHHLs take place at the level of Mandals. Therefore, the DC issued a letter to all officials concerned at the Mandal level in Krishna district instructing them to cooperate with the Tata Trusts initiative.

Next, ground-level NGOs were identified to facilitate the process. Centre for People's Forestry (CPF) was already on board since the pilot. Modern Architects for Rural India (MARI), a Secunderabad-based NGO, was also brought on board. Thus, numerous

<sup>1</sup> Total subsidy for toilet construction in the state was Rs. 15,000. However, the total cost of construction of toilets in Krishna was estimated to be close to Rs. 25,000.



grassroots NGOs came on board. These NGOs, as one of the facilitators of toilet construction, had to open bank accounts in Mandals for registration and empanelment. After a review of their documents, details of NGOs were uploaded online, and they were able to receive payments.

On the one hand, there was a delay in fund flows, stalling the entire process. On the other hand, there was a clear deadline to achieve ODF status. Tata Trusts, with the support of all its NGO partners and cooperation of the district administration, requested the identified beneficiaries to sign an *angikara patra*, declaring that the state should credit the payment for their toilets to the bank account of the empaneled NGO in their Mandal. Once that was done, the twin process of beginning toilet construction, as well as getting the toilet sanctioned and ensuring timely release of Fund Transfer Orders from the Administration, began.

### Making Swachh Krishna

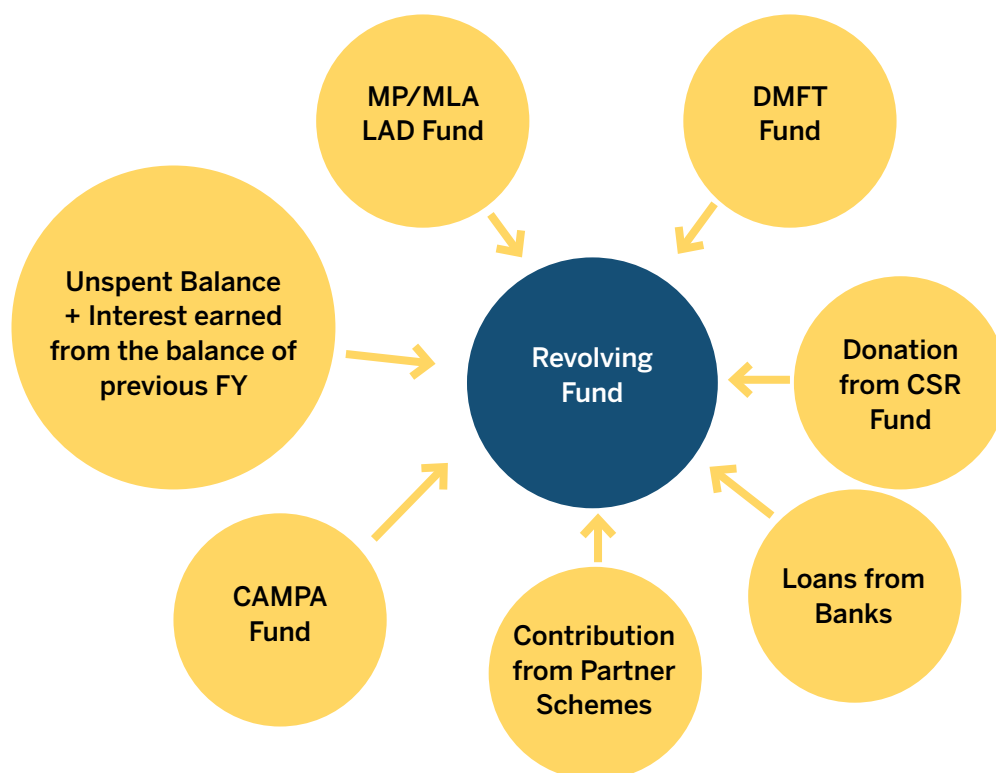
A crucial step towards implementation was demand creation. Along with their own Swachh Bharat

Preraks, Tata Trusts collaborated with ground-level NGOs and conducted IEC (information, education and communication) and BCC (behavioural change communication) campaigns. By motivating people for *shramdan* for their own toilets, this exercise became an exemplary CLTS (community led total sanitation programme) in all 49 Mandals of Krishna district. Ground-level NGOs were vital in mobilising an effective team for the purpose in various locations. For the manpower required for this massive exercise across the district, Tata Trusts spent an additional Rs. 8 crore. In all, 653 full-time and 5,253 indirect staff were involved in this task.

Material procurement was done via efficient supply chain management and coordination with all stakeholders. Ground-level NGOs and Gram Panchayats played a key role, ensuring security of materials stocked with them. They also followed up with people, conducting hygiene awareness and healthy lifestyle programmes to ensure they used the toilets.

The toilet facilities constructed have space for a

**Figure 6.1: Concept of a Revolving Fund**



bathroom, are tiled from inside, and have a clothes hanger and a soap dish, all within the amount of Rs. 15,000. Tata Trusts RF was used to build 20,152 toilets across Krishna and over 93,323 toilets used the technical and knowledge support devised by Tata Trusts. The same was also used to make 58,268 toilets in Vishakhapatnam ITDA-Paderu, which is a tribal area. Having achieved ODF status, the entire RF money was received back by Tata Trusts and will now be used towards WASH (water, sanitation and hygiene) initiatives.

## 6.2.2 DMFT as a Potential Source to Address Inadequacy of Resources in Social Sectors

In East Singhbhum, the District Mineral Foundation Trust (DMFT)<sup>2</sup> was established on February 26,

2016, under the Indian Stamp Act, 1899. Seven blocks of the district—Baharagora, Chakulia, Ghatshila, Gurabandha, Patamda, Potka and Musabani—are major mining-affected blocks and, therefore, key beneficiaries of the district's DMFT fund. The district has been receiving contributions from operating miners and mining companies pay an amount proportionate to their royalty payments to the state government.<sup>3</sup> These funds are mainly received towards the mining of certain major minerals (uranium, copper, kyanite and gold) and minor minerals (stone, soapstone, sand, quartz, quartzite and gravel). The District Mineral Officer (DMO) has been overseeing operations of the DMFT fund (collection, disbursement and maintenance of accounts etc.).

The district received Rs. 13.33 crore, Rs. 13.28 crore, Rs. 16.30 crore and Rs. 8.74 crore during

**Figure 6.2: Projects sanctioned, funds allotted and released across various projects through DMFT (during FYs 2016-17 to 2018-19, in Rs. crore)**

		No. of projects sanctioned	Estimated cost	Amount released	Progress
2016-17	Drinking Water	39	6.37	6.37	33 completed; 6 incomplete as they were cancelled
	Toilets	12	5.36	5.36	5,357 beneficiaries from the 12 completed schemes
2017-18	Toilets	9	8.13	8.13	8134 beneficiaries from the 9 completed schemes
2018-19	Drinking Water	565	30.52	30.52	27 completed, 538 incomplete

Source: Data Compiled by CBGA as per the report of District Mineral Office, East Singhbhum.

**Figure 6.3: Funds collected, released and unspent balance under DMFT, East Singhbhum since 2016-17 (In Rs. Crore)**

	Funds collected	Funds released	Closing balance
2016-17	13.33	5.86	7.47
2017-18	13.28	8.13	12.61
2018-19	16.30	7.51	21.40
2019-20	8.74	16.43	13.71

Source: Data Compiled by CBGA as per the report of District Mineral Office, East Singhbhum.

<sup>2</sup> The District Mineral Foundation Trust (DMFT) fund is a non-profit trust fund and created under the Mines and Minerals (Development and Regulation) 1 Amendment Act (MMDRA) 2015. The fund is non-lapsable: unspent balance can be carried forward to subsequent financial years (FYs).



**Figure 6.4: Number of projects sanctioned, funds allotted and released across various projects through DMFT (As on 18 October 2019, in Rs. crore)**

	Date of sanction	No. of sanctioned projects	Amount allotted	Amount released
Construction of extra classes in schools	Sep. 26, 2019	47	11.37	5.69
Installation of high mast light	Oct. 10, 2019	33	2.66	1.33
Construction of new Anganwadi centres	Oct. 12, 2019	88	8.69	4.34
Construction of drainage, septic tank, soakpit and drainage chamber in Sadar Hospital of Ghatshila Block	Oct. 16, 2019	1	0.46	0.23

Source: Data Compiled by CBGA as per the report of District Mineral Office, East Singhbhum.

the FYs 2016-17, 2017-18, 2018-19 and 2019-20, respectively. The total DMFT collection stands at Rs. 51.65 crore, of which Rs. 37.94 crore was allocated to sanctioned projects under DMFT funds.<sup>4</sup> Thus, Rs. 13.71 crore of the fund was reported to be unspent by the District Mineral Office in the district till September, 2019 (Figure 6.3).

In the initial years, DMFT funds were mainly utilised to address drinking water issues in East Singhbhum district. Since the water table in the mining-affected blocks is low, 39 projects were sanctioned. Of this, 33 projects were completed, at an estimated cost of Rs. 4.56 crore in 2016-17. Most schemes focused on providing tube wells in schools to meet drinking water needs. Similarly, in 2018-19, Rs. 15.26 crore was sanctioned towards 565 projects in the area of drinking water supply.

Due to the high priority accorded to the Swachh Bharat Mission, a high share of DMFT funds were channelled into sanitation coverage. About 13,000 toilets have been constructed in the district using this fund during 2016-17 and 2017-18, with Rs. 10.8 crore was released from DMFT (Figure 6.2).

East Singhbhum also has poor education infrastructure. Due to a shortage of classrooms, classes for different grades are conducted in the same classroom. This affects learning outcomes. DMFT funds are now being used to develop new infrastructure. Proposed priorities under the

education sector, using DMFT funds, was on safety awareness campaigns for children and their families in mining-affected areas, promoting extra-curricular activities in schools by providing requisite materials and modules.

Currently, the district is running many of its Anganwadi Centres in rented premises. The utilisation of DMFT funds to build new Anganwadi Centres has begun. As per available data, DMFT funds have been used to construct new classrooms in schools, install a high mast light, build new Anganwadi Centres, and construct drainage, septic Tank, soak pit, drainage chambers, etc. The district has sanctioned 169 projects with an allotment of Rs. 23.17 crore. As on 18 October, 2019, Rs. 11.59 crore had been released for the above-mentioned projects (Figure 6.4). Out of this, the highest priority was given to new classrooms and Anganwadi Centres.

The DMFT fund gives mineral-based districts more flexibility as it is untied in nature. Since resources are directly credited to the DMFT fund, which is at the disposal of the district authority, a situation of delay in fund flows for planned activities does not arise. Substantial DMFT resources transferred to the district authority give it a large and revolving corpus to expand funding for priority areas and for schemes under implementation. Moreover, since the money parked under DMFT is non-lapsable, the district can take up long-term, capital-intensive

<sup>4</sup> An Inclusive and Outcome-oriented framework for DMF Planning, Centre for Science and Environment, 2019, New Delhi.



projects, which normally span more than one financial year.

In its short existence, and with the gradual strengthening of its institutional structure, the DMFT fund has emerged as an important source of funding for East Singhbhum. There are numerous government schemes in social sectors that coincide with the priority areas for which DMFT funds are earmarked. Many of these development objectives get stalled because of paucity of resources, delay in flow of funds, rigid norms and guidelines in implementing schemes, low unit costs and a one-size-fits all approach. The DMFT fund can serve as a continuous source of funding, subject to better planning and convergence of programmes in the guidelines.

## 6.3 Dealing rigid guidelines

### 6.3.1 Beneficiary Inclusion

The Last Mile Linkage (LML) team, an implementing partner of Tata Trusts, was involved in the process of preparing the Village Development Plan (VDP) for two blocks in Balasore. They presented evidence to show that many deserving people did not figure in the list of recipients of social security benefits. The following steps were followed to include those beneficiaries.

## 6.4 Improving Transparency and Strengthening Accountability

### 6.4.1 DISHA Committee

Institutionalisation of Financial Reporting in the DISHA Committee: The District Development Coordination and Monitoring Committee (DISHA) was set up in 2016 to ensure better coordination at the district level between elected representatives

### Steps followed:

Extent of fund utilisation (across quarters, components and blocks); 2) demand and 3) coverage of beneficiaries under NSAP and other social security programmes was assessed.



An interaction with the DSSO was set up to share the above information and seek his guidance on how to include the missing beneficiaries.



Outreach programmes were conducted for key stakeholders in the district. Subsequently, the factors that delayed the flow of funds were ascertained and a plan for effective disbursement of funds was made.



The fact that a significant number of potential beneficiaries were left out of the process emerged as one of the most important factors that led to underutilisation of funds.



In a discussion with the DSSO, after reviewing the list of existing beneficiaries under NSAP and MBPY schemes, it was decided that new beneficiaries would be added.



The LML team underwent an orientation programme to understand the eligibility criteria and application procedures.



With the support of the DSSO, the CBGA and LML teams took the initiative to help new beneficiaries with the documentation process.



Application forms were submitted to the Block Social Security Officer / DSSO. Follow-up for approval of new beneficiaries and disbursement of pension amounts was undertaken.

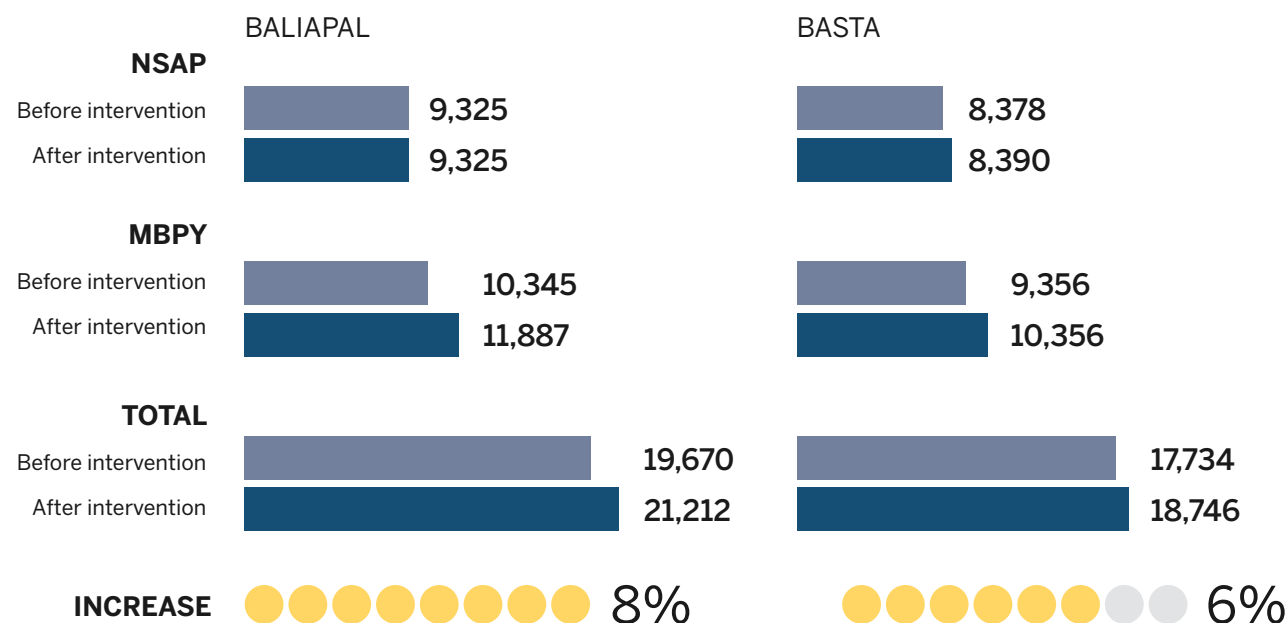
The opportunity to update this list arose when the Odisha government organised camps at the level of Gram Panchayat under the Peoples Empowerment - Enabling Transparency and Enhancing Accountability (PEETHA) programme, which is aimed at improving transparency in the distribution of social benefits and generating awareness among beneficiaries. Starting from December 2018, these camps were held between 15-20 of every month.





**Figure 6.5: Beneficiaries, Before and After Intervention**

Name of the Blocks/Urban local bodies (ULBs)



Source: DISHA Committee meeting reports of 27.06 2018 and 27.02.2019.

(such as Members of Parliament and Members of the Legislative Assembly), executing officers of various government programmes and schemes, and local government representatives. The DISHA committee is expected to closely monitor the implementation of programmes in accordance with prescribed procedures and guidelines, and facilitate convergence between existent programmes. Our scoping studies and initial research for our quarterly budget updates revealed that financial and physical performance/information and reporting on these schemes was uneven, lacked a uniform format, and was not consistent across the periods of a financial year. Line department officials were not trained to draw linkages between the physical and financial progress of schemes, making it difficult to compare the performance / progress of schemes from one quarter to the next.


In consultation with officials in charge of scheme implementation in the district, a preliminary mapping of data sources was undertaken, and formats were accordingly redesigned to capture

relevant data to monitor and evaluate the performance of development schemes in the district. Data collated for various schemes (as per the formats) were presented and analysed at various DISHA Committee meetings of the district in order to facilitate informed discussions for policy action. The DISHA Committee in Bolangir, Odisha, is currently using the format for compiling data pertaining to financial (quarter, component and block wise) and physical performance of the schemes.

### 6.4.2 Treasury Management

#### Parameters of a better functioning district treasury-A case of Chandrapur, Maharashtra

In an attempt to understand the relevance and timeliness of data provided by the district treasuries in four states (Andhra Pradesh, Jharkhand, Maharashtra and Odisha), it was found that Maharashtra had a better treasury system



based on some of the better practices norms of budget transparency.

**1. Availability of data:** Chandrapur district treasury is considered to be one of the most effective functioning treasury systems within the group of states studied under this project. Availability of district-wise budget data can be viewed from the following web link <<https://koshwahini.mahakosh.gov.in>>. This website is open to all the users. Information pertaining to treasury-wise, district-wise payments / receipts is available on this portal. It also generates month-wise and year-wise MIS reports. Another important feature is that it provides data, across various heads of expenditure, since financial year 2015-16. This enables the public to assess the priority of public spending on various interventions by the district.

**2. Real-time data availability:** In providing data on a real-time basis, the online treasury system in Maharashtra is seen to be superior than other states in the study. Such transparency not only benefits citizens, but also serve the greater purpose of increasing accountability of fiscal operations in the district.

**3. Easiness of data accessibility:** Chandrapur district treasury operations give accessibility to real-time district budget information in the public domain. Although, the treasury operation of other states (under study) can be accessed by the public, the ease of information accessibility is better in the case of Chandrapur.

**4. Completeness and comprehensiveness of budget information:** Information provided by the Chandrapur district treasury provides time-series data to understand priorities of public expenditure.

**5. Openness / Machine-readability:** Treasury data of Chandrapur is available in MS-Excel format, which is machine-readable and commonly used for further processing. Other districts' treasury data is available in either

PDF or HTML formats, which require technical treatment (data parsing) before being made readable.

**6. Data disaggregation:** A mass of data makes it difficult to access information and makes it difficult to draw meaningful analysis to enable policy decisions. Maharashtra treasury provides data disaggregated by time, sector / scheme, geography and component.

Maharashtra state treasury provides expenditure up to the levels of object heads, which enables one to carry out micro-level analysis of public expenditure.

The third aspect of data disaggregation pertains to geographical distribution of public expenditure. Based on the above factors, it has been observed that currently, Koshwahini, the online treasury management system (OTMS) of Maharashtra, is one of the better treasury web portals, providing more relevant budget information compared to other states under the study. Data is available, accessible, machine-readable, real-time and fairly disaggregated.

## 6.5 Concluding Observation

Additional sources of fund can be helpful to address the problem of delay in fund flows. Community mobilisation can be effective in generating awareness about scheme guidelines and including beneficiaries. Maharashtra shows an example of how to institutionalise a transparent treasury management system. However, very little has been done to address staff shortage and capacity issues.

Staff shortage is an acute problem, and hinders fund utilisation and effective implementation of social sector schemes severely. A cost-effective strategy to address this problem is an imperative. The next chapter proposes some policy measures to expedite fund flow and utilisation in social sector schemes.



# 7



## Key Policy Recommendations

## Policy Ask I: Strengthen budget information architecture at the district level to improve transparency and accountability.

### Rationale

- A significant amount of budget information is available within the district administration, but it's in a highly scattered form.
- Lack of aggregation and systematic reporting of budgetary data is a major problem at the district level.
- Collating information from all the sources, and preparing comprehensive scheme-specific quarterly reports for the district, would help monitor progress in schemes and identify the gaps in implementation.
- Interactive platforms and public interfaces of budget-related processes and information can improve public engagement significantly.

### Policy Action

- The existing entity like DPMU in the districts should be given the responsibility to compile budget-related information and prepare relevant reports for the district.
- The agency should be adequately staffed and have proper infrastructure.

- Prepare standardised formats for each scheme to report physical and financial data on a regular basis.
- District-specific MIS systems and dashboards should be created to keep records and monitor the progress of schemes and facilitate interactions among stakeholders regularly.
- Both online and offline data repositories should be created at the district level to enable prompt policy decisions.
- Awareness programmes should be organised regularly at the level of districts and below to create public demand and facilitate increasing public participation.

### Who Should Initiate

- State government should allocate resources by addressing human resource and infrastructure shortages within DPMUs across districts.
- State government should allocate funds for regular capacity-building programmes for DPMU and other staff involved in carrying out planning, budgeting and implementing schemes, at the level of districts and below.

## Policy Ask I.A: District administration should prepare these scheme specific primers and manuals.

### Rationale

- While funds under most CSS are routed through state treasury; they still bypass the district treasury.
- When CSS funds get routed through the district treasury system, funds can be tracked down to beneficiaries on a real-time basis.
- The parallel mechanism of funds being routed through the societies (both at the level of state and districts) makes the process of fund flow cumbersome and opaque.
- Online treasury operation could facilitate

comparative analysis of data across districts, under various heads of budget receipts and expenditure, and across years.

### Policy Action

- Primers and manuals can be prepared in regional languages to facilitate better understanding of the schemes' objectives, target groups, coverage, etc.
- District administration should be adequately funded to prepare these scheme-specific primers and manuals.



- The treasury system should generate MIS reports on various aspects of the district treasury operation so that comparability and consistency of data can be improved.
- A Treasury Dashboard should be an inbuilt feature of the online treasury management system which can facilitate public interface.

### Who Should Initiate

- Finance department of the state should prepare the data dashboard and make it available in the public domain.

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## Policy Ask 1.B: Improve the effectiveness of DISHA Committee Meetings by providing relevant and real-time data on scheme performance.

### Rationale

- DISHA Committee Meetings serve the purpose of strengthening monitoring of scheme implementation and address the gaps therein at the district level.
- These meetings have the potential of facilitating effective oversight role expected from elected representatives.
- Availability of information on physical and financial performance of CSS can be made through DISHA committee meetings, which would enable public participation.

and financial performance progress reports of schemes should be made available to the public in the DISHA portal.

### Who Should Initiate

- Ministry of Rural Development, Government of India, should instruct the district administration to upload physical and financial data on schemes on a regular basis into the DISHA web portal.
- Regular training and orientation programmes should be convened by the Ministry of Rural Development.

### Policy Action

- Along with the notification and agenda for upcoming DISHA committee meetings; physical

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## Policy Ask II: Issues pertaining to planning and budgeting for development schemes at the district Level.

### Rationale

- Need-based planning processes at the local level (gram panchayats and blocks) can potentially identify exact number of beneficiaries and make the scheme implementation more inclusive and equitable.
- Accurate planning can in turn lead to effective implementation of scheme.

### Policy Action

- The on-going process of preparing Gram Panchayat Development Plan (GPDP) can be integrated into the district plan, for preparing a comprehensive and need-based plan for the district.



## Who Should Initiate

- District Planning and Monitoring Unit should align with the GPDP processes and make it more inclusive for preparing annual planning for the district.

- State government should ensure adequate human resources and infrastructure and address the capacity issues of the districts in planning and budgeting processes.

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## Policy Ask III: Streamline fund flow Mechanisms for expediting fund Utilisation in Development Schemes.

### Rationale

- Multiple agencies and actors being involved in delivering services under CSS makes the system of fund flow cumbersome in some schemes.
- Bringing convergence across line departments at the ground level with appropriate inter-departmental coordination committee can expedite the process of delivering services.

be formed to look into the issue of possible convergence across CSS implementation.

### Who Should Initiate

- State government should ensure that funds under all CSS get routed through the district treasuries and appropriate human resources should be deployed.
- An appropriate action plan should be drawn by the state government to integrate the society routes within the functional domains of the line departments.
- Appropriate guidelines should be issued by the Planning and Convergence department of the state to form inter-departmental coordination cells.

### Policy Action

- The society route should be integrated within the functional domain of line departments to address the problems relating to multiple reporting, and shortages of qualified and technical staff.
- Inter-departmental coordination cells, both at the levels of state and district levels, should

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## Policy Ask IV: Introduce and institutionalise Revolving Fund Mechanisms to address the problems due to delay in fund flow in Schemes.

### Rationale

- Delay in fund flow affects the extent and quality of fund utilisation.
- When sizeable amount of funds are released during the last quarter of a financial year, it affects the quality of fund utilisation.
- Flexibility should be given to the district

authorities to create a revolving fund to address the unforeseen needs of districts.

### Policy Action

- A Revolving Fund mechanism can be introduced at the district level for pooling resources for various schemes through a convergence approach, which could help address the issue





of delays in the flow of funds in a particular scheme.

- Similarly, Revolving Funds can be established with the help of CSR funds and institutional donors.
- If there are fund disbursement delays for development schemes, adequate flexibility should be given to the district authority to use funds from other schemes and adjust the same later.

## Who Should Initiate

- District administration should initiate Revolving Fund Mechanisms to address the issue of delay in fund flow.
- Respective Union Government Ministries should facilitate the institutionalisation of Revolving Funds, with adequate flexibility, for district administration in implementing CSS.
- Union Ministry of Finance should get the necessary amendments made in the GFR.

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## Policy Ask V: Issues Pertaining to Adequacy of Resources for Development Scheme to ensure inclusiveness and Quality delivery of Services.

### Rationale

- Appropriate unit cost under various schemes can lead to better delivery of quality services under CSS.
- The inadequacy of resources can be addressed with the use of DMFT fund, which gives mineral-based districts more flexibility (as an entitlement) to expand their funds for their short- and long-term expenditure plans.
- Unlike scheme funds, the district has full control over the flow of funds from DMFT, thereby making it useful for activities the district requires at a particular time.
- Since the money parked under DMFT is non-lapsable, the district can also take up long-term, capital-intensive projects, which normally span more than one financial year.

### Policy Action

- Unit costs should be revised, at least once in a year, and should be at par with prevailing market prices.

- The implementing agencies at the district level must be given the flexibility to decide unit costs based on local factors (in special cases).
- A mechanism like inter-departmental cells, both at the levels of the state and the districts should be created to oversee this.
- A dedicated session should be planned in programme review meetings at the state level to share better practices documented from the districts with better fund utilisation under CSS.
- The programme and account managers should be adequately incentivised for sharing better practices case studies.

### Who Should Initiate

- The Union and state governments should try to approve the funds demanded (under various components within a scheme ) by the district implementing agencies.
- The state-level approval committee on CSS should revise unit costs.



## Policy Ask VI: Relaxing Scheme Guidelines and Norms, and Ensure Adequate Financial Delegation for Better Implementation of Schemes.

### Rationale

- Delegation of financial powers to the local implementing authorities would help expedite fund utilisation under CSS.
- Flexibility in scheme guidelines pertaining to beneficiaries will make the CSS more inclusive.

### Policy Action

- The district administration must be given flexibility to include beneficiaries to accommodate local needs.
- The district administration should be given the flexibility to make and adjust available funds

across scheme components, in line with the flexibility given by Union government ministries to states under CSS.

### Who Should Initiate

- State governments should provide adequate flexibility to district administration in utilising available scheme funds, across components and inclusion of beneficiaries.
- Union government ministries and the state government should provide clear and comprehensive guidelines about the scheme and regular orientation programmes should be conducted.

## Policy Ask VII: Address issues of HR Shortages, and their Capacity and Infrastructure Bottlenecks.

### Rationale

- Lack of capacity of existing staff in planning, budgeting, monitoring, record-keeping, accounting, use of technology etc., across districts, has been a major issue.
- Adequate, regular and effective training programmes (focusing on 'how to do' ) in addition to 'what to do') would strengthen the capacity of staff at the level of districts and below.

### Policy Action

- Districts should be given flexibility in recruiting staff to address staff shortages issues.
- Hard-to-reach and tribal-dominated areas require special attention in the process of recruitment.
- The shortages of buildings and rooms required for office purposes, staff quarters and other infrastructure, including computer, internet, etc. should be addressed.
- Adequate annual budget for repair & renovation within schemes should be factored in.

- The working conditions of all front line workers in schemes like , Cooks and cook-cum helpers, AWWs, ASHAs, ANMs and para teachers should be regularized.
- Adequate budget for training, capacity building and orientation programmes should be provided while preparing scheme budgets.

### Who Should Initiate

- State government should fill vacant positions (against the sanctioned strength) across line departments.
- The number of staff sanctioned for different post across sectors should be reviewed in view of the higher workloads.
- Infrastructural shortages should be addressed on an urgent basis and resource support to districts from the Union and state governments should be extended.
- State governments should draw up an action plan to fill up existing vacancy positions as well as for regularizing the work conditions of existing frontline staff across schemes.



## Appendix

**Table A.1 Status of Public Access to Budget Data in India (as of 2019-20): A Brief Overview**

Level of Governance	How much of it is published?	Available Online, or only in Hard Copies?	If available Online, in which format?	Easy to understand/ Access?	What's it needed for?
Combined Budget (Union+States)	More than half the information is published every year	Online (for last 20 years)	PDF	Easy	Policy analysis
Union Govt.	Complete information is published every year	Online (for last 20 years)	PDF, Excel	Easy	Policy analysis
State Govt.	Complete information is published every year	Online in 28 States	PDF (only for the last 1 - 2 years)	Difficult	Policy analysis
Urban Local Bodies	Published for most of the ULBs across the country	Online for many of the ULBs, but not for all	PDF (only for the last 1 - 2 years) for most States	Difficult	Policy analysis, and Public engagement
Rural Local Bodies	Published only for a few RLBs across the country	Hard Copies for some RLBs	-	None	Policy analysis, and Public engagement
Sector-specific Information	More than half of the information is published every year	Online for 28 States	PDF (only for the last 1 - 2 years)	Difficult	Policy analysis, and Public engagement
District-specific Information	Published in 9 States (through the State Treasury)	Online in approx. 9 states States	Excel (1 year only)	Difficult	Policy analysis, and Public engagement
Block-specific Information	Not published almost anywhere in the country	Not published	-	None	Public engagement at the grassroots
Combined Budget (Union+States)	More than half of the information is published every year	Online (for last 20 years)	PDF	Easy	Policy analysis
Union Govt.	Complete information is published every year	Online (for last 20 years)	PDF, Excel	Easy	Policy analysis
State Govt.	Complete information is published every year	Online in 28 States	PDF (only for the last 1 - 2 years)	Difficult	Policy analysis
Urban Local Bodies	Published for most of the ULBs across the country	Online for many of the ULBs, but not for all	PDF (only for the last 1 - 2 years) for most States	Easy	Policy analysis, and Public engagement
Facility-specific Information@	Not published anywhere in the country	Not published	-	None	Public engagement at the grassroots

Note: @ For instance, the Schools, Hospitals and Anganwadi Centres (in the neighbourhood)

Source: Prepared by CBGA based on its assessment of the current situation.



**Table A.2 Secondary data sources**

## CENSUS

### Balasore and Bolangir in Odisha

Census Data: [http://www.censusindia.gov.in/2011census/population\\_enumeration.html](http://www.censusindia.gov.in/2011census/population_enumeration.html)

C.D. Block Wise Primary Census Abstract Data(PCA): [http://censusindia.gov.in/pca/cdb\\_pca\\_census/cd\\_block.html](http://censusindia.gov.in/pca/cdb_pca_census/cd_block.html)

District Census Handbook : <http://www.censusindia.gov.in/2011census/dchb/DCHB.html>

### Chandrapur, Maharashtra

Census Data : [http://www.censusindia.gov.in/2011census/population\\_enumeration.html](http://www.censusindia.gov.in/2011census/population_enumeration.html)

C.D. Block Wise Primary Census Abstract Data(PCA) : [http://censusindia.gov.in/pca/cdb\\_pca\\_census/cd\\_block.html](http://censusindia.gov.in/pca/cdb_pca_census/cd_block.html)

District Census Handbook : <http://www.censusindia.gov.in/2011census/dchb/DCHB.html>

### East Singbhum

Census Data : [http://www.censusindia.gov.in/2011census/population\\_enumeration.html](http://www.censusindia.gov.in/2011census/population_enumeration.html)

C.D. Block Wise Primary Census Abstract Data(PCA) : [http://censusindia.gov.in/pca/cdb\\_pca\\_census/cd\\_block.html](http://censusindia.gov.in/pca/cdb_pca_census/cd_block.html)

District Census Handbook : <http://www.censusindia.gov.in/2011census/dchb/DCHB.html>

### Krishna, Andhraprdaesh

Census Data : [http://www.censusindia.gov.in/2011census/population\\_enumeration.html](http://www.censusindia.gov.in/2011census/population_enumeration.html)

C.D. Block Wise Primary Census Abstract Data(PCA) : [http://censusindia.gov.in/pca/cdb\\_pca\\_census/cd\\_block.html](http://censusindia.gov.in/pca/cdb_pca_census/cd_block.html)

District Census Handbook : <http://www.censusindia.gov.in/2011census/dchb/DCHB.html>

## STATE BUDGET

### Balasore and Bolangir in Odisha

State Budget Website : <https://finance.odisha.gov.in/Budget.asp?GL=Budget&PL=1&TL=1&FL=1>

Annual Financial Website: [https://finance.odisha.gov.in/Budgets/2019-20/Annual\\_Budget/Annual\\_Financial\\_Statement.pdf](https://finance.odisha.gov.in/Budgets/2019-20/Annual_Budget/Annual_Financial_Statement.pdf)

Budget Speech: [https://finance.odisha.gov.in/Budgets/2019-20/Annual\\_Budget/BUDGET\\_SPEECH\\_ENGLISH-PART-2.pdf](https://finance.odisha.gov.in/Budgets/2019-20/Annual_Budget/BUDGET_SPEECH_ENGLISH-PART-2.pdf)

Budget at a Glance: [https://finance.odisha.gov.in/Budgets/2019-20/Annual\\_Budget/BUDGET\\_AT\\_A\\_GLANCE.pdf](https://finance.odisha.gov.in/Budgets/2019-20/Annual_Budget/BUDGET_AT_A_GLANCE.pdf)

### Chandrapur, Maharashtra

Budget Website: <https://beams.mahakosh.gov.in/Beams5/BudgetMVC/MISRPT/MIST1.jsp>

Budget Books: <https://beams.mahakosh.gov.in/Beams5/BudgetMVC/MISRPT/MistBudgetBooks.jsp>

### East Singbhum

State Budget Website: <https://finance-jharkhand.gov.in/budget2019.aspx>

Budget Speech: [https://finance-jharkhand.gov.in/pdf/budget\\_2019\\_20/Book\\_No\\_01\\_Budget\\_CM\\_Speech\\_2019\\_20.pdf](https://finance-jharkhand.gov.in/pdf/budget_2019_20/Book_No_01_Budget_CM_Speech_2019_20.pdf)

Annual Financial Statement : [https://finance-jharkhand.gov.in/pdf/budget\\_2019\\_20/Book\\_no\\_05\\_Annual\\_Financial\\_Statement\\_2019\\_20.pdf](https://finance-jharkhand.gov.in/pdf/budget_2019_20/Book_no_05_Annual_Financial_Statement_2019_20.pdf)

Budget at a Galnce : [https://finance-jharkhand.gov.in/pdf/budget\\_2019\\_20/Book\\_No\\_02\\_Budget\\_At\\_a\\_Glance\\_2019\\_20.pdf](https://finance-jharkhand.gov.in/pdf/budget_2019_20/Book_No_02_Budget_At_a_Glance_2019_20.pdf)

### Krishna, Andhraprdaesh

State Budget Website : <https://www.apfinance.gov.in/Budget1920/>

Annual Financial Statement : <https://www.apfinance.gov.in/uploads/budget-2019-20-books/Volume-I-1.pdf>

Budget Speech : <https://www.apfinance.gov.in/budget-speech.html>

Budget at a Glance : <https://www.apfinance.gov.in/uploads/budget-2019-20-books/Volume-I-2.pdf>



## NFHS

### Balasore and Bolangir in Odisha

Bolangir Fact Sheet : [http://rchiips.org/nfhs/FCTS/OR/OR\\_FactSheet\\_393\\_Balangir.pdf](http://rchiips.org/nfhs/FCTS/OR/OR_FactSheet_393_Balangir.pdf)

Balasore Fact Sheet : [http://rchiips.org/nfhs/FCTS/OR/OR\\_FactSheet\\_377\\_Baleshwar.pdf](http://rchiips.org/nfhs/FCTS/OR/OR_FactSheet_377_Baleshwar.pdf)

### Chandrapur, Maharashtra

[http://rchiips.org/nfhs/FCTS/MH/MH\\_FactSheet\\_509\\_Chandrapur.pdf](http://rchiips.org/nfhs/FCTS/MH/MH_FactSheet_509_Chandrapur.pdf)

### East Singhbhum

[http://rchiips.org/nfhs/FCTS/JH/JH\\_Factsheet\\_357\\_Purbi%20Singhbhum.pdf](http://rchiips.org/nfhs/FCTS/JH/JH_Factsheet_357_Purbi%20Singhbhum.pdf)

### Krishna, Andhrapraesh

[http://rchiips.org/nfhs/FCTS/AP/AP\\_FactSheet\\_547\\_Krishna.pdf](http://rchiips.org/nfhs/FCTS/AP/AP_FactSheet_547_Krishna.pdf)

## TREASURY

### Balasore and Bolangir in Odisha

<https://www.odishatreasury.gov.in/webportal/>

### Chandrapur, Maharashtra

<https://koshwahini.mahakosh.gov.in/kosh/kosh/>

### East Singhbhum

<https://jkuber.gov.in/treasurymis/rptUtility.aspx?id=edc>

### Krishna, Andhrapraesh

<https://treasury.ap.gov.in/aptry/index.php#>

## MGNREGA

### Balasore and Bolangir in Odisha

MIS MGNREGS : [https://www.nrega.nic.in/netnrega/mgnrega\\_new/Nrega\\_home.aspx](https://www.nrega.nic.in/netnrega/mgnrega_new/Nrega_home.aspx)

Data Website : <http://mnregaweb4.nic.in/netnrega/MISreport4.aspx>

### Chandrapur, Maharashtra

MIS MGNREGS : [https://www.nrega.nic.in/netnrega/mgnrega\\_new/Nrega\\_home.aspx](https://www.nrega.nic.in/netnrega/mgnrega_new/Nrega_home.aspx)

Data Website : <http://mnregaweb4.nic.in/netnrega/MISreport4.aspx>

### East Singhbhum

MIS MGNREGS : [https://www.nrega.nic.in/netnrega/mgnrega\\_new/Nrega\\_home.aspx](https://www.nrega.nic.in/netnrega/mgnrega_new/Nrega_home.aspx)

Data Website : <http://mnregaweb4.nic.in/netnrega/MISreport4.aspx>

### Krishna, Andhrapraesh

MIS MGNREGS : [https://www.nrega.nic.in/netnrega/mgnrega\\_new/Nrega\\_home.aspx](https://www.nrega.nic.in/netnrega/mgnrega_new/Nrega_home.aspx)

Data Website : <http://mnregaweb4.nic.in/netnrega/MISreport4.aspx>

## NHM

### Balasure and Bolangir in Odisha

MIS NHM: <https://nhm.gov.in/>

State Annual Plan NHM : <https://nhm.gov.in/index4.php?lang=1&level=0&linkid=449&lid=53>

PIPs & ROPs : <https://nhm.gov.in/index4.php?lang=1&level=0&linkid=45&lid=58>

### Chandrapur, Maharashtra

MIS NHM: <https://nhm.gov.in/>

State Annual Plan NHM : <https://nhm.gov.in/index4.php?lang=1&level=0&linkid=449&lid=53>

PIPs & ROPs : <https://nhm.gov.in/index4.php?lang=1&level=0&linkid=45&lid=58>

### East Singhbun

MIS NHM: <https://nhm.gov.in/>

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PIPs & ROPs : <https://nhm.gov.in/index4.php?lang=1&level=0&linkid=45&lid=58>

### Krishna, Andhrapraesh

MIS NHM: <https://nhm.gov.in/>

State Annual Plan NHM : <https://nhm.gov.in/index4.php?lang=1&level=0&linkid=449&lid=53>

PIPs & ROPs : <https://nhm.gov.in/index4.php?lang=1&level=0&linkid=45&lid=58>

## PMAY-G

### Balasure and Bolangir in Odisha

MIS : <https://rhreporting.nic.in/netiay/SocialAuditReport/BeneficiaryDetailForSocialAuditReport.aspx>

Annual Target : [https://rhreporting.nic.in/netiay/FinancialProgressReport/Allocation\\_Report.aspx](https://rhreporting.nic.in/netiay/FinancialProgressReport/Allocation_Report.aspx)

HighLevel FinancialProgress : [https://rhreporting.nic.in/netiay/FinancialProgressReport/Report\\_HighLevel\\_FinancialProgress.aspx](https://rhreporting.nic.in/netiay/FinancialProgressReport/Report_HighLevel_FinancialProgress.aspx)

### Chandrapur, Maharashtra

MIS : <https://rhreporting.nic.in/netiay/SocialAuditReport/BeneficiaryDetailForSocialAuditReport.aspx>

Annual Target : [https://rhreporting.nic.in/netiay/FinancialProgressReport/Allocation\\_Report.aspx](https://rhreporting.nic.in/netiay/FinancialProgressReport/Allocation_Report.aspx)

HighLevel FinancialProgress : [https://rhreporting.nic.in/netiay/FinancialProgressReport/Report\\_HighLevel\\_FinancialProgress.aspx](https://rhreporting.nic.in/netiay/FinancialProgressReport/Report_HighLevel_FinancialProgress.aspx)

### East Singhbun

MIS : <https://rhreporting.nic.in/netiay/SocialAuditReport/BeneficiaryDetailForSocialAuditReport.aspx>

Annual Target : [https://rhreporting.nic.in/netiay/FinancialProgressReport/Allocation\\_Report.aspx](https://rhreporting.nic.in/netiay/FinancialProgressReport/Allocation_Report.aspx)

HighLevel FinancialProgress : [https://rhreporting.nic.in/netiay/FinancialProgressReport/Report\\_HighLevel\\_FinancialProgress](https://rhreporting.nic.in/netiay/FinancialProgressReport/Report_HighLevel_FinancialProgress)

### Krishna, Andhrapraesh

MIS : <https://rhreporting.nic.in/netiay/SocialAuditReport/BeneficiaryDetailForSocialAuditReport.aspx>

Annual Target : [https://rhreporting.nic.in/netiay/FinancialProgressReport/Allocation\\_Report.aspx](https://rhreporting.nic.in/netiay/FinancialProgressReport/Allocation_Report.aspx)

HighLevel FinancialProgress : [https://rhreporting.nic.in/netiay/FinancialProgressReport/Report\\_HighLevel\\_FinancialProgress.aspx](https://rhreporting.nic.in/netiay/FinancialProgressReport/Report_HighLevel_FinancialProgress.aspx)

## SBM\_G

### Balasure and Bolangir in Odisha

<https://sbm.gov.in/sbmReport/State.aspx>

### Chandrapur, Maharashtra

<https://wsso.in/>

### East Singhbun

<https://swachhbharatmission.gov.in/sbmcms/index.htm#content>

### Krishna, Andhrapraesh

<http://sbm.ap.gov.in/RWS/>



## NRDWP

### Balasore and Bolangir in Odisha

[https://indiawater.gov.in/IMISReports/NRDWP\\_MIS\\_NationalRuralDrinkingWaterProgramme.html](https://indiawater.gov.in/IMISReports/NRDWP_MIS_NationalRuralDrinkingWaterProgramme.html) <http://www.odishapanchayat.gov.in/English/AnnualReport.asp>

### Chandrapur, Maharashtra

[https://indiawater.gov.in/IMISReports/NRDWP\\_MIS\\_NationalRuralDrinkingWaterProgramme.html](https://indiawater.gov.in/IMISReports/NRDWP_MIS_NationalRuralDrinkingWaterProgramme.html) <http://>

### East Singhbhum

[https://indiawater.gov.in/IMISReports/NRDWP\\_MIS\\_NationalRuralDrinkingWaterProgramme.html](https://indiawater.gov.in/IMISReports/NRDWP_MIS_NationalRuralDrinkingWaterProgramme.html) <http://>

### Krishna, Andhraprdaesh

[https://indiawater.gov.in/IMISReports/NRDWP\\_MIS\\_NationalRuralDrinkingWaterProgramme.html](https://indiawater.gov.in/IMISReports/NRDWP_MIS_NationalRuralDrinkingWaterProgramme.html) <http://>

## NSAP

### Balasore and Bolangir in Odisha

<http://nsap.nic.in/disbursementAbstract.do?methodName=nationalDisbursementAbstract&year=2018-2019>

### Chandrapur, Maharashtra

<http://nsap.nic.in/disbursementAbstract.do?methodName=nationalDisbursementAbstract&year=2018-2019>

### East Singhbhum

<http://nsap.nic.in/disbursementAbstract.do?methodName=nationalDisbursementAbstract&year=2018-2019>

### Krishna, Andhraprdaesh

<http://nsap.nic.in/disbursementAbstract.do?methodName=nationalDisbursementAbstract&year=2018-2019>

## ICDS

### Balasore and Bolangir in Odisha

<https://icds-wcd.nic.in/finance.aspx>  
<http://seshagun.gov.in/pab-minutes>

### Chandrapur, Maharashtra

<https://womenchild.maharashtra.gov.in/content/innerpage/mpr.php>

### East Singhbhum

<http://socialwelfarejhar.gov.in/expenditure-2012-2013>

### Krishna, Andhraprdaesh

[https://aeos.ap.gov.in/ICDS/Epos\\_IcdisAllocation.jsp](https://aeos.ap.gov.in/ICDS/Epos_IcdisAllocation.jsp)

## SSA

### Balasore and Bolangir in Odisha

<http://opepa.odisha.gov.in/website/default.aspx>

### Chandrapur, Maharashtra

<http://seshagun.gov.in/pab-minutes>

### East Singhbhum

<http://seshagun.gov.in/pab-minutes>

### Krishna, Andhraprdaesh

<http://seshagun.gov.in/pab-minutes>  
<https://schooledu.ap.gov.in/DSENEW/>





## MDM

### Balasore and Bolangir in Odisha

<http://www.mdmodisha.nic.in/>  
[http://mdm.nic.in/mdm\\_website/](http://mdm.nic.in/mdm_website/)

### Chandrapur, Maharashtra

<https://education.maharashtra.gov.in/mdm/Mdms/register/language:eng>  
[http://mdm.nic.in/mdm\\_website/](http://mdm.nic.in/mdm_website/)

### East Singhbhum

<http://mdm.jharkhand.gov.in:8072/mdm/sms-summary>  
[http://mdm.nic.in/mdm\\_website/](http://mdm.nic.in/mdm_website/)

### Krishna, Andhraprdaesh

<https://apmdm.apcfss.in/jsp/common/mdmPublicReports.jsp>  
[http://mdm.nic.in/mdm\\_website/](http://mdm.nic.in/mdm_website/)

## PMFBY

### Balasore and Bolangir in Odisha

<http://agrisnetodisha.ori.nic.in/>  
[https://pmfby.gov.in/ext/rpt/ssfr\\_17](https://pmfby.gov.in/ext/rpt/ssfr_17)  
<https://pmfby.gov.in/>  
<http://agricoop.gov.in/ministry-major-schemes/pradhan-mantri-fasal-bima-yojana>

### Chandrapur, Maharashtra

<https://agri-insurance.gov.in/Pmfby.aspx>  
<http://krishi.maharashtra.gov.in>  
<https://pmfby.gov.in/>  
<http://agricoop.gov.in/ministry-major-schemes/pradhan-mantri-fasal-bima-yojana>

### East Singhbhum

<http://www.jharkhand.gov.in/agri>  
<https://pmfby.gov.in/>  
<http://agricoop.gov.in/ministry-major-schemes/pradhan-mantri-fasal-bima-yojana>

### Krishna, Andhraprdaesh

<http://www.apagrisnet.gov.in>  
<https://pmfby.gov.in/>  
<http://agricoop.gov.in/ministry-major-schemes/pradhan-mantri-fasal-bima-yojana>

## RKVY

### Balasore and Bolangir in Odisha

<https://agriodisha.nic.in/Home/Scheme>  
<https://rkvy.nic.in/#>

### Chandrapur, Maharashtra

<https://rkvy.nic.in/#>  
[https://ahd.maharashtra.gov.in/index.php?option=com\\_content&view=category&layout=blog&id=122&Itemid=205](https://ahd.maharashtra.gov.in/index.php?option=com_content&view=category&layout=blog&id=122&Itemid=205)

### East Singhbhum

<https://rkvy.nic.in/#>

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

## Full List of Outputs

### Policy Briefs

1. Extent of Fund Utilisation in Social Sector Schemes: Does It Conceal More Than It Reveals?
2. Factors Constraining Fund Utilisation in Social Sector Schemes: An Overview
3. Delay in Fund Flow: Consequences, Causes and Remedies
4. Fund Flow Mechanisms of Centrally Sponsored Schemes in Social Sectors
5. Availability and Capacity of Human Resources for Implementing Social Sector Schemes
6. Rigid Norms and Guidelines Affecting Utilisation of Funds in Social Sector Schemes
7. Strengthening Budget Information Architecture at the District Level

### Notes from the Districts

1. District Mineral Foundation Trust (DMFT) Fund-A Potential Source to Address Resource Gaps in Development Schemes: A Case from East Singhbhum, Jharkhand
2. Revolving Fund Mechanism Can Address Problems Relating to Delayed Fund Flow in Schemes: A Case from Krishna, Andhra Pradesh
3. Unspent Funds Utilised by Expanding Beneficiary Coverage: A Case from Balasore, Odisha
4. Coordination Among Multiple Agencies at the District Level Can Deliver Better Results: A Case from East Singhbhum, Jharkhand
5. Enhancing Transparency and Accountability through DISHA Committee Meetings: A Case from Bolangir, Odisha
6. Online Treasury Portals Can Enhance Fiscal Transparency at the District Level: A Case from Chandrapur, Maharashtra

### Summary Report

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



All outputs are available at  
[www.cbgaindia.org](http://www.cbgaindia.org)

To know more about Tata Trusts' role and approach to district budgets, visit  
<https://www.tatatrusters.org/our-work/digital-transformation/data-driven-governance>



## About the Project

CBGA and Tata Trusts have carried out a two-year project focusing on fiscal governance reforms needed at the district level to improve fund flow and utilisation in development schemes across sectors. It focused on 10 social sector schemes (viz. SSA, MDM, NHM, ICDS, SBM, NRDWP, MGNREGS, NSAP, PMAY, PMFBY) in five districts across four states: Balasore and Bolangir in Odisha, Chandrapur in Maharashtra, East Singhbhum in Jharkhand, and Krishna in Andhra Pradesh. The project assessed the pace of fund flow, and the extent and quality of fund utilisation in select development schemes in the five districts; it has generated a host of policy suggestions to improve planning and budgeting at the district level, and improve the processes of fund flow and utilisation in social sector schemes.

## About CBGA

CBGA is an independent, non-profit policy research organisation based in New Delhi. It strives to inform public discourse through rigorous analysis of government budgets in India; it also tries to foster people's participation on a range of policy issues by demystifying them.



For further information about CBGA's work, please visit [www.cbgaindia.org](http://www.cbgaindia.org) or write at: [info@cbgaindia.org](mailto:info@cbgaindia.org)

## About Tata Trusts

Since inception in 1892, Tata Trusts, India's oldest philanthropic organisation, has played a pioneering role in bringing about an enduring difference in the lives of the communities it serves. Guided by the principles and the vision of proactive philanthropy of the Founder, Jamsetji Tata, the Trusts' purpose is to catalyse development across various sectors. The Trust's work on data driven governance focuses on "strengthening rural & urban decision making systems, and associated stakeholders to leverage data and technology and move towards a more informed and participatory approach to decision making, that supports improved development outcomes for all."



For further information about Tata Trusts' work, please visit [www.tatatrusts.org](http://www.tatatrusts.org) or write at: [talktous@tatatrusts.org](mailto:talktous@tatatrusts.org)