Policy Asks and Expectations from Union Budget 2015-16

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People's Budget Initiative

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Foreword

Important processes relating to government budgets in India have been constrained by some of the widely-acknowledged challenges in governance in the country. These challenges pertain to lack of adequate transparency in governance, limited space for public participation in processes of priority setting, and weak mechanisms of accountability of government staff.

As a result, there are – gaps in public policies for development (due to lack of adequate inputs from the vulnerable sections); gaps in budgeting for the relevant policies (due to limited public resources available for development sectors); and gaps in implementation of many of the development programmes (due to limited transparency and weak accountability mechanisms, among other factors).

In order to address this set of issues, there is a need for –

- improving significantly transparency in government budgets at all levels, viz. national, State, district, and sub-district levels;
- promoting participation of people (especially the representatives of vulnerable sections) in the processes of budget priority setting at various levels; and
- strengthening of the accountability mechanisms for budgets.

However, we also believe that even a reasonably transparent, participatory and accountable system of governance might adopt an approach towards fiscal policy that is not very responsive to the needs and rights of the underprivileged sections. Over the last 15 years, the fiscal policy pursued by the Union Government and the State Governments in India has shown a heavy dependence on *ad hoc*, short-term approaches for social sectors for checking the overall magnitude of public expenditure for the sake of reducing government borrowing. Hence, there is limited coverage and unsatisfactory quality of public provisioning in social sectors in the country resulting from, among other factors, inadequate budgetary resources for these sectors and centralized design and direction of development programmes.

In order to address this issue, there is a need for:

- increasing the overall magnitude of budget allocations for social sectors;
- increase in unit costs in the important social sector schemes (for infrastructure, training, salaries of frontline service providers etc.);
- higher proportions of flexible or untied funds for States in major central schemes;
- policy measures for expediting fund flow and improving the quality of fund utilization in schemes; and

- policy measures for addressing capacity issues at the subnational level (i.e. shortage of trained staff in programme management positions, finance-accounts positions, and frontline service providers).

Also, the fiscal policy strategies for social inclusion such as *Scheduled Caste Sub Plan (SCSP)*, *Tribal Sub Plan (TSP)*, *Prime Minister's 15 Point Programme for Minorities*, and *Gender Responsive Budgeting (GRB)*, have not influenced planning or budgeting in a significant way; most of these strategies have influenced mainly the reporting of some of the allocations and expenditures in the budget documents. Such reporting of allocations and expenditures has been based largely on superficial assumptions with regard to the benefits accruing to people from the vulnerable sections from public spending on various development schemes.

In order to address this major gap, there is a need to promote redesigning of the fiscal policy strategies for vulnerable sections so as to ensure that –

- the processes of planning and budgeting incorporate special or additional measures to address specific needs and challenges confronting the different vulnerable sections (such as, women, children, Dalits, Adivasis, Muslims and persons with disabilities);
- adequate budgetary resources are provided for such special or additional measures; and
- only such relevant allocations (focusing on the specific vulnerable sections) are reported under SCSP, TSP and GRB etc.

However, most of these substantive changes in the country's fiscal policy, as indicated above, would require the Union Government to ensure that India's tax-GDP ratio increases from the existing level of 17 %, which is much lower than the tax-GDP ratios in other BRICS and G20 countries (it exceeds 30 % of GDP in most such countries). Moreover, this increase should be based primarily on collecting greater revenue from direct taxes rather than indirect taxes (as the latter affect the poor more); India's direct tax revenue as a proportion of total tax revenue is only one-third compared with a G20 average of almost 50 %.

We would urge the Union Government to take into account some of these major concerns while shaping the country's fiscal policy over the coming years. This document presents a number of policy asks and expectations across a range of sectors, which have a direct bearing on the lives of the poor and underprivileged sections of the country's population. These policy asks have been compiled by a group of civil society organisations (CSOs) taking into account both our substantive work towards assessing budgets (at the national and subnational level) from the perspective of the vulnerable sections and the inputs from a large number of CSOs that have been working on development issues at the grassroots level.

We hope the Union Ministry of Finance and the other Union Ministries would consider some of these expectations in shaping their budgetary policy priorities this year as well as in the coming years.

SUMMARY OF POLICY ASKS

Women

Strengthen interventions to address violence against women through (i) operationalisation of *Nirbhaya* Fund; (ii) increase in allocations for schemes for rescue, relief and rehabilitation of the victims of violence and abuse; and (iii) adequate resources for implementation of women related legislations.

To address women's health concerns, (i) extend coverage of IGMSY to all pregnant and lactating women, (ii) scale up SABLA, (iii) include provisions for training of attendants to make childbirth safer for women who deliver at home and (iv) carry out a vulnerability mapping of occupational health issues faced by women workers in the unorganised sector.

In addition, there is a need to increase women's employment and ensure wage parity by (i) linking agricultural schemes and subsidies to women farmers; (ii) providing equal opportunities to women in the manufacturing sector and (iii) adopting measures to promote pay equity and social security benefits for women workers.

There is a need to redesign the format of the *Gender Budget Statement* to make it effective. The format of the *Gender Budget Statement* should require ministries to report the specific measures that they have taken to engender their schemes and the budgetary allocations for these measures. This Statement should capture both quantitative as well as qualitative information regarding the interventions by the various ministries. An alternative format for redesigning the *Gender Budget Statement* has been suggested in the respective section.

Children

The outcome indicators for children show huge deficiencies at present. There is an urgent need to increase the allocations under different child welfare programmes to improve the existing situation. Children are vulnerable to different types of violence, exploitation and abuse. The Government should pr

ovide higher allocations for universalising Integrated Child Protection Scheme in all districts with adequate infrastructure and human resources.

Restructured ICDS needs additional investments to strengthen the services, bring in its fold the under-served children (migrants, transients, tribal settlements etc.) and meet other challenges being faced in its expansion phase. Funds need to be allocated in line with the requirement of ICDS Mission Mode document that has estimated a requirement of Rs. 28,454 crore for 2015-16.

All major children's schemes report underutilisation of allocated funds, which hampers achievement of goals and objectives, thereby rendering the schemes less effective. Timely disbursement of funds would be an important step to correct this problem.

Scheduled Castes

Given the need to address a multitude of development deficits faced by *Dalits* across sectors, there is a need to ensure effective implementation of the Scheduled Caste Sub Plan (SCSP) by (i) enacting a legislation (ii) ensure needs-based planning (iii) integrate concerns of Dalit women in schemes under SCSP (iv) set up nodal units for operationalising SCSP in each ministry (v) Introduce provisions for monitoring SCSP (vi) improve design / format of the Statement 21 (vii) adopt good practices being followed in states

Incidence of violence against *Dalits*, especially women, is high, despite there being protective legislations in place. There is a need to increase the budgetary outlays for implementation of Prevention of Atrocities Act (1989), along with ensuring that requisite provisions under the Act are being implemented by the states.

There is a need to improve the opportunities for livelihood for the group, which is largely dependent on their educational attainment, skill sets and availability of credit to set up own businesses. In this regard, the budgetary allocations for Pre-matric and Post-matric scholarships should be increased, to improve their coverage and access. At the same time, there should be focus on economic and entrepreneurial development of SCs by improving access to higher education, with elements of vocational training and easing access to credit for self-employment. Priority should be given to financial inclusion of SCs through the *Jan Dhan Yojana* by targeting SC concentrated blocks.

Measures should be taken to strengthen the participation of *Dalits*, particularly women, in the Panchayats.

There is a need to strengthen the National and State Commissions for Scheduled Castes, giving them greater powers, with adequate human resources and budgetary outlays.

Steps should be taken for collection of caste and sex disaggregated data on all socio-economic indicators for the SCs. Also, Information Resource Centres should be created at the grassroots level to make information ─ with regard to aspects like government schemes, rights and entitlements, legal aid, availability of resources etc. ─ easily available for the group.

Scheduled Tribes

There is an urgent need to ensure effective implementation of the Tribal Sub Plan (TSP) by (i) enacting legislation; (ii) ensuring needs-based planning; (iii) integrating concerns of tribal women in schemes under TSP; (iv) setting up nodal units for operationalising TSP in each ministry; (v) improving design/format of Statement 21A (in Expenditure Budget Vol. I) and (vi) adopting good practices being followed in some of the States.

In addition, there is a need to address the problem of staff shortage in tribal/scheduled areas to improve the implementation of schemes. The Government should introduce and strengthen measures for improving the nutritional status of tribal children and pregnant and lactating women by (i) introducing flexibility and higher unit costs in existing schemes; (ii) adopting good practices being followed in some States to provide supplementary nutrition and (iii) introducing nutrition related schemes for tribals.

Muslims

Increase the budget allocation for the Ministry of Minority Affairs to cater to the multitude of developmental deficits confronting minorities across sectors.

Budgetary allocations and unit costs of scholarships need to be enhanced, at least to the levels of the scholarships for Scheduled Castes and Scheduled Tribes; application procedures should be simplified.

Introduce a budget statement to capture fund allocations for the welfare of minorities in all programmes and schemes covered in the PM's New 15 Point Programme. Annual Action Plans should be prepared taking into account the specific challenges confronting Muslims.

Earmark budgetary allocations for promoting financial literacy and ensuring inclusion of Muslims in access to credit.

Earmark budgetary allocations for providing legal aid to promote access to justice

Allocate budgetary resources for skill development, training and entrepreneurship development among Muslims and other minorities, with provision for creation of an e-Commerce Platform.

Persons with Disabilities

Introduce a separate budget statement for allocations made for promoting the rights of persons with disabilities across ministries. All ministries should report sex disaggregated data − both physical and financial − on the coverage of persons with disabilities.

Further, there is a need to ensure inclusive education for children with special needs by providing optimal infrastructural facilities, curriculum modification and educational aids/study materials.

The scope of Scheme for Implementation of Persons with Disabilities Act and Assistance to Disabled Persons for Purchase/Fitting of Appliances programmes must be expanded to fulfil the mandate for ensuring effective participation and inclusion of all persons with disabilities. Also, there is a need to set up rehabilitation centres in each district to provide extension services in rehabilitation and encourage community based rehabilitation for Persons with Disability.

Urban Poor

According to Census 2011, there are 13.7 million slum households in India. To meet the huge demand and supply gap for affordable houses for urban poor, the budgetary allocation for *Rajiv Awas Yojana* (RAY) should be increased. The unit costs also need to be raised in RAY to improve the quality of houses being constructed.

Besides providing adequate resources to address basic needs of the urban poor like housing, drinking water and sanitation, education, and health, there is also a need for a comprehensive social security system to address the vulnerabilities of urban poor.

Also, there is a need to conduct a national urban BPL survey to capture the extent of urban poverty with its multidimensional character. This will also be instrumental in policy formulation for the urban poor.

There is a need to make the process of development in urban areas more democratic by enhancing people participation in formulation and implementation of various schemes. Role of institutions like Metropolitan Planning Committees and area *sabhas* should be strengthened to achieve this goal.

Unorganised Workers

The government should increase budgetary allocations for enhancing the overall social security coverage for unorganised workers, including the amount provisioned under the National Old Age Pension Scheme. There is a need for inclusion of MGNREGA workers under various existing social security provisioning of the government. There is also a need to increase amount provisioned for rehabilitating bonded and child labour.

There is a need to create and strengthen institutional mechanisms for enhancing safety and social security of unorganised workers (i) establish Worker 'Support Centres' in major cities and industrial centres to provide counselling on various issues; (ii) set up a phone based centralised labour helpline for workers in distress; (iii) set up fast-track dispute redressal mechanisms for the unorganised workers; (iv) set up unorganised workers welfare board and (iii) strengthen labour departments of the State Governments and addressing the shortage of human resources.

Health

Given large proportion of marginalised population and poor health indicators, there is an urgent need to augment resources for the health sector in India. Although the Draft National Health Policy (2015) acknowledges the need for larger pool of resources for health sector to meet the Millennium Development Goals (in the range of 4-5 percent of GDP), the proposed overall public expenditure on health in the Draft is only 2.5 percent of GDP which should be revised to 3 percent of GDP.

At the beginning of the 12th Five Year Plan, there was a huge shortage of human resources in the health sector; shortage of doctors and nurses amounted to about 76 percent and 52 percent respectively. Adequate budgetary provision for trained health personnel along with expansion of quality infrastructure is imperative for improving the coverage and quality of services in health sector. Compulsory public service by all medical and nursing graduates for at least three years may be introduced to tackle shortage of health personnel in the country. The Employee's State Insurance Scheme (ESIS) may be merged with general health services in order to optimally utilise the existing infrastructure. Further, the pilot schemes under the Universal Health Care (UHC) proposed in the 12th FYP should be implemented across the country with adequate budgetary support.

It has been estimated that Out of Pocket (OOP) expenditure in India was around 2 percent of GDP and 58 percent of the total health expenditure in 2012. Around 60 percent of OOP expenditure in the country is on medicines. Thus, ensuring access to affordable medicines should be a priority in the Union Budget 2015-16.

The Maternal Mortality Ratio (MMR) stands at 178 per 1,00,000 live births in 2010-12. Thus, there is an urgent need to increase allocation towards maternal health programmes. Also, scheme-wise detailed reporting covering different social groups is imperative to understand and critically assess the outreach of maternal health budget.

Education

The guidelines for formulation of Annual Work Plan and Budget (AWP&B) documents in *Sarva Shiksha Abhiyan* (SSA) should be strictly followed to make this process decentralised starting at School Management Committee level and moving upwards to the block, district, State levels, and the national level. CAG has pointed out that the poor quality of AWP&B is reflected in poor performance of the scheme.

It is of utmost importance that financial transparency in SSA is improved through providing information in public domain on: (i) flow of SSA funds from State Treasury to SSA implementating society; (ii) timely uploading of procurement plan on website and (iii) strengthening of Management Information System (MIS). Further, timely distribution of SSA funds among States is needed to maintain the quality of expenditure and avoid 'rush of funds' towards the end of the fiscal year.

At present there is a shortage of 9.4 lakh teachers in government schools. Budgetary allocation should be enhanced for recruitment of trained and qualified teachers to meet the provisioning of RTE Act, 2009, across the country.

Drinking Water & Sanitation

Under the *Swachh Bharat* Mission (SBM), unit cost of Individual Household Latrine in rural area is Rs. 12,000 and Rs. 5,333 in urban areas. The unit cost for the urban area is quite low and needs to be revised. Provision of bathrooms, especially for households with persons with disability should be included in the SBM (Gramin) and allocations be made available.

The budgetary allocation for Information, Education and Communication (IEC) component under SBM (*Gramin*) should be raised from 8 percent to 15 percent or more, since it is an important intervention to bring changes in people's behaviour towards hygiene.

Allocate budgetary provisions for operation and maintenance of anganwadi toilets, public toilets and community sanitary complexes.

According to Census 2011, 56.5 percent of the households in India access water from well, hand pump and other sources. Only 18 percent of rural and 62 percent of urban population have access to treated tap water. Higher budgetary allocation should be made to improve access to treated water supply in the country.

It is important that a reliable methodology and system is developed to get the correct data on output and outcomes which would help in the better implementation of the programme. Community based monitoring should be strengthened by using the expertise of grassroots organizations and NGOs.

Recruit human resources with different expertise and increase the skills and capacities of existing staff.

Agriculture

Agricultural research has a vital role in agricultural transformation and in reducing hunger and poverty. The 12th FYP has stressed the need to enhance spending on National Agricultural Research System (NARS) and proposed an annual average spending of 1 percent of agricultural GDP by the end of the Plan period. Budget provision for agriculture education and research should be enhanced in the Union Budget 2015-16 so that the average spending under this head could meet the 12th FYP target.

Agriculture production in India is vulnerable to sharp fluctuations in weather, pest attacks and crop diseases. The small and marginal farmers, tenant farmers and farmers with oral lease are the worst affected and crop insurance could provide a crucial cover against such vulnerabilities. Hence, crop insurance should be extended to all farmers, covering all crops.

Implementation of *Rashtriya Krishi Vikas Yojana* (RKVY), with adequate flexibility given to States to articulate local needs for the sector, has had an important role in the improved performance of agricultural sector in the past few years. However, inadequate human resources, targeted investments, lack of proper decentralised planning and proper monitoring mechanisms are some of the major problems in implementation of this scheme. Higher budgetary allocation for strengthening the institutional mechanism under RKVY is needed for better utilisation of available funds.

National Mission for Sustainable Agriculture (NMSA) which aims at transforming Indian agriculture into a climate-resilient production system became a part of the originally conceived National Action Plan on Climate Change (NAPCC). For undertaking interventions to address issues on climate change, water conservation, water management and water efficiency, soil fertility and sustainability of natural resource use, budgetary allocation under NMSA should be increased substantially.

Introduce a flagship programme in bringing greater convergence across schemes and programmes such as RKVY, NMSA, MGNREGA, NFSM, NHM is needed. Better targeted investment using ‘Administrative Block’ as a unit for planning and implementation of the scheme is highly desirable.

Food and Nutrition Security

India has a high proportion of underweight children of less than five years of age. This not only affects the physical health of children but also affects their cognitive growth. To ensure food and nutritional security, the National Food Security Act should be rolled out immediately by the Government along with the components of ICDS, Mid-Day Meal and Maternity entitlements in the Act. Also, provisioning of eggs for children in Mid-Day Meal and ICDS schemes should be ensured. The Act should be expanded to include pulses and edible oils so as to address the issue of nutritional security, while universalising the provisioning instead of targeting.

A decentralised system must be implemented across the domains of foodgrains procurement, storage and distribution. Storage facility must be created at the level of Gram Panchayats and

Community Food Grains Banks should be established; for this adequate budget allocations must be made on a priority basis.

The budget for Grievances Redressal Mechanisms should be enhanced and it should be ensured that there would be independent set ups for grievance redressal mechanisms at the respective level as mentioned in the Act. There is an urgent need for integrating agriculture production with that of food and nutrition security of the country. Hence, adequate public investment should be made in agriculture to meet the demand of foodgrains to be distributed under PDS.

Rural Development

With an outlay of Rs. 33,000 crore in 2013-14, MGNREGA provided employment to 4.8 crore households. According to NSSO data, 19 percent of the total rural households sought work but did not get employment under this programme. Allocations under the MGNREGA over the past few years have remained stagnant and hence should be increased in Union Budget 2015-16.

It was also reported that unpaid wages under MGNREGA in 2013-14 were Rs. 4,800 crore. Timely payment of wages is necessary to keep the scheme effective, as it is essentially a demand driven scheme. Another concern is the discrepancy in the data available on MGNREGA in the MIS. This data discrepancy should be addressed.

BRGF was launched in 2007 as an area development programme in 272 backward districts to bridge the regional imbalances in development. The Second Administrative Reform Commission found that the approach of taking district as the unit of planning, implementation and monitoring has not been able to address the regional imbalances; hence BRGF should be implemented at the block level.

Climate Change

The recently released Intergovernmental Panel on Climate Change (IPCC) synthesis report suggests to increasingly internalise climate considerations into development planning in developing countries. Government need to identify the additional interventions required to insulate development from the impact of climate change and intervention to tackle climate change need to be built as integrative function in governance.

Globally, there is need to put equal emphasis on adaptation and mitigation and also to balance same in the budgetary priorities at the national level. Indian Government may have to announce targets under Intended Nationally Determined Contributions (INDCs) in next few months as per discussions in Conference of Parties at Lima. This raises concern that whether Union budget 2015-16 is going to make allocations in coherence with targets under INDCs.

There is a need to increase the corpus and broaden the scope of the National Adaptation Fund. The fund can be instrumental in financing India's adaptation and resilience building initiatives across ministries, instead of limiting its scope to a few core 'adaptation' projects.

The share of the Ministry of New and Renewable Energy in National Clean Energy Fund as transfers has declined from 80 percent in 2013-14 to 34 percent in 2014-15. Resources should be prioritised for development of renewable energy particularly for rural application.

Renewable Energy can be harnessed as a locally available and scalable resource in the rural areas in India. Budget allocation for rural applications of renewable energy with installation of micro-grids should be improved.

There is also a need for creating separate budget provision within the budget of Ministry of Power for laying RE transmission system that is required to pace up with growing Renewable Energy (RE) capacity addition.

Pradhan Mantri Adarsh Gram Yojana (PMAGY) should include development of villages which is climate resalient and follow low carbon development strategy.

There is need to strengthen the environmental monitoring and regulatory institutions such as National Green Tribunal and Central and State Pollution Control Board for inclusion of environmental consideration in "*Make in India* "campaign.

Taxation

The magnitude of tax revenue forgone due to exemptions/deductions/incentives in the Central Government tax system is estimated at Rs. 5,72,923 crore in 2013-14, which is 5 percent of country's GDP. A review of tax exemptions is needed to assess their social and economic justification.

There is a need to withdraw exemption of Long Term Capital Gains Tax on securities and introduce a tax on Short Term Capital Gains on securities as a regular income, as the loss from these exemptions if far more than the income generated.

India has a very narrowly defined and non-progressive wealth tax structure. This has resulted in high wealth and income inequality in the country. A progressive wealth tax structure would not only increase tax collection but also make the society more egalitarian. Similarly, inheritance tax should be reintroduced to counteract wealth accumulation across generations. Further, a comprehensive review of all Double Taxation Avoidance Agreements is required in view of the concerns of round tripping and revenue losses due to their misuse.

India has one of the most under-resourced and understaffed revenue bodies in proportion to the size of the population. Staff shortage across various agencies such as CBDT, ED, FIU, CBEC etc. has been estimated to be 30,000. Accordingly, the human resources in tax administration need to be strengthened.

Budget Transparency

In order to facilitate a better assessment of the progressivity of the country's tax system, the Finance Ministry should revive publishing of (i) All India Income Statistics (AIITS) and (ii) commodity-wise break up of indirect taxes. This could lead to policy measures for better coverage of the potential direct taxpayers base and better compliance and monitoring of tax evaders.

All Union Government Ministries should upload their *Detailed Demands for Grants*, *Outcome Budget* documents and *Result Framework Documents* for the last ten years on their respective websites and update the same every year.

Union Budget documents by the Finance Ministry should provide information on State-wise break-up of the allocations and expenditures for various Central Schemes.

Improve reporting on implementation of budgetary strategies for disadvantaged sections:

- Introduce a statement on fund allocations for the welfare of minorities in all programmes and schemes covered in the Prime Minister's New 15-Point Programme;
- Introduce a statement on budgetary provisions for the development of Persons with Disabilities;
- Improve the format of the Statements on budgetary provisions for the development of Scheduled Castes and Scheduled Tribes by providing additional information; and
- To strengthen the implementation of Gender Responsive Budgeting, redesign the *Gender Budget Statement*.

1. WOMEN

Key Policy Asks

- Strengthen interventions to address Violence against Women through (i) Operationalisation of *Nirbhaya* Fund, (ii) increased allocations for schemes for rescue, relief and rehabilitation and (iii) adequate resources for implementation of women related legislations.
- To address women's health and nutritional concerns, (i) extend coverage of IGMSY to all pregnant and lactating women, (ii) scale up SABLA, (iii) include provisions for training of attendants to make childbirth safer for women who deliver at home and (iv) carry out a vulnerability mapping of occupational health issues faced by women workers in the unorganised sector
- Increase rate of women's employment and ensure wage parity by (i) linking agricultural schemes and subsidies to women farmers, (ii) providing equal opportunities for women in the manufacturing sector and (iii) adopt measures to promote pay equity and social security benefits for women workers
- Develop safe and pro-women smart cities through engendering of the Smart Cities Project and *Swachh Bharat Abhiyan,* and provide necessary infrastructure for women workers
- To strengthen Gender Budgeting, redesign the format of the Gender Budget Statement to reflect efforts by departments towards addressing specific gender-based challenges and the budgetary outlays for these measures

India ranks 114 in the Global Gender Gap Index, 2014. The results are even starker when one considers the 134th rank for economic participation and opportunity; 126th for educational attainments and 141st for health and survival[1].

The results clearly highlight the need to increase investments to ensure better developmental outcomes for women. The constrained fiscal policy followed in the country over the last one and

[1] The Global Gender Gap index, introduced in 2006 is a framework for capturing the magnitude of gender-based disparities and tracking their progress. The index benchmarks national gender gaps on economic, political, education and health criteria. 142 countries were ranked in the 2014 Index.

a half decades has resulted in low magnitudes of public spending on social sectors. Given the high dependence of women on public provisioning of these services, Union Budget 2015-16 must ensure adequate outlays to meet the gender based challenges in these sectors.The CEDAW Committee has also, in the combined fourth and fifth periodic reports of India, expressed that budgets for women's empowerment in the Ministry of Women and Child Development should be increased.

Against this backdrop, this section presents some policy asks for women from Union Budget 2015-16.

I. Addressing Violence against Women

In view of increasing instances of violence against women, the Union Budget 2015-16 should announce the development of a National Action Plan to End Violence against Women. Some other necessary measures to address the issue are as follows:

- **Operationalise *Nirbhaya* Fund**

The *Nirbhaya* fund, one of the key interventions by the Union Government for women's safety, should be brought into implementation with immediate effect. A comprehensive set of measures providing for rescue, relief and rehabilitation of women facing violence, by concerned ministries should be introduced in Union Budget 2015-16.

For implementation of programmes under the Fund, cities could also be encouraged to include measures to enhance women's safety in their City Development Plans and submit it to the respective nodal ministries (as is done under JNNURM). This would provide the necessary flexibility to cities to plan measures to address specific concerns related to women's safety.

Measures to prevent violence against women, including, gender sensitisation of frontline services providers under schemes, judiciary, medical personnel and other key stakeholders could also be instituted under the *Nirbhaya* Fund

- **Higher Allocations for Rescue, Relief & Rehabilitation of Women in Distress**

Allocations for some schemes for rescue, relief and rehabilitation of women such as Comprehensive Scheme for Combating Trafficking (Rs. 16 crore in 2014-15), Women's Helpline (Rs. 10 crore in 2014-15), Assistance for Construction of shelter homes for single women/destitute and widows (Rs.20 crore in 2014-15) are insufficient and need to be enhanced based on an assessment of the actual resource requirement.

- One Stop Crisis Centres are an important intervention for addressing needs of women in distress. These should be set up on a priority basis to ensure immediate relief to women facing violence. However, it must be noted that the cost of counselling and legal aid @ Rs. 8000 per month (as proposed in the concept note on *Nirbhaya* Centres by Ministry of Women and Child Development) should be increased. These are important services and should be adequately budgeted for.

- Additionally, under the scheme, provisions should also be made for rescue services. Given that availability of police vans are limited, especially in interior districts, this component should be inbuilt into the scheme. The '*Abhyam* 181' scheme in Gujarat could also be referred to, for this purpose.
- Schemes for rescue, relief and rehabilitation should take into consideration the additional challenges confronting women facing conflict induced displacement or those belonging to vulnerable groups
- The Acid Attack Victims Welfare Fund for covering treatment costs, as committed in the BJP manifesto should be introduced in 2015-16

- **Funds for Implementing Women Related Legislations**

- Sufficient resources need to be allocated for enforcement of women related legislations. The responsibility of implementation of several legislations is given as an additional charge to existing officers who are discharging other duties, leaving little scope for their effective implementation. Adequate allocations are required for dedicated human resources to implement the legislations and for support services envisaged under the laws.
- A related concern is the non- utilisation of the funds allocated to the Scheme for Assistance to States for implementation of Protection of Women from Domestic Violence Act, 2005 since its introduction in 2012-13 and the subsequent decline in its allocations in 2014-15 to Rs. 50 crore. Necessary steps should be taken to initiate implementation of the scheme. Also, it should also be ensured that, the States do not withdraw their own expenditure for implementation of the Act, and the budgetary outlays by the Union Government are treated as additional funding to strengthen the implementation of the same. This is necessary to ensure that all provisions under the Act are adequately budgeted for.
- Union Budget 2015-16 should introduce measures to promote legal literacy among women, especially of women related legislations. Legislations related to women should also be made available in braille.

II. Addressing the Challenges pertaining to Women's Health

It is important that the recent cut of the health budget by 20 percent, as has been reported in the media, be reviewed and instead, higher allocations be earmarked to reaffirm the commitment towards reproductive, maternal and child health. Some measures to address concerns pertaining to women's health are as follows:

- *Indira Gandhi Matritva Sahayog Yojana*, introduced in 2010-11, provides part compensation to pregnant and lactating women for wage loss, both prior to and after delivery of the child. The scheme should be extended to cover all pregnant and lactating women, as mandated by the National Food Security Act, with immediate effect
- Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (SABLA), introduced in 2010, is an important scheme to address the nutritional and health needs of adolescent girls. However, the scheme is being implemented in 205 districts on a pilot basis. The scheme should be reviewed and necessary steps should be taken to implement it in all districts, as recommended in the 12th Five Year Plan.
- There is a need to introduce measures for making childbirth safer for women who deliver at home (at present funds are only given for incentives towards hospital delivery). These could include training of community-based attendants in remote and inaccessible areas and IT-linked rapid transportation arrangements in case of deliveries at home, in case of complications.
- Given the impacts of *Pradhan Mantri Gram Sadak Yojana* on reducing Maternal Mortality Rate (MMR), the scheme should have higher allocations for districts with high MMR[2].
- The approach towards women's health should also focus on a life-cycle approach, to address the differential concerns related to women's health. In this regard:

- The Ministry of Health and Family Welfare, in coordination with the Ministry of Labour and Employment and National Institute of Occupational Health should undertake a district-wise vulnerability mapping of the <u>occupational health issues faced by women</u> workers in the unorganized sector. Local public health authorities should also be trained to identify and deal with these issues.
- Given the increase in the incidence of <u>Breast cancer, Osteoporosis, and other such diseases among women</u>, there is an urgent need to scale up and improve the screening measures, creating awareness, and provide medical support. This is especially important in rural areas and smaller towns where the medical facilities are not adequate or lack the requisite facilities. Focused programme for this should be introduced with adequate budgetary outlays.

III. Increasing the Rate of Women's Employment and Ensuring Wage Parity

- **Reaching out to women farmers in the context of feminisation of agriculture**

  - Despite 65 percent of the female work force in India being involved in agriculture (Census, 2011) most agriculture programmes and subsidies are not able to target women

[2]'Benefit Sensitivity Analysis From Gender Perspective', 2008, commissioned by the Ministry of Rural Development, GoI

farmers. Agricultural schemes and subsidies should be de-linked from legal titles and all women Self Help Groups and Joint Liability Groups should be recognized as “farmers’ for the purpose of agricultural subsidies. Further, women farmer land owners should be given additional subsidies to encourage transfer of land in their names.

- The gender component of agriculture technology research and extension should be increased, by establishing a National Level Bureau for Women in Agriculture with 4 regional Directorates. This Bureau should work in coordination with National Rural Livelihood Mission for effective implementation of the *Mahila Kisan Sashaktikaran Yojana*, the allocations for which should also be increased. There is also a need to establish clear mechanisms for the implementation of the scheme.

- **Ensure Equal Opportunities for Women in Manufacturing Sector through Adequate skill development**

Women account for a low percentage of manufacturing jobs in India. It is important to promote women’s participation in the manufacturing sector.

- A women’s cell should be formed under National Skill Development Corporation to review women’s skill and employment status under the various sectoral councils and to suggest special programmes for the same.
- There should be a clear focus to reach out to women beneficiaries under Skill India programme with focus on training in non-stereotypical sectors like masons, carpenters, plumbers, electricians, etc.
- Ministry of Small and Medium Micro Enterprises should announce a new scheme for promoting Women’s Entrepreneurship in Small and Medium Industries by creating dedicated Women Small and Medium Enterprise clusters, and supporting capacity building efforts, a business facilitation centre, working women’s hostel and a business incubation venture capital fund in these.
- Sectors like IT, Financial services, media, fashion and hospitality have taken a lead in employing more women. The Department of Industrial Policy and Promotion should study the factors that have proved amenable to attract women in these sectors.

- **Promote Pay Equity and Social Security Benefits for Women Workers**

- There is a need to look into the gender wage differentials existing in all sectors. In public works wherever wages are calculated on piece-work basis, the Schedule of Rates (SOR) being based on men’s work, women get paid less. There is a need to develop an index for having a gender-differentiated SoR calculation in all public works.
- All social security initiatives like *Rashtriya Swasthya Beema Yojana*, National Pension Scheme, etc. should be brought under a single window under the Unorganised Sector Social Security Boards.

- The services of ASHA workers and *Anganwadi* Workers and *Anganwadi* Helpers should be regularised and they should be provided minimum wages and social security.

IV. Creating Smart cities with infrastructure development for women

- **Creating Safe and Pro-Women Smart Cities**

It is important to assess how far the safety concerns of women have been integrated and accounted for in the city planning and development. In 2014-15, Rs. 7060 crore has been provided for creation of smart cities. Smart city planning should promote women's safety, through focus on appropriate transport facilities, street lights, etc. Infrastructure created under Smart Cities should also be accessible for persons with disabilities.

Additionally, the scope of smart cities could be expanded to include facilities like crèches and day care centres. This will also contribute to creating an enabling environment to promote women's employment.

- **Engendering *Swachh Bharat Abhiyan***

The initiation of the *Swachh Bharat Abhiyan* (SBA) is an important step from a gender perspective. Several other measures that could strengthen the gender responsiveness of the programme are as follows:

- Along with toilet construction and behavior change communication, it is also important to create an integrated water management model to enable functioning of the toilets.
- The SBA should have a separate budget component for construction and maintenance of toilets for women in public buildings like bus-depots, police stations, primary health centres.
- Along with construction of girls toilets in schools, SBA should also make provision for cleaning and maintenance of toilets in the schools. Also, all Secondary schools should provide low-cost sanitary napkins to the girls and ensure proper disposal facilities of the same in the girls' toilets for promoting menstrual hygiene.
- SBA could also include design options of toilets to cater to the needs of women with disabilities, girl children and elderly women
- Menstrual hygiene and safe disposal of sanitary pads should be brought under the ambit of the SBA and it should not be left for waste pickers to deal with.

- **Infrastructure Development for women workers**

It is important to engender infrastructure t projects to improve the productivity and income of women, especially those employed in unorganized sector.

- The 12th Five Year Plan and BJP manifesto both had agreed on setting up of working women's hostels in all districts. However, even though the budgetary allocation of Rs. 22.50 crores made in 2014-15 is in line with this, actual expenses 2012-13 and revised allocations 2013-14 are low, i.e., Rs. 7.28 crores and Rs.13.50 crores respectively. The scheme's implementation needs to be taken on priority to ensure all districts have at least one working women's hostel by end 2016-17.
- The MGNREGA and NRLM should be linked at district level to increase involvement of women SHGs and federations in undertaking contracts for productive asset creation
- Gender scrutiny and gender audits of all infrastructure projects should be made compulsory. This is essential for large scale infrastructure projects being undertaken in North East region, which is seeing huge investments but without any analysis of whether they would actually promote the economic growth and empowerment of women.

V. Redesigning the *Gender Budget Statement* to strengthen implementation of Gender Budgeting:

Gender budgeting has been recognised as a key strategy for mainstreaming gender concerns in government interventions across sectors. However, the strategy has had a limited impact owing to a narrow interpretation of the strategy by most departments/ministries and its limited adoption.

Analysis of the implementation of the strategy reflects that, not much effort is being made to identify gender based challenges by most departments/ministries in their respective sectors, based on which programmes should be designed or suitably modified and adequately budgeted for. The efforts of most departments/ministries focus, simply on reporting in the Gender Budget Statement, a proportion of funds in the respective schemes, as being earmarked for women.

The Gender Budget Statement, in its present format, tries to answer a question that is not possible to answer, i.e. "what percentage of the Union Budget is earmarked for women". Instead, the purpose of the Gender Budget Statement should be to report "what kind of measures have departments/ministries taken to address specific gender-based challenges confronting women in their sectors of concern and how much money did they spend on these measures".

Against this backdrop, there is a need to modify the format of the Gender Budget Statement to make it more effective and adopt measures to strengthen the implementation of the Gender Budgeting at the Union level

- Union Budget 2015-16 should reiterate the government's commitment to strengthen Gender Budgeting. It is necessary to ensure that *all Union departments/ministries report in the Gender Budget Statement*. It is particularly important that the Ministry of Development of North East Region, along with the North Eastern Council, be brought under the ambit of Gender Budget Statement. This emanates from a long standing demand of the region's social organisations to invest in professional human resource development over and above infrastructure development.

- In order to design and implement Gender Budgeting substantively, the Union ministries need to –recognize the specific gender-based challenges confronting women and girl children in their sector(s) of concern, and, then amend the objectives, operational guidelines, financial norms and unit costs of their schemes / interventions to make those more gender responsive.
- There is a need to redesign the Gender Budget Statement. The minimum floor of 30 percent allocations to be earmarked for women, as the present format requires, should be done away with. Such an approach, in the case of many departments/ministries, has given rise to superficial reporting, based on assumptions. The format of the Gender Budget Statement should require departments to report what kind of measures they have taken to engender their schemes and the budgetary allocations for the same.
- An alternative format of the Gender Budget Statement is proposed, as follows:

Alternative Format for the Gender Budget Statement

Part I. Quantitative Information about schemes

Department :		
Scheme	Total Allocation for the scheme	Allocation for gender responsiveness components under the scheme

Part II. Qualitative Information about the schemes

A. Rationale for Schemes Reported in Quantitative Part of GBS

Department :		
Scheme	Allocation for gender responsive components in the Scheme	Gender Responsive Components/ Guidelines in the Scheme

B. Enhancing Gender Responsiveness of Schemes not reported in Quantitative Part of GBS

Department :		
Key gender concerns in the sector	Interventions required to address these concerns	Initiatives planned to enhance the gender responsiveness of the schemes

- As can be seen, the proposed alternative format allows departments to report (i) the rationale for the different proportions of budget allocations for schemes reported in the Gender Budget Statement (ii) key policy measures (that do not necessarily require budgetary allocations) adopted by departments to address gender-based disadvantages in their respective sectors.

- The alternative format also has scope for all Ministries to report in the Gender Budget Statement. It is hoped that those Ministries, that have not initiated reporting in the Gender Budget Statement, would report the measures planned to engender their programmes in such a format
- The Budget Circular issued by the Union Ministry of Finance would require to be modified suitably. The Budget Circular should require all ministries and departments to make a serious effort to provide the relevant narrative information and financial information, as indicated above, for the Gender Budget Statement.

2. CHILDREN

Key Policy Asks

- Augment resources for Children's Schemes in Union Budget 2015-16 to bring about an improvement in outcome indicators of children
- Give child protection concerns top priority and increase allocations to strengthen protection systems
- Step-up investments under Restructured ICDS for addressing the rights of the young under-served children, & convert all *Anganwadi Centres* into Day Care Centres
- Initiate measures to check under-spending in schemes for children and ensure timely disbursement of funds
- Link outlays for child rights schemes to outcomes by adding suitable heads to Outcome Budget document that focus on improvements in outcomes of various schemes

India is home to about 442 million children aged 0-18 years, who constitute 39 percent of the country's population. Children's needs and entitlements are specific to their area, group, setting and age; and require a variety of interventions. These can be realized through public investments commensurate with the urgency of these various needs. Though data shows improvement in the outcome indicators of some of the children's schemes, in others, children continue to lag behind. Child mortality, child malnourishment, child labour, child abuse and exploitation, and child trafficking are areas of concern that need to be addressed through financial commitments and spending. In this context, the demands pertaining to children from the next Union Budget are:

Immediate Policy Asks

I. Augment Resources for Children's Schemes in Union Budget 2015-16

Despite the recognition for child budgeting in five-year plan documents, the share of child budget in the Union budget has never gone beyond 5percent. According to Government's Combined Report on CRC, 2011, 'many of the outcome indicators for children point to the disadvantaged status of children; the proportion of Child Budget in the Union Budget seems inadequate'[3]. This concern has been resonated by the concluding observations made by the UNCRC based on India's report presented to the Committee in June 2014 in Geneva. 'The budgetary allocations do not adequately take into consideration child protection needs. There is also mis-management of allocated resources, a problem which is exacerbated by a lack of effective monitoring and evaluation systems'[4].

There is a need for enhanced resources to bring about an improvement in the outcome indicators for children, which show huge deficiencies at present. It is desirable to review the appropriateness of funds being earmarked for different child rights programmes. For example, the immunisation list of vaccine-preventable diseases as it is today is no more the major cause of infant and early child mortality, the killers are more water-related and ARI- related. Similarly, the incidence of rising TB in infants and young children needs acknowledgment and hence more investment. Further, according to the Census 2011, 4.35 million children engaged in child labour need to be rehabilitated for which the budgetary allocation of Rs. 175 crore in 2014-15 (BE) is not sufficient.

II. Give Child Protection Concerns Top Priority and Raise Allocations, also Accord Higher Priority to Child Health

Table 1: Share of Child Budget (sector-wise) as percent of Union Budget

Year	Share for Children	Child Health	Child Development	Child Education	Child Protection
2012-13	4.76	0.18	1.1	3.44	0.04
2013-14	4.64	0.16	1.1	3.34	0.03
2014-15	4.52	0.16	1.06	3.26	0.04
Average	4.64	0.17	1.09	3.35	0.04

Source: Response to Union Budget, 2014-15, CBGA

- Focus on Child Protection Initiatives: Child protection sector remains to be a low priority for the government in spite of several incidents being reported where children experience violence, exploitation and different forms of abuse; leading to poor physical and mental health of children. Since 2012-13, the sector received only 0.03 per cent of total allocations in the child budget. Allocations for child protection schemes and programmes have not exceeded 0.04 per cent of the Union Budget. These are much lower compared to funds required for universalizing ICPS in all districts with adequate infrastructure and human resources. It is time that child protection allocations are reviewed, and increased in the 2015-16 Budget.

[3] India: Third and Fourth Combined Periodic Report on the Convention on the Rights of the Child http://wcd.nic.in/crc3n4/crc3n4_1r.pdf

[4] Full document http://tbinternet.ohchr.org/_layouts/treatybodyexternal/SessionDetails1.aspx?SessionID=843&Lang=en

Slow and tardy implementation of ICPS can be attributed to the unfortunate service conditions of the functionaries for the job, who are appointed on contractual basis, whose salaries get delayed by months, thereby leading to high levels of attrition and impacting effective implementation of the scheme. In February 2014, the Cabinet Committee on Economic Affairs approved the continuation of ICPS in the XII Plan with enhanced financial norms-the budget was Rs. 3000.3 crore (for five years), which included Central share of 2350 crore and State share of 650.33 crore. A revision of the ICPS norms implies the need for additional resources[5].

- Prioritize Child Health: Infant mortality in India is 63, main reasons for which are early childhood diseases and childbirth-related causes. A huge number of children die every year from preventable diseases and infections. In the absence of a sound public health care system delivering services for children, it is not possible to improve child health outcomes, particularly for the poor. Within the already low health sector spending in India (which is 1 percent of its GDP, as against the WHO standard of atleast 3 percent of GDP), child health received a meager 0.16 percent share in the Union Budget 2014-15; which was a decline from 0.18 percent in 2012-13 to 0.16 percent in 2014-15[6]. Hence there is an urgent need to strengthen existing health systems and raise funds earmarked for child health.
- Generally, government has shown apathy towards the children in the age group of 14-18 years under child rights schemes. Budgetary focus should be given to the schemes for such age groups.
- The tendency to treat children as a homogeneous group obscures the prevailing conditions of children belonging to weaker section of the society. Hence, socio-religious category-wise disaggregate data on children receiving benefits of schemes must be maintained.

III. Initiate Measures to Check Under-spending in schemes for children

The states are unable to utilize the full quantum of available funds for different schemes like ICDS, Pulse Polio Immunization, RGNCS etc. as shown below, which affects smooth implementation of the schemes and programmes. Proper utilization of resources can let us know the adequacy of allocations for these schemes, and also guide modifications needed in the strategy of implementation. To curb under expenditure, effective methods for monitoring and accountability of authorities at various levels need to be developed. Timely disbursal of funds is the first step needed in this direction to check under spending.

Table 2: Under-Expenditure in Selected Child welfare Schemes, 2011-2012 (*Rs. lakhs*)

Programme/Scheme	Total Grant	Actual Expenditure	Excess (+) Unspent Amount(-)
Manufacture of Sera/Vaccine – B.C.G. Vaccine Laboratory, Guindy, Chennai	1940	904.5	-1035.6

[5] Norms have been enhanced for, construction (` 1000/sq.ft. from ` 600/sq.ft. earlier); maintenance grant in homes, open shelters, specialized adoption agencies from existing ` 750 per child per month to ` 2000 per child per month; salaries as well as other recurring administrative costs[5].

[6] Statement 22, Expenditure Budget Volume II, Union Budget 2012-13, 2013-14 and 2014-15

Routine Immunisation Programme	50599	40241.8	-10357.2
Pulse Polio Immunisation Programme	70396	65750.	-4646
Integrated Child Development Services (ICDS)	3052	2004.9	-1047
Rajiv Gandhi National Crèche Scheme for the Children of Working Mothers	7651	7383.5	-267.5
World Bank ICDS IV Project	7500	0	-7500
Sarva Shiksha Abhiyan – Establishment and Related Expenditure	2891	2379.3	-511.7
National Programme of Mid-Day Meals in Schools (National Component)	1315	871.8	-443.2
Conditioned Cash Transfer Scheme for Girl Child with insurance cover	1000	0	-1000
ICPS	3900	2352.7	-1547.3

Source: Appropriation Accounts of Government of India (2011-12)

IV. Link financial Outlays to Outcomes for All Child Rights Schemes

The Outcome Budget of the Government lays emphasis on the physical targets to be achieved by the Ministry against the funds allocated to it and there is no direct link between the amount allocated for different schemes and the final outcome.

For example, in ICDS, there are various inputs for which funds are allocated such as providing supplementary nutrition, immunization services, health check-up etc. However availability of these does not directly measure a young child’s health and nutritional status, which is one of the main purposes of ICDS. This can only be done in certain ways such as through Health Surveys which u assess nutritional status. So, the Outcome budget should give weightage to improvement in actual outcome of ICDS. There is a need to strengthen the linkage between financial outlays and final objectives to be achieved this and other childern’s schemes, thus ensuring a direct linkage of the Budget with actual outcomes.

The present outcome budgeting exercise can be made more vigorous to capture greater insights about the programmes implemented, the Ministry should report the (a) number of staff required for effective implementation of its different scheme, (b) number of staff sanctioned, and (c) number of staff in place.

V. Step-up Investments Addressing the Rights of the Young Child

- <u>Augment the budget for ICDS</u>

  ICDS in its Universalisation and in its third phase of expansion is facing many challenges such as inadequate availability of space for Anganwadi Centres (AWCs), vacant posts, low focus on growth monitoring, low focus on early childhood etc. There are 14 lakh approved Anganwadi Centres and 7076 projects[7] (as on 31.03.2013); to deal with the problems cited above across all these centres would require surplus funds. Taking up restructured ICDS in mission mode needs additional investment[8] as it needs to bring in its fold the children who get left out of the system at present (e.g. migrants, transients). The provisions for reaching underserved and unreached tribal settlements need to be revisited, and may require specific budgetary allocations. The Twelfth Five Year Plan, approved Rs. 1,23,580 crore for strengthening and restructuring of the ICDS[9]. ICDS in mission mode had estimated a budget of Rs. 26533 crore in 2014-15 for implementation of the scheme[10]. Taking the 2014-15 budget into account, there is a shortfall of Rs. 8338 crore. This gap should be filled up to achieve the target of universalistaion promised to the country. For the next year, allocation for ICDS should not be below the targeted amount of Rs 28454 crore[11].

- Upgrade and implement the crèche schemes

Revisiting the allocations to fulfil the promises of the National Policy for Early Childhood Care and Education (ECCE) 2013 through Anganwadi Centre-cum-Crèches under ICDS and upgraded Rajiv Gandhi Crèches Scheme. Also examine the support that needs to be extended to statutory crèches by the Labour Ministry providing monitoring and supervision support.

Provide adequate budget for the operationalising and functioning of ECCE Council (the Coordinating and Regulating Body for overseeing ECD programmes) at the National and State Level.

Appropriate allocations for universalising IGMSY and JSY as per commitments under National Food Security Act for IGMSY and programme commitments for JSY must be made as the survival of infants is closely linked to that of the mother's heath.

[7] http://www.in.undp.org/content/dam/india/docs/MDG%20-%20India%20Report%202014.pdf
[8] investment in construction of more than 2 lakh *Anganwadis*; more than 2700 new technical human resource; more than 4.5 lakh additional *Anganwadi* workers/nutrition counsellors/link workers;70,000 *Anganwadi* cum crèches;improved supplementary nutrition, intensive monitoring, training and capacity building; greater convergence and linkages with other sectors
[9] Economic Survey of India 2012-13
[10] *"ICDS Mission: The Broad Framework for Implementation";* Ministry of Women and Child Development; Pg No. 46; http://wcd.nic.in/icdsimg/icds_english_03-12-2013.pdf
[11] Ibid

Long-term Policy Asks

- **Universalise Education for Children Upto 18 years**

Experience of working with children shows that stopping education at 14 years leaves the children over 14 years as "nowhere children". They are neither eligible for admission into any other skill nor higher education to help get a job. With some level of education and no further prospects, these are the children who come in conflict with the law, or get into labour, and in the case of girls also married off underage. There is a critical need to raise the level of education such that children can harmonise it to gain admission to the next level of technical training etc.

The government gave due importance to continuing education, by introducing the Rashtriya Madhyamik Shiksha Abhiyan. But secondary education, up to the age of 18 years, is not a fundamental right.

Though allocation for 'Sarva Shiksha Abhiyaan' (SSA) was increased by 1.83 percent (from Rs 27258 crore in 2013-14 to Rs 27758 crore in 2014-15), and per-student allocation rose by more than triple from an India average of Rs 1,598 in 2007-08 to Rs 4,746 in 2011-12, but expenditure failed to keep pace and only 61 percent of allocations were spent in FY 2011-12.[12] Along with shortage in the number of teachers, there is also an issue of untrained/semi-trained contract recruits, who cannot deliver the right to education. Hence, an investment for teacher training is needed for improving the quality of education. Further, there should be budgetary allocation for fulfilling 25percent quota under RTE so that public Schools do admit children under privileged category.

- **Proper Implementation of Juvenile Justice Needed**

The failure of the JJ system is more a result of an apathetic implementation of the JJ Act and its provisions. Both the infrastructure and human resources are lacking. What is required is proper and concerted implementation of the law in its letter and spirit with strong focus on individual care plans and rehabilitation measures. The creation of an Observation or a Special Home which would be the base of the change and rehabilitation process is lacking, hence no facility counselling and education exists. Apart from the name, there is nothing there that is akin to a Home. Individual intervention has been shown to yield real changes. With increased bandwidth available, e-classrooms can be arranged for the Homes so that the Right to Education and Right to Rehabilitation is not violated. Real vocational training should be made available in the Homes. This will need adequate financing to take care of the infrastructural and procedural needs (as per ICPS revised norms). It is important to ensure that the JJ Act continues to comply with

[12] http://www.accountabilityindia.in/sites/default/files/ssa_2013-14.pdf (accessed on 30.06.2014)

the international standards and children are not brought into the adult system at any age. The focus should be on the rehabilitation and a fresh lease of life than on punishment.

A far larger part coming under the Juvenile Justice Act is the children in need of care and protection (CNCP). It includes street, working children to children at risk even at their homes. The reported abuse of children as stated in the Survey done by the Women and Child Development Ministry in 2007 makes it imperative that agencies to counter the effect of child abuse need to be in place. A mere punishment of the guilty is not enough. A strong psycho-social support system including counselling and safe-homes must be in place.

- **Address the Needs of Vulnerable Children**

Children with Disability

The inclusion of specific allocation for children in two schemes- 'Deen Dayal Disabled Rehabilitation Scheme' and 'Aids and Appliances for Handicapped' in the Department of Disability Affairs, Ministry of Social Justice and Empowerment from last year's budget is a welcome move. However, specific services of rehabilitation required for full development of children with disabilities continue to be unavailable to the majority. These children are excluded from all programmes and schemes meant for children. Rehabilitation services reach a very small number of children with disability because of the way they are designed. Even though the RTE Act 2009 makes specific mention of children with disability; the education system is still not designed to meet all their requirements.

Specific and concerted efforts and strategies need to be made to ensure that these children are included in all child related schemes and programmes, and are able to participate with other children in all activities in the community (such as baal panchayats etc). There have to be multi-disciplinary services for children with disabilities at the district level for a starter.

Child Labour

India still has a large number of working children. And yet, the only national scheme featuring in Statement 22 (the Statement on child related schemes in Budget Documents) for addressing child labour, 'Improvement in working Condition of Child Labor/Women labor', witnessed a decrease of 12.5 percent at the allocation stage. In 2014-15, Rs. 175 Crore was earmarked for this scheme, which is a dip, and is not justified in the light of the fact that about 10.12 million children in the country are still engaged in exploitative occupations[13].

[13] This include 'main' and 'marginal' workers in the age group of 5-14 years as per Census 2011

The government has tabled a bill that calls for absolute ban on all forms of child labour up to 14 years. To achieve this, the government must allocate financial resources that enable these children to be rehabilitated.

Children from Dalit, Adivasi, other backward and marginalised groups

In 2013-14, a total of 12 percent allocations were made for Scheduled Caste Sub Plan (SCSP) and a miniscule 7 percent was allocated for Tribal Area Sub Plan (TSP)[14]. In 2013-14 and 2014-15 budget, schemes like 'Hostels for SC boys and girls', 'Pre-matric scholarship for OBCs', 'Pre and Post Matric Scholarship for Minorities', 'Post Matric Scholarship for SCs' have either gone through heavy cuts in allocation or remained unchanged. This must be corrected, as shortage of funds was already an issue, which leads to exclusion of *Dalits* and *Adivasis* from welfare system.

[14] http://www.ncdhr.org.in/daaa-1/key-activities-1/Union%20Budget%20Watch_2013-14%20final%202.pdf

3. SCHEDULED CASTES

Key Policy Asks

- Ensure effective implementation of the Scheduled Caste Sub Plan (SCSP) by (i) enacting a legislation (ii) ensuring needs-based planning (iii) integrating concerns of *Dalit* women in schemes under SCSP (iv) set up nodal units for operationalising SCSP in each ministry (v) improve design / format of the Statement 21 (vi) adopt good practices being followed in states
- Increase the budgetary outlays for implementation of Prevention of Atrocities Act (1989), along with ensuring that requisite provisions under the Act are being implemented by the states.
- Increase the budgetary allocations for Pre-matric and Post-matric scholarships to increase their coverage and access.
- Focus on economic and entrepreneurial development of SCs by improving access to higher education with elements of vocational training and easing access to credit for self-employment.
- Priority should be given to financial inclusion of SCs through the *Jan Dhan Yojana* by targeting SC concentrated blocks.
- Measures should be taken to strengthen the participation of *Dalits*, particularly women, in the Panchayats.
- There is a need to strengthen the National and State Commissions for Scheduled Castes, giving them greater powers, with adequate human resources and budgetary outlays.
- Steps should be taken for collection of caste and sex disaggregated data on all socio-economic indicators for the SCs. Also, Resource Centres should be created at the grassroots level to make information, with regard to aspects like government schemes, rights and entitlements, legal aid, etc. easily available for the group.

The Scheduled Castes (SCs) lag behind the general population in almost all developmental indicators. The concerns exist not just with regard to poor human development indicators, but also with regard to their limited access to essential services, and a hostile societal attitude which practices active discrimination. The inherent casteism which continues to define the societal structures in the country has resulted in gross violation of their human rights and dignity. Further, it has placed them at the lowest rungs of the society, with restricted opportunities for growth. Across sectors, the Scheduled Castes (or *Dalits)* have remained largely excluded from the process of development. Violence against the group is high, and "…when they transgress caste norms such as those prescribing caste endogamy or untouchability practices, or assert their rights over resources or public spaces, violence is unleashed on them."[15]

Despite there being a number of measures implemented for improving the well-being of the group, the gap still remains. The strategies in place for addressing their developmental deficits have had a limited impact owing to a range of problems, such as flawed schemes' design, inadequate funding, problems in implementation etc. Also, the government interventions have largely focused on their 'survival' and less priority has been given to their development, enhancing their participation and ensuring their protection. Economic empowerment of *Dalits*, which is crucial to improving their status, needs greater attention. At the same time, creating space for them to be active and equal actors in the process of development is necessary. Without means to improve their condition, increase their access to basic services and resources, changing the societal attitudes and upholding their rights, the development of *Dalits* cannot be achieved.

Immediate Policy Asks

I. Strengthen Implementation of *Scheduled Caste Sub Plan*

The Scheduled Caste Sub Plan (SCSP) was conceptualised to address the multiple developmental deficits faced by the Scheduled Castes across sectors. The idea was to channelize funds and benefits from the general sectors in the Central Ministries towards the development of SCs, at least in proportion to their share in the total population. However, despite the strategy being in operation for more than three decades, it has not been implemented as effectively as desired (12th Five Year Plan). The allocation for SCSP was Rs. 43,208 crore (excluding allocation for MGNREGA[16]) in Union Budget 2014-15 (BE). This is merely 10.37 percent of the Budget Support for Central Plan ─ less than the stipulated 16.6 percent mark. Allocation for MGNREGA, as per the Planning Commission guidelines, should not be reported under the SCSP. Further, gaps exist not just in earmarking stipulated budgetary outlays, but also in the way reporting under SCSP is being done.

Practices of earmarking notional allocations, or allocations based on incidental-benefits from general schemes is widely prevalent. There is lack of clarity on the rationale for reporting a scheme or programme under the SCSP. Most often, the schemes reported do not entail any direct benefits to, or have specific provisions for these communities; nor is any additional effort being made to improve the outreach of the programmes to SCs. The ministries are merely assuming

[15] Violence against *Dalit* Women Briefing note prepared for the 11th session of the Human Rights Council International *Dalit* Solidarity Network – Cordaid – Justice & Peace Netherlands – National Campaign on *Dalit* Human Rights – Feminist *Dalit* Organisation, Nepal

[16] As per the Guidelines of Planning Commission (2006) for the implementation of the SCSP and TSP, "Wage component, especially under rural employment schemes, should not be included under SCP/TSP".

incidental benefits from the schemes for the SCs. Unless a scheme or a component within a scheme is designed specifically to address specific concerns of the SCs in the respective sectors, the implementation of the scheme might not be able to overcome the problems of social discrimination in implementation, need for a higher unit cost for SC beneficiaries, etc. Also, the planning for interventions to be included under SCSP needs to follow a decentralised planning approach. The District Planning Committees need to be strengthened in order to effectively participate in the planning and monitoring of SCSP.

Andhra Pradesh is the pioneer state in the country to have passed the "Andhra Pradesh Scheduled Castes Sub-Plan and Tribal Sub-Plan (Planning, Allocation and Utilization of Financial Resources) Act. No 1 of 2013 for the effective implementation of SCSP and TSP.

Main Provisions of the SCSP Legislation in Andhra Pradesh

- Only scheme which accrue direct and quantifiable benefits to SCs to be included under SCSP; should be aimed at bridging the developmental gap between the SCs and the state averages.

- Earmark funds under SCSP in proportion to the SC population (16.2 percent) in the state from the Plan budget of the state government.

- Social Welfare department to be nodal department for SCSP. Nodal Agency set up to recommend schemes that fulfil the stated norms for inclusion in Annual Plan proposals of respective departments. These would be aggregated and placed before the State Council State for Development of Scheduled Castes and Scheduled Tribes under the Chairmanship of the Chief Minister.

- Provision has been created for re-appropriation / reallocation of funds to meet new identified demands from the same department or from other departments, as the year passes

- Balance funds can be retained in respective departments & schemes for these funds can be taken up as per the recommendation of the Nodal Agency & the approval by the State Council through re-appropriation or creation of new sub heads as the need may be, or reallocated to other departments relevant for development of SCs

- Ensure minimum 1/3rd allocations as capital expenditure focusing on sectors need to be accorded highest priority like health, rural water supply, education with special emphasis on SC individuals, households, area (habitation), infrastructure and economic activity

- Schemes to be included: (i) for exclusive benefit of SC individuals or households or habitations (report 100 percent allocation under SCSP); (ii) for general schemes, allocations in proportion to the SC beneficiaries covered or the actual amounts spent on SCs; (iii) for non-divisible infrastructure works a portion of the scheme cost as may be determined by the Government shall be deemed to have been attributed for SCSP

Source: http://www.apfinance.gov.in/uploads/budget-2013-14-books/annual-plan-2013-14-v7-4.pdf

Though there is lack of clarity regarding whether the distinction between Pan and Non Plan expenditure would be retained in the future budgets, the Budget Circular 2015-16 does require the ministries to prepare the SCSP Statement. Hence, at least for the current year, the strategy is to be carried out as before.

In this regard it is recommended that:

- **Enact Legislation on SCSP**: that provides for earmarking of Plan allocations for *Dalits* in proportion to their share in the total population at National level, to ensure effective implementation of SCSP by all ministries.

- **Planning**: The approach for planning under SCSP should encourage all Ministries to: (i) identify what could be the additional challenges confronting SCs in their sectors of concern, (ii) what kind of measures could be taken by them to address these challenges, and (iii) how much additional resources would be required for such special measures. These additional resources devoted for the special measures for SCs should then be reported under SCSP.
- **Specific concerns of *Dalit* women**: should be identified and accounted for, while planning the schemes and programmes across sectors. They face challenges distinct from *Dalit* men and non-*Dalit* women. These should be adequately addressed while planning programmes to be reported in SCSP.
- **Set up a nodal body in each Ministry for SCSP**: A unit should be set up in every Ministry to act as the nodal agency within each ministry to recognise the specific disadvantages faced by *Dalits* in their respective sectors and suggest how the policies/ guidelines/ programmes of the ministry can be made more responsive to the specific needs of the group. Further, wherever needed, this unit can help conceptualise new schemes for the *Dalits*.
- **Provisions for monitoring SCSP:** Proper institutional mechanisms should be created for effective monitoring of the implementation of this strategy. Ministry of Social Justice and Empowerment can be the nodal agency to undertake the monitoring, along with lending support to other ministries in identifying and addressing the specific concerns of *Dalits*. A three-pronged audit mechanism could include an internal (departmental) audit, audit by the office of the C&AG of India, and a social audit.
- **Improve design of Statement 21**: SCSP Statement (Statement 21) should be made more comprehensive by providing additional information on the rationale behind reporting a scheme under the SCSP Statement. Similar information for all the schemes and programmes, under all the ministries, should be reported in their respective Annual Reports and Outcome Budgets. This information should be made available in the public domain and be accessible for all.

- **Adopt Best Practices:** There are some good examples from few states which have been preparing the SCSP effectively ─ these can be adopted for carrying out the strategy at the Union level as well. For example **Maharashtra** splits the plan outlay in three parts–general plan, TSP and SCSP. SCSP funds are in proportion to the SC population of the State and are demarcated at the beginning of the budgetary exercise for planning and supervision by the Social Justice and Empowerment Department.

II. Ensure effective implementation of Prevention of Atrocities Act 1989

This is one of the most important protective legislations for the SCs and has been in operation across India, except Jammu and Kashmir. However, "despite these protective legislations, atrocities and crimes committed against SCs, especially against their women, have been reported in all parts of the country…" (12th Five Year Plan) Incidence of violence against *Dalit* women is particularly high and assumes a dual nature of being both sexual as well as caste-based. The violence against the Scheduled Castes, especially women, has been a means for the 'dominant castes' to establish their authority and humiliate the community.

The implementation of this legislation has largely failed in its ambitious mandate. Poor implementation has been reported across states. As Table 1 shows, out of a total number of 1,09,721 cases in the year 2012, convictions happened only in 4,075 cases.

Table 1: Cases with Courts for Scheduled Castes under the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) {POA} Act, 1989, during the year 2012

Number of cases in Courts including B.F. in 2012	Cases Compounded or withdrawn	Number of cases in which trials completed		Number of cases pending with Courts at the end of 2012
		Convicted	Acquitted or Discharged	
109721	1117	4075	12861	91668

Source: Annual Report 2013-14, Ministry of Social Justice and Empowerment, Government of India

The high rates of acquittal are attributed, to a large extent, to the lack of sensitisation of the functionaries towards the plight of the survivors of violence. In miniscule number of cases were the perpetrators convicted by the courts. In 17.4 percent of instances of violence, police obstructed the women from attaining justice[17]. *Rashida Manjoo* (2014), the Special Rapporteur on violence against women, notes that deeply entrenched patriarchal attitudes of police officers, prosecutors, judicial officers and other relevant civil servants, with regard to the handling of cases, contribute to victims not reporting, withdrawing complaints and not testifying. This is particularly true in case of violence against *Dalit* women.

[17] Source: Dalit Women Speak Out - Violence against Dalit Women in India, Written by Aloysius Irudayam, Jayshree P. Mangubhai, Joel G. Lee, National Campaign on Dalit Human Rights, New Delhi, March 2006

The scheme for Implementation of PCR Act 1955 and PoA Act, 1989, was allocated Rs. 90 crore in 2013-14 (Budget Estimates), which was later increased to Rs. 130 crore at the Revised Estimates stage. Despite having an actual expenditure of around Rs. 128 crore during the year, allocation for the scheme in the Union Budget 2014-15 (BE) was only Rs. 90 crore.

The *Bharatiya Janata* Party in its election manifesto noted that steps will be taken to create an enabling ecosystem of equal opportunity, especially, the prevention of atrocities against SCs & STs. However, the budgetary outlays for the scheme are not in keeping with the promise made by the ruling party or the need for greater budgetary outlays for strengthening the implementation of the act.

Further, there is a need to improve and strengthen certain provisions that have to be put in place by the states and UTs for implementation of the Act. Some crucial measures like special police stations, appointment of special officers, identification of atrocity prone areas and undertaking consequential steps etc. are still weakly implemented (Table 2).

Table 2: Measures for implementation of POA Act

Provisions	**Implementation**
Special Courts	• 31 State Governments and Union Territory Administrations have designated District Session Courts as Special Courts. • For ensuring speedy trials, 11 states have set up Special Courts
Special Public Prosecutor	All States/Union Territories, barring 4, have appointed Special Public Prosecutors
Setting up of SC/ST Protection Cells at State Headquarters	SC/ST Protection Cells have been set up in 21 States and UTs
Special Police Stations	Set up by 4 states : Bihar, Chhattisgarh, Jharkhand and Madhya Pradesh
Nodal Officers	28 States and UTs
State and District Level Vigilance and Monitoring Committees	29 States and UTs
Identification of atrocity prone areas and undertaking of consequential steps	10 States and UTs
Appointment of Special Officers	11 States and UTs

Source: Annual Report 2013-14, Ministry of Social Justice and Empowerment, Government of India

In this context, there is an urgent need to:

- Increase the budgetary outlays for the implementation of the PoA Act, 1989. Given the wide range of interventions that need to be put in place, both for the prevention as well as rehabilitation, the budgetary outlays are inadequate.

- Ensure that requisite measures, as spelled out in the Act, are being enacted by all the states and UTs. Wherever required, adequate budgetary support should be provided to them.
- Budgetary allocations need to be earmarked for sensitisation of the relevant stakeholders for effective implementation. These would include sensitisation of, first and foremost, the police personnel as well as the judiciary.
- The measures for rehabilitations of the survivors of violence need to be strengthened significantly. In case of violence against *Dalit* women, there should be close coordination between the Ministry of Women and Child Development and the Ministry of Social Justice and Empowerment (MSJE), in ensuring requisite support services.

III. Focus on educational attainment of SC students

The educational attainment of SCs remains an area of concern. The NSSO 64th Round (2007-08) shows that the education indicators for SCs remain way below that for the general population; this is reflected in literacy rates, number of Out of School children and other such indicators. Moreover, the gap widens at the level of higher education where the drop-out rates for SCs are higher.

The 12th Five Year Plan recommended that the Pre-Matric scholarship for SCs be extended for classes 6, 7 and 8 as well. The MSJE stated that if classes 6, 7 and 8 are included, the number of beneficiaries under the scheme would be somewhere between 70 to 75 lakh; however since requisite budget wasn't allocated the scheme couldn't be upgraded[18]. periodically.

Pre Matric for Classes 9 and 10 for SC Students	
The value of scholarship includes the following for complete duration of the course:- (i) scholarship and other grant, (ii) additional allowance for students with disabilities studying in private un-aided recognized Schools. Assistance under the scheme consists of two components, viz. (i) Monthly Scholarship (for 10 months) (ii) Annual Ad hoc Grant (to cover incidental expenses like stationery, uniform, etc.).	
Rates of admissible allowances	
Component of Scheme	**Amount admissible** (Amount in Rupees)
Monthly Scholarship (Rs. Per month for 10 months)	Day Scholars : 150; Hostellers : 350
Annual Ad-hoc Grant (Rs. Per annum)	Day Scholars –750 ; Hostellers – 1000

Source: http://socialjustice.nic.in/pdf/pmsscnew.pdf

Further, post matric scholarship provides financial assistance to SC students studying at post matriculation or post-secondary stage to enable them to complete their education. Higher education is crucial for building requisite skill set and knowledge base for pursuing employment in the formal sector. However the scheme for post matric scholarship has been allocated a nominal budget, considering that the scheme has to be implemented across the country.

[18] Departmentally Related Standing Committee Report on DDG 2013-14 of Ministry of Social Justice and Empowerment, Lok Sabha, GoI

Moreover, the actual expenditure has been greater than the budgetary outlays for the scheme in the years 2011-12, 2012-13 as well as 2013-14. Clearly, the need for funds is more than what is being allocated at present. The unit costs for both these schemes remain low (see below), which need to be revised

Post Matric Scholarship for SC Students		
The financial assistance includes The value of scholarship includes the following for complete duration of the course:- (i) maintenance allowance, (ii) reimbursement of compulsory non-refundable fees, (iii) study tour charges, (iv) thesis typing/printing charges for Research Scholars, (v) book allowance for students pursuing correspondence courses, (vi) book bank facility for specified courses, and (vii) additional allowance for students with disabilities, for the complete duration of the course.		
	Rate of Maintenance allowance (in Rs. per month)	
Group	**Hostellers**	**Day Scholars**
Group I	1200	550
Group II	820	530
Group III	570	300
Group IV	380	230

Source: http://socialjustice.nic.in/postmatsch.php

Also, access to good quality residential schools still remains much below the actual requirement for SC students, especially for SC girls. *Kasturba Gandhi Balika Vidyalayas* (KGBV), which have 75 percent reservation is provided for girls belonging to SC, ST, Other Backward Classes (OBCs) and minority communities, are important for improving access to quality education for SC girls. However, a recent study[19] found that the scheme remains marred with critical concerns like limited coverage (50 or 100 girls per school), low unit costs, provision for education till only Class 8 etc. These factors were found to be major impediments in effective implementation of the scheme. In addition the study found that discrimination against *Dalit* girls still remains a major issue in these schools. These are critical concerns that warrant immediate attention. In this context it is required that:

- The scheme of Pre-matric scholarship for SC students should be extended to Class 6 to 8 during the remaining period of the 12th Five Year Plan. Requisite additional budgetary outlays for the same should be earmarked.
- Increase the budgetary allocations for the Post-Matric scholarship scheme to increase the coverage of the scheme.
- Increase the budgetary outlays for KGBVs: to (i) increase the unit costs for various components under this scheme; (ii) extend the scheme for classes above Class 8; (iii) revise the norm limiting the number of girls per school to 100 (which leads to many *Dalit* girls not being able to benefit from the scheme) and make it demand based.

[19] Kowtal, Asha and Binish Nafees, 2014; "Towards inclusive budgeting for Dalit women"; in "People at the Margins: Whose Budgets? Whose Rights?" UN Women publication

- Link the unit costs under all the education related schemes (scholarships, components within KGBV, other residential schools etc.) to inflation. These should be revised periodically and requisite budget earmarked for the same.

IV. Enabling Economic Empowerment of SCs

The SCs contribute a large proportion of the labour force in the informal sectors. The production processes and the markets are rapidly changing and becoming modernised. In this evolving scenario, the *Dalits* are being left behind in the process of development. They face barriers in accessing formal sector employment, in addition to overcoming challenges confronting the traditional occupations (such as artisans, craftsmen etc.). In this respect, it is essential that occupational and entrepreneurial opportunities are created for the group, especially SC youth. Emphasis should be placed on their skill development and training to upgrade their skill sets as per the changing times and requirements. To ensure this, education has to be more oriented towards imparting on-the-job training and including elements of vocational training as well.

Barriers ─ such as high cost of higher education, inadequate focus on vocational training, access etc. ─ severely limit their skill base, translating into restricted job opportunities. Another barrier which the group faces is with respect to access to credit in setting up their own enterprises. The National Scheduled Castes Finance and Development Corporation (NSFDC) and National *Safai Karamcharis* Finance and Development Corporation (NSKFDC) along with the State Scheduled Castes Development Corporation (SCDC) have been providing financial support for income generating activities, but a lot remains to be done.

The key to economic empowerment is developing the appropriate skill set and creating opportunities for employment and own businesses. In this context there is a need to:

- Strengthen and improve the access to higher education for SCs, with components of general and technical/vocational education. There should be equal stress on the job placement of SCs who pass these courses. Wherever required, additional budgetary outlays should be earmarked for strengthening the schemes in higher education, improving their access and generating awareness regarding these schemes.
- Educated or / and vocationally trained SC youth and *Dalit* women should be encouraged to form themselves into active groups for commercial, industrial, manufacturing ventures, by engaging / employing SCs themselves. The same can be done either through the existing institutions where the requisite modifications are required to improve the access to credit for these groups; or a new scheme for the same needs to be introduced with requisite budgetary outlays. Innovative packages could be developed for promoting entrepreneurial opportunities for the SC youth.
- Given that *Dalits* are concentrated largely in the informal sector, ministries like Ministry of Small and Medium Enterprises, Textiles, Labour and Employment etc. need to

prioritise the group in their respective schemes pertaining to both livelihoods as well as providing social security.

V. Ensuring Financial Inclusion: Though the SCs have been recognised under the priority sector lending by the government, their access to mainstream banking has been limited. In this regard there is a need to have targeted measures for financial inclusion of SCs. The Prime Minister's *Jan Dhan Yojana* can be crucial in this respect. The Ministry of Social Justice and Empowerment, on the lines of the Ministry of Minority Affairs,[20] can identify blocks which have a high SC population and ensure that bank accounts are opened for all eligible SCs in these blocks, along with ensuring the associated benefits under the *Jan Dhan Yojana*.

Other Policy Asks

- **Ensuring Land Rights for *Dalits:*** Participation of *Dalits* in the agricultural sector is high. It would not be very effective to ensure certain provisions for *Dalits* under the agricultural sector, without ensuring basic land ownership for them. Hence, land procurement and land development for the rural *Dalits* should be given priority by the government. Providing land to the landless SC agricultural labourers and SC share croppers with loan assistance for land development, agriculture inputs and facilitation of marketing networks to sell their products, should be a priority.
- **Empower SC Panchayats:** Facilitate a mandatory process of village, taluk and district panchayats preparing a Scheduled Caste Development Plan with a clear gender component, which should become a charter to work towards the economic development of *Dalit* women and men in the panchayats (as per recommendation of National Commission for SCs / STs).
- **Strengthen participation of *Dalit* women in Panchayats:** In addition to regular panchayat trainings for all panchayat representatives, devise and conduct special trainings for *Dalits* and women elected representatives, as closely as possible at the start of their term of office. This would capacitate them for discharging their panchayat duties. All general trainings should also include a gender and caste perspective, as well as legal sanctions for all those who hinder the participation of *Dalits* in the panchayats.
- **Improve information base at the Grassroots:** Panchayat level and District level information cum Resource centre should be created to enable SC's to access information on various aspects like education, employment, government schemes, legal aid and availability of natural resources, with guidance to harness and sustainably use/market without any detriment to ecology.
- **Strengthen the National and State Scheduled Caste Commission:** There is a need to accord the commissions with sufficient powers and strengthen their functioning. The

[20] Ministry of Minority Affairs (MMA), via letter dated 7th October, 2014, has identified a list of 872 Blocks and 312 towns which have been identified as Minority Concentration Blocks and Towns and specific instructions given to State Level Bankers' Committee that bank accounts of students and beneficiaries of minority community in these MCBs and MCTs may be ensured.

limitations that they face due to inadequate budgetary outlays for their functioning and staff shortage, need to be addressed on an urgent basis. Moreover, they should have a greater say in all matters pertaining to the various rights of the SCs and the redressal mechanisms in case of any violations.

- **Collection of sex and caste disaggregated data:** on all socio-economic indicators as well as conducting a benefit-incidence analysis in programmes / schemes reaching out to all marginalized social groups should be carried out.

4. SCHEDULED TRIBES

Key Policy Asks

- Ensure effective implementation of the Tribal Sub Plan (TSP) by (i) enacting a legislation (ii) ensuring needs-based planning (iii) integrating concerns of tribal women in scheme under TSP (iv) set up nodal units for operationalising TSP in each ministry (v) improve design / format of the Statement 21A (vi) adopt good practices being followed in states
- Address the problem of staff shortage in tribal /scheduled areas to improve the implementation of schemes
- Introduce and strengthen measures for improving the nutritional status of tribal children and pregnant and lactating mothers by (i) introducing flexibility and higher unit costs in existing schemes (ii) adopting good practices in some states to provide supplementary nutrition (iii) introduce nutrition related schemes for tribals
- Improve healthcare services in tribal areas by addressing infrastructure deficits and staff shortages
- Higher budgetary allocations for educational development of ST students; revise financial norms of scholarships and provide good quality residential schools in tribal areas

Tribals have remained at the margins since years owing to their economic and educational backwardness, low resource base, historical injustice, geographical isolation, and increasingly reduced access to natural resources. The large scale development projects have resulted in mass displacement of the tribals from their native places of residence and increasing land alienation. This has posed a serious concern to their culture as well as livelihood. Most of the tribals are living in far-flung, isolated areas that are not easily accessible, hindering the process of development in these areas. Their access to the natural resource base is rapidly shrinking and so are their livelihood opportunities. Given their high dependence on natural resources, this rapidly shrinking resource base is a critical concern. The context in which the tribals are placed is also changing rapidly owing to the changes surrounding them. Due to displacement, the tribes are migrating to other areas, increasing their landlessness, and marking a move for them outside the traditional agro-forestry sectors.

The High Level Committee Report of the Status of Tribals in India (2014) enumerates few critical factors which have contributed to the persistent poor developmental status of the tribals in the country. They note that in addition to geographical isolation, inadequate budgetary allocations under government schemes, their poor implementation, and issues of the traditional socio-cultural aspects of tribal life, have played an important role in persistence of poor development indicators of the tribals. The framework of development adopted by the government is alien to the Scheduled Tribes (STs) and it has hence, not had the desired effect. They are far behind the rest of the population in almost all socio-economic indicators and face unequal access to essential services. Though a host of measures have been introduced by the government, the deficits continue to persist. In this context, there is a need to bring about a change in the approach towards addressing the development deficits confronting the STs. Decentralised planning should be the governing principle with respect to planning development strategies for the group. Also, it needs to be recognised that the 'mainstreaming' approach is not working well in case of tribals and this needs to be revised. The approach should take into cognizance the specificities of tribals with respect to their culture and societal structures.

Immediate Policy Asks

I. Strengthen implementation of *Tribal Sub Plan*

Tribal Sub Plan (TSP) was started to address the multitude of deficiencies confronted by tribals in various spheres. The idea was to channelize funds and benefits from the general sectors in the Central Ministries towards the development of Scheduled Tribes (STs), at least in proportion to their share in the total population. Yet, as the 12th Five Year Plan noted, even after more than three decades since it started, the implementation has not been up to the mark. The allocations for TSP in the Union Budget 2014-15 (BE) was around Rs. 26715 crore, excluding the allocations for MGNREGA[21]. This is only 6.41 percent of the Budget Support for Central Plan ─ less than the stipulated 8.6 percent mark. In fact the funds earmarked under TSP have not reached the stipulated proportion so far.

In addition, there have been issues regarding the way the strategy is being carried out by the Central ministries. Most often, the allocations under the TSP are not backed by specific provisions under the schemes for the benefit of the STs. The ministries are merely 'assuming' that a certain proportion of funds are benefitting the group and reporting based on that. Not much effort goes into identifying the specific disadvantages confronted by the STs in the respective sectors of concern, and amending the policies or guidelines, to address these concerns. Nor is any additional effort made to improve the access and outreach of the programmes for tribals. However, unless concerted efforts are made to address the challenges confronting the STs across sectors, and improve the outreach of the programmes; STs might continue to face limited access and derive less benefit from the government schemes and programmes. Thus, there is a need to address some of the major shortfalls in implementation of the strategy.

[21] As per the Guidelines of Planning Commission (2006) for the implementation of the SCSP and TSP, "Wage component, especially under rural employment schemes, should not be included under SCP/TSP".

Andhra Pradesh is the pioneer state in the country to have passed the "Andhra Pradesh Scheduled Castes Sub-Plan and Tribal Sub-Plan (Planning, Allocation and Utilization of Financial Resources) Act. No 1 of 2013 for the effective implementation of Scheduled Caste Sub Plan (SCSP) and Tribal Sub Plan (TSP).

Main provisions of the TSP Legislation in Andhra Pradesh

- Only scheme which accrue direct and quantifiable benefits to STs to be included under TSP; should be aimed at bridging the developmental gap between the STs and the state averages.

- Earmark funds under TSP in proportion to the ST population (16.2percent) in the state from the Plan budget of the state government.

- Tribal Welfare department to be nodal department for TSP. Nodal Agency set up to recommend schemes that fulfil the stated norms for inclusion in Annual Plan proposals of respective departments. These would be aggregated and placed before the State Council State for Development of Scheduled Castes and Scheduled Tribes under the Chairmanship of the Chief Minister.

- Provision has thus ben created for re-appropriation / reallocation of funds to meet new identified demands from the same department or from other departments as the year passes

- Balance funds can be retained in respective departments & schemes for these funds can be taken up as per the recommendation of the Nodal Agency & the approval by the State Council through re-appropriation or creation of new sub heads as the need may be or reallocated to other departments relevant for development of STs

- Ensure minimum 1/3rd allocations as capital expenditure focusing on sectors ned to be accorded highest priority like health, rural water supply, education and special emphasis on ST individuals, households, area (habitation), infrastructure and economic activity.

- Schemes to be included: (i) for exclusive benefit of ST individuals or households or habitations (report 100percent allocation under TSP); (ii) for general schemes, allocations in proportion to the ST beneficiaries covered or the actual amounts spent on STs; (iii) for non-divisible infrastructure works a portion of the scheme cost as may be determined by the Government shall be deemed to have been attributed for TSP. The Government has fixed for the year 2014-15 that 3percent of the scheme cost shall be deemed to have been attributed for Tribal Sub-Plan for non-divisible infrastructure works

Source: http://www.apfinance.gov.in/uploads/budget-2014-15-books/Volume-VII-2.pdf

Though there is lack of clarity regarding whether the distinction between Pan and Non Plan expenditure would be retained in the future budgets, the Budget Circular 2015-16 does require the ministries to prepare the TSP Statement (Statement 21A). Hence, at least for the current year, the strategy is to be carried out as before. In this regard it is recommended that:

- **Enact Legislation on TSP**: that provides for earmarking of Plan allocations for STs in proportion to their share in the total population at National level, to ensure effective implementation of TSP by all ministries.

- **Planning**: The approach for planning under TSP should encourage all Ministries to: (i) identify what could be the additional challenges confronting STs in their sectors of concern,

(ii) what kind of measures could be taken by them to address these special challenges, & (iii) how much additional resources would be required for such special measures. The additional resources devoted for the special measures for STs should then be reported under TSP.

- **Specific concerns of tribal women**: should be identified and accounted for, while planning the schemes and programmes across sectors. They face challenges distinct from tribal men and non-tribal women. These should be adequately addressed while planning programmes to be reported in TSP.
- **Set up a nodal body in each Ministry for TSP**: A unit should be set up in every Ministry for proper implementation, supervision and monitoring of the strategy. It should act as the nodal agency within each ministry and department to recognise the specific disadvantages faced by tribals in their respective sectors and suggest how the policies/ guidelines/ programmes of the ministry can be made more responsive to the specific needs of the group. Further, wherever needed, this unit can help conceptualise new schemes for the tribals and improve the coverage of schemes in the tribal areas.
- **Improve design of Statement 21A**: TSP Statement (Statement 21A) should be made more comprehensive by providing additional information on the rationale behind reporting a scheme / programme under the TSP Statement. Similar information for all the schemes and programmes, under all the ministries, should be reported in their respective documents and made available in the public domain.
- **Adopt Best Practices:** There are some good examples from few states which have been preparing the TSP effectively ─ these can be adopted for carrying out the strategy at the Union level as well. For example **Maharashtra** splits the plan outlay in three parts–general plan, TSP and SCSP. TSP funds are in proportion to the ST population of the State and are demarcated at the beginning of the budgetary exercise for planning and supervision by the Tribal Development Department.

II. Addressing the problem of staff shortage in tribal areas

Implementation of schemes and programmes has largely remained poor in tribal areas leading to poor quality of governance and access to essential services. Programme delivery and various services have deteriorated primarily due to shortage of staff. Tribal areas are often isolated and lack basic services and infrastructure because of which government servants are reluctant to work in these areas. This is revealed by analysis of staff data across a number of sectors. The 12th Five Year Plan noted that there is a need for administrative strengthening of the implementing agencies in the tribal areas so as to enable taking up implementation of various programmes in these areas. In this regard, it is important that:

- Vacancies in Scheduled Areas should be filled on a priority basis, since human resource constraints can derail functioning in these areas. No post in the implementing agencies in scheduled areas/areas with tribal majority should be left vacant; and additional posts should be created for effective implementation

- Incentives should be provided to personnel for serving in the isolated tribal areas.
- Sensitisation of the government officials serving in the tribal areas, with regard to the socio-cultural context of the tribals, is important.
- Preference could be given to engaging people from the tribal community itself in the areas predominantly inhabited by tribals for government efforts at spreading education, health and extension services, nutrition, public distribution, etc.

III. Monitor and ensure effective implementation of schemes in tribal areas

The Ministry of Tribal Affairs (MoTA) should play a more pro-active role in addressing the issues hindering effective implementation of various schemes and policies in tribal areas. The ministry should establish a separate monitoring mechanism / unit to bring out the evidences about the poor implementation of acts for the protection of tribals' concerns and poor delivery of schemes in the tribal areas. These issues should then be taken up with the sectoral Ministries and the states to improve the policies and schemes' implementation for tribal development.

IV. Strengthen measures to improve the nutritional status of tribal children and pregnant and lactating mothers

Data shows that the nutritional status of children belonging to the STs is poor on almost every measure. Around 77 percent of children belonging to ST category are anaemic and high prevalence of wasting in this group is of particular concern (MoTA (2013)[22]). The same report found ST women to be highly anaemic and suffering from highest nutritional deficiency among all social groups. (Source: NFHS-3, 2005-06, M/o H&FW, GOI). Hence, special attention needs to be paid to ensure for them adequate access to nutrition related.

There are states which have introduced certain schemes to curb malnutrition among tribal children. For example, Gujarat launched *Doodh Sanjivani Yojana* in partnership with local dairies for improvement of the health of children in Gujarat. The scheme was launched in few tribal areas of the state covering almost 300 primary schools and 26 Ashram schools. Under the scheme, 200 ml of fortified flavoured double toned pasteurized milk is provided to almost 50,000 students of these primary and ashram schools. Similarly under ICDS, Andhra Pradesh provides variety in food, in addition to giving eggs to children at least twice in a week. Odisha too stresses on providing eggs at least thrice in a week. The Union Government should try and replicate such good practices. In this context, it is recommended that:

- Norms and guidelines for the existing schemes related to nutrition (such as the ICDS, Mid-Day Meal scheme, Public Distribution System etc.) need to be flexible for adapting to specific needs of the tribals. For example, under NRHM, the population criterion for setting

[22] "Statistical Profile of Scheduled Tribes in India", 2013; Ministry Of Tribal Affairs, Statistics Division, Government of India

up of health centres was relaxed for tribal areas with low population. Similarly, each scheme should have a needs-based component which can help address some of the major challenges specific to scheduled areas. The financial norms for the schemes should also have higher unit costs for the tribals.

- The government should replicate some of the good practices being followed in certain states with regard to providing supplementary nutrition to tribal children. This can be done either through the existing schemes or by introducing a new scheme for the same. Budgetary outlays for the same need to be provided adequately.
- Nutrition programmes specifically for under-six children and pregnant and lactating women belonging to Scheduled Tribes should be conceptualised and implemented for scheduled tribal areas. This can also encourage the ministries to work together for designing an umbrella programme to meet the differential and diverse nutritional requirements of the tribal children and pregnant and lactating women.
- A certain proportion of TSP funds should be devolved to *Panchayats* and *Gram Sabhas* as envisaged in PESA. These funds can be used as flexi-pool for nutrition related interventions.

V. Improving Health care services in tribal areas

As has been pointed out above, the health status of tribals is particularly poor as compared to the general population. The problem is compounded by the fact that "in spite of the efforts of the government, these Tribal areas continue to suffer from poor maternal and child health services and ineffective coverage under national health and nutrition programmes" (MoTA, 2013). The Rural Health Statistics (2013) data shows that the basic health infrastructure such as the Sub-Centres, Community Health Centres (CHCs), Public Health Centres (PHCs) and others fall short of the requirement in the tribal areas. Shortage of human resource in healthcare like Doctors at PHCs & CHCs is 1466 and 397 respectively. Besides, the post of Paediatricians for providing child care services is vacant 365, likewise posts of Obstetricians and Gynaecologist is 437 vacant in Tribal areas. In this regard, it is recommended that,

- The provision of health services should be improved substantially in tribal areas, both by addressing the infrastructure deficits as well as staff shortages. There is a need for higher unit costs within all schemes for tribal areas. The administrative costs under the various schemes should be enhanced to ensure better availability of human resources and improve coverage for the tribal areas. There should be greater budgetary allocations to cover for remote and inaccessible habitations and ensuring coverage of hamlets with low populations.

VI. Higher allocations for educational development of tribals

The tribals continue to face low levels of literacy and high dropout rates as compared to other social groups at all levels of education. There are several schemes run by Union and respective state governments for promoting the education level among the ST students but the benefits provided under these schemes are meagre with economic ceiling criteria to access the benefits. At the same time, because most of the tribals live in isolated areas which have poor infrastructure for schools and high teacher vacancies, availability of good quality residential schools assumes great importance. "Evaluation studies have pointed out that infrastructure facilities are poor in most of the hostels; maintenance of the buildings is not up to the mark; and construction of hostel buildings is often hampered due to non-receipt of proper / complete proposals from the States" (12th Five Year Plan). Thus there is a need to address some of the major problem confronting ST students in education sector. It is required that:

- Revise the financial norms under scholarships: The unit costs under both the Pre-matric and Post-Matric scholarships be revised periodically and be linked to inflation. In this regard, the current rates of financial support under the scholarships should be enhanced as mentioned in table below. The income ceiling of parents should also be enhanced as would be appropriate from time to time.

Suggestion for enhancing the financial support for scholarships

Scheme	Existing	Should be changed to
Post-Matric Scholarship	The maintenance allowance: - for Hostellers: between Rs. 380/- to Rs. 1200/- - for Day Scholars between Rs. 230/- p.m. to Rs. 500/- p.m., depending upon the level of courses	Raise maintenance allowance to: - for Hostellers to Rs.2000/ pm - for Day Scholars to Rs.1000/- pm as per prevailing rates of commodities.
Pre-Matric Scholarship for Classes IX & X	# Scholarship amount: -for day scholars: Rs.150/- pm -for hostellers: Rs.350/- pm (for a period of 10 months in a year.)	Scholarship amount should be enhanced to - Rs. 500/- pm for day scholar - Rs. 1000/-pm for hostellers

- High Quality Residential Schools from Class VI to XII, one each for ST girls and ST boys, should be set up in each of the Blocks (Taluk level) in the Schedule Areas of the country for the quality education.

Other Policy Asks

- **Revisit the Implementation of FRA:** The recent Schedule Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 is a welcome step but unfortunately, the verification process for conferring the land entitlement severely limits the act. Till October, 2014 (from the year 2006, in all the states), total number of claims for land entitlements submitted by Individual Forest Rights (IFR) *Adivasis* is 38.72 lakh. However, so far only

38.68percent forest land cultivators have been distributed land deeds. Around 44percent land claims have been rejected and 17.39percent land claims are still to be decided. In this respect,

- MoTA should issue direction to the state governments to Re-verify the rejected claims and verify the process;
- provisions of PESA (*Panchayat* Extension in Schedule Areas) should be employed, giving *Gram-Sabha* the right to verify the claims
- the process of conferring the Community Forest Right (CFR) should be expedited, so far only around 27.5percent out of total 97,579 CFR received have been distributed.

- **Demand for Development forest land under FRA:** The Union Government should announce a Financial Package for the development of forest land conferred on forest land cultivators for enhancing the land yield through modern techniques like micro-irrigation, soil improvement, quality seeds, fertilizers, and animal husbandry for increasing family income. Similarly, under the Tribal Forest Dwellers Empowerment Scheme of NSTFDC launched last year (National Schedule Tribes Finance and Development Corporation), the FRA beneficiaries should be provided subsidy for the development land yield, as the poor tribal can hardly afford the loans.
- **Develop Policy Framework for Adivasis:** There should be a facilitating policy framework for the Adivasi's development to fill up the gap between Adivasis and mainstream society. The MoTA must pass the National Policy for Tribal (Adivasis) which would shape the development strategies and the trajectory for the tribals. Besides, the National acts passed for the protection, justice, development and welfare of Adivasis should be implemented in true letter and spirit. The MOTA must play a pro-active role to monitor and review the status of implementation of acts and it must coordinate with the other departments for better implementation of all the acts and policy provisions.
- **Sharing of revenues arising from natural resources:** Tribal belts are endowed with natural and mineral resources and the tribal people have suffered the displacement and land alienation for extraction of mineral resources for the development. Hence, the profits of all natural resource-based commercial activities in tribal areas, including mining and power generation should be taxed at higher rates and revenues thus collected should be utilised for the development of the STs. These resources should be shared between the Union, state and local government bodies.
- **Development of Particular Vulnerable Tribal Groups (PVTG):** The PVTG are the most vulnerable sections among Schedule Tribes. It is essential to allocate adequate funds from Central Sector/Centrally Sponsored and State Plan schemes for the socio-economic development of PVTGs. The PVTGs should be provided with opportunities for livelihood within their surrounding socio-cultural environment vicinity with "Conservation-cum-

Development CCD" , besides, focusing on the basic amenities of housing, drinking water, education and economic up liftment , electricity supply and free health care services.

- **Strengthen the National and State Scheduled Tribes Commission:** There is a need to accord the commissions with sufficient powers and strengthen their functioning. The limitations that they face due to inadequate budgetary outlays for their functioning and staff shortage need to be addressed on an urgent basis. Moreover, they should have a greater say in all matters pertaining to the various rights of the STs and the redressal mechanisms in case of any violations.
- There is a need to allocate budgetary resources for **increasing the awareness with regard to the Forest Rights Act 2006,** and other such important laws that pertain to the tribals.
- **Collection of sex and caste disaggregated data:** on all socio-economic indicators as well as conducting a benefit-incidence analysis in programmes / schemes reaching out to all marginalized social groups should be carried out.
- **Irrigation for all un-irrigated, but irrigable lands of STs** through micro-irrigation, drip irrigation and lift irrigation, the Union budget should address the irrigation issues of tribal, as the most of catchment areas is in tribal areas but command areas is in the Plains.
- The Tribal Youth should be provided **skills and income generating assets and requisite credit** facilities for providing livelihood opportunities. Massive skill development programmes need to be introduced along with all necessary resource-related, finance-related, management-related and market-related linkages.
- **Strengthen the working of National Scheduled Tribes Finance Development Corporation** (NSTFDC) and its State counterparts as well as Tribal Marketing Federation (TRIFED, State Tribal Development Cooperative Corporations and other such national and State level organisations set up for marketing of tribal produce and collections.
- There is a need to **improve the access of tribals to justice**. Data by the National Legal Services Authority (NLSA) shows that the many cases concerning STs are still pending. In this regard there is a need to strengthen the NLSA by earmarking budgetary outlays for the same and address the issues pf staff shortages.
- Measures to **strengthen the implementation of the Biological Diversity Act** need to be put in place.
- When designing the **schemes for tribals**, there is a need to pay special attention to developing schemes in the areas of **Agro-forestry and Animal Husbandry**, as these are crucial sectors for the group.

5. MUSLIMS

Key Policy Asks

- Increase the budget allocation for the Minorities. Only 0.7 percent of total Plan Fund of the Union Budget 2014-15 has been earmarked for development of minorities by MoMA and other line Ministries, whereas the religious minorities constitute 19 percent of the total population as per census 2001
- Budgetary allocations and unit costs of scholarships need to be enhanced, at least to the levels of the scholarships for Scheduled Castes and Scheduled Tribes; application procedures should be simplified
- Introduce a Budget Statement to capture fund allocations for the welfare of minorities in all programmes and schemes covered in the PM's New 15 Point Programme
- Prepare Annul Action Plan and need-based projects, exclusively for the development of Muslims, by the ministries under the PM's New 15-Point Programme and MSDP
- Enhance allocations for strengthening the State *Wakf* Boards and improve the documentation and computerisation of the *Wakf* Properties
- Earmark budgetary allocations for promoting financial literacy and ensuring inclusion of Muslims in access to credit
- Earmark budgetary allocations for providing legal aid to promote access to justice
- Allocate budgetary resources for skill development, training and entrepreneurship development among Muslims and other minorities with provision for creation of an e-Commerce Platform
- Allocate resources for construction and maintenance of hostels for Muslim girl students

Muslims constitute more than 70 percent of the total religious minority population of India. The socio-economic profile of Muslim community reflects poorly in comparison to all socio-religious communities in the country. This has also been highlighted in both, the Sachar Committee and the Ranganath Misra Commission Reports, submitted in 2006 and 2007 respectively. The India Human Development Report (2011) reveals that the condition of Muslims has not improved even after several government initiatives. Further, the India Exclusion Report (2013-14) also highlights that Muslims have not benefitted from the schemes and programmes meant for them and the community faces exclusion in planning, budgeting and implementation processes of development programmes at various levels of governance.

Ministry of Minority Affairs (MoMA) was set up as the nodal ministry for the welfare and empowerment of the religious minorities in 2006. In addition, two development strategies designed to address the development shortfalls faced by the religious minorities are being implemented – the Prime Minister's 15 Point Programme (15 PP) and the Multi-Sectoral Development Programme (MSDP).

The 15 PP brought to focus the vital concerns of education, employment and skill development, living conditions and security among Muslims/minorities by bringing within its ambit select flagship schemes and interventions. Currently, 11 Union Government Department/Ministries report their progress in implementing the 15 PP. The MSDP, on the other hand, is an area development programme for improving the education levels, nutritional standards, work participation and access to basic public services in Minority Concentrated Districts (MCDs). It was launched in 90 MCDs during the 11th Five Year Plan (FYP); among these 90 MCDs, 66 districts were Muslim concentrated. In the 12th FYP, MSDP was extended to 710 development blocks of 196 districts and 66 towns.

Now, it seems that the issues of identity and security become major challenge before the minority community in the form of communal riots in many parts of the country and possibility discrimination in accessing education and basic public services. There is a strong belief among the minority community that the issues of identity and security have also historically and in recent past emerged as a major hindrance for addressing equity related issues. Further, in the near future, there could be neglect on the part of the Central and state governments in the public policies to address the development deficit of Muslims.

In the light of this, the note assesses the status of implementation of policy initiatives of the government, scheme design, fund allocation and utilisation of funds towards the socio-economic development of religious minorities. It would highlight the key challenges persisting in minority related programme and would suggest some reform measures for addressing those challenges in the Union Budget of 2015-16.

Immediate Policy Asks

I. Increase the budget allocation for the Minorities

With regard to quantum of budgetary allocation for development of minorities, only 0.7 percent of total Plan Fund of the Union Budget 2014-15 has been earmarked by MoMA and other line Ministries, whereas the religious minorities constitute 19 percent of the total population as per census 2001.Further, looking at the fund allocation for MSDP, the current level of allocation seems inadequate on grounds of coverage of large number of MSDP blocks (710) and districts (196), which were increased in the 12th FYP. For instance, if one computes the per capita allocation per block, the amount stands at Rs. 1.61 crore per annum. The amount is too less for a block.

The 12th Five Year Plan also noted that there is a need to increase the financial allocations for the minorities to scale-up the interventions under MSDP and 15 PP by earmarking greater financial outlays across board and making educational schemes demand-driven. It also noted that the ministry could initiate pilot programmes to develop best practices for the future. This would require greater allocations for the MoMA and including other Departments /Ministries falling in 15 PP.

II. Budgetary allocations and unit costs of scholarships need to be enhanced, at least to the levels of the scholarships for Scheduled Castes and Scheduled Tribes; application procedures should be simplified

Schemes like Free Coaching and Allied Scheme, Merit-cum-means scholarship and Post-Matric Scholarship have not been able to meet even 50 percent of the targets in fund allocation, in the 12th Plan, which is a cause of concern. Further, given the level of educational backwardness among Muslims, funds for scholarship schemes are inadequate. DISE data reveals that as of 2011-12, around 11 Muslim children were vying for one scholarship. Moreover, a comparison of the unit costs under the scholarships for Minorities with the scholarships for SCs and STs reveals that the same is lower for minorities as compared to the other two social groups (which are also low and need to be increased further). Unit costs for the same level of education should be uniform, across all groups. Hence, the unit costs of the scholarships for minorities need to be increased.

The scholarship schemes also have basic design-related problems, particularly the application procedures, which are cumbersome and time consuming. Most scholarship schemes entail opening bank accounts and providing supporting documents such as income, domicile and religion certificates. The prevalent eligibility norms supporting not more than two students from a family for the scholarship, constrain comprehensive coverage of beneficiaries. Hence the procedure for applications needs to be simplified.

III. Improve information on the financial and physical progress in schemes under the MSDP and PM's New 15-Point Programme by introducing Budget Statement

There are instances where funds meant for minorities get diverted to non-minority areas due to lack of clarity in the guidelines of MSDP and 15 PP. With regard to provision of housing facilities under MSDP, there is no data available at national level on minorities who have benefited from *Indira Awas Yojana* (IAY).

The Union Ministry of Minority Affairs collates scheme wise information on the 15 PP; however, for a number of important schemes like SSA, ICDS, and SGSY (renamed as *Ajeevika)*, only the data on physical achievements is reported without the information on their financial performance. Hence, the Union Budget 2015-16 should introduce a budget statement on fund allocations for the welfare of minorities in all programmes and schemes covered in the 15 PP, as is being done for Scheduled Castes and Scheduled Tribes through Statements 21 and 21 A, Expenditure Budget, Volume I.

Further, the concerned ministries should be urged to report their achievements, both physical and financial, under their respective schemes for the benefit of minorities. The same needs to be reported on a regular basis to the Ministry of Minority Affairs, which has been maintaining this information.

IV. Prepare Annul Action Plan and need-based projects, exclusively for the development of Muslims, by the ministries and department included in PM’s New 15-Point Programme

The schemes and programmes in 15 PP do not prepare exclusive action plans for minorities considering the specific needs and challenges particularly faced by Muslims. Currently, with regard to expenditure in the 15 PP, post-facto approach of accounting system is followed. Planning strategies for minorities do not appear to have influenced planning or budgeting of schemes in any significant way; what they have influenced most visibly is the reporting of some of the allocations and expenditures in a few schemes. In fact, reporting of expenditure under 15 PP by the Union ministries has been more in the nature of ‘retrospective budgeting’, where the allocations for minorities are earmarked after the budgets for the schemes have been finalised without any special measure taken for minorities during the budget preparation phase.

A scrutiny of the programmes/schemes across several Union ministries also indicates that they were merely ‘assuming’ that a certain proportion of funds in a certain scheme would benefit minorities based on the guideline of 15 PP. This defies the very purpose of having a strategy like15 PP. Projects meant for minorities should have a beneficiary oriented approach and cover minority dominated hamlets/areas in projects related to infrastructure and basic amenities.

The Union Government needs to urge most of its ministries to – (i) identify the needs/difficulties/challenges confronted by minorities in their sectors of concern, (ii) identify measures that could be taken by them to address those special difficulties/challenges, and (iii) specify the amount of additional resources required for formulating special projects for them. These additional resources devoted for the special measures for minorities should then be reported under 15 PP.

Other Policy Asks

- **Enhance allocations for strengthening the State *Wakf* Boards and improve the documentation and computerisation of the *Wakf* Properties**

According to the Sachar Committee Report, *Wakf* lands can generate a sum of Rs. 12,000 crore a year ─ which is more than three times the current budgetary allocations of Rs. 3,734 crore by the Union Budget to the MoMA. However, large numbers of *Wakf* properties are encroached upon with no proper records and provisions for eviction and reclamation. In the budget 2014-15, Rs. 6.29 crore and 7.53 crore was allocated for Computerisation of records of State *Wakf* Boards and strengthening of the State *Wakf* Boards. There is a need to enhance budget allocations for the documentation and computerisation of the *Wakf* Boards. This budget allocation could also include the Christian Religious Charitable Trust properties that are also being encroached upon.

- **Earmark budgetary allocations for promoting financial literacy and ensuring inclusion of Muslims in access to credit**

Around 84 percent Muslims are engaged in the unorganised sector, mostly self-employed in petty businesses and face acute difficulty in accessing credit from banks and other formal financial institutions. This is one of the key reasons for the backwardness of the Muslim community.

The 12th Five Year Plan noted that “Share of total number and total amount of bank loans given to all religious minorities, with special focus on Muslims and other economically weaker and socially marginalised groups, should be increased to be at par with that of the general population.” It stressed the need for 100 percent financial inclusion, including access to sources of formal credit and finance for all eligible persons belonging to religious minorities.

Ministry of Minority Affairs (MMA), via letter dated 7th October, 2014, has identified a list of 872 Blocks and 312 towns which have been recognized as Minority Concentration Blocks (MCBs) and Towns (MCTs). Specific instructions were given to State Level Bankers' Committee that bank accounts of students and beneficiaries of minority community in these MCBs and MCTs may be ensured. This is a welcome measure and steps should be taken to ensure its implementation, along with monitoring mechanisms.

Also, there is a need to earmark allocations every year, for the next five years, in the Union Budget, to undertake campaigns for financial literacy among the Muslim community; sensitisation of bankers at all levels; special provisions for expediting loan processing and disbursal; and establishment of mechanisms to monitor and ensure adequate and easy access to credit for Muslims.

- **Allocate budgetary resources for promoting skill development, training and entrepreneurship development among Muslims and other minorities with provision for creation and functioning of an e-Commerce Platform**

There are three important requirements to enable success for micro-entrepreneurs: (i) orientation of existing and prospective entrepreneurs for business management through appropriate courses (ii) Enabling their access to bank loans to start or scale-up business, and (iii) establish joint mechanisms using internet and modern technology to facilitate in marketing and delivery of their products through e-Commerce Platforms to a larger clientele. This should be provided at a low cost to promote employment and ensure economic development of the Muslim community through skill development, training, and creation of an e-Commerce Platform to facilitate increased access to a broader range of markets.

- **Allocate budgetary outlays for setting up good quality residential schools for Muslim Students, especially girls**

Good quality residential schools for students belonging to minority communities are important to improve their access to education. The 12th Five Year Plan noted that "in order to provide the best quality education, the plan would endeavour towards having one at least Residential School along the lines of *Jawahar Navodaya Vidyalaya* and *Kasturba Gandhi Balika Vidyalaya* for the minority community. It is to be established in a phased manner in minority concentration Blocks and minority concentration towns/cities. Norms in these schools need to ensure admission to at least 50 percent children belonging to minorities. Model Schools and Inter-colleges under the existing scheme of MoHRD should also cover minority concentrated blocks and minority concentrated wards in urban areas. Efforts should also be made that MHRD schemes for interest subsidy on education loans adequately covers the minority communities." Requisite budgetary outlays for the same should be earmarked in the Union Budget 2015-16.

- **Allocate budgets for creation and maintenance of a National Data Bank for Minorities**

for documenting socio-economic, educational and employment status of Minorities for informed policy formulation and effective development interventions.

- **Enact a Law against Communal Violence**

The 'Prevention of Communal and Targeted Violence (Access to Justice and Reparations) Bill' should be introduced and passed in the parliament in the budget session. Assuming the charge by new government, the legislation of the Bill did not figure in any discussions of the government.

- **Earmark budgetary allocations for promoting access to justice by providing legal aid**

It has been found that many innocent poor people from the minority community are in jails since a long time and are not getting any kind of legal aid to access the justice.

6. PERSONS WITH DISABILITIES

Key Policy Asks

- Introduce a separate Budget Statement to capture allocations made for protection and promotion of the Rights of Persons with Disabilities across sectors, with gender disaggregated data
- Ensure inclusive education for Children with Disabilities by ensuring accessible environment, including infrastructural facilities, teaching and evaluation methods, assistive devices and technology
- Ensure accessibility and universal design in all facilities and utilities that are available to the general public, to Persons with Disabilities, by mandating universal design in procurement of products, services and works, research and knowledge in manufacturing and procurement of assistive devices and technology and ensuring quality, availability and accessibility
- Specific programmes ensuring the medical, rehabilitation and nutrition of Persons with Disabilities such as Multiple Sclerosis, MPS, LSD etc., at the community facilitating effective participation. Programmes should also include Health Insurance Schemes for all Persons with Disabilities
- Establish rehabilitation centres in each district to provide extension services in rehabilitation and encourage community based rehabilitation for Persons with Disabilities
- To initiate community living arrangements and support systems including respite care centres at the community level for all Persons with Disabilities, including for people with psychosocial disability and people experiencing high restriction in participation towards ensuring their *Right to Live* independently and being included in the Community

Being one of the first countries to have ratified the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD), we are honour bound in the international community to implement it. Different aspects related to Persons with Disabilities that require support and improvement must essentially be reflected in the preparation of Budgets.

During the 11th plan preparation, the Planning Commission had specified 3 percent allocation of budget for disability. It had also identified 20 ministries which were mandated to have a disability component in their budget. During the 12th plan preparation, the Planning Commission included Persons with Disabilities in all committees formed to give inputs for the 12th Plan but there is a lot to be covered for achieving concrete results towards protecting the Rights of Persons with Disabilities. In this regard, some policy asks from the forthcoming Union budget are listed below.

Immediate Policy Asks

I. Compile statistics and data related to allocations and initiatives for Persons with Disabilities

Article 31 of the UNCRPD mandates statistics and data collection. There are no category-wise and gender disaggregated data on Persons with Disabilities that leads to effective planning and resource allocation. This has a direct impact on the accountability and monitoring of expenditure related to Persons with Disabilities.

- Introduce a budget statement which captures the interventions across ministries meant for Persons with Disabilities. These would include both (i) schemes meant exclusively for them as well as (ii) other schemes which have components specifically for Persons with Disabilities, as is being done for Scheduled Castes and Scheduled Tribes through Statements 21 and 21 A, Expenditure Budget Volume I.
- All the reports produced by the various Ministries should report on the coverage of Persons with Disabilities, category-wise and gender disaggregated (both physical and financial data).

II. Ensure inclusive education for Children with Disabilities by providing optimal infrastructural facilities, curriculum modification and educational aids/study materials

Sarva Shiksha Abhiyan (SSA) aims to ensure that every child with disability, irrespective of the kind, category and degree of disability, is provided meaningful and quality education. This means that a child with disability should be taught in an environment which is best suited to his/her learning needs. The infrastructure falls far short of requirements. In the schools, the design of buildings does not provide easy access for Children with Disabilities and basic amenities such as drinking water, toilets, etc. are not available.

Inclusion without preparing general schools adequately to address the challenges faced by Children with Disabilities cannot produce satisfactory results. The following should find a reflection in the Union (and state) budgets:

- Vocational training for Children with Disabilities who are above 14 years.

- Inclusive Education for the disabled at Secondary Stage (IEDSS) Scheme should be strengthened and expanded to all districts.
- Increase in the disability component of *Sarva Shiksha Abhiyan* (SSA).
- Doubling the amount of scholarship for students with disabilities.

III. Ensure full accessibility in all public facilities to Persons with Disabilities

Article 9 of UNCRPD mandates universal design and accessibility in built environment, services, products and information. Also, the BJP election manifesto promises to include Persons with Disabilities and ensure their access to public facilities, public buildings and transport.

Currently the Union Government allocates resources to two programmes of the Ministry of Social Justice and Empowerment- Scheme for implementation of Persons with Disabilities Act (SIBDA) and Assistance to Disabled Persons for Purchase/ Fitting of Appliances (ADIP). The two programmes are limited and restrictive in fulfilling the government's mandate for ensuring effective participation and inclusion of all Persons with Disabilities in the development agenda.

The Government should amend the existing policies and make allocations for the following:

- **Public procurement** - The Government should pass guidelines so that all public procurement towards works, services and products adhere to Universal design standards.
- **Retrofitting** – Resource allocation must be made to retrofit the existing infrastructure, transport and other works, services and information so that these adhere to the Universal design and accessibility standards. The Twelfth Plan commitment to earmark reasonable amounts across Departments and Ministries should be the guiding source for funding this.
- **Reasonable accommodation** - Article 2 of UNCRPD clarifies that denial of reasonable accommodation amounts to discrimination. Provision of reasonable accommodation such as provision of temporary ramps, temporary modifications to toilets, workspace, classrooms etc. involves cost. This has to be planned and allocated for. At present, there is no policy / programme that provides for reasonable accommodation; a new policy that mandates earmarking a reasonable amount by Ministries across different service sectors and economic sectors towards providing for reasonable accommodation is called for. As in case of support for building toilets a bank loan on lower rate of interest to the owners of accommodation could be planned to encourage the growth of reasonable accommodation.
- **Sign language interpreters** - A pool of sign language interpreters to be created to assist in every public function especially to report parliamentary and legislative assembly and council proceedings, news cast of *Doordarshan* and important academic and research deliberations.

- **Community support network and personal assistants** - Census 2011 states that approximately 20 percent of the population of persons with disabilities face high restriction in participation and require community support network and services of personal assistants for a range of services including supported decision making. There is no policy other than guardianship (which is in violation of UNCRPD and commitment of the Government towards ensuring maximum participation of Persons with Disabilities). Therefore, a new policy (pending the passing of a new enactment to replace the Persons with Disabilities Act of 1995) should be developed towards this, under which cost of human resources, implementation processes, accountability and monitoring should be budgeted for.
- **Assistive devices and technology-** Persons with disabilities require range of assistive devices including wheel chairs to alternative and augmentative communication devices and services. This involves research, procurement, distribution, up-gradation and maintenance, ensuring quality, affordability and availability. The Government fulfilled its financial commitment made in Budget 2014-15. This commitment can be realised by augmenting resources for the existing programmes under the Ministry of Social Justice and Empowerment to include a range of assistive devices without any restriction on the nature and type of resources. There is a need to ensure quality and design development in the products to make it meaningful. For far too long, the products are proving less usable for the stakeholders and the non-standard spares have made continuity of use almost impossible.

IV. Focus on addressing health related disabilities

There needs to be special focus on people experiencing health related disabilities / degenerating disabilities like Multiple Sclerosis, Muscular dystrophy, LSD, Psycho social disabilities, Hemophilia, epilepsy etc. where there are huge medical requirements as well as a need for different & ongoing rehabilitation.

Allocations should be made for sensitization in ongoing programmes, provision of quality and affordable health services for such people.

V. Establish rehabilitation centres in each district to provide extension services in rehabilitation and encourage community based rehabilitation for Persons with Disabilities

The centre should have adequate staff, infrastructure and resources to be able to function properly. Except for a few rich states, all poorer states neglect the issues because of lack of funds. The government should provide funds for the following purposes:

- Survey of disability needs.
- National campaign in regional languages for awareness through mass media.

- Establishing early intervention program and day care centres in every Block. Establishing shelter homes for life-long support for destitute mentally challenged, severely disabled in each district across States. Current allocations for shelter homes need to be relooked at by reframing the programmes (like DDRS of MSJE) in lines with UNCRPD.
- Specially designed assistive devices/ teaching aids to Children with disabilities studying in the school/high school /intermediate /graduation such as laptops, high definition lenses, especially designed chairs for children with cerebral palsy, digital hearing aids and adequate funds for cochlear implantation.
- Raising the quantum of Indira Gandhi Disability Pension (Rs. 300 per month at present) for the ‘severely disabled’ to Rs. 1500 per month for all the categories and a relook at the design of the programme so that it leads to social participation.
- Providing social rehabilitation package for persons cured of leprosy and their children.

VI. Give special focus to issues of persons who are marginalized and vulnerable within the larger group of persons with disabilities - these include persons with intellectual and developmental disabilities, persons with mental illness, women with disabilities and children with disabilities.

Long-term Policy Asks

- The salary of teachers of special schools to be at par with the teachers of General schools.
- States to have a separate Department to handle disability issues.
- Strengthening of the offices of CCPD and SCPDs with adequate infrastructure & personnel power.
- Independent living facility for Persons with Disabilities and financial support to personal assistants.
- Health insurance coverage for Persons with Disabilities.

7. URBAN POOR

Key Policy Asks

- Need for a National Urban Poverty Survey for a better policy formulation and implementation for urban poor
- Raise unit cost of houses constructed under *Rajiv Awas Yojana*
- Increase budgetary allocation under *Rajiv Awas Yojana* to meet the target of "Housing for all by 2022"
- Provide proof of identity to urban poor, especially workers in the unorganized sector, which could also facilitate service delivery system of the state
- A comprehensive social security system should be provided for the urban poor
- Adequate resources should be provided to ensure provision of basic services like drinking water and sanitation, health, education etc. for the urban poor

"Our Government will be a government of the poor, marginalized and left behind"

—BJP Election Manifesto 2014

In the initial phase of planning in India, poverty alleviation interventions were focused on rural areas. Industry was the focus for the development of urban part of the country. There was a shift from VIIth Five year Plan onwards when development of infrastructure, slum up-gradation and livelihood were incorporated in the planning process for the urban areas and subsequent plans have increased the budgetary allocation for urban poverty alleviation. However, the allocation is still not adequate to address even the basic needs of urban poor.

India's urban population has increased from 285 million in 2001 to 377 million (31 percent) in 2011 and is expected to reach 535 million (38 percent) by 2026. Within the urban population, urban poor is emerging as a marginalized and deprived section of the society. According to the latest poverty estimates by the Expert Group (Rangrajan), 26.4 percent of the urban population was below the poverty line in 2011-12 surviving on a per capita daily expenditure of Rs. 47 or less. The current government promised during the election campaign that urban poverty alleviation scheme would be a key thrust area.

As per census 2011, around 13.7 million households constituting 17.4 percent of the total urban households and 22 percent of the urban population are living in slums[23]. Government interventions for urban poor are largely restricted to providing houses. However, it is being done at a very slow rate given the rising number of slum households and also many a times quality as well as location of such houses is questionable. Provision of affordable basic services like drinking water, sanitation, health, education, social security etc. need to be stepped up for the poor in cities for a more inclusionary urban development. Most of the time slum dwellers face hostile administration which consider them as a liability and do not want to recognize them. This makes the existence of urban poor all the more uncertain and difficult.

The proposed development of 100 smart cities should take the problems of urban poor into consideration at the planning phase so that such cities are more inclusionary and accommodate the poor who play an important role in providing critical services to these cities. To increase the sense of ownership and better design and implementation of various schemes for urban poor, community participation should be increased at every stage. On the lines of District Planning Committees, Metropolitan Planning Committees along with areas *sabhas* should be made functional to make the entire process more participatory.

The conventional approach of working in silos by different ministries and department also need to be changed and convergence of such interventions is required for a better impact. Funds earmarked by various departments for the urban poor should be properly utilized with a proper monitoring mechanism in place for the same.

Policy Asks

I. Need for a National Urban Poverty Survey

Planning Commission has used NSS data on consumption expenditure for estimation of poverty in rural and urban areas, based on calorie norms, for allocation of funds for various schemes. A departure from calories norms was proposed by the 2009 Working Group chaired by Prof. Suresh Tendulkar. By this methodology poverty head count ratio was 41.5 per cent in rural areas and 25.7 per cent in urban areas for 2004-05.

In addition to the above, poverty has also been estimated through a Below the Poverty Line (BPL) census conducted once every five years, by the Ministry of Rural Development (MoRD) to identify poor households in rural areas. However, no such comprehensive estimate is made for the urban areas. In the absence of national urban BPL surveys, data on slums is collected by the Census of India. However, the habitat based approach has its limitations as it excludes large

[23] It is argued that census has a strict definition of ‘slums’ and hence the actual slum population might be higher than the reported slum population.

number of persons who face substantive deprivation but not living in slums. Similarly all persons living in slums cannot be put under the BPL category.

Urban poverty is multidimensional in nature and hence it needs to be defined beyond the traditional definitions in terms of mere consumption or calorie intake. The latest poverty estimation methodology given by the Rangarajan Committee takes a passing look at expenditure on education, clothing, house rent, and conveyance but it is still not capturing the large scale deprivation in basic services faced by a large section of the urban population. It has been proposed that instead of expenditure, poverty in urban areas need to be defined in terms of deprivation of basic amenities like shelter, source of livelihood, social security etc. which make them stand in a contradictory position compared to the better off population in such cities. Hence, it becomes imperative to identify poor households and individuals in urban areas for inclusive urban development and better implementation of urban poverty alleviation schemes.

II. Housing: *Rajiv Awas Yojana*

a. Raise Unit Cost

The upper ceiling is Rs 5 Lakh per dwelling unit (DU) for cities with population more than 5 lakh and for North East & Special category States and Rs 4 Lakh per DU for cities with population less than 5 lakh. This amount also includes cost of civic and social infrastructure like drainage, roads, streetlights, community centers, parks etc. however, cost of civic infrastructure and social amenities per DU should not exceed 25 percent of the cost. This further brings down the unit cost of construction of a house under RAY which results in poor quality of construction and also put extra financial burden on the beneficiary.

b. Need for higher budgetary allocation

JNNURM, after an extension for one year, will come to an end in March 2015. ‘Housing for all by 2022’ is one of the promises made by the current government. At the beginning of 12th Five Year Plan, the Ministry of Housing and Urban Poverty Alleviation constituted a technical group for estimation of urban housing shortage in India. The committee estimated a need of 18.78 million dwelling units for urban India. According to Census 2011, there are 13.7 million slum households in the country. Even if we take the per unit cost of 4 lakh, as per the RAY guidelines, the estimated cost for providing houses for all slum dwellers comes to a staggering Rs.5,48,000 crore. This means an average annual requirement of Rs.68,500 crore for next 8 years. If we assume the share of Union Government at 50 percent, the annual requirement will be Rs. 34,250 crore. The actual expenditure under JNNURM is given in the table below. Housing component for the poor is covered by BSUP and IHSDP. Budgetary allocation in 2014-15 for these two sub-missions under JNNURM is Rs. 4210 crore, a mere 12.3 percent of the required investment as stated earlier, and hence shows a huge gap between the budgetary provision and the actual requirement.

Table 1: Expenditure under JNNURM (in Rs. Crore)

	2009-10	2010-11	2011-12	2012-13	2013-14 RE	2014-15 BE
UIDSSMT+UIG	4052	2704	5248	3420	7191	7060*
BSUP+ IHSDP+RAY	**2092**	**2629**	**2111**	**1937**	**3048**	**4210**
JNNURM TOTAL	6144	5332	7359	5357	10240	11270

Note: *Rs. 6216.8 crore for Mission for development of 100 smart cities
Source: Response to Union Budget 2014-15, CBGA

c. Policy guidelines of RAY clearly state that

- The legal title to the dwelling space shall be in the name of the female head of the household or in the joint name of the male head of the household and his wife.
- Cities/UAs with predominance of SC/ST/minority population/other vulnerable section of the society may be accorded priority.

These guidelines should be strictly adhered to while implementation of the programme.

It has been observed in some cases that the rehabilitation of slums is often far from the place of work of the beneficiaries and lack of public transportation makes it difficult to commute on a daily basis. This extra burden has a negative effect on their livelihood. The BJP manifesto lays emphasis on building quality integrated Public Transport systems, discouraging usage of private vehicles. This should reflect in the upcoming budget and resources must be directed to improve the public transport system.

III. Proof of Identity

Large section of urban poor constitutes migrant labourers and workers in informal sector. They are often not able to access benefit of different government initiatives due to lack of valid proof of identity. **The BJP election manifesto promised to issue identity cards to the unorganized sector labourers,** and make arrangements to provide them good quality health and education services[24]. The government must make provisions for this in the upcoming budget and ensure that every citizen has some form of identity proof to avail benefits under various government

[24] BJP Election Manifesto 2014, pp 31, viewed on 27 December 2014 (http://www.bjp.org)

initiatives. This will not only give a sense of identity for the urban poor but will also streamline the service delivery system of the government.

IV. Education

Many scholars are of the view that the poverty zones in the urban agglomerations in the country will house the largest proportion of non-literate children in the future if adequate measures are not taken. The disadvantages of the households in distress and poverty decrease the schooling opportunity for children from poor families and also lead to child labour. There is an urgent need to recognise the prevalence of education deprivation among children in urban poverty and its impact on their living conditions. This challenge requires special effort from all the stakeholders.

More funds should be allocated to strengthen public education system at all levels. RTE Act is being misused in closing the non-formal education centres (such as *Sakhar Shalas* meant for children of sugarcane cutting migrant workers, *Bhonga Shalas* run for children of brick-kiln workers, etc.) without making alternate formal schooling arrangements. Such non-formal centres should be continued and children from these centres should be gradually brought into the fold of formal system. Special provisions should be made for assistance to non-formal centres and bringing these children into the formal education system. Further, there is a need for adequate provisions for improving the quality of municipal schools and efforts made to avoid privatisation or selling of land meant for public schools.

V. Health

The urban poor in India suffer from poor health status. As per NFHS III (2005-06), Under 5 Mortality Rate (U5MR) among the urban poor was 72.7 percent as against the urban average of 51.9 percent. Around 46 percent of urban poor children are underweight. Poor environmental conditions and high population density in slums make them vulnerable to lung diseases like Asthma, Tuberculosis (TB) etc. There is also high incidence of vector borne diseases (VBDs) in slums and cases of malaria among the urban poor are twice as high as the rest of the urban population.

It is ironical that despite the proximity of the urban poor to better health facilities, their access to those facilities is severely restricted. Besides affordability, the lack of standards and norms for the urban health delivery system when compared with the rural network makes the urban poor more vulnerable and worse off than their rural counterpart. It is the duty of the state to provide quality health services to the urban poor and bridge the inequality gap in terms of accessibility of such services in these areas.

VI. Drinking Water and Sanitation

One of the emerging challenges at present is the dismal state of drinking water and sanitation condition in urban areas. Only 62 percent urban households have treated tap water as source of drinking water. In urban areas 30 percent households do not have access to water within their premises and 18.6 percent do not have access to even basic forms of sanitation facilities. It is also argued that urban poor end up paying higher prices to informal vendors and yet continue to struggle to get good quality and ample quantity of water.

BJP, in its election manifesto had promised to upgrade existing urban centres with priority to **Cleanliness** and **Sanitation**. This promise should be reflected in increased allocation for drinking water and sanitation in urban areas.

VII. Employment

The BJP has promised in its election manifesto to enable the urban poor to develop skills so that they take advantage of the emerging opportunities. *Swarna Jayanti Shahari Rozgar Yojana* (SJSRY), in its new version as the National Urban Livelihood Mission (NULM), aims to cover 786 cities in its first phase under the 12th Five Year Plan. This scheme aims at enabling the urban poor to access gainful self-employment and skilled wage employment. The mission also addresses the livelihood concerns of the urban street vendors by facilitating access to suitable spaces, institutional credit and social security. The budgetary allocation for this scheme, which has increased only marginally in last four years, should be enhanced in this budget and appropriate steps must be taken for skill development of the urban workers, especially in the unorganized sector.

VIII. Social Security for the Urban Poor

Large section of the urban poor is engaged in informal sector which increases their livelihood vulnerability. There are vulnerable sections like old, disabled women and children who need the social security net for a dignified existence. The current National Social Assistance Programme (NSAP) which focuses on social assistance for aged, widows and disabled is principally rural centric. A separate social security programme should be initiated to address the needs of urban poor.

IX. Public Transport

The government must focus on improving public transport, especially through the JNNURM, so as to have easy means of transport for the poor in urban areas. The BJP manifesto emphasizes on building quality integrated Public Transport systems, discouraging usage of private vehicles. This should reflect in the upcoming Union Budget.

8. UNORGANISED WORKERS

Key Policy Asks

- Increase Budgetary Allocation for Enhancing the Social Security Coverage of Unorganised Sector Workers
- Establish Worker 'Support Centres'
- Set up a Phone based Centralised Labour Helpline for Workers in distress
- Set up fast-track dispute redressal mechanisms for the unorganised workers
- Increase provisioning of rehabilitating bonded and child labour
- Strengthen Labour Departments of the State Governments and address shortage of human resources

To appreciate the nature and complexities of the problems of working class in India, it is necessary to consider the extent of the labour force engaged in the 'organised' and the 'unorganised' sectors. Over the last decade, various studies conducted by the National Sample Survey Organisation (NSSO) and the National Commission for Enterprises in the Unorganised Sector (NCEUS) have brought into sharp focus the contrast between these two sectors.

The *organised* sector is described as comprising primarily those establishments which are covered by the Factories Act, 1948, the Shops and Commercial Establishments Acts of State Governments, the Industrial Employment Standing Orders Act, 1946 etc. This sector already has a structure through which social security benefits are extended to workers covered under these legislations. The *unorganised* sector, on the other hand, is defined as consisting of "*all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers*." The unorganised sector workers, therefore, can be defined as *"those working in the unorganised enterprises or households, excluding regular workers with social security benefits, and the workers in the formal sector without any employment/ social security benefits provided by the employers*".[25]

[25]The NCEUS *Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector* (2007), p. 3

The critical importance of the unorganised sector labour force is clearly established as they constitute overwhelming majority of the total workforce in India. As per NCEUS estimates, based on the NSS 61st Round (2004-05), of the total workforce of 457.5 million persons in India, 422.6 million (86.3 percent) belonged to this category[26]. Approximately 29 percent of this workforce comprises women and about 52 percent are engaged in agriculture and allied sectors. Further, if the unorganised/informal workers belonging to the formal sector are also added to this number, the universe of unorganised sector workforce would constitute 92 percent of the total workforce.[27] The unorganised sector also contributes the lion's share to the GDP of India (estimated at 50.6 percent, in 2004-05).[28]

However, the unorganised sector workers, despite being large in numbers and contributing significantly to the national economy, are a neglected lot. They face abysmal working conditions with almost complete absence of employment security, job security and social security measures[29], poor human capital base, excessive seasonality of employment, and low productivity and wages compared to the organised sector. The NCEUS report highlights that there is a 'high congruence' between this category of workers and 77 percent of country's population who, on the basis of their per capita daily consumption, be put in the category of "poor and vulnerable". Most of these workers work as 'so called self-employed' or as wage workers. Some of these workers may have some kind of regular work but majority of them work as 'casual' workers. Most of them get wages so low that they are "unable to come out of their poverty, not to speak of overcoming their vulnerability. Discrimination is the norm when it comes to women, children, bonded or migrant workers. Such positions of disadvantage are often reinforced by one's social identity, rural location and, above all, low or no education".[30]

A special feature that has strongly emerged in the unorganised sector workers, over the last 15 years, is that of mobility in search of gainful employment. This category of 'migrant' workers indulges in short duration, cyclical, mostly rural to urban, intra- and inter-state migration, from the backward and poor regions/States (Bihar, Uttar Pradesh, Odisha, Chhattisgarh, Jharkhand, Rajasthan, Madhya Pradesh, North-Eastern States, etc.) of the country to industrial and metropolitan centres in the economically advanced States and regions (in western, northern and southern India). This segment is generally 'invisible' and totally absent from the national and State level planning and development discourses. These migrant workers happen to be amongst the most vulnerable sections of the unorganised sector workforce. Majority of these workers

[26] *Ibid.* Appendices A1 and A2, p. 240
[27] *Ibid.* page i
[28] *Contribution of the Unorganised Sector to GDP Report of the Sub Committee of a NCEUS Task Force*, NCEUS (2008), p. 7
[29] Kabita Das, Prof. K.B. Das, Dr. Subhransubala Mohanty (2012), "Social Security in Informal Sector: A Myth" *Odisha Review*, September 2012, pp 61-70. According to this study, only about 3% of the informal/unorganised sector workers in India are covered by some sort of social security measures. This is due to gross under-allocation of resources for this purpose and lacuna in programme implementation mechanisms
[30] *Op. cit. Report on Conditions of Work…* p. i

engage in construction, transportation, brick making, mining, hotels and hospitality sectors of the economy.

The key problems faced by these migrant workers include harassment by police and authorities during travel and at the destination locations; exploitation at the hands of employers/contractors; absence of legal support in case of wage disputes/accidents at the work place; non-portability of even the most basic entitlements (PDS, healthcare, etc.); lack of access to financial services (savings, insurance, remittance and pension); and, abysmal living conditions including lack of access to basic amenities like drinking water, bathing and toilets facilities. Due to lack of sufficient data it is difficult to estimate the numbers of suck workers; however, based on local evidences from Rajasthan, Uttar Pradesh, Odisha, etc., their size could be between 80 to 100 million, that is, approximately, 20 to 25 percent of the unorganised sector workforce. [31]

Given the context, it is highly relevant to put forward following demands and the Union Government should consider these with appropriate allocation in the Union Budget 2015-16.

Immediate Policy Asks

I. Increase Budgetary Allocation for Enhancing the Social Security Coverage of Unorganised Sector Workers

An overwhelming majority of unorganised sector workforce (over 90 percent) is outside the coverage of the key social security schemes[32]. For example, most of the unorganised sector workers are outside the purview of the old age pension and health insurance schemes, because the provisions for these schemes (the Indira Gandhi National Old Age Pension – IGNOAP and the health insurance scheme *Rashtriya Swasthya Bima Yojana*- RSBY) are so restrictive that the bulk of these vulnerable sections do not benefit from them.

Thus, the Union Government needs to take concerted policy initiatives to bring all the uncovered unorganised sector workers within the folds of various social security schemes. In this regard, the Union Government must make IGNOAPS all comprehensive by making its coverage universal; reducing the minimum age requirement to 54 years; and increasing the pension amount at least to Rs. 1000 per person per month. It is estimated that the additional budgetary allocations needed in the Union Budget 2015-16 for this purpose would be Rs. 153,376 crore.

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[31] A study conducted recently by Centre for Migrant Labour Solutions (CMLS) of Aajeevika Bureau, Udaipur (Rajasthan)- *Their Own Country: A Profile of Labour Migration from Rajasthan* (2014), has estimated the number of migrant workers in Rajasthan at 5.79 million, close to 10% of the population of the State

[32] The Unorganised Workers' Social Security Act, enacted in 2008, has, so far, not been completely unsuccessful in providing for universal and comprehensive social security coverage of unorganised sector workers. The important recommendation of the NCEUS for universal coverage has been ignored.

With regard to leveraging resources to have a universal old age security, unused funds of labour welfare boards can be used for this purpose. Further, under the corporate social responsibility, a certain percentage of funds should be earmarked to be paid as pension to the unorganised workers. In any case, a responsible government should not shy away in provisioning of social security to this segment of workers who have contributed a lot for the development of the economy in the past.

II. Create and Strengthen Institutional Mechanisms for Enhancing Safety and Social Security of Unorganised Workers

Considering the vulnerability of the unorganised sector workers to exploitation, harassment, and physical hazards due to harsh and unsafe conditions at the workplace; it is proposed that the Union Government creates appropriate and comprehensive institutional systems and mechanisms that help in strengthening the safety and security of these workers. To accomplish this, the following suggestions are made for the forthcoming Union Budget:

a. Establish Worker 'Support Centres'

Worker support centres need to be established at locations that attract large numbers of unorganised workers, including short duration/seasonal migrant workers from rural areas, like the megacities and industrial centres. These centres can work as walk-in support centres offering a range of services which reduce the vulnerability and exclusion that these workers are subjected to. The services that could be provided through these centres may include the following-

- Legal counselling and mediation support to workers facing wage dispute and harassment at work place;
- Financial inclusion linkages (bank account), financial counselling, and linkages to social security, such as insurance and pension;
- Facilitating access to identity related documents (especially to the workers emigrating from rural areas, without any valid documentation document);
- Health care counselling and linkage with formal health care institutions and schemes;
- Facilitating linkage of workers with government social welfare schemes, especially those of the Labour Welfare Department.

There has been a growing body of evidence from the experience of setting up and operating such centres by civil society organisations working for the welfare of unorganised workers, especially the migrant workers from the States of Rajasthan, Gujarat, Maharashtra, Uttar Pradesh and Odisha.[33] In the case of migrant workers, it has been found that effectiveness of these centres increases if they are set up at both the ends of the migration corridor – the source from where

[33] *Aajeevika Bureau*, a CSO based in Udaipur, Rajasthan has played a pioneering role in conceptualising, setting up and running, and propagating the idea across the country.

migrants originate and the destination where migrants move for work. The cost of operating one centre ranges from Rs. 20-30 lakh per annum. The rural centres cost around Rs. 20 lakh and the centres in the city cost around Rs. 30 lakh (Aajeevika Bureau, Udaipur). Thus, setting up of Worker Support Centres can be initiated on a pilot basis at 100 metropolitan cities during the next year.

b. Set up a Phone based Centralised Labour Helpline for Workers in distress

Most workers engaged in the unorganised sector have very limited knowledge of dispute redressal mechanisms or have little or no interface with the labour administration. Also, these workers, particularly those migrating to far off urban/metropolitan areas from their villages in search of employment, lack safety network/social capital at their destination locations and do not know where to go to at times of emergencies and distress. A high impact intervention by the government would be to set up a phone helpline for such workers facing distress and abuse at the work place. This helpline can provide workers with distress counselling; emergency support and legal counsel; information about their rights; and help them link with support agencies. The helpline could be modelled on the lines of child helpline with a centralised system, and backed up by a network of field based organisations that could provide emergency support.

c. Set up fast-track dispute redressal mechanisms for the unorganised workers

There is a need to set up fast track dispute redressal mechanisms for the working poor, especially in the unorganized sector. In cities, with large populations of migrant and unorganised worker population, the government should consider setting up special legal service authorities (in addition to the labour courts), which provide mediation services and help workers in seeking redress faster.

d. Establish Unorganised Workers Board:

As discussed earlier, the vulnerability of women workers are manifold, particularly those who are in the unorganized sector. To address concerns of the workers, a special commission/board for welfare and protection of rights and social security of unorganised women workers, tendu leaf pluckers, interstate-intra state migrant workers should be created at the earliest in line with other existing commissions in the country.

e. Special provisioning for Bonded and Child Labour

The union government should strengthen law for abolition of bonded labourers as per the act of 1976. The Government of India should enhance the bonded labour compensation to Rs. 100,000 from the current compensation of Rs. 20,000. Further, elimination and abolition of child labour in all hazardous and non-hazardous sectors should be initiated. A special National Campaign with adequate budget for rescue and rehabilitation and complete elimination of child labour should be initiated.

f. Strengthen Labour Departments of the State Governments and address shortage of human resources

The Department of Labour in each State is the key unit mandated to oversee issues pertaining to labour including migrant workers. Unfortunately, the Department and its affiliate bodies are struggling with poor outreach, limited staffing and meagre resources across all States. In terms of human resources, the Department is highly understaffed and out of reach for most workers. In most States, the nearest point of contact with the Labour Department is at the district level. Wherever there are labour inspectors managing a cluster of development blocks they often find it difficult to even supervise the units falling under the organised sector. Any attention to unorganised sector workers is completely missing.

To build a robust legal protection infrastructure for labour, especially those belonging to the unorganised sector, it is imperative that the government addresses the serious resource shortage plaguing the functioning of labour departments all across the country. There is a strong need to make the labour departments' more approachable to rural communities, by establishing the operations of the department at the block level. The block establishment could work towards enabling greater access of workers to labour welfare schemes such as construction worker welfare board, pension and other social security provisions. It would also help set up a strong legal protection system for workers to address work related disputes and enable faster resolution of cases. Thus, the government should make appropriate provisions in the Union Budget 2015-16 to strengthen the operations and outreach of the Labour Department across the country through creating departmental set up at block level.

9. HEALTH

Key Policy Asks

- Increase budgetary allocations for the health sector to 3 percent of GDP
- Immediate attention needs to be paid to the problem of acute shortages of staff in the health sector in accordance with the Indian Public Health Standard (IPHS) norms. Need for appropriate HR policy
- Measures are needed to improve the extent and quality of fund utilisation under NHM
- Need to ensure improved access to generic medicines and strengthening J*an Aushadhi* programme
- Efforts to strengthen RMNCH+A in all districts through increased allocations and effective utilisation.
- Provisions need to be made for diseases related to mental illness and occupational health

The Millennium Development Goals have helped draw attention to the need for ensuring universal healthcare coverage in many low- and middle-income countries. The 58th session of the World Health Assembly in 2005 defined universal coverage as ensuring access to key promotive, preventive, curative, and rehabilitative health interventions for all at an affordable cost (World Health Assembly, 2005). According to UNDP's Global Human Development Report (2014) India ranks 135 out of 187 countries, marginally higher than many of its South Asian neighbours. India is far behind its immediate neighbours on health and quality of life indicators. Despite scoring low on almost all health parameters, India's public spending on health is only around 1 percent of Gross Domestic Product (GDP). The combined expenditure on Health by Centre and States remained below 1 percent of GDP until 2008-09. In 2013-14, it has increased only marginally to about 1.3 percent of GDP.

Low levels of provisioning for health by the government have resulted in high out of pocket (OOP) expenditure. According to some estimates, the OOP expenditure on health in India is close to 78 percent[34] – strikingly higher than some of its neighbours – Maldives (14 percent), Bhutan (29 percent), and Sri Lanka (53 percent). According to some estimates, nearly 70 percent

[34] The Times of India; http://timesofindia.indiatimes.com/india/Indians-pay-78-of-medical-expenses-from-their-own-pocket/articleshow/7270363.cms (as accessed on 01/01/2015)

of healthcare in India is provided by the private sector. This, along with lack of availability of generic medicines, increases the OOP expenditure. The low public spending also manifests in the form of poor infrastructure in health sector and inadequate human resources. This, in turn, adversely affects the quality of health services resulting in poor health outcomes. Thus, keeping in view the shortages in human resources and inadequate infrastructure, there is an urgent need to augment resources for the health sector. Along with the need for augmenting resources for the health sector, there is also a need for better utilisation of the existing resources. In India, it has been observed that many a times the problem in the healthcare sector is not so much as of low absorptive capacity as it is of poor management and a top-down approach in planning and implementation.

The Draft National Health Policy (2015), put in the public domain recently, considers making healthcare a fundamental right and ensure that its denial is punishable by law. This Draft comes after a 13-year gap from the last comprehensive National Health Policy in 2002, and is a welcome step insofar as it attempts a stocktaking of the healthcare sector in India. The Draft acknowledges that “a full achievement of the MDGs” will require an increase in public health expenditure to around 4-5 percent of GDP. However, concerns emerge from a preliminary look at the Draft Health Policy (2015) as it proposes to raise the overall public expenditure on health to only 2.5 percent of GDP from the prevailing 1.3 percent, which is a reduction from the long standing demand for raising health expenditure to 3 percent of GDP.

Further, it must be noted that this Draft policy comes in the wake of recent reports that the Government would be lowering public health budget by around 20 percent due to rising concerns over high fiscal deficit. Also, there is emphasis on engaging private sector in the healthcare sector. Given these concerns, there is a need for a critical assessment of the Draft Policy in greater details.

Immediate Policy Asks

I. Address acute shortages of staff in the health sector

One of the factors necessary for enhancing the resource absorption capacity of the States under National Health Mission (NHM) is the adequate availability of trained human resources and properly functioning infrastructure. According to research findings of the Evaluation Study of the National Rural Health Mission (NRHM) in seven States (2011) by the Planning Commission, there is a shortage of human resources in public health institutions with shortfalls of even specialists/post-graduate doctors, gynaecologists, staff nurses and anaesthetists in almost all the States. For instance, the 12th FYP document notes that although there was an improvement of 16 percent in the number of doctors in position over the 11th FYP period, the gap between staff in position and staff required at the end of this period was 76 percent. It further notes that although a large number of Community Health Centres (CHCs), Primary Health Centres (PHCs), and Sub-

Centres (SCs) have been added to rural health services in India, their functioning is still below the requirement. The infrastructure is substantially short of the Indian Public Health Standards (IPHS) norms.

It can be argued that shortage of staff, especially in the regular cadres of the State Government departments in crucial sectors like health, is one of the main factors affecting the coverage as well as quality of government interventions. The evidence compiled by some of the think tanks and civil society organisations indicate that the problem of staff shortage has grown into a crisis in governance of the country. Centre for Budget and Governance Accountability's (CBGA) studies on some of the Plan schemes in the social sectors (in States like, Uttar Pradesh and Chhattisgarh) have revealed that shortage of staff has weakened the State Government apparatus in these sectors, which, as a result, has not been able to utilise effectively the Plan funds provided by the Centre in the flagship schemes.

Table 1: Human Resources - Achievements and Shortfalls (in percent)

Categories	Achievement over 11th Five Year Plan (FYP)	Shortfalls Remaining
ANM	27	52
Nurses	119	
Doctors	16	76
Specialists	36	88
Pharmacists	38	58

Source: Vol. III, 12th FYP document

Table 2: Infrastructure - Achievements and Shortfalls (in percent)

Categories	Achievement over 11th FYP	Shortfalls Remaining
SC	2	20
PHC	6	24
CHC	16	37

Source: Vol. III, 12th FYP document

It is thus crucially important to address the problem of shortage of human resources in healthcare services. One of the strategies to deal with human resource shortages would be to make public service by all medical and nursing graduates compulsory for at least three years. Further, there is an urgent need to formulate an appropriate Human Resource (HR) policy for the recruitment of healthcare personnel covering all the necessary aspects, rather than having an incentive based service delivery system. It is suggested that the Employee's State Insurance Scheme (ESIS) be merged with general health services in order to optimally utilise the existing infrastructure. The Employee's State Insurance Corporation's (ESIC) policy of setting up medical colleges needs to be reversed.

II. Take measures to improve the extent and quality of fund utilisation under NHM

Allocations for the health sector have been steadily increasing over the years. However, the actual expenditure has been consistently falling below the allocated budget. The 67th Report of the Parliamentary Standing Committee notes that with demographic pressure and increasing costs for healthcare services, there is a need for higher allocations and observes that, "…the Department needs to tackle the problems of shrinking resources, rising demand and underutilisation of allocated funds in a balanced manner".[35] Along with the problem of underutilisation, the quality of these expenditures undertaken has also suffered. It has been observed that the spending under the NRHM has been skewed across components. Further, the expenditures are generally incurred in the last quarter of a financial year, thereby compromising the quality of fund utilisation.

The poor quality of expenditure under NRHM has been a matter of serious concern. An analysis of fund utilisation in NRHM in two States (Uttar Pradesh and Chhattisgarh), by CBGA and UNICEF (2011)[36], had shown that at the district level, spending across different components of NRHM was skewed. For instance, Rajnandgaon district of Chhattisgarh showed higher levels of fund utilisation in components like Family Planning, *Janani Suraksha Yojana* and Pulse Polio Immunisation scheme, while the training component showed low utilisation of available funds. Similarly in Lalitpur district of Uttar Pradesh, components related to systemic strengthening like planning, monitoring and hiring of staff showed lower levels of spending against the funds available. Further, it was observed that in many cases more than 50 percent of the funds are disbursed only in the last quarter of a financial year. For example, in Chhattisgarh 31 percent and 50 percent of funds were spent in the last quarter in 2006-07 and 2007-08 respectively.

Another study by Sanket Development Group and CBGA (2014)[37] in Chhattisgarh found that since the launch of NRHM in 2005, large sums of money have been lying unspent with the State Government under components such as the RCH flexi-pool and Mission flexi-pool. The study focusing on Mahasamund district in Chhattisgarh reveals that during 2005-06 to 2011-12, the amount of unspent money (at the end of the fiscal year) in the RCH flexi-pool varied between Rs. 380 crore to Rs. 1220 crore; and in the Mission flexi-pool component of NRHM, the value of unutilised funds was higher than 50 percent of the funds available during each of those years.

Another problem with the quality of fund utilisation under NRHM has been that the distribution of funds within a district is usually on per-facility normative basis instead of being responsive to the diverse needs across different blocks and their fund utilisation pattern. This leads to scarcity of funds in some facilities and unspent funds in others. The Programme Implementation Plans

[35] Department-Related Parliamentary Standing Committee, Rajya Sabha Report No.67 on Health and Family Welfare (2013-14), pp. 1-3

[36] CBGA (2011), "National Rural Health Mission (NRHM)", Budgeting for Change Series

[37] Peoples' Budget Initiative (2014), "What Ails Utilisation of Funds in Development Schemes?"

(PIPs) in States do not capture the diverse district specific needs. Further, there are delays in approval of PIPs for reasons including delay in submission of the plans by States and gaps in the plans submitted. All these issues are also a result of insufficient staff for undertaking planning activities, inadequate attention to their capacity building, minimal community participation in the planning process, and lack of need based budgeting carried out without proper analysis of required unit costs on the ground.

III. Improved access to generic medicines and strengthening *Jan Aushadhi* scheme

India is the fourth largest producer of drugs in the world and world class supplier of relatively cheap generic medicines. However, according to the World Medicines Situation Report (2011), about 65 percent of Indians are without access to essential medicines. According to one of the estimates by the World Health Organisation (WHO), the Out of Pocket (OOP) expenditure constituted around 2 percent of India's GDP and 58 percent of the total health expenditure in 2012. A study by Prayas notes that more than 60 percent of OOP spending for healthcare is on medicines[38].

There is a need to ensure availability of essential drugs and medicines at all health centres (rural and urban) with adequate budgetary provisions. The market value and share of medicines covered by Drug Price Control Order (DPCO) is just 18 percent of country's pharma market. Many life-saving medicines have been left out from essential medicines list. In some instances the price difference in bulk procurement and retail purchase is in the range of 10 to 4000 percent[39]. Noting that the exorbitant prices of some medicines makes it difficult for the public, especially the poor, the 12th Five Year Plan advocates separate allocations for free medicines. Thus, there is a need to ensure that essential medicines are made available free of cost at all public health institutions. Also, the complete list of essential medicines must be brought under price control. The Department of Pharmaceuticals launched the *Jan Aushadhi* scheme in 2008 to provide quality generic medicines at lower prices than their branded counterparts available in the market. Under the scheme, quality generic medicines at affordable prices to all, through special outlets known as *Jan Aushadhi* stores, were to be opened in each district of all the States. However, the allocation for this scheme stands at Rs. 30 crore in Budget 2014-15, which appears to be insignificant given its coverage across all the districts.

In a recent PIB release (dated December 23, 2014), all the Doctors and Residents of the All India Institute of Medical Sciences (AIIMS) have been advised to prescribe generic medicines. However, given the high OOP expenditure it must be ensured that this practise of prescribing generic medicines is extended to all government doctors across the country. Further, strict measures need to be taken to ensure that government doctors do not indulge in private practice, which is a problem especially in rural areas and small townships.

[38] Prayas (2011): "Free Access to Essential Medicines in Rajasthan"
[39] *Ibid.*

IV. Efforts to strengthen RMNCH+A in all districts through increased allocations and effective utilisation.

According to the Sample Registration System (SRS) the Maternal Mortality Ratio (MMR) stands at 178 per 1,00,000 live births in 2010-12. Although there has been a decline in MMR from 212 per 1,00,000 live births during 2007-2009, maternal health indicators continue to remain in an unacceptable range. In India 67,000 women die every year from pregnancy or pregnancy related causes. As per the current trend and status of Maternal Health across the country, India may fall short of achieving the MDGs of reducing MMR by ¾ i.e. 109 per 1,00,000 live births by 2015.

The approach to maternal and child health that the Ministry of Health and Family Welfare (MoHFW) has adopted includes a holistic way to look at the sector. It includes Reproductive, Maternal, New-born, Children and Adolescent (RMNCH+A) health framework and aims at improving related indicators. The Reproductive and Child Health (RCH) programme under NRHM, the *Janani Suraksha Yojana* (JSY) and *Janani Shishu Suraksha Karyakram* (JSSK) are all aimed at improvement of maternal health. Apart from these, the family planning programmes need to incorporate the issue of addressing maternal health other than its main aim of population stabilisation. For all these programmes, it is important to ensure effective utilisation of funds, increase in absorptive capacities within the schemes and increased allocations in maternal health budgets. There is also a need to pay attention to the remuneration and working conditions of grassroots level healthcare workers like Accredited Social Health Activists (ASHAs), Auxiliary Nurse and Midwives (ANMs) and *anganwadi* workers.

In order to target the specific needs of adolescent girls, it is necessary to increase budget allocations for this target group. At present, SABLA is the scheme targeted at adolescent girls. Also, there should be more focus on the needs of women who are at a higher risk, say the migrant women workers, women involved in sex work, among others.

At present funds are allocated only for incentives towards hospital delivery. There is a need to include special budgets for making childbirth safer for women who deliver at home. These include training of community-based attendants in remote and inaccessible areas; and IT-linked rapid transportation arrangements for home delivery in case there is a complication. All the marked delivery points (identified health centres with delivery facilities) should be equipped with vehicle facility for easy transportation.

In the present arrangement, women in the informal sector do not receive any social security support for maternity, except in Odisha and Tamil Nadu, which is also conditional upon the two child norm. There is a need for making maternity entitlements universal and unconditional.

The other concern is regarding the availability of disaggregated data for maternal health programmes by social groups. At present, data is reported at the State and district level. It would be useful to have social group-wise information in public domain. This would help understand shortfalls or inadequacies of maternal health budgets in India. It would also ensure increased transparency and accountability under maternal health programmes.

V. Improve Financial Transparency in National Health Mission (NHM)

Transparency is one of the important requisites to minimise misappropriation of funds and ensure that a scheme functions well and achieves the objectives. In the context of NRHM, there have been reports of fund misappropriation from some of the States. For instance, the CAG report of the Audit for Uttar Pradesh (2011)[40] reports that –

> *"Paragraph 4.4 of Finance and Accounts Manual of NRHM provides that all programmes' transactions should be cross-referenced so as to link them to each item of expenditure with budget heads, project components and expenditure categories compatible with classification of expenditure and sources of funds. Audit, however, observed that the prevalent system was deficient and it neither provided sufficient assurance nor trail to the management to satisfy/ensure that the system prescribed was being meticulously followed."*

The Audit noted that lack of regular monitoring by the State Health Society led to unauthorised retention and also diversion of funds and non-adherence to the prescribed system for tracking of assets, advances, bank balances.

According to the Health Minister, in one of the PIB releases by the MoHFW (dated July 25, 2014), "Certain instances of misuse of NRHM funds like misappropriation, misuse of untied funds, diversion of funds from one pool to another without authorisation, excessive and infructuous purchases etc. have come to light through Audit in States like Uttar Pradesh, Assam, Bihar, Haryana, Jammu & Kashmir, Orissa and Rajasthan. Such irregularities may occur due to poor enforcement of financial discipline, inadequate availability and inadequate capacities of financial staff etc."[41]

In the context of NRHM, the 12th FYP has also noted that there is a need for transparency in operations and sharing of information with all stakeholders. It also stresses the need for establishment of a transparent Central Government Health Scheme (CGHS) pricing formula. Thus, there is an urgent need to have in place a detailed and well-functioning data portal, with disaggregation up to the block level. This would help increase transparency, ensure accountability and bring efficiency in delivering services and information to the public under NRHM.

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[40] CAG Audit Report of NRHM 2011, Department of Health and Family Welfare, Government of Uttar Pradesh; http://upnrhm.gov.in/cag_audit.php

[41] http://pib.nic.in/newsite/PrintRelease.aspx?relid=107491

Community based Monitoring and Planning is an integral part of the NRHM/NHM. It needs to be strengthened further for effective implementation of schemes and programmes in the health sector.

Other Policy Asks

- **Disaggregation of Health Budget**

In order to identify the focus areas within the health sector and addressing the underlying gaps, there is a need to disaggregate public health budget into Primary Health Care (includes secondary medical services at District Hospitals) and Tertiary Health Care (Speciality and Super-Speciality medical services). As the primary health care is a more basic and wider need, priority may be accorded to this head accordingly. Any diversion of funds from the public health system to the private health insurance providers would only be self-defeating and would push the poor to continued and gruelling indebtedness. Therefore, funding for tertiary healthcare through the private health insurance must not be at the cost of the primary health care system.

- **Stress on Mental Health Care**

WHO defines health as complete physical, mental and social well-being and not merely an absence of disease or infirmity. There is much less stress on mental health and the lack of mental health professionals is making the provision of support for the persons with mental illness an alarmingly growing problem. It must be noted that recently India's first-ever National Mental Health Policy was launched to provide universal psychiatric care to the population.

- **Free Universal Healthcare Service in Government Hospitals and No User Charges**

AIIMS, State Medical College Hospitals, other government-owned speciality and super-speciality hospitals and District Hospitals rendering secondary health care should be mandated to render services absolutely free universally (no '*sahyog rashee*' too in the name of *Rogi Kalyan Samiti* should be levied). All user fees/charges for health services must be immediately stopped.

- **More attention towards provision for Occupational Health**

Occupational Health acquires a lot of importance as there are a number of workers engaged in hazardous occupations, for example workers engaged in mining activities. Thus, there is a need to ensure adequate provisions for the health of workers engaged in all such hazardous occupations.

- **Regulation of Private Sector**

According to some estimates, in India nearly 70 percent of healthcare services are being provided by private players. Given the large section of marginalised and vulnerable population in India, there is a need to regulate the private sector.

10. EDUCATION

Key Policy Asks

- Critical Challenges for improving the Quality of Annual Work Plan and Budget (AWP&B) Documents in *Sarva Siksha Abhiyan* need to be addressed
- Improving financial transparency in *Sarva Siksha Abhiyan*
- Need for recruitment of trained and qualified teachers to meet the provisioning of Right to Education Act, 2009
- Need to recognize secondary education as a fundamental right and hence, universalization of education for children up to 18 years

Elementary education is now a fundamental right of every child of age group 6-14 years having a total population of about 237 million (Total population of children of age group 0-18 years is 442 million). Besides Right to Education Act (RTE Act), 2009 many circulars have been issued by the central and the state governments for the proper implementation of the Act but very little progress has been made up. The RTE Act is in force from April 2010 but none of the states have compliance to the provisions of the act. This is the fifth year of the act and the first major deadline for the implementation of the act was 31 March 2013, but yet the systems are not in place to implement the act effectively.

Though the demand for education is expanding, the enrolment in Government schools is decreasing overtime. As per ASER data, private school enrolment in rural India is increasing at an annual rate of 10 percent. In 2014, more than 30 percent of rural children are enrolled in private school. Poor quality of output in the form of learning outcomes is one of the major reasons for this preference shift. Parents are sending their children to private schools with the perception that quality of education is much better in private schools as compared to Government schools. The ASER, 2014 report shows more than 57 percent of children enrolled in Government schools in standard V unable to read standard II level text. Government's education policy is still geared towards increasing enrolment rather than learning outcomes. It is high time to focus primarily on quality of education and policies should be designed to address this issue.

To improve quality of elementary education, there is a provision for maintaining the Teacher Student ratio, which is 1:30 for primary schools and 1:35 for upper primary schools. However, official statistics reports currently a shortage of more than 9 lakh teachers. Among the existing teachers, more than 20 percent are untrained. Many of the times the teachers need to engage in non-teaching activities. To address the problem of teacher shortage, the current policy of employing contractual teachers on a much lower salary than that of regular teachers, is demoralising for the contractual teachers, which is also affecting the quality of education at large scale.

There is variation in quality of education and learning level across different educational institutions. Presently, there are more than 36 types of institutions prevailing in India for providing elementary education. In the same country we are providing different set of opportunity to the different children which are the violation of the rights of the children. In 1964, Kothari Commission also recommended for a Common School System (CSS) to reduce educational inequality among students. The commission suggested that all decisions regarding education will be determined and implemented by the state. The CSS will have a government school in each neighbourhood and that all children of that neighbourhood are to attend that school. The rationale was that parents of the students will be interested in the wellbeing of the school, and enrolment of both rich and poor at the same school will reduce the differences of class and caste.

Moreover, there is difference in unit cost in each type of school. The unit cost varies even within government run school. For example, the spending per student is substantially higher in special category schools like *Kendriya Vidyalaya, Navodaya vidyalaya* in comparison to other government schools. However, there is no specific mechanism for deriving the unit cost. So, in a way, the Government is sowing the seeds of inequality within the system.

The sheer fact that less than 8 percent schools are RTE compliant in terms of infrastructure and teacher availability is reflective of the poor performance on the ground. The critical issues of adequate financing, regulation of private providers, setting up of transparency and redressal mechanisms have not been addressed on the ground.

Not only elementary education, a similar set of problems exists at secondary level of education. Secondary education is the bridge between elementary education and higher education. Increasing enrolment at elementary level is also increasing pressure on the secondary level to absorb new entrants. At present, at the lower secondary level (grades 9 and 10), the gross enrollment rate (GER) is 73.6 percent, while at the senior secondary level (grade 11 and 12) it is just 49.1 percent, for a combined GER of 62 percent (2013-14).Therefore, the current challenge is to improve access, equity and quality of secondary education simultaneously. There is an immediate need to recognize secondary education as a fundamental right and hence, universalization of education for children up to 18 years.

There is a need to make adequate allocations for universalization of elementary and secondary education across the country. The recommendation of Kothari Commission (1966) for 6 percent of GNP for public expenditure on education is still unmet. The estimate was made long ago based on growth in enrolment, per student expenditure and other parameters. Nevertheless, it assumes importance mainly as the benchmark has remained unaccomplished so far. At present, Central Government bears only one fourth of the total Government spending on education, whereas the rest three-fourth of the spending comes from the state governments. As education is in concurrent list, the Central government needs to take a larger responsibility towards provisioning of financial resources for education.

Hence, much remains to be done in order to provide quality education to all children up to 18 years of age. The new Government is going to announce its second Union Budget. In the eve of the Union budget 2015-16, we need to respond to the educational needs of the children of India.

Immediate Policy Asks

I. Improve the quality of Annual Work Plan and Budget (AWP&B) documents in SSA

As per SSA guidelines and current provisions under RTE Act 2009, each districts need to prepare an Annual work plan of action on physical targets and budgetary estimates based on the planning. The planning process should start at the habitation level i.e. School Management Committee level and move upwards to the block, district, state levels, and to the national level. At the national level, the Project Approval Board (PAB) is the empowered body assigned with full financial powers to approve the plan and sanction the budget. As per the Budget Calendar, appraisal of the plans at the national level is to be done by the 1 April by the Appraisal Mission and the plans are to be approved by PAB by the 15 April.

Though the guidelines talk about bottom up planning process, in reality, planning is mostly done at the district level on the basis of data collected through the Management Information System (MIS). However, most of the time, MIS suffers from the completeness and timeliness of the data collection. The recently released CAG report (July, 2014) on performance of SSA in Haryana observed poor performance of the scheme due to poor quality of AWP&B. The report mentions that the district plans were not prepared by conducting a proper survey at the village level. Further, individualised education plans for children with special needs were not made by any of the District Planning Committees (DPCs). As a result a number of interventions like 'learning enhancement programme' could not be implemented properly. The 18^{th} Joint Review Mission (JRM) of SSA recommended change in pedagogy and modification in the annual work plan format for better learning outcomes.

We need to adhere to the following concerns

- *Inclusion of SMCs in the planning and implementation of school development plan.*
- *Submission of AWP&B on time.*

- *Approval of plan as per the SSA guideline (Timely)*
- *Release of First instalment by the end of April.*
- *Timely sanction by appropriate authority helps in quality expenditure.*
- *Making plan in such a way that all approved and released funds is spent within the said financial year.*
- *This will help in next planning process which will begins without clear information on actual expenditure*

II. Improving financial transparency in SSA

Availability of information in the public domain in the following cases can improve the financial transparency of the programme and can improve effective implementation of SSA and thereby implementation of RTE Act 2009 across the country.

- **Tracking of SSA fund from State Treasury to SSA implementation society**

From 2014-15, Union Budget funds for SSA is routed through the State Budgets and hence the State Treasury System (before that the fund from Union government was directly reaching to District SSA implementation society bypassing the state budget). This has certainly strengthened accountability mechanisms within the government apparatus and has improved budget transparency. However, information on the fund flow from state treasury to SSA implementation society is not available in public domain yet.

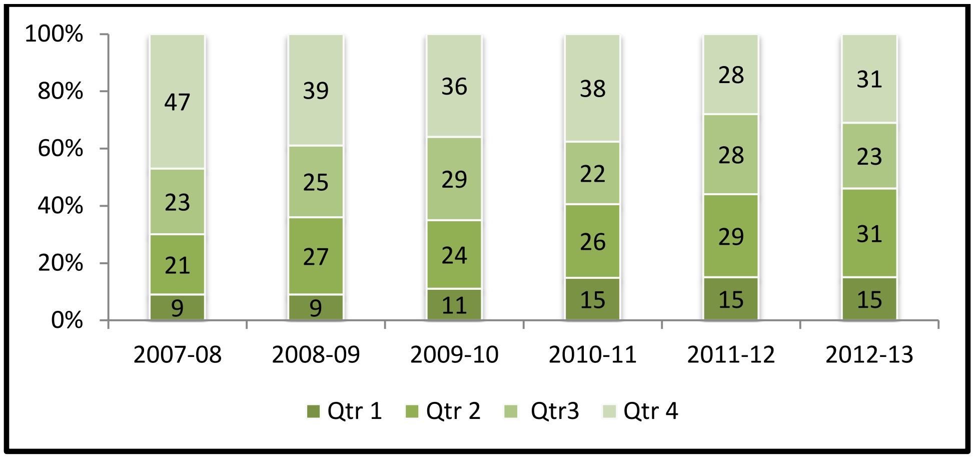
- **Appropriation of district funds by States**

While tracking district level fund flow system, PAISA survey in Sagar District of Madhya Pradesh (2010-11) observed that, the state incurs expenditures on behalf of the district for some line items. But, in many cases these funds, although allocated to the district, are never actually transferred to the district account. However, this information is not captured in the state budget and there is no available information on public domain explaining the reasons of fund appropriation.

- **Fund transfer at the end of the financial year**

A major concern for most of the states is the untimely distributions of SSA funds. Instead of spending being distributed evenly throughout the year, there is a ‘rush of funds’ in the last two quarters. Delay in fund receipt at state level results in delay in district level and hence delay in school level. This questions the quality of spending under SSA. However, neither union government nor the state government provides reasons for the delay in fund flow in every financial quarter.

Chart 1: Distribution of Funds (Percent)



Source: Report of 18th SSA Joint Review Mission

- **Timely uploading of procurement plan in website**

Manual on Financial Management and Procurement directs preparation of an annual procurement plan under SSA by the state. The state should upload the same on the state's SSA website under intimation to MHRD within one month of the approval of the Annual Work Plan and Budget by the PAB at the National level. Most of the states failed to upload the procurement plan and to update the SSA website on a regular basis.

- **Strengthen Management Information System (MIS)** for bringing transparency and efficiency in delivering services and information to the public-As per the manual, the scope of MIS under SSA is to provide information on:

  - Access, retention and quality related issues
  - Intervention-wise progress of SSA implementation

However, there are concerns of faulty information, incomplete data entry and lack of information at disaggregated level with the MIS of SSA.

III. Need for recruitment of trained and qualified teachers to meet the provisioning of RTE Act, 2009 across the country

At present there is a shortage of 9.4 lakh teachers in government schools among which 5.86 lakh is in primary schools and 3.5 lakh in upper primary school. There is a need to provide prescribed number of trained teachers in these schools as per the RTE act. The recruitment process should start without any delay and both the Union and the State Budget should raise their budget allocation till every school achieves the suggested teacher pupil ratio.

Further, the RTE norm related to teacher training is 'Existing *teachers not possessing prescribed qualifications mentioned in the act would be required to acquire that qualification within a period of 5 years'*. There are 8.3 percent primary schools with single teachers. Under SSA though 19.8 lakh post for teachers were sanctioned till 2012-13, only over 14.00 lakh are recruited up to 31.03.2013. About 20 percent of the existing teachers in government schools are untrained according to RTE status report provided by MHRD. The 18th SSA Joint Review Mission (JRM) also reports about more than 7 lakh untrained teachers in government schools. A large number of government teachers have failed to pass the Teacher Eligibility Test (TET) mandated by the RTE.

Table 1: Proportion of qualified teachers in government school

Year	Percentage of teachers with professional qualification
2009-10	79
2010-11	80
2012-13	81
2013-14	80

Source: RTE status report, MHRD Note: For Govt. schools only;

Table 1, shows the stagnancy in the proportion of qualified teachers in government school for last five years and it seems difficult to achieve the target of training the untrained teachers by 2015, the deadline to do so under the RTE.

The Parliamentary Standing Committee on Human Resource Development (2013) takes note of the fact that after the RTE act, passing TET is mandatory to get appointed as teachers in government schools. CBSE had conducted three rounds of TETs for which the results were discouraging.

It is also important to note that 90 percent of the pre-service teacher education courses are in the non-government sector. The state needs to play a more active role in improving the institutional capacity of its training centres, especially in the Eastern and North Eastern parts of India.

Table 2: Performance of Teacher Eligibility Test (TET)

	Paper-I			Paper-II		
	Appeared	Qualified	% Qualified	Appeared	Qualified	% Qualified
June, 2011	5,99,754	54,748	9.13	5,68,490	43,171	7.59
Jan, 2012	4,00,775	21,402	5.34	5,84,477	37,561	6.43
Nov, 2012	2,71,351	2,481	0.91	5,24,432	2,368	0.45

Source: Parliamentary Standing Committee on Human Resource Development (2013)

The District Institutes of Education and Training (DIETS), conceived as teacher training and curriculum development institutions, have failed to live up to their roles. However, studies have shown that 17 percent of the DIETs do not have their own building, 40 percent do not have their own hostel facility while 70 percent have no librarian. There is also about 80 percent vacancy in faculty positions in some states. Most of the DIETs are in isolated location. Staff and faculty members are not adequately trained. Training programs lack innovation and the faculty members have not undergone any capacity building in the last 5 years.

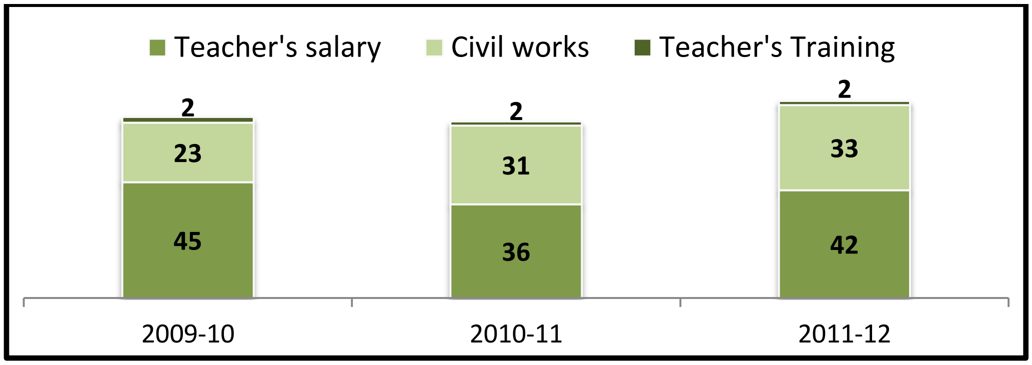
Table 3: Union government expenditure on teacher training (in Rs. crore) and share of teacher training in total expenditure by Dept. of School Education and Literacy (in percent)

	2009-10	2010-11	2011-12	2012-13	2013-14 (RE)	2014-15 (BE)
Strengthening teacher training institution and teacher training	326.1	340.2	365.2	395.4	449.4	500.0
Share of teacher training in total expenditure By Dept. of school Education and Literacy	1.3	0.9	0.9	0.9	0.9	0.9

Source: Union Budget, Expenditure Budget, Vol. II, MHRD

Poor allocation of funds towards teacher training by union government is one of the major reasons for the absence of qualified trained teachers (Table 3). The distribution of SSA expenditure also reveals the same trend. Chart below shows the stagnant expenditure of two percent on teacher training in 2009-10, 2010-11 and 2011-12.

Chart 2: Distribution of select components of SSA expenditure (in percent)



Source: Financial Management portal, SSA website

Long Term Policy Asks

- **Emphasis should be on Pre-School Education**

Inadequate thrust on **pre-school learning** has affected school readiness of children in rural areas and urban slums in a major way and it affects the quality of learning in primary schools. We need to strengthen the Pre Schooling arrangements at *Anganwadi* Centre (AWC). Adequate and timely allocation of resources should be made for better nutritional support and quality preschool education for the children of age group 3-6 years.

- **Budgetary demands for effective implementation of RTE**

In 1966, the Kothari Commission had recommended that the India's public spending on education should be raised to the level of 6 percent of Gross National Product (GNP) by 1986. Both the UPA and the BJP election manifesto promised on same lines but the reality lies far behind these promises. The current spending on education is only 4.02 percent of the GDP. We demand a **minimum 6 percent of GDP spending on education** and if possible more to meet the cumulative gaps during the last 48 years.

There is a need for **rationalization of duality within the state** supported schools. At present, the Union government spending on special category schools like *Navodaya Vidyalaya*, Indira Gandhi Residential School is higher as compared to other Government schools.

- **Infrastructure and other Supplies (TLM)**

Adequate budgetary allocation and a concrete roadmap should be made to meet the standard infrastructure in schools (class rooms, drinking water & toilet facilities, school boundary, playgrounds, kitchen sheds) as defined in the RTE act. Other supplies such as books, dress, TLM, scholarships, cycle for girls should be supplied before the session starts and in time.

- **Universalisation of Education for children upto 18 years**

  Recognising the importance of continuing education, the government introduced the Rashtriya Madhyamik Shiksha Abhiyan. But secondary education up to the age of 18 years is not a fundamental right.

  Experience of working with children has shown that ending education at 14 years leaves the children over 14 years as “nowhere children”. This level of education does not make children eligible for admission into any other skill or higher education that can help them get a job. With some level of education and no further prospects, these are the children who come in conflict with the law, or get into labour, and in the case of girls also married off underage. There is a critical need to raise the level of education to which children have a right that harmonise it with the level of education that allows for children to gain admission to the next level of technical training etc.

- **Inclusion and Coverage**

  Inclusive education is the need of the hour. The government should raise its bar of providing free and compulsory education, from elementary to the secondary. Besides increasing the budgetary allocation, quality utilization should also be ensured. The policies should have more focus on children of the marginalised community and children with special needs. Focus on children with special needs should include provisioning of infrastructure that provides them barrier free access to schools, recruitment of specially trained teachers and training of existing teachers to enable them to teach children with disabilities.

- **Adult Female Literacy**

  The basic of education is making every citizen literate. As per Census, 2011, India’s current literacy rate is 73 percent. Despite, its substantial progress, India still has maximum number of illiterate adults in the world-a staggering 287 million, a number that is nearly four times the population of France. The incidence of illiteracy is more severe for women as one in every three women in India is illiterate. Priority to female education and a substantial increase in budget allocation for literacy programme are some of the immediate policy prescriptions to improve the literacy scenario.

11. DRINKING WATER & SANITATION

Key Policy Asks

- Increase the unit cost of Individual Household Latrines in Urban areas and include provision of bathrooms in *Swachh Bharat* Mission *(Gramin)*.
- Higher allocation for Information, Education and Communication component under *Swachh Bharat* Mission
- Budgetary provisions for Operation and Maintenance cost under *Swachh Bharat* Mission
- Increase allocations for the provision of safe drinking water.
- Abolition of Manual Scavenging should be a clearly stated objective of *Swachh Bharat* Mission.
- Recruit human resources with different expertise and increase the skills and capacities of existing staff

Provision of drinking water and sanitation facility is vital in improving the health condition of the people, especially the growing children. Besides health improved sanitation ensures dignity and safety to the vulnerable population — children, women and the differently abled. Inadequate sanitation has also affected the economy adversely, according to a World Bank report it cost India an equivalent of 6.4 percent of the GDP in 2006. Government of India has spent over 3 billion USD since 1986 on construction of toilets but has achieved poor results[42]. According to Census 2011 about 69.3 percent of the households in rural areas have no access to toilet facilities. Problem of slip back of habitations and contamination remains a major concern in the drinking water sector.

Government of India's flagship programme on drinking water and sanitation, National Rural Drinking Water Program (NRDWP) and *Nirmal Bharat Abhiyan* (NBA) have now been merged under a single programme called *Swachh Bharat* Mission (SBM). While earlier programmes were for rural areas the new programme accommodates both rural and urban areas by its two sub-missions- *Swachh Bharat* Mission (*Gramin*) and *Swachh Bharat* Mission (Urban).

[42] India's sanitation campaigns have cost 40 times Mars mission budget, The Hindu, accessed on January 13, 2015

The Government aims to achieve provision of safe drinking water and open defecation free status for both urban and rural India by 2019. To achieve this ambitious objective (that is three years ahead of the deadline set by NBA), government is mobilizing funds from various sources. Besides the Ministry of Drinking Water and Sanitation and Ministry of Urban Development as the key agencies responsible for rural and urban areas, two other ministries – Ministry of Women and Child Development and Department of School Education and Literacy will be responsible for the construction of *anganwadi* and school toilets. Government has announced an allocation of Rs 1,96,000 crore under the *Swachh Bharat Mission*. An amount of Rs. 1,34,000 crore would be spent to construct 11.11 Crore toilets in rural India[43].

SBM also proposes to mobilize resources from Public-Private-Partnership (PPP), loans from NABARD and SIDBI especially for the households not eligible for the subsidies. Apart from this, funds will be mobilised from donations and funds from Corporate Social Responsibility (CSR) and MPLADS/MLALADS etc. It is expected that the Union Budget 2015-16 accords high priority to the sector by raising the budgetary allocation for planned information, education and communication strategy, disable friendly toiles and an improved implementation strategy. It is on this note that we present the demands for the water and sanitation sector from Union Budget 2015-16.

Immediate Policy Asks

I. Include provision of bathrooms with Individual Household Latrines proposed under *Swachh Bharat* Mission *(Gramin)*

The incentive for an IHHL in rural areas has been increased from Rs 10000 to Rs 12,000. The argument behind increasing the unit cost is that the incentive of Rs 10,000 provided for the construction of household toilets under the earlier programme (*Nirmal Bharat Abhiyan*) was insufficient to build good quality toilets. This resulted in the non-usage of toilets. While the increase in the unit cost would be an additional support in constructing toilets, the government should also include provision of bathrooms under the SBM (*Gramin*). Closed bathing spaces are as important as the toilets and could be instrumental in encouraging people to use toilets.

The recent SQUAT survey found that in many cases people who have government made IHHL use them as bathrooms. To provide a complete sanitation package the guidelines should increase the allocation per household by including the provision of bathrooms. This should start by primarily focussing on households with persons with disability.

[43] Press Information Bureau, GoI, MoRD, September 25, 2014.

II. Increase Incentives for IHHLs in Urban Areas

Under the SBM (Urban) the government has proposed to construct 1.04 crore household toilets. The proposed incentive for an IHHL in urban area is Rs.5,333. The amount given is unrealistic and it should be made equal to Rs. 12,000 — the amount given for a rural IHHL.

Space constraint could be a hurdle for the construction of IHHL in urban areas, especially in slums and therefore innovative toilet designs should be developed. Improper drainage facilities are also a major concern in the urban slums and the situation becomes deplorable during monsoons or in flood prone areas. Considering all these factors and constraints in improving sanitation facilities in urban areas the government should revise the present guidelines. The Union government should increase its contribution towards the programme and raise the unit cost for urban IHHL.

III. Higher allocations for the provision of safe drinking water

Bharatiya Janata Party (BJP) in its election manifesto promised to provide potable drinking water to the entire population by the year 2019. It also pledges to work towards ground-water recharge, water harvesting & conservation and desalination plants in coastal areas. The promises in the manifesto did not match with the budget allocated for drinking water in the budget 2014-15. In the proposed SBM, budget and plan for drinking water facility is not made clear.

According to the Census 2011, 56.5 percent of the households have access to drinking water from well, hand pump and other sources. While 93 percent of the population have access to water from improved sources, only 26 percent have access to piped drinking water[44]. Rural population having access to treated drinking water is only 18 percent as compared to 62 percent in urban areas. The untreated water from well, hand pump and tube wells poses serious challenges to health. Areas with excess Fluorine and Arsenic have increased over the years. As per the reported IMIS information there are approximately 20,000 water quality affected habitations affected with excess of arsenic, fluoride, heavy metals, toxic elements, pesticides and fertilizers in the country. Nearly 60 million people are affected by excess fluorine in water of which 6 million are children.

Clean drinking water is becoming scarce as most of the water resources are getting polluted. Performance Audit of water pollution in India conducted in 2012, by the Comptroller and Auditor General of India, reports about the inadequate government mechanisms to tackle water pollution. It also mentions that the programmes designed to control water pollution have not succeeded in reducing pollution levels in ground water and surface water and have failed in restoring the water quality. The problem of unsafe-drinking water is equally grave as that of open defecation. Both the problems are interlinked and both have an adverse effect on human health,

[44] Progress on sanitation and drinking-water - 2014 update, WHO and UNICEF

particularly child growth. Problem of slip backs, accessibility[45] and inadequacy of water in extreme weather conditions remains a serious and recurring problem which requires a sustainable solution.

The budgetary allocation in Water and Sanitation sector over the years has been insufficient. The Union government expenditure for Rural Drinking Water and Sanitation for the year 2014-15 (BE) is Rs 15, 265 Crore which is same as it was in 2013-14 (BE) and 2014-15 Interim Budget. With changing climatic conditions, decrease in the ground water level and increasing water contamination, higher budget allocation is essential for the drinking water sector. Strengthening access to water is also pertinent for the usage and sustainability of toilets and therefore the government should increase its investment in the water and sanitation sector.

IV. Increase allocation for IEC component under *Swachh Bharat* Mission

Information, Education and Communication is an important component to inform people about the benefits of sanitation and educate them on good sanitary habits. Studies around the country suggest that beside reasons like non-functional toilets and poor infrastructure, behavioural habits invoke people to defecate in the open. While the primary need is to provide infrastructure, the government should invest highly on IEC and develop a well-planned strategy to implement it.

The IEC component for SBM (*Gramin*) has been reduced from 15 percent to 8 percent while the same for SBM (Urban) is 15 percent of the total outlay. This difference in allocation is unjustified since the number of households defecating in the open is higher in rural areas as compared to urban areas. This is also in contrary to the strategy government intends to follow for the *Swachh Bharat* Mission. The government plans to bring behavioural changes by reaching out to each household by starting a campaign similar to the Pulse Polio Campaign. This would require more funds and therefore the government should increase the IEC allocation under SBM (*Gramin*).

V. Water for toilets and allocation for Operation and Maintenance (O&M)

The planning for a toilet construction should provide end to end solutions. Safe sanitation is not just restricted to using toilets. It is also intrinsically linked with operation and maintenance and safe disposal of faecal sludge. In absence of workable options, either the toilets become defunct or often, the wastewater spills over. Water must be readily available nearby so that the pan can be cleaned and hands washed. Absence of water means extra burden on the people especially the female members of the family. Operation and maintenance is an important component that would suffice to the sustainability of the toilets. Similar is the problem with the school toilets of the country. Out of the 10.9 lakh elementary schools in the country about 32 percent don't have

[45] About 49% of the rural population has to walk more than a kilometre for fetching drinking water (NSSO- 69th Round).

toilets or are dysfunctional.[46] It is the primary task to make these dysfunctional toilets working as they would not require much capital and can be used shortly.

In the proposed programme, no funds are being allocated for O&M for *anganwadi* toilets, community sanitary complexes and public toilets. The guidelines state that it should be the responsibility of the gram panchayats or could be done by PPPs or the panchayats should seek support from institutions like banks, businesses etc. – this could be good for panchayats that have such options but largely the proposal tends to fail. However, the Ministry of Human Resource and Development in a handbook named *Swachh Bharat: Swachh Vidyalaya* has estimated an O&M cost of Rs 60,000 per annum per school in a district.[47]

The government should take responsibility of every component of the programme at the inception stage. The forthcoming budget should provide allocation for the O&M of the *anganwadi* and public toilets since it is vital for supporting the programme.

VI. Proper reporting of outputs and outcomes

Probably one of the biggest shockers that emerged from the Census 2011 data was the issue of ‘missing toilets’. There have been inconsistencies in the data for the households with no toilets reported by the Ministry of Drinking Water & Sanitation (59.6%), the National Sample Survey (59.4%), the Planning Commission (72.6%) and the Census 2011 (69.3%). The study ‘Discrepancies in Sanitation Statistics of Rural India’ has come up with similar findings of irregularity in the reporting of IHHL by the ministry and the Census between 2001-02 and 2010-11. This reporting only covers the availability of the infrastructure and not the usage and therefore the present guidelines include outcome monitoring. It is important that a reliable methodology and system is developed to get the correct data on output and outcomes which would help in the better implementation of the programme.

Community based monitoring should be done where the panchayats could be assisted by NGOs, universities and other such organization working in the area. The grassroots organizations working in the area should be made resource centres that would build the capacities of the functionaries and the community on sanitation practices and monitoring mechanisms. Joint monitoring of the processes, outputs and outcomes will ensure accountability and transparency in the programme.

VII. Abolition of Manual Scavenging

SBM would be incomplete if the plight of the manual scavengers, who are sanitising India for years, would not be addressed. .

[46] DISE report, Dept. of School Education & Literacy, Ministry of HRD, 2013-14
[47] This would be awarded only to 2000 schools per district.

BJP in its election manifesto has promised to work towards elimination of manual scavenging on the principles of social justice and social harmony. Caste system has made many *Dalits* work as manual scavengers without any proper safety equipment. It is high time the government should envisage total abolition of Manual Scavenging by conversion of all dry-latrines to sanitary-latrines. According to the government data there were 2, 40,797 dry-latrines in the year 2011. The government should prioritise the abolition of Manual Scavenging and allocate funds for the conversion of dry-latrines into sanitary latrines. It should also follow stringent policy towards organizations like Indian Railways which violates the Manual Scavengers Prohibition Act by having 172,000 operational open discharge toilets.[48]

Abolition of manual scavenging should be a clearly stated objective of *Swachh Bharat* Mission. The guidelines of the programme should lay down clear monitoring mechanisms to check that all dry latrines are converted into sanitary latrines and that the practice of manual scavenging is abolished.

Long Term Policy Asks

- **Recruit human resources with different expertise and increase the skills and capacities of existing staff**

Water and sanitation is a state subject and therefore the major responsibility lies with it. In most of the states, the Public Health Engineering Department and state department for Rural Development lacks sufficient staff. Beside poor workforce, these departments lack people with different expertise and educational background. The staff shortage is stark at the gram panchayat level. The existing staffs are poorly trained in terms of implementation -- operations, maintenance and sustainability and their skills are not upgraded. To address the issue of inadequate staff and duplication in work, SBM proposes to merge department of drinking water supply and sanitation. However, a CBGA study in Madhya Pradesh finds that 47% of the positions in the state government department for water and sanitation remain vacant. The government should guide states to immediately fill these vacant positions and bring expertise from different areas that would enhance the skills of the department. Furthermore, the *Swachhata Doots* responsible for the administrative work at the panchayat level should be made full time workers and be rightly remunerated. ASHAs, *Anganwadi* workers and ANM workers should not be further burdened.

- **Strengthening Panchayati Raj Institutions**

SBM could play an important role in strengthening the decentralisation process. There should be a consensus among all the stakeholders with regard to planning and implementation of the

[48]Manual Scavengers: Indian Railways in denial, http://southasia.oneworld.net/features/manual-scavengers-indian-railways-in-denial#.VI7SetKSz1Z, accessed on December 15, 2014.

programme. User groups like Village Water Supply and Sanitation Committees, that are responsible for operation and maintenance, should be given appropriate orientation and technical training besides adequate financial and management support from the district/ state[49]. With increased allocations and political will towards sanitation, focus should also be made in improving the process to achieve desired objectives. It is an opportunity to strengthen the capacities of the panchayat by infusing more funds, autonomy and trained staff at the panchayat level.

- **Need to regulate Public Private Partnerships envisaged under *Swachh Bharat* Mission**

The government has planned to construct 2.5 lakh community toilets, 2.6 lakh public toilets, and solid waste management facilities in 4,041 towns of the country. The government through Ministry of Urban Development has estimated a cost of Rs. 62,009 crore of which the proposed Central Assistance will be Rs. 14,623 Crore.[50]

In view of the fact that construction of public toilets and community sanitary complexes are proposed to be built under Public Private Partnerships (PPP), it is important to ensure a strong regulatory framework for transparency and accountability in the implementation of the programme.

The experience of PPP in sectors such as drinking water and sanitation has often raised concerns related to tariffs and non-participatory approach of planning and implementation largely affecting the vulnerable sections of the population. The final guidelines of the programme should address these concerns and include participation of all the stakeholders in the implementation of the programme.

- **Water and Sanitation as fundamental right**

The government should move towards recognizing water and sanitation as a legally enforceable right. This is in line with the fact that India has been a signatory to the commitments made in the United Nations General Assembly, 2010 resolution and SACOSAN V (South Asian Conference on Sanitation) declaration to recognize water and sanitation as human right. It is the responsibility of the Government to ensure water and sanitation for all and must remain so rather than shifting its responsibility to the private players. India must prepare a comprehensive policy on water, clearly articulating the life cycle use of water as a public good rather than an economic good. The draft Water Policy 2012 pending in the Ministry of Water Resources must be revised and a new policy must be put in place immediately with due public discourse.

[49] Evaluation of existing capacities in WATSAN sector, Plan International (India) and WASH Institute, 2009
[50] Press Information Bureau, GoI, Cabinet, September 24, 2014.

12. AGRICULTURE

Key Policy Asks

- Extend timely credit facilities to farmers belonging to all the farming categories (i.e. tenant farmers, share croppers and farmers under oral lessee including the small and marginal farmers)
- Extend crop insurance facilities to all the farmers and for all crops.
- Allocate 1 percent of Agriculture-GDP budget towards Agriculture Research and Education with a focus on sustainable agriculture and rainfed agriculture development.
- Higher magnitude of budgetary allocation as well as measures for strengthening institutional mechanisms (for better utilization of the funds) under *Rashtriya Krishi Vikas Yojana* (RKVY)
- Increased budgetary allocation under National Mission for Sustainable Agriculture (NMSA) for sustainable agriculture growth with reforms in its guidelines and implementation mechanisms.

It would be hardly surprise to note that rural India has come under tremendous pressure with respect to all the relevant indicators in the recent years. Opening up of the economy in the early 1990s coupled with trade liberalization, the overall macroeconomic policy regime has tended to unfavourable towards the rural sectors. This from dirigiste regime, which is often coined as a 'market-driven' regime has obviously had a profound implication for the well-being of the masses in the rural India. As is well acknowledged, State's action through appropriate public policies (e.g. in terms of providing appropriate rural infrastructure: physical as well as social and budgetary investment) has been central to a healthy performance of agriculture sector, where millions of the rural Indians depends for their livelihood directly or indirectly. However, this sector is undergoing serious crisis when one looks at it beyond the growth performance. The most distressing manifestation of the crisis has been a significant increase in suicides by farmers. The cases of farmers committing suicides have been reported from several regions of the country including even agriculturally prosperous states like Punjab, Kerala and Maharashtra and Andhra Pradesh. Factors such as increased input prices, vulnerability to world market price fluctuations due to greater openness, inadequate / non-existent crop insurance and substantial weakening of the provisioning for credit (especially, to small and marginal farmers, who constitute more than 85 per cent of the total farming community), stagnated trend of public expenditure along with the governments' apathy to farmers' demand for remunerative prices are among the obvious causal correlates of the contemporary agrarian crisis in the country.

In this context, it is highly desirable that government should allocate required resources in the Union Budget 2015-16 on the following aspects.

Immediate Policy Asks

I. Extend timely credit facilities to farmers belonging to all the farming categories (i.e. tenant farmers, share croppers and farmers under oral lessee including the small and marginal farmers)

As per a recent survey, about 52 percent of the agricultural households in the country were estimated to be in debt. In rural India, about 60 percent of the outstanding loans taken by the agricultural households were from the institutional sources, which included Government (2.1 percent), Co-operative society (14.8 percent) and banks (42.9 percent). In other words, the results of the survey show that non-institutional agencies played a major role in advancing credit to the households, particularly in rural India. Further, among the farming community in India, small and marginal farmers, tenant farmers, share croppers and oral lessee are the vulnerable sections in terms of availing of benefits of government schemes and programmes including the credit facilities being provided by the nationalised banks, regional rural banks and cooperative societies. However, the tenant farmers, share croppers and farmers with oral lessee have been left out of the various government and institutional credit and insurance facilities.

As per the provisioning of credit facilities, *Kisan* Credit Card, which was introduced in 1998-99, has been given the mandate to cover all types of farmers including the tenant farmers, share croppers and oral lessee. The card holders are covered under Personal Accident Insurance Scheme (PAIS) against accidental death/permanent disability. Further, GoI has recently accepted suggestions made by a Working Group (*Bhasin* Working Group) on *Kisan* Credit Card Scheme to convert it into a Smart Card cum Debit Card. Except the provision of *Kisan* Credit Card, there are no other schemes of the government which extend credit facilities to the tenant farmers, share croppers and farmers under oral lessee.

Similarly, the interest subvention scheme which was introduced in 2006-07 envisaged enabling banks to provide short term credit for agriculture (crop loan) up to Rs.3 lakh at 7 percent rate of interest to farmers. Further, to incentivise prompt repayment, the Union Budget 2009-10 provisioned an additional interest subvention of 1 percent rate of interest to those farmers who repay their short term crop loans promptly and on or before the due date. This was subsequently raised to 2 percent in the Union Budget 2010-11 and 3 percent in the Union Budget 2011-12 and 2012-13. Thus, farmers, who promptly repay their crop loans, are now extended loans at an effective interest rate of 4 percent per annum. As a step further, the Union Budget 2013-14, continued the interest subvention scheme for short-term crop loans to the farmers availing loans from the private sector scheduled commercial banks. Hence, it is demanded that left over farmers should be included under the interest subvention scheme and appropriate allocation should be made in the forthcoming Union Budget.

II. Extend crop insurance facilities to all the farmers and for all crops

As per the existing agri-insurance schemes, the National Agricultural Insurance Scheme (NAIS) is in operation since *Rabi* 1999-2000 with the objective of providing financial support to the farmers in the event of crop failure as a result of natural calamities, pests and diseases. The scheme is available to all the farmers – loanee and non-loanee, both, irrespective of their size of holding. It envisages coverage of all the food crops (cereals, millets and pulses), oilseeds and annual commercial/horticultural crops. The premium rates for different crops are different. At present small and marginal farmers are entitled to *get a subsidy of 10 percent of the premium charged from them* which is shared equally by Centre and State Governments. The scheme is operating on the basis of 'Area Approach' i.e. defined areas for each notified crops – block, *tehsil, mandal, firka,* circle, gram panchayat etc. However, as per a recent survey, it was found that 'lack of awareness' was the most reported reason by the agricultural households for not insuring their crops during the agricultural year July 2012- June 2013. The same survey results indicated that very small segment of agricultural households utilized crop insurance.

To make the scheme easier & more farmer friendly, the Government of India has introduced Modified National Agricultural Insurance Scheme (MNAIS) on pilot basis in 50 districts during the remaining period of 11th Plan from *Rabi* 2010-11. With an objective to bring more farmers under the fold of Crop Insurance, a Pilot Weather Based Crop Insurance Scheme (WBCIS) was launched in 20 States (as announced in the Union Budget 2007). WBCIS aims to provide insurance protection to the farmers against adverse weather incidence, such as deficit and excess rainfall, high or low temperature, humidity etc. The National Crop Insurance Programme (NCIP) is approved for full-fledged implementation from *Rabi* 2013-14, with modifications like making the insurance unit for major crops, the village panchayat or equivalent unit. It also provided for undertaking individual farm-level assessment of losses in case of localized calamities like hailstorm and landslide to benefit the farmer. However, looking at the statistics, it is found that only 250 districts have been covered by insurance either by MNAIS or by WBIC. Further, it is important to note here, that the Union Budget provision for all crop insurance schemes amounts to only Rs. 2540.7 crore (2014-15 BE), which seems inadequate.

Further, in the existing insurance schemes there is no scope for the tenant farmers, share croppers and oral lessee farmers. There is a need for increasing the rate of subsidy on the premium and the costs of such premium subsidy to the small and marginal farmers, including all other farmers mentioned here. This should be borne by the Central government. There is also a need for increasing budget for creating awareness among the farmers on various existing insurance schemes.

III. Allocate 1 percent of Agriculture-GDP budget towards Agriculture Research and Education

Agricultural research has played a vital role in agricultural transformation and in reducing hunger and poverty and its role in the 12th FYP will be crucial. As per the 11th FYP, research in the past had tended to focus mostly on increasing yield potential by more intensive use of genetic and biochemical inputs in areas well-endowed with irrigation, paying less attention to either long-term environmental impact of this approach or to methods and practices for efficient use of inputs and natural resources. No useful technological approaches / outputs came from the system for less endowed areas and these areas, such as rainfed agriculture, extensive livestock systems etc., remain grossly neglected. There is a lack of clear agricultural research strategy and budgetary provisions and priority setting for research favouring less-endowed areas. The 12th FYP proposed that ICAR institutes undertake basic, strategic and anticipative research focusing particularly on problems of rain-fed agriculture, while SAUs (State Agricultural Universities) concentrate on generating required technical human resources and focus on applied and adaptive research to address local problems. It had also emphasised that research should shift from a commodity based approach to an area based production / farming systems approach addressing issues of specific agro-climatic regions identified by stakeholders. Further, public extension systems have nearly collapsed with the increasing burden of subsidy administration. It is important to strengthen farmers' knowledge about management practices and resources management through appropriately reforming and strengthening public extension system; research system needs to focus on generating human resources required for the purpose.

The 12th FYP had also stressed the need to enhance spending on National Agricultural Research System (NARS) and proposed to raise quantum to 1 percent of agriculture-GDP by end of the Plan period. However, even though research spending at 2006–07 prices reached nearly 0.9 percent in 2010– 11, the average spending in 11th FYP was only 0.7 percent.

Items/Years	10th FYP	11th FYP	Expenditure on AR&E in 2012-13 (In Rs. Cr.)	Expenditure on AR&E in 2013-14 RE (In Rs. Cr.)	Expenditure on AR&E in 2014-15 BE (In Rs. Cr.)
Share of Expenditure on Agriculture Research and Education as % of Agri-GDP	0.59	0.70	4510	4881	6144

Source: Volume II, 12th Five Year Plan Document

Further, though the data relating to spending on agriculture research and education in the Union Budget has grown considerably, over last three years, still there is a need for increased budgetary outlays in the forthcoming budgets. However, as mentioned earlier, this increased budget for agriculture research and education should be spent on (on priority basis) less endowed rainfed and other agro-ecological regions addressing the challenges of local issues and crisis points in agriculture. Further, cost escalation in production, increasing resource degradation, high vulnerability to climate variability and risks are some of the serious issues that need priority focus. Considering the scenario, budget provision under agriculture education and research should be enhanced in the Union Budget 2015-16 so that the average spending under this head could meet the target set in the 12th FYP; re-prioritization of agriculture research towards less endowed regions must be seriously considered.

IV. Higher magnitude of budgetary allocation as well as measures for strengthening institutional mechanisms (for better utilisation of the funds) under *Rashtriya Krishi Vikas Yojana* (RKVY)

In the year 2007 the National Development Council (NDC) approved the proposal for implementing RKVY, a flagship programme of the Union Government of India. The RKVY was initiated as part of Additional Central Assistance (ACA) Scheme of the Union Government, but is primarily implemented as a State Plan Scheme. It was rolled out in 2007-08, the first year of the 11th Five Year Plan (FYP). Under RKVY, States have been given adequate flexibility to design programmes and schemes appropriately to accommodate local needs based on Comprehensive District Agriculture Plans. The proposed allocation for RKVY during the 11th FYP was Rs. 25,000 crore (at current prices).

It has been observed that the States were unable to spend the proposed amount fully under the Scheme during the said FYP, even after introduction of a couple of sub-schemes in the later years of the 11th FYP. In fact, the actual expenditure as percentage of proposed outlay (including expenditures under sub-schemes) and fund released for RKVY during 11th FYP stands at 90 percent and 97 percent, respectively. Year-wise allocation, release and expenditure of funds under RKVY can be seen from the data presented in table below.

Funds Allocated, Released and Expenditure under RKVY since 2007-08 (in Rs. Crore)

Years	Total Allocation	Total Release	Total Expenditure	Total Expenditure as % of Total Allocation
2007-08	1489.7	1246.9	1246.8	83.7
2008-09	3165.7	2886.8	2882.5	91.1
2009-10	3806.7	3760.9	3757.9	98.7
2010-11	6722.0	6720.1	6720.1	100.0
2011-12	7810.9	7794.1	7715.2	98.8
11th FYP period	**22995.0**	**22408.8**	**22322.5**	**97.1**

2012-13	9217.0	8400.0	8350.5	90.6
2013-14	9954.0	7052.5	5830.8	58.6
2014-15	9954.0	4904.8	NA	NA

Source: Collated from the RKVY website <http://rkvy.nic.in/>, accessed on 26 November, 2014

Looking at the extent of actual fund allocation and utilisation against the proposed allocation under RKVY during 11th FYP, it is found that there has been a dearth of actual utilisation of funds to the extent of 11 percent against the originally proposed allocation of Rs. 25,000 crore. Low level of fund utilisation has been a serious concern, raising a number of questions regarding actual impact of RKVY implementation in the country. Although, the overall performance of agriculture sector during 11th FYP recording 4.1 percent average annual growth rate compared to 2.5 percent during the 10th FYP. In spite of this problem, success in annual agricultural growth registering at 4.1 per cent during the 11th FYP was attributed to the implementation of RKVY, with the adequate flexibility given to states to articulate local needs for the sector.

With a view to double the plan allocation for the agriculture sector as a whole in the country, the proposed allocation under RKVY during the 12th FYP period (2012-17) was increased substantially i.e. to the tune of Rs.63,246 crore compared to the amount allocated during 11th FYP. In tandem with the proposed allocation for RKVY, initial three years of 12th FYP (including the present financial year) got an allocation of Rs. 29,125 crore, i.e. about 46 percent of the proposed budget for RKVY. Ideally, the fund allocation for RKVY during the initial three years of 12th FYP should have been 60 percent, i.e. Rs. 37, 948 crore, of the proposed allocation.

In spite of the flexibility given to states to plan in accordance with local needs, the planning exercises as reflected in C-DAPs and State Agriculture Plans (SAPs) were not participatory and comprehensive. There is a need for strengthening institutional capacity at district and state levels for carrying out proper planning and budgeting. Many a times RKVY also followed the same approach of rolling out centralised subsidy schemes rather than making strategic investments. This has also been acknowledged in the 12th FYP- " …preparation of C-DAPs has been a weak area in many States, partly due to lack of capacity at district/State level". In many instances, C-DAP preparation has remained merely a technical exercise with notional consultation with farmers". Further, it has also been observed that whatever proposals made in C-DAP were not included in SAP. Preparation of C-DAPs needs capacities at local level. District as a unit is too large and diverse for planning; an administrative Block would be a more manageable unit for planning and convergence. Also, the process of C-DAPs needs to be institutionalised at the district level. A number of stakeholders (including the implementing personnel) were of the view that targets have been dictated from above undermining the very basis of RKVY.

It has been widely noticed that there are huge gap between sanctioned posts and manpower in position to implement RKVY at the District level. Due to shortage of human resources, particularly at the sub-district level, the quantum of work had increased over the years leading to poor monitoring of the programme which ultimately affects the quality of fund utilisation. For instance, the shortage of manpower, e.g. vacant posts of Rural Agricultural Extension Officers (RAEOs) in Madhya Pradesh and similar frontline service providers in many other states urgently need to be filled in for better transfer of knowledge to the farmers.

Recently, in answer to an unstarred question (Question No 3810, Lok Sabha) on whether any steps have been taken by the government to address the issue of shortage of staff under the RKVY; and if so, the details thereof during each of the last three years and the current year, State-wise, the Ministry of Agriculture, Government of India replied (on 05.08.2014) that State Agriculture Department is the nodal department for the implementation of RKVY. States are also empowered to use up to 1 percent of RKVY funds for incurring administrative expenditure that includes payments to consultants, recurring expenses of various kinds, staff costs, etc. However, no permanent employment can be created under RKVY. This shows that such an inadequate provisioning for administrative expenditure under RKVY could be the reason for such tardy implementation of RKVY, especially in utilizing funds to the extent possible, particularly by the poorer states. Hence, support from the Union Budget (with flexibility in use of funds) towards capacity building and institutional set up at the district level would be required in the coming financial year. Strengthening Agriculture Technology Management Agency (ATMA) at district and Block levels would be a long term solution.

Large scale programmes conceived at state level involving subsidised input distribution (seeds or chemicals) must be avoided under RKVY as they tend to divert the flexible and strategic investments made available under RKVY to short-run political gains. Institutionalising the planning and programme development process under RKVY at Block and district level, developing robust monitoring and evaluation protocols, strengthening State Level Sanctioning Committee (SLSC) and converging RKVY investments with other programmes are much needed actions.

Given this backdrop, to ensure that agricultural growth is sustainable and maintain the tempo that was achieved during the 11th FYP, there is a need for higher budgetary allocations compared to the present level of allocations made in the Union Budget to meet the target of set for 12th FYP, as well as strengthening the process of planning and implementation for better utilisation of funds under RKVY as detailed above.

Long-term Policy Ask

Increase budgetary allocation under National Mission for Sustainable Agriculture (NMSA) for sustainable agriculture growth

National Mission for Sustainable Agriculture (NMSA) was launched in the 12th FYP as one of the Missions under the National Action Plan on Climate Change (NAPCC). The NMSA, as programmatic intervention, primarily focuses on synergizing resource conservation, improved farm practices and integrated farming for enhancing agricultural productivity, especially in rain-fed areas. Key deliverables under this mission are: developing rain-fed agriculture, natural resource management, enhancing water and nutrient use efficiency, improving soil health and promoting conservation agriculture etc.

Budgets were allocated under NMSA for rainfed areas development, soil health management, on-farm water management and sustainable agriculture. Considering that this is the only scheme mostly meant for rainfed areas, the allocations are meagre. Funds earmarked during the initial three years of the 12th FYP for NMSA as detailed in the following table seems quite inadequate.

Union Budget Allocation under NMSA (Rs. in Cr.)	**2012-13**	**2013-14 BE**	**2013-14 RE**	**2014-05 BE**
National Mission for Sustainable Agriculture *	1203.27	1660.01	1308.11	1511.6

Source: Compiled from Union Budget Document; Note- * include expenditure under Micro Irrigation Scheme.

The most disturbing aspect of fund allocation and expenditure under NMSA is that much of the expenditures do not benefit the rainfed farmers as much as they benefit the micro-irrigation and other companies. The guidelines of NMSA projects, a grand vision of the scheme, envisage a paradigm shift that "moves towards a knowledge-based, farmer centric and institutionally supported system where the Government would play a prime mover and facilitator to demonstrate at scale, the overall strength and impact of rain-fed agriculture packages that have slowly emerged through several years of grass-roots work by Government and civil society organisations and have shown the strength of combining water and other interventions at a micro-level." But the detailed operational guidelines remain prescriptive on what has to be done and centralised with regimented unit costs; no budgetary provisions made for community level consultations, planning and facilitation. Community level capacities are most important for sustainable agriculture and appropriate budgetary provisions must be made for the purpose.

It is therefore, important that budget provision for NMSA must be enhanced as it is the only programme focused in rainfed areas with adequate restructuring of the guidelines to make it participatory and community centric.

Further there is a need for strengthening support systems for agriculture, livestock and fisheries in less endowed regions where markets are weak. The public extension system and the core services like quality seed systems, livestock health care, etc., are nearly collapsed and relegated to administering dispersed subsidised input delivery. A movement towards administrative 'Block' as a unit for strengthening the public systems with community participation can provide the much needed basis for private investments to realise growth potential of rainfed areas. To materialise this objective, there is a greater need for bringing convergence among a number of existing development schemes like RKVY, NMSA, NFSM, MGNREGA, watershed programmes etc. In this regard, the Union Government should consider initiating such a flagship program with select 100 Blocks across the country in the most deprived rainfed areas where foundational investments are made to strengthen production support services integrating RKVY, NMSA, NFSM, seed village programs, NHM and other existing programmes. ATMA at the Block level, with certain reforms, can be the nodal point for such a programme. Such architecture can be expanded to all the Blocks of the country during the course of the 12^{th} FYP.

13. FOOD AND NUTRITION SECURITY

Immediate Policy Asks

- Ensure immediate rolling out of NFSA in totality, along with the components of ICDS, MDM and Maternity entitlements and ensure provisioning of eggs in Mid-Day Meal and ICDS schemes
- The budget for Grievances Redressal Mechanisms should be enhanced and it should be ensured that there would be independent set ups for grievance redressal mechanisms
- System of decentralization must be implemented across the domains of foodgrains procurement, storage and distribution. Storage facilities must be created at the Gram Panchayat level and Community Food Grains Banks should be established with sufficient budget allocations
- Institute a Starvation and Malnutrition Code for keeping an eye on adverse impacts of hunger and malnutrition. Active participation of local bodies must be ensured to secure the Right to Food for the homeless and victims of hunger
- Community kitchens serving cheap and nutritious food must be set up in urban areas
- Multi-sectoral convergence must be ensured among schemes and programmes like: ICDS-Health-Drinking Water Supply and Sanitation-Livelihood etc. to address the challenges of hunger and malnutrition in the country

Long-term Policy Asks

- The existing provision of foodgrains at 5 kgs. per person per month should be scaled up to 10 kgs. per person per month and government should follow the principles of universalisation, accountability, transparency, and food security for all. Further, the NFS Act should be expanded to include pulses, edible oil and other essential commodities so as to address the issue of nutritional security and not be limited to ensuring basic survival. In this regard, appropriate modification in the present NFSA would be required.
- The main Part-1 of NFS Act should be integrated with the production of foodgrains and food aspects linked with food security with nutrition. At present, the aspect of production is included as a schedule to the Act thereby diluting government's obligation in its implementation.
- It should be ensured that no part of the Act is subjected to the interests of the private sector. The government should make it clear that 'conflict of interest' shall have no place with regard to the Act and its implementation.

The National Food Security Act (NFSA) in its present form touches only the tip of the iceberg when one seeks to look at the deliverance of the fundamental right to life. This strategic call for action needs a holistic and ethical consideration in the context of food security, with respect to its reach and depth. In this context it is important that when the Union Government deals with the subject of food security from the standpoint of food sovereignty, it must undertake the following key actions and the same should be suitably reflected in the forthcoming Union Budget 2015-16.

Background

In India, there is a government scheme designed to address the food needs of persons in every stage of the life cycle. Pregnant mothers, nursing women and children under 6 years of age receive supplementary nutrition under the Integrated Child Development Services (ICDS) scheme. Likewise, school-going children are provided cooked meals under the Mid-Day Meal (MDM) scheme. The Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) provides for right to employment for all adults in rural areas. Apart from this, there are social security schemes such as the National Maternity Benefit Scheme, National Social Assistance Programme (pension schemes for the aged, single women and disabled) and the National Family Benefit Scheme which provides onetime financial benefit in the event of death of a wage earning member of a poor family.

While the orders of the Supreme Court under the 'Right to Food' case were related to all of these schemes, as a result of persistent civic and judicial action, the NFSA, 2013 is now in place. The Act guarantees an entitlement of 5 kgss of subsidized foodgrains per month to 67 percent the of country's population. While the legal entitlement to affordable foodgrains is indeed a step forward, the right is not universal, with the Act itself stating that 33 percent of the population would be out of its purview. Further, the quantity of foodgrains given is nowhere enough to meet nutrition requirements of people. Civil society[51] has been pressurising the government for pegging the entitlement at a minimum of 10 kgs.[52] of cereal per person per month as against the provision of 5 kgs. at present. Likewise, there has been a demand, both within and outside the Parliament, for inclusion of pulses and edible oil in the food basket, so as to render basic minimum nutritional security to the citizens of the country.

It has been more than a year since the NFSA was passed in the parliament unanimously. The BJP manifesto for the General Elections 2014, had also promised 'universal food security' saying that it is integral to national security and promised to take steps "to ensure that the benefits of the scheme reach the common man and that the right to food does not remain an act on paper or a political rhetoric". However, the implementation of the Act, even though limited in its scope, has

[51] Press Statement of Right to Food, dated 11th July 2014: "BUDGET GIVES BJP MANIFESTO COMMITMENT OF 'UNIVERSAL FOOD SECURITY' A MISS. Right to Food Campaign demands expansion and implementation of the NFS Act, 2013 and Government violates the law by postponement not as per Section 42".

[52] The ICMR has prescribed cereals at least at 14 kgs. for adult and 7 kgs. for child under 12 years age.

been delayed. The Centre has arbitrarily extended the deadline set for the implementation of the Act twice, without any mention of payment of a food security allowance as mandatory compensation provisioned in the law.

Not only is this postponement an indication of lack of political will, it is also in violation of the law vide Section 42 of the NFSA, 2013, which provides that the Government may make any provisions necessary for removing difficulties in implementing the Act for two years from the date of commencement of the Act, provided that such an order is laid before each House of Parliament. Similarly, the selection of eligible households which the law mandates in Section 10, needed to be completed by 5^{th} July 2014; the same has been postponed twice, through just an executive letter.

As per the estimates of Government of India, the foodgrains requirement for the Targeted Public Distribution System (TPDS) and other schemes would be 61.43 million tonnes. The annual average procurement of wheat and rice has been 61.78 million tonnes during the period between 2008-09 and 2012-13, i.e. only 33 percent of the average annual production in the country. The estimated annual food subsidy for implementation of the NFS Act, in 2014-15, was about Rs. 1,31,066 crore. However, the Union Budget allocation was Rs. 1,15,000 crore, which was less than the actual requirement for the implementation of the Act. Additional provisioning of 5.25 kgs. of pulses and 2.28 kgs. of edible oil, per family per month, into the existing cereals distribution under NFSA, the budgetary allocations under food subsidy head need to be increased further. It is often argued that if the NFSA is expanded in its coverage (beyond 67 percent of population), there will be no foodgrains left in the open market. However, the reality is that less than 40 percent of country's total food grains production would be brought under the net of the Act.

Given this context, there is an urgent need to:

I. Bring Reforms in Public Distribution System (PDS)

Structural reforms in PDS have been envisaged under NFS Act. Hence, it is necessary for the Government of India to:

- Frame and pursue a decentralized policy for price fixation for procurement of food grains.
- Ensure facilities for procurement and storage of foodgrains at the level of every Gram Panchayat.
- Enhance transparency in the management of PDS in procurement, storage, transportation and distribution with the help of technologies as has been adopted by many of the state governments.

- Create a Grievance Redressal Mechanism and surveillance system under the NFS Act, which should have an independent structure.

II. Restructure Integrated Child Development Scheme (ICDS)

Around 43 percent children in India are underweight. As many as 54 percent pregnant women and 50 percent other women suffer from anaemia. The ICDS programme is being implemented in India since 1975. The programme aims to bring about reduction in malnutrition, child mortality and maternal mortality. The 12th FYP also envisaged fundamental reforms in this programme. These include:

- Different departments to play their roles effectively and in convergence with one another.
- Better infrastructural facilities for effective implementation of ICDS need to be created.
- Capacity building programmes of functionaries should be emphasised.
- Programme implementation, monitoring and accountability should be ensured.
- Availability of adequate human resources should be ensured.
- Convergence among ICDS and Health related schemes is an immediate need.

Though two years have passed since the reforms were promised in ICDS, nothing concrete seems to have occurred in reality.

III. Revise Unit costs of Mid-Day Meal Scheme

This scheme entitles children in all government and government-aided schools to nutritious cooked meals. There is a need for reforms in the implementation of the programme, and the quality of meals provided. The joint review of the programme in Madhya Pradesh by the Ministry of Human Resources brought out need for effecting the following changes:

- There is a need to provide an allocation of Rs. 8 per child under Mid-Day Meal. This would be at variance from the provision of free foodgrains being made available by the FCI.
- There is need for enlisting better community participation in scheme implementation.
- Kitchens provided under the scheme call for special provisions for addressing the issue of quality and maintenance of their services.

IV. Universalise Maternity Entitlement Programme

About 93 percent women in India are engaged in the unorganised sector. These women do not get any maternity entitlements, neither financial support nor leave from work. Indira Gandhi *Matritva Shayog Yojana* (IGMSY) scheme was introduced in 53 select districts as a pilot project in the year 2012. It was only in the year 2013 that for the first time, the maternity entitlement under the NFS Act have been extended to all women.

In effect, the universalisation of entitlements to all pregnant women entails an allocation of Rs.15,000 crore. In this context, thus, the Government of India must do the following:

- Echo the comprehensive implementation of Universal Maternity Entitlement whilst earmarking the budgetary allocation in the Union Budget 2015-16.
- Recognise that every woman is deemed to be a working woman. Pronounce that economic engagement would not be the defining criteria for treating a woman as the working woman. Homemaker women shall also be deemed to be as working women.
- The government must ensure that conditionalities like number of children, institutional delivery, women belonging only to BPL and AAY family would not be invoked for women availing the benefits of the scheme.

Other Policy Asks

- **Retain the Functionality of Agricultural Produce Marketing Committee (APMC) Act**

The PDS accrues two major benefits, one to the beneficiary and the other to the farmer. The APMC Act provides architecture to the mandi system in the country. For some years, there has been a debate regarding doing away with the mandi system and argument put forwarded that private players can procure food from the open market. In other words, the existing mandi system in the country is going to weaken and farmers would have to sell their produce to the private player and distress sell will continue. For instance, one of the first decisions taken by the present Union Government since it came to power has been to restrict public procurement of foodgrains. Towards this, it has directed the State Governments to limit themselves to the Minimum Support Price (MSP) declared by Government of India and in case the State Governments continue to provide bonus to the farmers, the FCI will not lift the entire food grains. Secondly, the Government of India has also stated that they would not pay for any procurement beyond what is required for distribution under the welfare schemes. Hence, there is a need for strengthening the existing public procurement system so that farmers get an assured price for their produce.

Findings of a Reserve Bank of India’s study show that 10 percent increase in MSP leads to increase in wholesale price index by 1 percent. Given that the cost of fuel goes up notwithstanding the increased income of farmers, there is an attempt to restrict MSPs. Further, if the FCI were not to lift foodgrains completely, it would cause a huge burden upon the States. Government of Madhya Pradesh for example, has been giving bonus ranging from Rs.100 to Rs.150 to the farmers for the last 4 years which has hiked the procurement to 8.5 million tonnes, triggering increase in agricultural production rate from 13 to 18 percent. This move by the present Union Government has thus resulted in a huge loss to the State's farmers and this practice needs to be reversed.

- **World Trade Organisation and Food Security**

The Fourth Ministerial Conference of the World Trade Organisation was held in Doha in November 2001. The Doha Ministerial Declaration adopted a mandate for agriculture calling for comprehensive negotiations aimed at substantial improvements in market access with a view to phasing out all forms of export subsidies and substantial reductions in trade-distorting domestic support. Last 14 years have witnessed a lot of debate on this issue. Ultimately, the proposal was mooted at the Bali Ministerial conference during December 2013 that all countries will limit their expenditure on agriculture within 10 percent of total production from agriculture, or else it will entail sanctions. The move was opposed by some countries, including India, because the proposal incorporated policy issues like, MSP and PDS. In other words, Europe and USA and large business houses want to enforce the move so that India closes down the PDS and replace it with the scheme of Direct Cash Transfer for all programmes. It means that the government pays cash to the beneficiaries and they, in turn, meet their needs from the open market. There are enough evidences to suggest that Direct Cash Transfer scheme is fraught with risks, especially from the perspective of the vulnerable sections of society. The Direct Cash Transfer Policy will also drastically affect Public Procurement from Farmers, as it will limit the need of foodgrains for the purpose of emergencies only. We all know that, if food is substituted with cash, women and children will be the worst sufferers, as there will be no guarantee that money will be used for availing food and nutrition.

India is under utmost pressure from the WTO that it should bring the subsidy on meeting the expenditure on PDS (procurement of food grains from farmers at MSP) within the purview of regulatory sanctions and curtail public expenditure. The WTO had asked India that it should keep the subsidy under NFSA at a low level, so that its expenditure on public storage of food items does not exceed 10 percent on total value of the agriculture produce, as proposed in section 7.4 (b) of the WTO.

- **Stand on Use of Genetically Modified (GM)[53] Technique**

World Health Organisation (WHO), together with Food and Agriculture (FAO) of the United Nations, has convened several expert consultations on the evaluation of GM foods and provided technical advice for the Codex Alimentarius Commission which was fed into the Codex

[53] WHO: Genetically modified organisms (GMOs) can be defined as organisms (i.e. plants, animals or microorganisms) in which the genetic material (DNA) has been altered in a way that does not occur naturally by mating and/or natural recombination. The technology is often called "modern biotechnology" or "gene technology", sometimes also "recombinant DNA technology" or "genetic engineering". It allows selected individual genes to be transferred from one organism into another, also between nonrelated species. Foods produced from or using GM organisms are often referred to as GM foods.

Guidelines on safety assessment of GM foods. According to WHO, the migration of genes from GM plants into conventional crops or related species in the wild (referred to as “outcrossing”), as well as the mixing of crops derived from conventional seeds with GM crops, may have an indirect effect on food safety and food security. Clearly, India has miles to go in securing the requisite strategies.

Government of India has yet to clarify its stand in the context of GM foods. It needs to state, in an unequivocal manner, that social security and environmental safety are inherently integral to the concept of food security.

14. RURAL DEVELOPMENT & PRIs

Key Policy Asks

- There is a need for holistic approach towards the development of rural areas rather than schematic approach
- Fund allocation under MGNREGA needs to be increased in Union Budget 2015-16
- Timely payment of wages in MGNREGA and adequate compensation in case of delays should be provided
- Improvement in the MGNREGA MIS is also required for efficient tracking purposes
- BRGF should be devolved at the block level instead of districts
- The release of Finance Commission grants to PRIs should be expedited

India has a large rural population, and as per 2011 census, nearly 83.35 crore people in India are living in rural areas which is about 69 percent of the total population of the country. Rural development is a strategy designed to improve the economic and social life of the rural poor and ensuring an all-encompassing development of the rural sector in India. It involves extending the benefits of development to the poorest in rural areas and to bring about equity in the quality of life across all the socio-economic groups.

More elaborately rural development encompasses: (a) improvement in the standard of living including gainful employment, education, health, nutrition and housing and variety of social services; (b) decreasing inequality in distribution of rural incomes and resource endowment and in rural–urban imbalances in incomes and income opportunities and (c) increasing the capacity of the rural economy to sustain and accelerate the pace of these improvements. The issues of rural development have always been in the policy agenda of the Central and State governments since the beginning of the five year plans. The policies and programmes regarding rural development are implemented by the Central and state governments through various nodal agencies – line departments, state implementing societies and Panchayats Raj Institutions (PRIs).

The 12th Plan document also made promises for rapid expansion of rural employment and income opportunities as well as rural infrastructure. Further, the plan document gave emphasis for having a strategy of inclusive growth to ensure benefits of economic development to be shared by poor sections of the society. The government also promised to put more focus on Poverty reduction through an appropriate social security net of the poor and providing sustainable self-employment. For gainful employment, there was a stress for strengthening the decentralized planning and implementation process in Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), National Rural Livelihoods Mission (NRLM) and other rural development programme.

The Convergence of rural development schemes and programmes with other programmes is needed for achieving better outcomes. As per the , 73rd Constitution Amendment Act, Panchayti Raj Institutions (PRIs) to be given more political power, financial authority and more control over functionaries. Moreover local level planning through District Planning committees was also emphasized. PRIs should be involved in rural development programmes through strengthening the capacity of elected and non-elected representatives. However government commitments to rural development sector have not been translated in action even after almost three years period of 12th Plan have passed.

Immediate Policy Asks

I. Fund allocation under MGNREGA should be increased in Budget 2015-16

In Union Budget 2014-15, the allocations for MGNREGA remained at Rs. 34,000 crore, not much increase over the previous years. It must be noted that the allocations under the MGNREGA over the past few years have remained stagnant. According to the NSSO 66th Round data, 25 percent of rural households were provided work under the Scheme and around 19 percent of the total rural households sought work but did not get employment (June 2009 to July 2010) under MGNREGA. The proportion of total rural households seeking work but not getting employment under MGNREGA remained around 19 percent even in the 68th round of NSSO. With an outlay of Rs. 33000 crore in 2013-14, MGNREGA provided employment to 4.8 crore households with an average wage employment of 46 person-days (Economic Survey, 2013-14). It is well acknowledged that the majority of the beneficiaries under the scheme have been the poor households and the marginalised sections of the society, that is, women, SCs and STs. The MGNREGA *Sameeksha* (2012) notes that inadequate provision of employment could be due to a conscious stopping of works by State governments during certain seasons, among other reasons – "…rationing of demand greatly undermines the poverty alleviation potential of the Scheme. Non-provision of dated receipts and work within 15 days and non-payment of unemployment allowance are other major process constraints".

Table 1: Budgetary Allocations under MGNREGA (in Rs. crore)

	2012-13	2013-14 (BE)	2013-14 (RE)	2014-15 (IB)	2014-15 (BE)

MGNREGA	30274	33000	33000	34000	34000

Source: Compiled by CBGA from Union Budget documents

At present, according to some estimates, the allocations for the MGNREGA cost the exchequer a meagre 0.3 percent of GDP and nearly 50 million households are getting at least some employment. Thus, it is imperative that the allocations under MGNREGA are increased in the next budget.

I. Timely payment of wages in MGNREGA and adequate compensation in case of delays

It has been reported that under MGNREGA there were enormous unpaid wages in the year 2013-14, amounting to a sum of Rs. 4,800 crore. Accounting for these unpaid wages, the effective allocation stands at only about Rs. 29,200 crore (Rs. 34,000 crore minus Rs. 4,800 crore). In the detailed guidelines of the MGNREGA there is a clause for the payment of compensation for the duration of the delay beyond the sixteenth day of closure of muster rolls. However, a circular by the Department of Rural Development[54], notes that "…it was found that except for Maharashtra and Chhattisgarh, in no State, the Programme Officers have been examining the delayed cases, which reflects poorly on the monitoring of the scheme in many States." According to the MGNREGA MIS the share of payments generated within 15 days was 57.5 percent in 2012-13 and 45.6 percent in 2013-14. This implies that in 2012-13 and 2013-14 about 42 and 54 percent of the payments respectively were delayed beyond the stipulated 15-days limit. As provisions under MGNREGA are demand driven, it is of utmost importance to ensure adequate availability of work and timely payment of wages to keep the scheme operational. Further, wages under MGNREGA must be at least equal to minimum wage of the central government.

II. Improvement in the MGNREGA MIS is also required for efficient tracking purposes

Another area of concern is the discrepancy in the data available on MGNREGA under the MIS and the NSS Rounds. For instance, there were discrepancies under the heads "percentage of rural households provided employment" and "Average person-days/households". Thus, there is a need to make the MGNREGA MIS data more authentic. According to the Comptroller and Auditor General Report there was variation ranging from 1 to 71 percent between MIS and Monthly Progress Report data and there is non-existence of any mechanism to verify the authenticity of data uploaded to the MGNREGA website.

III. BRGF should be implemented at the block level instead of districts

BRGF was launched in February 2007 (as Additional Central Assistance to State Plan) as an area development programmes in 272 backward districts to bridge the regional imbalances in

[54] Circular, Mahatma Gandhi NREGA Division, DoRD, Government of India, dated July 10 2014

development across States. The BRGF programme has two components, namely, the Development Grant component and the Capacity Building component. The Second Administrative Reform Commission found that the approach of taking district as the unit of planning, implementation and monitoring has not been able to address the regional imbalances. The Commission proposed that the composite criteria for identifying backward blocks based on the indicators of human development (poverty, literacy and health indicators) along with social and economic infrastructure should be developed and implemented during the 12th Plan period for achieving better outcomes. However, so far no headway has been made in this direction. Further, if the approval of the Gram Panchayat's BRGF plans can be done by the State government, instead of the central government, it can help in getting timely approval and early transfer of funds.

IV. The release of Finance Commission grants to PRIs should be expedited

One of the main objectives of the CFC is to recommend measures to supplement the resources of the Panchayats and Municipalities by augmenting the consolidated funds of individual States. The utilisation from overall grants recommended by the three previous FCs was found to be quite low. During first three years of the 13th FC period, only 25 percent of the total grants had been released to the PRIs. The PRIs have to draw the remaining 75 percent of the amount in next two years. A major hurdle in this process has been the delay in submission of utilisation certificates and delays in the release of funds to the States and the PRIs.

Table 2: Fund allocated by FCs and Amount Drawn (in Rs. crore)

	Amount Allocated		Amount Drawn	Amount not Drawn
Commission	PRIs	ULBs	PRIs	PRIs
10th FC (1995-2000)	4380.9*	1000	3576.4 (66.5 %)	804.6 (33.5 %)
11th FC (2000-05)	8000	2000	6601.9 (82.5 %)	1398.2 (17.5 %)
12th FC** (2005-09)	18000	4500	16664.7 (92.6%)	1335.2 (7.4%)
13th FC* (2010-15)	63,053	24466	15962.3 (25 %) ***	47091 (75 %)

Source: 13th FC report and Ministry of Panchayati Raj, GoI Note: * Rs. 100 per capita of rural population, ** from 1 April 2005 to 6 November, 2009, *** Up to 2012-13

V. PRIs should be given more space in planning and monitoring of Centrally Sponsored Schemes (CSSs) and Central Sector Schemes (CSs)

PRIs have been given more political support, appropriate platform for planning and own resource mobilisation through the 73rd Constitutional Amendment Act (CAA), legislated in 1992. PRIs receive funds mainly from Centrally Sponsored Schemes (CSSs), State Plan Fund, and Grants-in-aid as per recommendations of the State Finance Commissions (SFCs) and Central Finance Commission (CFC), and Own Source Revenue (OSR). The own revenue collection of PRIs is almost negligible. The CSS funds are essentially tied funds where PRIs do not have discretion to decide their own expenditure priorities. Also, there is less space for planning and monitoring of the CSS. Although the role of PRIs has been mentioned in guidelines of 28 CSSs/CSs, very few scheme guidelines mention the role of the three-tier panchayats with regard to planning and monitoring in a clear manner.

Long Term Policy Asks

- The *Pradhan Mantri Gram Sadak Yojana* (PMGSY) is a fully funded centrally sponsored scheme with the objective of providing all-weather road connectivity to all eligible unconnected habitations in rural areas of the country having population of 500 persons and above in plains and 250 persons and above (as per the 2001 census) in special category States, selected tribal and desert areas. This criterion needs to be revised and villages and hamlet with lesser population be linked with roads under the PMGSY.
- Under the *Indira Awas Yojana* (IAY), a shelterless BPL family is given assistance of Rs. 70,000 in plains and Rs. 75,000 in hilly/difficult areas/Integrated Action Plan (IAP) districts for construction of a new house. The recent increase in per household grant under IAY has been made without taking the increase in cost at material cost therefore material cost under the IAY as well as well as other such schemes should be revised. Further, the physical targets as well the budget under IAY need to be increased.
- There is a need to promote cluster approach for skill development, especially among the youth. The skill development programmes should be developed according the needs and demands of the region and should be based on the skill mapping of each region. Traditional skills of various social groups/caste should be revived and included in the skill development programmes. The Ministry of Finance can collaborate with the Ministry of Panchayati Raj & Rural Development and Ministry of Corporate Affairs and earmark some resources to identify the potential areas and then facilitate the related establishments.

15. CLIMATE CHANGE: MITIGATION AND ADAPTATION

Key Policy Asks

- There is need to put equal emphasis on adaptation and mitigation as well as balance budgetary priorities for the same
- Need to Prioritize Financial Resources Such as NCEF for Development of Renewable Energy (RE), particularly for rural application of Renewable Energy
- Need for Higher Budget Allocation for Creating RE Evacuation Infrastructure
- Increase the corpus and broaden the scope of the National Adaptation Fund (NAF) so that it adds value to ongoing 'business-as-usual' development programmes and/or activities in a transparent and measurable manner, rather than fund stand-alone adaptation projects.
- Make climate change adaptation core to India's financial planning for development with all climate-sensitive ministries/State departments ear-marking a clear and measurable proportion of their spending towards building resilient components in their programmes.
- Need to improve urban drainage system and to step up funds for installation of Extensive and Sub – Regional Warning Systems
- *Pradhan Mantri Adarsh Gram Yojana (PMAGY)* should include development of villages which is climate resalient and follow low carbon development interventions.
- There is need to strengthen the environmental monitoring and regulatory institutions such as National Green Tribunal and Central and State Pollution Control Board for inclusion of environmental consideration in "Make *In India* "campaign.

The recently released Intergovernmental Panel on Climate Change (IPCC) synthesis report suggests to increasingly internalise climate considerations into development planning in developing countries. Hence, Government need to identify the additional interventions required to insulate development from the impact of climate change and intervention to tackle climate change need to be built as integrative function in governance. Indian government may have to announce targets under Intended Nationally Determined Contributions (INDCs) in next few months as per discussions in Conference of Parties. Budgets are critical policy documents of the government that reflect its commitments and priorities This raise concern that whether allocation under Union budget 2015-16 is going to be in coherence with these targets.

Globally, there is need to put equal emphasis on adaptation and mitigation while talks at the recently concluded international COP 20 climate change negotiations at Lima, Peru, were more centric to climate change mitigation. Therefore, we place our demands to incorporate climate change issues into budgetary provisions in two frames of low carbon development for climate change mitigation and climate resilient development for better adaptation to climate change.

Policy asks for Mitigation

Power sector contributes 43 per cent in Greenhouse Gas Emission as per Indian Network on Climate Change Assessment Report.[55] Hence, it is pertinent to pace up the budgetary priority for Renewable Energy for faster infusion of clean energy resources in energy mix. In terms of electricity generation at present the renewable power installed capacity is generating around 65 billion units per year corresponding to about 6.5 percent in the electricity mix [56]

I. Need to Prioritize Financial Resources Such as NCEF for Development of Renewable Energy (RE)

The share of Ministry of New and Renewable Energy (MNRE) in National Clean Energy Fund (NCEF) transfers to various ministers was 80 percent in Union Budget 2013-14 Revised Estimates. This share was reduced to 34 percent in Union Budget 2014-15. This decline is largely due to transfer of Rs. 1500 crore from NCEF to support National Ganga Plan under the Ministry of Water Resources. This raises a concern as to whether there could be a further decline in allocation for MNRE from the NCEF because of the financial requirements to address other pressing issues. (*See Table 1)*

Table 1: Transfers of Funds from NCEF to Various Ministries (Rs. Crore)

Year	Tax Revenue from Clean Energy Cess *	Transfer to NCEF #	Amount provided from NCEF to various Ministries @				
			MNRE	MOEF	MoDW & S	MoWR	MoUD
2010-11	1066.5						
2011-12	2579.6	1059.6	160.8	-	-	-	-
2012-2013	3053.2	1500	125.8	10.0	110.7	-	1.5
2013-2014 (RE)	3527.6	1650	1313.2	-	-	-	2.0
2014-15 (BE)	6857.5	4700	1578	-	-	1500	-

Source:* Receipt Budget and # Demand No.33, Expenditure Budget Vol. II, Union Budget, Government of India, various years

Contrary to the huge potential for renewable power generation, which has been estimated at 2, 45,000 MW (Question N0. 735 answered on 04.03.2013 'Potential for Renewable Energy Sources' by Ministry of New and Renewable Energy; Rajya Sabha, Government of India), the budgetary investments to realize this potential have always been inadequate. It has been

[55] Indian Network on Climate Change Assessment Report, 2010 , Available at http://www.moef.nic.in/downloads/public-information/fin-rpt-incca.pdf

[56] Lok Sabha Secretariat, Information Bulletin No.LARRDIS(JPI)2014/IB-14, December 2014

observed that the average allocation for this sector for the whole 11th plan period was merely 0.072 percent of the Total budgetary Expenditure, which is drastically declined to 0.047percent in 2014-15.

Union Ministry of New and Renewable Energy provides Central Finance Assistance to the state Governments for implementation of various programmes and schemes namely, Grid Interactive and Distributed Renewable Power, RE for Urban, Industrial and Commercial Applications and RE for Rural Applications. Hence, inadequate availability of funds for the Union Ministry of New and Renewable Energy constrains the expenditure on RE at the State level.

Budget allocation for MNRE from NCEF transfer need to be prioritized to ensure that adequate funding is available for development of this sector, particularly for rural application of RE.

II. Need for Higher Budget Allocation for Creating RE Evacuation Infrastructure

The development of local evacuation infrastructure and provisioning of measures for grid connectivity for RE sources are considered the responsibility of the State Transmission Utility (STU) or State Electricity Board (SEB). Adequate budgetary allocations need to be provided for establishment of transmission and distribution infrastructure along with generation of RE. There is also a need to accelerate the implementation inter-state transferability of generated RE, from resource rich states like Gujarat, Tamil Nadu etc. to other states. In Union Budget 2014-15 (Budget Estimates), an amount of Rs. 1 crore has been allocated under newly launched Scheme namely, Green Energy Corridor by Ministry of Power. This allocation need to be appropriately enhanced in order to pace up the Transmission and Distribution infrastructure with growing RE capacity additions. A separate budget provision within the budget of Ministry of Power should be created specifically for laying RE transmission system that is required for growing Renewable Energy (RE) capacity addition.

III. Step Up Budget Allocation for Rural Applications of RE with Installation of Micro-Grids

Inequities energy access have been widening over the years between urban and rural areas as well as across States. The number of households without electricity has decreased only marginally from 78 million in 2001 to 75 million in 2011 as per the Census data. In this context, we should note that development of Renewable Energy is an important precondition for improving energy access for people in rural areas where grid connectivity is not available . Renewable Energy can be harnessed as a locally available and scalable resource in the rural areas in India. *Pradhan Mantri Adarsh Gram Yojana (PMAGY)* could be one of the opportunity to include development of villages which is climate resalient and follow low carbon development interventions.

Installation of micro-grids can be promoted to provide grid connectivity and business potential for the investment to generate RE through its rural applications. These micro-grids connected with generated RE, may later act as franchise of power utilities and feed excess power to micro-grids.

There is need to identify and prepare inventory of villages which can be electrified with rural applications of RE technologies. This inventory should be shared with all line department concerned with energy to have integrated approach during implementation. Availability of trained manpower and inaccessibility of locations are the major barriers in rapid installation of RE technologies at the rural level. These issues should be resolved at the contract bidding and negotiations process with the investors.

Policy asks for Adaptation

Nationally, Union Budget 2014-15 created the 100-crore National Adaptation Fund (NAF). Guidelines to operationalise this fund are still awaited. Meanwhile, India has begun accessing funds from the global Adaptation Fund and is ready for the Green Climate Fund (GCF) when the latter is operationalised.

I. Make climate change adaptation core to India's financial planning for development

The National Action Plan on Climate Change (NAPCC, 2008) did state that India spent 2.63 percent of the GDP in 2006-07 on adaptation programmes in five areas but no figures were given for subsequent years. The five areas mentioned for 2006-07 were: (a) crop improvement and research (5.93 percent); (b) drought proofing and flood control (3.04 percent); (c) forest conservation (0.49 percent); (d) poverty alleviation and livelihoods preservation (44.65 percent); (e) rural education and infrastructure (26.85 percent); (f) health (10.75 percent); (g) risk financing (4.83 percent); and (h) disaster management (3.46 percent). It has not been possible to de-construct these budgetary proportions to decipher what adaptation initiatives were funded or to what extent they reduced vulnerabilities to climate variability and built people's resilience. Probably these budgets were for business-as-usual activities under ongoing programmes that aim to safeguard a country that is anyway highly vulnerable to disasters and, as an agrarian society, is exceedingly dependent on temperature and rainfall patterns for its survival. Climate change adaptation planning should be initiated at state level and part of state planning process for the reason that many of the climate relevant issues are the state subject. There is need to build local adaptation plan of actions (LAPAS).

Subsequent to the release of the NAPCC, none of the adaptation-focused National Missions (pertaining to agriculture, water resources, forests and scientific knowledge), nor the State-level Action Plans on Climate Change (SAPCCs) that prioritise adaptation, have come up with clear budgets to support adaptation activities across sectors. There is need to allocate clear budgets as per 12th FYP recommendations for NAPCC. (See Table 2)

Table 2: Expenditure Incurred and Financial Outlays for 8 Missions of NAPCC under 12th FYP

(In Rs. Crore)

NAPCC Missions	Financial Outlays allocated for the 12th FYP period	Actual 2012-13		Revised 2013-14		Budget 2014-15	
		Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
National Solar Mission*	8795	874		1145		1949	
National Mission on Sustainable Agriculture^	10800	1203		1308		1511.6	
Green India Mission*	45800			7.65		64	
National Mission on Enhanced Energy Efficiency *	190	37		16		107.6	
National Water Mission	89101			2		40	
National Mission on Sustainable Himalayan Ecosystem*	1500	214		315		495	
National Mission on Strategic Knowledge on Climate Change *	2500						
National Mission on Sustainable Habitat *	950	229	12.6	156	14.8	562.4	15.7

*Source: C*BGA compilation from Economic survey 2013-14 and Union Budget Document of Various Years

Note:

*Disaggregated data on above mission is not available. Expenditure on these missions is described under budget component or schemes of various ministries. For example, NSM under *Grid interactive and distributive RE component* of MNRE , GIM under *National Afforestation program* of MOEF & CC, NMEE under *Energy conservation component* of MoP, NMSHE and NMSHCC under *Alliance and R&D Mission component* of climate change division of MS & T , NMSH under *Other urban development scheme* of MoUD.

^ NMSA includes expenditure under Micro Irrigation Scheme.

Union Budget 2015-16 should:

- Increase the corpus and broaden the scope of the National Adaptation Fund (NAF) so that it adds value to ongoing 'business-as-usual' development programmes and/or activities in a transparent and measurable manner, rather than fund stand-alone adaptation projects.
- Make climate change adaptation core to India's financial planning for development with all climate-sensitive ministries/State departments ear-marking a clear and measurable proportion of their spending towards building resilient components in their programmes.

The two principles that need to guide the above are:

i. *Equity considerations, especially gender budgeting, in climate change adaptation budgets* because climate change affects different sections of society differently with the poorest and the most marginalized sections of society often being the worst sufferers. They also have the least resources, knowledge, skills, authority and power to cope with, or adapt, to weather uncertainties;
ii. *Building across-the-board capacities through programme and adaptation budgets for bottoms-up, multi-stakeholder vulnerability assessment and implementation of adaptation measures through the 3-tier federal framework* because adaptation is local, requiring local knowledge, skills, resources, authority and decision- making for success, and Constitutionally falls within the jurisdiction of local panchayats and local municipalities within States.

II. Need to Improve Urban Drainage System and to Step Up Funds for Installation Of Extensive And Sub – Regional Warning Systems

Disasters due to Climate change such as recently occurred floods in Jammu and Kashmir point towards improving urban drainage planning at the local level and installation of Early Warning Systems. There is need for allocation of adequate amount of funds for Flood Forecasting and Management Programmes under Ministry of Water Resources and Urban Floods Control Management Projects of Ministry of Urban Development.

Early Warning System (EWS) is an important component of Disaster Risk Reduction Measure. National Disaster Management Authority (NDMA) under Ministry of Home affairs is implementing several programmes which include Research and Development (R&D) of EWS as one of the deliverable. Nature of this deliverable is restricted to R&D of EWS and without any emphasis on actual installation of such systems.

Given the likelihood of extreme climatic conditions in the future, extensive and sub – regional warning systems needs to be put in place urgently and hence, budget allocation need to be made available for installing regional network of automated weather status and farmers advisories for improving access of information. Village Knowledge Centre under Ministry of Rural development can be the recipient of EWS.

III. Need for Inclusion of Cumulative Environment Impact Assessment of Proposed projects and Reversal of the Recent Order Dated 28 October 2014 by MOEF & CC which dilutes Forest Right Act 1980

Ministry of Environment, Forests and Climate Change issued order on 28 October 2014 pertaining to diversion of forest land for non- forest purposes under the Forest (Conservation) Act 1980 and STs and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act 2006, which had now exempted State Government from taking prior concern from *Gram Sabhas* for Projects where linear diversion of use of Forest land is involved. Further to this, in case of plantations which were notified as forest on a day less than 75 years prior to the 13th December 2005 and are located in villages having no recorded population of Schedule Tribes as per Census 2001 and Census 2011, no forest rights are likely to be recognized and only a certificate from the Concerned District Collector will be sufficient without any consent from *Gram Sabhas*. [57] Such an order will be counter-productive for sustainable development and is opposed to the participatory nature of the decision making process. Hence, we demand the Government to reverse such orders which discards specific provisions in the 2006 Forests Right Act, which seeks "prior informed consent "of *Gram Sabhas* before acquiring forest land and clearing of forests for non –forest activity.

This order is released after taking consent from Ministry of Tribal Affairs, which raises concerns that whether the nodal ministry for Tribal Affairs carried out due diligence before giving such consent as there seems an ignorance of rights of tribal communities.

Order also allows for forest clearance for linear diversion of forest land such as highways, pipelines, rail tracks etc., which will cause an infringement in ecological balance of forests and may lead to rapid depletion of India's forest cover due to possible start-up of other related business activities along these linear projects in future. There is need to review this order with inclusion of cumulative impact assessment process of proposed project in view of future scenarios, along with following a participatory decision making process. There is need to strengthen the Environmental Monitoring and Regulatory Institutions such as National Green Tribunal and Central and State Pollution Control Board for inclusion of environmental consideration in "*Make in India* "campaign.

Long Term Policy Asks

In a country where the economy is inextricably tied to climate-sensitive resources at several levels (see Box), Rs 100 crore as a national adaptation budget is just notional. This needs to be scaled up and rationalized with external funds for adaptation provided under UNFCCC and through bilateral and multilateral aid. *The NAF must adopt a sector-based approach with basket funding from external budgets* to improve adaptation and reduction of vulnerabilities.

[57] MOEFCC order dated 28 October 2014 available at : http://forestsclearance.nic.in/writereaddata/public_display/schemes/1717277111$Guideline.pdf

The Union Budget 2015-16 must also address *capacity and skill building on better assessment of climate vulnerabilities and delivery of adaptation interventions* at all levels and across all sectors – health, education, livelihoods and disaster mitigation and rehabilitation. This would include, for instance, skill in collection of climate data (including, for example, from panchayat and village-level rain gauges), assessing risks and monitoring adaptation outputs and outcomes.

Union Budget 2015-16 must also provide *incentives for convergence of programmes and sectoral approaches to improve adaptation* and reduce vulnerabilities. For instance, it seems the new Rs. 2142 crore *Neeranchal* Scheme announced under Integrated Watershed Management Programme in Union Budget 2014-15 will continue with the developmental programme of watersheds although it should also address sustainability of watersheds, especially in the wake of water stress and climate change-induced decrease in quality of water. A separate provision for the safe drinking water in Union Budget 2014-15 addresses quality of water.

Economic dimension of climate change adaptation

At least 60 percent of India's predominantly agrarian economy is dependent on the monsoons. All of its forests and livestock-related economic enterprises are sensitive to temperature and rainfall patterns. Even the irrigated cropland in the highly climate-sensitive Indo-Gangetic Plains, parts of it known as India's food-bowl, depends on monsoons for replenishing surface and groundwater sources.

India's secondary sector, including artisanal products, textiles, garments, the food processing industry, mining & metals and industries producing construction materials are again dependent on secure natural resources. Agro-exports and textiles comprise over a fifth of India's exports.

India is also among the world's 10 most disaster-prone countries. Over 2/3rd (68 percent) of the cultivable area is drought-prone, 12 percent is vulnerable to floods and river erosion and 3/4th of the 7500 km-long coastline is prone to cyclones, salinity ingress and sea-level rise.

The developmental budgets in agriculture, rural development and health saw marginal increases in Union Budget 2014-15 though these were not adjusted for inflation. These are the most vulnerable sectors to climate change and require robust developmental budgets with additional adaptation financing. With the creation of the National Adaptation Fund, it is time for Union Budget 2015-16 to *introduce sectoral monitoring of financial outlays* based on common databases and facilitated by GIS techniques.

16. TAXATION

Key Policy Asks

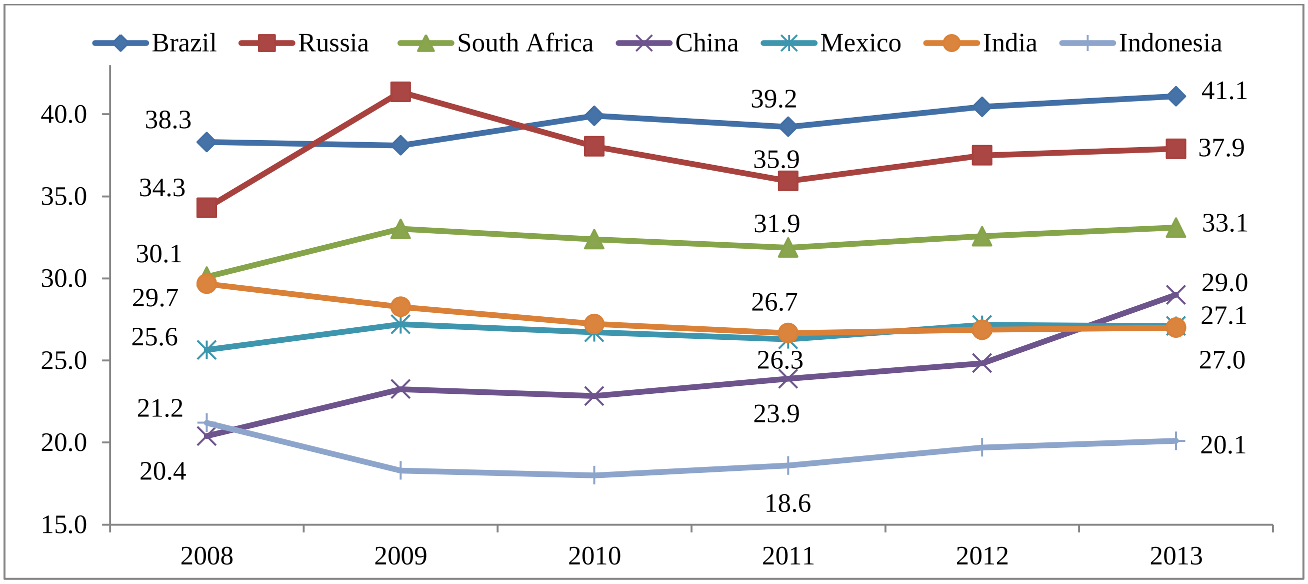
- Introduce a Progressive Wealth Tax Slab and re-introduce Inheritance Tax
- Withdraw exemption of Long Term Capital Gains Tax (LTCG) on Securities and tax Short Term Capital Gains (STCG) on Securities as regular income
- Review Tax Exemptions providing detailed sectoral break-up of revenue foregone for different industries with a comparative assessment regarding objectives of exemptions fulfilled vis-à-vis magnitude of exemptions
- Review India's Double Taxation Avoidance Agreements (DTAAs) to address revenue losses due to misuse of these treaties
- Retain Retrospective Tax Law Amendments introduced in 2012 to address misuse of corporate structure to avoid taxes
- Address staff shortage in agencies addressing black money like CBDT, ED, FIU, CBEC, etc.
- Public registry of beneficial ownership of companies, trusts, foundations and similar legal structures to address offshore secrecy, money laundering and tax evasion
- Support strengthening and upgrading the UN Tax Committee by garnering political support through platforms like G20, BRICS, G77 and others to ensure that global tax reforms are relevant to developing countries
- Commit to capacity building of tax administrations in Low Income Countries (LICs) on Automatic Exchange of Information Standards through Global Forum and UN Tax Committee. Non-reciprocity of information sharing should be explored in favour of LICs unable to send information at present
- Resume publication of All India Income Tax Statistics (AIITS) and revenues from indirect taxes like Customs Duties, Excise Duties, Central Value Added Tax, and Service Tax) from various items or commodities

Long Term Policy Asks

I. Increase the country's Tax-GDP Ratio

India's total tax revenue (collected by both Union and state governments) at 17.9 percent of GDP (for 2013-14 BE)[58] remains significantly lower than those of not just the developed countries but also some of the developing countries. Hence, it is critical that the Union government takes strong measures for increasing the country's tax-GDP ratio, which would enable the government to provide more resources for development spending in crucial sectors.

Chart 1: Public Expenditure-GDP Ratios of BRIICSAM Countries



Source: Compiled by CBGA (from International Monetary Fund, World Economic Outlook Database, April 2014)
Note: Total expenditure consists of total expense and the net acquisition of nonfinancial assets. Apart from being on an accrual basis, total expenditure differs from the Government Finance Statistics Manual 1986 definition of total expenditure in the sense that it also takes the disposals of nonfinancial assets into account.

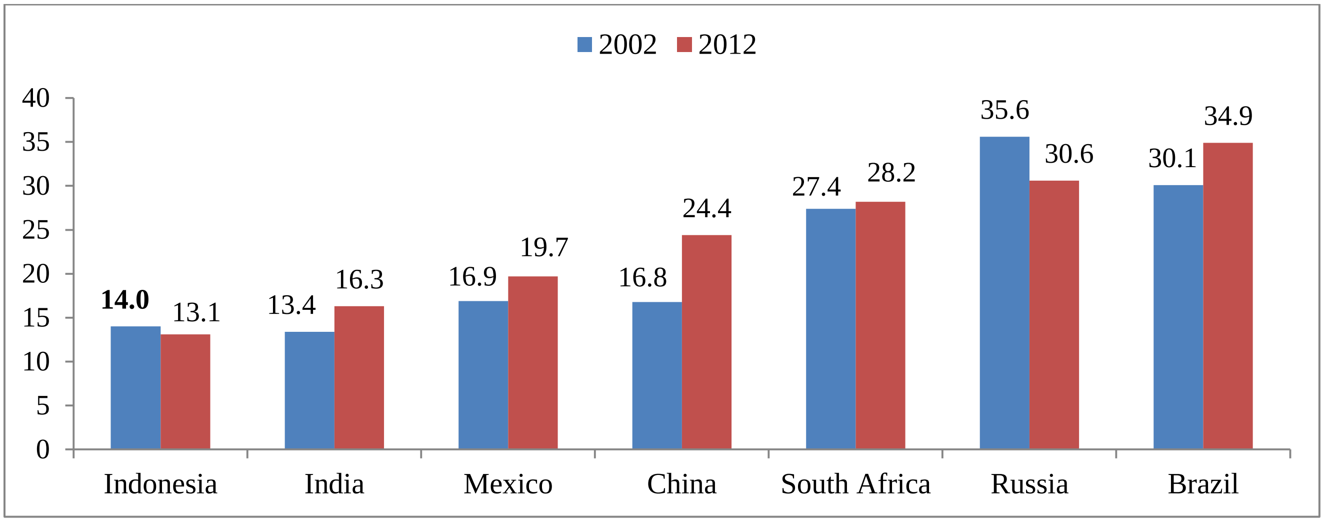
Among emerging market economies, namely, Brazil, Russia, India, Indonesia, China, South Africa and Mexico (BRIICSAM):

- India has the second lowest public expenditure to GDP ratio (27.0 percent) which has continually fallen in the last five years (Chart 1)

[58] Indian Public Finance Statistics 2013-14, Economic Division, Department of Economic Affairs, Ministry of Finance

- India has the second lowest tax-GDP ratio (16.3 percent)[59] which has risen by 2.9 percentage points between 2002 and 2012 while Brazil's rose by 4.8 percentage points and China's by an impressive 7.6 percentage points (Chart 2)

Chart 2: Tax-GDP Ratios across BRIICSAM Countries



Source: Compiled by CBGA (from Government Finance Statistics Yearbook of various years published by IMF; China Statistical Yearbook 2003 published by National Bureau of Statistics of China; Revenue Statistics in Latin America 2014 published by OECD; Indian Public Finance Statistics 2013-14 published by Ministry of Finance, India)

Notes: (1) Figures for Mexico and Brazil are for 2000 and 2011 respectively and calculated from Revenue Statistics in Latin America 2014 published by OECD (2) Figures for India are from 2001-02 and 2011-12 respectively obtained from Indian Public Finance Statistics 2013-14 published by the Ministry of Finance of India (3) Figure for China for 2002 was calculated from the China Statistical Yearbook 2003 published by the National Bureau of Statistics of China (4) Figures for Indonesia, South Africa and Russia for 2002 were obtained from Government Finance Statistical Yearbook 2003 published by IMF (5) Figures for Indonesia, Russia and South Africa for 2012 and China for 2011 were extracted from the IMF Data warehouse on 12/27/2014 4:32:32 AM, Government Finance Statistics Yearbook (6) Figures are for general government except for Indonesia; Indonesia figures are for its central government's budgetary transactions. (7) Tax revenues include social security contributions as per OECD methodology

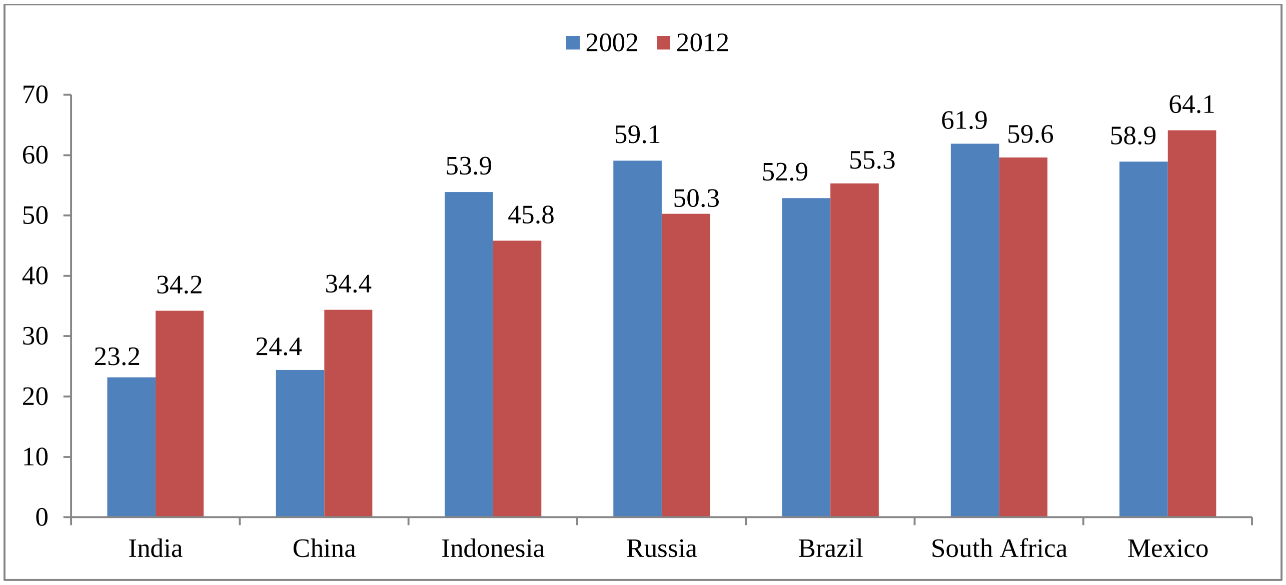
II. More Progressive Tax Structure

Piketty and Qian (2009), in a paper comparing income tax reforms in China and India, note that progressive taxation is "one of the least distortionary policy tools available that controls the rise in inequality by redistributing the gains from growth". In a progressive tax structure, proportion of tax levied on the individual, group of individuals, organizations or companies should increase as their net wealth or income or returns from property increase. Progressivity in the tax structure

[59] The last audited figure for tax-GDP ratio for India has been used in Figure 2 which is for 2011-12.

is born out of the principles of equity and justice and the share of Direct Tax revenue in the Total Tax revenue of the country is one of the indicators of the same. Unlike Indirect Taxes, which affect the rich and poor alike, Direct Taxes are linked to the tax-payer's ability to pay, and hence are considered to be progressive.

Chart 3 Direct Tax Revenues as a Percentage of Total Tax Revenues across BRIICSAM Countries



Source: ibid, Notes: ibid

From Chart 2, it is evident that even though India has managed to raise its share of direct tax revenue as a percentage of total tax revenues from 2002 to 2012, it is still the lowest among BRIICSAM countries. Hence India has the most regressive tax structure among emerging market countries which accentuates economic inequality.

III. Gender Implications of Tax Structure

Differential income tax slabs for men and women is an important policy which have far-reaching impact to reduce gender differentials. However, Direct taxes have little significance on women workers as majority of women workers in India fall outside the direct tax brackets. The burden of indirect taxation (like Goods & Services Tax) has larger impacts on women. Although, it is difficult to compare the actual incidence of indirect taxes on women due to unavailability of sex-disaggregated data, studies by Banerjee (2008) and Chakraborty et al (2010) in West Bengal indicate

> Filing income tax as Hindu Undivided Family (HUF) provides disincentive for the women members to provide paid labour in the labour market since with joint taxation as is the case here, the higher will be the difference between incomes of the spouses, the higher the marginal rate of taxation on the lesser income earner (usually the female earner) (Dewan, 2009).

that the incidence of indirect taxes is higher on families that are female-headed/dominated.

Unequal property ownership, disproportionate contribution in unpaid labour within the family, wage discrimination between men and women and the resulting unequal distribution of power and resources within the household have implications in the way the burden of taxation is borne by men and women and hence need to be brought under consideration while designing tax structures.

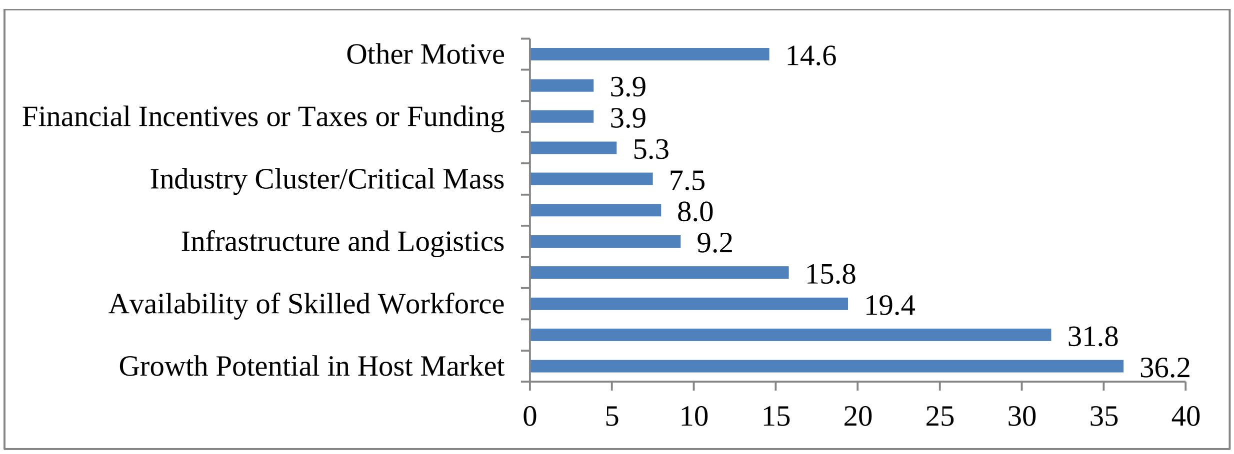
IV. Challenges of Black Money

The increased political attention on issues related to black money is welcome as it undermines efforts towards mobilising domestic tax revenue. But the focus of the efforts on bringing back money in offshore accounts is partly misguided and should instead be on curbing generation and outflow in the first place.

V. Tax Competition and Foreign Investment

While it is important to have a 'Tax Policy Roadmap' that makes sure that the taxation regime in the country is 'non-adversarial and conducive', the BJP's Lok Sabha 2014 Manifesto that called for tax incentives to boost investor confidence is a questionable assumption. There is no empirical evidence to support this assumption on the basis of which tax policies like those in SEZs, which bring down the effective tax rates and in turn, reduce the tax revenues, are being continued.

Chart 4 Top Location Determinants: Percentage of Projects Citing Investment Motive



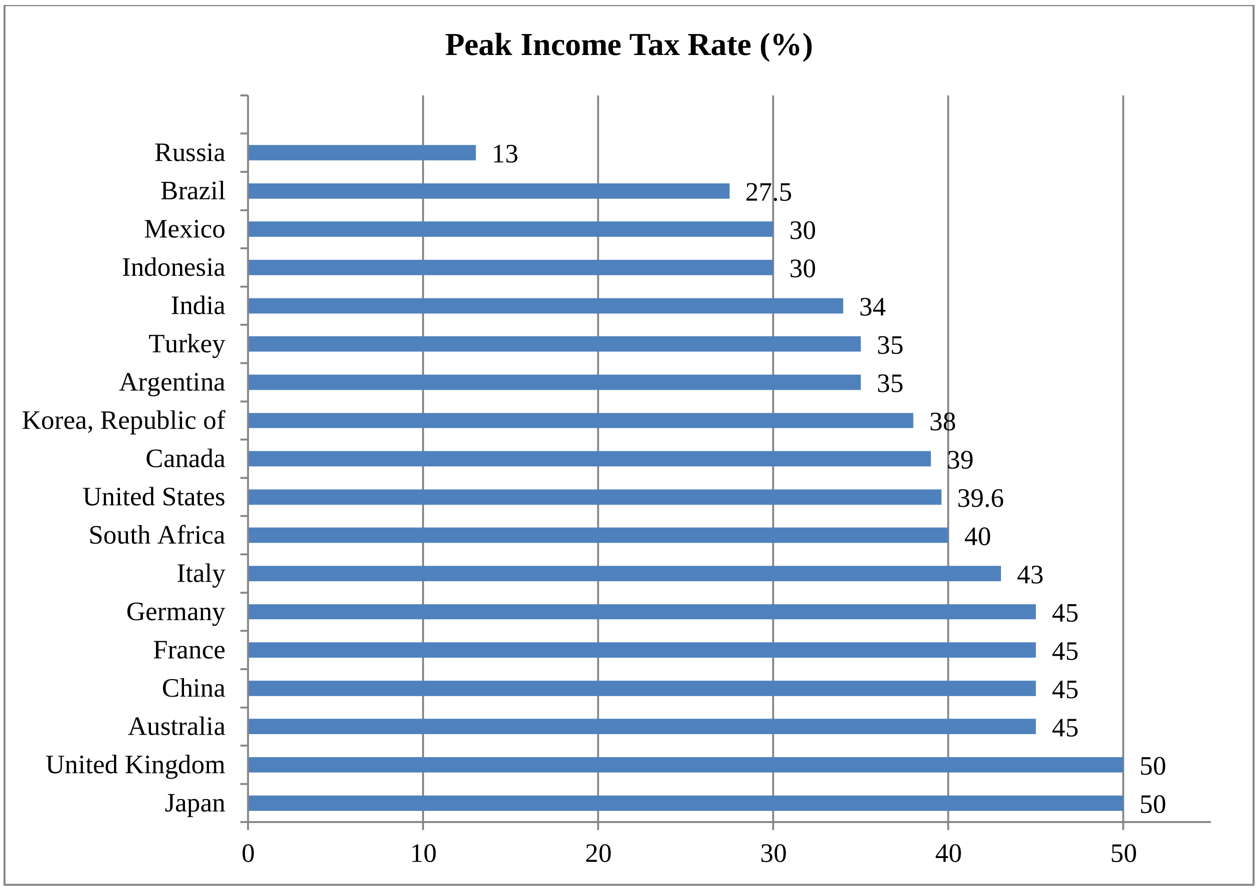
Source: fDi Intelligence, EXIM Bank Research

EXIM Bank Research's study using 'fDi Intelligence' data shows that outward FDI by Indian companies in the last decade or so are mostly motivated by growth potential of the market followed by proximity to markets/customers as well as the availability of a skilled workforce. Financial or taxation incentives figure very low as a determinant for investment (Chart 4).

Research analysing major determinants of FDI in South Asia showed that the most significant factors were market size and labour force (Sahoo 2006, ADB Institute)[60].

VI. India's Moderate Tax Regime

Contrary to opinions expressed on income tax rates being high in India, a comparison with G20 countries indicates that India has a moderate tax regime. Even with the inclusion of the surcharge on 'super-rich' introduced in 2013, the peak tax rate of 33.99% is well below that of China (45%), South Africa (40%) and UK (50%).



Source: KPMG Online Database as of 2014

Similarly, the average effective corporate tax rate (i.e. after accounting for incentives/exemptions) is less than 23 per cent. The below table provides an insight into the low effective tax rates being paid by a range of profitable companies as per a sample analysed in the

[60] Based on inputs from Prof. K. S. Chalapati Rao at the National Convention on Union Budget 2015-16

Revenue Foregone Statement by the Ministry of Finance. In addition to the low effective tax rates, the trend towards lower tax rates as profits rise is of concern.

Profit Before Taxes	Effective Tax Rate (in %)
0-1 Crore	26.73
1-10 Crore	25.33
10-50 Crore	23.33
50-100 Crore	22.72
100-500 Crore	21.86

Source: Revenue Foregone Statement 2012-13 and 2013-14

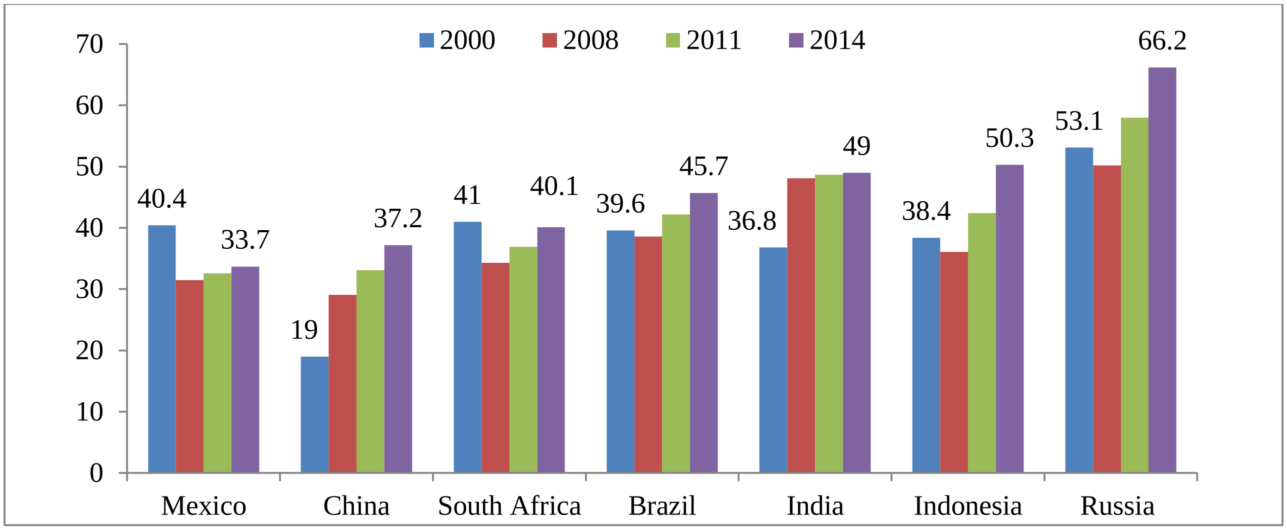
Short-Term Policy Asks

I. Introduce a Progressive Wealth Tax Slab and re-introduce Inheritance Tax

The Union government needs to make Wealth Tax more broad based and progressive in order to pursue the objectives of reducing inequality and increasing revenue mobilization; in this regard, there is also a need to address administrative bottlenecks in wealth tax collection. Re-introducing the Inheritance Tax is also recommended. In this context, we may note here that:

- The extent of wealth inequality in India is large. Chart 4 shows that between 2000 and 2014, India is one of four countries, along with China, Indonesia and Russia to see a double digit increase in wealth shares of the top percentile, among BRIICSAM nations;
- In terms of revenue raised from Property taxes as percent of GDP for the year 2009-10 (when evaluated as per the methodology of IMF - GFS Manual 2001), India stood last among BRICS and G20 countries;

Chart 4: Wealth Share of Top Percentile in BRIICSAM Countries



Source: Global Wealth Databook 2014, Credit Suisse

Currently, the tax on wealth is levied at 1 percent above the threshold of Rs 30 lakh on specified unproductive assets. The Direct Taxes Code (DTC) Bill proposed an exemption of tax on wealth up to Rs. 1 crore, a uniform levy of 1 percent above this ceiling and the introduction of some new categories of assets for levying Wealth Tax. In the year 2010-11, while the Wealth Tax collection was Rs 682 crore, the total Personal Income Tax collection during this period was Rs 1.45 lakh crore. Moinul Hasan suggested the following progressive wealth tax slab in the Parliamentary Standing Committee on Finance Report on The Direct Taxes Code Bill, 2010 (Dissent Note).

Table 1: Progressive Wealth Tax Slab

Net Wealth (in Rs. Crore)	Wealth Tax Rate
0-5	Nil
5-20	1%
20-50	3%
50 and above	5%

Source: Parliamentary Standing Committee Report on DTC Bill, 2010

Kelkar and Shah (2011) have argued that there is a strong case for the introduction of inheritance tax to counteract wealth generation across generations. The tax was suspended in the 1980s with the argument that it costs more to implement the tax than the revenue being collected. But Parthasarathi Shome (Outlook, 2011) has argued that with the modernisation of tax administration, better revenue collections could be expected now than in the past.

A conservative estimate of revenue potential of Inheritance Tax and Wealth tax has been found out to be Rs 63,539 crore per annum, i.e. around 0.8 percent of GDP (for 2011-12). Due to improvements in technology and tax administration reforms, government expenditure incurred on each Rs. 100 of Wealth Tax collected has reduced significantly over the last decade – from Rs 53.8 in 2001 to Rs 0.7 in 2011-12.

II. Capital Gains Taxation

The current exclusion of both dividends and long-term capital gains on security transactions from the base of personal income tax is hard to justify in a poor country, straining to increase tax revenues. The contrast between taxation of labour incomes and exemption of returns from equity capital is stark. - Shankar Acharya[61]

Withdraw exemption of Long Term Capital Gains Tax (LTCG) on Securities and Tax Short Term Capital Gains (STCG) on Securities as regular income.

In 2004, the tax on long-term capital gains (LTCG) from transactions in securities was abolished and the tax on short-term gains was reduced from normal tax rates to a flat rate of 15 percent. This was replaced by a small 'Securities Transaction Tax' (STT) with the expectation that any potential revenue loss from the changes in the capital gains tax regime will be offset from the gains from STT. But research and evidence gathered on these changes shows that STT has garnered little resources in comparison to the revenue foregone as a result of the LTCG exemption and reduced STCG tax. In addition, incentives have been created to convert income into capital gains in lieu of this exemption and lower tax rate than on other forms of income, providing loopholes for tax avoidance.

Bagchi (2007) estimates that in the year 2005-06, the LTCG tax exemption resulted in a revenue loss of Rs. 14,000 crore and the reduced STCG tax resulted in a loss of Rs. 15,000 crore. The total revenue loss as a result of the changes to the capital gains tax regime was Rs. 29,000 crore in 2005-06 (0.78 percent of GDP). As against this, Bagchi further estimated that the revenue gain from STT in 2005-06 was only Rs. 2,500 crore. Chandrasekhar (2008) estimates that Rs. 7900 crore (approximately) was the revenue foregone due to abolishing LTCG in 2004 on data pertaining to just 28 Sensex companies.

Singh (2004) argues that while STT could act as an efficient instrument to collect taxes, it cannot be considered a substitute for capital gains tax. The main argument for the need for STT is beyond efficient collection of taxes and is required to curb the flow of speculative money as each transaction would be taxed. Bagchi (2007) and Datar (2004) have argued that in addition to raising substantial revenues, capital gains taxation also needs to be seen from the perspective of equity. The exclusion of capital gain from income base for taxation and subjecting capital gains to a lower rate of tax than normal income, leads to inequality and creates incentives for tax avoidance.

[61] Shankar Acharya (2005), Thirty Years of Tax Reform in India, EPW

OECD (2006) observes that protection of tax revenues is a key policy consideration by OECD countries for comprehensively taxing capital gains. They further note that policy makers in OECD countries recognise that incentives to transform ordinary income into capital gains arise 'not only where capital gains are exempt, but also where effective tax rate on capital gains is significantly less than on other forms of income'.

III. White Paper on Tax Exemptions

Tax breaks should be project-specific, and should not be treated as a 'cost-saving' source for corporations seeking sustained tax holidays. There is a need for a White Paper on tax exemptions providing detailed sectoral break-up of revenue foregone for different industries with a comparative assessment regarding objectives of exemptions fulfilled vis-à-vis magnitude of exemptions.

The total magnitude of tax revenue forgone due to exemptions/ deductions/ incentives in the Central Government tax system is estimated (by the Union Ministry of Finance) to be Rs 5,72,923 crore in 2013-14, which is 5 percent of GDP. Though all exemptions may not be unfounded, a review of current exemptions is required to analyse if they are socially and economically justified. Some suggested exemptions that could be reviewed are highlighted below:

- Accelerated Depreciation: In this form of tax incentive, the capital cost is appreciated in order to lower the profit tax liability of business firms. This tax incentive is given across various sectors such as, production of mineral oil, power generation, transmission and distribution, infrastructure development, units located in SEZs etc. The estimates provided by the revenue foregone statement 2013-14 show that this relaxation amounts to Rs 38,122 crore, constituting 55 percent of the total estimated revenue foregone through exemptions given to the corporate sector, in 2012-13. The rationale for the introduction for this form of tax incentive, in the early 1990s, was to encourage firms in their initial stages of growth. After twenty three years of economic liberalization, this incentive could be reviewed and only retained for firms currently venturing into new sectors (like renewable energy).[62]
- Customs duty exemptions on Gold, Diamond and Jewellery: Duty exemptions under the head of gold, diamond and jewellery imports constitute a major portion of revenue foregone under total customs duty exemption in the country (24 percent in 2012-13). The total amount of duty exemptions under the gold, diamond and jewellery category, from 2005-06 to 2013-14, amounts to Rs 3.6 trillion. The duties waived in these products help big business firms to agglomerate resources and at the cost of government revenue.

[62] People's Budget Initiative (PBI)'s submission to the Fourteenth Finance Commission

- Excise Duty Exemptions for Leasing Companies and Mining Contractors: The effective tax rates for leasing companies in the financial year 2012-13 is abysmally low i.e. 1.5 percent. As per CBGA's estimates, an average effective tariff rate (i.e. 22.44 percent) on profit of these companies would generate additional revenue of Rs 330 crore for the Government.[63]
- Similarly, Effective tariff rate for mining contractors for the year 2012-13 was 6.98 percent, whereas the flour and rice mills pay tariff at the rate of 26.11 percent. If they are charged with the average tariff rate, that would generate Rs2260 crore for the Government.
- Deduction of export profits of firms in SEZ, EPZ, FTZ and profits of EOUs: The Ministry of Finance recently rejected a proposal to remove Minimum Alternate Tax (MAT) and Dividend Distribution Tax (DDT) for SEZs. This is a welcome move considering the already existing benefits accruing to firms being set up in Special Economic Zones, Export Processing Zones, Free Trade Zones and registered as Export Oriented Units. Profit taxes are exempted from firms in these zones. These zones were created under the regime of economic liberalisation and globalisation to provide a boost to the country's export sector. Total amount of revenue foregone in the form of deduction of export profits in the year 2013-14 was Rs 15000 Crore.

IV. Review of India's Double Taxation Avoidance Agreements (DTAAs)

Against the backdrop of concerns of round tripping and revenue losses due to misuse of tax treaties, a comprehensive review of all Double Taxation Avoidance Agreements (DTAAs) is required. Currently, no data is available detailing transactions that avail of treaty benefits to analyse the costs and benefits of signing these treaties.

Similar review in Mongolia in 2013 resulted in tax treaties with Netherlands, Luxembourg and UAE being cancelled due to tax treaty abuse. Indonesia unilaterally cancelled its tax treaty with Mauritius in 2004 due to concerns of 'round tripping'. Efforts to curb black money will not be effective unless all loopholes related to illicit money flows, aided by tax treaties, are identified and addressed.

V. Retain Retrospective Tax Law Amendments

The White Paper on Black Money published by the Ministry of Finance in 2012 noted that the Vodafone tax case was an instance of 'misuse of corporate structure for avoiding the payment of taxes'. Against this background, the retention of the retrospective amendments introduced in 2012 is welcome. The Finance Minister has also announced that all cases arising from those retrospective amendments will be further reviewed by a High Level Committee to be constituted by the CBDT before decisions are taken. We urge the current government to retain the clause in the new Union Budget.

[63] ibid

VI. Staff Shortage in agencies addressing black money

Implementation of existing legislations in relation to black money requires that the administrative machinery is significantly strengthened. Staff shortage across various agencies such as CBDT, ED, FIU, CBEC etc. has been estimated to be 30,000 (CBDT 2012). A report by Asian Development Bank (ADB 2014), which analysed tax administration in Asia and the Pacific, noted that India has one of the most under-resourced and understaffed revenue bodies in proportion to the size of the population. Recent news reports noted that facing staff shortage, Enforcement Directorate could take 6 years to probe black money cases. Speedy and effective investigation requires that this important gap is prioritised in the Union Budget 2015-16.

VII. Support strengthening and upgrading the UN Tax Committee

In order to ensure that global tax reforms are relevant to developing country contexts, it is important for inclusive forums (currently UN Tax Committee) to be adequately financed and upgraded to an inter-governmental committee. Political support for this through BRICS, G20, G77 and other forums would be crucial to ensure stronger international cooperation on tax matters through UN.

The ongoing Financing for Development negotiations being held towards financing post 2015 development agenda, provides an immediate opportunity to do so. This would ensure that future international tax and transparency reform processes will allow all countries, developing and developed, to participate on equal footing.

VIII. Addressing Offshore Secrecy and Tax Evasion- An Opportunity for India to Lead

The secrecy or opacity in the global financial system undermines efforts towards sustainable development financing through mobilising domestic tax revenues. Corruption, crime, and tax evasion are facilitated by people’s ability to hide their identity through secretive shell companies and other legal structures. Money launderers and corrupt individuals are known to operate through these complex anonymous shell companies, which are generally linked to tax havens.

Recent scams in India such as Satyam, 2G, Coalgate, CWG, IPL and various Ponzi schemes had clear links to tax havens such as Mauritius, Cayman Islands, Singapore, etc[64]. This coupled with ineffective information exchange standards between jurisdictions enables not just tax dodging but crimes such as terrorist financing, arms and drug trade etc. While the G20 leaders’ commitment to address these issues is welcome, India has the opportunity to take the lead among emerging economies by translating this to national commitments.

[64] http://www.moneylife.in/article/need-for-public-registration-of-all-shell-companies/33213.html

- Ministry of Corporate Affairs & Ministry of Finance in consultation with SEBI/RBI should put in place central registers of beneficial owners of companies and other legal entities (such as trusts, foundations etc). Requiring the collection of beneficial ownership information, meaning the natural person who owns or benefits from the company, trust or foundation, and making the information available in accessible national public registries will help create a transparent corporate structure and foster a better functioning financial system.

- India's leadership on improving information exchange standards globally is noteworthy. While the G20 has adopted Automatic Exchange of Information as the global standard, there are concerns that it is not geared towards assisting low capacity tax administrations in Low Income Countries (LICs). India should commit to capacity building of tax administrations in LICs on these issues through Global Forum and UN Tax Committee. Non-reciprocity of information sharing should be explored in favour of LICs unable to send information at present.

- If companies were required to report sales, profits, and taxes paid in all jurisdictions in their audited annual reports and report tax returns, it would make it difficult to hide money off shore. Though the G20 has committed to country-by-country reporting, specifically through Action 13 of the G20/OECD Base Erosion and Profit Shifting, India should commit to making this public. Making this information public would help enable tax administrations in the poorest countries to respond to these challenges in their context as well as ensure public confidence in tax systems.

X. Availability of data for Income Tax/Indirect Tax

Since 2001-02, the Union Budget documents have stopped providing information on how much tax revenue is being collected through indirect taxes (like, Customs Duties, Excise Duties, Central Value Added Tax, and Service Tax) from various items or commodities. Provision of such information would facilitate an assessment of the implications of India's indirect taxes on different sections of population (for instance, taxes collected on items of mass consumption vs. taxes collected on luxurious goods) to inform policies on these issues. India also discontinued publishing category-wise details of income tax payers through the All India Income Tax Statistics (AIITS) in 2000.

According to Thomas Piketty, *"India's income tax administration has almost given up compiling detailed income tax statistics, although detailed yearly reports called All-India Income Tax Statistics are available from 1922 to 2000. This lack of transparency is problematic because self-reported survey data on consumption and income is not satisfactory for the top part of the distribution and income tax data is a key additional source of information in every country."*

Professor R. Vaidyanathan of IIM Bangalore in 2013 suggested that the Income Tax Department should bring out bulletins as wells as annual reports for providing insights into the nature of direct tax segments. Such details are relevant to understand the nature and extent to which people, commodities and services are covered by taxation and help augment revenues.

17. BUDGET TRANSPARENCY

Key Policy Asks

- In order to facilitate a better assessment of the progressivity of the country's tax system, the Finance Ministry should revive publishing of (i) All India Income Statistics (AIITS) and (ii) commodity-wise break up of indirect taxes. This could lead to policy measures for better coverage of the potential direct tax-payers base and better compliance and monitoring of tax evaders.
- All Union Government Ministries should upload their *Detailed Demands for Grants, Outcome Budget* documents and *Result Framework Documents* for the last ten years on their respective websites and update the same every year.
- Union Budget documents by the Finance Ministry should provide information on State-wise break-up of the allocations and expenditures for various Central Schemes.
- Public access to the Central Plan Scheme Monitoring System (CPSMS)
- Provide grants to strengthen budget transparency at sub-national level
- Provide grants to implement recommendations of the Sundarmurti committee
- Provide grants to District Planning Committees
- Improve reporting on implementation of budgetary strategies for disadvantaged sections:

- Introduce a statement on fund allocations for the welfare of minorities in all programmes and schemes covered in the Prime Minister's New 15-Point Programme;
- Introduce a statement on budgetary provisions for the development of Persons with Disabilities;
- Improve the format of the Statements on budgetary provisions for the development of Scheduled Castes and Scheduled Tribes by providing additional information; and
- To strengthen the implementation of Gender Responsive Budgeting, redesign the *Gender Budget Statement*.

Union Budget 2015-16 should consider the following recommendations towards ensuring better transparency in the budget documents of the Union Government. Enhancing transparency in budgets is necessary to facilitate meaningful participation of citizens in the discussions on budgetary priorities.

I. Provide More Information on Tax Revenue

The Finance Ministry should revive two of its earlier practices of publishing All India Income Statistics (AIITS) and commodity-wise break up of indirect taxes in the interest of better transparency. AIITS data collected by the Directorate of Income Tax provides category-wise details of income tax assesses which can ensure better coverage of the entire potential direct taxpayer base. Commodity and service-wise break up of indirect tax data, on the other hand, will enable better compliance and greater monitoring of tax evaders in 'chronic service tax evasion sectors' like consultancy, IT and real estate.

II. Ensure Availability of Budget Documents

All Union Government Ministries/Departments should upload their Detailed Demands for Grants (DDGs), Outcome Budget Documents and Result Framework Documents (RFDs) for the last ten years on their respective websites and update the same every year.

III. Rectify the misleading reporting of allocations for Central Schemes in the Union Budget

Just as the interim budget for 2014-15 did, the main budget for 2014-15 too has adopted a new and rather baffling practice of reporting the Union Budget allocations for many central schemes (particularly the schemes with large allocations) under a head called ‘Assistance for State and UT Plans’ within the budget documents of the central ministries. Based on this change in reporting, a drastic increase in the quantum of the ‘Central Assistance for State and UT Plans’ (from Rs. 1.11 lakh crore in 2013-14 RE to Rs. 3.3 lakh crore in 2014-15 BE) has been shown in the budget documents. However, in practice, in most of these central schemes, now reported under ‘Assistance for State and UT Plans’, there would only be a 10 percent flexible fund component for the States and the remaining 90 percent of the funds would still be tied to the respective scheme guidelines set by the nodal central ministries. Hence, this artificially inflated figure for ‘Central Assistance for State and UT Plans’ needs to be corrected.

IV. Provide Budgetary Information on State-Wise Break-Up under Central Schemes

Union Budget documents (brought out by the Finance Ministry) should provide information on State-wise break-up of the allocations and expenditures for various Central Schemes. This would not only help state government authorities to locate the quantum they would be getting for the forthcoming financial year, but also facilitate a comparison across states. This will also help in preparing annual budget of the State in supplementing State’s resources in the existing Central plan scheme rather introducing a new plan scheme or better convergence of the existing state government schemes for wider impact.

V. Need for Public Access to the Central Plan Scheme Monitoring System (CPSMS)

Central Plan Scheme Monitoring System (CPSMS) was started in 2008-09 to establish an efficient fund management system, effective expenditure information network, bring reforms in the area of public financial management and to make relevant information available in the public domain following the principle of maximum disclosure. However, public access to the CPSMS has not been extended, restricting the access to relevant information pertaining to plan schemes of the Government of India. Access to CPSMS would not only enhance transparency in budgets but would also facilitate public engagement in the process of planning and budgeting of the country.

The scheme specific Management Information System (MIS), like that of SSA, NRHM and MGNREGA, available on websites of the respective Ministries have incomplete, inappropriate and untimely data feeding. For example, as per the manual, the scope of MIS under SSA is:

1. To provide information on:
    − Access, retention and quality related issues
    − Intervention-wise progress of SSA implementation
    − Schooling scenario of children in the target group
    − Progress of EGS/AIE related issues.
2. To act as a decision support system (DSS) for implementation agencies.
3. To provide support and assistance in preparation of Perspective/ Annual Work Plan and Budget.

However, there are concerns of faulty information, incomplete data entry and lack of information at disaggregated level with the MIS of SSA. A similar picture is observed with the MIS of NRHM and MGNREGA. The CAG report (2011) observed that the 'prevalent system was deficient and it neither provided sufficient assurance nor trail to the management to satisfy / ensure that the system prescribed was being meticulously followed'. Although, MGNREGA MIS is considered better than the MIS of other schemes, there are discrepancies in the data provided by MIS and Monthly Progress Report (MPR) both of which are provided by the Ministry of Rural Development itself. Further, there is no mechanism to verify the authenticity of data uploaded on the MGNREGA website.

Hence, in addition to a well-functioning CPSMS, there is an immediate need for a strong MIS providing real time data/information, for each scheme to enhance transparency.

VI. Provide One Time Grants to Strengthen Budget Transparency at Sub-National Level

Union Budget 2015-16 should provide adequate budgetary resources (one time grants to establish institutions) to institutionalize mechanisms of budget transparency for better access to budgetary information at subnational levels, especially at the district and sub-district levels. Since the enactment of the Right to Information Act and as a result of efforts of the 12th and 13th Union Finance Commissions, substantial progress has been made in enhancing transparency at all levels. A few states like Maharashtra, Odisha and Andhra Pradesh, provide online budget and expenditure data in the public domain, even at the district and institutional levels through the *Koshwahini* / treasury accounting systems. Hence, budgetary resources from the Union Budget should be provided to all the states to undertake similar efforts and to strengthen the existing mechanisms of budget transparency by making treasury system online and access to the public.

VII. Grants to implement the Sundarmurti Committee's recommendations on restructuring of government accounting norms

A committee, headed by Sh. C. R. Sundarmurti, to Review the List of Major and Minor Heads of Accounts (LMMHA) of Union and States, submitted its report to the government in 2012. In order to ensure transparency in budget operations in the country, particularly with regard to maintaining government accounts, the said committee put forth a set of recommendations, which suggested complete restructuring of government accounting norms. The proposed restructuring of the accounting classification of the Sundarmurti Committee would provide a robust budget management and control, which would then enforce more transparency and effectiveness of delivery mechanisms of the government over the existing ones. Further, the proposed classification structure would help in capturing expenditure on special thrust areas of government policy objectives such as development of women, schedule castes, schedule tribes, below poverty line population, location of spending etc. It would also help both the national and sub-national governments for better planning, allocation, spending and monitoring of such public resources. Hence, there is an urgent need for implementing recommendations of the said committee with appropriate resource allocations in the Union Budget 2015-16.

VIII. Grants to District Planning Committees

District Planning Committees are the Constitutional bodies (as per article 243 ZD) mandated to prepare, implement and monitor district plans have largely been dysfunctional in many parts of the country. Due to inadequate/lack of resource devolution from the State governments as well as limited devolution of functions these units remained as a subservient to the State government. To revive these Constitutional entities, there is an urgent need for support from the Union Government as grants. For this purpose, Union Budget 2015-16 should make adequate provisions to retain the Constitutional autonomy in preparation, implementation and monitoring of development schemes and programmes.

IX. Improve Reporting on Implementation of Budgetary Strategies for Disadvantaged Sections

- Prime Minister's New 15-Point Programme: The Union Ministry of Minority Affairs provides scheme wise information on the Prime New 15-Point Programme; however, for a number of important schemes like SSA, ICDS, and SGSY (renamed as *Ajeevika*), only the data on physical achievements is reported without the information on their financial performance. Hence, the Union Budget 2015-16 should introduce a statement on fund allocations for the welfare of minorities in all programmes and schemes covered in the Prime Minister's New 15-Point Programme, as is being done for Scheduled Castes and Scheduled Tribes through Statements 21 and 21 A, Expenditure Budget, Volume I.

Further, the concerned Ministries should be urged to report their achievements, both physical and financial, under their respective schemes for the benefit of Minorities. The same needs to be reported on a regular basis to the Ministry of Minority Affairs, which has been maintaining this information.

- Statement on Budgetary Provisions for the Development of Persons with Disabilities: Introduce a statement which captures the interventions across Ministries/Departments meant for persons with disabilities. These would include both (i) schemes meant exclusively for persons with disabilities as well as (ii) other schemes which have components specifically for persons with disabilities, as is being done for Scheduled Castes and Scheduled Tribes through Statements 21 and 21 A, Expenditure Budget Volume I.

- Improve the Format of Statement on Budgetary Provisions for the Development of Scheduled Castes: The methodology adopted by the Union Ministries / Departments for reporting Schemes for the Development of Scheduled Castes (Statement 21, Expenditure Budget Vol.-1) needs to be reviewed thoroughly. The assumptions / rationale underlying the different proportions of budget allocations for schemes being reported in the SCSP Statement need to be explained through a narrative statement, which should also document the policy measures adopted by each and every Union Ministry / Department towards addressing the needs of Scheduled Caste population in their sector (s) of concern. The same should also be reflected in the documents of the various Ministries / Departments, such as the Annual Reports, Outcome Budgets, etc.

- Improve the Format of Statement on Budgetary Provisions for the Development of Scheduled Tribes: The methodology adopted by the Union Ministries / Departments for reporting Schemes for the Development of Scheduled Tribes (Statement 21 A, Expenditure Budget Vol.-1) also needs to be reviewed thoroughly. The assumptions /rationale underlying the different proportions of budget allocations for schemes being reported in the TSP Statement need to be explained through a narrative statement, which should also document the policy measures adopted by each and every Union Ministry / Department towards addressing the needs of Scheduled Tribe population in their sector (s) of concern. The same should also be reflected in the documents of the various Ministries / Departments, such as the Annual Reports, Outcome Budgets, etc.

- Redesign the Gender Budget Statement: The Gender Budget Statement, in its present format, tries to answer a question that is not possible to answer, i.e. “what percentage of the Union Budget is earmarked for women”. Instead, the purpose of the Gender Budget Statement should be to report "what kind of measures have Departments/Ministries taken to address specific gender-based challenges confronting women in their sectors of concern and how much money did they spend on these measures". Hence, there is a need to redesign the format of the Gender Budget Statement to strengthen implementation of the strategy. Accordingly, an alternative format for the Gender Budget Statement is presented below:

Alternative Format for the Gender Budget Statement

Part I. Quantitative Information about schemes

Department :		
Scheme	Total Allocation for the scheme	Allocation for gender responsiveness components under the scheme

Part II. Qualitative Information about the schemes

A. Rationale for Schemes Reported in Quantitative Part of GBS

Department :		
Scheme	Allocation for gender responsive components in the Scheme	Gender Responsive Components/ Guidelines in the Scheme

B. Enhancing Gender Responsiveness of Schemes not reported in Quantitative Part of GBS

Department :		
Key gender concerns in the sector	Interventions required to address these concerns	Initiatives planned to enhance the gender responsiveness of the schemes