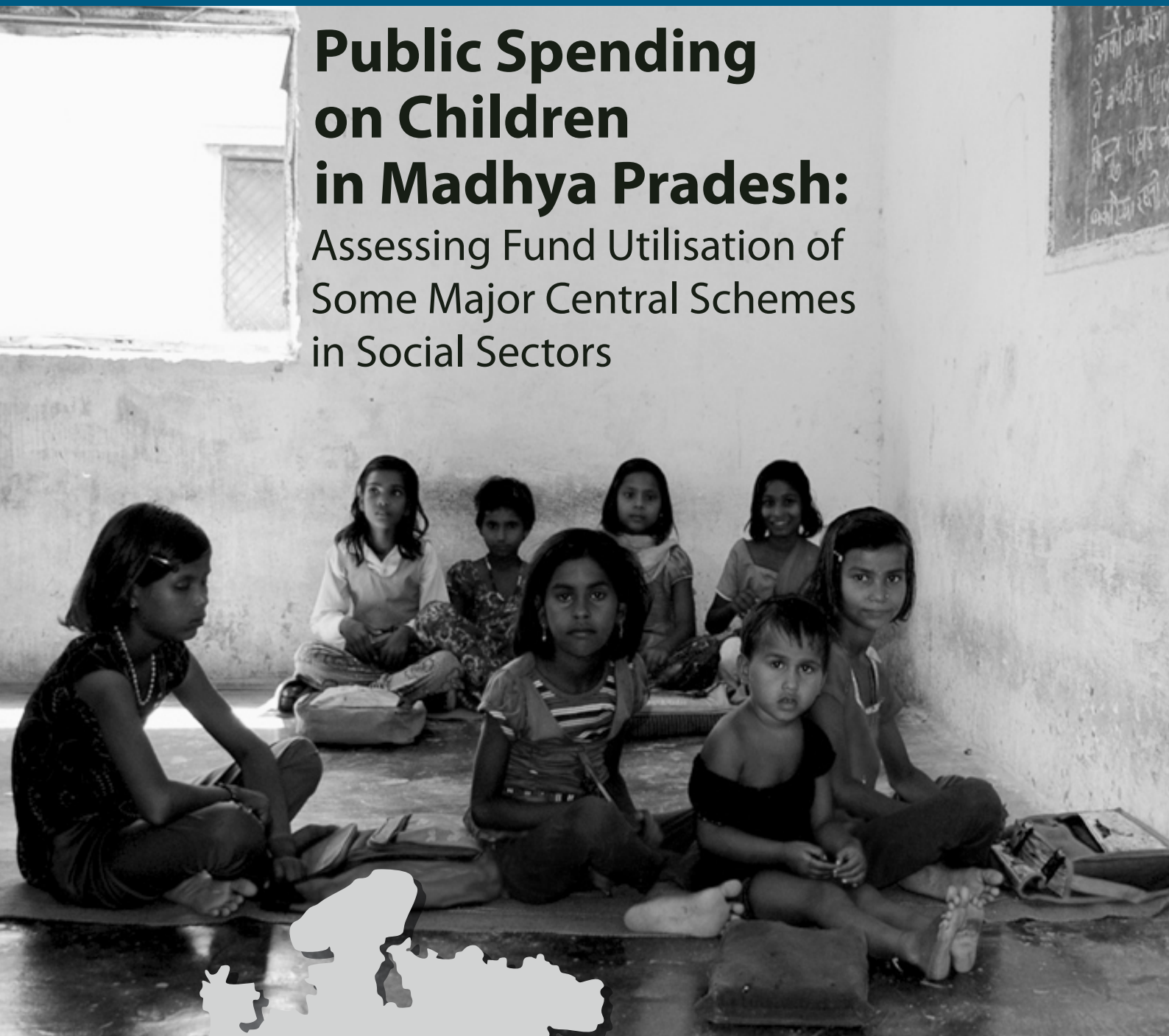


Public Spending on Children in Madhya Pradesh:

Assessing Fund Utilisation of
Some Major Central Schemes
in Social Sectors



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Cover Photo

UNICEF, Madhya Pradesh

Published by

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Financial support for the study

This study has been carried out with the financial support from SAMARTHAN / UNICEF.

Views expressed in this report are those of the author and do not necessarily represent the positions of CBGA and SAMARTHAN.

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Abbreviations

AIP	Annual Implementation Plan
ASHA	Accredited Social Health Activist
AWCs	Anganwadi Centres
AWP&B	Annual Work Plan & Budget
AWW	Anganwadi Worker
APL	Above Poverty Line
BPL	Below Poverty Line
CDPOs	Child Development Project Officers
GDP	Gross Domestic Product
HR	Human Resources
ICDS	Integrated Child Development Services
ICPS	Integrated Child Protection Scheme
MDM	Mid-Day Meal
MME	Monitoring, Management and Evaluation
MP	Madhya Pradesh
NCLP	National Child Labour Project
NRHM	National Rural Health Mission
PIP	Project Implementation Plan
POs	Programme Officers
SNP	Supplementary Nutrition Programme
SSA	Sarva Shiksha Abhiyan
SWSN	State Water and Sanitation Mission

Acknowledgement

At the very outset, I would like to acknowledge the support provided by the State Planning Commission, Bhopal; UNICEF office, Bhopal, and Samarthan in facilitating the collection of information and data along with other relevant material/documents to complete this study in a timely manner. I am also thankful to Mr Mangesh Tyagi (State Planning Commission) for his valuable inputs on the subject. In addition, I would like to extend my thanks to Mr Prabhat Kumar, Mr Jitendra Pandit (UNICEF office), and Mr Yogesh Kumar (Samarthan) in facilitating meetings with officials of select flagship programmes such as SSA, MDM, ICDS, NRHM and NBA in Bhopal and few officials of these programmes in Sehore district.

I express my deep gratitude to Subrat Das, Executive Director of the Centre for Budget and Governance Accountability, New Delhi, for providing critical comments on every aspect of this report. I would also like to record my gratitude to several colleagues at CBGA, particularly Sona Mitra, Nilachala Acharya and Richa Chintan for thoroughly editing the content and language in this report. My special thanks to UNICEF Bhopal for providing the financial support to conduct the study.

Executive Summary

This study, entitled “Analysis of Public Spending for Children in Madhya Pradesh”, is an in-depth assessment of a select set of flagship programmes to understand the major constraints in effective utilisation of funds at the State level. The schemes selected for the purpose are Sarva Shiksha Abhiyan (SSA), Mid-Day Meal (MDM), Integrated Child Development Services (ICDS), Integrated Child Protection Schemes (ICPS), Reproductive and Child Health Service and Nirmal Bharat Abhiyan (NBA). The analysis of each of the selected schemes relies both on objective (quantitative) information and the perceptions of government officials involved in planning and implementing the schemes. The key objective of this study is to assess the extent and pattern of utilisation of funds available and the funds flow process under these select schemes. The study also identifies major constraints in effective utilisation of budget outlays for these schemes.

From an analysis of the data with regard to fund utilisation, fund flow processes and availability of staff in six select schemes, it was found that the level of fund utilisation is low. Further, delays in the fund flow process and inadequate availability of staff were found to be among the major constraints in proper utilisation of funds. According to the officials incharge, there are systemic weaknesses in programmes, which lead to poor fund absorption capacity at various levels. The scale of the programmes has expanded many times more than the capacity for programme management, with staff size and infrastructure proving to be inadequate.

The poor capacity for programme management has led to delays in sanctions or release of funds by State implementing agencies and societies. The study found instances of delays in approval and submission of Annual Work Plan & Budgets (AWP&B), annual Programme Implementation Plans (PIPs) and delays in submission of Utilisation Certificates (UCs) under NRHM, ICDS and NBA. Funds are released in multiple, small instalments across the programmes. These are the major reasons for delays in fund flows and low fund utilisation in Madhya Pradesh.

It was found that there is a low level of fund utilisation among the crucial components of select Flagships. Evidence of delays in the fund flow process and inadequate staffing are also key findings of the study

Poor planning in flagship programmes has led to major shortcoming in the fund flow process.

These flagship programmes have standalone planning processes that are not integrated with the district plan. Weak monitoring and supervision of programmes is also a big challenge in the State

State officials identified poor planning in the flagship programmes as a major shortcoming in the fund flow process. These flagship programmes have standalone planning processes and are not integrated with the district plan. Weak monitoring and supervision are also a big challenge across programmes in the State. There is a shortage of staff or facilities are insufficient to monitor the programmes. Problems also arise in implementation due to the rigidity in guidelines and scheme designs for SSA, ICDS and ICPS. Unit costs of services have been found to be inadequate in the case of ICDS, ICPS, MDM and NRHM. Finally, there is a lack of proper convergence under ICDS and NRHM.

The problems of low fund utilisation and delays in fund flow processes need to be addressed for effective implementation of programmes. Firstly, utilisation can be improved to a great extent by reducing delays in fund transfers from the Centre to States and then to the implementing Societies.

Secondly, to address the challenges of systemic weakness and poor planning, the sanctioned posts need to be filled up with immediate effect. The State government should have a proper recruitment policy and human resource placement cell in place. Further, programme management capacity should be strengthened alongside expansion of the programme. Training and capacity building of staff and post-training follow-up require adequate attention from the government.

Thirdly, there is a need to strengthen Panchayati Raj Institutions (PRIs) at various levels, particularly at the grassroots level, to facilitate proper planning and implementation of programmes. Allocations under IEC and social mobilisation components should be increased and properly utilised. There is a lack of awareness about programme guidelines among staff, beneficiaries and other stakeholders due to the low levels of fund utilisation under IEC and social mobilisation components, which leads to low levels of expected outcomes.

Fourthly, it appears that with the recent changes in the fund flow process for Centrally Sponsored Schemes, funds from the Centre have been transferred directly to the Finance Department of States. This change will not solve the problem of multiple reporting systems unless more financial autonomy is given to States. It has been opined by officials that multiple reporting mechanisms lead to under-utilisation of funds.

Finally, there is a utilisation certificate and audited statement required by Central Ministries from State governments to release the next instalment. In this regard, Central ministries should give ample time for submission of the utilisation certificate and audited statement on the allocation for the previous year. The second instalment could be released on the basis of simple statements of expenditure prepared by the State government.

Matrix on Fund Utilisation, Constraints and Key Policy recommendations

Programme	Extent and Quality of Fund Utilisation	Factors Constraining Fund Utilisation	Perceptions of Government Officials/Other Stakeholders	Key Policy Recommendations for SSA, MDM, ICDS, NRHM, NBA
Sarva Shiksha Abhiyan (SSA)	<ul style="list-style-type: none"> - In SSA, the level of utilisation against allocated funding was found to be between 75 per cent and 82 per cent between 2008-09 and 2013-14. - The level of fund utilisation was found to vary widely across quarters in a financial year. - Component wise, funds for community mobilisation, training, teaching learning material and innovations, among others, were found to be inadequately utilised. - Higher spending was observed under the civil work component and honorarium of teachers. - A large amount of funding from the centre was received in the fourth quarter of the financial year in 2012-13 — an amount Rs 532 crore was released on February 5, 2013. - The State government released its share mostly in the third quarter of the financial year. 	<ul style="list-style-type: none"> - Delay in release of funds by the Centre and State - Release of funds in multiple instalments - Poor Planning, delays in preparing the Annual Work Plan & Budget at the District and Block level - Shortage of staff, particularly accounting staff in districts 	<ul style="list-style-type: none"> - Poor monitoring and tracking of funds at the district level - Poor quality of audit - SSA outcomes were poorly monitored 	<p>Firstly, funds should be transferred from the Centre and State to implementing Societies in a timely manner. Also, amounts should be transferred in two instalments and there should be certainty about the timing and the quantum of funds. Further, in most cases funds should be transferred electronically from the State to districts and further below to the Block and Gram Panchayat level to ensure better transparency.</p> <p>Secondly, components related to skills and capacity creation need to be given priority across programmes for better implementation. Also, efforts need to be made to expedite the process of fund</p>

Mid-Day Meal Scheme	<ul style="list-style-type: none"> - The average rate of fund utilisation under the cooking cost component has been below 80 per cent during the period between 2009-10 and 2011-12. - A meagre amount has been spent under the Monitoring Management and Evaluation (MME) during the same period. During the period between 2009-10 and 2011-12, the degree of fund utilisation amounted to 37 per cent, 30 per cent and 36 per cent, respectively. - Under cooking costs, the State received an ad hoc instalment of funds for 2012-13 on May 9, 2012, and it took around 40 days to release the funds to the State Directorate. - The State Directorate had released the funds on June 30, 2012 to the Districts. The longest delay (195 days) was found in the case of construction of kitchen sheds due to delayed release of the State's share. 	<ul style="list-style-type: none"> -The MDM cell received funding late from the Centre and State for different components - Shortage of staff - Planning gets delayed 	<ul style="list-style-type: none"> - Poor accounting and monitoring of the scheme due to a staff shortage 	<p>utilisation under components such as civil works and other construction-related works through a decentralised contract system and better procurement policies.</p> <p>Thirdly, the sanctioned posts should be filled up in all the flagship programmes with immediate effect. In this regard, the State government should have a proper recruitment policy and human resource placement cell for the programmes. The productivity and morale of the contractual staff (the proportion of which has increased sharply across States) needs to be boosted by measures like swifter renewal of contracts, better service conditions and increments, and an effective appraisal system. Further, strengthening of</p>
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Integrated Child Development Services	<p>- In 2010-11, 2011-12 and 2013-14, the percentage of fund utilisation was found to be 82 per cent, 97 per cent and 79 per cent, respectively, against budget estimates for ICDS.</p> <p>- The percentage of utilisation was found to be higher in SNP than in other schemes within ICDS, over the years. In 2010-11, 2011-12 and 2013-14 the percentage of Supplementary Nutrition Programme (SNP) fund utilisation crossed 95 per cent except in financial year 2012-13.</p>	<p>-Contracting processes in terms of construction work, and purchase of goods and materials for distribution to projects gets delayed</p> <p>-Submission of UCs gets delayed</p>	<p>Submission of UCs for the scheme gets delayed because ICDS has several components and the State's share for each component is different. Consequently, accounting staff face difficulties in preparing the UCs for each component</p>	<p>the capacity of programme management through regular training programmes (induction and in-service), exposure visits and expansion of the programme should be done simultaneously. Adequate training and capacity building of staff to prepare participatory plans and budgets for the programme and assessment of post training follow-ups require adequate attention from the State government.</p> <p>Fourthly, there is a need for creation of proper institutions at various levels, particularly at the grassroots level, to facilitate proper planning and implementation of programmes. Allocation for IEC and social mobilisation components should be increased. There is a lack of awareness among staff, beneficiaries</p>
Integrated Child Protection Scheme	<p>- Under ICPS, fund utilisation in 2010-11, 2011-12 and 2012-13 amounted to 4.69 per cent, 34.58 per cent and 0.09 per cent, respectively.</p> <p>- The funds were released by the Centre and the State in the last quarter in 2010-11, and in the third quarter in 2011-12 and 2012-13.</p> <p>- Later, in 2013-14 and 2014-15, funding was revived by the State in the second and third quarters, respectively.</p>	<p>- Late release of funds for the scheme</p> <p>- Inadequate number of staff for the scheme</p> <p>- Slow implementation of many activities under the scheme</p>	<p>The implementation of scheme was started late and initially it was with the Department of Law and Social Justice. Later it was transferred to the Department of Women and Child Development.</p>	

National Rural Health Mission (NRHM)	<p>- In 2011-12, fund utilisation against allocation was around 85 per cent under NRHM. This went down to 75 per cent, 81 per cent and 43 per cent in 2012-13, 2013-14 and 2014-15 (up to December 11, 2014), respectively.</p> <p>- Fund utilisation under RCH was 97 per cent, 83 per cent, 82 per cent and 49 per cent in 2011-12, 2012-13, 2013-14 and 2014-15 (up to December 11, 2014), respectively.</p> <p>- Under the component-wise expenditure for RCH, it was found that funds for family planning, ARSH, RBSK, urban RCH and training human resources were not adequately utilised.</p> <p>- Fund utilisation in components such as JSY and the Pulse Polio Immunisation scheme was at a higher level.</p> <p>- Components related to systemic strengthening, such as planning, monitoring and hiring of staff, showed lower fund utilisation against the approved outlay.</p>	<p>- Huge vacancies in programme management positions in the district</p> <p>- Delay in submission of PIPs</p> <p>- Delay in submission of UCs</p> <p>- Low staff strength</p>	<p>- The poor programme management capacity has led to delays in sanction or release of funds by State implementing agencies and societies.</p> <p>- No placement cell and no proper policy for recruitment of human resources</p> <p>- The planning process is too poor</p>	<p>and other stakeholders due to low levels of fund utilisation under IEC and social mobilisation components, which leads to low levels of expected outcomes.</p> <p>Fifthly, it appears that with the recent changes in the fund flow process for Centrally Sponsored Schemes, funds from the Centre have been transferred directly to the Finance Department of States. This change will not solve the problem of multiple reporting systems without making changes in the guidelines. It has been stated by officials that multiple reporting mechanisms lead to under-utilisation of funds.</p> <p>Finally, utilisation certificates and audited statements are required by Central Ministries from State Governments to</p>
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Nirmal Bharat Abhiyan (NBA)	<p>- In 2007-08 and 2008-09, only 46 and 44 per cent of the total available funding was utilised. In 2009-10, 2010-11 and 2011-12, the rate of fund utilisation rose to 69 per cent, 60 per cent and 71 per cent, respectively. Further, in 2012-13, the rate of fund utilisation declined to 58 per cent.</p> <p>- Looking at the level of fund utilisation across components within NBA, it was found that more emphasis has been given to IHHL over the years.</p> <p>- Further, expenditure on components such as sanitary complex, school, and AWC toilets was lower. Components such as Information and IEC also had meagre spending.</p>	<p>-Late release of funds for the scheme</p> <p>- Delay in submission of Annual Implementation Plan</p> <p>- Poor planning processes</p> <p>- Shortage of staff to implement the scheme</p>	<p>- The planning process is slow</p> <p>- The unit cost of services is inadequate</p>	<p>release the next instalment. In this regard, Central ministries should give ample time for submission of the utilisation certificate and audited statement on the allocation for the previous year. The second instalment could be released on the basis of simple statements of expenditure prepared by State implementing agencies.</p>
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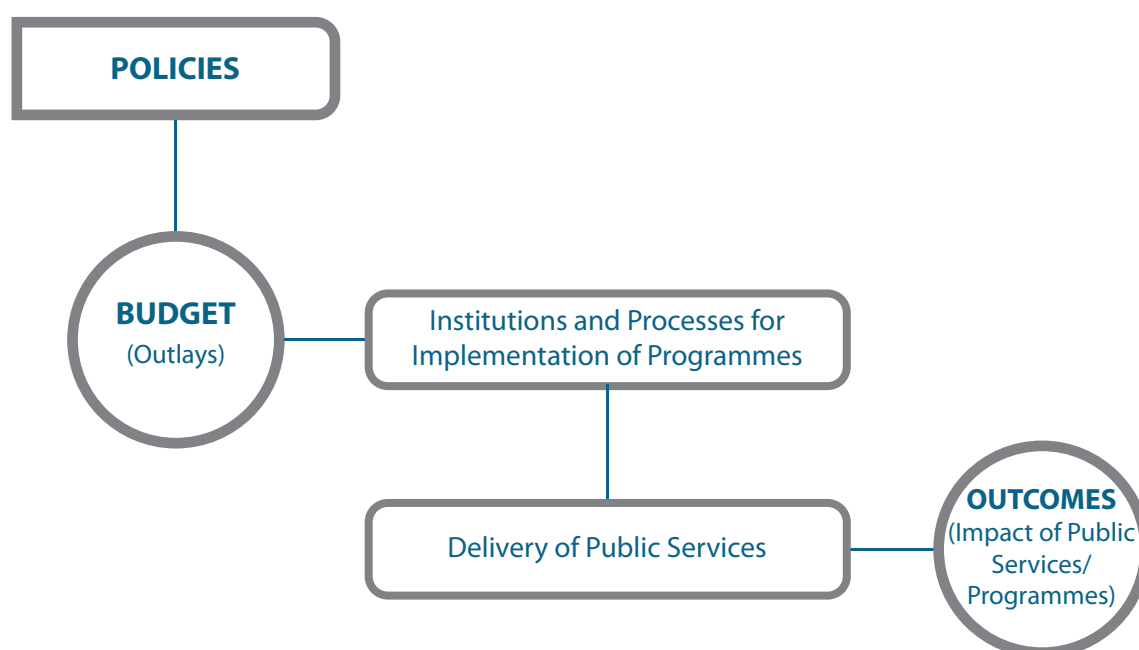
I. Overview of the Existing Literature

Children are among the most vulnerable sections of the country's population. They face several challenges in living a safe and healthy life. They have been left behind in terms of several development indicators, particularly in relation to health, education, protection and nutrition. This is due to a number of factors, such as unequal social structures, discrimination in general, gaps and flaws in public policies, and, in particular, poor implementation of some government interventions. Given this reality it is necessary to assess public policies and track government expenditure on different flagship programmes for children that focus on health, education, nutrition and protection. Tracking government expenditure helps in pinpointing the reasons behind flaws in public policies and poor implementation of government interventions for children.

However, in order to get a complete picture of government interventions for a sector/scheme, we need to look at not only the resources provided in budgets but also the subsequent stages of programme implementation and actual delivery of public services. Therefore, there is a need to pay attention to the outlays provided in budgets for any particular sector/activity, as also at the final expenditure, output/services delivered, and development outcomes in that sector.

Thus, in the process of child budget analysis, we assess policies, budgets, bottlenecks in institutions and processes relating to programme implementation, quality of output, and the public services delivered through these programmes. The utilisation of these public services by the intended beneficiaries and of the output generated can also be evaluated (Flow Chart -1).

Flow Chart 1: Stages involved in the Budget Analysis



[The figure given above is a slightly modified version of a similar figure in Vennekens-Poane, Alex (2003), IDASA Budget Information Service, South Africa].

The total budgetary spending on social sectors in India used to be a meagre 5.3% of GDP in 2004-05; although it has increased over the last decade, the figure is still just around 7% of GDP. Within this 7% of GDP for public spending, the direct contribution from the Union Budget is around 2% of GDP

This study focuses mainly on the processes of translating budget outlays for development programmes into better outputs/services delivered through such programmes, i.e., it looks at the effectiveness of the utilisation of budget outlays or funds.

Before dealing with the issues related to bottlenecks in fund flows and poor fund utilisation, we need to assess the adequacy of budgetary resources for social sectors. In India, relatively, the magnitude of total government spending as a proportion of GDP is 27 percent. The total budgetary spending on social sectors in India used to be a meagre 5.3 per cent of GDP in 2004-05; although it has increased over the last decade, the figure is still just around 7 per cent of GDP. Within this public spending on social sectors, the direct contribution from the Union Budget (i.e. excluding the direct spending from State Budgets) has been around 2 per cent of GDP. The level of public spending on social sectors is significantly lower than in developed countries as well as many developing countries. For instance, India's public spending on health and education (as a proportion of the country's GDP) is significantly lower than the expenditure in several other developing countries, such as Argentina, Mexico, Brazil, South Africa and China.

The inadequacy of budgetary resources for social sectors, especially for long-term and institutionalised public provisioning in child-specific flagship programmes, has aggravated the systemic weaknesses in these programmes in the form of a shortage of skilled human resources, lack of quality infrastructure, and very low unit costs for the services being provided. The poor quality of infrastructure in these programmes (e.g. schools, hospitals, Anganwadi Centres etc.), shortage of qualified and trained human resources for delivery of services (e.g. teachers, doctors, paramedical personnel, anganwadi workers etc.), shortage of human resources for management of the programmes (e.g. monitoring and supervision staff as well as finance and accounts staff),

and unacceptably low levels of unit costs to provide various services are all a manifestation of the deficiency of public resources in social sectors in India.

One of the problems that clearly indicates the extent to which social sectors in India have been under-funded is the low unit cost for various services provided under different social sector programmes, including unit costs for the Mid-Day Meal (MDM) scheme, Integrated Child Development Services (ICDS), National Child Labour Project (NCLP), Sarva Shiksha Abhiyan (SSA) and National Rural Health Mission (NRHM).

In the MDM scheme, the cooking costs per day, per child (excluding labour and administrative charges) for primary and upper primary classes are Rs 3.11 and Rs 4.65, respectively. A monthly honorarium of Rs 1,000 is paid to the cooks in this scheme. In the Supplementary Nutrition Programme under ICDS, the feeding costs for children (6-72 months), severely malnourished children (6-72 months), and pregnant and lactating mothers are Rs 4, Rs 9 and Rs 7 per day, per person, respectively. Further, under ICDS, an Anganwadi worker is paid Rs 3,000 while the Anganwadi helper gets Rs 1,500 per month, which is less than the minimum wage. The National Child Labour Project (NCLP) instructor receives a mere Rs 4,000 per month. Para teachers or Shiksha Mitras in the SSA, who teach children in primary schools, are paid only Rs 3000 to Rs 5000 per month on an average — roughly a tenth of a regular teacher's salary. An Accredited Social Health Activist (ASHA) in NRHM and Swachhata Doots under Nirmal Bharat Abhiyan (NBA) are paid a meagre honorarium and it is mostly a low-commission based activity.

Government staff in State implementing agencies are generally of the opinion that these unit costs are less than the amounts required to provide services of satisfactory quality, especially because of the persistent rise in prices of essential commodities over the last few years. Also, the remuneration or honorarium provided to frontline staff in the schemes concerned continues to be less than the minimum wage prevailing in most States.

Apart from inadequacy of funds and the low unit costs of social sector programmes, there are issues relating to constraints in the fund flow process and low fund utilisation in Centrally Sponsored Schemes (CSS). The CSSs have been broadly divided into two types with regard to fund flow and implementation. First, a budget has to be allocated to the CSSs through Autonomous Societies on the basis of Annual Plans. Second, budget allocations to CSSs are routed through state budgets without Annual Proposals/Plans and are implemented by line departments. Some of the CSSs, such as MDM, had elements of both of the above. From 2014-15, the fund flow of all CSSs has been routed through state budgets. SSA, NRHM and NBA are based on Annual Plans and society-based implementation. ICDS is fully routed through state budgets but, like other programmes, it has now introduced an Annual Plan.

General feedback indicates that utilisation is relatively poor in schemes based on annual plans and proposals (such as SSA) than in Centrally Sponsored Schemes without an annual

plan routed through the State budget (such as ICDS). Most of the CSSs have to prepare an appropriate proposal and submit it in a timely manner. Any delay in submission of a proposal and in its approval will ultimately result in a delay in sanction and release of funds, leading to poor utilisation. In many CSSs, there is a provision of matching grants to be shared by States. There are several States that are not able to release their share on time due to their not being able to provide a matching grant. The delay in release of States' share could be one of the reasons for low fund utilisation.

A study assessing 15 flagship programmes including SSA, MDM, ICDS and NRHM, found that the major factors behind low fund utilisation are poor scheme design and rigid administrative procedures in the implementation of schemes. The delivery of services in many schemes is decentralised and autonomous bodies were created without much involvement and participation from States. However, the Central government makes States accountable for weak monitoring and poor utilisation of funds. There is little delegation of power and flexibility in terms of fund sanctioning to implementing agencies in States, which creates obstacles in the flow of funds and their effective utilisation. There are delays in the process of documentation and preparing Utilisation Certificates (UCs) at lower level institutions. Finally, State level implementing agencies are not able to consolidate UCs to be sent to the Central government (NIPFP, 2011)

A District Level Analysis of Public Spending for Children covering SSA, MDM, ICDS, Immunisation, Total Sanitation Campaign (TSC) and National Child Labour Project (NCLP) in Uttar Pradesh and Chhattisgarh found several factors that constrain fund flow and fund utilisation. These factors include delays in submission of the Annual Work Plan and Project Implementation Plans (PIPs), poor capacity of implementing staff (handle the work due to lack of training or skill), poor availability of frontline staff and accountants, lack of planning, low unit cost of services, inadequate monitoring and coordination and frequent transfer of officers (CBGA, 2007-08).

The study on constraints in fund utilisation pertaining to the six development schemes (SSA, NRHM, NBA, National Rural Drinking Water Programme, Mahatma Gandhi National Rural Employment Guarantee Act and Rashtriya Krishi Vikas Yojana) in 13 districts across 11 States conducted by partners in People's Budget Initiative (PBI) found that one of the major constraints in effective utilisation of funds is the shortage of staff. The contractual nature of the post also creates problems of differential pay structure and discontinuity in work. Moreover, low expenditure on the training of staff and poor capacity building efforts are also one of the associated factors for low fund utilisation. Also, there is a lack of awareness among the beneficiaries as well as the functionaries/implementing staff about the details of the schemes. Expenditure under the Information, Education and Communication (IEC) head has been negligible and erratic across all the schemes. (PBI, 2013-14).

Further, the guidelines of most CSSs emphasise the adoption of a bottom-up approach in budgeting, planning and selection of beneficiaries. But it was observed that a top-down approach was followed, especially for schemes such as NBA and RKVY. The lack of need-based budgeting in the schemes means there is no analysis of actual need of people and unit costs of services at the level of implementation and this defeats the very purpose of strengthening the role of the grassroots in the policy making and implementation process. In many schemes, such as NRHM, the involvement of ground-level functionaries has been poor, which is a hindrance in the effective implementation of the schemes. Moreover, due to a lack of coordination among different government agencies, implementation is poor (PBI, 2013-14).

II. Scope, Objectives and Methodology of the Study

In the light of the above discussion, the key objectives of this study, with reference to selected flagship programmes such as SSA, MDM, ICDS, Integrated Child Protection Schemes (ICPS) Reproductive and Child Health Services (RCHS) under NRHM and NBA, are:

- (i) To assess the extent and pattern of utilisation of funds available under the selected social sector schemes for children
- (ii) To examine the process of the flow of funds under the selected schemes from the Central and State governments up to the programme implementing agencies
- (iii) To identify major constraints in the effective utilisation of budget outlays in the selected schemes

This study has assessed a select set of flagship programmes to understand the major constraints in effective utilisation of funds at the State level. Six schemes have been identified for this study are SSA, MDM, ICDS, ICPS, RCH, and NBA. The analysis of each of the selected schemes relies both on objective (quantitative) information and information relating to perceptions of government officials involved in planning and implementing the schemes.

With regard to each of the selected schemes, the study broadly analyses information of four different kinds:

- I. Data on approved budget outlays, funds released, total funds available and expenditure reported for a district during the last four financial years
- II. Data on the timeline of fund flows from the Central and State governments up to the programme implementing agencies in the State and the level of fund utilisation
- III. Data related to human resource requirements
- IV. Perceptions of government officials involved in planning and implementation of the schemes on the major constraints in effective utilisation of funds

III. Analysis of Some of the Major Central Schemes in Social Sectors

1. Sarva Shiksha Abhiyan

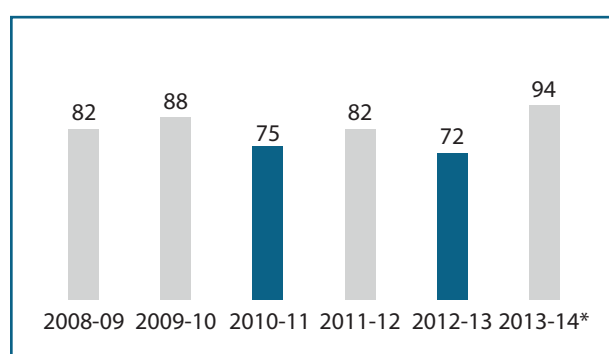
SSA was envisaged as a flagship programme for achievement of Universalisation of Elementary Education (UEE) in a time-bound manner. It was mandated by the 86th amendment of the Constitution of India, making education, a Fundamental Right, free and compulsory for children in the 6-14 years age group. SSA has been operational since 2000-01 to provide for a variety of interventions for universal access and retention, bridging of gender and social category gaps in elementary education, and improving the quality of learning. SSA interventions include inter alia opening of new schools and alternate schooling facilities, construction of schools and additional classrooms, construction of toilets, provision of drinking water, provisioning for teachers, periodic teacher training, academic resource support, textbooks and support for learning achievement.

After the enactment of the RTE Bill, appropriate changes have to be incorporated into the SSA framework. These changes encompass the vision and approach to elementary education. With regard to the funding pattern, financial resources have to be shared by the Centre and States. Taking into account the funding requirement for implementation of the Right of Children to Free and Compulsory Education (RTE), Act, 2009, the Government of India has notified a more favourable fund sharing pattern of 65:35 for States (90:10 for NE States), applicable from 2010-11.

1 A. Fund Utilisation

However, looking at the progress made in terms of fund utilisation in SSA vis-a-vis the allocation reported in the Annual Work Plan & Budget (AWP&B), it was found that the utilisation rate was slow from 2008-09 to 2013-14 in Madhya Pradesh (Graph 1.1). The level of fund utilisation was 82 per cent in 2008-09 and rose to 88 per cent in 2009-10. In 2010-11, utilisation declined to 75 per cent before picking up again in 2011-12 to 82 per cent. The rate of fund utilisation in 2012-13 was the lowest compared to the years between 2008-09 and 2012-13, whereas in the year 2013-14, a higher rate of fund utilisation was noticed among all the years under consideration. (Annex 1).

Graph 1.1: Fund utilisation under SSA (%)



Looking at the component-wise expenditure, it was found that SSA funds for community mobilisation (46%), hostels for migrant students (55%), residential training (55%), teaching learning material and innovations were not adequately utilised in 2013-14 and in previous years

In sum, the utilisation rate was found to be low almost in all years, with some degree of variation. While looking at the component-wise expenditure in SSA, it was found that the funds for community mobilisation (46 percent), District Education Centres (82 per cent), hostels for migrant students (55 per cent), residential training (55 per cent) teaching learning material and innovations were not adequately utilised in 2013-14 and in previous years.

1 B. Fund Flow Processes

The information presented in charts 2.1 and 2.2 shows that a large amount of funding from the Centre was received in the first and second quarter of the financial year in 2010-11; but one instalment of Rs 200 crore was released to the State SSA society from the Centre on March 30. The State government had released its share (Rs 314 crore out of Rs 1,105 crore) mostly in the last quarter of the financial year and the funds came in 10 instalments. Three instalments were released on the same date on June 30, 2010. An amount of Rs 197 crore was released on March 31 by the State government to the State society (Annex 2).

Chart 2.1 : Gol Release (2010-11)

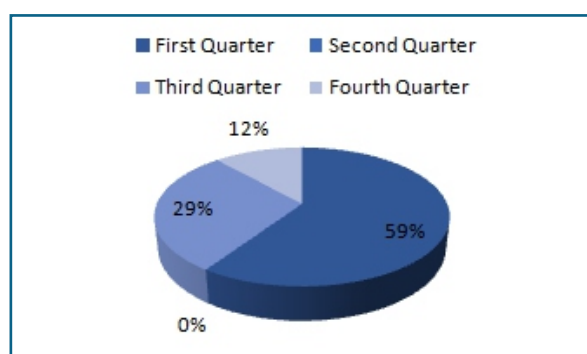
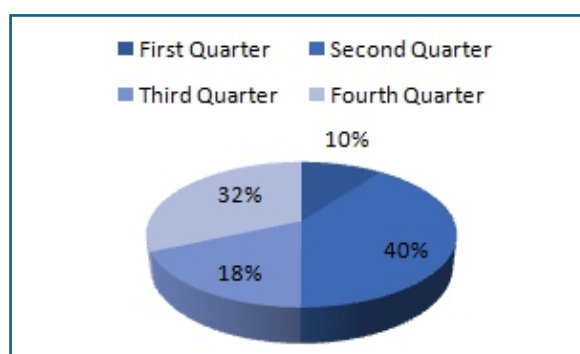


Chart 2.2 : State Release (2010-11)



Source: Annual Work Plan and Budget, Rajiv Gandhi Shiksha Mission, Bhopal

Further, for financial year 2012-13, it can be noticed from the information presented in table 1.1 that a large amount of the total funding from the Centre was received in the last quarter of the financial year. An amount Rs 532 crore was released on February 5, 2013. In contrast, the State government released its share mostly in the second or third quarter of financial year 2012-13.

Table 1.1: Amount and date of release of SSA funds in 2012-13

	Outlay approved by PAB (Rs crore)	Date of receipt of Gol releases to State society	Amount (Rs crore)	Date of receipt of State budget releases to State society	Amount (Rs crore)
2012-13	4059	30.05.12	334.50	16.05.12	73.20
		07.08.12	442.86	23.05.12	203.23
		05.02.13	532.36	17.09.12	414.65
				19.11.12	37.13
				06.12.12	54.37
Total	4059		1309.72		782.58

Source: Annual Work Plan and Budget, Rajiv Gandhi Shiksha Mission, Bhopal

The information presented in charts 3.1 and 4.1 shows that in financial year 2013-14, a large amount of funding — Rs 900 crore — was released by the Central government in the first or last quarter of the financial year, out of the total amount of Rs 2,004.04 crore released to the State society. The funds were released in five instalments that year. However, the State government released its total share of Rs 1,080 crore in the first and second quarter of the financial year (Annex 3).

Chart 3.1: Gol Release (2013-14)

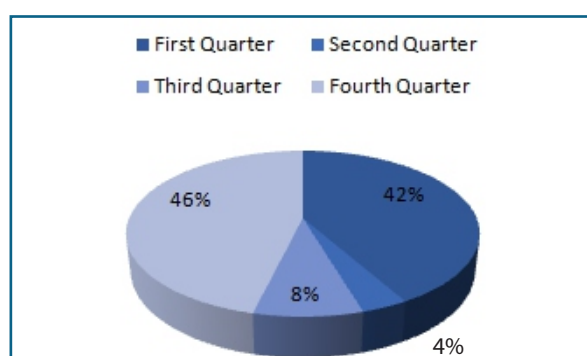
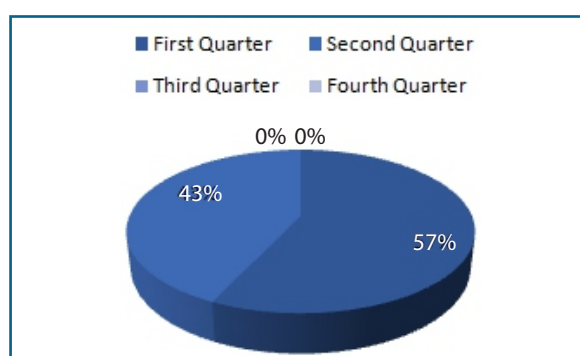


Chart 4.1: State Release (2013-14)

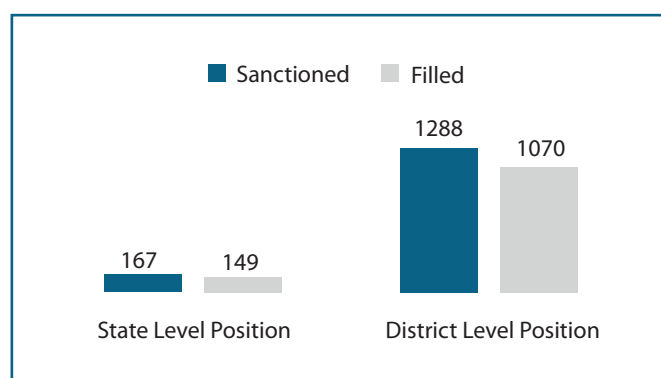


Source: Annual Work Plan and Budget, Rajiv Gandhi Shiksha Mission, Bhopal

1 C. Staff Positions

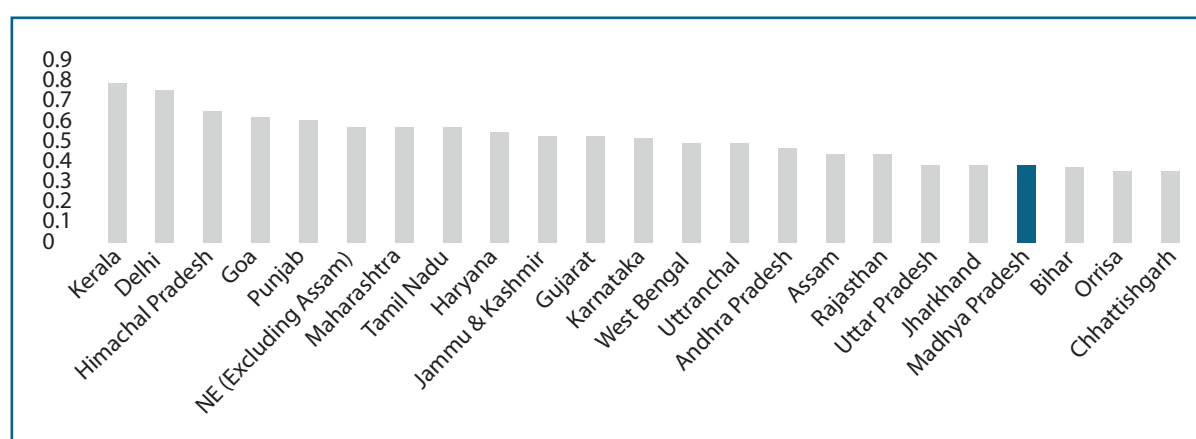
The data presented in graph 1.2 shows the availability of staff under the Rajiv Gandhi Shiksha Mission. It was found that at the State level, 11 per cent of posts were vacant whereas 17 per cent of total positions were vacant at the district level. This shows that the shortage of human resources at the district level was more than at the State level (Annex 4).

Graph 1.2: SSA Vacancy Position



Madhya Pradesh was ranked 20th in terms of Human Development Indicators in 2007-08 and 1999-2000 as calculated by the Institute of Applied Manpower Research, Planning Commission, Government of India. The HDI is a composite index, consisting of three indicators — consumption expenditure (as a proxy for income), education and health.

Graph 1.3: Human Development Score, 2007-08



Source: Human Development Report, 2011: Towards Social Inclusion, Institute of Applied Manpower Research, Planning Commission, Government of India.

2. Mid-Day Meal Scheme

The MDM scheme was initiated on August 15, 1995 to enhance enrolment, attendance and retention of primary-class schoolchildren and to alleviate classroom hunger. In the initial phase, MDM was provided in the form of dry rations, which were replaced by hot, cooked meals. Now, the scheme has been extended to the Primary and Upper Primary/elementary classes of schools run by governments, and government-aided local government schools, including National Child Labour Project Madrassas and Maktabas supported under the SSA.

The MDM scheme, being a Centrally Sponsored Scheme (CSS), consists of several components such as cooking costs, honorarium for cooks cum helpers, transport costs, kitchen sheds and devices, and Monitoring Management and Evaluation (MME). The cost of the meal for three components such as cooking cost, honorarium for cook cum helper, kitchen shed and MME is shared between States and the Centre. The share in cooking cost

between the Centre and States is in the ratio of 75:25 for all States except those in the North Eastern Region, where the ratio is 90:10. The revised cooking cost per child, per day for primary classes and upper-primary classes is Rs 3.59 and Rs 5.38, respectively. With regard to monitoring the MDM scheme, the model rule under the RTE Act says that a School Management Committee (SMC) will monitor implementation of the scheme in the school.

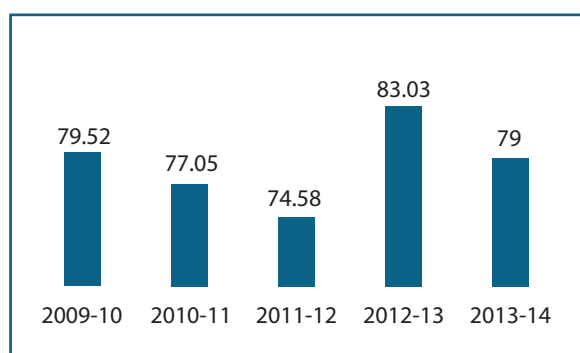
2 A. Fund Utilisation

The data presented in Graph 2.1 shows that the average rate of fund utilisation under cooking cost was below 80 per cent during the period from 2009-10 to 2011-12. In 2009-10, the percentage of fund utilisation was 79 per cent and this gradually declined to 77 per cent and 74 per cent, respectively, in 2010-11 and 2011-12. In 2012-13, fund utilisation rose to 83 per cent before sliding to 79 per cent in 2013-14.

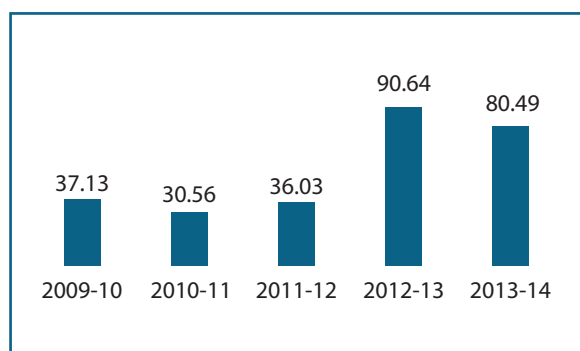
The amount of funds expended under the Monitoring Management and Evaluation (MME) component of the MDM scheme was found to be negligible during the period from 2009-10 to 2011-12 in terms of the total budget of the scheme. Fund utilisation amounted to 37 per cent, 30 per cent and 36 per cent in 2009-10, 2010-11 and 2011-12, respectively. The MME fund utilisation performance was poor due to non-appointment of staff. The rate of fund utilisation, however, increased to 90 per cent in 2012-13 and was reported to be 80 per cent in 2013-14. One of the reasons for the higher utilisation in 2012-13 and 2013-14 could be due appointment of staff at the State and district level (Graph 2.2).

Under the Transport Assistance component of the MDM, a fluctuating rate of fund utilisation was observed during the period between 2009-11 and 2013-14. The

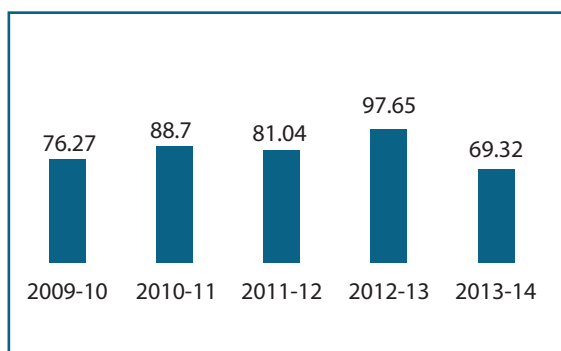
Graph 2.1: Fund Utilisation in MDM – Cooking Cost Component (%)



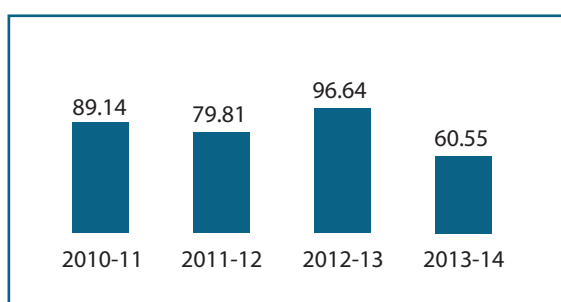
Graph 2.2: Fund Utilisation in MDM – MME Component (%)



Graph 2.3: Fund Utilisation in MDM – Transport Assistance Component (%)



Graph 2.4: Fund Utilisation in MDM – Payment for Food Grains Component (%)



percentage of fund utilisation ranged between 70 and 98 per cent during this period. A higher rate of fund utilisation was reported in 2012-13 (97.65 per cent), whereas 2013-14 saw low utilisation with only 69.32 per cent used from the funds available. The low fund utilisation in 2013-14 was due to less food grains being allotted to schools (Graph 2.3).

With regard to payment of the cost of food grains under MDM, the rate of fund utilisation showed a fluctuating trend over the years. The information presented in table 2.4 shows that in 2010-11, the percentage of fund utilisation was 89 per cent, which declined to 79 per cent in 2011-12. However, in 2012-13, the fund utilisation rate was found to be 96 per cent. The low fund utilisation on payment to food grains in 2013-14 was due to less food grains being allotted to schools (Graph 2.4).

2 B. Fund Flow Processes

It is evident from the information presented in table 2.1 that in the case of cooking costs, the State received an ad hoc instalment of funds for 2012-13 on May 9, 2012 and it took around 40 days to release the funds from the State Finance Department to the State MDM Directorate. On the other hand, the State Directorate had released funds on June 30, 2012 to districts. It took only 12 days to release funds from the State Directorate to districts. A similar pattern of delays in fund flow was observed for other components of MDM, as well as in the instalments. The longest delay (195 days) was in the case of construction of kitchen sheds due to delays in release of the State share.

Table 2.1: Delays in fund flow in MDM in 2012-13

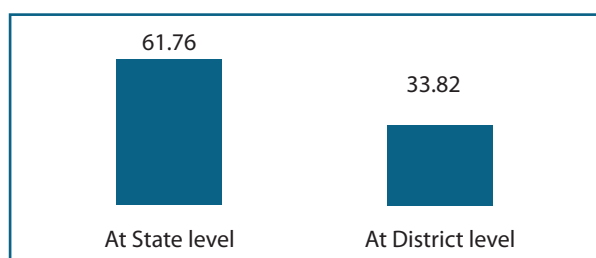
Component	Date of receipt of Gol funds by the State	Date of receipt of funds by the State Education Department (State Share)	Date of fund release by the State to the Directorate	Delay (days)
Cooking costs	09.05.12	15.06.12	18.06.12	39
	13.08.12	22.09.12	25.09.12	42
	08.02.13	07.03.13	09.03.13	29
	28.03.13	31.03.13	31.03.13	03
Kitchen sheds	06.09.12	23.03.13	25.03.13	195
Transportation	09.05.12		18.06.12	39
	13.08.12		25.09.12	42
	08.02.13		09.03.13	29
	28.03.13		31.03.13	03
MME	09.05.12		15.06.12	35
	13.08.12		04.09.12	23
	08.02.13		22.02.13	14
	28.03.13		30.03.13	2
Honorarium to cooks	09.05.12	15.06.12	18.08.12	39
	13.08.12	22.09.12	25.09.12	42
	08.02.13	07.03.13	09.03.13	29
	28.03.13	31.03.13	31.03.13	3
Cost of food grains	09.05.12		18.06.12	39
	13.08.12		25.09.12	42
	08.02.13		09.03.13	29
	28.03.13		31.03.13	3

Source: Joint Review Mission Report of Madhya Pradesh, August 11-21, 2013

2C. Staff Position

The information presented in Graph 2.5 shows that a large number of posts were lying vacant in the MDM cell, both at the State and district level. Posts lying vacant in the State and district cells of the MDM stood at 61 per cent and 33.82 per cent, respectively, against the total number of

Graph 2.5: Vacancies at Different Level – MDM Programme (%)



Source: State MDM Directorate, Department of Rural Development, Government of Madhya Pradesh

sanctioned posts. At the district level, posts for 20 task managers and 49 quality monitors were vacant. Officials in the State MDM cell said that poor staff strength leads to a lack of monitoring and poor record-keeping of the programme in the State and districts (Annex4).

3. Integrated Child Development Services (ICDS)

ICDS aims to provide pre-school education on the one hand and break the vicious cycle of malnutrition, morbidity, reduced learning capacity and mortality on the other. It reaches more than 34 million children aged 0-6 years and 7 million pregnant and lactating mothers.

The Supplementary Nutrition Programme (SNP) includes supplementary feeding and growth monitoring, prophylaxis against vitamin A deficiency, and control of nutritional anaemia. All the families in a community are surveyed to identify children below the age of six as well as pregnant and nursing mothers. They are provided supplementary feeding support for 300 days in a year. By doing so, the Anganwadi attempts to bridge the caloric gap between the national recommended intake and average intake of children and women in low-income and disadvantaged communities.

Growth monitoring and nutrition surveillance are two important activities that are undertaken under SNP. Children below three years of age are weighed once a month and children 3-6 years of age are weighed quarterly. Weight-for-age growth cards are maintained for all children below six years. This helps to detect faltering growth and assess their nutritional status. Besides, severely malnourished children are given special supplementary feeding and referred to medical services.

The coverage of SNP along with other services under ICDS is universal. States are required to provide supplementary nutrition to all eligible beneficiaries, i.e., children (6 months to 6 years) as well as pregnant and lactating mothers, in accordance with the schematic pattern and norms of the ICDS Scheme. There were 927.65 lakh beneficiaries for supplementary nutrition, including 746.81 lakh children (6 months to 6 years) and 180.84 lakh pregnant and lactating mothers in 13.31 lakh operational AWCs as of March 31, 2013. States are requested from time to time to optimise the coverage of beneficiaries under the ICDS Scheme.

With regard to the fund sharing between the Centre and States, initially the scheme was funded 100 per cent by the Centre, except for nutrition supplements, which were funded by States and Union Territories. In response to resource constraints faced by many States, the Central government increased fiscal support from 2006 to cover half of the supplementary nutrition costs. The funding pattern between the Centre and States is 50:50 for supplementary nutrition, shared between the Centre and each State (except North-eastern States). From 2009-10, the sharing ratio under the ICDS General scheme has been modified to 90:10 between the Centre and general category States. The cost of AWC construction is fully financed by the Central government. At present, under SNP norms, the feeding cost for a

child (6-72 months) is Rs 4 per day, a severely malnourished child (6-72 months) is Rs 9 per day, and pregnant and lactating mothers is Rs 7 per day, per person.

3 A. Fund utilisation

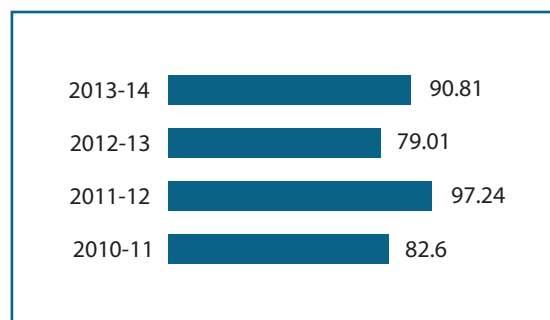
The information recorded in Graph 3.1 shows that in 2010-11, fund utilisation in ICDS against the budget estimate was 82 per cent. However, in 2011-12, this increased to 97 per cent. Again in 2012-13, fund utilisation was low and pegged at 79 per cent. In 2013-14, fund utilisation against the budget estimate shot up to 90 per cent. Overall, this shows that the rate of fund utilisation has been fluctuating over the years. Utilisation in ICDS General was found to be low because of the State election in 2013, delays in the release of the central share and delays in implementation of purchasing contracts (Annex 5).

The data presented in Graph 3.2 shows that fund utilisation against the budget estimate was found to be one of the highest in SNP compared to other schemes over the years. Between 2010-11 and 2013-14, fund utilisation was at more than 95 per cent except for 2012-13. In 2012-13, only 71 per cent of the funding was utilised against the Budget estimate. Officials said that the Central government's SNP share was received late in 2012-13, which is why the rate of utilisation was low (Annex 6).

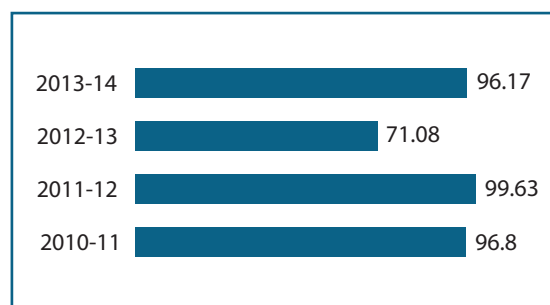
3 B. Staff Position

Coming to the staff position under ICDS, it was found that vacancies at the programme and managerial level at the State, division, district and block levels were higher than at the AWC

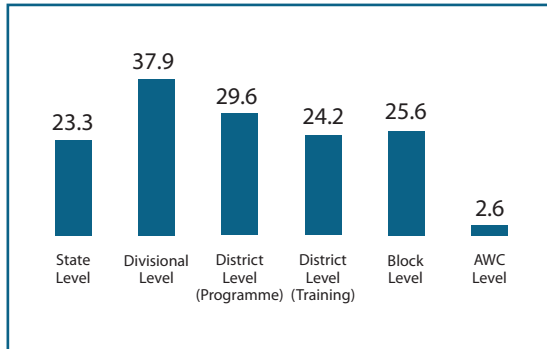
Graph 3.1: Utilisation of Funds under ICDS-General (%)



Graph 3.2: Fund Utilisation under SNP (%)



Graph 3.3: Vacancies at different levels – ICDS (%)



level. Posts for Directors, Programme Officers (POs), Child Development Project

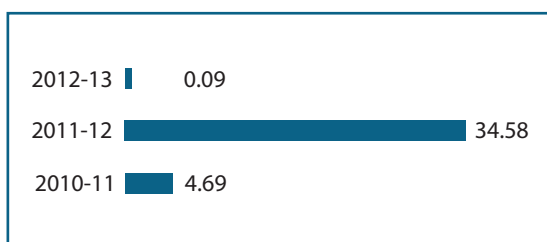
Officers (CDPOs), Supervisors and Accountants were found to be vacant. The highest vacancy level was at the division level, at around 38 per cent. In Graph 3.3, vacancies at the State, district (Programmes), district (Training) and block level are enumerated as 23 per cent, 29 per cent, 24 per cent and 25 per cent, respectively. At the AWC level, the vacancies were less than at other levels (Annex 6).

4. Integrated Child Protection Scheme

Integrated Child Protection Scheme (ICPS) is a comprehensive scheme introduced in 2009-10 by the Government of India to bundle several existing child protection programmes under one umbrella, with improved norms. The scheme incorporates other essential interventions, aiming to address issues that had, till date, not been covered by earlier schemes. It is based on two cardinal principles: "Protection of child rights" and looking after the "best interests of the child".

ICPS is achieving its objectives of contributing to improvements in the well-being of children in difficult circumstances, as well as in the reduction of children's vulnerabilities to situations and actions that lead to abuse, neglect, exploitation, abandonment and separation from their families. The ICPS guidelines have proposed a sharing ratio of 90:10 between the Centre and States, including the North-Eastern states. In its first three years, the ICPS was with Department of Social Justice and was later transferred to Department of Women and Child Development.

Graph 4.1: Fund Utilisation – ICPS (%)



4 A. Fund Utilisation

The information presented in Graph 4.1 shows a very low level of fund utilisation in the ICPS over the three years from 2010-11. Fund utilisation amounted to 4.69 per cent, 34.58 per cent and 0.09 per cent, respectively, in 2010-11, 2011-12 and 2012-13. The level of utilisation was higher in 2011-12 due to the filling of some vacant posts at the district and State level. ICPS is one of most neglected schemes in Madhya Pradesh

with the State government not giving adequate attention to the programme to implement it in its true spirit. Therefore, many posts remained vacant and the necessary support was thus not provided (Annex7).

4 B. Fund Flow Processes

It is evident from Table 4.2 that in the case of fund releases from the Centre, the State received funds only in the last quarter in 2010-11, and in the third quarter in 2011-12 and 2012-13. Later, in 2013-14 and 2014-15, funds were received by the State in the second and third quarter, respectively, showing an improvement in the fund flow process. In the beginning, the State government had not shown enough interest to implement the scheme properly, which is why the project report was sent very late from the State to the Centre, leading to delayed approval from the Centre. For 2014-15, the meeting of the ICPS Project Approval Board Meeting was held on November 5, 2014.

Table 4.2: Release of funds under ICPS

S.N	Dates	Amount (Rs crore)
1	17 February 2010	4.81
2	28 December 2011	2.40
3	15 November 2012	12.30
4	22 July 2013	5.64
5	20 June,2014	1.37

Source: Department of Women and Child Development, Government of Madhya Pradesh

4 C. Staff Position

With regard to availability of staff at State and district child protection societies, the officials concerned did not have exact data on the staff position against sanctioned posts and said there were still a large number of vacancies to be filled. Further, there has been a low staff retention rate due to the low honorarium paid by the State and district child protection societies. Subsequently, the State government revised the amount of honorarium and tried to fill up the vacant positions.

5. Reproductive and Child Health (RCH) Programme

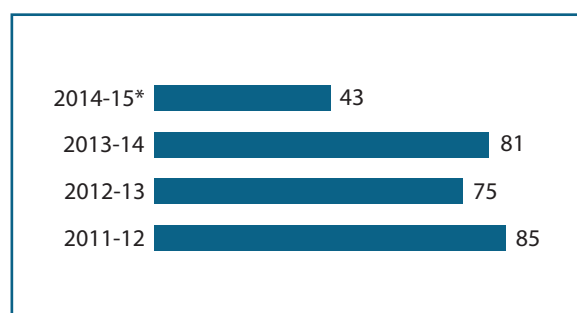
The Reproductive and Child Health (RCH) programme, part of the National Rural Health Mission (NRHM) since 2005-06, is a major intervention in the area of maternal and child health. Broadly, NRHM aims to provide accessible, affordable and quality healthcare to the rural population, especially vulnerable groups. Under NRHM, priority is given to Empowered Action Group (EAG) States, North Eastern States, Jammu and Kashmir and Himachal Pradesh,

with a special focus to ensure better health outcomes. The thrust of the mission is on establishing a fully functional, community owned, decentralised health delivery system with inter-sectoral convergence at all levels.

Apart from the Central contribution, RCH requires contributions from the States in its implementation. The Centre-State funding pattern is 75:25 for all States except the North-Eastern States, Sikkim, and other special category States of Jammu & Kashmir, Himachal Pradesh and Uttarakhand, where the Centre-State funding pattern is 90:10. The PIPs sent by the States are appraised and approved by the Ministry.

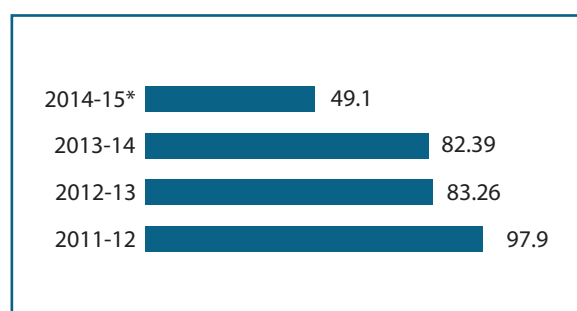
5 A. Fund Utilisation

Graph 5.1: Fund Utilisation – NRHM (%)



The information presented in Graph 5.1 shows the status of fund utilisation against the approved budget under NRHM over a four-year period from 2011-12. In financial year 2011-12, the fund utilisation was around 85 per cent. However, in subsequent years, it registered a declining trend, going down to 75 per cent, 81 per cent and 43 per cent in 2012-13, 2013-14 and 2014-15 (as of December 10), respectively (Annex 8).

Graph 5.2: Utilisation under RCH Programme (%)



Graph 5.2 shows that the status of fund utilisation against the approved budget for the RCH programme over four years from 2011-12. It is clear that the rate of fund utilisation under RCH was better than that of NRHM. In financial year 2011-12, the rate of fund utilisation was around 97 per cent. However, in the subsequent years, it saw a declining trend, going down to 83 per cent, 82 per cent and 49 per cent in 2012-13, 2013-14 and 2014-15, respectively.

While looking at the component-wise expenditure in RCH, it was found that funds for components such as family planning, Adolescent Reproductive and Sexual Health (ARSH)/Rashtriya Bal Swasthya Karyakram (RBSK), urban RCH, and training of human resources was not adequately utilised in

2013-14 and other years. The level of utilisation in these components was found to be 53 per cent, 32 per cent, 34 per cent and 48 per cent, respectively, in 2013-14. Higher levels of fund utilisation have been observed in components such as Janani Suraksha Yojana (JSY) and the Pulse Polio Immunisation scheme (Annex 9).

Table 5.1 shows the share of RCH in the total funds allocated to NRHM. While RCH accounted for a 55 per cent share in 2011-12, this declined to 53 per cent in 2012-13, 50 per cent in 2013-14, and 48 per cent in 2014-15. This decline indicates that RCH has been given lower priority under NRHM in terms of spending.

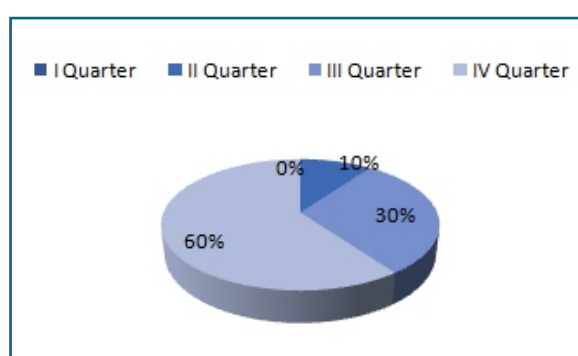
Table 5.1: RCH share in approved NRHM Budget (Rs crore)

Year	Approved Budget for NRHM	Approved Budget for RCH	% of RCH Approved Budget of NRHM
2011-12	686	377	55
2012-13	1067	560	53
2013-14	1465	729	50
2014-15*	1497	717	48

Source: NRHM Society, Bhopal

Looking at the timing of fund releases to the NRHM society from the State in 2012-13, Graph 5.3 shows that the society received 10 per cent, 30 per cent and 60 per cent of the total funds in the second, third, and fourth quarters of the financial year, respectively, from the State Finance Department. The information presented in the table indicates that a large amount of funding (60 per cent) was released only in the last quarter of the financial year (Annex 10).

Graph 5.3: Fund Releases in Different Quarters (%)



5 B. Fund Flow Processes

Table 5.2 shows that the RCH fund release from the Central government was almost on time. Most of the funds were received by the NRHM State Society from the GoI during the first and second quarter of the year.

Table 5.2: RCH fund release from GOI to State Health Society (Rs crore)

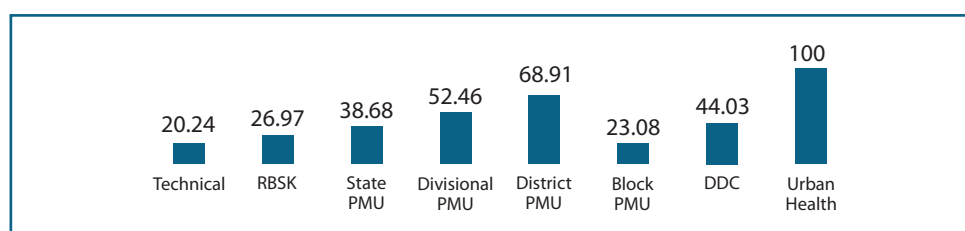
2013-14	Amount	2012-13	Amount
01.06.2013	234.42	30.06.2012	144.22
08.08.2013		28.09.2012	72.11
01.03.2014	34.38		
Total	268.80		216.33

Source: NRHM Society, Bhopal

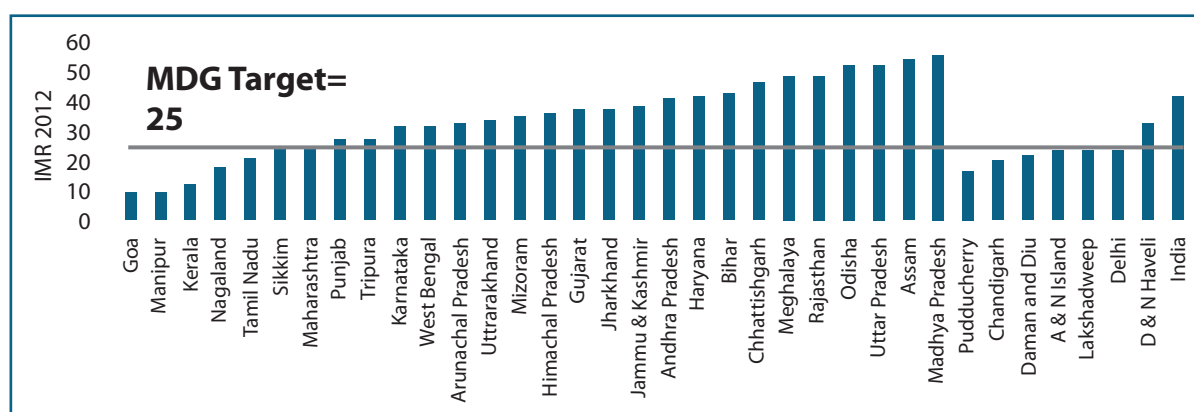
5 C. Staff Position

Information pertaining to the percentage of staff vacancies in NRHM at different levels is presented in Graph 5.4. It was found that at the State level, 37 per cent of the sanctioned NRHM posts were lying vacant. There are two categories of posts under NRHM, namely technical (doctors, nurses, ANMs and lab technicians) and programme managers (accountants, engineers, monitoring and evaluation staff, data-entry operators and hospital managers). It can be seen from Graph 5.4 that the vacancies are more acute at the programme management level compared to technical staff vacancies. Programme management units at the State, division, district and block recorded 38 per cent, 52 per cent, 68 per cent and 23 per cent of the vacancies, respectively, against the sanctioned strength, whereas vacancies at the technical level were only at 20 per cent (Annex 11).

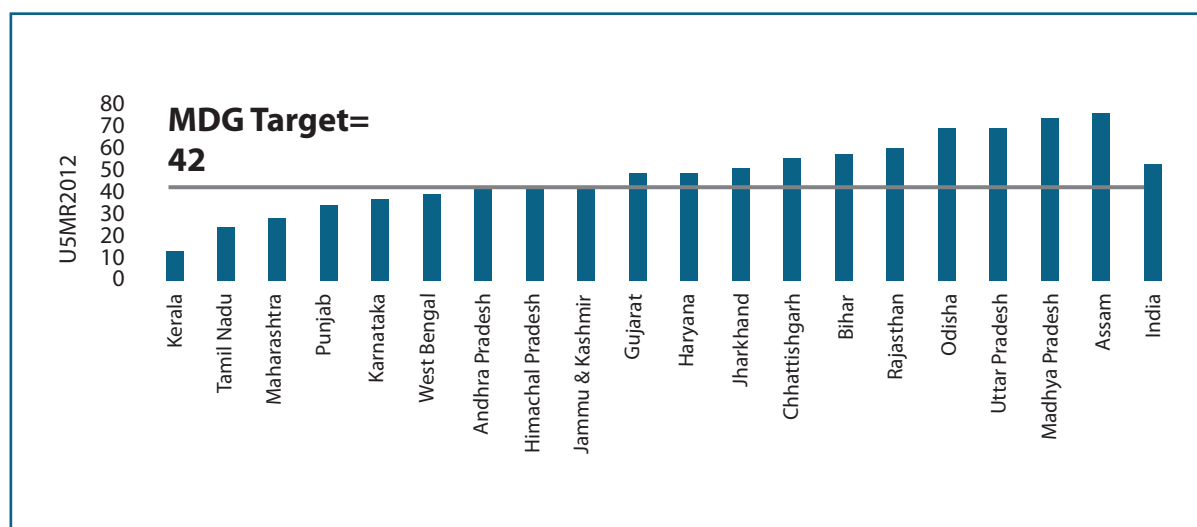
Graph 5.4: NRHM Vacancies at Various Levels (in %, as of December 2014)



Graph 5.5: State-wise variation in some Major Health Indicators



Graph 5.6: State-wise variation in some Major Health Indicators



6. Nirmal Bharat Abhiyan

NBA, initiated in 2012, is a departure from the earlier Total Sanitation Campaign in that it promotes a conjoint approach towards sanitation. Its main objective is to improve the quality of health and hygiene in rural areas. NBA has focussed on accelerating sanitation coverage in rural areas to achieve its vision of having all Gram Panchayats in the country attaining Nirmal status by 2022. Further, it aims to motivate communities and Panchayati Raj Institutions promoting sustainable sanitation facilities through awareness creation and health education. In 2014, NBA was renamed as Swachh Bharat Abhiyan.

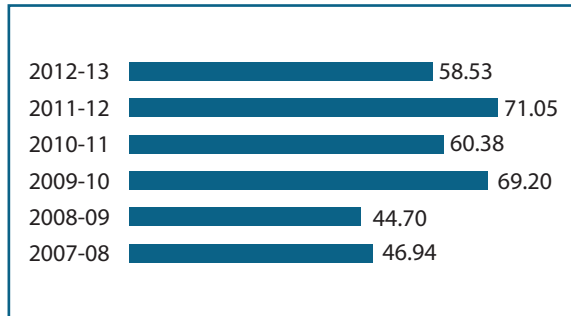
NBA, funded by the Central and State Governments, has been designed taking the district and PRI as the main unit of planning and implementation. The cost-sharing pattern is in the ratio of 75:25 between the Centre and State. For North Eastern States, Jammu and Kashmir and Special category States, the Centre-State share has been fixed at 90:10).

Since its inception, NBA has covered States and UTs across the country. Priority is given to the following population/ age groups:

- Below Poverty Line (BPL) and identified Above Poverty Line (APL) households within the Gram Panchayat, as well as small and marginal farmers
- Landless labourers with a homestead and Above Poverty Level (APL) households restricted to SCs and STs
- School children, physically handicapped and women-headed households

6 A. Fund Utilisation

Graph 6.1: Utilisation of funds – NBA (%)



Graph 6.1 shows that the rate of fund utilisation under NBA has been very poor over the years compared to the fund utilisation in other flagship programmes at the State level. In 2007-08 and 2008-09, only 46 per cent and 44 per cent, respectively, of the total funds available were utilised. However, in 2009-10, 2010-11 and 2011-12, the rate of fund utilisation rose to 69 per cent, 60 per cent and 71 per cent, respectively (Annex 12). The level of fund utilisation in 2012-13 fell to 58 per cent.

Looking at the rate of fund utilisation across components within NBA, it has been noticed that more emphasis was given to construction of Individual Household Latrines (IHHL) over other components. Lower utilisation of funds has been observed on components such as construction of sanitary complexes, school toilets and AWC toilets. Components such as Information, Education and Communication (IEC) received lower priority and saw meagre spending in 2010-11 and 2011-12 (Table 6.2). In 2012-13 and 2013-14, expenditure on IEC showed a rising trend.

Table 6.2: Component-wise break-up of NBA expenditure (%)

Component	2010-11	2011-12	2012-13	2013-14
IHHL TOTAL	70.50	51.16	85.92	87.55
Sanitary complex	1.32	1.26	0.54	0.60
School toilets	17.99	39.99	4.24	1.53
Anganwadi toilets	1.36	0.61	0.11	0.04
Startup	0.00	0.00	0.00	0.00
Administration	3.55	2.97	3.49	3.65
IEC	4.72	2.41	5.02	6.52
Revolving fund	0.05	0.00	0.00	0.00
SLWM	0.50	1.60	0.66	0.12
Total	100	100	100	100

Source: NBA Website (<http://tsc.gov.in/tsc/NBA/NBAHome.aspx>)

6 B. Fund Flow Processes

With regard to timely release of funds to the NBA mission, it has been noticed that no money was received in the first quarter of any financial year from the Centre or the State. It can be noticed from the information presented in Table 6.3 that 60 per cent (Rs 396 crore) of the total Central share was released to the mission in the last quarter of financial year 2013-14. However, the State contributed most of its share in the second and third quarters of the same financial year.

Table 6.3: Fund release to State NBA Mission in 2013-14 (Rs crore)

Central share release date	Amount	State share release date	Amount
1.6.20013	241.30	27/7/13	59.62
09.2013	22.71	23/10/13	47.02
01.02.2014	66.12	28/02/14	19.87
03.2014	330.19	28/02/14	20.05
Total	660.39	Total	126.71

Source: NBA Mission, Department of Rural Development, Government of Madhya Pradesh

Annual Implementation Plan: Table 6.4 shows the status of approval of the Annual Implementation Plan (AIP) by the State Water and Sanitation Mission (SWSN). It can be seen from the table that there has been a considerable delay in approval of AIPs across the year. Ideally, AIPs should have been approved by February.

Table 6.4: Annual Implementation Plan

Year	AIP approval
2011-12	April 2011
2012-13	August-September 2012
2013-14	March 2013

6 C. Staff Position

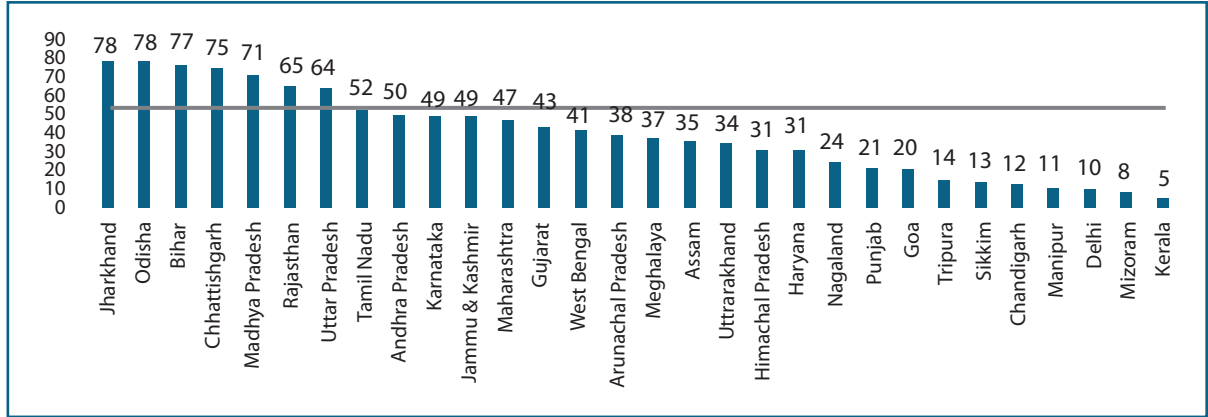
With regard to availability of staff, Table 6.5 shows that about 15 per cent and 16 per cent of the total sanctioned posts were vacant in the State and district NBA missions, respectively.

Table 6.5: Staff Position

Positions	Sanctioned	Vacant	% Vacancies
State Level	34	5	14.71
District Level	515	84	16.31

Source: NBA Mission, Department of Rural Development, Government of Madhya Pradesh

Graph 6.2: Households with No Latrines (%)



IV. Key Findings

1. Extent of Fund Utilisation

This study has analysed data on expenditure of funds, timing of fund releases, amount of instalments and availability of staff under six flagship programmes: SSA, MDM, ICDS, ICPS, NRHM and NBA. It has also captured feedback from officials with regard to the poor utilisation of funds and bottlenecks in fund-flow processes. From the data analysis, it was found that there is low fund utilisation, delays in the fund-flow process and inadequate availability of staff to implement the programmes.

The low level of fund utilisation across development programmes has been a matter of concern in Madhya Pradesh. At the State level, it has also been noticed that utilisation of funds across various components of the scheme is skewed. According to officials, the low level of utilisation is due to delays in the sanction/release of funds by the State as well as the Centre to the implementing agencies/societies of the programmes. Usually, it is due to delays in approval and submission of the AWP&B and PIP as well as delays in the submission of UCs. Also, funds are released in multiple instalments to implementing agencies.

Officials involved in the implementation of NRHM, SSA and ICDS said that a large portion of the spending in these programmes involves civil work and the tendering process gets delayed due to involvement of other stakeholders such as the Public Works Department or PRIs. The long gestation period involved in civil work leads to delays in utilisation of funds and, in turn, submission of UCs.

Under SSA, the level of fund utilisation was found to be between 75 per cent and 82 per cent between 2008-09 and 2013-14 against the allocated funding. The level of fund utilisation shows wide variation across different quarters of financial years. While looking at the component-wise expenditure, it was found that funds for components such as community mobilisation, training, teaching learning material and innovation were not adequately utilised. A higher level of spending was observed in the civil work component and honorarium of teachers.

For MDM, the average rate of fund utilisation under the cooking cost component has been below 80 per cent during the period between 2009-10 and 2011-12. A meagre amount was spent under MME during the same period. During the period between 2009-10 and 2011-12, fund utilisation stood at 37 per cent, 30 per cent and 36 per cent, respectively. It shot up to 90 per cent in 2012-13 but declined to 80 per cent in 2013-14.

Under ICDS, in 2010-11, fund utilisation was found to be 82 per cent against the budget estimate for the programme. In 2011-12, this increased to 97 per cent. In 2012-13, the level of fund utilisation was around 79 per cent, lower than in earlier years. However, in 2013-14 fund utilisation increased to 90 per cent. Utilisation was found to be highest for SNP than for other schemes within ICDS over the years. In 2010-11, 2011-12 and 2013-14, fund utilisation crossed 95 per cent, but it was lower in financial year 2012-13.

Under NRHM, in financial year 2011-12, fund utilisation against allocation was around 85 per cent. It fell to 75 per cent, 81 per cent and 43 per cent in 2012-13, 2013-14 and 2014-15 (up to December 11, 2014), respectively.

Fund utilisation under RCH stood at 97 per cent, 83 per cent, 82 per cent and 49 per cent in 2011-12, 2012-13, 2013-14 and 2014-15 (up to December 11, 2014), respectively. While looking at the component-wise expenditure under RCH, it was found that funds for components such as family planning, ARSH, RBSK, urban RCH and training of human resources (important to improve systemic capacity) were not adequately utilised. Higher levels of fund utilisation were observed in components such as JSY and the Pulse Polio Immunisation scheme. Components related to systemic strengthening such as planning, monitoring and hiring of staff showed lower levels of fund utilisation against the approved outlay.

The level of fund utilisation under the NBA programme has been poor over the years. In 2007-08 and 2008-09, only 46 per cent and 44 per cent of the total available funding was utilised. In 2009-10, 2010-11 and 2011-12, the rate of fund utilisation rose to 69 per cent, 60 per cent and 71 per cent, respectively. However, in 2012-13, the rate of fund utilisation declined to 58 per cent. As for fund utilisation across components within NBA is concerned, it was noticed that over the years more emphasis was given to IHHL. Further, lower expenditure was reported on components such as sanitary complex, school, and AWC toilets. The IEC component also saw meagre spending.

2. Spending was bunched up towards the last quarter of a financial year

Under SSA, a large amount of funding from the Centre was received in the fourth quarter of financial year 2012-13, when an amount of Rs 532 crore was released on February 5, 2013. The State Government released its share mostly in the third quarter of the financial year. In 2013-14, a large amount of funding—more than Rs 900 crore — was released by the Central government in the last quarter of the financial year against the total amount of Rs 2004 crore.

In the case of cooking costs under MDM, the State received an ad hoc instalment of funding for 2012-13 on May 9, 2012 and it took around 40 days to release the funds from the State government to the State directorate. On the other hand, the State directorate released the funds on June 30, 2012 to the districts. The longest delay (195 days) was in the case of construction of kitchen sheds due to delayed release of the State share.

In 2012-13, the NRHM society received 10 per cent, 30 per cent and 60 per cent of its total funding in the second, third, and fourth quarter of the financial year from the State Finance Department. In other words, a major chunk of funding (60 per cent) was received by the society during the last quarter. The funds were received by the NRHM society in eight

instalments from the State Government in 2012-13. However, the funds released by the GoI under RCH were almost on time in 2012-13 and 2013-14.

With regard to timing of the availability of funds to the NBA mission in 2013-14, no money was received in the first quarter from the Centre and State. It was found that 60 per cent (Rs 396 crore) of the total central share was released to the mission in the last quarter of the financial year. In contrast, the State released most of its share in the second and third quarters of financial year 2013-14.

3. Factors Constraining the Extent of Fund Utilisation

Deficiencies in decentralised planning

One of the problems blamed for ineffective utilisation in the flagship programmes is institutional and procedural bottlenecks in their planning and implementation. Because of deficiencies in decentralised planning, the PIPs or AWP&B in States do not capture the diverse district-specific needs very well. Such situations are a result of insufficient staffing to undertake planning activities, inadequate attention to their capacity building, and a minimal role for community participation in the planning process. Moreover, there is a lack of need-based budgeting in the programme, with budgeting carried out without a proper analysis of the required unit costs on the ground. There is a bottleneck in appraisal processes, which leads to delays in approval of PIPs, in turn resulting in delayed release of funds from the Centre to the States, and delays in sanctioning of expenditure. Some of the guidelines issued by the Union Government have been cumbersome, making it difficult for implementing officials to follow them. The approval of the AIP by the State Water and Sanitation Mission (SWSN) has been delayed in Madhya Pradesh. Similar instances have been reported in the case of NRHM, RCH and SSA.

Systemic weaknesses due to staff shortage

A Human Resource (HR) shortage was found across all the six flagship programmes. In particular, managerial staff were found to be inadequately placed in NRHM, ICDS, and NBA at the State and district levels. Technical health personnel or teachers were found to be inadequate, particularly in tribal areas. Poor tenure stability (an 11-month contract) and low salaries of staff across flagship programmes has been a serious issue in MP according to officials involved in the NRHM, ICPS and ICDS programmes. The shortage of trained and regular staff in programme management, finance/accounts and frontline service provision roles weakens the capacity of the government apparatus in implementing the programme.

In fact, there were huge shortfalls of technical and managerial staff as against sanctioned positions. Poor training and capacity building of staff and post-training follow-ups leads to serious challenges in effective implementation of the flagship programmes in achieving

desired outcomes. With regard to the availability of staff in the Rajiv Gandhi Shiksha Mission, 11 per cent of State-level posts were vacant while 17 per cent of the total positions at the district level were vacant. Vacancies in the State and district cells of MDM against total sanctioned posts stood at around 61 per cent and 34 per cent, respectively.

Many posts for Directors, Programme Officers (POs), Child Development Project Officers (CDPOs), supervisors and accountants remained vacant. The highest level of vacancies was at the division level, at around 38 per cent. At the level of the State, district (Programme and training) and blocks, vacancies were enumerated as 23 per cent, 29 per cent, 24 per cent and 25 per cent, respectively. ICPS also faced an acute shortage of staff at the State and district levels. At the State level, 37 per cent of the sanctioned posts under NRHM were vacant. The vacancies were more acute at the programme manager level than for technical staff. Vacancies of the programme manager unit at the State, division, district and block accounted for 38 per cent, 52 per cent, 68 per cent and 23 per cent, respectively, whereas vacancies at the technical level were lower, at 20 per cent. With regard to availability of staff at the State and district missions, it was found that 14 per cent and 16 per cent of the total sanctioned posts were vacant, respectively.

V. Policy Recommendations

Given the extent of the low level of fund utilisation across schemes over the years, it is imperative that policymakers pay attention to the problems and bottlenecks that implementing agencies have been confronting at various levels of governance. Although the nature of implementation of these schemes, including the fund-sharing pattern, fund-flow processes, selection of beneficiaries and the overall outcomes envisaged under the schemes are not identical, they have a number of commonalities with regard to the fund-flow process, reasons for low fund utilisation, shortage of human resources to absorb funds etc. In most of the schemes, the delay in fund flow leads to low levels of fund utilisation, which needs to be addressed urgently for effective implementation of the programmes and to achieve the desired outcomes. A few policy recommendations have been spelt out below, and these can be taken up for immediate action, at different levels.

Firstly, as discussed earlier, the utilisation of funds under the flagship programmes can be improved to a great extent if funds are transferred from the Centre and State to the implementing Societies in time. Also, small amounts should not be transferred in multiple instalments; rather, there should be only two instalments with certainty about the timing and quantum of funds. This would help the implementing agencies prepare a better plan for utilisation of the funds. Further, in most cases, funds should be transferred electronically from the State to the district and below to the Block and Gram Panchayat level to ensure better transparency.

Secondly, it has been observed that the utilisation of funds across various components of a scheme is skewed. Spending on components related to skills and capacity-creation needs to be given priority across programmes for better implementation. Also, efforts need to be made to expedite the process of fund utilisation under components such as civil works and other construction-related works through a decentralised contract system and better procurement policies.

Thirdly, to address challenges with regard to systemic weaknesses and poor planning processes, the sanctioned posts should be filled up in all the flagship programmes with immediate effect. In this regard, the State government should have a proper recruitment policy and human resource placement cell for these programmes. The productivity and morale of the contractual staff (the proportion of which has increased sharply across States) needs to be boosted by measures such as swift renewal of contracts, better service conditions and increments, and an effective appraisal system. Further, strengthening of programme management capacity through regular training programmes (induction and in-service), exposure visits and expansion of the programme should be done simultaneously. Adequate training and capacity building of the staff to prepare participatory plans and budgets for the programme, as well as assessment of post-training follow-ups requires adequate attention from the government.

Fourthly, there is a need to create proper institutions at various levels, particularly at the grassroots level, to facilitate proper planning and implementation of the programmes. Allocations for the IEC and social mobilisation components should be increased. There is a lack of awareness among staff, beneficiaries and other stakeholders due to low levels of fund utilisation under the IEC and social mobilisation components, which leads to low levels of expected outcomes.

Fifthly, it appears that with the recent changes in the fund flow process for Centrally Sponsored Schemes, funds from the Centre have been transferred directly to the Finance Department of States. This change will not solve the problem of multiple reporting systems without making changes in the guidelines. It has been opined by officials that multiple reporting mechanisms lead to under-utilisation of funds

Finally, there is a utilisation certificate and audited statement required by Central Ministries from State governments to release the next instalment. In this regard, Central ministries should give ample time to implementing agencies for submission of the utilisation certificate and audited statement on the allocation for the previous year. The second instalment could be released on the basis of simple statements of expenditure prepared by the State government.

Annexure

Annex 1: Fund allocation and utilisation under SSA, KGBV and NPGEL (in Rs crore)

Year	Allocation in AWP&B	Actual Expenditure
2008-09	1843.3	1517.0
2009-10	2216.5	1940.1
2010-11	3994.4	2976.9
2011-12	4447.4	3653.8
2012-13	4885.6	3506.6
2013-14*	3695.4	3473.5

Source: Annual Work Plan and Budget, Rajiv Gandhi Shiksha Mission, Bhopal

*Does not include NPEGL allocation and grants from Finance Commission

Annex 2: Amount and date of instalment of SSA funds released in 2010-11

	Outlay Approved by PAB (in Rs crore)	Date of receipt of Gol releases to State Society	Amount (in Rs crore)	Date of receipt of State budget releases to State SSA Society	Amount (in Rs crore)
2010-11	3865.84	25.06.10	1025.73	30.06.10	38.13
		26.11.10	500	30.06.10	64.25
		30.03.11	200	30.06.10	97.53
				30.08.10	402.0
				31.12.10	184.0
				15.02.11	42.84
				28.03.11	1.4
				29.03.11	0.98
				30.03.11	76.59
				31.03.11	197.28
Total	3865.84		1725.73		1105

Source: Annual Work Plan and Budget, Rajiv Gandhi Shiksha Mission, Bhopal

Annex 3: Amount and date of instalment of SSA funds released in 2013-14

	Outlay Approved by PAB (in Rs crore)	Date of receipt of Govt releases to State Society	Amount (in Rs crore)	Date of receipt of State budget releases to State SSA Society	Amount (in Rs crore)
2013-14	3590.44	01.05.13	836.95	10.06.13	616.46
		29.07.13	72.59	29.07.13	464.25
		01.10.13	168.68		
		25.01.14	780		
		25.03.14	145.82		
Total	3590.44		2004.04		1080.71

Source: Annual Work Plan and Budget, Rajiv Gandhi Shiksha Mission, Bhopal

Annex 4: MDM staff position in MP

	Total sanctioned	Total filled	Total vacant	Vacancies (%)
State level	34	13	21	61.76
District level	204	135	69	33.82

Source: State MDM Directorate, Department of Rural Development, Government of Madhya Pradesh

Annex 5: Fund allocation and utilisation under ICDS (general) in MP (in Rs crore)

Year	Budget Estimate	Actual Expenditure
2010-11	445.26	367.78
2011-12	626.21	608.91
2012-13	600	474.05
2013-14	943.37	856.63

Source: Department of Women and Child Development, Government of Madhya Pradesh

Annex 6: Fund allocation and utilisation under Supplementary Nutrition Programme (in Rs crore)

Year	Budget Estimate	Actual Expenditure
2010-11	926.98	897.36
2011-12	902.00	898.62
2012-13	1104.44	785.02
2013-14	979.46	941.98

Source: Department of Women and Child Development, Government of Madhya Pradesh

Annex 7: ICDS staff position at different levels in MP

Position	Total sanctioned	Total filled	Total vacant	Vacancies (%)
State level	103	79	24	23.3
Divisional level	140	87	53	37.9
District level (Programme)	378	266	112	29.6
District level (Training)	62	47	15	24.2
Block level	6577	4895	1682	25.6
AWC level	172390	167926	4464	2.6

Source: Department of Women and Child Development, Government of Madhya Pradesh

Annex 8: Fund allocation and utilisation under ICPS Scheme (in Rs crore)

Year	Budget Estimate	Expenditure
2010-11	22.02	1.03
2011-12	24.24	8.38
2012-13	30.05	0.03

Source: MP State Budget documents

Annex 9: Fund allocation and utilisation under NRHM (in Rs crore)

Year	Approved Budget	Expenditure
2011-12	686	585
2012-13	1066	805
2013-14	1465	1187
2014-15*	1497	649

Source: NRHM Society, Bhopal *up to December 11, 2014

Annex 10: Fund allocation and utilisation under RCH (in Rs crore)

Year	Approved Budget	Actual Expenditure
2011-12	377.27	369.35
2012-13	560.49	466.64
2013-14	728.73	600.37
2014-15*	716.54	351.82

Source: NRHM Society, Bhopal

Annex 11: Funds released to NRHM Society from State (in Rs crore)

2012-13	Amount
31.8.2012	43
30.10.2012	43
21.12.2012	86
16.01.2013	51
04.02.2013	77
06.02.2013	47
12.03.2013	81.4
13.03.2013	6.0
Total	434.0

Source: NRHM Society, Bhopal

Annex 12: NRHM staff position at State Level

Position	Sanctioned	Current Position
Technical	9513	7588
RBSK	2336	1706
State PMU	106	65
Divisional PMU	61	29
District PMU	804	250
Block PMU	1252	963
DDC	3378	1887
Urban Health	2143	0
Total NRHM	21238	13219

Source: NRHM Society, Bhopal

Annex 13: Fund allocation and utilisation under Nirmal Bharat Abhiyan (in Rs crore)

Year	Total funds available	Expenditure
2007-08	171.06	82.78
2008-09	233.76	105.74
2009-10	256.45	176.62
2010-11	283.82	174.80
2011-12	315.79	228.56
2012-13	417.54	240.71

Source: NBA Website (<http://tsc.gov.in/tsc/NBA/NBAHome.aspx>)

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