

Public Spending for Children in Madhya Pradesh: Assessing Fund Utilisation in Some of the Major Central Schemes in Social Sectors



Samarthan - Center for Development Support



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Jawed Alam Khan

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Abbreviations

AIP: Annual Implementation Plan

ASHA: Accredited Social Health Activist

AWC: 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

Executive Summary

The study entitled “**Analysis of Public spending for Children in Madhya Pradesh**” carries out an in depth assessment of 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 include *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 quantitative information and perceptions of relevant government officials involved in planning and implementation of the scheme. The key objective of this study is to assess the extent and pattern of utilisation of available funds and the process of flow of funds under the select schemes. The study identifies major constraints in effective utilisation of budget outlays in 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, there is evidence of delays in the fund flow process. Also, inadequate availability of staff was found to be one of the major constraints in proper utilisation of funds. . According to implementing officials, 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 creation of the capacity of programme management. In this regard, the size of staff, capacity building of staff and infrastructure is found to be inadequate.

The poor capacity of the programme management has led to delays in the sanctions or release of funds by state implementing agencies. Instances of delay in approval and submission of Annual Work Plan & Budgets (AWP&B), annual Programme Implementation Plans (PIPs) and delays in submission of Utilisation Certificates (UCs) in NRHM, ICDS and NBA were found in the state. Funds are released in multiple installments across the programmes with small quantity. There are several reasons for delay in fund flow and low fund utilisation in the state and below.

The state officials identified poor planning in the flagship programmes as a major bottleneck in the fund flow processes. These flagship programmes have stand-alone planning processes and not integrated with the district plan. The weak monitoring and supervision is also a big challenge across the programmes in the State. There is shortage of staff or insufficient facilities

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

for monitoring the programmes. There are Problems arise in implementation of the programmes due to rigidity in guidelines and scheme designs in SSA, ICDS and ICPS. The unit costs of services are found to be inadequate in case of ICDS, ICPS, MDM and NRHM. Finally, there is lack of proper convergence under ICDS and NRHM.

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

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

Thirdly, there is a need for strengthening the Panchayati Raj Institutions (PRIs) at various levels, particularly at the grassroots levels, to facilitate proper planning and implementation of the programmes. The allocation under Information Education Communication (IEC) and social mobilization components should be increased and properly utilised. There is a lack of awareness about programme guidelines among the staffs, beneficiaries and other stakeholders due to low levels of fund utilisation under IEC and social mobilisation components which lead to low levels of expected outcomes.

Fourthly, in 2014-15, due to change in flow process under CSS, funds from the Centre are being directly transferred to the States finance department instead of State Project Societies. This initiative would have greater transparency in fund tracking under CSS, but it would not be able to solve the problems of prevalent system of multiple reporting under CSS unless more financial autonomy is given to States. It has been opined by the officials that the multiple mechanisms of reporting lead to under utilisation of funds. Finally, there is a requirement of utilisation certificate and audited statement by Central Ministries from the state governments to release the next installment. In this regards, Central Ministries may give ample time to States for the submission of the utilisation certificate and audited statement on allocation of previous year. The second installment could be released on the basis of simple statements of expenditures prepared by state government.

Poor planning in the studied flagship programs as major bottlenecks in the fund flow processes. These flagship programs have stand-alone planning processes and not integrated with the district plan. The weak monitoring and supervision of programme is also a big challenge across the programs in the State

Matrix on Fund Utilisation, Factors constraining and Key Policy recommendations

Programme	Extent and Quality of Fund Utilisation	Factors Constraining Fund Utilisation	Perceptions of Government Officials / Other Stakeholders	Key Policy Recommendations
Sarva Shiksha Abhiyan (SSA)	<ul style="list-style-type: none"> In SSA, the level of fund utilisation found to be between 75 percent and 82 percent between 2008-09 and 2013-14 against the fund allocated fund. The level of fund utilisation shows wide variation across quarters of the financial year. Looking at the component wise expenditure in SSA, it is found that the funds for components like community mobilisation, trainings, teaching learning material and innovations are not adequately utilised. Higher level of spending was observed in the civil work component and honorarium of teachers. A large amount of fund from the Centre was received in fourth quarter of the financial year in 2012-13, an amount Rs. 532 crore was released on 5 February, 2013. 	<ul style="list-style-type: none"> Delay in releases of fund from Centre and State Release of fund in multiple instalments Poor Planning, delay in preparing of Annual Work Plan & Budget below state Shortage of staff, particularly account staff in the districts A large amount of fund from the Centre was received in fourth quarter of the financial year in 2012-13, an amount Rs.532 crore was released on 5 February, 2013. 	<ul style="list-style-type: none"> Poor monitoring and tracking of fund at the district level Poor quality of audit Outcome of the SSA is poorly monitored A large amount of fund from the Centre was received in fourth quarter of the financial year in 2012-13, an amount Rs.532 crore was released on 5 February, 2013. The state government has released its share mostly in the third quarter of the 	<p>Firstly, funds should be transferred from the Centre and State to implementing agencies on time. Also, amounts should be transferred in two installments and there should be certainty about the timing and the quantum of funds. Further, in most cases funds should be transferred electronically from State to District and below to the Block and Gram Panchayats level for ensuring better transparency.</p> <p>Secondly, components related to skills and capacity creation need to be given priority across the programmes for better implementation. Also, efforts need to be made to expedite the</p>

	<ul style="list-style-type: none"> The state government has released its share mostly in the third quarter of the financial year. 	<ul style="list-style-type: none"> The state government has released its share mostly in the third quarter of the financial year. 	financial year.	process of fund utilisation under such components as civil works and other construction related works through decentralised contract system and better procurement policies.
Mid-Day Meal (MDM) Scheme	<p>The average rate of fund utilisation under the cooking cost component has been below 80 percent during the period between 2009-10 and 2011-12.</p> <p>A meager amount has been spent under the MME during the same period. During the period between 2009-10 and 2011-12, the degree of fund utilisation accounted for 37, 30 and 36 percent, respectively</p> <ul style="list-style-type: none"> In cooking cost, the State received the adhoc installment of fund of 2012-13 on 09th May 2012 and it took around 40 days to release the fund from State Government to State Directorate. State Directorate had released the fund on 30.06.2012 to the Districts. The highest number of delays was found (195 days) in case of construction of kitchen sheds due to delayed release of state share. 	<ul style="list-style-type: none"> Fund was received late by MDM cell from Centre and State in different components Shortage of staff Planning gets delayed 	<ul style="list-style-type: none"> Poor accounting and monitoring of the scheme due to staff shortage 	<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 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, increments, and effective appraisal system.</p> <p>Further, strengthening of the capacity of</p>

<p>Integrated Child Development Service (ICDS)</p>	<ul style="list-style-type: none"> • During 2010-13, the percentage share of fund utilisation found to be 82, 97 and 79 percent respectively against the budget estimate in ICDS. • Percentage of utilisation is found to be highest in SNP than other schemes within ICDS, over the years. In 2010-11, 2011-12 and 2013-14, the percentage of fund utilisation crossed 95 percent except the financial year 2012-13. • In ICPS, the percentage of 	<ul style="list-style-type: none"> • Contracting processes in terms construction work and purchase of good and materials for distribution to projects gets delayed • Submission of UCs gets delayed 	<ul style="list-style-type: none"> • Submission of UCs of the scheme gets delayed because ICDS has several components and State matching share for each component is different , therefore account staff face difficulty in the preparation of UCs in each component 	<p>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 the staff to prepare participatory plans and budgets for the programme and assessment of post training follow-ups require adequate attention by the government need to be ensured.</p>
<p>Integrated Child Protection Scheme (ICPS)</p>	<p>fund utilisation accounts 4.69, 34.58 and 0.09 percent respectively during 2010-11 to 2012-13.</p> <ul style="list-style-type: none"> • The funds were released from Centre and the State in the last quarter in 2010-11, in the third quarter in 2011-12 and 2012-13. • Later on, in 2013-14 and 2014-15, fund was revived by the state in the second and third quarter respectively by the state • In 2011-12, the percentage 	<ul style="list-style-type: none"> • Late release of fund to the schemes • Inadequate staff in the scheme • Slow process of implementation of many activities in the schemes 	<ul style="list-style-type: none"> • The scheme was started late and initially it was with Department of Law and Social Justice. It was later transferred to Department of Women and Child Development. 	<p>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. The allocation for IEC and social mobilization components should be increased. There is lack of awareness among the staff,</p>

<p>National Rural Health Mission (NRHM)</p>	<p>of fund utilisation against allocation has been around 85 percent in NRHM. It has gone down to 75, 81 and 43 percent in 2012-13, 2013-14 and 2014-15 (upto 11 December, 2014), respectively.</p> <ul style="list-style-type: none"> • The percentage of fund utilisation under Reproductive and Child Health (RCH) has been found as 97, 83, 82 and 49 percent in 2011-12, 2012-13, 2013-14 and 2014-15 (up to 11 December, 2014), respectively. • Looking at the component wise expenditure under RCH, it is found that the funds for components like family planning, Adolescent Reproductive and Sexual Health Programme (ARSH), Rashtriya Bal Swasthya Karyakram (RBSK), and urban RCH, training human resources are not adequately utilised. • The higher levels of fund utilisation have been observed in the components like Janani Suraksha Yojana (JSY) and Pulse Polio Immunization scheme. 	<ul style="list-style-type: none"> • Huge vacancies of programme management staff in the district • Delay in submission of PIPs • Delay in submission of Ucs • Low staff strength 	<ul style="list-style-type: none"> • The poor capacity of the programme management has led to delays in the sanctions or releases of funds by state implementing agencies and societies. • No placement cell and no proper policy for hiring human resources • Planning process is too poor 	<p>beneficiaries and other stakeholders due to low levels of fund utilisation under IEC and social mobilization components which leads to low levels of expected outcomes.</p> <p>Fifthly, it seems that with the recent changes in fund flow process under CSSs where funds from the Centre are transferred to the States directly through the finance department would not solve the problems of multiple reporting systems without making changes in the guidelines. It has been shared by the officials that multiple reporting leads to under-utilisation of funds.</p> <p>Finally, utilisation certificates and audited statements are required by the Central Ministries from the State Governments to release the next installment. In this regard, Central Ministries may give</p>
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	<ul style="list-style-type: none"> The components related to systemic strengthening like planning, monitoring and hiring of staffs showed lower levels of fund utilisation against the funds approved. 			<p>ample time to implementing agencies for the submission of the utilisation certificate and audited statement on allocation of previous year. The second installment could be released on the basis of simple statements of expenditures prepared by state implementing agencies.</p>
<p><i>Nirmal Bharat Abhiyan (NBA)</i></p>	<ul style="list-style-type: none"> In 2007-08 and 2008-09, only 46 and 44 percent of the total available fund has been utilized. In 2009-10, 2010-11 and 2011-12, the rate of fund utilisation has gone up to 69, 60 and 71 percent respectively. Further, in 2012-13, the rate of fund utilisation has declined to 58 percent. Looking at the level of fund utilisation across components within NBA, it has been noticed that more emphasis has been given to Individual Household Latrine (IHHL) over the years. Further, the lesser expenditure has been reported on the components like sanitary complex, school, and Anganwadi Centre (AWC) toilets. The component like Information, IEC has meager spending. 	<ul style="list-style-type: none"> Late release of fund in the scheme Delay in submission of Annual Implementation Plan Poor planning processes Staff shortage in the scheme 	<ul style="list-style-type: none"> Planning process is slow Unit cost of services are inadequate 	

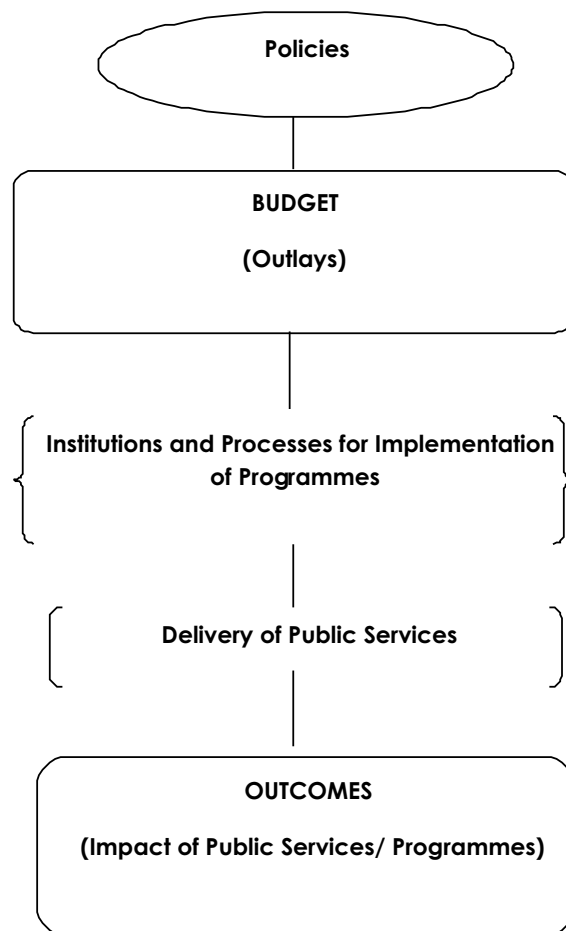
I. Introduction

Children are among the most vulnerable section of the country's population. They face several challenges to live a safe and healthy life. They have lagged behind in terms of several development indicators such as health, education, protection and nutrition due to a number of reasons, which may include unequal social structures and discrimination in general, and gaps and flaws in public policies and poor implementation of some of the government interventions in particular. Therefore, assessing public policies and tracking government expenditure on different flagship programmes for children such as those related to health, education, nutrition and protection becomes necessary. The tracking of government expenditure gives us a fairly good idea about possible reasons behind flaws in public policies and poor implementation of government interventions for children.

Further, it may be useful to note that provision of adequate public resources for child centric development programmes is a necessity, without which even better institutions and sound processes of programme implementation cannot give us the desired development outcomes. However, in order to get a complete picture of government intervention for a sector/scheme, there is a need to look at not only the resources provided in the 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 the budgets for any particular sector/activity, as also at final expenditures, outputs/services delivered, and development outcomes in that sector.

Thus, in the process of child budget analysis, one has to assess the policies, budgets, possible bottlenecks in the institutions and processes relating to implementation of government flagship programmes, quality of outputs and public services delivered through these programmes. Further, the use of such outputs and public services by the intended beneficiary communities can also be analysed in this respect (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 present study focuses mainly on the processes of translating budget outlays for development programmes into better outputs/services, i.e., the extent of utilization of budget outlays or funds.

Before dealing with the issues related to bottlenecks in fund flows and low fund utilization, we need to assess the adequacy of budgetary resources for the social sectors. In India, it is found that relative magnitude of total government spending as a proportion of the GDP is 27 percent. The total budgetary spending on social sectors in India used to be a meager 5.3 % of GDP in 2004-05; although it has increased over the last decade, the figure still hovers around 7 % of GDP. Within this 7 % of GDP for public spending on social sectors, the direct contribution from the Union Budget (i.e. excluding the direct spending from the State Budgets) has been around 2 % of GDP. The level of public spending on social sectors is significantly lower than that in the

developed countries and many developing countries. For instance, India's public spending on health and education (as proportion of country's GDP) is significantly lower than that of several other developing countries, like, Argentina, Mexico, Brazil, South Africa and China. The inadequacy of budgetary resources for the social sectors, especially for long term and institutionalized public provisioning in child specific flagship programmes, has aggravated the systemic weaknesses in the programmes in the form of shortage of skilled human resources, shortage of quality infrastructure, and very low unit costs for the services being provided. Poor quality of infrastructure in these programmes (e.g. schools, hospitals, *anganwadi* centers 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. staff for monitoring and supervision and finance and accounts staff), and unacceptably low levels of unit costs for provisioning of various services in these sectors are all manifestation of the deficiency of public resources in social sectors in India.

A clear indication of the extent to which social sectors in India have been under-funded is the low unit costs for various services provided under different social sector programmes such as Mid-Day Meal (MDM) scheme, Integrated Child Development Services (ICDS), National Child Labour Project (NCLP), *Sarva Siksha Abhiyan* (SSA) and National Rural Health Mission (NRHM).

In the MDM scheme, the cooking costs per day per child (excluding the 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, in ICDS, an *Anganwadi* worker is paid Rs. 3,000 and the *Anganwadi* helper Rs. 1,500 per month, which is less than the minimum wages. The NCLP instructor receives a mere Rs. 4,000 per month. The para teachers or *Shiksha Mitra* as in SSA, teaching children in primary schools, are paid on an average only between Rs. 3000 to Rs. 5000 per month – roughly a tenth of a regular teacher's salary. An Accredited Social Health Activist (ASHA) in NRHM and *Swacchata Doots* in *Nirmal Bharat Abhiyan* (NBA) are paid a meager honorarium and it is mostly a low commission based activity.

Government staff in the State implementing agencies has generally been of the opinion that

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

these unit costs are less than the amounts required for providing 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 the frontline staff in the schemes concerned, continue to be less than the minimum wages prevailing in most States.

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

It is generally shared that the utilization is relatively poor in scheme based on annual plan (SSA) than the CSS without annual plan routed through State budget (ICDS). Most of the CSS have to prepare an appropriate proposal and to be submitted on time. The delay in submission of proposal and its approval will ultimately results in delay in sanction, fund release and low utilization. In many CSS, there is a provision of matching grants to be shared by States. There are several States that are not able to release the matching share on time because they could not afford to pay a matching grant. The delay in releases of State share could be one of the reasons for low fund utilization.

A research study assessing 15 flagship programmes including SSA, MDM, ICDS and NRHM found that major factors behind poor fund utilization are poor scheme design and rigid administrative procedures prevalent in 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 utilization 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 utilization. Actually, delays happen in the process of documentation and preparing the Utilisation Certificates (UCs) at lower level institutions. Finally, higher level implementing agencies are not able to consolidate state level UCs to be sent to the Central government (NIPFP, 2011)

The 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 which constrain fund flow and fund

utilization. These factors include delay in submission of Annual Work Plan and Project Implementation Plans (PIPs), poor capacity of implementing staff, inadequate availability of frontline staff, accountants, poor planning, low unit cost of services, poor monitoring and coordination and frequent transfer of officers (CBGA Study on District Level Analysis of Public Spending for Children, 2007-08).

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

Further, the guidelines of most CSS give emphasis to adopting a bottom-up approach in the processes of budgeting, planning and selection of beneficiaries. But it has been observed that top-down approach was followed, especially under schemes like the NBA and the *Rashtriya Krishi Vikas Yojana* (RKVY). The lack of need based budgeting in the schemes leads to a lack of analysis of the unit costs at the level of implementation units and it defeats the very purpose of strengthening the role of grassroots in the policy making and implementation process. In many schemes, like NRHM, the involvement of ground level functionaries has been poor, which is a hindrance in the effective implementation of the schemes. Moreover, a lack of coordination among different government agencies makes the situation of implementation even worse (Peoples Budget Initiatives, 2013-14).

Scope, Objectives and Methodology of the Study

In the light of the above discussion, the key objectives of this study, with reference to the selected flagship programmes such as SSA, MDM, ICDS, ICPS (ICPS), RCH in NRHM and NBA (working for children) is:

- (i) To assess the extent and pattern of utilization of available funds under the selected social sector schemes for children in different sectors;
- (ii) To examine the process of flow of funds from Central to State government under selected schemes; and

(iii) To identify the major constraints in effective utilization of budget outlays in the selected social sector schemes for children.

The study carries out an assessment of select set of flagship programmes to understand the major constraints in effective utilization of funds at the state level. The six programmes selected are viz. SSA, MDM, ICDS, ICPS, RCH, and NBA. The analysis of each of the selected schemes relies on budget data, information on staff and also perceptions of relevant government officials on aspect of fund utilization, involved in planning and implementation of the scheme.

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

- I. Data on approved budget outlays, funds released of total funds available and expenditure reported for the district during the last four financial years (2010-11, 2011-12, 2012-13 and 2013-14);
- II. Data on the time-line of fund flow funds from Central and State government up to the programme implementing agencies in the State and level of fund utilization
- III. Data related to human resources
- IV. Perceptions of relevant government officials, involved in planning and implementation of the scheme, on the major constraints in effective utilization of funds;

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

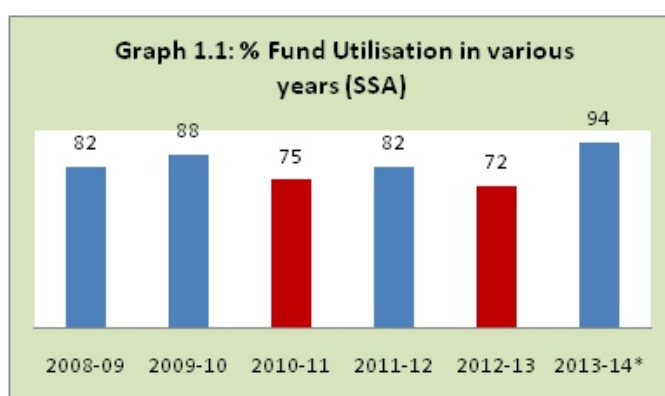
I. *Sarva Shiksha Abhiyan*

SSA was envisaged as a flagship programme for achievement of Universal Elementary Education (UEE) in a time bound manner. It was mandated by the 86th amendment of the Constitution of India, which made free and compulsory education to the children of 6-14 years age group, a Fundamental Right. SSA has been operational since 2000-01 to provide for a variety of interventions for universalizing 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, toilets and drinking water, provisioning for teachers, periodic teacher training and academic resource support, textbooks and support for learning achievement.

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

1A) Fund utilisation

However, looking at the progress made in terms of fund utilisation in SSA vis-a-vis the allocation reported in Annual Work Plan & Budget (AWP&B), it is found that utilisation rate has been slow from 2008-09 to 2013-14 in MP(Graph1.1). The level of fund utilisation was 82 percent in 2008-09 and it has gone up to 88 percent in 2009-10. Further, in 2010-11, utilisation has declined to 75



percent before picking up again in 2011-12 to 82 percent. The rate of fund utilisation in 2012-13 reported to be the lowest one compared to the years in between 2008-09 and 2012-13, whereas in the year 2013-14 a higher rate of fund utilisation among all the years under consideration has been noticed. The high level of fund utilisation for 2013-14 in SSA is due to

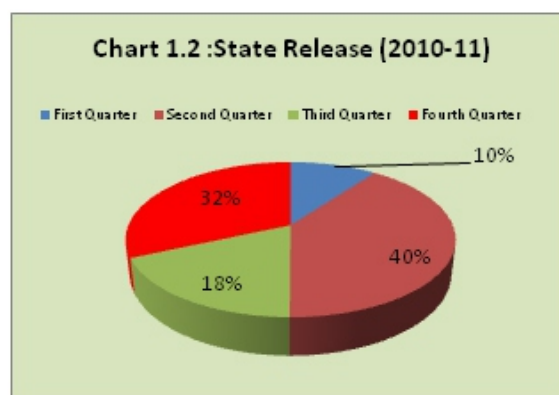
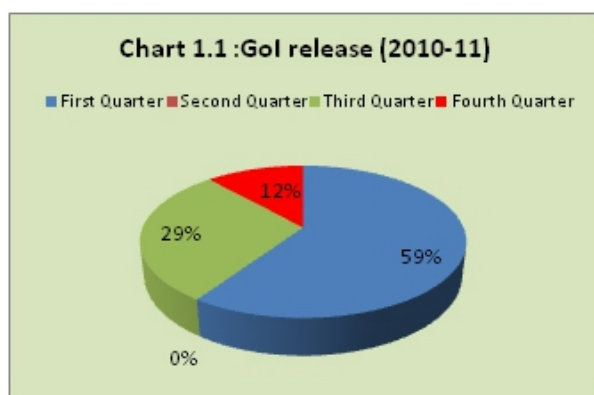
the fact that it does not include the expenditure of National Programme for Education of Girls at Elementary Level (NPEGEL), *Kasturba Gandhi Balika Vidyalya* (KGBV) and grants from Finance Commission (Annex 1).

In sum, the utilisation rate is found to be low almost in all years with some degree of variation. While looking at the component wise expenditure in SSA, it is found that the funds for community mobilization (46 percent), District Education Centre (82 percent), hostels for migrant students (55 percent), residential trainings (55 percent) teaching learning materials and innovations are not adequately utilized in 2013-14 or in previous years

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

1B) Fund Flow Processes

The information presented in chart 1.1 & 1.2 shows that large amount of funds from the Centre was received in the first quarter of the financial year in 2010-11; but one installment of Rs. 200 crore was released to the State SSA society from Centre on 30th March. The State government has released its share (Rs. 314 crore out of Rs.1105 crore) mostly in the last quarter of the financial year and fund came in 10 installments. The three installments were released on the same date on 30.06.10. An amount of Rs. 197 crore was released on 31st March by the State government to the State Project Society (Annex 2).



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

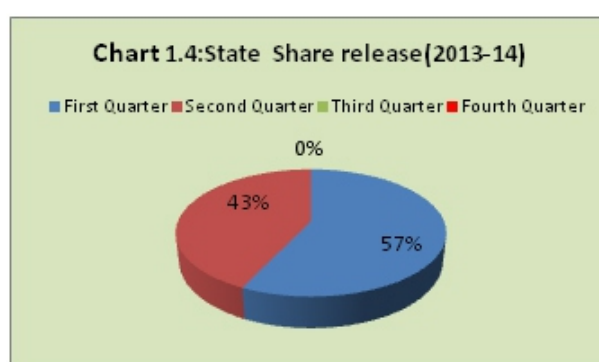
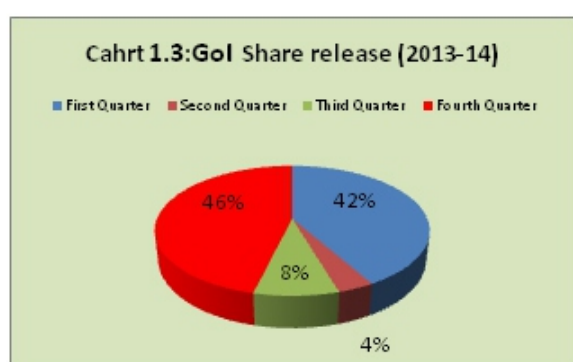
Further, for the financial year 2012-13, it can be noticed from the information presented in table 1.1, that a large amount of funds from the Centre was received in the last quarter of the financial year. An amount Rs.532 crore was released on 5th February, 2013. In contrast to this, the State government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

Table 1.1: Amount and date of installment of released fund in SSA in 2012-13

	Outlay Approved by PAB	Date of Receipt of Gol releases to State Society	Amount (Rs. In Crore)	Date of Receipt of State budget releases to State Society	Amount (Rs. In Crore)
2012-13	4059	30.05.12	334.5	16.05.12	73.2
		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

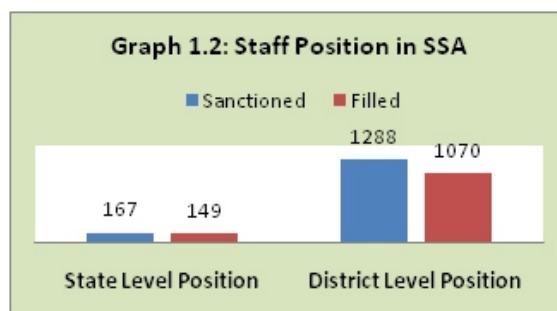
The Information presented in chart 1.3 show that in the financial year 2013-14, a large percentage of fund (46 percent) was released by the Central government share in the last quarter of the financial year, i.e., more than Rs 900 crore, against the total amount of Rs. 2004 crore released to the State Project Society. The fund was received in five installments. However, the State government has released its total share of Rs.1080 crore in the first and second quarter of the financial year which can be seen in chart 1.4 (See Annex 3).



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

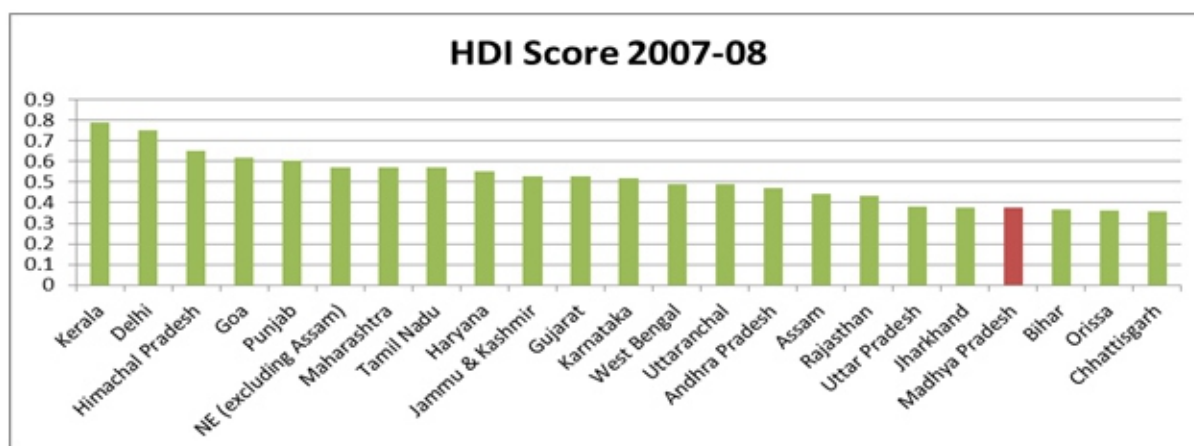
1C) Staff Positions

Data presented in graph 1.2 shows availability of staff in Rajiv Gandhi Shiksha Mission. It is found that at the State level 11 % of State level posts are lying vacant where as 17 % of total position are vacant at the District level. This shows that the shortages of human resources at the District level are more than that of the State level (See Annex 4).



Madhya Pradesh was ranked as 20th in terms of Human Development Indicator in 2007-08 and 1999-2000 as calculated by 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

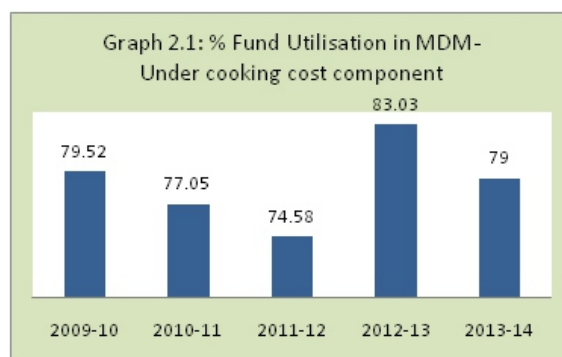
The MDM scheme was initiated on 15th August, 1995 to enhance enrolment, attendance and retention of primary school children and to alleviate class room hunger. In the initial phase, MDM was provided in the form of dry ration which was replaced by hot cooked meals. Now, the scheme is extended to primary and upper primary classes of schools run by State government, aided schools, Local government school under National Child Labour Project *Madrasas* and *Maqtabas* supported under SSA.

The MDM scheme being a Centrally Sponsored Scheme (CSS) consist of several components

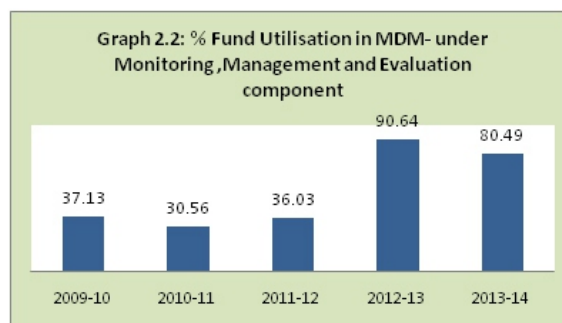
such as cooking cost, honorarium for cook cum helper, transport cost, kitchen sheds and devices and MME. The cost of the meal for three components such as cooking cost, honorarium for cook cum helper, kitchen shed and MME is shared between States and Centre. The matching share in cooking cost between Centre and States area ratio of 75:25 for normal States and 90:10 for North Eastern Region. The revised cooking cost per child per day for primary classes and upper primary classes are Rs.3.59 and Rs 5.38 respectively. With regard to monitoring of the MDM, the model rule under RTE Act says that School Management Committee (SMC) will monitor the implementation of the Mid-Day Meal in the school.

2A) Fund Utilisation

Data presented in Graph 2.1 shows that the average rate of fund utilisation under cooking cost has been below 80 percent during the period from 2009-10 to 2011-12. In 2009-10, the percentage of fund utilisation was 79 percent and it has gradually declined to 77 and 74 percent in 2010-11 and 2011-12 respectively. In 2012-13, fund utilisation has gone up to 83 percent before sliding to 79 percent in 2013-14.



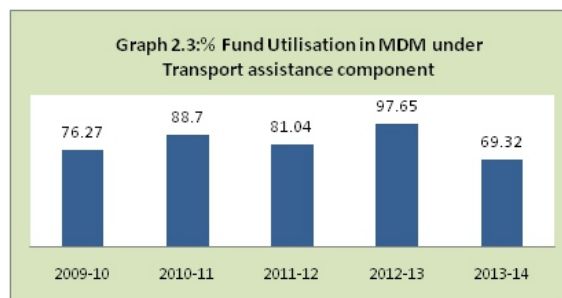
The amount of fund spent under Monitoring Management and Evaluation (MME) component of the MDM scheme has been found to be negligible during the period 2009-10 to 2011-12 when compared to the total budget of the scheme. During these three years period, the percentage of fund utilisation accounted for 37, 30 and 36 percent respectively. The fund utilisation of MME shows poor performance due to non-appointment of staff. Although, the rate of fund utilisation had increased to 90 percent in 2012-13 and it was reported to be 80 percent in 2013-14. One reason for higher utilisation in 2012-13 and 2013-14 could be due to appointment of staff at State and District level (Graph 2.2).



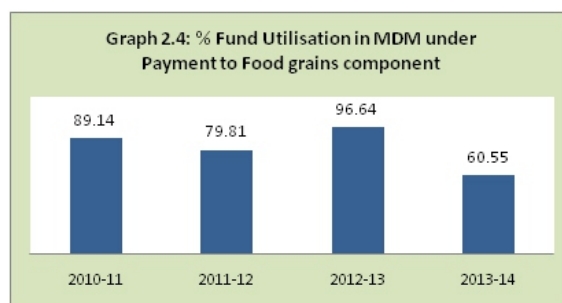
Under transport assistance component of the MDM, there has been a fluctuating rate of fund utilisation during the period 2009-11 to 2013-14. The percentage of fund utilisation has been ranging between 70 to 98 percent during the period of analysis. Higher rate of fund utilisation was reported in the year 2012-13 (97.65 percent), whereas the year 2013-14 was the year of

Under transport assistance component of the MDM, there has been a fluctuating rate of fund utilisation during the period 2009-11 to 2013-14. The percentage of fund utilisation has been ranging between 70 to 98 percent during the period of analysis. Higher rate of fund utilisation was reported in the year 2012-13 (97.65 percent), whereas the year 2013-14 was the year of

low fund utilisation with only 69.32 percent against the fund available. The low fund utilisation in transport assistance in 2013-14 was due to lesser quantity of food grains was allotted to schools (Graph 2.3).



With regard to payment of cost of food grains under MDM, the rate of fund utilisation shows 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 percent, which has declined to 79 percent in 2011-12. However, in 2012-13, the fund utilisation rate is found to be 96 percent. The low fund utilisation in payment to food grains in 2013-14 has been due to lesser quantity of food grains allotted to schools (Graph 2.4).

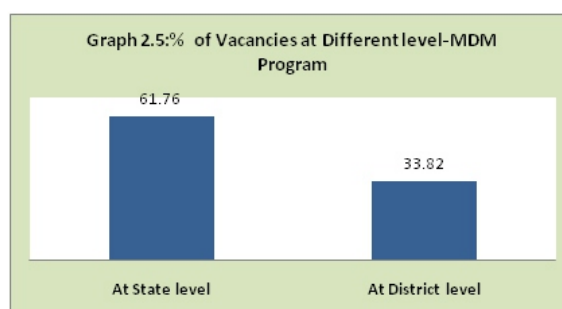


2B) Fund Flow Processes

It is evident from the information presented in table 2.5 that in case of cooking costs, the State received the adhoc installment of fund for 2012-13 on 09th May 2012 and it took around 40 days to release the fund from State Finance Department to State MDM Directorate. On the other hand State Directorate had released the fund on 30.06.2012 to the Districts. It took only 12 days for release of fund from State Directorate to Districts. Almost similar pattern of delay in fund flow was also observed in other components of MDM and in the release of further installments. The highest number of delays was found (195 days) in case of construction of kitchen sheds due to delay in release of state share.

2C) Staff Position

Information presented in Graph 2.5 show that large number of posts are lying vacant in MDM cell, both at the State and at the District level. At the State and District cell of MDM, posts that are lying vacant stood at 61 percent and 33.82 respectively against the total sanctioned post. At the District level, posts for 20 task managers and 49 quality monitors are vacant. The official in State MDM cell told that poor staff strength leads to lack of monitoring and poor record keeping of the programme in the State and Districts



(Annex4). Source: State MDM Directorate, Department of Rural Development, Government of Madhya Pradesh

(3) Integrated Child Development Services (ICDS)

ICDS aims to provide pre-school education on one hand and breaking 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.

Supplementary Nutrition Programmes (SNP) includes supplementary feeding and growth monitoring, prophylaxis against vitamin A deficiency and control of nutritional anemia. All families in the community are surveyed, to identify children below the age of six and pregnant & nursing mothers. They avail of supplementary feeding support for 300 days in a year. By providing supplementary feeding, the *Anganwadi* attempts to bridge the calorific gap between that which is nationally recommended and the average intake of children and women in low income and disadvantaged communities.

Growth monitoring and nutrition surveillance are two important activities that are undertaken in 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 growth faltering and helps in assessing nutritional status. Besides, severely malnourished children are given special supplementary feeding and referred to medical services.

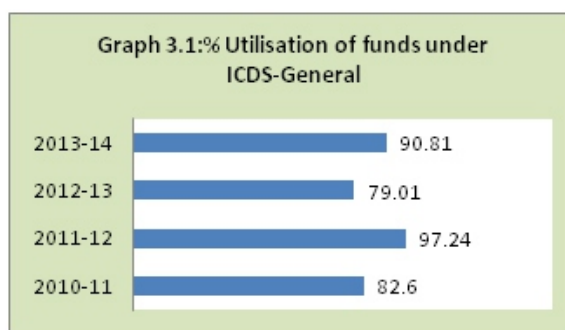
The coverage of SNP along with other services under the ICDS is universal. States are required to provide supplementary nutrition to all eligible beneficiaries, i.e., Children (6 months to 6 years) and pregnant & lactating mothers under ICDS as per the guidelines and norms of the ICDS Scheme. There are 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 on 31.01.2013. States are requested from time to time to optimize the coverage of beneficiaries under ICDS Scheme.

With regard to fund sharing pattern between Centre and States, initially the scheme was 100 percent funded by the Centre except for nutrition supplements, which were to be funded by States and Union Territories. In response to resource constraints faced by many States, the Central government increased fiscal support to cover half of the supplementary nutrition costs since 2006. The funding pattern between Centre and States, 50:50 for supplementary nutrition are shared between Centre and all States respectively, (except the North-eastern ones). From 2009-10, sharing ratio under ICDS General has been modified to 90:10 between Centre and normal category States. The cost of AWC construction is fully financed by central government. At present, under the SNP norms, the feeding cost for children (6-72 months),

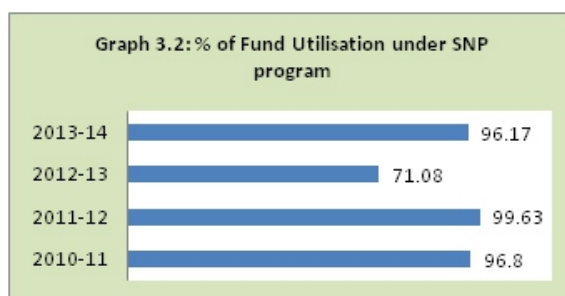
severely malnourished children (6-72 months), pregnant and lactating mothers are Rs. 4, Rs. 9 and Rs. 7 per day per person respectively.

3A) Fund utilisation

As per the information recorded in Graph 3.1, in the year 2010-11, percentage share of utilisation of fund in ICDS against the budget estimate was 82 percent. However, in 2011-12, this has increased to 97 percent. Again in 2012-13, low level of fund utilisation has been experienced under ICDS and was pegged at 79 percent only. In the year 2013-14, the percentage share of fund utilisation against the budget estimate increased up to 90 percent. Overall, it shows that the rate of fund utilisation has been fluctuating over the years. The low rate of utilisation in ICDS general was found because of State election, delay in the release of share of Central share and delay in implementation of purchasing contract (Annex5).

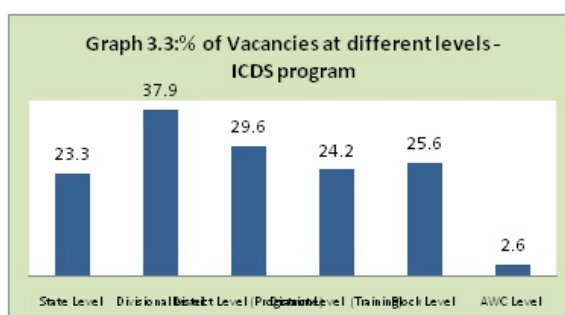


The data presented in graph 3.2 shows that the percentage of fund utilisation against the budget estimate is found to be one of the highest in SNP when compared to other schemes over the years. During 2010-11 and 2013-14, percentages of fund utilisation have been recorded at more than 95 percent except for the year 2012-13. In 2012-13, only 71 percent fund was utilized against the budget estimate, which was lowest in four years. The official told that the share of SNP from Central government was received late in 2012-13, which is why rate of utilisation is found to be low (Annex 6).



3B) Staff Position

Looking at the staff position under ICDS, it is found that the vacancies at programme and managerial level at the State, Division, District and Block levels are higher than the AWC level. Many posts of Directors, Programme Officers (Pos), Child Development Project Officers (CDPOs), Supervisors and Accountants are lying vacant. The highest level of vacancy is found at



the division level, which is around 38 percent. The information presented in table below show that at the State, District (Programmes), District (Training) and Block level, the vacancies are enumerated as 23, 29, 24 and 25 percent respectively (graph 3.3). At AWC level, the vacancies are lesser than other levels (Annex 6).

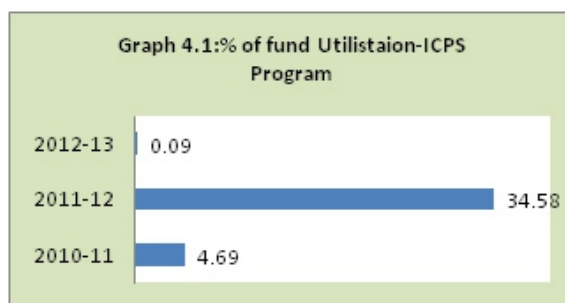
(4) Integrated Child Protection Scheme

Integrated Child Protection Scheme (ICPS) is a comprehensive scheme introduced in 2009-10 by the Government of India to bring several existing child protection programmes under an umbrella, with improved norms. The scheme incorporates other essential interventions, aiming at to address issues, which were so far not covered by earlier schemes. It is based on the cardinal principles of “protection of child rights” and the “best interest of the child”.

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

4A) Fund utilisation

The information presented in graph 4.1 show a very low level of fund utilisation rate in ICPS over the period of three years. The percentage of fund utilisation accounts 4.69, 34.58 and 0.09 percent respectively during 2010-11 to 2012-13. The level of utilisation is found to be higher in 2011-12 due to filling of some of the vacant posts at District and State level. ICPS has been one of most neglected scheme in MP. The State government did not give adequate attention to implement the ICPS in true spirit. Therefore, still many posts are lying vacant and necessary training to newly appointed staff was not provided by the government (Annex7).



4B) Fund Flow Processes

It is evident from the information presented in table 4.2 that in case of fund release from Centre, the State received the fund in the last quarter in 2010-11, and in the third quarter in 2011-12 and 2012-13. Later on, in 2013-14 and 2014-15, fund was revived by the State in the second and third quarter respectively; it shows an improvement in the fund flow process. In the beginning of ICPS, the State government had not shown enough interest to implement the

scheme properly, which is why the project from State to Centre was sent very late, hence approval from Centre got delayed. For 2014-15, the meeting of the Project Approval Board Meeting of Madhya Pradesh on ICPS was held on November 5, 2014.

Table 4.1: Release of Fund under ICPS Schemes

S.No.	Dates	Amount (Rs in 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, Government of Madhya Pradesh

4C) Staff Position

With regard to availability of staff at the State and District child protection societies, the respective officials do not have exact data/information on in - position staff against the sanctioned posts and they said that there are still a large number of vacancies to be filled up. Further, there has been a low retention rate of staff due to low honorarium paid to them by the State and District child protection societies. Recently, the State government has revised the amount of honorarium and is trying to fill up the vacant positions.

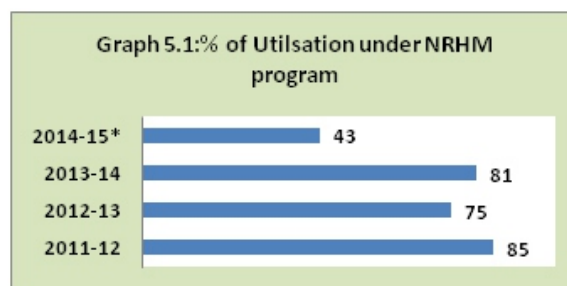
(5) Reproductive and Child Health (RCH) Programme

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

The RCH require matching contributions from the States for its implementation. The Centre-State funding pattern will be 75:25 for all the States except North-Eastern States including Sikkim and other special category States of Jammu & Kashmir, Himachal Pradesh and Uttarakhand, for whom the Centre-State funding pattern will be 90:10. The PIPs sent by the States are appraised and approved by the Ministry.

5A) Fund utilisation

The information presented in graph 5.1 shows that the status of fund utilisation against approved budget under NRHM during last four years. In the financial year 2011-12, the percentage of fund utilisation has been around 85 percent. However, in subsequent years, the percentage of fund utilisation has shown a declining trend. The percentage of fund utilisation has gone down to 75, 81 and 43 percent in 2012-13, 2013-14 and 2014-15 (Dec 10) respectively (Annex 8).



Data presented in graph 5.2 show that the status of fund utilisation against approved budget under RCH programme during last four years. From the information it can be seen that the rate of fund utilisation under RCH has been better than under the NRHM. In the financial year 2011-12, the rate of fund utilisation has been around 97 percent. However, in the subsequent years, the percentage of fund utilisation has shown a declining trend. The percentage of fund utilisation has gone down to 83, 82 and 49 percent in 2012-13, 2013-14 and 2014-15 respectively. While looking at the component wise expenditure in RCH, it is found that the funds for components like family planning, Adolescent Reproductive and Sexual Health (ARSH)/*Rashtriya Bal Swasthya Karyakram* (RBSK), urban RCH, training human resources are not adequately utilized in 2013-14 and other years. The level of utilisation in these components found to be 53, 32, 34 and 48 percent respectively in 2013-14. Higher levels of fund utilisation have been observed in the components like *Janani Suraksha Yojana* (JSY) and Pulse Polio Immunization scheme (Annex 9).

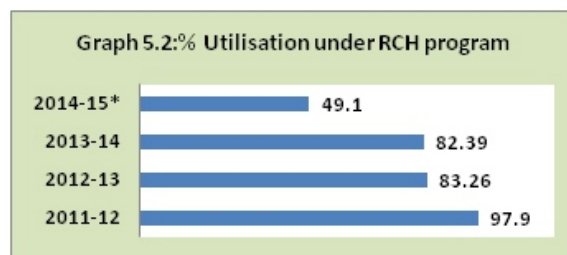


Table 5.1 show the share of RCH in the total fund allocated on NRHM. In 2011-12, the share of RCH accounted for 55 percent and in the subsequent years, it has declined to 55 percent and 52 percent in 2012-13 and 2012-13, respectively. It reflects that a priority in terms of spending on RCH in total NRHM spending has declined.

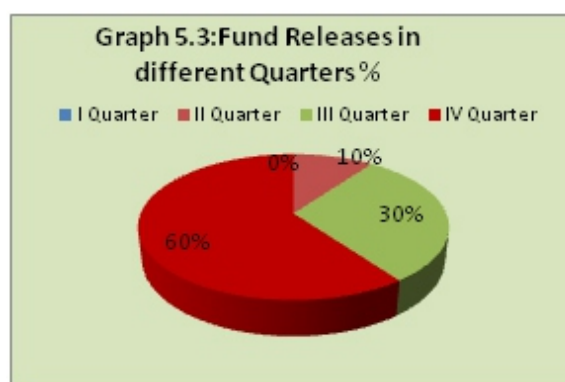
Table 5.1: Share of RCH in Approved Budget of NRHM

(Amount in 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 release to NRHM society from the state in the year 2012-13, the information presented in graph 5.3 show that NRHM society has received the 10, 30 and 60 percent of total fund in the second, third, and fourth quarter of the financial year from the State Finance Department. The information presented in table reflects that the large amount of fund (60 percent) has been released in the last quarter only (Annex10).



5B) Fund Flow Processes

As per the information presented in table 5.2, the fund released in RCH has been almost on time from Government of India. During the first and second quarter of the year most of the funds have been received by the NRHM State Society from the Government of India.

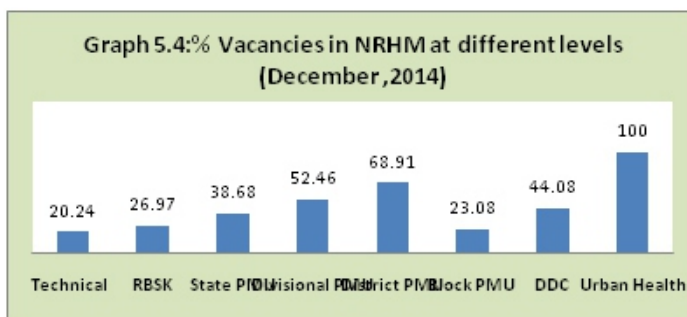
Table 5.2: Fund Release from GOI in RCH to State Health Society (Amount in Rs. Crore)

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

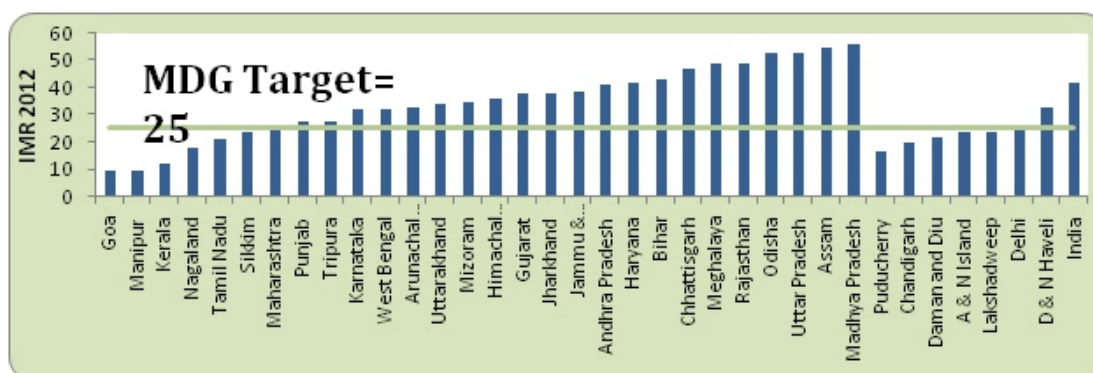
Source: NRHM Society, Bhopal

5C) Staff Position

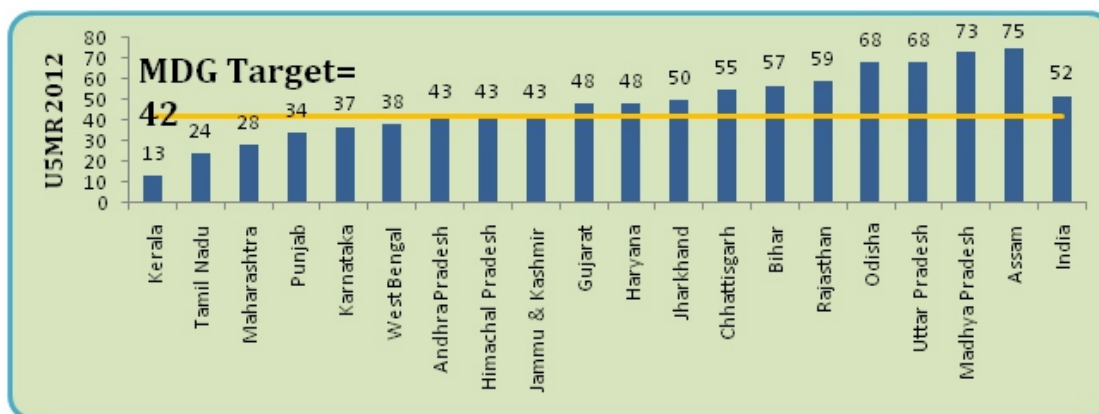
Information pertaining to the percentage of staff vacancies in NRHM at different levels is presented in graph 5.4. It is reported that at the State level 37 percent of sanctioned posts in NRHM are lying vacant. There are two categories of posts in NRHM, namely technical (doctors, nurses, ANMs and lab technicians) and programme managers (accountants, engineers, monitoring and evaluation staff, data entry operators and hospital managers). It can be seen from the information presented in graph 5.4 that vacancies are more acute at programmemanagement level compared to the vacancies in the technical staffs. Programmemanagement unit at State, Division, district and Block has 38, 52, 68 and 23 percent of vacancies respectively against the sanctioned strength, whereas the vacancies at technical level is only 20 percent of the sanctioned strength (Annex 11).



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)

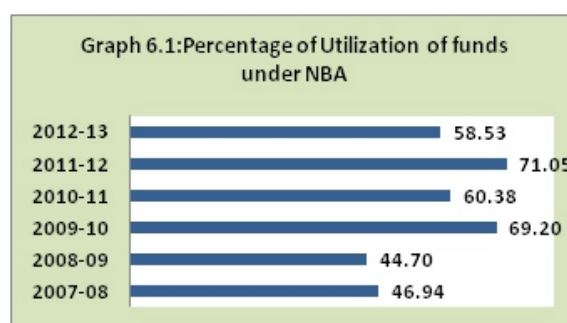
The NBA, initiated in 2012 is a departure from the earlier Total Sanitation Campaign (TSC) in that it promotes a holistic approach towards sanitation. The main objective of NBA was to bring about an improvement in the quality of health and hygiene in the rural areas. It has focussed on accelerating the sanitation coverage in rural areas to achieve the vision of NBA by 2022 with all Gram Panchayats in the country attaining *Nirmal* status. Further, it aimed to motivate communities and Panchayati Raj Institutions, promoting sustainable sanitation facilities through awareness creation and health education. In 2014, the 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 will be in a ratio of 75:25 between the Centre and State. For North Eastern States, Jammu and Kashmir and Special category States, the Centre and States share is fixed at 90:10 percent). Since its inception, the 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 GP and Small and marginal farmers
- Landless laborers with home stead and Above Poverty Level (APL) households restricted to SCs and Sts
- School children and physically handicapped and women headed household

6A) Fund utilisation

The information presented in graph 6.1 shows that the rate of fund utilisation in NBA has been very poor over the years compared to the status of fund utilisation in other flagship programmes at the State level. In 2007-08 and 2008-09, only 46 and 44 percent of the total available funds have been utilised. However, during 2009-10, 2010-11 and 2011-12, the rate of fund utilisation has gone up to 69, 60 and 71 percent respectively (Annex 12). The level of fund utilisation in 2012-13 has shown a declining trend (only 58 percent).



Looking at the rate of fund utilisation across components within NBA, it has been noticed that more emphasis was given to the construction of Individual House hold Latrine (IHHL) over

other components. Lesser utilisation of funds has been observed on the components like construction of sanitary complexes, school toilets and AWC toilets. The component wise Information on IEC has received less priority in terms of meager spending in 2010-11 and 2011-12 (table 6.1). In 2012-13 and 2013-14, expenditure on IEC indicated the increasing trends.

Table 6.1: Component Wise Break Up of the Expenditure in NBA (%)

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>)

6B) Fund Flow Presses

With regard to timely release of fund to the NBA mission, it has been noticed that no money was received in the first quarter of any financial year from the Centre and the State of Madhya Pradesh. It can be noticed from the information presented in table 6.2 that 60 percent (Rs.396 crore) of total Central share was released to the mission in the last quarter of the financial year 2013-14. However, the State has released most of its shares in the second and third quarter of the financial year 2013-14.

Information presented in table 6.3 show status of approval of Annual Implementation Plan (AIP) by State Water and Sanitation Mission (SWSN). It can be seen from the table that there has been a considerable delay in the approval of AIPs, across the year. Ideally, AIPs should have been approved by February.

Table 6.2: Fund Releases to State NBA Mission in 2013-14

(Amount in Rs. Crore)

Central Share Releases on	Amount	State Share Releases on	Amount
01.06.2013	241.30	27.07.13	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

Table: 6.3 Annual Implementation Plan (AIP)

Year	Month of Approval of AIP
2011-12	April, 2011
2012-13	August-September,2012
2013-14	March,2013

6C) Staff Position

With regard to availability of staff in the State and District NBA missions, it can be seen from the information presented in table 6.5 that about 15 and 16 percent of total sectioned posts are lying vacant at state and district level, respectively.

Table 6.4: 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 (%)



III. Key Findings

1. Extent of Fund utilisation

The study has analysed the data on expenditure of funds, timing of fund release, and amount of installments and availability of staff under six flagship programmes namely SSA, MDM, ICDS, ICPS, NRHM and NBA. It has also captured the perception of officials regarding the poor utilisation of fund and bottlenecks in fund flow processes. From the data analysis, it was found that there is low fund utilisation, delays in fund flow process and inadequate availability of staff for implementing the programme.

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

The officials involved in the implementation of NRHM, SSA and ICDS shared that large amount of spending of the programmes involves the civil work and the tendering process gets delayed in the civil work due to involvement of other stake - holders such as Public Works Department or PRIs. The long gestation period involved in the civil work leads to delays in utilisation of funds and, in turn, submission of UCs gets delayed.

In SSA, the level of fund utilisation was found to be between 75 percent and 82 percent between 2008-09 and 2013-14 against the allocated fund. The level of fund utilisation shows wide variation across different quarters of the financial years. While looking at the component wise expenditure in SSA, it is found that the funds for components like community mobilisation, trainings, teaching learning material and innovations are not adequately utilised. Higher level of spending was observed in the civil work component and honorarium of teachers.

The average rate of fund utilisation under the cooking cost component has been below 80 percent during the period between 2009-10 and 2011-12. A meager amount has been spent under the MME during the same period. During the period between 2009-10 and 2011-12, the degree of fund utilisation accounted for 37, 30 and 36 percent, respectively. It increased to 90 percent in 2012-13 but declined to 80 percent in 2013-14.

In 2010-11, the percentage share of fund utilisation was found to be 82 percent against the budget estimate in ICDS. In 2011-12, it increased to 97 percent. In 2012-13 the level of fund utilisation was around 79 percent, lower when compared to the earlier years. However, in 2013-14 the percentage share of fund utilisation increased up to 90 percent. Percentage of utilisation is found to be highest in SNP than in other schemes within ICDS over the years. In 2010-11, 2011-12 and 2013-14 the percentage of fund utilisation crossed 95 percent, except in the financial year 2012-13.

In the financial year 2011-12, the percentage of fund utilisation against allocation has been around 85 percent in NRHM. The percentage of fund utilisation has gone down to 75, 81 and 43 percent in 2012-13, 2013-14 and 2014-15 (upto 11 December, 2014), respectively. The percentage of fund utilisation under RCH has been found as 97, 83, 82 and 49 percent in 2011-12, 2012-13, 2013-14 and 2014-15 (upto 11 December, 2014), respectively. While looking at the component wise expenditure under RCH it is found that the funds for components like family planning, ARSH, RBSK, urban RCH, training human resources (important for improving the systemic capacity) are not adequately utilised. The higher levels of fund utilisation have been observed in components like JSY and Pulse Polio Immunization scheme. The components related to systemic strengthening like planning, monitoring and hiring of staff showed lower levels of fund utilisation against the funds approved.

The level of fund utilisation in NBA has been poor over the years. In 2007-08 and 2008-09, only 46 and 44 percent of the total available fund has been utilised. In 2009-10, 2010-11 and 2011-12, the rate of fund utilisation went up to 69, 60 and 71 percent respectively. However, in 2012-13, the rate of fund utilisation declined to 58 percent. Looking at the level of fund utilisation across components within NBA, it has been noticed that over the years more emphasis was given to IHHL. Further, lesser expenditure was reported on components like sanitary complex, school, and AWC toilets. The IEC component has meager share of spending.

2. Spending remained crowded towards the last quarter of the financial year

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

In case of cooking cost in MDM, the State received the adhoc installment of fund of 2012-13 on 09th May 2012 and it took around 40 days to release the fund from State government to State Directorate. On the other hand, State Directorate had released the fund on 30.06.2012 to the districts. The highest number of delays was found (195 days) in case of construction of kitchen sheds due to delayed release of state share.

In 2012-13, the NRHM society has received 10, 30 and 60 percent of total fund in the second, third, and fourth quarter of the financial year from the State Finance Department. In other words, major chunk of fund (60 percent) has been received by the project society during the last quarter only. The funds were received by the NRHM project society in eight installments from the State government during 2012-13. However, the fund released by the Centre under RCH has been almost on time during 2012-13 and 2013-14.

With regard to timing of availability of funds to NBA mission in 2013-14, no money was received in the first quarter from Centre and State. It was found that 60 percent (Rs. 396 crore) of 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 quarter of the financial year 2013-14.

3. Factors Constraining the Extent of Fund utilisation

Deficiencies in decentralised planning

One of the problems of ineffective utilisation in the flagship programmes are attributed to institutional and procedural bottlenecks in planning and implementation of the programmes. Because of deficiencies in decentralised planning, PIPs or AWWP&B in States do not capture the diverse district specific needs very well. Such situations are a result of insufficient staff for undertaking planning activities, inadequate attention to their capacity building, and minimal role for community participation in the planning process. Moreover, there is a lack of need based budgeting in the programme, which is being carried out without proper analysis of required unit costs on the ground. The bottleneck in budgetary processes is due to delay in approval of PIPs and finally it results in delayed release of funds from the Centre to the States, delay in releasing sanction orders for spending. Sometimes the guidelines issued by Union government have been found cumbersome, making it difficult for implementing officials to comprehend and follow them during implementation. The approval of AIP by State Water and Sanitation Mission (SWSN) has been delayed in MP. Similar instances have been reported in case of NRHM, RCH and SSA.

Systemic weaknesses due to staff shortage

Human Resource (HR) shortage was found across all the six flagship programmes. In particular, the managerial staff was found to be inadequately placed in NRHM, ICDS, and NBA at state and district levels. The technical health personnel or teachers were found to be inadequate, particularly in tribal areas as pointed out by officials. The tenure (11 month contract), stability and low salary of staff across flagship programmes has been a serious issue in MP as communicated by the officials involved in NRHM, ICPS and ICDS. Moreover, shortage of trained and regular staff in programme management, finance/accounts and frontline service provider

roles causes the weakening of capacity of the government apparatus in implementation of the programme.

In fact, there are huge shortfalls of technical and managerial staff as against the sanctioned positions. The poor training and capacity building of the staff and post training follow-ups are a serious challenge in effective implementation of flagship programmes towards achieving desired outcomes. With regard to availability of staff in Rajiv Gandhi Shiksha Mission, 11 percent of state level posts are lying vacant whereas 17 percent of total positions are vacant at the district level. The posts lying vacant at the state and district cell of MDM against the total sanctioned post are around 61 percent and 34 percent respectively.

Many post of Directors, Programme Officers (POs), Child Development Project Officers (CDPOs), supervisors and accountant are lying vacant. The highest level vacancy is found at the divisional level of government, which is around 38 percent. At the level of state, district (programme and training) and blocks, the vacancies are enumerated as 23, 29, 24 and 25 percent, respectively. The ICPS is also facing acute shortage of staff at the state and district levels. At the state level, 37 percent of sanctioned post under NRHM is vacant. The vacancies are more acute at programme manager level than the technical staff. Vacancies of programme manager unit at the state, divisional, district and block accounted for 38, 52, 68 and 23 percent respectively, whereas the vacancy at technical level is reported to be 20 percent. With regard to availability of staff in the state and district mission, it was found that 14 and 16 percent of total sanctioned posts are vacant at the state and district level respectively.

IV. Policy Recommendations

Given the extent of low levels of fund utilisation across schemes over the years, it is imperative that the policy makers pay attention to the problems and bottlenecks in fund flow processes that implementing agencies have been confronting at various levels of governance. Although the nature of implementation of schemes, including fund sharing pattern, fund flow processes, selection of beneficiaries and the overall outcomes envisaged under the schemes are not identical and uniform. At the same time, there are a number of commonalities across these schemes observed with regard to 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 targeted outcomes. A few policy recommendations are noted below, which 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 implementing Societies on time. Also, small amounts should not be transferred in multiple installments; rather, there should be only two installments and certainty about the timing and the quantum of funds. This would help the implementing agencies prepare a better action plan for utilisation of available funds. Further, in most cases funds should be transferred electronically from state to district and below to the Block and Gram Panchayats level for ensuring better transparency

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

Thirdly, to address the challenges with regard to systemic weakness and poor planning process, the sanctioned posts should be filled up in all the flagship programmes with immediate effect. In this regard, the State government should have 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, long term contract (at least for five years) better service conditions and increments, and effective appraisal system. Further, strengthening of the capacity of programme management through regular training

programmes (induction and in-service), exposure visits. The expansion of scale of the programme should be done simultaneously with adequate capacity building. Further, adequate training and capacity building of the staff need to be conducted for preparing participatory plans and budgets for the programme. Also, there is a need for assessment of post training follow-up of staff in terms of effectiveness and impact.

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

Fifthly, it is thought that with the changes in fund flow process in 2014-15 under CSS (where funds from the Centre are transferred to the States directly through the finance department) would not solve the problems of multiple reporting systems without making changes in the guidelines with regard to fund flow. It has been shared by the officials that multiple reporting systems lead to under utilisation of funds. Finally, utilisation certificate and audited statement are required by the Central Ministries from the State governments to release the next installment. In this regard, Central Ministries may give ample time to implementing agencies for the submission of the utilisation certificate and audited statement on allocation of previous year. The second installment could be released on the basis of simple statements of expenditures prepared by State implementing agencies.

Annexures

Annex 1: Fund Allocation and Utilisation under SSA, KGBV and NPGEL (in 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 *It does not include the allocation of NPEGL and grants from Finance Commission

Annex 2: Amount and date of installment of released fund in SSA in 2010-11

	Outlay Approved by PAB	Date of Receipt of GoI releases to State Society	Amount (Rs. In Crore)	Date of Receipt of State budget releases to State Society	Amount (Rs. In 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 installment of released fund in SSA in 2013-14

	Outlay Approved by PAB	Date of Receipt of GoI releases to State Society	Amount (Rs. In Crore)	Date of Receipt of State budget releases to State Society	Amount (Rs. In 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

Annex 4: Position of Staff of MDM in States

	No. Sanctioned Post	No. Filled Post	No. Vacant Post	% Vacancies
Position at State Level	34	13	21	61.76
Position at 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 (Rs. in 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 Source Women and Child, Government of Madhya Pradesh

Annex 6: Fund Allocation and Utilisation under Supplementary Nutrition Programme (Rs. in 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 Source Women and Child, Government of Madhya Pradesh

Annex 6: Staff Position in ICDS at Different Level in MP (Rs. in Crore)

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, Government of Madhya Pradesh

Annex 7: Fund Allocation and Utilisation under ICPS Scheme (Rs. in Crore)

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

Source: State Budget Documents of MP for Several Years

Annex 8: Fund Allocation and Utilisation under NRHM

(Amount in Crore)

Year	Approved Budget	Actual 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 9: Fund Allocation and Utilisation under RCH

(Amount in 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 10: Fund Release to NRHM Society from State

(Amount in 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 11: Staff Position in NRHM

Position	Sanctioned	Current in 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 12: Fund Allocation and Utilisation under *Nirmal Bharat Abhiyan* (Rs. in Crore)

Year	Total Fund 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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