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BUDGET BRIEFS

NSAP, GOI 2014-15

The National Social Assistance Programme (NSAP) was launched in 1995 with the objective of supporting minimum needs of specified social groups such as the elderly, widows and disabled persons living in below poverty line (BPL) households. The scheme comprises the following components:

- Indira Gandhi National Old Age Pension Scheme (IGNOAPS) that provides a monthly pension to the elderly poor above the age of 60;
- Indira Gandhi National Widow Pension Scheme (IGNWPS) that offers a monthly pension to poor widows between the ages of 40 and 59;
- Indira Gandhi National Disability Pension Scheme (IGNDPS) that provides a monthly pension to persons with a disability level of 80% or more, living in poor households;
- National Family Benefit Scheme (NFBS) that offers a one-time grant to a BPL family that loses a breadwinner; and
- Annapurna Scheme that provides food security to the elderly poor not covered under the IGNOAPS.

Using government data, this brief reports on trends in budgetary allocation and expenditure along the following parameters:-

- Overall trends in allocations and expenditures;
- Trends in expenditure at the state level; and
- Scheme-wise trends in expenditure and coverage of beneficiaries with an emphasis on the IGNOAPS.

Cost Share: NSAP is a 100% centrally funded programme, though states are requested to contribute an equal share. Implementation of the scheme rests with state governments and union territories.

Complete expenditure data is only available until FY 2012-13.

Highlights

1	Government of India (GOI) allocations for NSAP in Financial Year (FY) 2014-15 (in crores)	₹10,635
2	% released by GOI out of approved allocations in FY 2012-13	93%

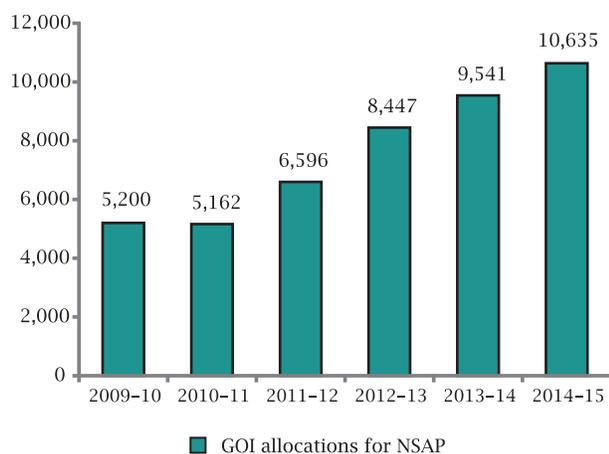
Summary and Analysis

- GOI allocations for NSAP have increased by over 2-fold between FY 2009-10 and FY 2014-15. For FY 2014-15, GOI has allocated ₹10,635 crores for NSAP.
- Between FY 2009-10 and 2011-12, GOI spent over 90% of its approved allocations. In FY 2012-13, this dropped by 14 percentage points to 80%.
- There are state-wise variations in fund utilisation. In FY 2012-13, Himachal Pradesh spent 84% of its available funds while Karnataka spent only 34%.
- There are state variations in beneficiary coverage. For instance, Maharashtra covered only 48% of the eligible IGNOAPS beneficiaries in FY 2012-13 while Jharkhand covered 82%. Similarly, under IGNDPS, Gujarat covered only 12% of the eligible beneficiaries while Chhattisgarh covered 103%.
- There are significant delays in receipt of pensions. The Office of the Supreme Court Commissioners evaluated IGNOAPS based on a sample survey in FY 2010-11. The report found that on an average 79 and 77 percent of beneficiaries in Gujarat and Uttar Pradesh reported receiving pensions with a delay of over 3 months, respectively.

Trends in GOI Allocations and Expenditure

- Launched in 1995, the National Social Assistance Programme (NSAP) is the Government of India's (GOI's) flagship programme providing social assistance to specified social groups such as the elderly, widows and disabled persons living in below poverty (BPL) households.
- Budgetary allocations for NSAP have increased over 2-fold between FY 2009-10 and FY 2014-15. In FY 2014-15, allocations for NSAP stand at ₹10,635 crores.

Over 2-fold increase in NSAP allocations between FY 2009-10 and FY 2014-15.



Source: Ministry of Rural Development, Annual Report 2012-13, Chapter on National Social Assistance Programme. Available online at: http://rural.nic.in/sites/downloads/annual-report/MoRDEnglish_AR2012_13.pdf and India Expenditure Budget Vol 2. Available online at: www.indiabudget.nic.in

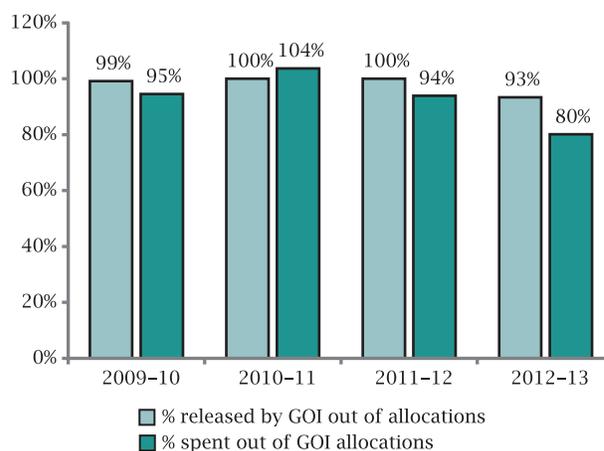
Note: Figures in crores of rupees. All figures are budget estimates.

- In 2012, GOI constituted a Task Force to restructure the NSAP. The Task Force recommended enhancing the reach and level of assistance provided under NSAP with effect from FY 2013-14. Accordingly, allocations for NSAP in the Twelfth Five Year Plan (FYP) were estimated at ₹1,31,626 crores.
- NSAP is a 100 percent centrally funded scheme. Allocations to state governments

are made based on GOI's estimation of beneficiaries in each state. This estimation in turn is based on the 2002 BPL survey conducted by the Planning Commission.

- With effect from FY 2014-15, NSAP has been converted to a Centrally Sponsored Scheme (CSS). The move to a CSS is underlined by the fact that as an Additional Central Assistance (ACA) fund, the scheme suffered from fund flow delays. As a CSS, funds will now be released by GOI directly to the implementing authorities. The exact fund flow under the scheme is still being finalised.
- Releases:** In the last 4 years, GOI has released most of its allocated funds to states. In FY 2012-13 (latest year for which data is available), 93 percent of GOI allocations had been released.
- Expenditure Performance:** Since FY 2009-10, expenditure as a percentage of allocation has been high. In FY 2012-13 however, expenditure dropped to 80 percent.

80% of allocations spent in FY 2012-13.

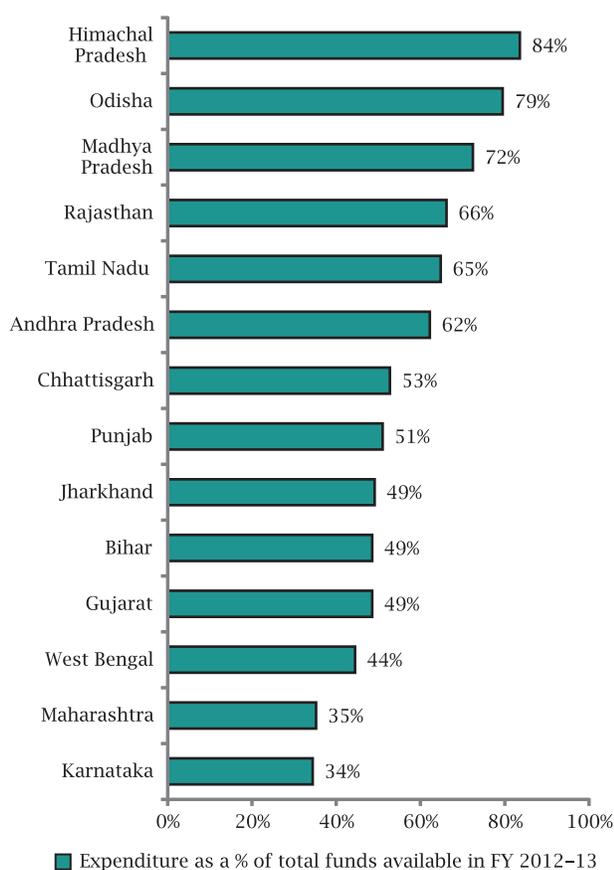


Source: Allocation figures taken from Ministry of Rural Development, Annual Report 2012-13, Chapter on National Social Assistance Programme. Available online at: http://rural.nic.in/sites/downloads/annual-report/MoRDEnglish_AR2012_13.pdf. Updated releases and expenditure for FY 2012-13 taken from 34th Report of the Lok Sabha Committee of Estimates. Available online at: http://164.100.47.134/lssccommittee/Estimates/15_Estimates_34.pdf.

Trends in Expenditure at the State Level

- **Expenditure Performance:** Spending as a proportion of available funds (releases and unspent balances from previous years) varies across states.

Himachal Pradesh spent 84% of funds available; Karnataka and Maharashtra spent less than 40%.



Source: PRC Meeting January 2014, Action Taken Report based on last PRC meeting as on October 2013. Available online at: http://rural.nic.in/sites/downloads/general/NSAP_PRC_15JAN.pdf

- In FY 2012-13, Himachal Pradesh spent **84** percent of its available funds, while Odisha and Madhya Pradesh spent **79** percent and **72** percent, respectively.
- In contrast, Maharashtra and Karnataka spent less than **40** percent of their available funds.

Scheme-wise Trends in NSAP Expenditure and Coverage

- The NSAP includes a set of 5 pension schemes each with a different pool of beneficiaries. These are: a) Indira Gandhi National Old Age Pension Scheme (IGNOAPS); b) Indira Gandhi National Widow Pension Scheme (IGNWPS); c) Indira Gandhi National Disability Pension Scheme (IGNDPS); d) National Family Benefit Scheme (NFBS) and, e) Annapurna- a food security programme for the elderly.
- During the Eleventh FYP, IGNOAPS accounted for **86** percent of the total expenditure under NSAP, followed by IGWPS at **8** percent. NFBS, Annapurna and IGNDPS together accounted for **6** percent of total NSAP expenditure.
- In order to understand the coverage of NSAP, it is important to study each scheme individually.

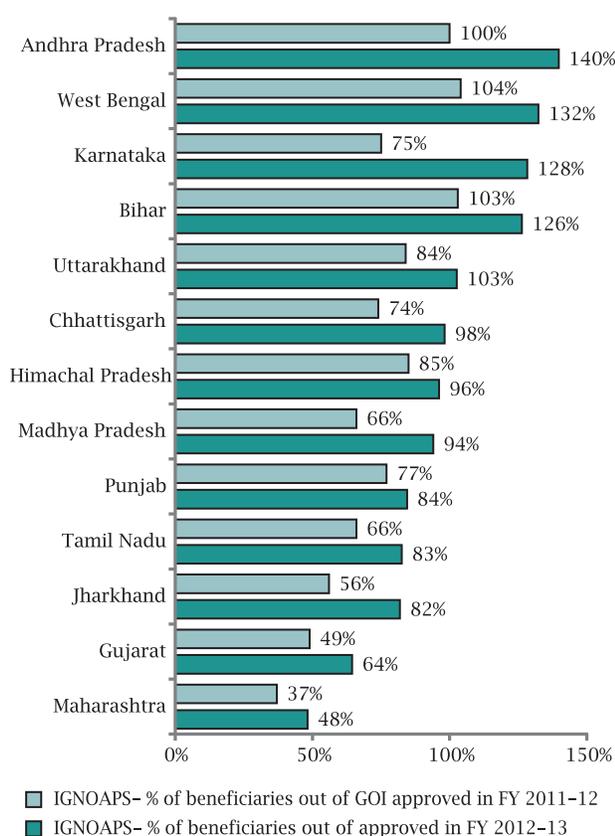
IGNOAPS

- Under IGNOAPS, GOI provides a monthly pension of **₹200** to persons between **60** and **79** years of age and **₹500** at age **80** and above. In addition, states are expected to augment GOI's contribution with a minimum amount of **₹200**, so that beneficiaries receive at least **₹400** per month. The Task force has recommended that the minimum monthly pension amount be increased to **₹300**.
- At present, total monthly pension (GOI and state shares) is highest in Goa at **₹1,800** per pensioner. This is followed by Tamil Nadu and Delhi at **₹1,000** per month.
- As mentioned earlier, GOI estimates the number of beneficiaries on the basis of the 2002 BPL Survey. Due to resource constraints, GOI sets state-wise ceilings on the number of beneficiaries it can assist. These caps have resulted in an understimation. This exclusion problem

has been recognised by the Task force which recommends universal coverage. It is unclear whether the recommendations of the Task Force have been implemented.

- **Coverage:** Coverage by GOI is measured by comparing the state-wise ceilings with the number of actual beneficiaries covered. Till December 2012, there were 2.27 crore beneficiaries under IGNOAPs. This is a 39 percent increase from FY 2009-10 when 1.63 crore beneficiaries were covered.
- Concomitant with the overall increases in beneficiaries, coverage as a proportion of beneficiaries approved by GOI has also improved in FY 2012-13.

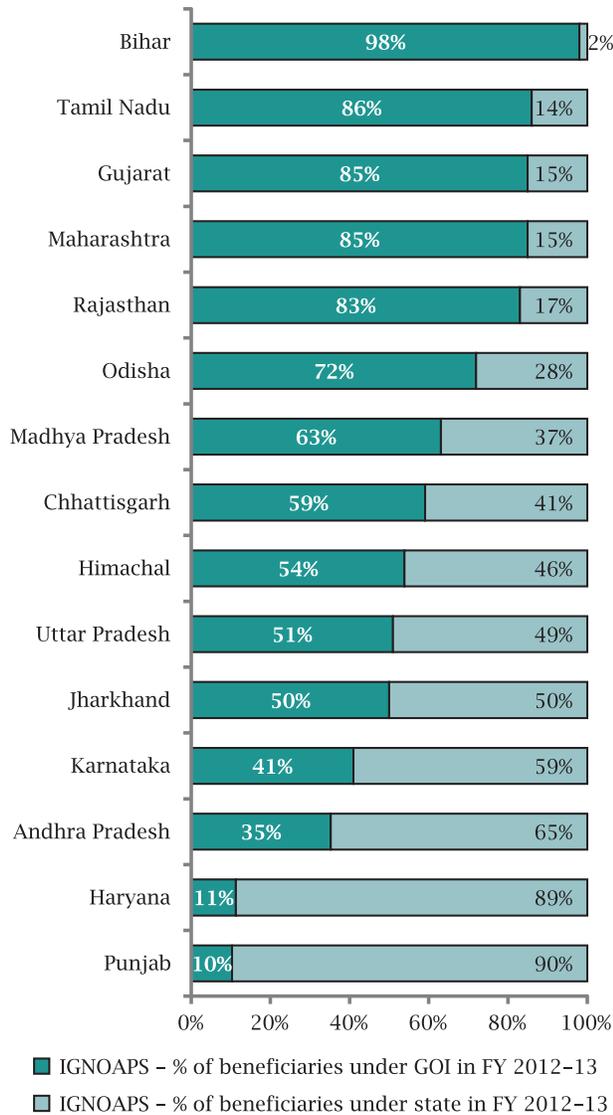
Maharashtra covered only 48% of approved beneficiaries in FY 2012-13.



Source: PRC Meeting January 2014, Action Taken Report based on last PRC meeting as on October 2013. Available online at: http://rural.nic.in/sites/downloads/general/NSAP_PRC_15JAN.pdf

- States such as Bihar and Andhra Pradesh have covered more than the approved number of beneficiaries.
- In contrast, Gujarat and Maharashtra covered 64 and 48 percent of the approved beneficiaries, respectively. This relatively low coverage in both states is a reflection of poor utilisation of available funds.
- Karnataka is a unique example. The state reports amongst the lowest expenditure at 34 percent, nationally. However, it has the highest beneficiary coverage at 128 percent. This could be a consequence of Karnataka using money from its own budget instead of GOI allocations.
- Many states have expanded IGNOAPS in their state or started their own pension schemes. The eligibility criteria and benefit amounts vary from state to state. For instance, Delhi uses self-declared income rather than the BPL list to determine eligibility.
- There is significant state variation in the number of old age beneficiaries covered by GOI versus those covered by states.

Beneficiaries in Punjab and Haryana covered predominately through state government.

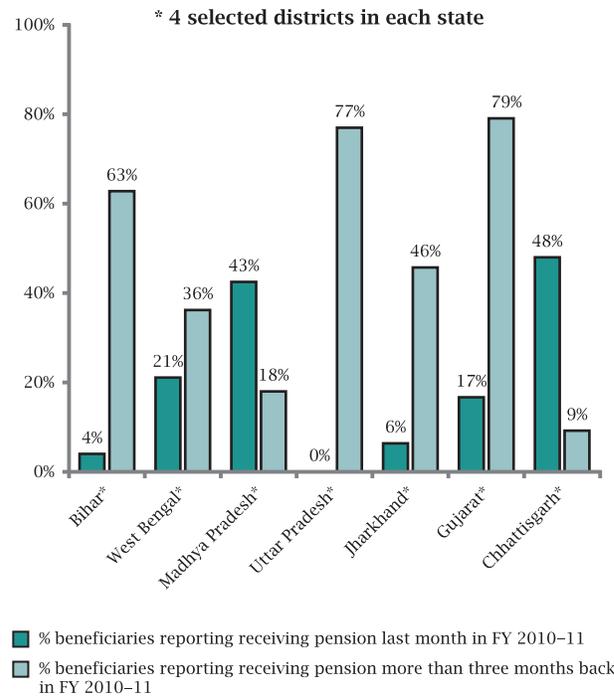


Source: Ministry of Rural Development, Report of the Task Force, Proposal for Comprehensive National Social Assistance Programme, March 2013. Available online at: http://rural.nic.in/sites/downloads/latest/Report_Task_Force_Comprehensive_NSAP.pdf

- In Bihar, 98 percent of total beneficiaries are covered through GOI. Similarly, in Gujarat and Maharashtra GOI is responsible for over 85 percent of total coverage.

- In contrast, in Punjab and Haryana, coverage is primarily through the state. In fact, GOI only covers 10 and 11 percent of beneficiaries, respectively.
- Delays in Payment:** There are large delays in receipt of pensions. In FY 2010-11, the Office of the Supreme Court Commissioners evaluated IGNOAPS based on a sample of 4 districts in 10 states. The report found that on an average 79 and 77 percent of beneficiaries in Gujarat and Uttar Pradesh reported receiving pensions with a delay of over 3 months, respectively. Madhya Pradesh and Chhattisgarh perform relatively better with only 18 percent and 9 percent respondents receiving their last pension entitlement with a delay of over 3 months, respectively.

79% beneficiaries in Gujarat experienced a 3 month delay in pension receipt.

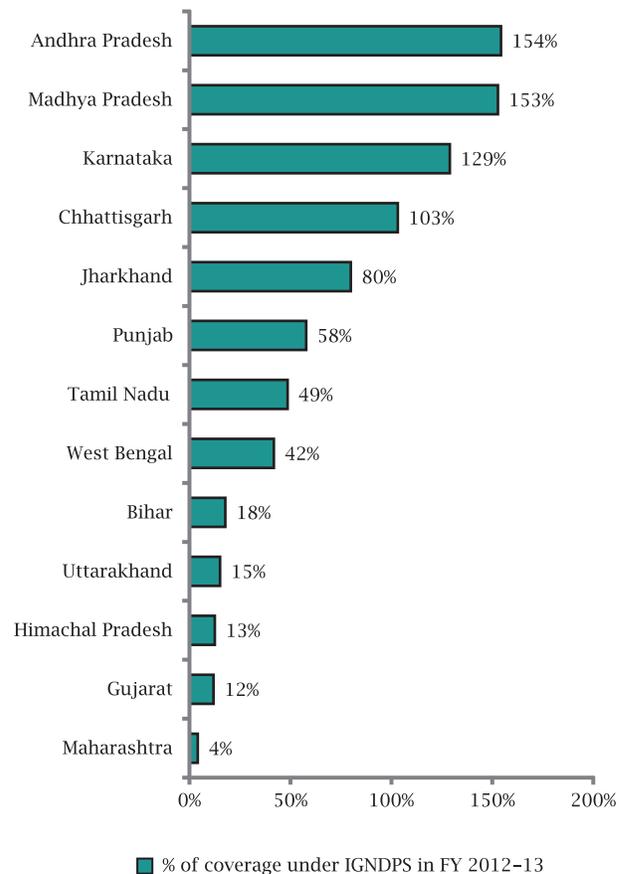


Source: Office of the Supreme Court Commissioners, Compliance Report of All Schemes for Ten States. Available online at: <http://sccommissioners.org/Reports/eleventh%20report.html>

IGNDPS

- Under IGNDPS, all BPL persons aged **18** and above with a disability level of more than **80** percent are eligible for a monthly pension of **₹300**. For beneficiaries aged **80** and above, the pension amount increases to **₹500** per month.
- For IGNDPS, the Task Force has recommended that the eligibility criteria be relaxed to include people with a disability level of **40** percent and above. In terms of financial assistance, it was suggested that for existing beneficiaries the assistance should be doubled ranging from **₹600-₹1000**. For beneficiaries with **40** percent disability pension amounts between **₹300-₹500** were recommended.
- **Coverage:** The number of beneficiaries has increased by **44** thousand people between FY 2009-10 and FY 2012-13. In FY 2012-13 there were **7.43** lakh beneficiaries.
- In FY 2012-13, Andhra Pradesh and Madhya Pradesh covered **154** and **153** percent of total beneficiaries approved by GOI as per BPL Survey 2002. Gujarat and Maharashtra, on the other hand, covered only **12** percent and **4** percent.

Andhra Pradesh and Madhya Pradesh covered over 100% of approved beneficiaries; Maharashtra covered only 4%.



Source: PRC Meeting January 2014, Action Taken Report based on last PRC meeting as on October 2013. Available online at: http://rural.nic.in/sites/downloads/general/NSAP_PRC_15JAN.pdf

IGNWPS

- In 2009, NSAP introduced a pension scheme for widows aged **40** years and above. As of November 2012, the scheme provides eligible beneficiaries a monthly pension of **₹300** per month and **₹500** per month for beneficiaries above **80** years of age.
- For IGNWPS, the Task force has suggested reducing the age restriction to qualify for widow pensions to **18**; and expanding the widow pension scheme to divorced, abandoned and unmarried women.
- **Coverage:** The number of beneficiaries increased by **28** percent between FY 2009-10 and FY 2012-13. In FY 2012-13 there were **41.3** lakh beneficiaries under IGNWPS.

- Coverage against the total beneficiaries approved by GOI, widows under this scheme ranges from **72** percent in Andhra Pradesh to **1** percent in Gujarat.

NFBS

- NFBS is a one-time assistance given in the event of death of the bread winner. Interestingly, the woman in the family who is the homemaker is considered to be the breadwinner in this case. An amount of **₹20,000** is given to the family of the deceased. The Task force suggested widening this criteria to include any adult member of the family passing away.
- Between FY 2009-10 and FY 2012-13 there has been an **8.4** fold increase in beneficiaries. In FY 2012-13 the scheme provided assistance to **29.1** lakh families.

This section offers some practical leads to detailed information on the Union Government's social assistance programme budget. However, reader patience and persistence is advised as a lot of this information tends to be dense and hidden amongst reams of data.

Data Sources	Useful Tips
NSAP Portal, Guidelines and Scheme Details http://nsap.nic.in/Guidelines/Revised_guidelines.pdf <i>last accessed on 10th July 2014</i>	Revised guidelines on all scheme as on 13th March 2014. Has information on year-wise total NSAP allocations and releases, as well as, the number of beneficiaries covered under each scheme.
Ministry of Rural Development, PRC Meeting, June 5th and 6th, 2014. http://rural.nic.in/sites/downloads/latest/PRC_minutes_5_6thJune14.pdf <i>last accessed on 8th July 2014</i>	Information on all schemes under the Ministry including NSAP. Gives state-wise findings and recommendations.
NSAP, Online Portal, PRC Meeting, 15.01.2014 http://rural.nic.in/sites/downloads/general/NSAP_PRC_15JAN.pdf <i>last accessed on 8th July 2014</i>	Has data on coverage of the scheme in FY 2012-13 for most of the larger states.
NSAP, Online Portal, PRC Meeting, 25.05.2012 http://nsap.nic.in/downloadMyPdfFile.do?method=getPDF&code=88 <i>last accessed on 8th July 2014</i>	Has data on coverage of the scheme in FY 2011-12 for most of the larger states.
Ministry of Rural Development, Annual Report http://rural.nic.in/sites/annual-report.asp <i>last accessed on 8th July 2014</i>	Details of all schemes run by the Ministry of Rural Development including the NSAP. The latest annual report is for FY 2012-13.
NSAP, Online Portal, Monthly Progress Reports http://nsap.gov.in/ <i>last accessed on 8th July 2014</i>	Provides state-wise details on the opening balance and funds ACA received for NSAP as well as scheme-wise details on the physical coverage of beneficiaries, and method of disbursement of funds to beneficiaries. In addition to the MPR, the website also provides beneficiary details (age/gender wise report), sanctioned amount, disbursement method and amount, passbook for pensioner. However, the data in the MPR is often incomplete and was thus not used in the brief.
Lok Sabha, Committee of Estimates, Ministry of Rural Development, 34th Report, National Social Assistance Programme. http://164.100.47.134/lssccommittee/Estimates/15_Estimates_34.pdf <i>last accessed on 8th July 2014</i>	Has information on the total releases and expenditures undertaken from FY 2009-10 to FY 2012-13. It also has information on the total scheme-wise and year-wise coverage of the NSAP. Gives details on the observations of the committee and the Ministry's reply to the findings.
Ministry of Rural Development (2013), Report of the Task Force, Proposal for Comprehensive National Social Assistance Programme http://rural.nic.in/sites/downloads/latest/Report_Task_Force_Comprehensive_NSAP.pdf <i>last accessed on 8th July 2014</i>	The Task Force was constituted in 2012 to come up with a proposal for a Comprehensive National Social Assistance Programme. The report contains recommendations of the Task Force in expanding coverage and quantum of assistance. It also gives data on the current coverage under NSAP by GOI versus state governments.
Office of the Supreme Court Commissioners, Compliance Report for all schemes for ten states. http://sccommissioners.org/Reports/eleventh%20report.html <i>last accessed on 8th July 2014</i>	Has data based on a sample of 4 districts in each state. Gives information on coverage of old age and widow pensions and delays in receipt of payments.

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