

ACCOUNTABILITY INITIATIVE

research and innovation for governance accountability

BUDGET BRIEFS

NSAP, GOI, 2013-14

The National Social Assistance Programme (NSAP) was launched in 1995 with the objective of supporting minimum needs of poor Below Poverty Line households. Currently, the scheme comprises of:-

- Indira Gandhi National Old Age Pension Scheme (IGNOAPS);
- Indira Gandhi National Widow Pension Scheme (IGNWPS);
- Indira Gandhi National Disability Pension Scheme (IGNDPS);
- National Family Benefit Scheme (NFBS), and
- Annapurna

Using government data, this brief reports on NSAP progress along the following parameters:-

- Overall trends in allocations and expenditures
- State-wise progress in expenditure, and
- Scheme-wise progress on 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 publicly available up to FY 2011-12 and for FY 2012-13 till December 2012.

Highlights

| | | |
|----|--|--------|
| 1. | Government of India (GOI) allocations for NSAP in FY 2013-14 (in crores) | ₹9,541 |
| 2. | % released of out of approved allocations in FY 2011-12 till December 2011 | 76% |

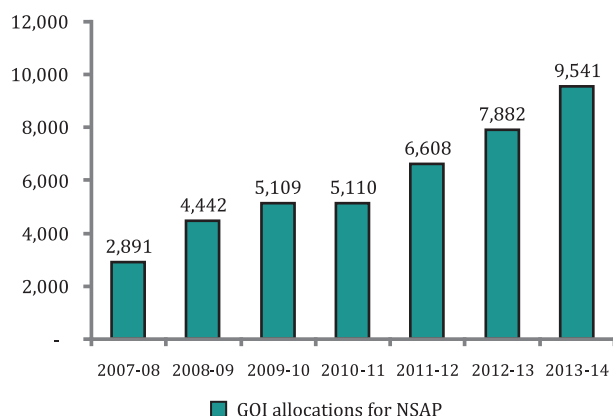
Summary and Analysis

- Allocations for the NSAP have increased over 3-fold between FY 2007-08 and FY 2013-14.
- Overall, expenditure has been relatively high. However, there are state-wide variations. In FY 2011-12, Jharkhand and West Bengal had spent 97 percent of available funds, respectively. Maharashtra spent only 24 percent of funds available.
- In terms of coverage of IGNOAPS, total beneficiaries have increased from 1.63 crores in FY 2009-10 to 2.10 crores in FY 2011-12. However, an estimate of the extent to which the IGNOAPS covers the universe of eligible beneficiaries points to gaps in some states. In FY 2011-12, Andhra Pradesh covered only 36 percent of the estimated eligible population. In contrast, Uttar Pradesh and West Bengal covered more than the estimated eligible population.
- There are significant delays in receipt of pensions. 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.

Trends in GOI Allocations and Expenditures

- **Allocations:** Between FY 2007-08 and FY 2013-14, the National Social Assistance Programme (NSAP) has seen an over 3-fold increase in allocations. In FY 2013-14, ₹9,541 crores has been allocated for NSAP.

Over 3-fold increase in allocations for NSAP in the last 7 years.



Source: India Budget, Expenditure Budget, Vol. 1, Central Plan Outlay for States and UTs. Available online at: www.indiabudget.nic.in

Note: Figures in crores of rupees. All figures are revised estimates except FY 2013-14 which are budget estimates.

- In 2009, GOI extended coverage of the NSAP to include two new schemes for widows and people with disability.
- NSAP currently comprises of five schemes: 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.
- IGNOAPS is the largest scheme within the NSAP. In FY 2010-11, 77 percent of the total NSAP budget (excluding Annapurna) was allocated to the IGNOAPS followed by IGNWPS at 15 percent.
- Funds for NSAP are released by GOI through year. Yearly analysis indicates that GOI has consistently released all allocated funds. For FY 2011-12, 76 percent of GOI

allocations had been released by December 2011.

- **Expenditure performance:** Expenditures have been relatively high and in some years, GOI reportedly spent more than its allocated budget. In FY 2011-12, expenditure trends indicate a possible slowdown. By December 2011, only 58 percent of allocations had been spent.

Only 58% of allocated funds had been spent by December 2011.



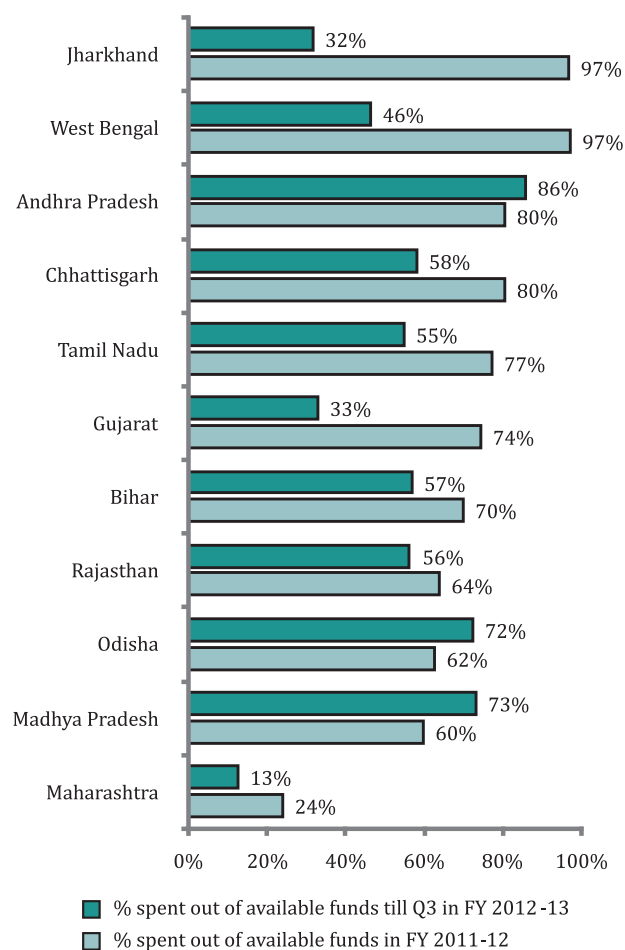
Source: Ministry of Rural Development, Annual Report 2011-12, Chapter on National Social Assistance Programme. Available online at: http://rural.nic.in/sites/downloads/annual-report/Annual_Report_2011_12_E.pdf

Note: For FY 2011-12, releases and expenditure are till December 2011.

Trends in Allocations and Expenditures at the State Level

- **Expenditure performance:** Spending as a proportion of available funds (releases and unspent balances from previous years) varies across states.
- In FY 2011-12, Jharkhand and West Bengal had spent 97 percent of available funds, while Andhra Pradesh and Chhattisgarh spent 80 percent, respectively.
- In contrast, Rajasthan, Odisha, and Madhya Pradesh spent under 65 percent. Maharashtra was the worst performer spending only 24 percent of funds available.

Jharkhand and West Bengal spent 97% in FY 2011-12; Maharashtra spent 24%.



Source: PRC Meeting, 15.01.2013 and 25.05.2012. Available online at: <http://nsap.nic.in/downloadMyPdfFile.do?method=getPDF&code=102> and <http://nsap.nic.in/downloadMyPdfFile.do?method=getPDF&code=88>

- Expenditure data for FY 2012-13 points to some interesting trends. For instance, Odisha and Madhya Pradesh had spent more money by December 2012 (the end of the third quarter of the financial year) than they had in the entire year in FY 2011-12.
- Maharashtra continues to underspend. The state spent only 13 percent of available funds by December 2012.

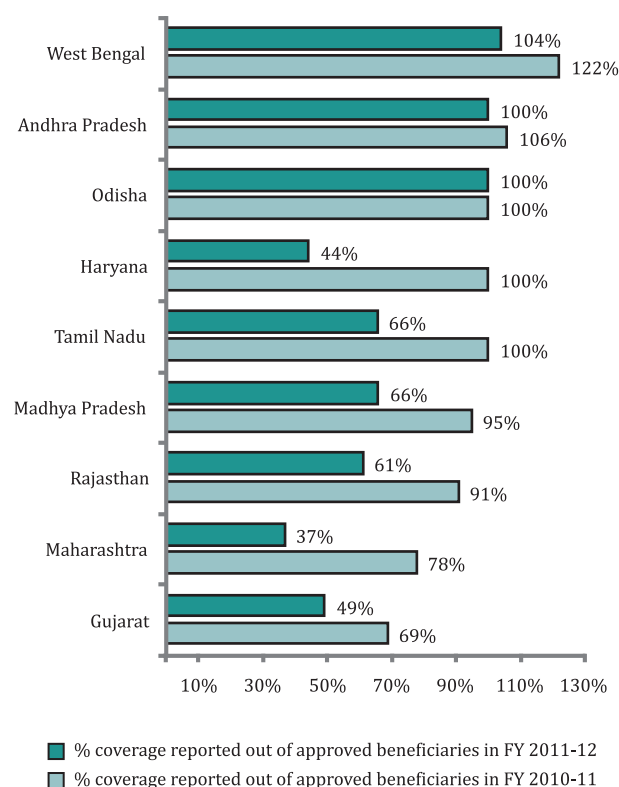
Scheme-wise Trends in NSAP Allocations and Coverage

- NSAP is an umbrella scheme consisting of many different pension schemes each with a different pool of beneficiaries. Thus, in order to understand the coverage of NSAP, it is important to study each scheme individually.

IGNOAPS

- Under IGNOAPS, the GOI provides a monthly pension of ₹200 to BPL persons between 60 and 79 years of age and ₹500 thereafter. In addition, states are expected to top up the GOI contribution with a minimum amount of ₹200, so that beneficiaries receive at least ₹400 per month.
- At present, 19 states and union territories are providing ₹400 or more including Tamil Nadu (₹1,000) Delhi (₹1,000), and Maharashtra (₹600). Other states such as Uttar Pradesh, Kerala, and Madhya Pradesh are providing between ₹200 and ₹400.
- Many states have their own schemes for pensions to the elderly apart from the IGNOAPS. The eligibility criteria and benefit amounts for these vary from state to state.
- In terms of coverage of IGNOAPS, the total number of beneficiaries has increased from 1.63 crores in FY 2009-10 to 2.10 crores in FY 2011-12.
- However, many state governments had not covered the approved population of beneficiaries in FY 2011-12.

State-wise percentage of eligible beneficiaries covered.



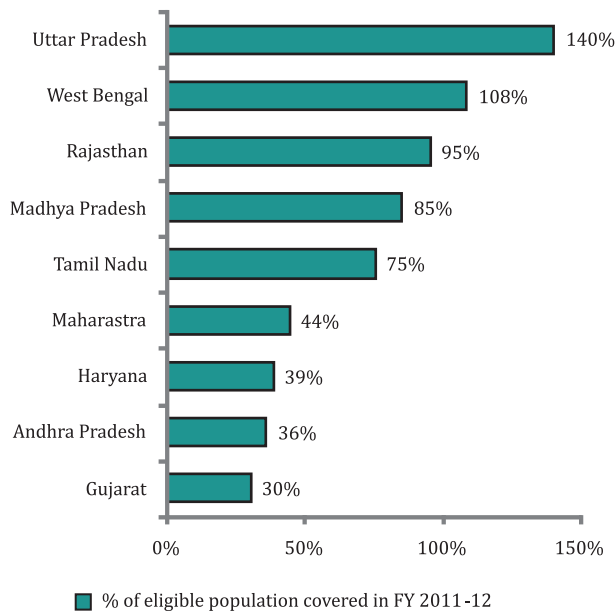
Source: PRC Meeting, 15.01.2013 and 25.05.2012. Available online at: <http://nsap.nic.in/downloadMyPdfFile.do?method=getPDF&code=102> and <http://nsap.nic.in/downloadMyPdfFile.do?method=getPDF&code=88>

- In FY 2010-11, Tamil Nadu and Haryana reported a coverage of 100 percent of the approved beneficiaries. This dropped significantly in FY 2011-12 to 66 percent and 44 percent, respectively.
- Low utilization in Maharashtra was also reflected in its coverage figures. In FY 2011-12, Maharashtra reported a coverage of only 37 percent of the approved beneficiaries.
- The revised guidelines of the GOI require that all BPL persons belonging to the

eligible age group be entitled to the IGNOAPS. The current number of approved beneficiaries is based on the 2002 BPL survey. The limitations of the 2002 BPL survey are known. It is thus likely that the population covered through the scheme does not cover the entire eligible population.

- To what extent does the IGNOAPS accurately represent the entire universe of the eligible population? To answer this question, the total number of eligible beneficiaries has been estimated. To develop this estimation, the population above the age of 60 with BPL cards in 2011 has been compared with the reported coverage of the IGNOAPS for the same period. Since data from the recent Social Economic Caste Survey results is not yet available, data from the National Sample Survey (2004-05) has been used to derive the proportion of BPL card holders amongst persons aged above 60 years. Assuming that this proportion remains constant over the years, the eligible population in 2011 was derived using the Population Projection Statistics for states 2001-26. Projections were used as actual age-wise break-up of the population was not publicly available from Census 2011 at the time of preparing this brief.
- As mentioned earlier, these projections represent only the coverage of GOIs IGNOAPS and does not take into account old age pension schemes run by individual states.
- The calculations highlight a significant gap in some states between the eligible population and the population covered under IGNOAPS in FY 2011-12.

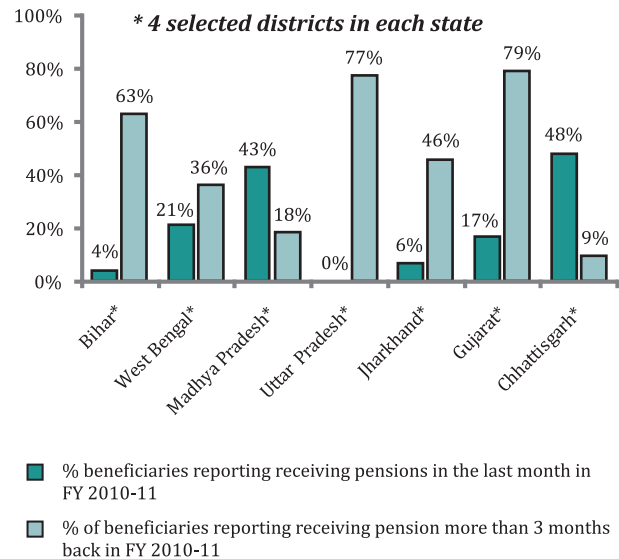
State-wise % of eligible beneficiaries covered.



Source: PRC Meeting, 25.05.2012. Available online at: <http://nsap.nic.in/downloadMyPdfFile.do?method=getPDF&code=88> and NSS Report No. 510: Public Distribution System and Other Sources of Household Consumption, 2004-05. Available online at: www.mospi.nic.in and Population Projections for India and States 2001-2026. Available online at: http://nrhm-mis.nic.in/UI/Public%20Periodic/Population_Projection_Report_2006.pdf

- In FY 2011-12, Andhra Pradesh ensured that pensions were paid to the entire pool of approved beneficiaries. But this pool accounted for only 36 percent of the estimated eligible population.
- In contrast, Uttar Pradesh and West Bengal covered more than the estimated eligible population.
- There are significant delays in receipt of pensions. 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.

Variations in the timing of pension payments.



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>

- 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.
- **IGNDPS:** IGNDPS is a relatively new scheme that entitles persons aged 18-59 years with severe and multiple disabilities to a monthly pension of ₹200. The scheme was revised in November 2012 to increase the pension amount to ₹300 and expand the eligibility criterion from 59 years to 79 years. The scheme has seen significant improvements in coverage between FY 2009-10 and FY 2011-12. In FY 2010-11, 85 percent of the approved beneficiaries were covered up from 45 percent in FY 2009-10.
- There were state-wide variations. In FY 2011-12, Maharashtra, Karnataka, and Odisha had covered all approved beneficiaries. However, coverage was low in Jharkhand, Kerala, and Punjab (45

- percent each), Tamil Nadu (32 percent), West Bengal (31 percent), and Rajasthan (21 percent).
- **NFBS:** The scheme entitles a BPL household to a lump sum amount of ₹20,000 on the death of a primary breadwinner aged between 18 and 64 years of age.
 - State-wide coverage is low. In FY 2011-12, Jharkhand and Odisha reported coverage of 17 and 49 percent of the approved beneficiaries in FY 2011-12, down from 95 and 94 percent in FY 2009-10, respectively.
 - **IGNWPS:** This scheme is intended for widows aged between 40-59 years. The scheme provides eligible beneficiaries, with a monthly pension of ₹200. In November 2012, the pension amount was increased to ₹300 per month and the age criterion was extended to 79 years.
 - In FY 2011-12, most states reported covering more than the approved population. For instance, Madhya Pradesh covered 188 percent, Andhra Pradesh 167 percent, and Bihar covered 149 percent of the approved population. The only exceptions were Gujarat and Kerala, which reported covering only 2 and 46 percent of the approved population, respectively.

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 |
|---|--|
| India Budget, Expenditure Budget, Vol. 1, Central Plan Outlay for States and UTs www.indiabudget.nic.in <i>last accessed on February 28, 2013</i> | This volume provides scheme-wise details on allocations from FY 1998-99 onwards. |
| NSAP Portal, Guidelines and Scheme Details http://nsap.nic.in/nsap/NSAP-%20About%20us.pdf <i>last accessed on February 25, 2013</i> | Guidelines on all schemes. Year-wise total NSAP allocations and releases as well as the number of covered beneficiaries for each of the schemes is provided. |
| NSAP, Online Portal, PRC Meeting, 25.05.2012 http://nsap.nic.in/downloadMyPdfFile.do?method=getPDF&code=88 <i>last accessed on February 25, 2013.</i> | Has data on coverage of the scheme in FY 2011-12 for most of the larger states. |
| NSAP, Online Portal, PRC Meeting, 15.01.2013 http://nsap.nic.in/downloadMyPdfFile.do?method=getPDF&code=102 <i>last accessed on February 25, 2013.</i> | Has data on coverage of the scheme in FY 2012-13 for most of the larger states. Data is up to December 2012. |
| NSAP, Online Portal, Monthly Progress Reports http://nsap.gov.in/ <i>last accessed on February 25, 2013.</i> | Provides state-wise details on the opening balance and Additional Central Assistance 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, and so on. However, for 2010-11, a number of data points are empty. |
| Ministry of Rural Development, Annual Report http://rural.nic.in/sites/annual-report.asp <i>last accessed on February 25, 2013.</i> | Details of all schemes run by the Ministry of Rural Development including the NSAP. |
| NSS Report No. 510: Public Distribution System and Other Sources of Household Consumption, 2004-05, www.mospi.nic.in <i>last accessed on February 25, 2013.</i> | Number and proportion of people above the age of 60 having a BPL card. |
| Census 2001- Population Projections for 2006 http://nrhm-mis.nic.in/UI/Public%20Periodic/Population_Projection_Report_2006.pdf <i>last accessed on February 25, 2013.</i> | State-wise demography of the population by age and by rural-urban for 2001 as well as projections for 2006, 2011, and 2016. |
| 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 February 25, 2013.</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. |
| RTI filed by Accountability Initiative www.accountabilityindia.in | Allocations, release and expenditure for NSAP. Number of selected vs. approved beneficiaries for IGNOAPS, IGNWPS, IGNDPS, and NFBS. |

Prepared by: Avani Kapur, akapur@accountabilityindia.org

Research Assistance: Uthara Ganesh. **Special thanks:** Vibhu Tewary



Budget Briefs is an attempt to undertake basic analysis on social sector budget data including trends in allocation and expenditure patterns and collate and make accessible budget data sources. Information from this document may be reproduced or redistributed for non-commercial purposes in part or in full with due acknowledgement to Accountability Initiative (AI). The opinions expressed are those of the author(s). More information on *Budget Briefs* can be found at http://accountabilityindia.in/expenditure_track