

3 major welfare schemes saw an increase in funding from the Union government in 2021

4 out of 9 schemes analysed by the Accountability Initiative at the Centre for Policy Research, however, have shown a drop in allocations.

New Delhi, 29 Jan 2022: Funding of four major Union government schemes has decreased in 2021 over the previous year, analysis of government-reported data by the Accountability Initiative (AI) at the Centre for Policy Research has found.

The analysis forms part of the Budget Briefs research publication, which are released annually in the run-up to the Union Budget. For 2021, nine schemes were taken into consideration for analysis, which cover health, nutrition, education, rural livelihoods, food and water availability, and housing.

“The COVID-19 pandemic’s disruption is clear. It is in times like these that most citizens, particularly vulnerable ones, turn to the government for a safety net. There is a decrease or stagnation in fund allocations in many of the schemes including those related to foodgrain availability, nutrition, and rural livelihoods. More worryingly, there has been a significant slowdown in fund releases across most schemes. Given how dependent some states are on funding from the Union government, this slowdown is likely to not just impact implementation on the ground but is likely to have a ripple effect on the upcoming budget allocations,” says Avani Kapur, Lead, Accountability Initiative (Centre for Policy Research), and Fellow at the Centre for Policy Research.

Among the highlights of each of the nine schemes analysed for financial year (FY) 2021-22 are :-

- Fund allocations by the Union government for the [National Health Mission](#) have increased to ₹48,783 crore (including supplementary budgets) compared to the previous financial year (₹35,144 crore), and spending under a COVID-19 specific package called Emergency COVID-19 Response Plan has been high. But expenditure under other components related to non-communicable diseases and other communicable diseases has stagnated or decreased.
- At ₹31,050 crore, allocations for [Samagra Shiksha](#) have increased. Encouragingly, with physical schools reopening gradually in FY 2021-22, all states had allocated funds for safety and security measures for children in schools, and for online training of teachers. But allocations for the erstwhile National Scheme for Mid-Day Meals in schools (now called the [National Scheme for PM POSHAN in Schools](#)) were marginally lower at ₹12,700 crore, even after additional allocations for provision during the summer vacation. Further, the release of funds to states significantly slowed down in FY 2021-22: 48% of allocations were released till December compared to 73% in the same period last year.
- At ₹50,011 crore, fund allocations for [Jal Jeevan Mission](#) have increased significantly. But the release of funds here too was slow during 2021, and by the end of the third quarter only 26% of allocations had been released. Expenditure was even lower, and as on 1 January 2022, 20% of the targeted households had no access to functional household tap connections.
- Fund allocations for the [Mahatma Gandhi National Rural Employment Guarantee Scheme](#) have decreased to ₹98,000 crore even after including the additional funds announced during the supplementary budget. Meanwhile, the share of pending liabilities coming from wages has increased in the last two years [which shot up to ₹1,397 crore (13% of total payments due) in FY 2021-22 till 31 December 2021]. Around 91 lakh households that had demanded work had not yet received it.

- At ₹20,105 crore, fund allocations for [Saksham Anganwadi and POSHAN 2.0](#) are lower than the sum of the sub-schemes that were merged to form this scheme. This is a major challenge as approved budgets for the Supplementary Nutrition Programme (SNP) remain far below requirements. At full coverage, an additional ₹24,641 crore would be needed. In addition, while the Cabinet [approved](#) annual cost indexation for SNP in 2017, per person costs have not increased. Accounting for inflation, an additional ₹8,381 crore would be needed for SNP in FY 2021-22. Against the backdrop of slow progress on malnutrition outcomes, the number of SNP beneficiaries fell by 19% from 1,021 lakh in 2016 to 832 lakh in 2021.
- At ₹2,89,349 crore, funding allocations for [Food Subsidy](#) provided by the Union government have also gone down. Meanwhile, allocations of actual foodgrains under the National Food Security Act (NFSA), 2013 have increased significantly over the last two years owing to the additional allocations made as part of pandemic relief measures. NFSA legally entitles 75% of the rural and 50% of the urban population to receive subsidised foodgrains. The delay in Census 2021 means that several eligible families are being left out. As of November 2021, the coverage of estimated eligible beneficiaries under NFSA was 87% (calculated using population projections for 2021), with around 12 crore beneficiaries currently being excluded from the scheme.
- Fund allocations have remained the same for [Pradhan Mantri Kisan Samman Nidhi](#) at ₹65,000 crore. The scheme is expanding as 85 lakh new registrations took place in 2021. However, there were 44.9 lakh ineligible farmers who received PM-KISAN benefits as on 30 November 2021. Out of these, 27% were income tax payers.
- Fund allocations also did not change for [Pradhan Mantri Awaas Yojana - Gramin](#) and stood at ₹19,500 crore. Even as fund utilisation picked pace in the second phase of the scheme's implementation from FY 2019-20 to FY 2021-22, the pace of house construction slowed down partly due to the pandemic. Of the total target for Phase 2 - the completion of 1.95 crore houses - only 1.19 crore houses had been sanctioned (61% of the target) till 25 January 2022. Of the houses sanctioned, 65% had been completed.

Schemes by the Union government have an important role to play. It is through them that the Union government prioritises development in the states and can make sure that a minimum quality of public services is provided to citizens throughout the country. For most schemes, funds are shared between the Union government and the states in a 60:40 ratio. For North Eastern Region (NER) states and Himalayan states, the ratio is 90:10. (Exact details for each scheme are available in individual briefs which can be accessed from [here](#).)

For additional queries, kindly reach out to Avantika Shrivastava at avantika@cprindia.org.

NOTES FOR THE EDITOR

About the Accountability Initiative at the Centre for Policy Research

The Accountability Initiative is a research group which has worked since 2008 on strengthening transparency and accountability in governance. We have done this through evidence-based research on state capabilities and factors affecting efficient public services delivery in India. We are operational in 5 states — Bihar, Himachal Pradesh, Madhya Pradesh, Maharashtra, and Rajasthan. Our research studies have been multi-sectoral and include studies on budgets, governance processes, and public administration across social sectors like education, health and nutrition, and sanitation.

Our vision is to enable Responsive Governance. We believe this can be achieved if government institutions are designed in a transparent and accountable manner and are responsive to citizen demands, and an informed and mobilised citizenry which can draw upon these platforms. Our mission is to increase both through research and dialogue.

We are a part of the Centre for Policy Research, one of India's leading public policy think tanks.

About the Budget Briefs

The Budget Briefs are a flagship research publication of the Accountability Initiative. These briefs are published annually in the run-up to the Union budget. The [current volume](#) is the 14th volume.

Methodology

The Budget Briefs seek to understand the status, progress, and performance of key social sector programmes. These use secondary data and information sourced from government websites, dashboards, parliamentary questions and reports, RTI queries. The analysis is both at the union and state levels, and covers scheme trends and gaps in allocations, fund releases, expenditures, service provision, coverage, outputs, and outcomes.

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