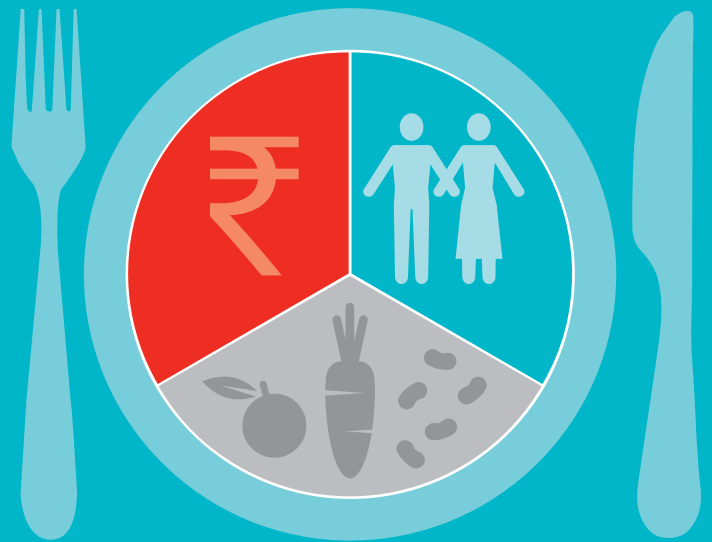




RESULTS FOR
DEVELOPMENT

Nutrition Financing in Rajasthan: Current Levels & Outstanding Gaps



POLICY FINDINGS

*from an analysis of nutrition programme
costs and financing in Rajasthan, India*

Summary

THIS RESULTS FOR DEVELOPMENT

INSTITUTE (R4D) analysis presents a preliminary assessment of financing for nutrition in Rajasthan. We analysed government budgets and plans to understand current levels of financing for nutrition-relevant programmes in the state. We then used the findings of this analysis to estimate the gap between resource needs and available funding.

Our findings show that the government originally budgeted ₹ 52.0 billion for nutrition-relevant programmes in Rajasthan in 2014-2015, which was then revised downwards to ₹ 42.1 billion. For the current fiscal year (2015-2016), the government budgeted ₹ 46.2 billion.¹ As shown in Figure 1, most of this funding came through agriculture, water, sanitation, and hygiene (WASH), and nutrition-specific interventions.

For our gap analysis, we compared the funding estimates for nutrition-specific interventions with a nutrition-specific resource needs estimate and found that the government is allocating only 31% of what is needed to adequately fund nutrition-specific interventions in Rajasthan.¹¹

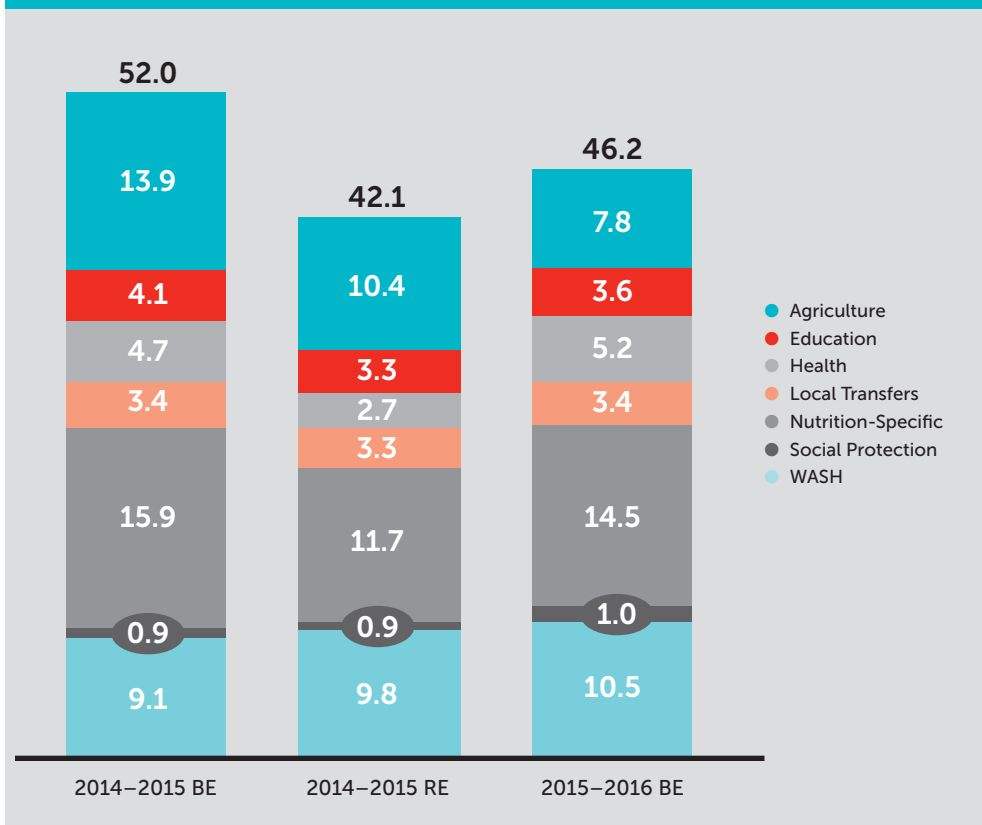
Background

MALNUTRITION IS a widespread public health crisis in India. Despite significant increases in financial allocations for programmes that tackle hunger and poor health, India continues to be home to 191 million malnourished people – 16% of its population.¹ To put this in the global context, 35% of the world's low birth weight infants and 43% of the world's malnourished live in India.² Malnutrition is especially severe in Rajasthan, India's largest state by area.

According to the Rapid Survey of Children (RSOC) 36.4% of children under five were stunted and 14.1% wasted in 2013-2014.³

However, malnutrition is a difficult condition to tackle because it is caused by factors spanning multiple sectors. Inadequate food intake, poor dietary diversity, and insufficient micronutrient consumption are direct contributors to malnutrition, but these proximate causes are often due to indirect factors such as poor water supply, inadequate sanitation, poverty, poor status of women, and poor child and maternal health.⁴ Efforts to address malnutrition must therefore encompass interventions from a variety of sectors.

FIGURE 1: Breakdown of Rajasthan nutrition financing by sector (billions, rupees)



In Rajasthan and in India more broadly, several Centrally Sponsored Schemes (CSS) such as Integrated Child Development Services (ICDS), National Health Mission (NHM) and Mid-Day Meals (MDM) have been introduced to address many of these direct and indirect causes of malnutrition. However, even with a strong political mandate, Rajasthan has no cohesive strategy or coordinating body that tracks efforts made under these programmes to determine whether overall financial and programmatic efforts are adequate.

The time is ripe for discussing nutrition financing in Rajasthan. Recently, the Indian Finance Commission recommended increased devolution to the states, under which transfers of untied tax revenues from the centre to the state have increased from 32% to 42%. This represents an opportunity for the government of Rajasthan because the state now has more flexibility to prioritise social sectors such as nutrition and to implement programmes that better fit the state's needs. It also presents a risk. Most nutrition funding has historically come through CSS, but central funding for CSS has decreased under devolution. This could result in large funding cuts to nutrition programmes if Rajasthan does not allocate adequate shares of its untied revenues to compensate for decreased CSS funding from the centre.

Research Strategy

WE ANALYSED government, development partner, and out-of-pocket spending for nutrition and found that development partners provide very little financing compared to the government's contributions. Meanwhile, little data was available on out-of-pocket nutrition spending in Rajasthan. Thus, we focused our analysis on government financing and funding gaps. Our work builds on earlier analyses conducted by Avani Kapur (Accountability Initiative) and Lawrence Haddad

(IFPRI) on financing^{III} and by Purnima Menon (IFPRI), Christine McDonald (IFPRI), and Suman Chakrabarti (IFPRI) on costing.

In order to understand current financing and financing gaps in nutrition, we conducted the following steps:

1. Developed an estimate of government nutrition financing in Rajasthan based on state budgets and plans. We used a novel weighting framework, based on global guidance, to estimate the share of funding from programmes in "nutrition-sensitive" sectors^{IV} that should be counted as going towards improving nutritional outcomes. In the absence of such weighting, inclusion of full financing from programmes across all of these sectors would result in a heavily inflated estimate of nutrition financing;

Although Rajasthan has an extremely high burden of malnutrition, the government is allocating only 31% of what is needed to adequately fund nutrition-specific interventions

2. Compared this analysis of currently available nutrition funding with a costing of core Indian nutrition interventions in Rajasthan to conduct a gap analysis; and
3. Provided a set of recommendations that the state and central government could take to improve nutrition financing in Rajasthan.

Key Findings

Financing Analysis

THROUGH THIS WORK, WE FOUND THAT:

- In fiscal year 2014-2015, the government of Rajasthan budgeted ₹ 52 billion (budget estimates, or BE) for nutrition-relevant programmes. This was later revised down to ₹ 42 billion (revised estimates, or RE) – only 80% of the total BE. Actual estimates (AE) have not been released but will likely be even smaller, raising concerns about utilisation of nutrition budgets in Rajasthan.
- In 2015-2016, allocations dropped to ₹ 46 billion (BE). This budget decrease is concerning, although it may be due in part to uncertainties associated with devolution. The government could be using leftover funds from previous years to supplement decreased budget levels in 2015-2016.

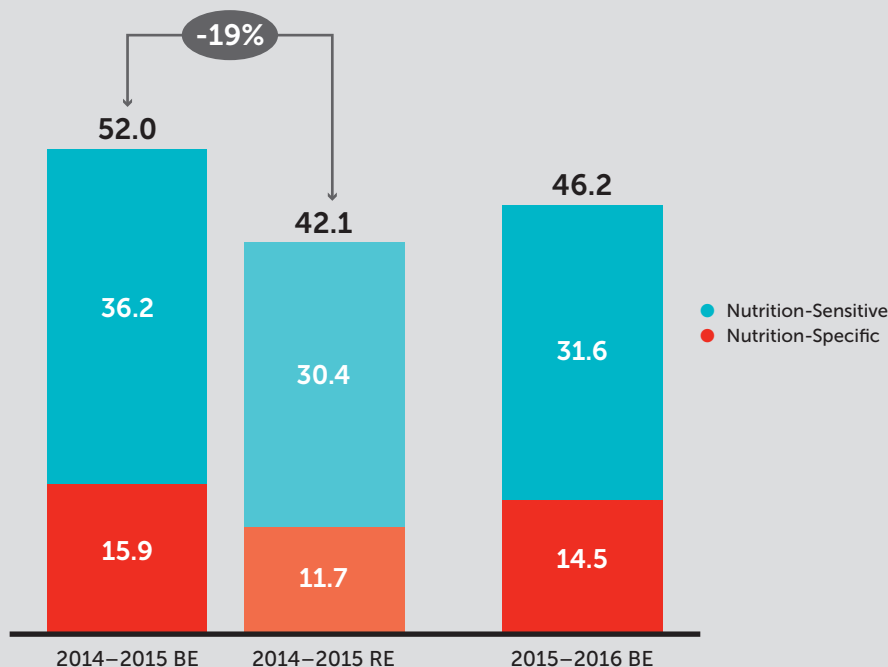
- These totals represent between 3% and 4% of the total state budget, between 0.7% and 0.9% of state GDP, and between ₹ 576 and ₹ 712 per capita.

Around 30% of total weighted nutrition financing was for nutrition-specific programmes (core nutrition programmes with a direct impact on nutritional outcomes, such as micronutrient supplementation and the management of severe acute malnutrition, or SAM).

Of the remaining 70% allocated for nutrition-sensitive programmes, the largest allocations were for programmes in the WASH sector, driven heavily by clean water supply schemes and sanitation campaigns, such as Swachh Bharat Abhiyan. Significant contributions also came from schemes focused on agriculture and food security, including the Public Distribution System, National Food Security Mission and some crop husbandry schemes.

Overall, ICDS was the largest driver of nutrition-specific financing, receiving weighted budget allocations of ₹ 12.4 billion in 2014-2015 and ₹ 11.0 billion in 2015-2016. This amounted to between 21% and 24% of total weighted nutrition financing. In 2015-2016, the majority of ICDS funding went towards the Supplementary Nutrition Programme, which provides supplementary food in the form of take home rations and hot cooked meals for babies and children under six.

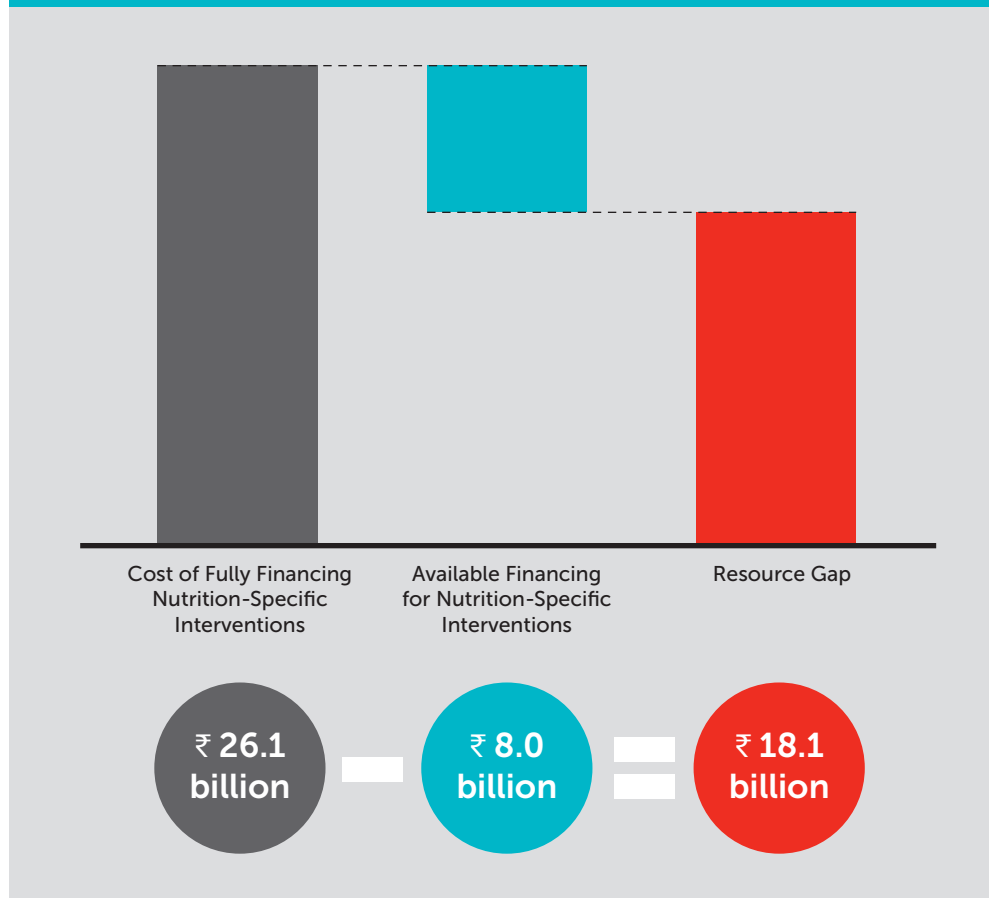
FIGURE 2: Nutrition financing in Rajasthan (billions, rupees)



NHM provides important nutrition-relevant services in India, including micronutrient supplementation, counselling of mothers, and management of acute malnutrition. However, these activities amounted to only 1.6% of total NHM financing in 2015-2016. Larger portions went to more health-focused sub-programmes within NHM. Total weighted financing for NHM was ₹ 2.8 billion in 2014-2015 and ₹ 3.9 billion in 2015-2016 (3-8% of total nutrition financing). RE for 2014-2015 was ₹ 1.2 billion, indicating that less than half of the originally allocated amount to NHM was actually spent, underscoring serious problems of budget utilisation.

MDM provides hot, cooked meals to children in primary and secondary schools and is considered another important nutrition scheme in India. However, MDM does not target the populations most impacted by nutrition interventions (children under five and especially within the 1000 days window), and much of the food provided through MDM is not fortified. Therefore, the benefits of MDM, as with other school feeding programmes, appear chiefly to be through increased school enrolment, not improved nutrition.⁵ In weighted terms, MDM was allocated ₹ 4.1 billion and ₹ 3.6 billion in 2014-2015 and 2015-2016, respectively. The 2014-2015 RE was ₹ 3.3 billion.

FIGURE 3: The funding gap for nutrition-specific interventions in Rajasthan



Nutrition Resource Gap Analysis

TO BETTER UNDERSTAND the extent to which existing financing meets the state's financing needs, we compared the above findings to a resource needs estimate. We calculated that ₹ 26.1 billion will be needed to fully finance 14 core nutrition-specific interventions⁶ in Rajasthan. Currently, ₹ 8.0 billion is available for financing these interventions, leaving a 69% funding gap of ₹ 18.1 billion.

TABLE 1: Funding available and needed for key nutrition-specific interventions (billions, rupees)

DESCRIPTION	AVAILABLE FINANCING 2015-2016 BE	RESOURCE NEEDS 2015-2016	PERCENT FINANCED
Counselling Activities	1.11	0.88	127%
Supplementation	6.30	9.89	64%
Health Interventions	0.39	2.01	19%
Micronutrients and Deworming	0.19	0.83	23%
Maternity Benefits for Breastfeeding Mothers	0.000003	12.47	0.000024%
TOTAL	7.99	26.07	31%

Table 1 depicts the resources needed and available for key interventions in Rajasthan.^{v, vi}

Policy Recommendations

THROUGH OUR FINDINGS on nutrition financing and gaps we offer numerous suggestions of steps the central and state governments could take to improve the state of nutrition financing in Rajasthan.

Recommendations to the State Government

GIVEN THE OPPORTUNITIES presented by devolution, the verbal commitments to nutrition made by Chief Minister Vasundhara Raje and her administration, and the roll-out of a new Community-based Management of Acute Malnutrition (CMAM) programme in Rajasthan, now is the time to improve nutritional outcomes in the state. The government of Rajasthan could take forward the following recommendations to improve the state of nutrition financing.

RECOMMENDATION 1: Take advantage of devolution to increase nutrition financing and improve its efficacy. CSS have in the past been criticised for tying states to centrally-prescribed policy designs that fail to account for state-specific needs. This has often led to poor utilisation of funds and poor targeting of programmes. Under devolution, the state government now has more flexibility to decide which programmes to finance and to improve their targeting to meet Rajasthan's needs. Specifically, it can improve nutritional outcomes by increasing allocations for the core interventions and by targeting interventions to reach those in the first 1000 days, women of reproductive age, and children under five. Through the increased flexibilities associated with devolution, the government can also now better tailor programmes to the Rajasthan context and remove inefficiencies in order to improve utilisation of budgeted funds.

RECOMMENDATION 2: Track and monitor performance and financing of nutrition programmes. In light of the changes and uncertainties associated with devolution, tracking progress becomes even more important. Specific activities the government could undertake to facilitate this tracking include setting up a

routine monitoring system to holistically track financing and performance for nutrition-relevant programmes across multiple sectors, developing processes to use data from the monitoring system for more evidence-based planning and budgeting, and using data from the monitoring system to hold departments and programme managers accountable for success

RECOMMENDATION 3: Formulate a state nutrition coordinating body to take these recommendations forward. State departments such as Women and Child Development and Health and Family Welfare are well-placed to take forward these recommendations for their respective schemes (e.g. ICDS and NHM), but there is no individual or organisation set up to drive these recommendations forward across multiple departments and sectors in the state. The government of Rajasthan should consider setting up a multi-sectoral coordinating body to mobilise resources for nutrition programmes, track progress, encourage more evidence-based and holistic nutrition programming and decision-making, and hold departments accountable for meeting goals and targets. Indian and international evidence shows such bodies can successfully champion the issue of malnutrition and raise financing for its programmes.

Recommendations to the Central Government

WHILE UNDER DEVOLUTION, states will have increasing responsibilities and opportunities to improve nutrition programming and financing, the central government will nevertheless be well-positioned to support such efforts.

RECOMMENDATION 1: Set nutrition goals and targets for the states. The centre can support the states by setting clear policy guidelines for nutrition programmes, including setting goals and targets for states to meet in the form of reductions in malnutrition burden and programmatic outputs, as well as supporting the state governments to ensure they are well-capacitated to design their own nutrition programmes and plan and budget in line with their contexts and needs.

RECOMMENDATION 2: Design clear policy guidelines to lower uncertainties associated with devolution. While the broad tenants of devolution have been clear, many of the specifics – such as which schemes will continue to receive central funding and what the new cost sharing ratios will be – have been much murkier. Anecdotal evidence indicates many states have been able to make use of leftover funds from previous years amidst the uncertainty, but this will be an unsustainable strategy as those reserves are used up. For 2016-2017, the central government needs to provide more clarity to the states, or there is a risk that states will be hesitant to continue funding social sector programmes without knowing whether (and how much) that funding will be matched by the centre.

Thanks to the opportunities presented by devolution, the time for state and central governments to improve nutritional outcomes in Rajasthan is now.

Devolution presents a significant opportunity for the government of Rajasthan to reprioritise nutrition and increase funding for key interventions. The recommendations in this brief, particularly when taken with the support of the centre, are important steps that can greatly reduce the state's high burden of child malnutrition.

Endnotes

- I Budget allocations are presented in three forms: Budget Estimates (BE), which are initial allocations to a ministry or scheme in the budget papers for the following year; Revised Estimates (RE), which are generated once the financial year is underway and some ministries and schemes need to revise the amount of funding that was originally allocated in the budget estimates; and Actual Estimates (AE), which reflect the final amounts that were spent under the different schemes and ministries.
- II Our analysis builds on earlier analyses conducted by Avani Kapur (Accountability Initiative) and Lawrence Haddad (IFPRI) on financing and by Purnima Menon (IFPRI), Christine McDonald (IFPRI), and Suman Chakrabarti (IFPRI) on costing.”
- III This analysis was commissioned by the Institute for Development Studies (IDS).
- IV These are sectors such as Water and Sanitation, Agriculture, and Women’s Empowerment. They have an indirect impact on nutritional outcomes, and a rupee spent in these areas does not have the same magnitude of impact on nutrition as a rupee spent on nutrition-specific activities such as breastfeeding and micronutrient supplementation. Nevertheless, these nutrition-sensitive sectors are necessary for overall improvements in nutritional outcomes.
- V These interventions include: counselling during pregnancy, counselling for breastfeeding mothers, counselling for mothers on complementary feeding and handwashing, complementary food supplements, supplementary food rations, addition food rations for severely malnourished children, treatment of severe acute malnutrition, IFA supplements for pregnant and breastfeeding women, IFA supplements and deworming for adolescents, Vitamin A supplementation, iron supplements for children, deworming for children, oral rehydration solution and therapeutic zinc supplements, and maternity benefits for breastfeeding mothers.
- VI This analysis gives a sense of the investments required to ensure adequate coverage of key nutrition services, but there are a number of limitations. First, in order to match our resource needs estimates with the India Plus interventions, we have included resource needs estimates for only the relevant subset of the programmes covered in our financing analysis. Second, it was difficult to disaggregate the financing data available for the nutrition schemes to match precisely with the interventions prescribed by India Plus. For example, some of the interventions recommended in India Plus match well with components of broader schemes that also provide other services and so we attempted to parse out those relevant components. However, in doing so, we may have included some elements beyond those interventions specified, and, on the other hand, may not have fully captured certain programme spending.

Sources

- 1 FAO, “FAO Hunger Map 2015,” 2015.
- 2 Kapur, Avani, “The Hungry Tide: Billions Spent and Millions still Malnourished,” 2010, Accountability Initiative.
- 3 Ministry of Women and Child Development & UNICEF, “Rapid Survey on Children 2013-14,” 2014.
- 4 UNICEF, “Multi-sectoral Approaches to Nutrition: Nutrition-specific and nutrition-sensitive interventions to accelerate progress,” 2014.
- 5 Mishra, Asit Ranjan, “14th Finance Commission tax formula raises fund flow to states,” 2015, *LiveMint*.
- 6 Bhutta, Zulfiqar et al. “Evidence-based interventions for improvement of maternal and child nutrition: what can be done and at what cost?” 2013, *The Lancet*.

Acknowledgements: This report was authored by R4D with funding provided by the Children’s Investment Fund Foundation (CIFF). We are grateful to the Coalition for Food and Nutrition Security (CFNS) for thoughtful feedback.

Disclaimer: This work was supported by the Children’s Investment Fund Foundation, (UK). Any opinions, findings, conclusions, or recommendations are those of the authors and do not reflect the views of Children’s Investment Fund Foundation, (UK) or its employees.

