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## ABSTRACT

In 2015, the United Nations agreed to end hunger in all forms by 2030. While India has committed itself as a stakeholder in the 2030 agenda for development, its own record in reducing hunger has been less than satisfactory. Latest data from the National Family Health Survey – 4 show an improvement in nutritional indicators of children under-five. However, there are huge differences across states and social groups. Nutrition should thus remain high on India's list of development priorities. This paper provides an overview of the status of nutrition financing in India, particularly in the context of the recommendations on fiscal restructuring recently issued by the Fourteenth Finance Commission. The paper highlights the gaps in India's nutrition financing and provides policy prescriptions. It finds that the increased autonomy in setting budgetary agendas has not led to higher allocations for nutrition for all states, raising critical questions about India's development priorities and its commitment to sustainable development goals. The paper recommends, among others, the setting up of guidelines for, and monitoring of, nutrition spending by states.

## I. INTRODUCTION

India has experienced high growth rates over the last decade, with gross domestic product (GDP) growing at the rate of 7.5 percent from 2004 to 2014 and per capita income rising by 5.7 percent over the same period.[1] Yet India continues to face huge developmental problems. In 2016, India slipped one place down in the UN's Human Development Index (HDI), ranking 131 out of 188 countries with an index of 0.624.[2] India's place in the Global Hunger Index (GHI) compiled by the International Food Policy Research Institute (IFPRI) also fell from 83 in 2000 to 97 in 2016.[3] This is largely because while India has reduced its GHI score by 25 percent between 2000 and 2016, many poorer countries, such as Rwanda, Myanmar, and Cambodia have reduced their GHI scores by over 50 percent during the same period. India currently ranks below its much poorer neighbours, Bangladesh and Nepal.

India's performance in tackling child undernutrition has been particularly disappointing. Child undernutrition rates have declined in the last two decades but the rate of improvement has been less than satisfactory. There was a moderate decline in stunting rates for children less than five years from 48 percent in 2006 to 38.4 percent in 2015-16.[4] However, even this decline masks the massive variability across states. According to the government's National Family Health Survey 2015-16, the proportion of children under five years who are stunted is significantly high in states such as Bihar (48.3 percent), Madhya Pradesh (42 percent), Meghalaya (43.8 percent), and Rajasthan (39.1 percent).[5] Moreover, in states like Bihar and Madhya Pradesh, more than 40 percent of the children are underweight.[6] The proportion of underweight children is also high in relatively prosperous states such as Maharashtra (36 percent).[7] In fact, India lags behind many countries in Sub-Saharan Africa. According to the *India Nutrition Report 2015* published by the Public Health Foundation of India, with the current rate of decline in stunting at 2.3 percent per year, India will achieve the current stunting ratio of Ghana or Togo only by 2030.[8]

Indeed, there is an obvious disconnect between India's economic achievement and its record in reducing undernutrition. This only proves that relying on markets and economic growth will be ineffective and public investment in nutrition will have to play an important role for India to achieve the sustainable development goal of ending all forms of hunger, and the World Health Assembly's global nutrition targets. There is also a strong economic rationale for public investment in nutrition because the benefits of such nutrition programmes—manifested in reduced mortality, reduced medical costs, and increased productivity—far outweigh the fiscal costs of the nutrition programmes.[9] On the other hand, the consequences of undernutrition are serious, irreversible, and lifelong. Empirical studies also suggest that public investment in nutrition programmes have a high rate of return. According to the estimates of Hoddinott et al (2013), every dollar invested in reducing stunting through public programmes in India generates between US$ 34.1-38.6 in economic returns.[10]

Despite the large-scale prevalence of child undernutrition and the high rates of return to public investment in the same, the financial commitment required to scale up the nutrition interventions in India is not fully understood. This is largely because few studies have attempted to assess the total cost and potential funding gaps for nutrition programmes in India (both nutrition-specific and nutrition-sensitive programmes). Here it is important to understand that inadequate dietary intake and disease are not the only reasons behind the high rates of child undernutrition in India. Household inaccessibility to resources, inappropriate feeding and care practices, and poor household environment also affect the nutritional status of children. The former needs to be tackled by nutrition-specific interventions such as complementary feeding, breastfeeding, micronutrient supplementation, and supplementary and therapeutic feeding during the '1000'-day window (from conception till two years of child's life). Meanwhile, the latter requires a wide range of nutrition-sensitive interventions and programmes—or those interventions in which the primary objective is not nutrition, but have the potential to improve food and nutrition security. Although there are a few studies estimating the cost of scaling up core

nutrition-specific programmes in India, there are hardly any that have attempted to assess the cost of nutrition-sensitive programmes.

One of the first serious attempts in this regard was undertaken by Bhutta et al. (2013) who estimated the cost of scaling up access to ten nutrition-specific interventions in 34 focus countries which account for about 90 percent of the world's children with stunted growth. The total additional cost was found to be about Int$9.6 billion annually,with India and Indonesia accounting for more than half of this sum.[11] In recent years a few studies have attempted to calculate the total cost of delivering nutrition-specific interventions in India. According to the estimates of Menon et al (2017), the total annual cost of implementing the complete set of core nutrition indicators at full coverage throughout India will be INR 43,000 crore (approx US$ 6.6 billion).[12] The total annual cost is divided into three crucial intervention periods vis-a-vis the continuum of care approach: interventions during pregnancy[13] (INR 5,200 crore), intervention required in the first six months postpartum[14] (INR 21,800 crore), and interventions required after the child has reached six months of age[15] (INR 16,000 crore). There is considerable variability in the costs for delivering the interventions at scale in the different states across India. For instance, the cost of implementing all interventions in Uttar Pradesh alone is about INR 8,000 crore which is about one-fifth of the total cost estimate. Similarly, in other states such as Bihar, Madhya Pradesh, Rajasthan, and Maharashtra where wasting rates and population sizes are high, delivering nutrition interventions at scale will cost between INR 3,000 crore and INR 5,000 crore per year.[16]

It is important to note that the allocation for nutrition schemes in India is quite high in absolute terms. For instance, in 2017-18, the total allocation for the country's nutrition schemes[17] is about INR 2,98,316 crore.[18] India also has a number of nutrition intervention programmes under different government ministries (Table 1). The government of India allocated INR 16,745 crore and INR 10,000 crore, respectively, for the Integrated Child Development Services (ICDS) and the Mid-Day Meal

Scheme (MDMS) in 2017-18.[19] In December 2016, the government also announced a scheme for pregnant and lactating mothers under the National Food Security Act, the Maternity Benefit Programme, a conditional cash transfer scheme under which all eligible[20] pregnant women and lactating mothers will get a cash incentive of INR 6000 for the first child in three instalments. Although in absolute terms the expenditure for nutrition-related schemes is high in India, the share of all nutrition-related schemes including the food subsidy constituted only about 1.8 percent of the GDP in 2017-18. Excluding the food subsidy, the nutrition budget would not even amount to one percent of India's GDP.[21]

**Table 1:** List of major nutrition programmes in India

| | Ministry responsible for implementation | Name of the programme | Target group | Services provided |
|---|---|---|---|---|
| 1. | Ministry of Consumer Affairs, Food and Public Distribution | a) National Food Security Act | 75% of the rural population and 50% of urban population | Access to 5 kg of food grains per person per month at subsidised process of INR 3/2/1 per kg for rice/wheat/ coarse grains |
| 2. | Ministry of Health and Family Welfare | a)Vitamin 'A' Supplementation Programme | Children between 0-5 years | To combat keratomalacia, an eye disorder. |
| | | b)National Nutritional Anaemia Prophylaxis Programme | Pre-school children, pregnant and lactating women. | Provision of iron and folic acid tablets to preschool children, pregnant and nursing women to combat nutritional anaemia. |
| | | c)Iodine deficiency disorders (IDD) control programme | Population at risk from goitre | Provision of iodised salt |

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| | | d) Infant and Young Child Feeding (IYCF) | Children between 0-6 months | • Counselling during pregnancy Counselling for breastfeeding<br>• to caregivers of children<br>• Counselling for complementary feeding and hand-washing to<br>• caregivers of children 0-6 months |
| | | e) MAA (Mother's Absolute Affection) Programme | | |
| | | f) Management of Childhood Diarrhoea through scaling-up Zinc and ORS –procurement of ORS | Children below 5 years | ORS for treatment of diarrhoea for children under 5 years |
| | | g) Childhood Diarrhoea through scaling-up Zinc and ORS – procurement of Zinc tablet for Diarrhoea programme | Children below 5 years | Therapeutic zinc supplements for treatment of diarrhoea for children<br><br>under 5 years |
| | | h) Intensified Diarrhoea Control Fortnight (IDCF) | Children below 5 years | Therapeutic ORS and zinc supplements for treatment of diarrhoea for children under 5 years |

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|---|---|---|---|---|
| | | i) Albendazole tablet under National Iron Plus Initiative (NIPI) | Children below 5 years | Deworming for children 12–59 months |
| | | j) National Deworming day | Children below 5 years | Deworming for children 12–59 months |
| | | k) Albendazole tablet under WIFS | Children between 10-19 years | Deworming for adolescents |
| | | l) Deworming in Pregnancy: Albendazole tablet | Pregnant women | Deworming for pregnant women |
| | | m) National Iron Plus Initiative (NIPI) | Pregnant women, nursing mothers and children between 6–59 months | Iron Folic Acid (IFA) supplements |
| | | n) Weekly Iron and Folic Acid Supplementation | Adolescents (10-19 years) | IFA supplements |
| | | o) Tab Calcium Carbonate 500 mg | Pregnant women and breastfeeding mothers | Calcium supplementation |
| | | p) National Iodine Deficiency Disorders Control Programme (NIDDCP) | Entire population | Salt iodization |
| | | q) Facility-based management of children with Severe Acute Malnutrition (SAM) | Children between 0-5 years | Facility-based treatment for children with severe acute malnutrition |

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| | | r) Impregnation of bed nets Under NVBDCP | Pregnant women | Insecticide treated nets in malaria areas |
| | | s) National Health Mission (NHM) | | Improve access to equitable, affordable and quality health care services |
| 3. | Ministry of Women and Child Development | a)Integrated child development scheme (ICDS) | Children up to 6 years. Pregnant and lactating women. | • Immunisation<br>• Health check-up<br>• Referral services<br>• supplementary Nutrition<br>• Non-formal pre-school education<br>• Nutrition and health education to women of 15-45 years age. |
| | | b) Special Nutrition Programme (SNP) | 0-6 Years children expectant & nursing mothers in Urban slums, tribal and rural areas. | Supplementary food provides 300/500 calories and 10/20 gms of protein daily to children and mothers respectively for 300 days a year. |
| | | c) Indira Gandhi Matritva Sahyog Yojana (IGMSY)/ Maternity Benefit Programme | Pregnant women and lactating mothers | Conditional cash transfer of INR 6,000 in three instalments |
| | | Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG) SABLA | Girls in the 11-18 age group in selected 200 districts | • Nutrition provision (600 calories, 18-20 grams of protein and micro-nutrients for 300 days); |

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| | | | | • IFA supplementation;<br>• Health check-up and referral services;<br>• Education in nutrition and health;<br>• Counselling and guidance on family welfare, adolescent reproductive and sexual health, childcare practices and home management; |
| | | Rajiv Gandhi National Creche Scheme for the children of Working Mothers | Children of 6 months to 6 years, of working women in rural and urban areas who are employed for a minimum period of 15 days in a month, or six months in a year. | • Day care Facilities including Sleeping Facilities.<br>• Early Stimulation for children below 3 years and Pre-school Education for 3 to 6 years old children.<br>• Supplementary Nutrition<br>• Growth Monitoring.<br>• Health Check-up and Immunization |

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| 4. | Ministry of Human Resource Development | Mid-day Meals Scheme | School children | • Supplementary feeding for 200 days in a year<br>• Nutrition education |
| | | Rashtriya Madhyamik Shiksha Abhiyaan (RMSA) | Secondary School children | • Promote quality secondary education, especially among girls by making all secondary schools conform to prescribed norms |
| 5. | Ministry of Rural Development | Applied nutrition Programme (ANP) | Pre schoolers, pregnant & lactating women. | • Encourages local food production through training and supply of materials for kitchen gardening and community gardens.<br>- Fish ponds<br>- Poultry development<br>• Supplementary feeding.<br>• Cooking demonstrations. |
| | | Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) | Adults in rural areas | • 100 days of unskilled wage employment to willing adult members |

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| | | Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)/National Rural Livelihood Mission (NRLM) – Ajeevika | Poor rural youth | • Skill development of rural youth for gainful employment |
| 6. | Ministry of Agriculture and Cooperation. | National Food Security Mission (NFSM) | N/A | • Enhance production of rice, wheat, pulses, coarse cereals and commercial crops to achieve self-sufficiency in food grains production.<br>• Increase availability of nutritious food through sub-schemes. |
| | | National Mission on Oilseeds and Oil Palm (NMOOP) | | Increase production of oilseeds |
| | | National Mission for Sustainable Agriculture (NMSA) | | • Improve 'water use efficiency', 'nutrient management' and 'livelihood diversification' through adoption of sustainable development pathway.<br>• Focus on dry land agriculture and managing climatic shocks. |

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| | | National Horticulture Mission | | • Enhance horticulture production<br>• Augment farmers' income through promoting value addition and small scale agri-industries. |
| | | Rashtriya Krishi Vikas Yojana (RKVY) | | • Integrated development of agriculture sector |
| | | White Revolution-Rashtriya Pashudhan Vikas Yojna | | • Earlier schemes related to Dairy and Livestock have been put together under the umbrella of Rashtriya Pashudhan Vikas Yojna (White Revolution) by the Union Government. |
| | | Blue Revolution-Integrated Development and Management of Fisheries | | • Sustainable development of fisheries<br>• Economic prosperity for fish farmers |

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|---|---|---|---|---|
| 7. | Ministry of Drinking Water and Sanitation | National Rural Drinking Water Programme | People living in rural areas | • 40 litres per capita per day (lpcd) of safe drinking water for human beings.<br>• 30 lpcd additional for cattle in the Desert Development Programme Areas.<br>• One hand-pump or stand post for every 250 persons. The water source should exist within the habitation / within 1.6 km in the plains and within 100 metres elevation in the hilly areas. |
| | | Swachh Bharat Mission | Rural and urban areas | • Universal sanitation coverage by 2019 |
| 8. | Ministry of Housing and Poverty Alleviation | Deen Dayal Antyodaya Yojana/ Rashtriya Shahri Aajeevika Mission. | Urban population | • Employment through Skill Training and Placement<br>• Social Mobilization and Institution Development<br>• Subsidy to urban poor<br>• Shelters for urban homeless |

Source: Compiled by Author from various sources

Considering the scale of undernutrition in India and the estimated cost of scaling up nutrition programmes, the current allocation for nutrition schemes is grossly inadequate. Moreover, following the recommendations of the Fourteenth Finance Commission and the report of the Sub-Group of Chief Ministers on Centrally Sponsored Schemes, there have been dramatic changes in India's fiscal architecture. For one, the share of the states in the divisible pool of taxes has increased from 32 percent to 42 percent. Further, the central government has significantly reduced its assistance for State Plans and its outlays for Centrally Sponsored Schemes (CSS). According to Das et al (2017), total union resources transferred to states, states' share in central taxes, and non-plan grants to states' increased between 2014-15 and 2016-17 but there was a decline in central assistance to states for plan spending (See Table 2). Overall, the total union resources transferred to states increased from 5.4 percent of GDP in 2014–15 (AE) to 6.1 percent of GDP in 2016–17 (BE).[22] Results have been mixed, with some states like Chhattisgarh, Jharkhand, and Bihar seeing a major increase in total union resource transferred to the state between 2014-15 and 2016-17 (See Table 3).

**Table 2:** Composition and Structure of Transfer of Resources to States (in INR crore)

| | 2014–15 (AE) | 2015–16 (RE) | 2016–17 (BE) |
|---|---|---|---|
| States share of taxes and duties | 337,808 | 506,193 | 570,337 |
| Non Plan grants and loans to states | 77,198 | 108,312 | 118,437 |
| Central Assistance to States for Plan spending | 270,829 | 216,108 | 241,900 |
| Total Union Resources transferred to States* | 675,177 | 821,520 | 921,201 |
| GDP at current market prices (2011–12 series) | 1,248,205 | 13,567,192 | 15,065,010 |
| States share of taxes and duties as % of GDP | 2.7 | 3.7 | 3.8 |
| Non Plan grants and loans to states as % of GDP | 0.6 | 0.8 | 0.8 |
| CA to States as % of GDP | 2.2 | 1.6 | 1.6 |
| **Total Union Resources transferred to States as % of GDP** | 5.4 | 6.1 | 6.1 |

*Source: Das et al (2017)*

**Table 3:** Transfer of Resources from the Centre to the States (in INR crore)

| | 2014–15 (AE) | 2015–16 (RE) | 2016–17 (BE) | % change |
|---|---|---|---|---|
| Assam | 33,586 | 39,846 | 42,712 | 27% |
| Bihar | 56,109 | 72,532 | 92,502 | 65% |
| Chhattisgarh | 17,351 | 28,630 | 32,042 | 85% |
| Jharkhand | 16,880 | 27,499 | 30,281 | 79% |
| Madhya Pradesh | 41,698 | 60,513 | 68,114 | 63% |
| Maharashtra | 37,744 | 53,087 | 56,591 | 50% |
| Odisha | 29,099 | 40,869 | 45,104 | 55% |
| Rajasthan | 39,424 | 49,249 | 55,866 | 42% |
| Tamil Nadu | 35,413 | 37,527 | 47,759 | 35% |
| Uttar Pradesh | 99,314 | 138,533 | 156,058 | 57% |

*Source: Das et al (2017)*

In light of the persistent undernutrition in India and the recent changes in the country's fiscal architecture, it is extremely important to study the impact of fiscal changes on public expenditure on nutrition programmes. This paper attempts to provide an overview of the current state of nutrition financing in India. Section II provides an account of the centre's spending and allocation on nutrition programmes. Sections III and IV discuss nutrition financing by major states of India and under the Tribal Sub-Plan. The paper closes with recommendations in Section V.

## II. NUTRITION FINANCING BY THE CENTRE

Dramatic changes in the fiscal architecture based on the recommendations of the Fourteenth Finance Commission have raised serious concerns with regard to spending on social sector schemes, particularly those related to nutrition. Following the recommendations, there was a substantial cut in the central allocation for some nutrition-specific programmes as well as nutrition-sensitive programmes. For example, the picture is quite grim for the Integrated Child Development Scheme (ICDS), which is a key scheme

designed to provide basic education and health services to pregnant and lactating women and children below six. Although the Twelfth Five Year Plan had proposed an outlay of INR 1,23,580 crore to ICDS, up to 2016-17, the last year of the five-year plan, the central government had allocated only about 63 percent of the ICDS budget during this five-year period.[23] The centre's allocation for ICDS declined consistently from INR 16,684 crore in 2014-15 (AE) to INR 15,489 crore in 2015-16 (AE) and INR 14,736 crore in 2016-17 (BE) (Figure 1). In 2017-18, the allocation for ICDS was increased to INR 16,745.2 crore but the allocation for ICDS in 2017-18 was only 0.5 percent higher than the actual expenditure in 2014-15. However, the scheme continues to be underfunded because the cost norms have not been revised according to current market prices.[24] Moreover, the bulk of the increase in the allocation comes from a nine-fold rise in the allocation for the National Nutrition Mission (NNM) which aims to use technology to monitor the supplementary nutrition programme. Under the scheme, *anganwadi* workers are provided with electronic tablet devices and weighing scales linked to GPS to monitor the community's nutrition levels on a regular basis. There has also been a significant variation in the centre's allocation under the Supplementary Nutrition Programme.[25] While for states like Haryana and Tamil Nadu, the centre had released 75 percent and 70 percent of its share by September 2015-16, for states like Telangana, Tripura, Arunachal Pradesh, and Gujarat, the centre's release was less than 40 percent.[26]

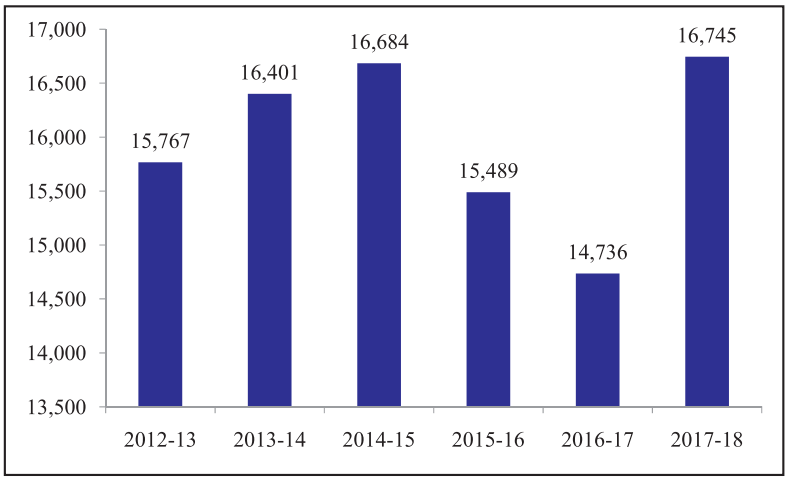
Other budget cuts were deeper than ICDS, as in the case of the Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (SABLA) and the Mid-Day Meal Scheme (MDM). The outlay for SABLA declined from INR 622.4 crore in 2014-15 to INR 475.2 crore in 2015-16, and further to INR 460 crore in 2016-17.[27] In 2017-18, the allocation has been kept at the same level as 2016-17 which actually implies a decrease in allocation in real terms.[28] In the case of the Mid-Day Meal programme, there was a persistent decline from INR 10,917.6 crore in 2013-14 to INR 10,523.4 crore in 2014-15, and further down to INR 9,144.9 crore in 2015-16. There was only a

three-percent increase in the allocation for Mid-Day Meal Scheme from INR 9,700 crore in 2016-17 BE to INR 10,000 crore in 2017-18.[29] Here it is important to note that the allocation of INR 10,000 crore for Mid-Day Meal in 2017-18 is lower than the actual expenditure of INR 10,761.4 crore in 2012-13. Even the three-percent increase over the last year does not translate into a real gain if inflation is factored in.

Similarly, other schemes such as the National Rural Drinking Water Programme (NRDWP) and Reproductive and Child Health (RCH) witnessed a decline in the budgetary outlays in 2015-16, even after adding supplementary grants.[30] NRDWP was, in fact, most severely affected by the central government's spending cuts. The actual expenditure under the scheme in 2015-16 (INR 4,369.6 crore) was less than half of that in 2014-15 (INR 9,242.8 crore). There was slight increase in allocation in 2016-17 and 2017-18 but the budget estimate of INR 6,050 crore in 2017-18 is still much less than the actual expenditure of INR 9,242 crore in 2014-15. However, there was dramatic increase in the allocation for the Maternity Benefit Programme, a conditional cash transfer to pregnant and lactating women to provide compensation for wage loss and adequate nutrition and rest, from INR 634 crore in 2016-17 to INR 2,700 crore in 2017-18 (See Table 4). According to the government's estimates, the total cost of the programmes upto 2019-20 (including Centre and State share) will be about INR 12,661 crore for 51.7 lakh beneficiaries.[31] However, many experts argue that that the finances proposed would be inadequate to cover the majority of the population because the number of beneficiaries under Janani Suraksha Yojana[32] was much bigger at about 75 lakh in 2015-16.[33]

The Swachh Bharat Mission also witnessed a substantial increase in allocation from INR 7,469.2 crore in 2015-16 to INR 12,800 crore in 2016-17, and further to INR 16,248.3 crore in 2017-18. There has also been a decline in the allocation for other nutrition-sensitive schemes such as National Food Security Mission, National Mission for Sustainable Agriculture (NMSA), National Horticulture Mission, and Rashtriya Krishi Vikas Yojana (RKVY).

**Figure 1:** Union Budget expenditure and allocations for ICDS (in INR crore)




*Source: Centre for Budget and Governance Accountability, February 2017, http://www.cbgaindia.org/wp-content/uploads/2017/02/Analysis-of-Union-Budget-2017-18-2.pdf*

*Notes:*

*(i) Includes allocation for National Nutrition Mission (NNM)*

*(ii) Figures from 2012-13 to 2015-16 are actual expenditures, figure for 2016-17 is revised estimate, and figure for 2017-18 is budget estimate*

**Table 4:** Budget outlays and expenditure on key nutrition schemes (in INR crore)

| S. No. | Scheme | 2014-15 (AE) | 2015-16 (AE) | 2016-17 (RE) | 2017-18 (BE) |
|---|---|---|---|---|---|
| 1 | National Food Security Mission | 1,872.7 | 1,162.3 | 1,280.0 | 1,720.0 |
| 2 | Core Integrated Child Development Services(ICDS) / Anganwadi services | 16,683.6 | 15,489.3 | 14,735.6 | 16,745.2 |
| 3 | National Creche Scheme | 97.7 | 133.0 | 150.0 | 200.0 |
| 4 | Indira Gandhi Matritva Sahyog Yojana (IGMSY)/Maternity Benefit Programme (MBP) | 343.1 | 233.4 | 634.0 | 2,700.0 |
| 5 | SABLA | 622.4 | 475.2 | 460.0 | 460.0 |
| 6 | Food subsidy | 117,671.2 | 139,419.0 | 135,173.0 | 145,338.6 |
| 7 | National Rural Health Mission (NRHM) + National Urban Health Mission (NUHM) | 19,751.5 | 18,971.5 | 20,037.0 | 21,940.7 |

| | | | | | |
|---|---|---|---|---|---|
| 8 | Mid-day Meal (MDM) | 10,523.5 | 9,144.9 | 9,700.0 | 10,000.0 |
| 9 | Rashtriya Madhyamik Shiksha Abhiyan (RMSA) | 3,398.0 | 3,562.6 | 3,700.0 | 3,830.0 |
| 10 | National Rural Drinking Water Programme (NRDWP) | 9,242.8 | 4,369.6 | 6,000.0 | 6,050.0 |
| 11 | Swachh Bharat Mission (Rural + Urban) | 3,700.5 | 7,469.2 | 12,800.0 | 16,248.3 |
| 12 | Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) | 32,976.7 | 37,340.7 | 47,499.0 | 48,000.0 |
| 13 | National Livelihoods Mission (NRLM + NULM) | 2,116.3 | 2,783.1 | 3,334.0 | 4,849.0 |
| 14 | National Social Assistance Programme (NSAP) | 7,083.7 | 8,616.4 | 9,500.0 | 9,500.0 |
| 15 | National Mission for Sustainable Agriculture (NMSA) | 1,268.4 | 685.9 | 880.0 | 1,226.0 |
| 16 | National Mission on Oilseeds and Oil Palm (NMOOP) | 316.3 | 305.8 | 376.0 | 403.0 |
| 17 | Rashtriya Krishi Vikas Yojana (RKVY) | 8,443.2 | 3,940.0 | 3,550.0 | 4,750.0 |
| 18 | White Revolution (Rashtriya Pashudhan Vikas Yojna) | 999.5 | 937.1 | 1,131.8 | 1,634.0 |
| 19 | Blue Revolution (Integrated Development and Management of Fisheries) | 388.0 | 200.0 | 392.3 | 400.7 |
| 20 | National Horticulture Mission | 1,954.7 | 1,696.5 | 1,660.0 | 2,320.0 |
| | **Total** | **239,453.8** | **256,935.5** | **272,992.7** | **298,315.5** |

*Source: Union Budget Analysis Tool, http://unionbudget2017.cbgaindia.org/nutrition/total_nutrition.html*

## III. NUTRITION FINANCING BY STATES

This paper has earlier noted that some states, like Chhattisgarh and Jharkhand, have gained more than others following the restructuring of the country's fiscal architecture. Still, most states have enough fiscal space to at least maintain their current levels of nutrition expenditure. This section gives an overview of the nutrition budgets of major states viz. Rajasthan, Uttar Pradesh, Bihar, Odisha, and Chhattisgarh.

## Rajasthan

A closer look at Rajasthan, India's largest state with a high burden of undernutrition, sheds light on some interesting facts. The state's budget allocation for nutrition-specific programmes increased from INR 975 crore in 2014-15 (AE) to INR 1,022 crore (RE) in 2015-16 and INR 1,106 crore in 2016-17 (BE). Here, it is important to note that although budget allocation for nutrition-specific schemes in 2016-17 (INR 1,106 crore) is higher than the actual expenditure in 2014-15 (INR 975 crore), it is 13 percent lower than the budget allocation in 2014-15 (INR 1,278 crore) (See Table 5). Similarly, the budget allocation for nutrition-sensitive schemes in 2016-17 (INR 8,987 crore) is higher than actual expenditure of 2014-15 (INR 7,258 crore) but lower than the budget allocation in 2014-15 (INR 9,450 crore) (See Table 5). These figures clearly indicate that the increase in untied funds in the new fiscal architecture did not lead to an increase in budget allocations for nutrition programmes in Rajasthan. Moreover, given Rajasthan's poor record in utilising nutrition budgets, it is not clear whether the actual expenditure in 2016-17 will be higher or lower than that in 2014-15. Further, according to the estimates of Ghai et al (2016), INR 2,694 crore will be required to fully scale up 13 core nutrition interventions[34] in Rajasthan. Thus, current allocation will be able to finance only 31 percent of the total requirement.

**Table 5:** Nutrition financing in Rajasthan (in INR crore)

| | 2014-15 | | 2015-16 | | 2016-17 | |
|---|---|---|---|---|---|---|
| | BE | RE | AE | BE | RE | BE |
| Nutrition-Specific Programmes | 1,278 | 1,006 | 975 | 1,068 | 1,022 | 1,106 |
| Nutrition-Sensitive Programmes | 9,450 | 8,373 | 7,258 | 8,932 | 10,172 | 8,987 |

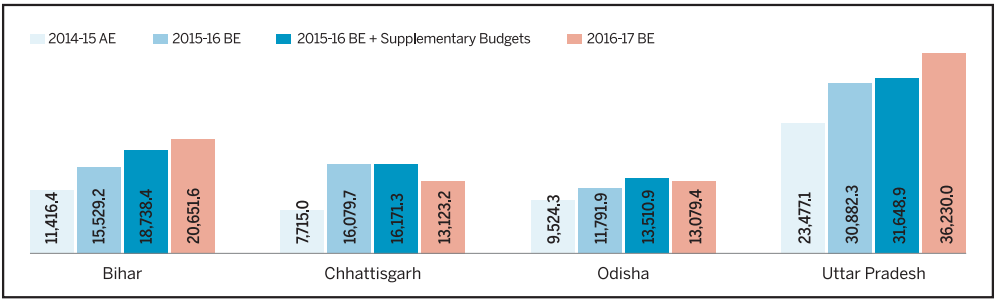
*Source: Ghai et al (2016)*

## Uttar Pradesh

In Uttar Pradesh, India's most populated state and, like Rajasthan, a state with a high burden of undernutrition, the total budget outlays for

nutrition-specific interventions declined from INR 4,358.1 crore in 2014-15 to INR 4,054.9 crore in 2015-16, and subsequently increased to INR 4,573.3 crore in 2016-17.[35] The Uttar Pradesh government also introduced in 2016 a new initiative called Hausla Poshan Yojana, under which cooked meals and one seasonal fruit are provided to 10 lakh pregnant women and 14 lakh severely underweight children every day between six months to six years. The scheme offers other benefits such as iron tablets and curd for pregnant women as well as ghee for severely underweight children. A total of INR 525 crore was allocated under this scheme in 2016.[36] However, budget outlays for micronutrient supplementation and deworming declined repeatedly from INR 67.7 crore in 2014-15 to INR 58.9 crore in 2015-16, and INR 56.5 crore in 2016-17.[37] As shown in Figure 2, the total budget for nutrition-sensitive interventions in Uttar Pradesh increased consistently but the share of allocation for nutrition-sensitive interventions in the total budget increased only marginally from 10 percent in 2014-15 to 10.4 percent in 2016-17.[38]

**Figure 2:** Budgets and Expenditures for Nutrition-Sensitive Interventions by Bihar, Chhattisgarh, Odisha, and Uttar Pradesh




*Source: Acharya et al (2017)*

## Bihar

Bihar, another state with a very high prevalence of undernutrition, witnessed a small increase in the total budget outlay for nutrition-specific interventions from INR 1,778 crore in 2014-15 to INR 1,972 crore in 2016-17.[39] The per capita budget outlay for nutrition-specific interventions in

Bihar, again one of the lowest in the country, first increased from INR 378 in 2014-15 to INR 516 in 2015-16 and then declined to INR 420 in 2016-17.[40] Figure 2 shows that the total budget and expenditure for nutrition-sensitive schemes in Bihar increased consistently but unlike in Uttar Pradesh, the share of budget on nutrition-sensitive interventions also increased substantially.

### Odisha

In Odisha, the total budget for nutrition-specific interventions declined from INR 1,188 crore in 2014-15 to INR 961 crore in 2015-16, and then increased to INR 1, 302 crore in 2016-17.[41] A similar trend was observed in the case of supplementary feeding programmes where allocation first declined sharply from INR 752 crore in 2014-15 to INR 526 crore in 2015-16, and then increased to INR 934 crore in 2016-17.[42] The budget outlay for the management of severe acute malnutrition declined from INR 6.09 crore in 2014-15 to INR 4.56 crore in 2016-17.[43] The allocation for Mo Masari, the state government's scheme for the prevention of Malaria among pregnant women, declined massively from INR 70 crore in 2014-15 to less than INR 1 crore in 2016-17.[44] There was also an absolute decline in the budget outlays for nutrition-sensitive programmes (See Figure 2).

### Chattisgarh

The Chhattisgarh government's budget outlays for nutrition-specific interventions increased from INR 625 crore in 2014-15 to INR 818 crore in 2015-16, and again to INR 950 crore in 2016-17.[45] The state's per capita outlay for nutrition-specific interventions also increased consistently from INR 568 in 2014-15 to INR 744 in 2015-16 and further to INR 864 in 2016-17.[46] Chhattisgarh also has a number of state-specific schemes such as Mukhyamantri Amrit Yojana, Mahtaari Jatan Yojana, Phulwari Yojana, which provide supplementary nutrition to children and pregnant and lactating women. But the state's track record in nutrition-sensitive programmes is dissatisfactory. The allocation for nutrition-sensitive

interventions declined in absolute terms from INR 16,171.3 crore in 2015-16 to INR 13,123.2 crore in 2016-17 (See Figure 2).

## IV. NUTRITION FINANCING UNDER THE TRIBAL SUB-PLAN

The impact of fiscal restructuring on public expenditure on nutrition for tribal communities deserves special attention as they are among the most nutritionally deprived communities in India. Their deprivation is influenced by a number of factors, including geographical remoteness, poverty due to loss of forest cover, poor rehabilitation measures, poor reach and quality of essential food and nutrition services, as well as discrimination in access to public services. About 54 percent of India's tribal children are stunted; the level of severe stunting among tribal children (29 percent) is nine percentage points higher than non-tribal children (20 percent).[47] Therefore, even a slight decline in funding towards nutrition programmes targeted towards the tribal populations will have a devastating impact on their nutritional attainment. Singh and Sethi (2017) examined the Tribal Sub-Plan (TSP)[48] earmarking and utilisation for seven Union Ministries which are responsible for the delivery of nutrition programmes and three states viz. Madhya Pradesh, Maharashtra, and Orissa.[49] They found that the Department for Food and Public Distribution's[50] TSP budget has declined in absolute terms from INR 2.4 crore in 2014-15 to INR 2.1 crore in 2016-17. The TSP budget as a proportion of total budget of the department is only two percent, much lower than the recommended level of 8.6 percent. There was a continuous decline in the TSP budget in Department of School Education and Literacy[51] from INR 4,707.1 crore in 2014-15 to INR 4,297.2 crore in 2015-16, and further to INR 4,276.7 crore. Similarly, the TSP budget of the Ministry of Women and Child Development declined from from INR 1,597.5 crore in 2014-15 to INR 1,418,6 crore in 2016-17.

State governments have largely failed to compensate for the substantial decline in Central Plan resources. For instance, in Madhya Pradesh, the TSP earmarking by the Department of Women and Child Development and Health and Family Welfare was below the recommended level of 21.1

percent and has declined continuously from 2014-15 to 2016-17.[52] There was a marked decline in TSP funds for ICDS from INR 624.6 crore in 2014-15 BE to INR 548.7 crore in 2015-16.[53] Despite the high incidence of undernutrition, TSP funds for the Mid-Day Meal Scheme recorded a decline but there was an increase in the allocation for SABLA.[54] On the other hand, TSP earmarking by the Rural Development Department and Public Health and Engineering Department increased considerably in Madhya Pradesh in the last three years.

In Odisha, another state with a high tribal population, TSP earmarking by Rural Development and Civil Supplies Department was much lower than the recommended level of 22.9 percent of their plan budget during 2014-15 to 2016-17. There was also an absolute decline in the allocation of the Department of Women and Child Development and Panchayati Raj but there were substantial increases in the TSP earmarking by the Department of School and Mass Education, Agriculture and Farmers Empowerment, and Health and Family Welfare between 2014-15 and 2016-17.[55] A closer look at nutrition-specific schemes reveals that there was a 13-percent decline in TSP outlay for nutrition-specific schemes from INR 924 crore (BE) in 2014-15 to INR 805 crore in 2015-16.[56] In the supplementary budget, there was a further withdrawal of about INR 15 crore from the Emergency Feeding Programme (EFP), a food-based intervention in eight selected districts of the state.

In Maharashtra, there was a notable increase in TSP earmarking in the nutrition budget from INR 53.3 crore in 2015-16 to INR 138.7 crore in 2016-17, though earmarking for health and agriculture declined.[57] In Andhra Pradesh, there was a minor improvement in expenditure on nutrition from a very low base. The allocation for both ICDS and MDM improved but there was a slight decrease in TSP allocation of MDM.[58]

## V. CONCLUSION

This paper finds that there has been a substantial reduction in the centre's allocation for nutrition schemes in recent years in light of the fiscal

restructuring prescribed by the Fourteenth Finance Commission. Schemes such as ICDS and MDM, which play a particularly important role in improving the nutritional status of children across India, have witnessed severe expenditure cuts. The Maternity Benefit Programme is the only exception. But in this case too, the allocation may be deemed inadequate because the number of beneficiaries has been underestimated. The paper also finds that greater fiscal autonomy did not translate into higher spending on nutrition on the part of the states. This is particularly true in the case of states like Rajasthan, which is India's largest state and has a high burden of child undernutrition. If the state governments continue to fail in stepping up investment on nutrition, the gains made in reducing child nutrition—modest as those gains were—may end up getting reversed in the future. Given that high growth does not automatically translate into better nutritional indicators, the critical question that emerges is whether the central government can afford to renege on its responsibility at a time when massive proportions of India's children are undernourished. After all, it is the government of India that has signed on to the sustainable development goal of ending hunger and undernutrition.

This study makes the following suggestions. First, the centre and the state must work together to set nutrition goals and targets for every state and, within each state, every district. There should be separate nutrition goals for special groups like scheduled tribes and scheduled castes. In addition, the centre should also play a proactive role in tracking and monitoring the financing and implementation of nutrition programmes of the states. Second, the states now have a greater responsibility for spending on social sector schemes in general but many of the states with a high burden of undernutrition do not view nutrition as a priority. Thus, effective steps need to be taken to sensitise the state governments on nutrition-related issues and also upgrade the capacity of state government officials so that they can plan and implement nutrition schemes according to their needs. Third, this paper finds there is a dearth of literature on the actual financial requirements to address the nation's undernutrition problem. Although some studies have attempted to assess the cost of scaling up core

nutrition schemes, there is a need for studies that focus on both nutrition-specific and nutrition-sensitive schemes. Lastly, many policy experts fail to understand the economic benefits of investing in nutrition and view nutrition schemes as unsustainable subsidies. However, as this paper argues, there is a strong economic case to be made for investing in nutrition in a country like India. Thus, future research should also focus on assessing the economic losses that India will have to suffer if it fails to take appropriate action today.

## ENDNOTES

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13. Interventions during pregnancy include iron and folic acid (IFA) and deworming for adolescents, and insecticide-treated nets, counselling, IFA, deworming, calcium supplements and supplementary food for pregnant women
14. Interventions six months postpartum include counselling for breastfeeding, cash transfers to enable breastfeeding and calcium supplements and supplementary food for lactating women

15. Required after the child has reached the age of six months, to deliver vitamin A, paediatric IFA, deworming, supplementary food for children, supplementary food for children severely underweight, oral rehydration salts (ORS) and zinc during diarrhoea, counselling for complementary feeding and water, hygiene and sanitation (WASH), and for the treatment of severe acute malnutrition
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17. This figure includes nutrition specific as well as nutrition sensitive. Specific schemes included in the nutrition budget are as follows: ICDS, National Crèche Scheme for Children of Working Mothers, MBP, Sabla, Food Subsidy, NHM, MDM, RMSA, NRDWP, SBM, MGNREGA, NLM, NSAP, NFSM, NMSA, NMOOP, RKVY, White Revolution, Blue Revolution, and National Horticulture Mission.
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