

# Implementation of Poverty Alleviation & Food-based Schemes in Bihar

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## 1 Introduction

Bihar Government was kind enough to facilitate my visit to Patna from 21<sup>st</sup> to 24<sup>th</sup> August to review Poverty Alleviation & Food-based Schemes in the State. Detailed discussions were held with the senior Secretaries in the presence of two Collectors who were thus able to point out the difficulties they face in implementing the schemes. This was followed by a wrap-up meeting with the Chief Secretary. Sri Shishir Sinha, Food Secretary, was present throughout these meetings, and I am extremely grateful to him for his time and assistance.

Since desk review of the schemes on the basis of data given to me by the GoI Ministries had revealed many inadequacies in the execution of Supreme Court Orders, the purpose of my visit was not merely to list these shortcomings, but to go deeper into the causes of poor implementation with a view to suggest improvements. It appeared that State Government was not able to avail of its full entitlement of funds and food from GoI because of procedural problems. Bihar may be losing close to 1000 crore Rs in a year (including the value of food assistance) because it is not able to complete formalities as prescribed by the central government for accessing central funds. Therefore this report gives several suggestions that the State Government may like to consider for improving its performance in the implementation of schemes under the purview of Supreme Court in particular, and for other schemes in general.

## 2 Rural Poverty Alleviation Programmes

During the Ninth Plan, as shown in Table 1, the financial performance in the State in terms of utilization of funds as against the total available funds (i.e. opening balance + total release) under rural poverty alleviation programmes in the State was less than the All India average as indicated below except in case of EAS in 1997-98 and 2000-01 and IAY in 1997-98 and 2001-02.

**Table 1: Utilisation of RD Funds in Bihar during the 9<sup>th</sup> Plan**

	Programs	% Utilization w.r.t. total available fund - Bihar	% Utilization w.r.t. total available fund - All India
<b>1997-98</b>			
1	IRDP	61.58	84.92
2	JRY	82.06	84.94
3	EAS	85.59	84.81
4	IAY	97.32	90.00
<b>1998-99</b>			
1	IRDP	74.17	81.51
2	JRY	81.12	83.15
3	EAS	77.42	85.84
4	IAY	71.59	82.01
<b>1999-2000</b>			
1	SGSY	49.14	65.76
2	JGSY	71.15	72.78
3	EAS	72.56	74.94
4	IAY	71.46	78.94
<b>2000-01</b>			
1	SGSY	53.08	68.98
2	JGSY	62.02	77.40
3	EAS	85.55	72.15
4	IAY	65.49	81.15
<b>2001-02</b>			
1	SGSY	59.12	79.37
2	JGSY	44.10	68.09
3	EAS	44.53	63.78
4	IAY	73.81	64.72

The Central allocation and releases under major poverty alleviation programmes during the Ninth Plan is indicated below in Table 2.

**Table 2: Allocation and Releases of RD funds for Bihar during the 9<sup>th</sup> Plan (Rs. Crore)**

Years	Central Allocation	Central Release	Difference
1997-98	829.95	729.93	100.03
1998-99	1084.84	856.32	228.53
1999-2000	1232.07	953.17	278.90
2000-01 <sup>1</sup>	721.11	442.67	278.44
2001-02	780.00	617.24	162.76
<b>Total</b>	<b>4647.97</b>	<b>3599.33</b>	<b>1048.64</b>

Thus, the State of Bihar had lost Rs. 1048.64 crore ((about 22%) on account of less central release vis-à-vis central allocation under the four-poverty alleviation programmes during the Ninth Plan period. During 2002-03 central allocations was Rs 865 crores, but the State could get only Rs 599 crores, losing another Rs 266 crores in a single year. Scheme-wise breakup (in crore Rs) in 2002-03 is as follows:

**Table 3: Fund flow for RD schemes in Bihar for 2002-03**

Name of the scheme	Opening balance	Central allocation	Central releases	State release	Total available funds	Total expenditure	% exp to available funds	No. of districts getting II instalment
SGSY	109	73	38	13	160	108	68	2
SGRYI	110	189	135	64	309	238	77	23
SGRYII	81	174	132	56	270	205	76	25
IAY	167	328	197	66	430	293	68	15
Total (incl. others)	519	865	599	204	1321	898	68	

Some districts complain about the late release of instalments, especially the second one which is often released in March. There are cases when the second instalment reaches the district bank account in April or May. For one district of Bihar (Begusarai) the dates of transfer of funds for the year 2002-03 are in Table 4. (For other years and Patna, see annexure)

One could have argued that so long as a district gets both the instalments in full, the date of releases makes little difference as rotation of funds is maintained despite late releases, and the district is never short of cash, thanks to opening balances (which are sometimes more than the total annual release). However, there is another clause according to which if a district ends up with more than 15% opening balance (OB) on the 1<sup>st</sup> April, it would suffer cuts. Due to this stringent clause even the best districts in Bihar suffer for no fault of theirs because GoI releases the second instalment in the last week of March, making it impossible for the district administration to reduce the OB to less than 15% in a few days time.

<sup>1</sup> Both in 2000-01 and 2001-02 part of cash assistance was converted into food grants, hence the central allocation is lower than in the previous years.

**Table 4: Dates of receipt of funds and allocation for 2002-03 at the district level**

Name of Scheme	1st Instalment				2nd Instalment			
	Central		State		Central		State	
	Date	Allocation	Date	Allocation	Date	Allocation	Date	Allocation
1	2	3	4	5	6	7	8	9
SGRY1	10.6.02	279.410	7.1.03	93.140	21.4.03	226.50	31.3.03	98.95
SGRY2	2.8.02	244.46	7.1.03	96.83	21.5.03	200.67	31.3.03	66.89
IAY	4.7.02	380.64	7.1.03	101.504	12.3.03	58.768	26.3.03	19.584
SGSY	20.8.02	104.75	2.12.02	34.916	Not received			
NOAPS	14.5.02	60.72	Not received		26.2.03	49.41		
SOAPS			7.2.03	87.561			21.3.03	87.561
NFBS	24.5.02	1.58	Not received		28.2.03	9.630	Not received	
					31.3.03	7.710		
NMBS	Not yet received				Not received			

Bihar's peculiar seasonality (almost no work during the four monsoon months) also puts Bihar at a disadvantage vis-a vis other States. A practical solution will be to shift the date of OB from 1<sup>st</sup> April to 1<sup>st</sup> July, so that the districts are able to utilize the second instalment received in late March in the first three months of the year. The other option is to increase the requirement of opening balance to 50% of the total allocation, so that the delay in releasing the second instalment does not affect the district quota. The collectors also complained that even after they submit the required papers there is a lot of delay (ranging from one to three months) at the GoI level in release of the second instalment.

Another problem is with the centralization of audit formalities in Bihar which was introduced about three years back. Whereas other States have a totally decentralized system and give the power to get DRDAs funds audited to the district, in Bihar it is the Secretariat that decides who would go and audit the district funds. One Collector said that for his district the auditor was to come from outside the State who never turned up, and that resulted in delay.

Bihar's performance in the current year in all RD schemes so far is quite satisfactory, as far as release of funds is concerned, as upto 11<sup>th</sup> August 2003 GoI has released 3676 crores to the States out of which 415 crores has gone to Bihar. However, release of States' share does not seem to be timely. By June 2003, none of the districts had received state share in any of the RD Scheme, whereas 7 to 10 districts had received the central share by that time. I suggest that State Government should not wait for GoI to release the instalments and then act; it should be the first one to release instalments based on similar accounting considerations that are followed by GoI. This will also improve monitoring of district RD schemes by the secretariat, which is at present weak.

### 2.1 SGRY

SGRY I, previously called EAS was doing very well in Bihar upto 2000-01, but its utilization fell dramatically from 85.6% in 2000-01 to 44.5% in 2001-02. This was despite the fact that central

releases were 98.7% of the allocation that year. However, expenditure picked in the following year, as shown below

**Table 5: EAS releases to Bihar (figures in crores).**

	Opening balance	Central allocation	Central releases	State allocation	State release	Total available funds	Total expenditure	% exp to available funds
2001-02	65.2	199.3	196.7	66.4	17.1	279.0	124.2	44.5
2002-03	109.8	189.3	135.0	63.1	44.2	327.8	237.7	72.5

12 districts of Bihar – Patna, Buxar, Aurangabad, Vaishali, W. Champaran, Sheohar, Dharbanga, Samastipur, Saharsa, Araria, Banka, and Sekhpura – could not get second instalment during the year 2002-03 and thus lost about 30 crores. For instance, in Aurangabad expenditure was only 52% of the available funds, leaving a huge balance on the 31<sup>st</sup> March, despite the fact that the district did not the second instalment from GoI. I spoke to the Collector and DDC, and they blamed it to the internal factionalism within the Zila Parishad, because of which there could not be an agreed list of works until March 2003. In such cases perhaps the State Government could ask for moving these funds to other districts.

SGRY –II, previously called Jawahar Gram Samridhi Yojna (JGSY) is the restructured, streamlined and comprehensive version of the erstwhile Jawahar Rozagar Yojana (JRY). Its primary objective is the creation of demand driven community village infrastructure through village panchayats. Panchayats may spend upto 15% of allocation on maintenance of assets created under the programme within its geographical boundary. 22.5% of JGSY funds have been earmarked for individual beneficiary schemes for SC/STs.

This is a well – established and popular scheme all over India. Bihar’s performance was quite satisfactory in the years 1997-98 and 1998-99. The next year guidelines were slightly changed and the condition that 60% of funds must be spent on wages was relaxed. It is a common experience of all development schemes that a new program takes a few years to stabilise with the result that expenditure in the initial years is much below allocation. As Table 1 shows, performance fell down in all the States, including Bihar. Although the all India average picked up from 2000-01 onwards, Bihar’s releases fell from 71% in 1999-00 to 62% in 2000-01 to 44% in 2001-02.

It is heartening to note that Bihar’s performance picked up in 2002-03, and it was able to get 135 crores (71%) from the Centre against its allocation of 189 crores. It spent 238 crores, which was much more than the total release of 179 crores (including State share), leaving a balance on the 31<sup>st</sup> March 2003 which was less than the opening balance on the 1<sup>st</sup> April, 2002. It is hoped that this trend will continue in future too.

Out of 37 districts in Bihar, 17 districts could not get the second instalment in 2002-03, presumably because of heavy opening balance they could not spend 60% of the sum of opening balance and the first instalment.

GoI may also examine if the entire wages can be permitted to be given in kind, in case workers so demand. The idea is to promote choice to the extent possible.

### **3 Utilisation of foodgrains**

The total release of foodgrains has generally been one-third of the allocation counting all food based schemes, although it is quite satisfactory in Antyodaya and Annapurna, as may be seen from the following Table (figures in lakh tonnes). The adjoining graph gives the performance of Bihar when compared to some of the states as well as the all India performance.

**Table 6: Allocation and release of subsidised foodgrains for Bihar**

Programmes	allocation - Bihar	Release/lifted	allocation - All India	Release
SGRY I 2001-02				
SGRY I 2002-03	2.36	1.24		
SGRYII 2001-02	2.21	1.10	50*	18*
SGRY II 2002-03	2.18	0.93	50*	57*
BPL 2001-02	22.19	4.97	180	101
BPL 2002-03	22.19	4.46	229	135
Antyodaya 2001-02	2.1	1.16	19	17
Antyodaya 2002-03	4.2	3.43	41	35
Annapurna 2001-02	0.20	.17	1.2	1
Annapurna 2002-03	0.20	0.14	1.2	1
Total	57.83	17.16	471.4	290

\* includes SGRYI

One may argue that Bihar people have lost the benefit of about Rs 800 crores in the last two years, assuming each kilo of foodgrain has a subsidy element of Rs 2. However, there is not much difference between the market price of rice and PDS price (taking into account the poor quality of FCI grain), and therefore it would be unfair to judge Bihar's performance from the PDS figures alone. The State Government was lifting 93% of its quota of wheat and 53% of rice in 1999-00, and therefore if it has fallen to less than 20% in 2002-03, poor lifting capacity cannot be the only reason, and fall in market price intuitively appears as a better causative explanation. However, I requested the Food Secretary to do a small survey of BPL families to find out how much of their consumption they buy from the open market, at what price, and why. What constraints do they face in drawing rations from FPS?

There are several other problems of non-implementable and non-functional procedures followed by Government of India and the FCI that result in poor lifting. Firstly, quota for BPL is released by GoI for each month separately which remains valid only upto the end of the month (also true of MDM). This gives very little time to the SFC and FPS dealers. Often release order is issued towards the end of the month giving only 3-4 days time to the SFC to deposit bank drafts and lift foodgrains from FCI godowns. Secondly, when for some reason even after deposit of bank drafts delivery is not made, FCI issues a cheque (although accepts only bank drafts and not cheques from SFC) back to SFC rather than automatically releasing grain as and when available in the FCI godown. The SFC is then expected to get the release order revalidated (which takes one to two months) and issue another bank draft. All this paper work and harassment<sup>2</sup> can be avoided if the release order is valid for the entire year or at least for six months. I understand that GoI has recently permitted the State to lift the backlog of previous year for some schemes in the current year, which should improve the figures of lifting in the current year. But this is not enough. There should be a general order increasing the validity to the entire year or six months. The State Government should also give up the practice of issuing district-wise and month-wise release orders. In other words, rather than issue 37X12=444 orders in a year there should be just one order in the beginning of the year (at the most two orders) in which quota of all the districts can be mentioned.

<sup>2</sup> Whereas FCI returns the money deposited by SFC, FPS dealers do not get the refund, with the result that their funds remained locked for 3 to 6 months before delivery is made. This affects their viability leading to corruption.

Thirdly, there is no choice just now between wheat and rice. Even within rice choice does not exist between various gradations of rice. If there is any such order (Food Secretary said that in case of non-availability of rice, wheat can be lifted) this was not known to the District Magistrates who were present in the meeting. Since the BPL allocations are grossly under-utilised there is no danger of exceeding the quota if a complete choice is given to the State Government by the GoI, to the PDS dealer by the SFC, and to the consumer by the PDS dealer to lift either wheat or rice or a combination as per the consumer's convenience.

Fourthly, today a BPL consumer is not permitted to lift previous months' quota in the current month. Recently (14<sup>th</sup> August 2003) orders have been issued by the State Government permitting consumer to lift his/her quota in instalments, but this relaxation does not mean much if the shop opens for only one or two days in a month. There is no harm if a consumer lifts six months quota in advance or lifts the unutilised quota for the previous months.

Fifth, FCI has mostly only one weigh-bridge in their godowns due to which lifting is restricted. It will help if they instal another weigh-bridge to improve delivery.

Sixth, public distribution requires State Government investing money in godown capacity, storage, vans, transport etc, not all of which can be covered from the commercial margin allowed to SFC. Hence Food Secretary may consider using PMGY funds for making SFC viable.

Lastly, allotment for Annapurna has still (until 22<sup>nd</sup> August 2003) not been released by GoI/FCI although State Government has deposited the requisite amount with the FCI in May itself. I spoke to MD FCI after coming back from Patna, who said that there were no instructions from GoI. Then I spoke to Mr Uma Shankar, JS Food, who said that the State Government had not formally written to them. This excuse is not valid and shows total insensitivity towards the poor and the aged who have been denied their entitlement because of bureaucratic delays. After all this grain is not free, and if a State deposits money with the local FCI it should be entitled to receive foodgrains at the subsidised rate, especially when there is no difference in price between the BPL and Annapurna price, and the quota for BPL is grossly under-utilised.

It is noteworthy that all India offtake under SGRY more than trebled from 18 in 2001-02 to 57 lakh tonnes in 2002-03, but it hardly increased in Bihar.

According to the State Government, reasons for poor lifting are as follows:

1. Inadequate storage capacity with FCI, which has godowns only in 9 districts as against a total of 37 districts in the State
2. FCI could not make the required quantity of foodgrains available to the districts
3. Poor quality of foodgrains
4. Marginal difference between the subsidised price and open market price, because of which there is no demand for subsidised foodgrains

The Manager Director FCI, to whom I spoke at length, denies this. According to him, there are 46 godowns in the State, well spread throughout the State, from where FCI issues foodgrains. Out of these 14 are owned by the FCI, 6 by Central Warehousing Corporation, 9 by the State Warehousing corporation, 3 by State Government, and 12 by private parties. These figures are contested by the SFC, its MD Mr Dutta said that there were only 21 points of delivery from where an average of 1170 trucks a day is being delivered as against a requirement of 2076 trucks. In terms of rakes, as against a demand of 288 rakes actual supply is only 123 rakes, and its distribution is also not favourable to the metre-gauge or no-railhead districts.

Moreover, the overall stock position in FCI godowns does not seem satisfactory. According to the FCI, at any time there is about 2 lakh tonnes of foodgrains in government godowns, which, according to FCI, is more than two months offtake. However it is not sufficient for one months allotment (counting all the schemes). Monthly movement of only 0.70 lakh tonnes of wheat and 0.14 lakh tonnes of rice every month into Bihar is hardly sufficient, if Bihar were to lift the entire quota, which is about 2.5 lakh tonnes every month. FCI however feels that stock should relate to

likely lifting, and not to theoretical quota. I explained to him that it is a vicious circle which can be broken only by keeping adequate stocks in each godown. I requested him to maintain more than two months requirement of the State in each and every godown. Averages are not enough, as districts on the metre gauge and roads only need special attention. This is especially important because the SFC M.D. assured me that he would lift the entire grain if the FCI can supply it.

The stock position was particularly bad in the districts that are not on broad gauge rail head. One needs to monitor godown wise stock position in such places. For instance the stock (wheat +rice) is insufficient in Mokama, Warsaliganj, Bikramganj, Nokhha, Nawada, Munger, Jamui, Lakhisarai, Chakia, Sheohar, Punaura, Forbesganj, Katihar, Hajipur, Chapra, Smastipur, and Barauni. Some of these depots remained closed because of labour strike. In Sitamarhi Collector has complained vide his letter dated 20<sup>th</sup> August 2003 that because of non-availability of foodgrains drafts of FPS dealers remain with the SFC for several months without issue of grain. Similarly Collector Aurangabad said that the supply to his district is made from Sasaram which is 50 kms away. He suggested that FCI should open a godown in the district as in the past.

FCI should not only improve stock position in the depots which are either on metre gauge or not connected by rail, but open more godowns. It should hire godowns until new capacity is created (CWC and SWC have a target of constructing godowns of 3 lakh capacity State Government should help in locating land etc.) to ensure that no FPS is more than 14 kms from the nearest FCI depot. FCI should also be sensitive to the food habits of the particular district, as somewhere parboiled rice is preferred, elsewhere raw.

As regards quality, FCI claims that it issues foodgrains only after its quality has been accepted by the State representative, that is, the State Food Corporation. It appears that there is lack of coordination between the two Corporations. However, several Collectors too complained of poor quality.

Bihar's offtake for BPL category through ration shops is very poor. According to the State Government it is because of lack of demand, but from the statements of district Patna (urban) I find the year wise allotment, lifting and distribution of food grains in quintals under B.P.L scheme has been as follows:

Year	Allotment		Lifting		Distribution	
	Wheat	Rice	Wheat	Rice	Wheat	Rice
2001-02	18267	12047	17178	2399	17178	2399
2002-03	10109	6744	10107	1583	10107	1583
2003-04	4227	2820	3379	2255	3379	2256

This shows that there is no lack of demand<sup>3</sup> from the people. Problems perhaps are more on the supply side. A District Magistrate had the following to say on this:

“Usually there is no difficulty so far as allotment of foodgrains to districts by the State Government is concerned. However it is a fact that the allotted quantity of foodgrain is hardly available with the State Food Corporation. As a matter of fact State Food Corporation has to lift the allotted quantity of foodgrains from the Depots of Food Corporation of India. Food Corporation of India does not have sufficient stock of foodgrains for timely supply to SFC. As a result, there is always a gap between allotment and lifting of foodgrains by the State Food Corporation. The State Food Corporation on its part does not have sufficient godowns located in different blocks where foodgrain can be stored for supply to the dealers for supply to target groups. There is also shortage of staff in the SFC to maintain supply. As a result there is always difficulty in making foodgrains available to the people of target groups as desired by the government.

<sup>3</sup> It is likely that Patna gets better quality of foodgrains, as opposed to far away districts.

The PDS dealers also default in timely lifting of foodgrains and supplying it to the desired groups. This may be because of various reasons. PDS dealers are not economically sound enough to deposit the total price of foodgrains when they are required to deposit for quota of foodgrain meant for more than one month. There is also difficulty in supply of foodgrains to remote and difficult areas for which carriage charge escalates to an extent which is difficult to reimburse.”

In a meeting held at Patna on 23<sup>rd</sup> May 2003, in which JS GOI and Sri Anil Kumar, Secretary Primary Education Bihar were present, it was stated that the main problem is that allocations from GOI are valid only for a month, and if the state government is not able to lift within that time, its quota lapses. It was suggested in that meeting that this may be increased to a year. I spoke to JS Food Ministry who said that the period has already been increased to two months<sup>4</sup>, and further relaxation can be considered after watching lifting for a few months. There was also difficulty in reconciliation of accounts between the two Corporations which delays reimbursement to the State Corporation, thus upsetting its cash rotation.

A study of Public Distribution System (EPW, *August 25-31, 2001*) done of undivided Bihar observed as follows:

The people in Bihar and Jharkhand have, however, hardly benefited from the food distribution programme. As compared to other States, the undivided Bihar received less foodgrains through the PDS. In 1998, the per capita PDS foodgrain offtake from the central pool was 9.5 kilo, which was about 50 per cent of the all-India average per capita offtake. Moreover, a large proportion of what is lifted in Bihar does not reach the cardholders. The commission on the sale of the PDS commodities is not large, and the official income comes to not more than Rs 400-600 per month. This is comparable to what a landless labourer may earn, and much lower than the salary of the lowest office staff (attendant or sweeper).

Yet, it is obvious that, despite this low income, it is pretty lucrative to be a fair price shop dealer. People are willing to pay large amounts of money to get a licence to become such dealer. One of the ways in which the PDS dealers survive and make money is by having so-called bogus cards – ration cards that do not belong to any family but which are kept by the dealers themselves. The commodities they get for these bogus cards are sold on the open market. Apart from that, they also divert part of the rice, wheat, sugar and kerosene which is meant for real cardholders.

The main problem is that PDS commodities arrive late and irregular, if at all. The villagers are poorly informed, and certainly not in advance. This means that the poorest among them may not have sufficient cash ready available when the foodgrains arrive in the shop. The PDS dealer will only transport so much as he expects to sell within one or two days. In short, there is a physical access problem, in the sense that the commodities may come with irregular intervals or not at all. There is also a problem of economic access, in the sense that the poorest people do not have cash ready at the moment the stocks arrive. The Bihar State Food and Civil Supplies Corporation (SFC) is the only wholesale agent for PDS foodgrains. There are several major problems with the SFC. There is not sufficient infrastructure (warehouses, vans, etc) to distribute the foodgrains properly. The mobile vans, meant to bring the foodgrains from the godowns to the shops are all in need of repair or there is no driver or no fuel. The SFC is in an extremely poor financial shape. There is no working capital to purchase the PDS commodities from the FCI; it is the PDS dealers who have to advance the money every month. The Corporation is overstaffed<sup>5</sup>. There are districts in which the SFC still needs to pay 12-24 months salaries to the depot managers and other corporation staff members. Given this fact, it is not surprising that the assistant godown managers are ‘a demoralised lot’, as one informant described them, and that illegal sales of the commodities and misappropriation of money occur regularly.’

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<sup>4</sup> In the meeting at Patna the Collectors said that this relaxation is only for Antyodaya (AAY), and not for other food schemes.

<sup>5</sup> There has been massive reduction of staff in the last four years in SFC.

Collector Muzaffarpur said that districts are not authorised to give Annapurna grain to new people, in case of deaths of the old beneficiaries. About 600 such people have died in his district, but no guidelines have been issued by the State Government to the districts as to how new names are to be added to the list. This needs attention by the State Government.

The following suggestions could be considered to improve food distribution in the State:

1. Panchayats may be asked to run the shops, on a trial basis, as is being done in Orissa.
2. Shops must open everyday as directed by the Supreme Court.
3. Consumers (as well as FPS dealers) must be permitted to lift the quota of previous months too. Quota should not lapse at the end of the month.
4. Food Secretary may examine whether the FPS dealers should have a choice of dealing directly with the FCI, as is done in Delhi.
5. Margins of dealers must be realistic.
6. Give some shops to SHGs, wherever functional, or to existing grocery shops, especially in remote areas.
7. Better coordination is needed between the Food Department, SFC, and the FCI, especially on quality issue. It may be advisable if a representative of SFC travels to FCI godowns and examines the quality before the foodgrains are despatched from that godown. Secretary RD holds a meeting with DDCs every month, but SFC and FCI representatives are not invited to that meeting. For effective coordination and quick problem solving it is desirable to discuss problems relating to foodgrains in the presence of all concerned.
8. State Government should release quota once or twice in a year rather than monthly. Allotment for Annapurna until 20<sup>th</sup> August, 2003 had not been released by GoI due to which the old people had not got any rations for the first five months of the year.
9. GoI should be persuaded to deliver the rakes to SFC at the railway station itself. It will avoid unnecessary handling, which at present takes place at several levels.
10. The release order from GoI should be valid for the entire year or at least for six months.
11. Monitoring, review, transparency and impact studies must become part of the programme, involving professional organisations.

### **3.1 Mid-day Meal Scheme**

By an Order of November 28, 2001 the Supreme court directed the States to provide cooked meals instead of dry rations within three months [February 28, 2002] in all Govt. and Govt. aided Primary Schools. Many States are not giving hot cooked meals right now. They should have done so by May 2002. The scheme is fully running in only seven States out of total 33 States/union territories. Tamil Nadu, Pondicherry, Kerala, Gujarat, Rajasthan, Andhra Pradesh and Lakshwadeep are the only States which are complying with the Supreme Court's order. Barring Rajasthan and Andhra Pradesh, the scheme was running in other five States even before the Supreme Court order. Eight other States are implementing the scheme in part of the State. Others are facing problems of lack of funds, cook, etc.

In a meeting held at Delhi in July 2003 on this subject in which both the Secretaries of Rural Development and Elementary Education, GoI were present, the following decisions were taken:

- RD funds can be used for constructing kitchen sheds from SGRY funds
- Secretary RD said that SGSY should be used for giving the task of preparing cooked meals to SHGs of women of that village, as is being done in AP.
- PMGY funds can be used to get cooking organised and for buying utensils.

The Bihar Government plans to start this scheme in 2578 schools in 30 blocks of 10 districts which have the poorest literacy in the State. Funds worth 13.5 crores are to be transferred to the districts for this purpose. Hopefully with the new decisions taken by GoI, Bihar would be able to be able to expand the scheme.

As of now foodgrains are being given to the parents of school going children at the rate of 3 kg per month, but here too distribution is not satisfactory, as only 55% of the allotment has been lifted during 2002-03 by Bihar (see annex for all-India picture), although the grain is free. Problems are mostly lack of coordination between various agencies involved, which we discussed in the previous section.

State Government complained that GoI has reduced the quota from 3 to 2 kg per student per month without any justification. I requested the State Government to send me a copy of this letter so that matter may be taken up with the GoI.

### **3.2 Transparency in poverty alleviation programmes**

An integral part of pro-people government is making it transparent and accountable. Public servants withhold information from citizens for many reasons. Most manipulations succeed because of the environment of secrecy that pervades government functioning. There is no early check because decisions are taken behind closed doors. The sharing of information and making the entire system more transparent would certainly reduce the danger of the system being hijacked by the undesirable elements. Transparency builds external demand for reform and makes administration more responsive and performance oriented.

The Government of India promulgated the Freedom of Information Act 2002, which empowers access to all its citizen to the administrative information, government records, and related data. Under this Act, any information which can be made available to the members of the parliament or members of the state legislatures would also be accessible to the common citizen, but with a few exemptions and exceptions, which unfortunately seem to be rather wide and indiscriminate.

Many States too have passed such laws. Maharashtra State Ordinance on September 23, 2002 on right to information now claims...“to pave the way for transparency, openness and accountability in governance of the state and ensure effective participation of the people in a democratic society”. The new ordinance requires the government to set up a council for monitoring its working under the chairmanship of the chief secretary of the government or the divisional commissioner of its revenue departments. The said council would also include some other persons of repute and social standing. The council would take a review of the working of the ordinance once every six months and make suitable recommendations for improvements in its operations.

Despite these initiatives, the mindset is still that of secrecy. If the right of the ordinary citizen to information is recognized, it will dramatically increase the strength of the citizen to understand and challenge corruption and the arbitrary exercise of state power. It should be the duty of each officer to pro-actively attempt to increase the power of the citizen in his or her relation with the state, through building in transparency into all official procedures and systems, and suo-motu making available all relevant information to the people.

In the context of development works, for instance, this would mean enforcing the rule that all muster rolls and bills are regularly read out and explained to the people in gram sabhas. To do this, no radical change in official rules is required. On the contrary, existing rules already provide for such sharing of vital relevant information with the public and gram Sabhas. However, such rules are mostly observed in the breach.

#### **Participatory Auditing in Rajasthan**

Aruna Roy and several activists set up in Rajasthan the Mazdoor Kisaan Shakti Sangathan (MKSS), meaning Organization for the Empowerment of Workers and Peasants, in 1990. Based in an ordinary village called Dev Dungri, its leaders built a grassroots movement that has triggered broad debate and a nationwide demand for the public's right to scrutinize official records — a

crucial check against arbitrary governance. MKSS proved that the assertion of citizens' rights to information is an unassailable claim. The assertion of such right is a powerful instrument to counteract malpractices in government.

Rural wage workers are easily exploited because of a lack of transparency in India's colonial-style administration. This culture of secrecy fosters corruption which has led, for instance, to Block officials paying contractors for non-existent work. Her campaign succeeds because it helps people expose these links.

Waging war against vested interests takes plenty of courage and determination. The activists' breakthrough strategy really took shape when they examined local records on behalf of an old woman who was denied even the minimum wage set for local projects. After their research, Roy and her co-workers decided to present their data to the villagers rather than butt heads against an indifferent government. They conducted a series of public hearings.

The effect was incendiary. Despite official stonewalling, the activists produced compelling evidence. Payments had been issued for clinics, schools and public toilets that were never built, for workers who were long dead, and worse, for disaster-relief services that never arrived. Villagers around the region began calling for their own social audits to expose corrupt officials. They asked to examine bills, vouchers, progress reports and employment rolls.

Where officials refused to open their books, the MKSS staged dharnas or sit-ins to demand more information. These climaxed in a 52-day protest to pressure the Rajasthan government to make public its development-fund records. The Rajasthan government initially refused to give information to MKSS but eventually conceded when the citizens staged a sit-down strike. Since then, the national government has introduced a comprehensive national information law. And so have many other states.

The MKSS experience has shown how government can reform and services for the poor improved when anomalies are exposed. The biggest benefit, however, is the empowerment of the poor. The victory achieved by MKSS will give greater confidence to people to continue their vigilance and to persist in confronting public servants that refuse to grant them what they are due. Their victory is liberation from suppression by unscrupulous public officials who have taken advantage of their ignorance and weakness to deny them their rights and, in the process, enrich themselves with public funds. This can have a powerful radiation effect on adjacent/other areas.

As already stated, several states are actively using information technology to improve access to information. Tamil Nadu has placed all major Government Orders of public interest on its website. AP's Portal contains extensive information about government departments, schemes and policies; allows citizens to contact government officials directly, from the Chief Minister's office on down; and provides (initially) for limited on-line transaction processing as well.

State government of Bihar should also mount surveys of the perceptions and experiences of the ordinary people and civil society in sectors which have a public interface. These surveys will both measure public perception and experience of the integrity of staff interacting with the public and overall performance in the delivery of services. Surveys should be carried out by an independent institute/survey body of recognized survey experience and integrity, and the results will be published in time bound manner. Implementation of the recommendations of these surveys should be ensured. Similarly publication of reports of state-sponsored commissions and key policy papers should be compulsory.

Raising quality of output, whether in poverty alleviation programmes or food distribution, would need assessing the quality of works done by the panchayats or quality of foodgrains distributed by the FCI. Transparency, improved performance, and social audit will help government departments win the trust of the people and thus lead to greater public satisfaction.

#### **4 NOAPS**

The NOAPS has been a successful scheme. Its evaluation has shown that about one-third of the beneficiaries were found to be neglected by their offspring or were living alone; another one-third

were found to have a dependent (mostly spouse) and in remaining cases, the beneficiaries did not have a regular source of income. The programme has largely reached SC/ST population and women. The coverage of women in NOAPS was found to be 40-60 per cent and for NFBS 40-50 per cent. In Bihar too, out of 4.94 lakh beneficiaries 50% are women and 37% are SCs.

However, in some States the benefits were distributed once in two months and in some others there was no fixed frequency for distribution. Wherever gram sabhas were in place and met regularly the information dissemination was very effective.

After the transfer of the scheme to the States (it was earlier a CSS) in 2002-03, the Scheme seems to be losing its focus. Most States are distributing pensions to a less number of people than they did in 2000-01. As expenditure goes down, so do allocations, and it becomes a vicious circle. It is now funded out of the earmarked Additional Central Assistance received from the Planning Commission. The total allocation for all the three schemes for 2003-04 is only Rs 676 crores, which includes about 50 crores for Annapurna, as against a requirement of 1482 crores excluding Annapurna (see annexure). GoI must double the allocation, and give an assurance to the States that they would get full releases in accordance with GoI's own formula from the current year itself. States should also be asked to improve their absorptive capacity. I spoke to the Secretary Planning Commission and requested him to write a letter to all State Governments to spend money on these schemes upto their entitlement, and then claim reimbursement of the balance amount. This procedure is already followed for EAPs, and therefore nothing radical is being suggested here. Thus from this year itself disbursements can improve.

There are several implications of changing the character of the scheme from CSS to State Plan. First, earlier the Ministry of RD used to transfer the amount straight to the bank account of the DRDA in the districts, and this ensured quick availability at the district level. Now, the districts will get the same amount from the state Finance Department, and fiscally weak States may often not be able to release the amount in time. Second, earmarking by the Planning Commission is not a foolproof method of protecting the outlay for a particular scheme, and there have been cases when the States divert the earmarked fund to other pressing needs, and later try to get Planning Commission's ex post approval. And lastly, GOI used to give extra allocation of 4% of the pension amount to cover administrative cost that was used in the districts for supervision, hiring vehicles, etc. Many States such as UP have stopped doing that with the result there is not even money in the districts for buying stationery, registers etc. for maintenance of accounts. Bihar has fortunately been releasing 4% along with the pension amount.

This all would mean delay in disbursement in the field. There are already reports of such delays in the disbursement of the three schemes, applications under the Maternity Benefit and the Family Benefit Schemes have been pending for more than two years in Bihar for want of sufficient funds and several old people who were getting pensions earlier had to be cut off from the list because of inadequate budget provision. In Bihar the number of identified people has come down from 7.7 lakhs in 1997-98 to only 4.9 lakhs in 2002-03 because of insufficient releases.

There has been no disbursement of pensions in Bihar so far (mid-August). The Empowered Committee sanctioned pensions on 14<sup>th</sup> May, but Cabinet approval could be obtained only on 15<sup>th</sup> July, after a delay of two months. The Government Order for issue of pensions was vetted by Finance Department on the 4<sup>th</sup> August and order was issued on the 8<sup>th</sup> August. The State share was released on the 12<sup>th</sup> August (see similar dates for 2002-03 later). Hopefully by this month end pensioners will get their due along with arrears. Since the scheme is tagged with Annapurna, there is lack of clarity about the share of each scheme in the total kitty. I requested the State Government officials not to waste time in making any reference to the Planning Commission on this point, as it is for the State Government to decide the breakup.

According to the Census and poverty figures, Bihar should be distributing old age pension to 11,07,700 people (see annexure) with a minimum provision of Rs 100 crores. However, the State never got funds in relation to the identified number. However actual distribution has been at par with the amount released, showing popularity of the scheme in the villages.

**Table 7: Progress of NOAP (figures in Rs crores) in Bihar**

Year	Requirement of funds according to the identified people	Funds released by GOI	Funds actually disbursed
1997-98	72.5	47.7	46.2
1998-99	65.5	66.9	64.3
1999-00	68.8	57.6	69.0
2000-01	51.4	42.7	45.8
2001-02	46.2	48.0	48.0
2002-03	42.2	31.7	34.4

Due to poor releases by GoI actual disbursement has come down, from Rs 69 crores in 1999-00 to 34 crores in 2002-03. State Government has submitted that they could not release 10.56 crores to the districts in 2002-03 as the allotment from GoI was received only on the 29<sup>th</sup> March. This argument is however not valid as the State could have disbursed funds (as it was already approved by the Planning Commission early in the year) out of its Plan and already approved budget, and later claimed reimbursement from GoI.

Lastly, it also means that pensions are not distributed every month in Bihar, as directed by the Supreme Court, but only as and when funds reach the district. I suggested to the State Government that they could study the procedure followed in UP where the old age and widow pensions were being deposited in the bank/post office accounts of the beneficiaries once in six months in advance, and the system was working smoothly. However, field officers felt that the banking infrastructure was weak in Bihar and therefore this idea was not practical. They wanted to distribute pensions in a camp, which is OK. What is more important is that pensions must start from April itself, and there should be no backlog.

### **5 Maternity Benefit Scheme**

This Scheme was launched in the year 1995-1996. In the year 1995-96 Rs. 18.08 crores were sanctioned for Bihar. But owing to inadequate publicity and emphasis, performance in the State was not satisfactory. Consequently the GoI reduced the target in subsequent years. For the last two financial years i.e. 2001-2002 and 2002-2003 no target has been given by the GoI. However, the State should fix its own target and not wait for spoon feeding from GoI. With a TFR of 3.46 and with around 42 % of the population below poverty line, it is not clear why the number of beneficiaries is still low. The State Government on its own should fix the State as well as district-wise target, communicate to the districts, and press the GoI to release funds on the basis of calculations done by the State.

The Maternity Benefit Scheme in Bihar was transferred to the Department of Medical Education, Family Welfare & IM in the year 2002-2003. Prior to that it was monitored by the Labour, Employment and training Department of the State Government. The Medical Department is planning to link the scheme with routine Immunization Programme.

Most of the NMBS beneficiaries receive the benefit after the delivery. This was due to late submission of the claim by the beneficiaries. There is need to create awareness about the scheme among the target segment so that claims are made well in time. The procedure under this scheme has been simplified in Bihar recently and made more transparent to enable the target group to derive benefit out of this scheme without hassles. The ANM has been authorised to give a certificate of pregnancy and Panchayat Sewak will certify that it is the first or second pregnancy.

Details of target and achievement for the last few years as given in Table show that only one-eighth of the number is being covered, as against 8 lakh potential beneficiaries only about a lakh are being covered.

**Table 8: Progress of NMBS in Bihar**

Financial year	Target		Amount Released (in lakhs)	Achievement	
	Financial	Physical		Financial	Physical
1995-1996	1808	602800	572	89	27999
1996-1997	1808	602800	661	544	163607
1997-1998	904	301400	485	568	159419
1998-1999	940	180840	455	718	193988
1999-2000	824	158383	695	840	160205
2000-2001	618	118873	99	733	136085
2001-2002	X	X	302	475	108032
2002-2003	X	X	151		

The scheme is not doing well in many other States too, except in Andhra Pradesh, Tamil Nadu, and UP. State-wise releases of fund to the States under National Maternity Benefit Scheme (NMBS) are given at annexure. In NFBS too, there was a backlog of two years in payment of the requisite amount in Bihar. In Muzaffarpur alone 610 cases are pending for payment.

## 6 ICDS

The State Government has admitted that there is no feeding of children under this scheme in the first few months of the financial year, as financial sanction is not issued in time. This year too, financial sanction was issued only on the 18<sup>th</sup> August. The State government has written to the Accountant General to permit opening of Personal Ledger Accounts at the district level so that the balance of the previous year does not lapse on the 31<sup>st</sup> March. Hopefully this will ensure that centres run all the 12 months of the year, provided funds are made available for feeding the children.

Discussion with the Field officers and Project Director ICDS revealed that actual feeding at the centre takes place for hardly two to four months in a year, and that too for a limited number of children, just 25 per centre (as against an average 200 children per centre). This is both contrary to the GoI guidelines as well as Supreme Court orders that are quoted below:

- We direct the State Govts./ Union Territories to implement the Integrated Child Development Scheme (ICDS) in full and to ensure that every ICDS disbursing centre in the country shall provide as under - Each child up to 6 years of age to get 300 calories and 8-10 grams of protein; Each adolescent girl to get 500 calories and 20-25 grams of protein; Each pregnant woman and each nursing mother to get 500 calories & 20-25 grams of protein; Each malnourished child to get 600 calories and 16-20 grams of protein.
- Have a disbursement centre in every settlement.

Unfortunately the State does not have feeding centres in each settlement (only 25676 against 51,000 villages and about a lakh settlements). Even for covering each child in the existing Centres according to norms laid down by the Supreme Court the State Government will require about Rs 300 crores annually. The present allocation is far less. During 2002-03 the budget allocation for feeding children was 41.32 crores from the PMGY plan and 28.76 crore from the non-plan state budget (issued only in Nov and December, meaning there was no feeding in the earlier months of the year) against which expenditure has been 36.7 and 20.24 crores<sup>6</sup>. If the number of children to be covered under ICDS is taken as 1 crore (actual number in the age group 0-6 is close to 1.7 crores), State Government is spending just 15 paise per day per child on the cost of grain and its conversion to cooked meal. I suggested to the Additional Secretary, ICDS, to access more funds

<sup>6</sup> Expenditure in 2001-02 was even poorer; against a release of 32.193 crores under Plan and 28.80 under non-plan expenditure was only Rs 15.48 and 10.85 crores respectively.

from PMGY. There is no need to give PMGY funds for elementary education and rural water supply, because for these programmes the State Government in any case is not able to fully utilise the GoI CSS funds. My suggestion therefore is to use PMGY primarily for nutrition and food security, because there are no other source for these neglected programmes.

There is another procedural problem. In other States the CDPO gives advance cash and foodgrain to the Mother Groups to meet conversion costs. However, in Bihar advance drawal is not permitted, and the village groups can only claim reimbursement. This causes uncertainty and breaks in the feeding programme.

## **7 Performance in other development schemes**

Since Bihar has not been able to access foodgrains and funds from the central government according to its entitlement in poverty alleviation schemes discussed above, I decided to look at Bihar's performance in some other schemes too, not covered in Supreme Court's orders. A brief review is given below.

**AIBP** - So far more than 8000 crores has been released to the States under this scheme (351 crores for Bihar). Allocation for Bihar in the last two years 2001-02 and 2002-03 was 150, and 100 crores but actual releases were only Rs 3.4 and 14.5 crores. The main problem in Bihar has been poor expenditure, because of which further assistance to the same project is stopped. There are a large number of disputes with contractors and litigation in courts, which results in progress being less than the potential. In some cases delays are due to problems of land acquisition and non-payment of solatium. Officers too are highly risk averse, and hesitate to do anything that might involve them in litigations or enquiries. The Ministry of Water Resources is now considering to involve a Central Government undertaking in project preparation and monitoring.

**BADP** -The Border Area Development Programme which is 100% Centrally funded at present covers all the seventeen States which share international borders. Bihar should have got nearly 15% of the total allocation, had the approved formula been applied, but ends up in receiving only 1.4% of the total released amount. Not only its allocation is low but whatever is given is either not utilised in time or records are not submitted to the Planning Commission which results in withholding of the next release. For many years it received nothing. In 2002-03, 7.28 crores was released to Bihar (only towards the end of the financial year), and the same amount has been allocated (but not yet released until 14<sup>th</sup> August, 2003) in 2003-04, because State Level Screening Committee has not sent the list of approved schemes. Utilisation Certificates for Rs 2.59 crores against the releases made before 31<sup>st</sup> March 2002 are still awaited from the State Govt.

**PMGSY** - The program is a 100% centrally sponsored for rural roads. In the last two years, the Ministry has cleared project proposals to the tune of Rs. 7554 crores. Bihar was released funds in the first year of the scheme, i.e. 2000-01, but there has been no release of funds for the next two years, or in the first five months of 2003-04, as Bihar did not utilise the releases of the first year. According to the Govt of Bihar, the difficulties in the execution of the program are severe shortages of senior Engineers, non-availability of contractors with the requisite financial capacity and technical competence to execute individual road work contracts between Rs. 1 to 1.5 crores, and lack of appropriate financial delegation for award of tenders. The Ministry of Rural Development feels that the State does not appear to have necessary capacity for timely execution of the PMGSY works. The possibilities of out-sourcing these works to some outside agency with adequate capacity, experience and creditability are being explored in consultation with the State Government.

**Rural Water Supply** - Against the Ninth Plan outlay of Rs.717 crore for Bihar's Water and Sanitation Sector, the expenditure in Bihar works out to 31.5% of the outlay at current prices. The main reason for poor expenditure in this sector is lack of sufficient delegation to the technical staff to buy pipes in the field, whereas the secretariat that alone can place orders feels inhibited in doing so for fear of enquiries. There is general reluctance in the secretariat to involve itself in issues of procurement.

**Elementary Education** - Bihar's outlay for Primary & Adult Education for the 9<sup>th</sup> Plan (1997-02) was 893 crores, against which actual expenditure was 542 crores (63%). The main reasons for low expenditure are delay in construction of the civil engineering, delay in elections to the Vidyalaya Shiksha Samiti (VSS – the school education committee) lack of technical support to VSS, and reluctance to delegate technical powers to the VSS. The grants like teacher grant, school grant and maintenance grant have also not gone to all schools or teachers.

This scheme was formulated by merging a large number of CSSs that were under operation for elementary education. Here the Ministry has adopted a cafeteria approach whereby a cluster of CSS have been clubbed together under one umbrella scheme and the option to select schemes has been left to the States as per their needs and priorities. However, the merger did not improve flow of funds to Bihar.

**Macro Management Scheme** has been formulated by integration of 27 Centrally Sponsored Schemes in Agriculture. Total expenditure as percentage of allocation in Bihar was only 34. GoI officers feel that apart from poor capacity for delivery, Bihar does not give sufficient importance to agriculture. There is considerable time gap between release of funds by GoI and by the State Government, with the result that time available for expenditure is not enough, and funds have to be surrendered by the year end. Schemes are either not prepared or are of poor quality. Bihar also does not prepare its accounts well.

## **8 Problems of implementation – some common factors**

From the data that we have given in previous sections on Bihar's efforts in accessing central funds for development schemes it is apparent that despite being one of India's poorest State and therefore with the greatest need for development assistance from the center, Bihar has perhaps the lowest resource utilization rate for central government's assistance in India. Unused funds from the central government allocation unfortunately lapse and are then transferred to more efficient and vigilant States. Even where there is no requirement of state contribution, such as foodgrains for MDM or the state contribution is nominal (macro-management in agriculture) one finds that Bihar's capability for drawing these funds is as low as in other schemes. In fact where funds are transferred directly to the districts, Bihar's does comparatively better. This suggests that secretariat procedures of releasing funds need to be improved.

Moreover, for maintaining the rotation of funds for DRDAs, they need to apply to GoI for the second instalment in time, preferably by December. They can do so only when the state government releases its first instalment by June or July. From a perusal of column 4 and 8 in Table 4 and several Tables given in annex it appears that the first instalment of the state share to the districts is generally released in December - January, which means that the districts, even when they have exhausted funds, cannot apply to MoRD for the second instalment before this date, which delays the entire cycle.

### **8.1 Problems with budget**

There are several reasons why budget sanctions even for long established schemes are not released in time from Patna. Bihar Government seldom gets its full annual budget passed by the legislature. Instead the budget is passed in two instalments, first for four months and later for the full year. This therefore necessitates allotment of funds in instalments to districts and Directorates, keeping the implementing agencies always waiting for receipt of funds. Delay and uncertainty in releases upsets planning. Many departments have almost zero fund for implementation during April to June (see section on ICDS). Then rains restrict field activity for another four months. Thus virtually half the year field staff sits idle.

In a review meeting held at Patna on the 24<sup>th</sup> December 2002 presided by the Principal Adviser, Planning Commission, Bihar Government admitted that plan expenditure in the first three months of the year, ie. June 2002, was only 2.5% of the total, and it barely rose to 8.3% (cumulative) by the end of September. Though it rose to 21% by the end of November, the expenditure was nil or almost negligible in sectors like Energy, Primary and Secondary Education, Art and Culture, Rural

Water Supply and Sanitation, Panchayat – Local Bodies, Tourism, Transport, Urban Slum Development and Social Welfare.

To some extent these delays in financial sanctions are inherent in the very process of annual budget formation, and occur in other States too. It would be useful to take legislative sanction of expenditure once for two years, so that continuity in releases is maintained. The annual budget could only be for receipts and taxation, and for new schemes in expenditure. This minor change in procedure will result in timely releases of financial sanctions.

Another issue is the gap between Plan Outlay and the budgeted amount on the one hand, and between budgeted amount and actual expenditure on the other, as shown below.

**Table 9: Approved outlay and Expenditure for Bihar during the 9<sup>th</sup> Plan in Rs. crore**

Year	Approved Outlay	Expenditure (Current Prices)
Ninth Plan	16680	
1997-98	2268	1711
1998-99	3769	2425
1999-2000	3630	2334
2000-2001	3100	1638
2001-2002	2644	1471
TOTAL	15411	9921

As seen in Table 9, actual expenditure of state Plan schemes in Bihar has always been much less than what is approved. This is because of the inability of the state government to raise matching resources, or correctly anticipate its resources at the time of finalisation of the Plan. The end result is that the State Government ends up with a highly optimistic Plan<sup>7</sup> without carefully assessing its own resources or likely resources to be obtained from other sources. The wide gap between approved Plan and resources upsets fund releases for sectoral schemes, which are often approved on the basis of the approved Plan size but for which resources are not in sight. Even when financial sanctions are issued as per budget and plan provisions, the Treasury does not release money when the bills are presented. Finance Department issues formal/ informal instructions for not honouring the bills even though they may be within the budgetary provisions. Often financial stringency restricts full release of cost of the programme at the apex level. Uncertainty in releases means that no advance action is taken by the implementing agency, nor do they have any ready shelf of schemes for implementation. This delays expenditure which ultimately impinges on future releases. The implementing agency cannot plan completion of a project in time. No effective monitoring is possible under such a system. One should expect that Planning Commission will in future not approve over-enthusiastic plans so that credibility of the budgetary process is maintained.

The picture of expenditure may improve in 2002-03 for which final figures are not available. Although the anticipated expenditure in 2002-03 is placed by Bihar government at Rs 2227 crore, actual figures may be much less, and thus Bihar has not been able to come up in expenditure to the levels it achieved four years back. These figures are at current prices, and therefore if inflation of 5% is taken into account the fall in plan expenditure over the years would be even more dramatic.

Reduction in overall plan expenditure from a level of 2425 crores in 1998-99 to 1471 in 2001-02 must have caused a lot of pressure on Bihar which has ultimately affected its commitment to meet the state share in CSSs. It might be instructive for Bihar Government to assess how much is required as state contribution if the entire allocation of each central scheme is to be fully utilised. Some rough calculations are given below.

<sup>7</sup> The picture of non utilization of Plan funds was worse during the Eighth Plan. The Eighth Plan performance was only 46.72 percent (Rs. 5405 crore) against the outlay of Rs. 11569. During the 9th Plan percentage of plan utilisation has gone upto 65%, as shown in the Table.

**Table 10: Requirement of state share for some central schemes in Bihar**

Scheme	Total expenditure	State share
EAP	100	25
AIBP	200	67
APDRP	200	100
RD	1000	250
Watersheds	200	50
Water & sanitation	500	200
MDM <sup>8</sup>		200
ICDS <sup>9</sup>		300
<b>Total</b>		<b>1192</b>

Of the entire plan budget of roughly 2200 crores, it would be safe to assume that 70% is needed for unavoidable and inflexible expenses like salaries, etc (as a large number of staff has not been transferred to the non-plan side for the last 15 years), leaving only 660 crores for meeting state share for central schemes. The conclusion is that although lack of funds for state share is not the only reason for not been able to access central funds, but it certainly is an important bottleneck, and is likely to become more so, when other procedural improvements are affected.

### **8.2 Problems with sanctions**

The third schedule of rules of Executive Business in Bihar lists the matters that should mandatorily be brought before the Cabinet. Rule 35 of this schedule provides that all new plans schemes and even on going plan schemes exceeding Rs 25 lakhs are to be brought before the Cabinet. There is no such parallel provision in the Transaction of Business rules of the Government of India, nor is there any such provision in other states. In fact, in UP, once the budget gets the approval of Governor, Departments are free to spend money on the continuing schemes without waiting for any financial sanction, not even from the Administrative Department.

In Bihar, however, by an executive instruction all new plan schemes and continuing plan schemes exceeding Rs 25 lakhs are first to be approved by an Empowered Committee headed by the Development Commissioner. The Finance Commissioner and the Administrative Secretary concerned are members; the planning Secretary is the Convenor of this Empowered Committee. After the Empowered Committee's approval the proposal is sent through the MOS Planning to the Planning Minister for the approval. After their approval it comes back to the Planning Secretary for issue of a resolution to the effect that the Empowered Committee has approved it. The concerned administrative department thereupon sends a detailed memorandum of the concerned scheme annexing the Resolution of the Empowered Committee to the Chief Minister through the Chief Secretary. When the Chief Minister directs that it should be placed before the Cabinet, a Cabinet memo is circulated. Thus the whole process is very time consuming. Different secretaries gave different versions of the delay it entails. But, it ranges from 4 to 6 months. In any case, the effect can be quite harmful. For example, the Director of Agriculture stated sometime back in a meeting with the Planning Commission that minikits of crops meant for farmers of flood affected districts of northern Bihar which are prone to recurrent floods can seldom be distributed because the schemes are never approved on time.

<sup>8</sup> Entire conversion costs for foodgrains

<sup>9</sup> Cost of foodgrains plus conversion costs

Similarly, Rule 32 of the third schedule stipulates that all cases relating to temporary or permanent settlement or lease of land etc., must go up to the Cabinet. There were exceptions in the case of allotments of ceiling surplus land to SC/ST /OBC, cultivators etc., but if a Collector wanted to settle even a small part of land to a school, a hospital or a private industry, it has to travel all the way through the Revenue Secretary and the Chief Secretary to the Cabinet.

Fund release to the district is on the basis of utilisation calculated on a district basis. If a few blocks under-perform they choke the entire district. However when funds are received it has to be given to all blocks based on a criteria that does not account for unspent balances with the block. This further clogs the system and takes away any disincentive for poor performance.

Delay in Bihar takes place at several levels, mostly due to secretariat procedures. For instance, in 2002-03 for NOAPs, the intimation about State share was sent to the Directorate only on 14-9-02. Then a proposal was sent to the Empowered Committee which was approved on 5-10-02. After that the Cabinet approved the distribution on 23<sup>rd</sup> January, 2003, after a delay of more than three and a half months of the Empowered Committee approval. Since the Assembly was not in session, contingency fund was raided (this could have been avoided if the scheme had been included in the budget right in the beginning of the year) on 17-02-03. Govt of India was then informed to release the second instalment, which was released on 29-03-03. This amount could not be released however as it did not go to the districts but came to the state budget, and to make it available to the districts, the entire procedure of Empowered Committee/Cabinet/Contingency fund would have to be followed. Earlier it took from September to February; it was not possible to do it in two days. It deprived thousands of poor old people from drawing their pensions.

Slow utilisation of central funds by Bihar has been a matter of serious concern in the Central Government too. Several Planning Commission Principal Advisers in their notes have been giving specific suggestions to liberalise Rules. They even suggested forming a committee. The then Planning Secretary Bihar admitted that the file dealing with reforms had become voluminous, but ultimately nothing happened for lack of clear directions.

### **8.3 Personnel issues**

Out of a total of 533 blocks in Bihar in about 193 the post of BDO is vacant. The situation with respect to CEO of the ZP (called DDC in Bihar) and Engineers is also similar, i.e. large number of vacancies. Junior Engineers, Asst Engineers and Executive Engineers in the Rural Development setup are extremely overworked, as the number is not even one-third of the norm. The PWD code defines the number of Engineers required on the basis of the value of work to be done. From the total allocation one can get the value of work to be done and from this one can calculate the number of engineers needed. On the other hand, there is surplus staff with the Irrigation, Minor Irrigation, and State Tubewell Departments. A simple transfer from one Department to the other can solve both the problems of shortages and excess. Pending such transfers, Collectors could be authorised to utilise their services for technical work. This will encourage competition between Junior Engineers of different Departments that might result in reduction of bureaucratic rents and lethargy.

The shortage of senior staff is also because promotions have been held up in many Departments because of court cases. A very large number of cases are filed by civil servants in the court, as they feel that normal grievance redressal machinery does not work. Loopholes in the Recruitment and Promotion Rules are another factor leading to a spate of court cases in Bihar. Much of the time of senior officers is used up in court cases, which should have otherwise been utilised in sorting out long pending policy level personnel matters.

Another area which requires decentralization is in the field of financial powers to the Assistant Engineers and Junior Engineers. Estimates above Rs 1 lakh can be vetted only by the Executive Engineer and full payment of the bills could also be made only after Executive Engineer signed on the measurement book. There is only one Executive Engineer attached to the DRDA in a district which may have 15 to 20 blocks. These financial powers of Assistant Engineers and Executive

Engineers need to be enhanced manifold because of the large volume of funds now flowing into the blocks for the rural development programmes.

Finally, there is paralysis of decision making in Bihar, especially in dealing with financial matters. There is apprehension and certain hesitation among the officers about incurring expenditure, lest they are hauled up for financial irregularities or involved in criminal cases. After the scams an idea has gained ground among the field level officers and even among higher officers that there is "constructive criminal liability" for financial irregularities committed anywhere in the department and even though the senior officers may not be accessory or abettors of such misdemeanour they could be involved in criminal cases. The recent example of Bihar surrendering its right to use the state machinery for development in favour of GoI undertakings shows how desperate is the situation.

#### **8.4 Lack of computerisation**

To give an example, a lot of improvement in the functioning of Bihar secretariat can be achieved by increasing the number of computers and printers, and giving to officers short training. However, if funds are provided computers may never be bought for fear of future enquiries, and therefore the practical solution will be for a central agency to buy computers and supply them free to the State Government.

Computerisation should be done from the basic unit upwards, so that all aggregated numbers are machine generated and through web sites it is possible to see the corresponding verifiable field unit that led to the aggregation at each level. This is possible only if the block HQ upwards a data link is available up to the state HQ and all data is available for public scrutiny through web sites. A Wide area network needs to be set up at the State Capital that allows officers and departments to share data and communicate on a secure network.

All staff related data and payroll needs to be computerised especially in departments with huge numbers of staff, like education, health, rural development, land revenue and cooperatives. Much of the time of senior officers in these departments is spent dealing with Contempt of Court cases relating to payment of staff dues and service conditions. This is because of poor record keeping and monitoring.

All departmental compendiums and circulars should be available on the intranet from searchable databases. Today due to poor record keeping procedures officers spent a lot of time in laying their hands on up to date circulars and government instructions.

Computerised and web enabled file monitoring and correspondence monitoring [receipt registers and issue register based] will help solve the persistent problems of missing letters and files.

All the software and the hardware required for this will have to be purchased and given, as the ability of the State Government to procure has become severely limited after the spate of cases against government officers.

The district web sites should carry beneficiary lists of all schemes, tender notices and awards with details of offers that were received, estimates, details of measurement books and muster rolls of all departments, PDS distribution registers, etc. This will promote Transparency leading to reduction in leakages.

### **9 Lessons from successful interventions in Bihar**

A long term solution for improving effectiveness of delivery would be to first study what kind of schemes have been successful in the past, and are likely to do well with limited manpower and financial resources, and then try to get funding support for them. In the context of Bihar, many initiatives have succeeded, though not very well documented. We describe below some of these experiments.

### 9.1 Million Shallow Tubewell Programme in Bihar

In much of eastern India, the development of groundwater for irrigation is confirmed as the key to improving the lives of poor people on a vast scale. Examples abound of how the introduction of small pumps have energized agrarian economies by allowing people to grow food and cash crops, creating new income streams for millions of households.

In Uttar Pradesh, where pump subsidy and loan programs have been released from the stranglehold of the local bureaucracy, the results of tube-well programs have been encouraging - estimates show 800, 000 small diesel-pump-operated tube wells have been installed in eastern Uttar Pradesh since 1985, irrigating around 2.4 to 3.2 million hectares.

Here, market mechanisms have been used to manage pump subsidy and loan programs for the poor. Private dealers have proliferated in towns, who as a result of intense competition, have begun to offer farmers a range of useful services that were never offered previously - including the organization of bank loans, the issuing of pipes and pumps, and the drilling of boreholes. Elsewhere dealers extract heavy 'service charges.' But, in the Uttar Pradesh region intense competition has reduced dealer margins to 7-10 percent from 15-18 percent in other regions.

For Bihar the Million Shallow Tubewell Programme (MSTP) was approved by the Planning Commission in March 2001 and is being implemented since March 2002. The objective of the programme is to install one million shallow tubewells with pump sets to bring an additional two million hectares of land under irrigation during the next five years in order to increase agricultural production and productivity in the State. The scheme is implemented by NABARD in association with Commercial Banks and Regional Rural banks (RRB) that have branches in rural areas of Bihar.

The funding pattern is as follows :

Cost borne by beneficiaries :	20%
Subsidy	: 30%
Bank loan	: 50%

Planning Commission had already released Rs.45.50 crore as subsidy to Bihar Government up to March 2002 and another Rs. 10 crore was released in 2002-03. It may release another 50 crores this year, but directly to NABARD.

The number of tubewells targeted for installation along with supply of equal number of pump sets was 33,798 during 2001-02 and 23,373 during 2002-03. The cumulative target up to March 2003 works out to 57,111. By the end of March 2003, out of the target of 57,111 tubewells, applications for 51,278 tubewells were sanctioned and money was paid to beneficiaries for 47,277 tubewells. Recently the depth of shallow tubewells has been extended from 45 to 75 metres.

Chief Minister personally monitors this programme. In a meeting with the NABARD Chief Sri Nanda the Chief Minister expressed her dissatisfaction with the non-cooperative attitude of the commercial banks in the implementation of MSTP in the state, and asked him to direct the banks to play a more positive role in this regard.

According to a newspaper report, the Chief Minister told Sri Nanda that against a target of 34,000 shallow tubewells and equal number of pump sets, commercial banks had so far cleared only 12,131 applications received from the farmers for loan though the number of applicants was 64,321. She told Nanda that of the 12,131 applications cleared by the banks for disbursement of loan, only 4,269 applicants had received loans so far. It is matter of serious concern for the state, according to her. After this meeting and also because of the pressure from NABARD and the Reserve Bank, the local Bankers are taking a lot of interest in the scheme and developing a sense of ownership with the Project. The fact that the same agency distributes loan and subsidy and government funds are not routed through the BDO adds to efficiency and speed.

This scheme was first tried on a pilot basis in 18 districts of Assam in November 1999, with a target of one lakh shallow tubewells by March 2001. Due to very encouraging response from the farmers, the physical achievement was 82,666 by January 2001 and 1,47,250 by June 2001.

Thus one could identify the following factors behind the success of this programme:

- Strong interest by the political executive
- Scheme is Bihar-specific, hence local leadership can take credit for its success
- Active people's participation
- Low maintenance costs for government, as pumps are the property of the farmers
- Technically sound, as there is plenty of untapped groundwater in the selected districts
- Constant monitoring by the funding agency, Planning Commission; its team visited the field several times
- Sense of ownership among the Banks who distribute both, loan as well as subsidy
- Precedent of success available in Assam and UP

### **9.2 Dairy Development through COMFED**

The Bihar State Co-operative Milk Producers' Federation Ltd. (COMFED) came into existence in 1983 as the implementing agency of Operation Flood (OF) programme of dairy development on 'Anand' pattern in the State. Because of teething troubles and the setback caused by the natural vagaries, the progress was slow in the initial years. Poor management by the erstwhile Bihar State Dairy Corporation which shattered the confidence of the milk producers in the cooperative dairying system was one of the major reasons for sluggish growth. Lack of functional infrastructure in the sphere of animal husbandry, especially in breed improvement, artificial insemination (AI) and animal health cover also contributed to the torpid progress.

However, the following policy decisions taken in the last eight years have changed the trend of growth in Bihar.

- In the earlier years, the emphasis was on the horizontal expansion of dairy cooperative network. Now the focus is on strengthening and consolidation of the dairy cooperatives to make them viable, and only gradual expansion of area is being attempted.
- Timely and regular payment to milk producers. Payment is now made on every tenth day.
- Attractive procurement price and payment of incentive price during the lean months. Procurement price being paid is at par with the price being paid by Federations like Punjab and UP.
- Induction of crossbred cows under various developmental schemes for the SC, Women and SGSY farmers and emphasis on cow milk procurement. Cow milk procurement is around 80% of total procurement.
- Disciplining of DCS (District Cooperative Societies) and Secretaries who were diverting milk during lean season and accepting milk of middlemen in flush, which was widening the gap between lean and flush procurement.
- Supervision of DCS by the senior staff
- Mass contact with the members

In 1992-93, the daily average milk procurement was only 104 thousands kg per day (TKPD). The daily average milk procurement during 2001-2002 averaged 351 TKPD which has gone up to around 385 TKPD in 2002-03. Growth over 1992-93 in a decade has been almost 350%. Membership of these dairy cooperative societies was 1.99 lakh households in 2001-2002 i.e. 53 households per organised DCS, which has gone up to 2.13 lakhs in 2002-2003.

During 2001-02, Comfed procured 2% of total milk procured in the country by the cooperatives everyday, still it was amongst the top ten Federations/States after Kerala. It was far ahead of states like MP and Haryana. During 2002-03, as per a report of NCDFI Ltd., Comfed was ranked eighth in milk procurement in the country.

**Fodder Development** - Green fodder is equally important in animal nutrition. Besides providing important nutrients, it helps in reducing the intake of balanced cattle feed and in turn the cost of production. After prolonged extension work and persuasion, the farmers have started not only the cultivation of different fodders in their fields but have started the production of fodder seeds. Good quality fodder seeds and their timely availability were the main constraints in popularising the cultivation of fodders. This will be substantiated from the fact that the sale of fodder seeds is increasing gradually. It was merely 37 MTs in 1993-94, which has gone up to 266 MTs during 2002-03.

**Financial Performance** - The profitability and financial position of all the milk unions and dairies has improved a lot by reducing various operational costs, improving efficiency of plants by reducing break-downs, increased level of milk procurement and marketing, production and marketing of value added products, and loss control management. The turnover has almost doubled during the past five years. It was Rs. 160 crores in 1996-97, which by the end of 2002-03 had touched a level of Rs. 340 crores.

Factors leading to the success of COMFED are therefore:

- Strong people's participation based on their commercial interests
- Convergence of the interest of the organisation with that of clients
- Excellent leadership
- Independence from the secretariat in day to day functioning
- Growing demand
- Multisectoral approach
- Sustainability is dependent on farmers' interest and not on government providing funds

### 9.3 Polio Immunization

During the last two years the incident of polio cases in India have been as follows:

State	2001	2002
UP	216	1092
Bihar	27	90
Others	25	155
Total	268	1337

Till August 2003 only nine wild Polio virus cases were detected this calendar year, the last case being on 26<sup>th</sup> June 2003, as against 105 in the country.

The campaign in Bihar towards immunization had better success rate than in UP. The main factors for its success were:

- Since Oct 2001 house to house activity was adopted as mainstay of the program.
- Five days of exclusive House-to-House Immunization activity is being followed.
- In addition Static Teams located at Strategic points on all five days of activity to cover migratory population.
- Well developed micro-plans covering the whole state is available.

- Monitoring by independent external monitors at PHC level.
- Bilingual (Hindi & Urdu) posters/banners and other I.E.C materials developed to address all section of community.
- Community specific social mobilization through Nukker Natak/ Pamaria Dance/ Jat-Jatin/ Bhat-Bhatin and locally relevant skits developed and being used.

#### 9.4 Literacy

Literacy, communication and media have brought immense impact on the lives of average Biharee, and people residing in its far flung rural areas have also been not left untouched. People are keen to know things which happen around them. They are regular readers of newspapers and those who cannot read still looks forward to information which is delivered by the reader to the gathering sitting around him. Conception of Chowpal is ingrained in the mindset of rural residents of Bihar. Earlier radio-transmission was regularly listened in evenings and now televisions attract people to know about the events affecting them. The information transmission has really helped people to understand changes taking place and effecting their lives.

Women are getting literate. They are no longer behind veil. There has been considerable change in the outlook of even women of so called backward castes (OBC). OBC mothers residing in villages, now send their young daughters to pursue studies in divisional towns. They participate in meetings arranged in places at long distances from their villages. They openly raise questions to outsiders and not feel shy to answer the questions put to them. Field investigations have revealed that women have done electioneering themselves and have won elections after keen contest.

Literacy rate of schedules castes in Bihar since 1961 onwards has improved as in Table 11:

**Table 11: SC Literacy in Bihar**

Census	Total SC literacy	Decadal growth	S.C. Female literacy	Decadal growth
1961	5.9	-	0.92	
1971	6.53	0.63	N.A	
1981	10.40	3.87	2.91	
1991	19.49	9.09	7.07	5.06

The decadal growth in eighties in total literacy of S.C. was nearly the literacy rate which the schedule castes had achieved in three decades during 1951 to 1981, whereas the literacy rate among females in eighties had been nearly twice of the literacy rate gained during this thirty years period.

This jump in female literacy after 1981 has great impact in their socio-economic outlook and in the overall rural scenario of Bihar. S.C. parents send their children to schools, even handicapped child (e.g. in Akania village) also goes to school their habitations are neat and clean. Even their hand-pumps are used by other persons of comparatively higher castes. Rise in education among S.Cs. have given them employment in both government and non government jobs. The S.C. women are now better clad and their living conditions have improved specially in last two decades.

The literacy rate in rural areas of Bihar has been as follows:-

Census	Persons literacy	Decadal growth	Female literacy	Decadal growth
2001	47.53	10.04	33.57	11.58
1991	37.49		21.99	

This means that decadal growth of literacy rate among females has been higher than the growth of overall literacy rate.

To some extent this change is due to the immense success of Bihar Education Project, which was run in the State from 1990 to 1997.

### **9.5 Partnerships with NGOs and private sector**

In addition to delivery by government institutions there are also examples of successful partnerships with NGOs and private sector. Their full potential is still to be harnessed.

Although the NGO sector appears nascent as compared with many other states, there are several active and dynamic NGOs operating in Bihar. Several prominent examples of successful NGO and NGO-partnered activities include: AIDS awareness programs, the polio eradication program, family planning services, anti-leprosy campaign, and women's self-help groups. Overall NGO penetration remains small, accounting for only an estimated 0.7% of total service delivery in the state. However, the Asian Development Research Institute in Patna estimates that there were 9000 women's self help groups active in 2001, or roughly one in every four villages. The NGO 'ADITHI' is a highly successful example of activity focused on women's income generation opportunities and service delivery, with close to 60,000 women and girls participating in diverse programs.

Another model is represented by the NGO 'Janani' which is active in providing large scale family planning services throughout the state. Janani's model involves franchising private medical providers and doctors under their proprietary logo, and administering training to provide (state subsidized) family planning products, as well as a referral system for more advanced services. Janani now has 75,000 outlets in Bihar and 200,000 rural health practitioners. They are also exploring innovations such as using vouchers or coupons for subsidized services with a fee, in order to reach the poorest families. Such private-public partnerships appear to offer significant opportunity for improving the reach and quality of public services, with far more cost effective methods.

## **10 Main Recommendations**

From the last section it is apparent that schemes that do well in Bihar (or for that matter anywhere else in India) are the ones that have a strong component of peoples' participation based on their group and individual interest. Often these interests are economic and not so distant (shallow tubewells), and in some other cases they are social, long term, and improve the self image of the target beneficiaries (literacy). Another common point of success stories is that they are not dependent on a month-to-month basis on secretariat releases of funds. While designing modifications in the centrally sponsored schemes or taking advantage of them this has to be kept in mind.

Many central schemes follow a blue print and top-down approach, with little flexibility given to State field staff. No doubt these schemes are drawn up after holding consultations with the State Governments, but such meetings are generally to inform the States what has already been decided at the central level. Despite these problems, it must be admitted that reducing funds for CSS and devolving more resources to the States for State plans may not always improve efficiency, at least in the short run, and in the poorer and badly governed States. In addition to the problems associated with CSS (poor monitoring, too many schemes) which are common to State sector schemes too, releases by the State Finance Departments in many States for their own schemes is highly adhoc, uncertain, delayed, and subject to personal influences. One important factor behind fiscal indiscipline is the artificially inflated plan of some of the States approved by the PC, which is often 50 to 80 per cent higher than the available resources (see Table 9 for Bihar). Thus wholesale replacement of CSS by State sector (or by PRIs) is neither desirable nor politically feasible, at least for quite some time to come. GoI has employed huge bureaucracy in the social sector Ministries, and they too will resist any such reduction in their budgets.

A practical way out would be to let the States have discretion in deciding the mix of poverty alleviation programs. In fact Planning Commission had suggested this in a letter to all the State Governments<sup>10</sup> in April 1999, the last para of which read as follows:

‘As we are in the process of restructuring these poverty alleviation programmes, we would like to ascertain from the State Governments whether the restructured IRDP can be an effective instrument for poverty alleviation, particularly with the proposed changes flagged above. Are there any suggestions for making it viable? Secondly, the Planning Commission is interested to know given a choice how would you like to divide the total funds under rural poverty alleviation funds allocated to your State among the self-employment scheme of Swarnjayanti Gram Swarozgar Yojana (SGSY), and wage employment schemes of Gram Samridhi Yojana (GSY) and Employment Assurance Scheme (EAS). Further, do you feel that to any of these schemes should be discontinued in your State? This information may kindly be furnished by 30th April, 99. This may be accorded top priority’.

Although this particular idea was not pursued any further either by the Planning Commission or the States, a new scheme, PMGY that was begun in April, 2000 gave the desired flexibility to the State Governments of choosing between seven options. Similar flexibility existed in the BMS (Basic Minimum Services) programme of central government which ran from 1996 to 1999, but the risk is that after some time these end up as mere budgetary support and do not create additionality for the crucial sectors, which is the stated intention of starting such interventions.

The State Government may also like to pursue the idea given in the Planning Commission’s letter dated April, 1999 and ask for higher allocation for popular schemes, or use RSVY for schemes that have a lot of potential, such as Fisheries.

There are two other kinds of CSSs/ACA schemes that need attention. One, to do with infrastructure such as roads (PMGSY), power (RSVY), and irrigation (AIBP), as these will promote growth in the medium term in Bihar. And second, schemes where the State Government’s own contribution is minimal (PDS, macro-management Agriculture). Often the two categories overlap, such as in PMGSY and RSVY.

For various reasons, time is just ripe for Bihar to take-off. First, the State is likely to get 400 to 500 crore Rs from MTRF in the current year, therefore contributing the State share in time should not be a problem for all GoI sponsored schemes. Second, there is a new Chief Secretary in Bihar who is committed to bringing new reforms, especially on the procedure side. And third, in my discussion with all senior Secretaries I found a strong desire towards change, but they would like support from the above for such reforms. Fourthly, a large number of Biharis have been outside Bihar and have been exposed to better administrative culture and governance. They will now hopefully demand similar improvements locally. And lastly, Bihar’s revenue collection has vastly improved and should contribute towards fiscal sustainability in reforms.

The problem of bad procedures and poor delivery is not unique in Bihar alone. Although many civil servants hold the view that it is the nature of politics which largely determines the nature of the civil service and the ends to which it would be put, and therefore civil service reforms cannot succeed in isolation, causation is also in the other direction. The reasons for decline in administrative capacity may be linked to politics, but administration has its own autonomy. Non-performing civil service leaves little choice to the politicians but to resort to populist or caste rhetoric.

It is important to be clear about the *sources* of poor governance, as possible remedies will vary accordingly. However, not all reforms can be undertaken simultaneously. Understanding the starting point is very important. Our hypothesis is that the starting point in Bihar should be simple procedural reforms that cut delay and speed up decision making, and permit Bihar to better access central funds. Once this happens the demand for further reform will build up. These could include transparent decision-making processes, links between policy and budgeting, civil service

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<sup>10</sup> Bihar did not respond to this letter.

development and training, development of legislative and judicial functions, organizational and functional reforms, and improved service delivery. And at every step it is important to assess the extent of demand for reform, which requires an understanding of the *incentives* of the main actors involved.

There are several reasons why changing procedures should figure prominently in any programme of administrative reform and modernisation in Bihar. First and foremost, these applications are easier to implement today than many other types of administrative reforms. Second, the additional 1000 crores that these reforms will get for Bihar will benefit millions of citizens (and even contractors and mofassil politicians), and hence should be quite appealing to the political masters, if the gains from such reforms are properly presented to them. Finally, simplification in procedures is less threatening to those in authority in contrast to some of the complex administrative reforms that have remained dormant in official reports.

Conventional administrative reforms in India have had a mixed record for several reasons. A major problem is in mobilizing the kind of political and administrative will necessary to implement them. Vested interests are able to block many reforms and make it difficult to monitor the few that tend to get adopted. It could also be that people are not certain about the final outcome of some of these reforms. As a result, many ambitious reforms are proposed in official reports that are seldom acted on. Much time and money are wasted on exercises that produce no impact on the ground. Therefore procedural reforms could in fact be used as short cuts to demonstrate “quick wins” while the ground is being prepared for the more difficult administrative reforms.

Some of the changes in procedures suggested in this paper are summarised below.

- Bihar suffers from excessive centralisation, it must know what delegations exist in other states, and delegate secretariat powers to the field. Even in Bihar, wherever delegations exist, government has been able to enhance public satisfaction. For instance, delegation in relief results in timely buying of blankets, the two collectors said in the meeting how they were able to buy and distribute 60,000 and 90,000 blankets without the need of any clearance from the secretariat.
- It would be useful to take legislative sanction of expenditure once for two years, so that continuity in releases is maintained. The annual budget could only be for receipts and taxation, and for new schemes in expenditure. This minor change in procedure will result in timely releases of financial sanctions.
- Plan Outlay must be realistic and should relate to its budgetary resources.
- Rule 35 of Third schedule of Rules of Executive Business in Bihar provides that all new plans schemes and even on going plan schemes exceeding Rs 25 lakhs are to be brought before the Cabinet. There is no such parallel provision in the Transaction of Business rules of the Government of India, nor is there any such provision in other states. The whole process is very time consuming resulting in delay ranging from 4 to 6 months. Doing away with this Rule in itself will expedite financial releases, giving more time to the field to spend and then claim second instalment.
- There are a large number of vacancies of Junior Engineers, Asst Engineers and Executive Engineers in the Rural Development set up. On the other hand, there is surplus staff with the Irrigation, Minor Irrigation, and State Tubewell Departments. A simple transfer from one Department to the other can solve both the problems of shortages and excess. Pending such transfers, Collectors could be authorised to utilise their services for technical work.
- The financial powers of Assistant Engineers and Executive Engineers need to be enhanced manifold because of inflation and the large volume of funds now flowing into the blocks for the rural development programmes.
- The PWD Schedule of Rates is antiquated, and must be revised urgently. Same is true of procurement procedures in government departments. If Bihar officers are scared of making

bold recommendations on this front, let such committees be chaired by outside professionals (they could be funded by donor agencies, so that the best talent is made available in this respect.

- Panchayats may be delegated the powers to hire retired engineers on contract, and State Government may help the panchayats by preparing a district-wise panel of such technical people.
- A lot of improvement in the functioning of Bihar secretariat can be achieved by increasing the number of computers and printers, and giving to officers short training. However, if funds are provided computers may never be bought for fear of future enquiries, and therefore the practical solution will be for a central agency to buy computers and supply them free to the State Government.
- Planning Commission created a facility called “Planning Commission’s Project Preparation Facility” to help State Governments to obtain funds from external funding agencies. Bihar may consider getting a few reports prepared and approach the Finance Ministry for onward transmission to the donor agencies.
- Resident Commissioner should be asked to follow up all cases of central releases with the central Ministries and send a fortnightly report to the concerned Department at Patna, as well as to the Chief Secretary. For instance, Bihar should be distributing old age pension to 11,07,700 people with a minimum provision of Rs 100 crores. However, the State never got funds in relation to the identified number. The State must press for full allocation from GoI, and at the same time speed up identification and disbursement in the field. Similarly, a simple change in the date relevant for counting OB in RD releases from 31<sup>st</sup> March to 30<sup>th</sup> June will vastly improve flow of funds to the districts. However, this requires strong pressure and constant follow up. Sending a badly typed letter in Hindi is not enough.
- Chief Secretary should meet with Bihar cadre officers posted in Delhi periodically and take their help and feedback on how the State can benefit from Central funds.
- A cell should be set up under a senior secretary to prepare schemes and deal with donors.
- Chief Secretary may consider having an OSD who will maintain a data base that makes it possible for the Chief Secretary to effectively monitor scheme progress. [like Randeep Sudan does for CM AP]
- Research Institute and NGO led Budget studies that continuously analyse government expenditure need to be funded and its results made available to the legislature and put in the public domain for debate.
- Donors should set up a fund for supporting innovation in government. Officers should be allowed to put in projects three times a year. Ford Foundation, World Bank, DFID etc. can come together to support this.

Similar reforms are badly needed in food administration by all the parties concerned; Government of India, FCI and the State Government. Firstly, quota for BPL is released by GoI for each month separately which remains valid only upto the end of the month (also true of MDM). This gives very little time to the SFC and FPS dealers. Secondly, when for some reason even after deposit of bank drafts delivery is not made, FCI issues a cheque back to SFC rather than automatically releasing grain as and when available in the FCI godown. The SFC is then expected to get the release order revalidated (which takes one to two months) and issue another bank draft. All this paper work and harassment can be avoided if the release order is valid for the entire year or at least for six months.

There should be a general order increasing the validity to the entire year or six months. The State Government should also give up the practice of issuing district-wise and month-wise release orders. In other words, rather than issue 37X12=444 orders in a year there should be just one order

in the beginning of the year (at the most two orders) in which quota of all the districts can be mentioned.

Thirdly, there is no choice just now between wheat and rice. Since the BPL allocations are grossly under-utilised there is no danger of exceeding the quota if a complete choice is given to the State Government by the GoI, to the PDS dealer by the SFC, and to the consumer by the PDS dealer to lift either wheat or rice or a combination as per the consumer's convenience. Fourthly, today a BPL consumer is not permitted to lift previous months' quota in the current month. There is no harm if a consumer lifts six months quota in advance or lifts the unutilised quota for the previous months.

Fifth, FCI has mostly only one weigh-bridge in their godowns due to which lifting is restricted. It will help if they instal another weigh-bridge to improve delivery.

Sixth, public distribution requires State Government investing money in godown capacity, storage, vans, transport etc, not all of which can be covered from the commercial margin allowed to SFC. Hence Food Secretary may consider using PMGY funds for making SFC viable.

And lastly, GoI should be persuaded to deliver the rakes to SFC at the railway station itself. It will avoid unnecessary handling, which at present takes place at several levels.

Procedures are nuts and bolts of administration, once these are in place, the State Government should then concentrate upon monitoring, review, and impact studies, involving professional organisations, to ensure that money is being spent wisely and bringing satisfaction to the people.

A good civil service is necessary but not sufficient for good governance; a bad civil service is sufficient but not necessary for bad governance. Thus, a dilapidated civil service has been a key factor in Africa's economic decline. Conversely, a strong civil service is one of several reasons why in several east Asian economies, especially Japan and South Korea, authoritarianism has co-existed with excellent economic performance. It can be argued that the link between authoritarianism and economic decline, so evident in Africa, has been inoperative in these Asian countries largely because of their strong civil service.

The problem in Bihar is located not with any single actor, but is structural. The present structure links the bureaucracy, politicians and people in patronage relationships that are dysfunctional as far as growth and economic development is concerned. As such, the search for ameliorative action is complex. In this paper we have looked at easy solutions as to how simple changes in procedures can have vast impact on just one problem, of losing out about a 1000 crore Rupees every year from GoI which affects all developmental schemes, including those being monitored by the Supreme Court. Even these changes call for hand holding by outside agencies, so that Bihar civil servants judge themselves from the eyes of outsiders, who are not linked to them in these patronage relationships.

We must also remember that we are not talking about creating a bureaucracy on a clean slate ab initio. We have inherited a bureaucratic system which has its own compulsions and culture. Our challenge today is how out of this we shape a new bureaucracy and in that sense "create" a bureaucracy that works. Perhaps shaping a bureaucracy that works may be a more accurate description of our exercise. We are somewhat like the managers of a fitness club knocking people into shape.

In the ultimate analysis, Bihar needs critical self-analysis, procedural reforms, computerisation, and building up of alliances among a variety of reform-minded actors (these could be sympathetic GoI officers/undertakings), donor agencies, or civil society members.

## ANNEXURE

**Table1: DATE OF RECEIPT OF FUNDS AND ALLOCATION IN A DISTRICT: 2001-02**

Name of Scheme	Ist Instalment				2nd Instalment			
	Central		State		Central		State	
	Date	Allocation	Date	Allocation	Date	Allocation	Date	Allocation
1	2	3	4	5	6	7	8	9
EAS	22.5.01	196.59	31.5.01	35.99	8.3.02	74.00	26.3.02	19.73
		133.93		13.39	27.3.02	61.22		
					4.4.03	160.74		
IAY	11.4.01	209.61	23.1.02	99.19	8.3.02	146.38	16.3.02	48.79
	22.7.01	297.56						
SGSY	11.4.01	181.04			3.11.01	104.75	23.1.02	34.916
NOAPS	23.6.01	134.29			31.3.02	72.77		
	301.02	20.59						
SOAPS			11.12.01	209.766				
NFBS	13.1.01	16.07			23.6.01	7.53		
					20.2.02	17.79		
NMBS	9.2.01	4.33						

**Table2: DATE OF RECEIPT OF FUNDS AND ALLOCATION IN A DISTRICT**

Financial Year 2003-04

Name of Scheme	Ist Instalment				2nd Instalment			
	Central		State		Central		State	
	Date	Allocation	Date	Allocation	Date	Allocation	Date	Allocation
1	2	3	4	5	6	7	8	9
SGRY1	2.8.03	396.60						
SGRY2	3.7.03	359.96						
IAY	8.7.03	431.070						
SJGSY	--	--						
NOAPS	--	--						
SOAPS								
NFBS	--	--						

NMBS	10.5.03	3.000					
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**Table 3: Project-wise Central Loan Assistance (CLA) released under AIBP from 1996-1997 to 2001-02 (Rs. in crore)**

Name of State	Central Loan Assistance (CLA) Released during years						Total
	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	
A.P.	35	74	80	65	95	76	425
Arunachal	0	0	0	8	8	8	23
Assam	5	12	14	15	24	9	79
Bihar	14	5	36	130	148	0	333
Chattisgarh	0	5	10	11	14	17	55
Goa	0	5	0	4	62	23	93
Gujarat	75	197	424	273	422	203	1593
Haryana	33	12	0	0	0	0	45
H.P.	0	7	5	11	18	3	44
J&K	1	0	0	5	10	0	16
Jharkhand	0	9	12	14	9	11	55
<u>Karnataka</u>	61	91	95	157	171	256	830
<u>Kerala</u>	4	15	0	0	22	0	41
<u>M.P.</u>	63	110	81	95	151	68	569
Maharashtra	14	55	51	50	97	18	285
Manipur	4	26	11	22	2	7	71
Meghalaya	0	0	0	3	6	1	9
Mizoram	0	0	0	1	1	0	3
Nagaland	0	0	0	3	5	0	8
W.B.	5	20	10	25	27	24	111
Sikkim	0	0	0	1	0	1	2
Grand Total	500	952	1119	1450	1856	983	6861

**Table 4: Release to States under PMGSY**

States	Amount released in 2000-01	Expenditure upto Jan. 03	Amount Released in 2001-02	Expenditure as on 30/3/2003	total release	Total exp
Andhra Pradesh	195	245	225	176	420	421
Assam	75	69	80	87	155	156
Bihar	150	39	0	0	150	39
Chattisgarh	92	75	99	105	191	180
Gujarat	60	52	60	56	120	108
Haryana	25	21	30	9	55	30
Himachal Pradesh	60	59	72	47	132	106
Jammu & Kashmir	20	11	35	5	55	15
Jharkhand	110	99	120	30	230	129
Karnataka	101	95	108	41	209	136
Kerala	20	14	28	16	47	30
Madhya Pradesh	218	142	248	236	466	378
Maharashtra	130	126	135	44	265	170
Orissa	180	123	175	110	355	233
Punjab	25	22	55	46	80	68
Rajasthan	140	94	150	165	290	260
Tamil Nadu	99	136	89	41	188	176
Uttar Pradesh	321	319	348	209	669	528
Uttaranchal	61	39	70	10	131	48
West Bengal	135	99	150	28	285	127
<b>Total (States)</b>	<b>2414</b>	<b>2067</b>	<b>2510</b>	<b>1588</b>	<b>4924</b>	<b>3655</b>

**Table 5: NSAP: Numerical Ceiling and Qualifying Financial Entitlement for States/UTs based on population; Projections as on 1.7.98 and poverty ratios based on (Modified Expert Group) Report for 1993-94**

Name of States/UTs	NOAPS		NFBS		NMBS		Total QFE (Col.4+6+8)
	Numerical Ceiling	QFE	Numerical Ceiling	QFE	Numerical Ceiling	QFE	
	(No)	(Rs. Lakh)	(No)	(Rs. Lakh)	(No)	(Rs. Lakh)	(Rs. Lakh)
Andhra Pradesh*	466000	4194	28800	2880	284900	1424.5	8498.5
Arunachal Pradesh	9200	82.8	800	80	11500	57.5	220.3
Assam	133200	1198.8	21500	2150	177900	889.5	4238.3
Bihar	1107700	9969.3	90500	9050	862300	4311.5	23330.8
Goa	4500	40.5	300	30	5700	28.5	99
Gujarat	221600	1994.4	18300	1830	172500	862.5	4686.9
Haryana	86300	776.7	6100	610	87500	437.5	1824.2
Himachal Pradesh	38100	342.9	2300	230	47500	237.5	810.4
J & K	51100	459.9	3100	310	63800	319	1088.9
Karnataka	340200	3061.8	24500	2450	270600	1353	6864.8
Kerala	224900	2024.1	9200	920	116800	584	3528.1
Madhya Pradesh	599000	5391	60000	6000	597700	2988.5	14379.5
Maharashtra	669800	6028.2	48000	4800	509200	2546	13374.2
Manipur	16600	149.4	900	90	20700	103.5	342.9
Meghalaya	17900	161.1	1000	100	22400	112	373.1
Mizoram	5000	45	300	30	6300	31.5	106.5
Nagaland	13000	117	500	50	16300	81.5	248.5
Orissa	324000	2916	34900	3490	289700	1448.5	7854.5
Punjab	62300	560.7	3800	380	45900	229.5	1170.2
Rajasthan	237500	2137.5	18800	1880	258000	1290	5307.5
Sikkim	4800	43.2	300	30	6000	30	103.2
Tamilnadu	430300	3872.7	36600	3660	318900	1594.5	9127.2
Tripura	28700	258.3	1700	170	35800	179	607.3
Uttar Pradesh	125520	11296.8	113300	11330	113330	5666.5	28293.3
West Bengal	478400	4305.6	42700	4270	391200	1956	10531.6
A & N Islands	2800	25.2	200	20	3500	17.5	62.7
Chandigarh	2200	19.8	100	10	2800	14	43.8
D & N Haveli	1900	17.1	200	20	2400	12	49.1
Daman & Diu	400	3.6	0	0	500	2.5	6.1
NCT Delhi	40200	361.8	2300	230	50300	251.5	843.3
Lakshadweep	300	2.7	0	0	400	2	4.7
Pondicherry	7900	71.1	500	50	9900	49.5	170.6
<b>Total</b>	<b>688100</b>	<b>61929</b>	<b>571500</b>	<b>57150</b>	<b>582220</b>	<b>29111</b>	<b>148190</b>

**Table 6: State-wise releases of fund to the states under National Maternity Benefit Scheme (NMBS)**

Name of State/UT	Funds released under Centrally Sponsored Scheme	
	2001-02	2002-03
Andhra Pradesh	1882.12	1217.83
Arunachal Pradesh	21.39	10.7
Assam	241.33	169.32
Bihar	301.74	269.62
Chhatisgarh	83.15	57.3
Goa	6	3
Gujarat	69.42	112.71
Haryana	32.61	28.56
Himachal Pradesh	8.4	5.77
Jammu & Kashmir	34.59	21.14
Jharkhand	154.75	130.72
Karnataka	425.11	336.14
Kerala	96.9	78.38
Madhya Pradesh	543.84	363.09
Maharashtra	327.56	204.18
Manipur		30.08
Meghalaya	31.92	16.41
Mizoram	16.88	28.1
Nagaland	31.51	25.23
Orissa	601.92	410.27
Punjab	52.52	26.26
Rajasthan	100.61	89.44
Sikkim	8.84	4.42
Tamil Nadu	843.9	615.2
Tripura	57.35	39.4
Uttar Pradesh	1075.35	592.82
Uttranchal	63.29	38.96
West Bengal	364.75	281.85
Total (States)	7516.37	5206.9
Total (UTs)	23.64	12.81
GRAND TOTAL	7540.01	5219.71

**Table: 7: Financial and Physical Performance under NMBS for the entire country**

Year	Expend. (Rs. crore)	No. of Beneficiaries
1995-96	24.50	6,57,891
1996-97	52.63	1,282,025
1997-98	54.70	1,557,292
1998-99	70.43	1,562,072
1999-00	73.40	1,299,719
2000-01	83.90	1,456,079
2001-02	75.40	NA
2002-03	52.20	NA

**Table 8: Percentage Expenditure to total available funds from RD**

SNo	States / UTs	2001-2002			
		IAY	SGSY	JGSY	EAS
1	2	3	4	5	6
1	Andhra Pradesh	61.39	109.52	31.19	93.96
2	Arunachal Pradesh	78.42	52.05	78.25	33.43
3	Assam	70.01	65.65	60.46	67.49
4	Bihar	73.81	59.12	44.10	44.53
5	Chhattisgarh	91.25	112.36	111.43	96.56
6	Goa	65.58	48.92	87.58	44.65
7	Gujarat	51.06	110.29	82.83	50.22
8	Haryana	87.01	118.37	79.70	83.82
9	Himachal Pradesh	63.54	108.25	92.07	61.45
10	Jammu & Kashmir	79.89	86.02	85.41	48.29
11	Jharkhand	41.00	83.19	63.21	62.54
12	Karnataka	79.50	84.67	55.30	57.78
13	Kerala	84.00	111.74	87.03	91.96
14	Madhya Pradesh	94.19	115.66	94.82	85.96
15	Maharashtra	106.06	98.72	86.79	90.55
16	Manipur	NA	NA	44.90	NA
17	Meghalaya	59.35	62.90	85.16	39.93
18	Mizoram	92.08	91.27	80.57	82.71
19	Nagaland	75.48	32.96	30.92	23.78
20	Orissa	23.86	113.40	86.52	54.84
21	Punjab	74.62	146.37	82.82	95.09
22	Rajasthan	87.35	90.69	93.41	87.00
23	Sikkim	98.76	148.10	61.86	43.86
24	Tamil Nadu	122.07	122.02	89.19	89.37
25	Tripura	76.99	93.87	77.98	98.38
26	Uttar Pradesh	86.57	60.39	66.73	40.25
27	Uttranchal	86.00	84.35	67.02	70.04
28	West Bengal	70.82	28.82	59.11	38.47
	All India				

**Table 9: Percentage Expenditure to total available funds in 2000-01**

States / UTs	2000-2001			
	IAY	SGSY	JGSY	EAS
2	3	4	5	6
Andhra Pradesh	95.01	111.17	76.91	82.4
Arunachal Pradesh	93.19	49.58	69.95	81.62
Assam	77.2	93.77	57.36	72.72
Bihar	65.49	53.08	62.02	80.88
Chhattisgarh	96.33	108.95	93.45	93.66
Goa	105.26	5.07	122.88	93.22
Gujarat	39.76	90.71	102.14	81.37
Haryana	132.6	118.72	121.02	96.13
Himachal Pradesh	108.67	117.53	105.2	81.19
Jammu & Kashmir	114.93	64.32	90.43	84.08
Jharkhand	79.79	79.38	0.33	71.67
Karnataka	81.67	58.62	94.77	85.74
Kerala	92.59	102.85	70.64	82.32
Madhya Pradesh	97.47	105.8	89.4	94.28
Maharashtra	111.82	82.05	108.15	81.56
Manipur	21.26	NA	14.22	21.56
Meghalaya	95.33	24.38	65.21	56.61
Mizoram	101.24	71.51	117.92	93.36
Nagaland	68.31	17.38	95.64	66.23
Orissa	76.07	94.18	105.86	81.05
Punjab	108.98	131.99	133.08	93.73
Rajasthan	91.49	77.25	98.34	90.92
Sikkim	95.07	70	81.55	99.53
Tamil Nadu	156.67	118.84	99.54	96.31
Tripura	100.33	94.63	99.62	86.73
Uttar Pradesh	90.17	57.48	119.83	81.68
Uttanchal	71.94	50.16	100.12	73.77
West Bengal	86.62	14.24	101.75	73.63

**Table 10: State-wise Release Position under ARWSP during 2002-03 and during 003-04 (Rs.in lakh)**

<b>Name of State</b>	<b>Allocation</b>	<b>Total releases as on 31.03.2003</b>	<b>Opening balance on 1st April, 2003</b>	<b>Allocation during 2003-04</b>	<b>Releases upt 8th July 2003</b>
Andhra Pradesh	13477	16481	3650	11688	5844
Bihar	7406	3703	832	6319	0
Chhattisgarh	2443	2943	340	1901	951
Gujarat	6546	9845	748	5537	4037
Haryana	2002	2402	0	1694	847
Himachal Pradesh	5635	8225	440	4919	2460
J & K	12324	11164	6219	10833	5417
Jharkhand	3063	1950	2391	2575	1288
Karnataka	11136	13569	5051	10104	5052
Kerala	3698	1899	330	3645	0
MP	7159	9586	2698	6079	3694
Maharashtra	16829	19336	7128	15710	7855
Orissa	6225	5830	3462	5303	3152
Punjab	2581	3081	395	2269	1135
Rajasthan	20731	18825	2260	15852	9426
Tamil Nadu	6358	7558	1200	4869	2435
Uttaranchal	3083	3683	6175	11086	5543
Uttar Pradesh	13022	11349	1452	2635	1318
West Bengal	8545	10115	2551	6827	3414
<b>TOTAL incl others</b>	<b>174765</b>	<b>181931</b>	<b>54997</b>	<b>152315</b>	<b>75038</b>

**Table 11: National Programme Of Nutritional Support To Primary Education (NP-NSPE): Allocation And Off-Take Of foodgrains during 2002-03**

State	Enrolment	Allocation Of Foodgrains	Lifting Of Foodgrains	Lifting In Kg Per Student	Lifting as % of allocation
Andhra Pradesh	7,456,254	223,688	184,830	24.79	83
Assam	3,057,221	91,717	43,615	14.3	48
Bihar	8,095,780	242,873	132,792	16.4	55
Chhatisgarh	2,889,116	74,545	56,986	19.7	76
Gujarat	3,259,341	65,187	27,134	8.3	42
Haryana	1,538,006	46,140	42,882	27.9	93
Himachal	639,974	19,199	18,779	29.3	98
Jammu&	821,890	24,657	461	0.6	2
Jharkhand	2,254,066	51,796	16,345	7.3	32
Karnataka	5,621,960	153,565	117,102	20.8	76
Kerala	2,355,686	47,114	47,086	20	100
Madhya Pradesh	7,579,750	212,150	186,188	24.6	88
Maharashtra	9,930,938	297,928	251,639	25.3	84
Orissa	4,621,934	123,762	104,964	22.7	85
Pujnjab	1,620,811	48,624	36,064	22.3	74
Rajasthan	7,177,718	157,910	141,429	19.7	90
Tamil Nadu	5,401,644	108,033	78,788	14.6	73
Uttarnchal	821,507	24,645	13,868	16.9	56
Uttar Pradesh	14,855,697	445,671	410,708	27.6	92
West Bengal	9,764,181	292,925.43	217,751	22.3	74
Total incl UTs	103,594,682	2837467	2176830	21	77

**Table 12: SAMPOORNA GRAMIN ROJGAR YOJNA - STREAM-I (Rs. In Lakh) Patna District**

Financial Year	Opening Balance	Allocation	Central Share			State Share			Total Allotment Received	Other Receipt	Total Amount	Total Expenditure	Balance Amount	Date of Submission of Utilization
			Date of Release	Date of Receipt	Amount	Date of Release	Date of Receipt	Amount						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2000-2001	247.50	434.96	23.03.2000	15.05.2000	69.52	21.12.00	22.3.2001	57.99	413.12	0.00	660.62	348.16	312.46	26.12.2000
			15.5.2000	09.06.2000	173.99									
			06.02.01	07.03.2001	14.16									
			15.02.01	15.3.01	97.46									
					355.13									
2001-2002	312.46	492.76	29.3.01	4.5.01	94.08	28.4.01	4.5.01	31.36	677.10	25.47	1015.03	765.63	249.40	15.12.2001
			12.5.01	9.6.01	197.1	27.11.01	29.1.02	3.57						
			10.01.02	18.01.02	56.41	12.1.02	26.3.02	18.80						
			15.02.02	23.03.02	63.38	28.3.02	31.03.02	9.83						
			20.03.02	27.03.02	181.14	14.3.02	26.03.02	21.13						
					592.11			84.69						
2002-2003	249.40	----	23.3.02	1.4.2002	135.75	9.11.02	27.1.03	105.63	640.27	0.00	889.67	503.12	386.55	31.12.02
			18.6.02	3.8.2002	299.17	3.12.02	14.1.03	99.72						
					434.92			205.35						

**Table 13: SAMPOORNA GRAMIN ROJGAR YOJNA - STREAM-II (Rs. In Lakh) Patna District**

Financial Year	Opening Balance	Allocation	Central Share			State Share			Total Allotment Received	Other Receipt	Total Amount	Total Expenditure	Balance Amount	Date of Submission of Utilization
			Date of Release	Date of Receipt	Amount	Date of Release	Date of Receipt	Amount						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2000-2001	261.11	548.94	03.04.00	25.4.2000	284.09	16.12.2000	31.01.01	88.49	845.16	0.00	1106.27	761.07	345.20	26.12.2000
			26.06.00	11.7.2000	274.47	14.3.2001	23.3.01	49.53						
			19.2.01	16.3.01	146.33									
			5.3.01	24.3.01	2.25									
					707.14			138.02						
2001-2002	345.20	----	15.5.01	18.6.01	274.49	27.11.01	28.1.02	91.496	606.326	284.61	1236.136	867.85	368.29	26.11.2001
			1.1.02	18.1.02	37.53	11.1.02	9.2.02	12.51						
			25.2.02	26.3.02	135.46	15.3.02	26.3.02	45.15						
					0.00	28.3.02	31.3.02	9.69						
					447.48			158.846						
2002-2003	368.29	----	4.4.02	14.4.02	176.55	19.11.02	30.1.03	58.853	601.39	2.26	971.94	692.52	279.42	31.12.2002
			17.7.02	19.9.02	274.49	02.02.02	27.11.02	91.50						
					451.04			150.35						

Table 14: Date of release of funds under I.A.Y for Patna

Financial Year	O.B.	Allocation letter no & date	Central Share			State Share		
			Date of Release	Date of Receipt	Amount	Date of Release	Date of Receipt	Amount
1	2	3	4	5	6	7	8	9
2000-2001	20.72	521.12 L.No.- 11015/4/ 2000/- RH/IAY/21 9.5.2000		2.6.2000	208.45	22.12.2000	12.2.01	19.58
2001-2002	7.08	559.65 L.No.-52/ dt. 27.11.01	T.T.No.- 0 dt. 8.10.01 RH/190 dt. 22.1.2002	12.11.01 22.3.02	126.64 <u>111.29</u> 237.93	52/ 27.11.01 14/ 21.2.02	29.1.02 27.3.02	42.21 <u>37.10</u> 79.31
2002-2003	0.65	572.74 L.No.-62/ dt.4.10.02	T.T.No.- 3 dt 14.6.02	21.9.02	286.37	62/ dt. 4.10.02	27.1.03	95.46
2003-2004	0.65	864.83 L. No.- 3519 dt 21.5.03						

**Table 15: National Old Age Pension Scheme in Patna: Rupees in Lakh**

Financial Year	Target	Opening Balance of the Year A	Central Fund				State Fund	
			Amt. B	Date of Allotment.	Date of receipt.	Date of Sub Allot to Bloc.	Amt. C	Date of Allotment
2	3	4	5	6	7	8	9	10
2000 & 2001	30785	54-54	144-07 144-07 75-13 1-73	9-5-00 31-7-00 22-3-01	31-5-00 21-10-0 28-3-01	16-6-00 19-1-01 29-3-01	92-35	16-1-01
2001 & 2002	26750	46-55	123-86 131-62 2-41	12-6-01 22-1-02 &	28-6-01 1-2-02 &	9-7-01 19-2-02 &	92-35	14-8-01
2002 & 2003	26750	35-42	27-27	26-3-02	15-4-02	24-4-02	98-58	17-2-03
2003 & 2004	Not received	23-40						

**Table 16: State Wise & Scheme Wise RD Releases Upto : 11/Aug/2003 (Rs. in lakhs)**

Name of the State	..ORDP..	..SGRY-SPL.CO MP..	..RH..	..SGSY..	..SGRY-I..	..SGRY-II..	..FFWP..	..TRG..	..PMGSY..	..DRDA..	.....Total..
AP	0	3875	6835	2135	6567	6641	0	0	0	482	26535
ASSAM	0	0	0	0	0	0	0	20	0	378	398
BIHAR	0	0	15433	2692	12337	10481	0	0	0	564	41507
GOA	0	0	34	0	15	0	0	0	0	35	84
GUJARAT	0	0	1798	797	2472	2819	0	0	0	483	8369
HARYANA	0	0	664	469	1454	1532	0	5	0	327	4451
HP	0	0	282	188	581	561	0	13	0	191	1816
J & K	0	0	320	178	654	731	0	0	0	158	2040
KARNATAK A	0	0	3535	1600	4959	4853	0	0	0	482	15430
KERALA	0	0	2210	766	2225	2177	0	37	0	285	7700
MP	0	0	4058	2293	6520	8004	0	0	0	832	21706
MAHARAS HTRA	0	0	6081	3113	8742	9687	0	0	0	570	28194
ORISSA	0	0	20929	2424	6763	6937	0	23	0	596	37673
PUNJAB	0	0	413	228	707	1704	0	0	0	252	3303
RAJASTHA N	0	0	1853	1236	3766	3689	0	0	6876	588	18008
TNADU	0	0	3457	1914	5807	5722	0	0	0	597	17497
UP	0	0	12514	5878	22195	21171	0	147	0	1378	63283
WB	0	0	6956	996	7308	8168	0	0	0	360	23788

UTTARANC HAL	0	0	1300	382	1482	1400	0	0	0	243	4807
CHATTISG ARH	0	0	1188	1119	3706	2755	0	6	0	217	8992
JHARKHAN D	0	0	4455	1526	8014	8919	0	0	0	268	23182
TOTAL	0	3875	96300	30561	108987	110684	0	431	6876	9896	367610

