

A conversation with Avani Kapur on November 26th, 2013

Participants

- Avani Kapur – Senior Research and Program Analyst, Accountability Initiative, Centre for Policy Research
- Timothy Telleen-Lawton – Research Analyst, GiveWell

Note: These notes were compiled by GiveWell and give an overview of the major points made by Avani Kapur.

Summary

GiveWell spoke with Avani Kapur to learn more about centrally sponsored schemes in India. Conversation topics included funding, implementation, challenges, and assistance from Non-Governmental Organizations (NGOs).

Centrally sponsored schemes in India

Centrally sponsored schemes in India are those specific schemes that are funded directly by the central ministries/ departments and implemented by states or their agencies, irrespective of their pattern of financing, unless they fall under the centre's sphere of responsibility i.e. the union list. This assistance is deliberately in areas that are State subjects, with the centre wishing to motivate the States to take up such programmes. Central government lays out guidelines or framework of implementation and accordingly states draft annual plans and budgets for implementing each scheme based on national templates and submit them to the national government for approval. Once the national government approves the plan, it pays a percentage of the approved budget. For example, the centrally sponsored scheme that sets guidelines for education, namely Sarva Shiksha Abhiyan (SSA) is 65% nationally funded and 35% state funded, while the health scheme- National Rural Health Mission (NRHM)- is 85% nationally funded and 15% state funded.

Recent usage

Centrally sponsored schemes started being used much more frequently in the last decade. For instance, the NRHM was launched in 2005 as an umbrella programme subsuming many existing health schemes. It also includes a school-based health component that includes deworming. In recent years however, there has been increasing demand to reduce the number of such schemes. The Planning Commission in India has approved a proposal to merge the existing 147 Centrally sponsored schemes and bring them down to 66 across various sectors for effective implementation and monitoring.

Delays

There are delays in implementation of new schemes. Many states start implementing schemes years after the mandated deadline for implementation. For example, the Right to Education Act, which came into force in 2010, mandated that all schools have certain amenities such as boundary walls, toilets, and drinking water by 2013, but most states were not able to meet the deadline. The push for implementation is sometimes given by the central government but there are often genuine capacity constraints and implementation challenges at the state level resulting in significant delays in implementation.

Challenges

- **Coordination among multiple ministries and schemes** can slow down implementation of some components. For example, deworming is mandated through NRHM, but involves the Ministry of Human Resource Development (Education) and the Integrated Child Development Services Scheme.
- **Widespread shortage of skilled labor** for the positions required to implement the schemes. The government imposes relatively strict employment requirements on the permanent hiring process, which prevents more people from filling the positions.
- **National and state funds are often released late**, sometimes during the last quarter of the financial year. In some “non-planned schemes”, unspent national funds must be returned to the central government. However, in some of the centrally sponsored schemes that are implemented by autonomous bodies such as NRHM and SSA, the funding pattern and organizational structure is independent of the state government, and funds that aren't used are available for future use. However, in both cases, failure to spend the funds during the financial year may result in reduced funding provided the following year.
- **Funding levels** are not always sufficient, particularly if a state's priorities are different than the national government's priorities. There are strict guidelines on what funding purposes. This can lead to inflexibility at times to match state/district/local level needs. However, there are some instances of funds intended for one component of a scheme being used for other components. This is harder to do in Centrally sponsored schemes.

NGO assistance

It is increasingly common for Non-Governmental Organizations (NGOs) to partner with state governments to implement components of centrally sponsored schemes. The nature of the partnerships will depend on the state in question; some common ways that NGOs are able to significantly help states with implementation are:

- **Technical assistance**, when a component is technically complex
- **Community mobilization** at local levels
- **Training capacity** for training teachers, health workers, and others
- **Helping implement a pilot** version of the program, which can subsequently be scaled up after the program is successfully demonstrated. Sometimes

states would prefer to implement a statewide program but NGOs are often unable to implement such a large program, which can prevent states from partnering with NGOs in the first place.

All GiveWell conversations are available at <http://www.givewell.org/conversations/>