



BUDGET BRIEFS

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Mid-Day Meal Scheme(MDM) Gol, 2020-21 (Pre-Budget)

The National Programme of **Mid-Day Meals** in School (MDM) scheme is Government of India's (Gol's) flagship school-based feeding programme aimed at improving the nutritional status of students and promoting the universalisation of elementary education.

Using government data, this brief reports on trends for MDM performance along the following parameters:

- Overall trends in allocations, releases and expenditures;
- Expenditure performance on key MDM components such as food grains, cooking costs, honorarium to cook-cum-helper (CCH), traveling assistance and monitoring, management and evaluation;
- Progress on construction of kitchen-cum-stores, and;
- Coverage as indicated through the provision of meals to students.

Cost share and implementation:

Costs are shared between the Gol and states in a 60:40 sharing pattern. For Union Territories (UTs), the entire cost is borne by Gol. The sharing ratio is 90:10 for the North Eastern Region (NER) states and the Hilly states.

HIGHLIGHTS

₹ 94,854 cr

Government of India (Gol) allocations for Ministry of Human Resource Development (MHRD) in FY 2019-20

₹ 11,000 cr

Gol allocations for MDM in FY 2019-20

SUMMARY & ANALYSIS

- Gol allocations for MDM have been decreasing from ₹11,051 crore in Financial Year (FY) 2014-15 to ₹9,949 crore in FY 2018-19. In FY 2019-20, allocations increased by 11 per cent compared to the previous years' Revised Estimates (REs) to ₹11,000 crore.
- Release and utilisation of funds under the scheme has been high. In FY 2018-19, on average, 90 per cent of funds available (including opening balances and releases) had been utilised.
- While the norm for honorarium to Cook-cum-Helpers by Gol is ₹1,000 per month, 17 states provide additional funds. For instance, in FY 2018-19, Tamil Nadu provided ₹10,083 per month and Kerala ₹9,000 per month.
- Not all children avail MDM. The Project Approval Board (PAB) approves the number of children which will avail MDM, out of those enrolled. In FY 2018-19, 94 per cent of the number of children approved by the PAB had availed MDM. However, this decreased to 82 per cent as a proportion of those enrolled as per PAB.
- There are differences in enrolment figures as given in the Unified District Information System for Education (U-DISE) and those in the PAB. For instance, while enrolment in Bihar as per U-DISE for 2017-18 stood at 178 lakh, it was 17 lakh higher as per the PAB. Similarly, there was a difference of 15 lakh in West Bengal and 7 lakh in Tamil Nadu.

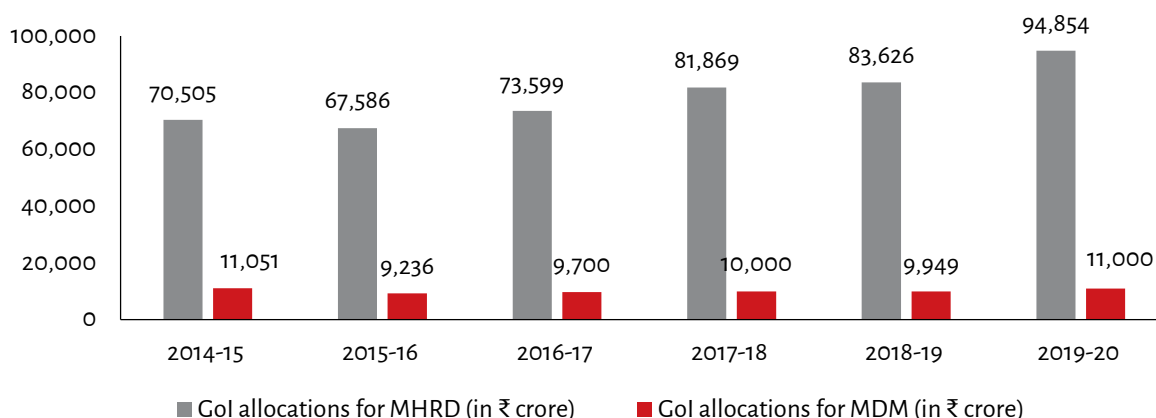
- The National Programme of Mid-Day Meals in School (MDM) is a Centrally Sponsored Scheme (CSS) of the Ministry of Human Resource Development (MHRD) aimed at providing school meals to enrolled students studying with a view to enhance enrolment, retention and attendance of children while simultaneously improving nutritional levels. In 2007, the scheme was extended to cover all government, local body and government-aided primary and upper primary schools and the Education Guarantee Scheme/Alternate Inclusive Education centres including Madaras and Maqtabas across the country.

TRENDS IN GOI ALLOCATIONS, RELEASES AND EXPENDITURES

Allocations

- In FY 2019-20 Budget Estimates (BEs), GoI allocated ₹94,854 crore to MHRD. This was a 13 per cent increase from the previous financial year's Revised Estimates (REs).

11% INCREASE IN GOI ALLOCATIONS FOR MDM BETWEEN 2018-19 AND 2019-20



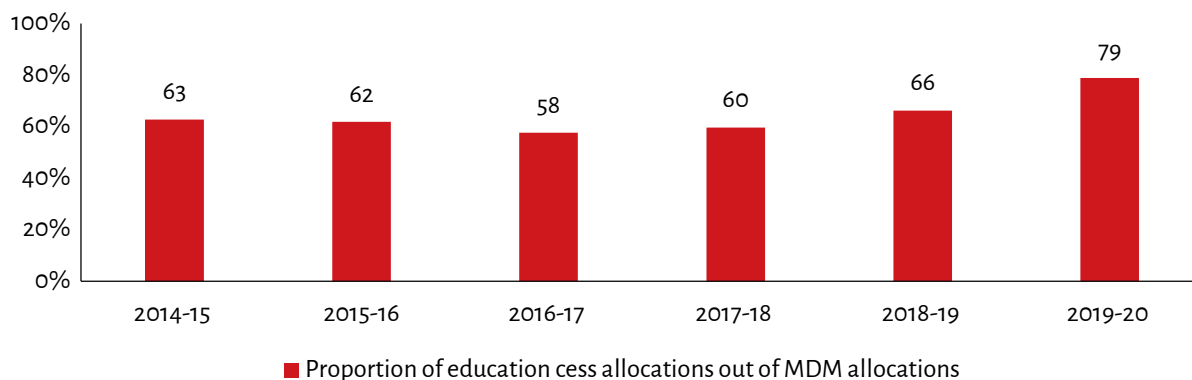
Source: Union Expenditure Budget, MHRD, Department of School Education and Literacy and Department of Higher Education FY 2014-15 to FY 2019-20. Available online at: <https://www.indiabudget.gov.in>. Last accessed on 23 December 2019.

Note: Figures are in Rupees crore and are Revised Estimates (REs), except for FY 2019-20, which are Budget Estimates (BEs).

- GoI allocations for the MDM have been lower than those demanded by MHRD and have been declining. In FY 2014-15, ₹11,051 crore had been allocated to the scheme. This declined to, ₹10,000 crore in FY 2017-18 – a 10 per cent decline.
- Allocations further decreased in FY 2018-19. While MHRD had requested ₹12,147 crore for MDM, actual allocations stood at ₹9,949 crore or ₹1,647 crore less than the demand.
- In FY 2019-20, GoI allocations increased marginally to ₹11,000 crore. This was a 5 per cent increase from the previous year's BE and an 11 per cent increase from the REs. As per a PIB release dated 19 February 2019, the Cabinet Committee on Economic Affairs had approved an outlay of ₹12,054 crore for FY 2019-20.
- There are two main sources of funding for MDM. First, is the Gross Budgetary Support provided by the ministry for MDM. Second, is the education cess or Prarambhik Shiksha Kosh (PSK). PSK is a 2 per cent tax-on-tax paid by the public towards elementary education.

- Over the years, the share of MDM funding through PSK has been increasing. In FY 2019-20, the cess contributed 79 per cent to total GoI allocations for MDM, up from 63 per cent in FY 2014-15.

79% OF GOI FUNDING FOR MDM CAME FOR THE CESS IN 2019-20 UP FROM 66% IN 2018-19



Source: Union Expenditure Budget, MHRD, Department of School Education and Literacy FY 2014-15 to FY 2019-20. Available online at: <https://www.indiabudget.gov.in>. Last accessed on 23 December 2019.

Releases

- Not all funds allocated have been released. In FY 2014-15, GoI released ₹10,527 crore, accounting for 80 per cent of GoI's allocations. The proportion of funds released out of total GoI allocations increased to 99 per cent in FY 2015-16.
- In FY 2018-19, ₹9,518 crore or 91 per cent of GoI's allocations were released.
- In FY 2019-20, till December 2019, ₹7,625 crore or 69 per cent of the allocations had been released.

TRENDS IN STATE GOVERNMENT ALLOCATIONS AND EXPENDITURES

- Approved budgets are based on Annual Work Plan and Budgets (AWP&Bs) presented by individual state governments. Budgets projected by states are approved by the Programme Approval Board (PAB) for MDM under MHRD, after discussions and negotiations with individual state governments.
- Total approved budgets for a state include both state and GoI shares for the specific financial year, as well as, unutilised amount from the previous year. Once approved, funds released are shared between GoI and states as per their fund sharing ratio.

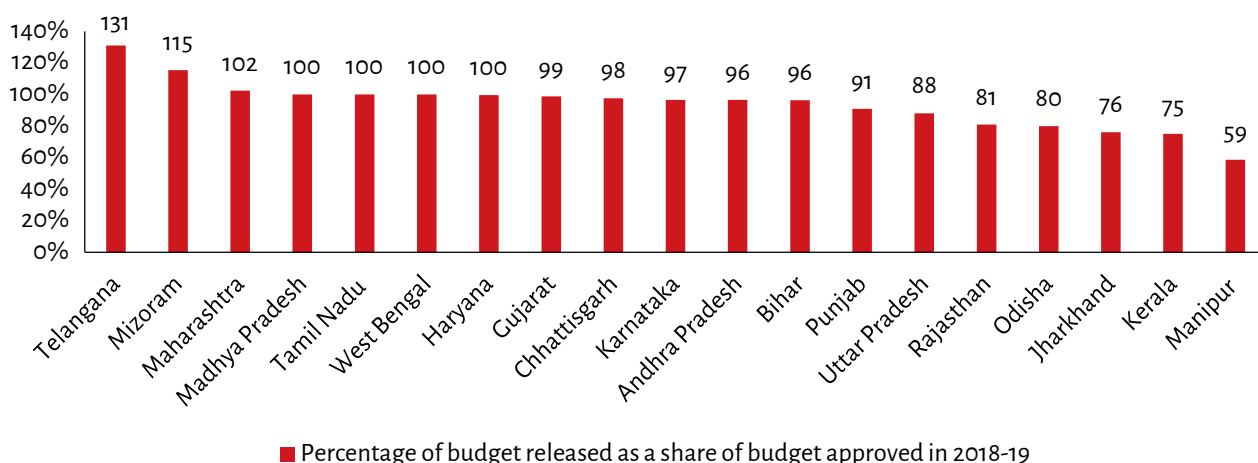
Proposed vs Approved Budget

- Since the proposed budget is based on beneficiary and approved cost norms, most states receive the funds proposed in their AWP&B. In FY 2019-20, 25 states had their entire proposed budgets for MDM approved by GoI. This was higher than in FY 2018-19 when only 17 states had 100 per cent of their proposed budgets approved.

Releases

- There are differences between the approved budgets and the actual funds released to states. In FY 2018-19, more funds were released than approved budgets in Telangana (131 per cent), Mizoram (115 per cent), and Maharashtra (102 per cent). On the contrary, release of funds was low for Jharkhand (76 per cent), Kerala (75 per cent), and Manipur (59 per cent).

4 STATES RECEIVED THEIR ENTIRE APPROVED BUDGETS FOR MDM IN 2018-19

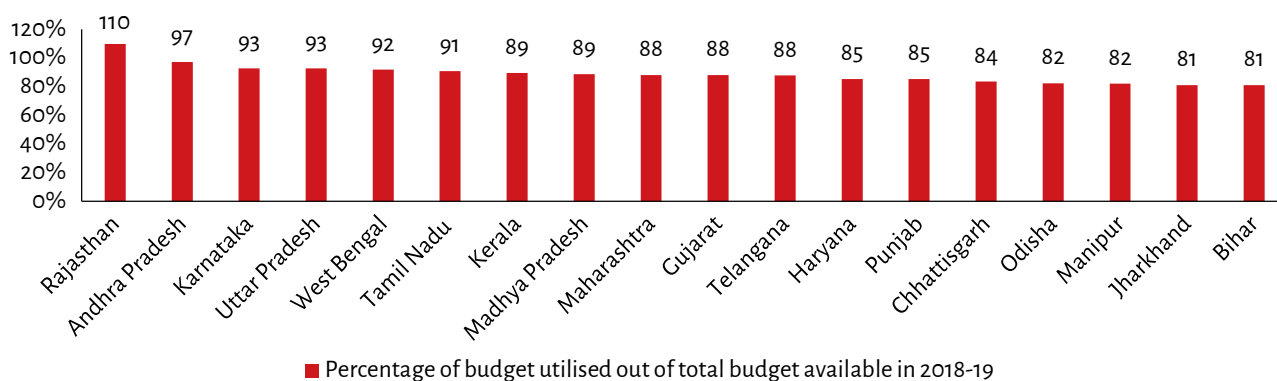


Source: AWP&Bs of PAB meetings, Table AT-2, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 23 December 2019.

Expenditures

- Fund availability in a given year includes opening balance (or unspent balance from the previous year), and releases by both GoI and states.
- Utilisation of funds available has been high. In FY 2018-19, on average, considering all states, 90 per cent of funds available for recurring costs were spent. Utilisation was amongst the highest in Rajasthan where more funds were utilised than available. In contrast, it was lowest in Jharkhand (81 per cent) and Bihar (81 per cent).

ON AVERAGE 90% OF FUNDS AVAILABLE FOR MDM WERE SPENT IN 2018-19



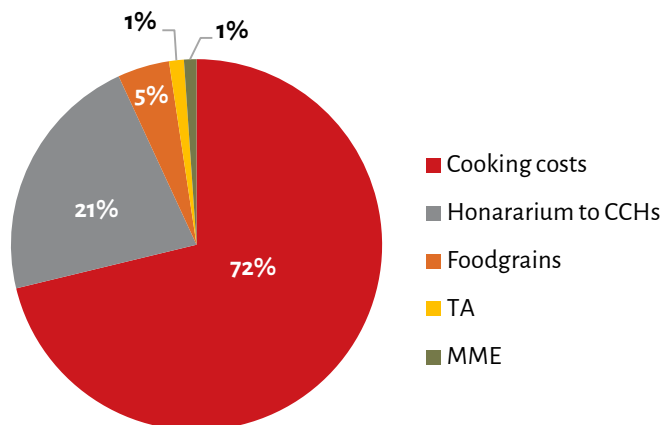
Source: Funds Available and Utilisation from AWP&Bs of PAB meetings, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 21 January 2020.

Note: Only recurring costs have been considered.

COMPONENT-WISE EXPENDITURE TREND

- Under MDM, funds are provided for the following activities:-
 - o **Foodgrains** – GoI norms stipulate that every child be allocated 100 grams of rice and wheat for primary schools (classes I-V) and 150 grams for upper primary schools (classes VI-VIII). GoI provides foodgrain free of cost through the Food Corporation of India (FCI).
 - o **Cooking Cost** – Costs of ingredients such as pulses, vegetables, cooking oil, salt and condiments are provided on a per-child, per-day basis. As per the revised norms, the unit cost for primary schools is ₹4.48 and for upper primary schools is ₹6.71 per-child, per-day.
 - o **Honorarium to Cook-cum-Helper (CCH)** – One CCH must be engaged in a school having up to 25 students with a monthly honorarium at ₹1,000 for 10 months in a year.
 - o **Transportation Assistance (TA)** – TA is provided for carrying foodgrains from FCI depots to schools in all states/UTs at Public Distribution System (PDS) rates.
 - o **Monitoring, Management, and Evaluation(MME)** – MME accounts for 3 per cent of the recurring central assistance for cost of foodgrains, cooking cost, transportation charges and honorarium to CCH.
 - o **Kitchen-cum Stores and Kitchen devices** – The cost of construction of kitchen-cum-stores is determined based on plinth area norm. As per the norm, a plinth area of 20 square metres (sq. mt) is admissible for schools having upto 100 children, and a 4 sq.mt plinth area for every additional 100 children. For kitchen devices, as per the revised rate, ₹10,000 - ₹25,000 based on enrolment is provided to schools for procurement of cooking devices (stove, *chulha*, etc), containers for storage of foodgrains, and other ingredients and utensils for cooking and serving.
- Funds are shared between GoI and states for each component in different sharing ratios. Foodgrains are procured directly from the FCI. For cooking cost and honorarium to CCHs, funds are shared between GoI and state governments in 60:40 ratio. For other components, GoI provides 100 per cent of the total funds. For non-recurring components such as kitchen-cum-stores and kitchen devices, funds are shared in a 60:40 ratio.
- In FY 2018-19, 72 per cent of total recurring MDM allocations were for cooking costs, 21 per cent for honorarium to CCHs, and 5 per cent for foodgrains. The remaining funds were assigned to TA and MME.

COOKING COST ACCOUNTED FOR THE LARGEST SHARE OF MDM ALLOCATIONS AT 72%, FOLLOWED BY HONORARIUM TO COOK-CUM-HELPERS AT 21% IN 2018-19

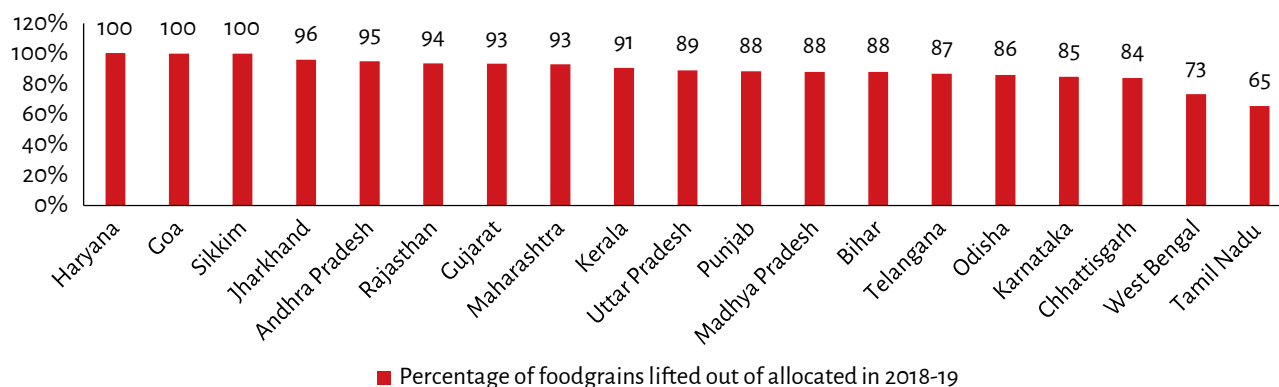


Source: Allocations from AWP&Bs of PAB meetings, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 21 January 2020.

Foodgrains

- Foodgrains are the third largest component of MDM. Allocations for foodgrains are based on projections given by states in the PAB documents. The estimates are calculated based on the number of school days in a year and the projected number of children approved by the PAB-MDM.
- In FY 2018-19, Haryana, Goa, and Sikkim lifted 100 per cent of their allocated foodgrains. In contrast, foodgrains lifted as a proportion of allocations was low in West Bengal (73 per cent) and Tamil Nadu (65 per cent).

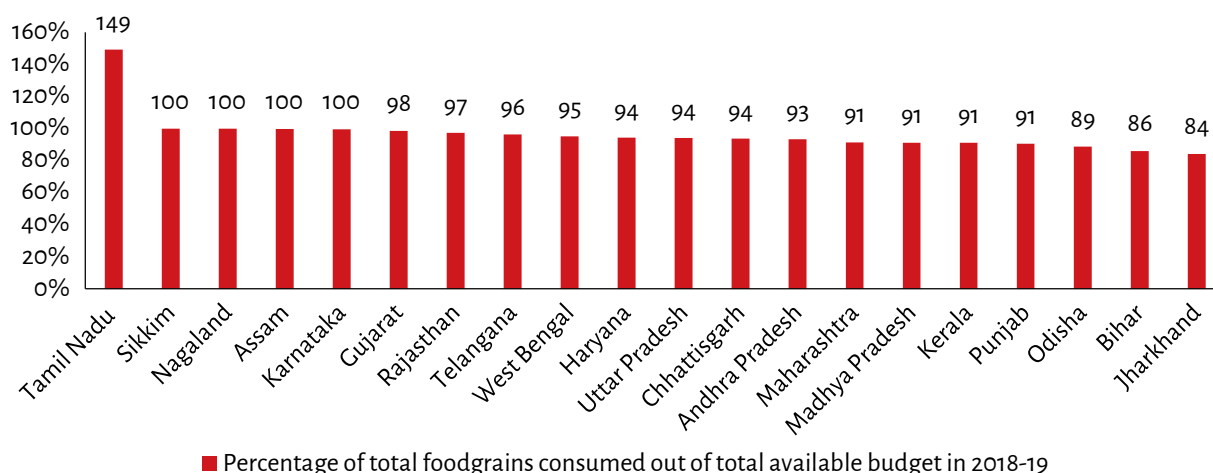
ON AVERAGE, 90% OF FOODGRAINS ALLOCATED WAS LIFTED FOR STATES IN 2018-19



Source: (1) AWP&B of PAB meetings, Table AT-6 and 6A, FY 2019-20. (2). Factsheet of PAB meetings, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 21 January 2020.

- Utilisation of foodgrains out of total available was high. In FY 2018-19, on average, states utilised 95 per cent of their total available foodgrains.
- The state with the highest utilisation was Tamil Nadu which utilised 147 per cent of its available foodgrains. This could be due to the fact that only 65 per cent of their foodgrain allocations had been released in FY 2018-19 since the state did not procure the required quantum of foodgrains from FCI initially.
- Other states which utilised their entire foodgrains available were Sikkim, Nagaland, Assam, and Karnataka. On the other hand, utilisation was low in Bihar (86 per cent) and Jharkhand (84 per cent).

95% OF FOODGRAINS AVAILABLE WERE UTILISED BY STATES IN 2018-19

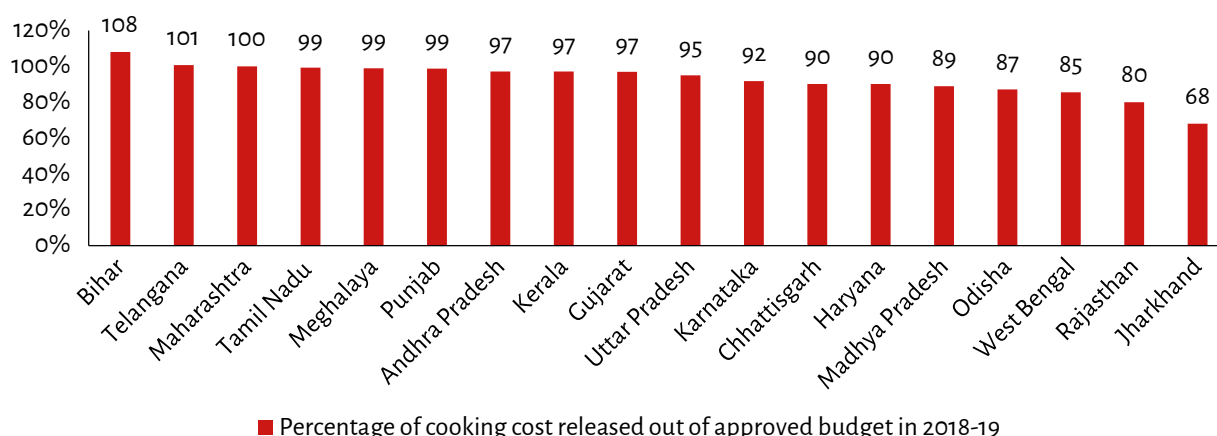


Source: (1) AWP&B of PAB meetings, Table AT-6 and 6A, FY 2019-20. (2). Factsheet of PAB meetings, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 21 January 2020.

Cooking Cost

- Costs of ingredients such as pulses, vegetables, cooking oil, salt and condiments constitute the largest share of MDM money. As per revised cooking cost per-child per-school day with effect from 1 April 2018 the minimum allocation for primary schools was ₹4.35 per child per day. For upper primary schools, the minimum allocation was fixed at ₹6.51 per child per day. This was further revised to ₹4.48 for primary schools and ₹6.71 for upper primary schools with effect from 1 April 2019.
- In FY 2018-19, Bihar and Telangana received more than 100 per cent of their approved budget for cooking costs. Receipt, however, was low in Jharkhand at 68 per cent.

92% OF FUNDS FOR COOKING COSTS WAS RELEASED TO STATES IN 2018-19

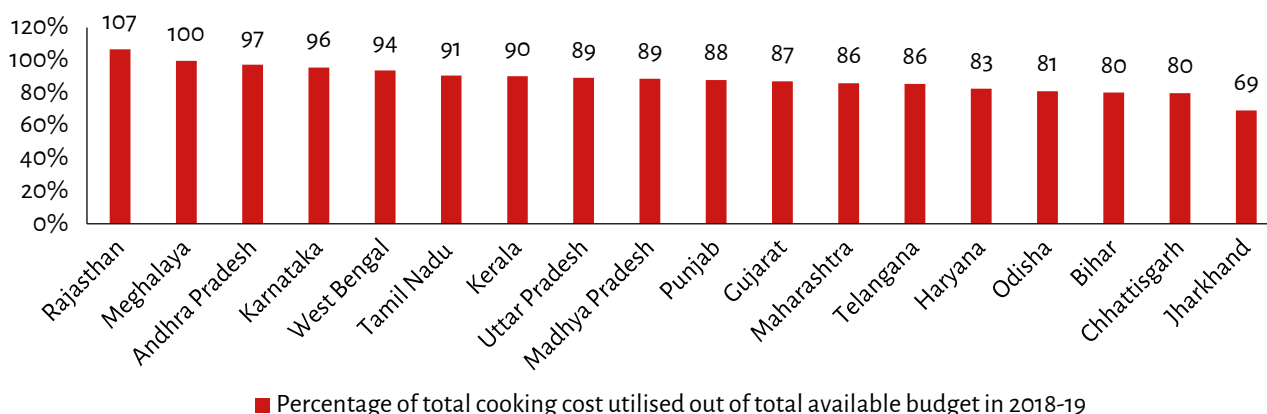


■ Percentage of cooking cost released out of approved budget in 2018-19

Source: (1) AWP&B of PAB meetings, Table AT-7 and 7A, FY 2019-20. (2). Factsheet of PAB meetings, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 23 December 2019.

- In FY 2018-19, on average, states utilised 88 per cent of their total funds available for cooking costs. However, there were state-wise variations. Utilisation was highest in Rajasthan (107 per cent). This could be due to the fact that only 80 per cent of their cooking cost allocations had been released in FY 2018-19. Other states which utilised over 90 per cent of their available funds for cooking cost included Meghalaya (100 per cent), Andhra Pradesh (97 per cent), Karnataka (96 per cent), West Bengal (94 per cent), and Tamil Nadu (91 per cent).
- In contrast, in addition to low releases, utilisation was also low in Jharkhand with less than 70 per cent of funds available spent.

88% OF FUNDS FOR COOKING COSTS WAS UTILISED IN 2018-19



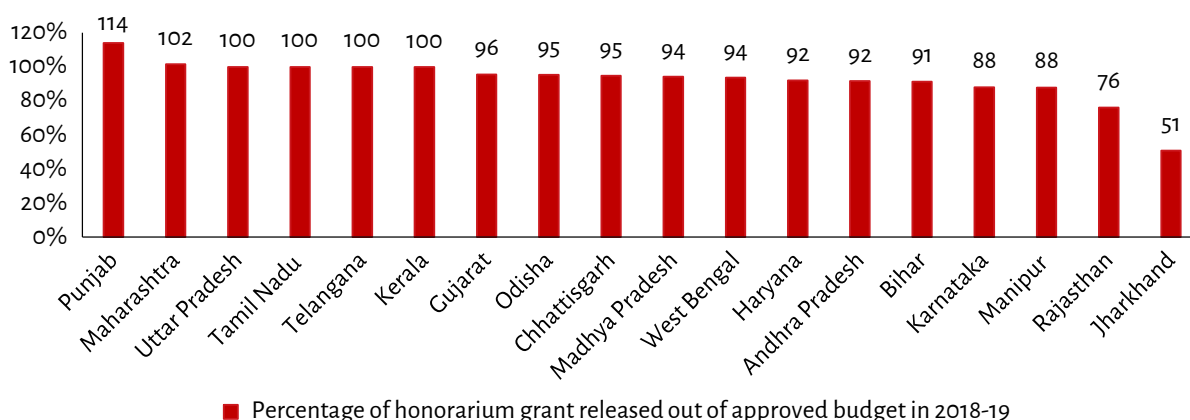
■ Percentage of total cooking cost utilised out of total available budget in 2018-19

Source: (1) AWP&B of PAB meetings, Table AT-7 and 7A, FY 2019-20. (2). Factsheet of PAB meetings, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 23 December 2019.

Honorarium to Cooks-cum-Helpers (CCHs)

- According to the norm, one CCH must be engaged in a school having up to 25 students, two cooks-cum-helpers for schools having 26 to 100 students, and one cook-cum-helper for every additional 100 students. An amount of ₹1,000 per month is provided as honorarium to a CCH for 10 months.
- There are differences between approved budget and funds released to states. In FY 2018-19, without accounting for outstanding balance, more grants were available for CCH than allocations in Punjab (114 per cent), and Maharashtra (102 per cent). On the contrary, less than two thirds of funds allocated were released for Jharkhand (51 per cent).

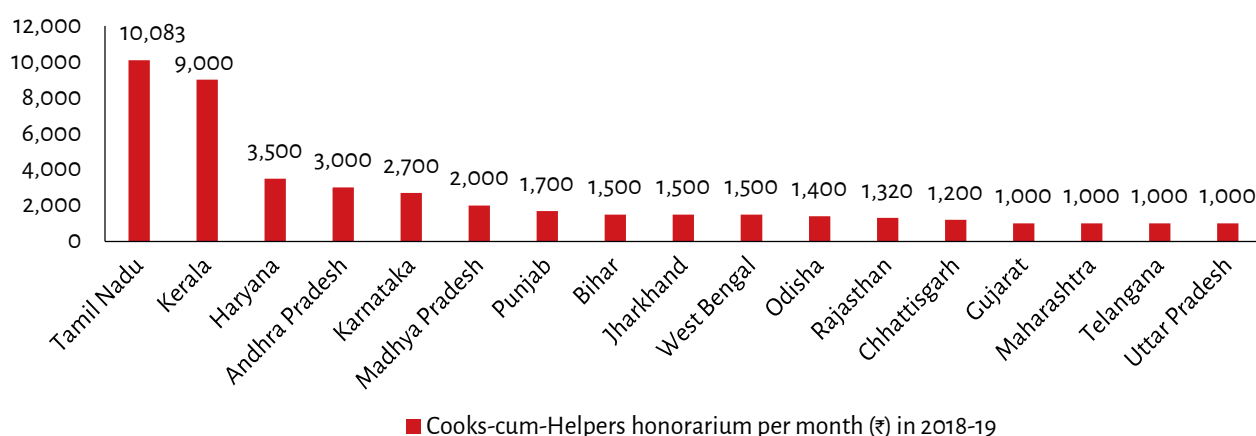
94% OF FUNDS FOR HONORARIUM TO CCH WAS RELEASED TO STATES IN 2018-19



Source: (1) AWP&B of PAB meetings, Table AT-8 & 8A, FY 2019-20. (2). Factsheet of PAB meetings, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 23 December 2019.

- In some states, there is a significant difference between proportion of available funds spent and the total number of cooks hired. Rajasthan hired cooks for all the PAB sanctioned posts and utilised 133 per cent of its total available funds. Similarly, Jharkhand filled 98 per cent of the posts for CCH and utilised 144 per cent of its available funds.
- In contrast, Punjab and Manipur engaged 86 per cent and 84 per cent of approved CCHs, respectively, but utilised only 77 per cent and 69 per cent of their total available funds, respectively.
- While the GoI norm is ₹1,000, 17 states and UTs provided additional funds as honorarium. States such as Tamil Nadu and Kerala provide over ₹10,083 per month and ₹9,000 to CCH, respectively. On the other hand, Gujarat, Maharashtra, Telangana, and Uttar Pradesh did not provide additional funds to CCHs.
- There are also differences in the amount of state share released for CCHs. In the case of Jharkhand, while approved state share as per norms was ₹7,342 lakh, the actual state share released was ₹1,323 lakh, or 18 per cent of the state allocation. Similarly, in the case of Rajasthan, only 58 per cent of state allocation was released.

17 STATES PROVIDE ADDITIONAL FUNDS AS HONORARIUM TO CCH; TAMIL NADU TOPS THE LIST PROVIDING ₹10,083 PER MONTH

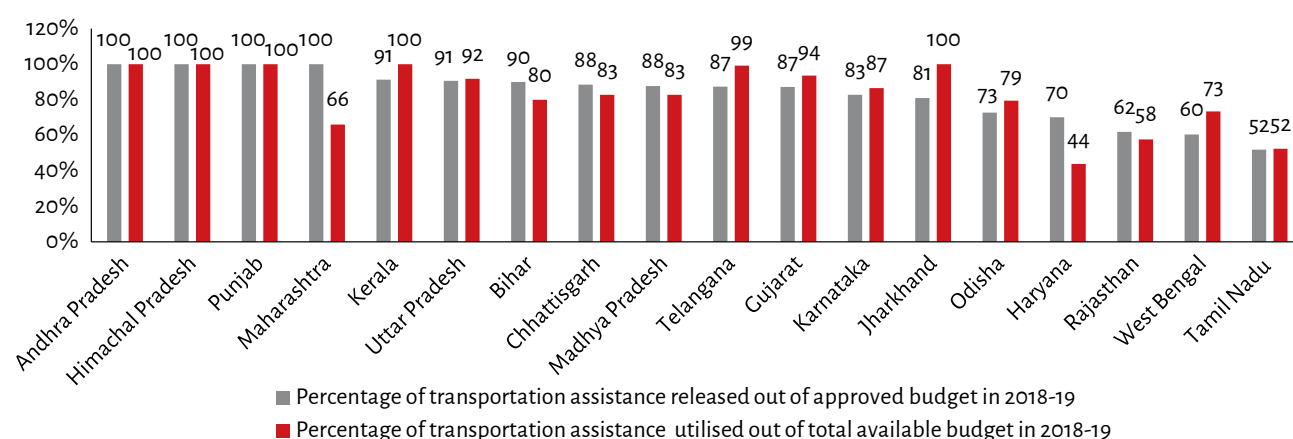


Source: Cooks-cum-Helpers - Honorarium 2018-19 from Lok Sabha Unstarred Question No.117 answered on 18 November 2019. Available online at: <http://164.100.24.220/loksabhaquestions/annex/172/AU117.pdf>. Last accessed on 3 January 2020.

Transportation Assistance (TA)

- As per the norm, subsidy for transportation of foodgrains is provided to 11 special category states based on the PDS rate prevalent in these states. As of April 2019, GoI revised the existing norms of transportation assistance at par with PDS rates in all states and UTs subject to a maximum amount of ₹150 per quintal.
- In FY 2018-19, five states including Andhra Pradesh, Himachal Pradesh, and Punjab had received 100 per cent of their TA funds approved, and these states had utilised the entire amount. In contrast, both release and utilisation were low in Haryana (44 per cent), Rajasthan (58 per cent), West Bengal (73 per cent), and Tamil Nadu (52 per cent).

88% OF ALLOCATIONS FOR TA WAS RELEASED AND 89% OF TOTAL FUNDS AVAILABLE FOR TA WAS SPENT IN 2018-19

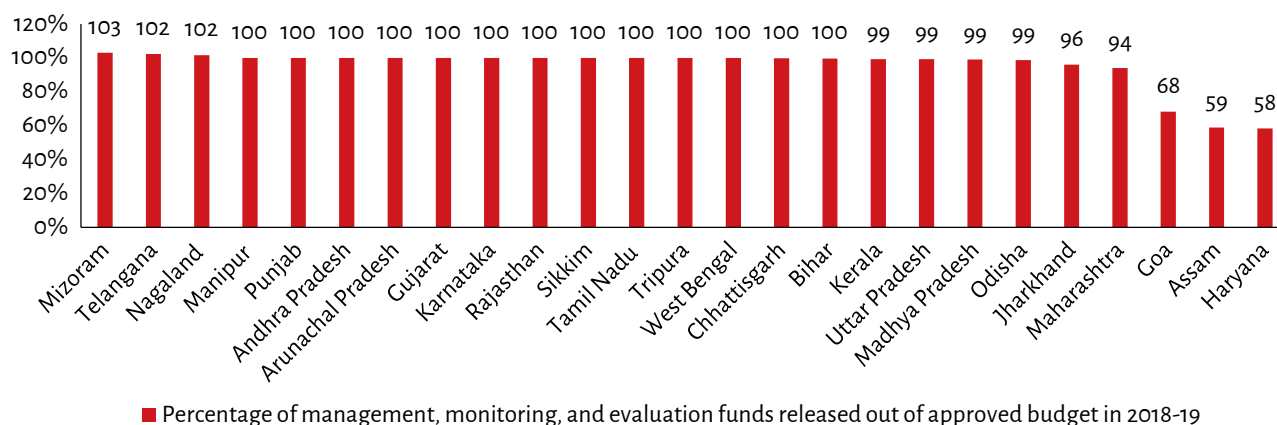


Source: (1) AWP&B of PAB meetings, Table AT-9, FY 2019-20. (2) Factsheet of PAB meetings, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 23 December 2019.

Management, Monitoring and Evaluation (MME)

- MME funds are allocated for management, supervision, training, internal and external monitoring and evaluation.
- On average, 96 per cent of approved budgets were released in FY 2018-19.
- For Mizoram, Telangana, and Nagaland, more funds were released than approved.

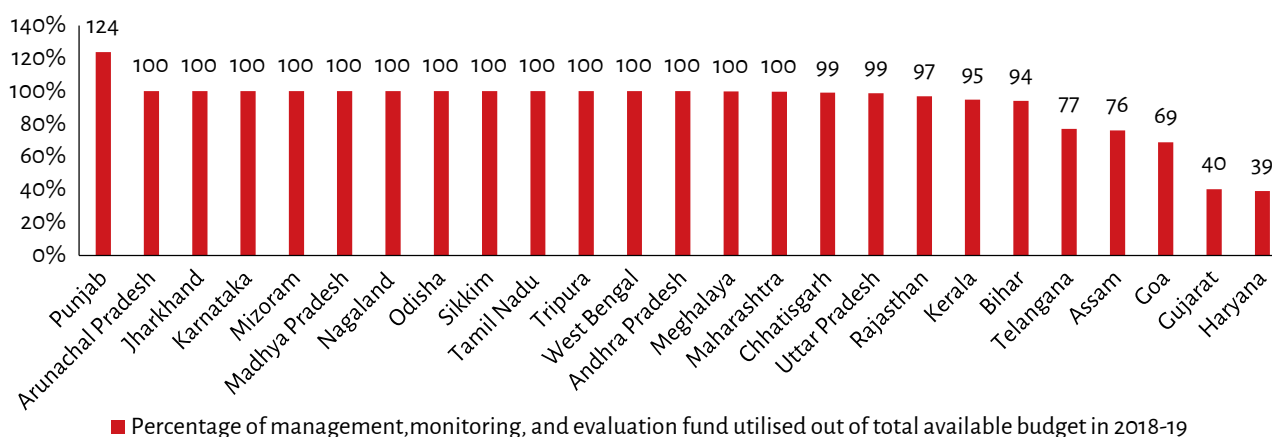
14 STATES HAD RECEIVED 100% OF THEIR APPROVED BUDGETS FOR MME



Source: (1) AWP&B of PAB meetings, Table AT-10, FY 2019-20. (2) Factsheet of PAB meetings, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 23 December 2019.

- Utilisation, however, was low. Only 14 states were able to utilise 100 per cent of their total funds available. Utilisation was particularly low in Gujarat (40 per cent) and Haryana (39 per cent).

ONLY 14 STATES WERE ABLE TO UTILISE 100% OF THEIR TOTAL FUNDS AVAILABLE IN 2018-19

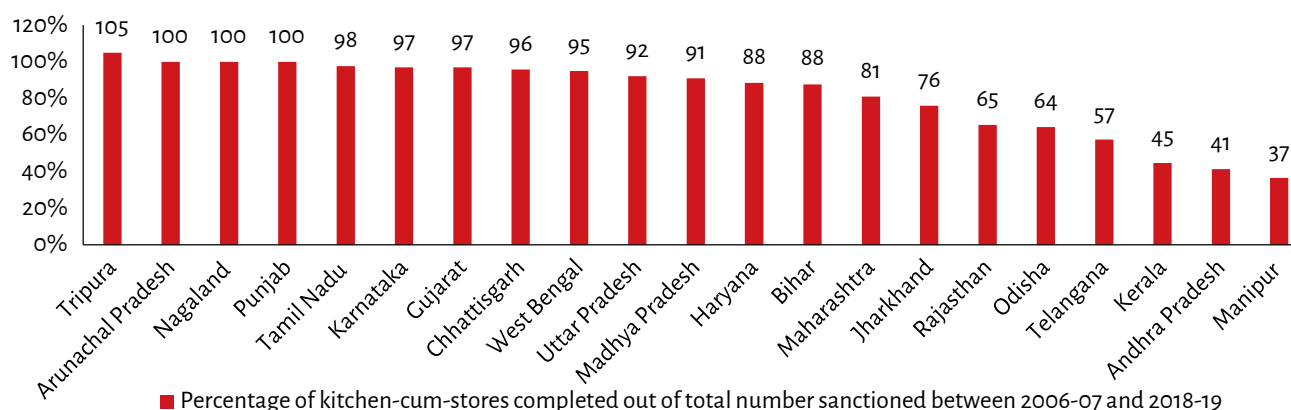


Source: (1) AWP&B of PAB meetings, Table AT-10, FY 2019-20. (2) Factsheet of PAB meetings, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 23 December 2019.

Kitchen-cum-Stores

- The Right of Children to Free and Compulsory Education Act (RTE, 2009) mandates that all schools build kitchen-cum-stores. Between FY 2006-07 and FY 2018-19, Tripura constructed more than the sanctioned number of kitchen-cum-stores utilising their entire funds allocated. Similarly, Arunachal Pradesh, Nagaland, and Punjab had also utilised their entire funds available and built all the sanctioned kitchen sheds.
- Progress on construction, however, was slow in some states. In FY 2018-19, Manipur had completed only 37 per cent of its sanctioned kitchen-cum-stores. Similarly, only 41 per cent of sanctioned kitchen-cum-stores in Andhra Pradesh and 45 per cent in Kerala had been completed.

84% OF SANCTIONED KITCHEN-CUM-STORES COMPLETED IN 2018-19



Source: (1) AWP&B of PAB meetings, Table AT-11, FY 2019-20. (2) Factsheet of PAB meetings, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 23 December 2019.

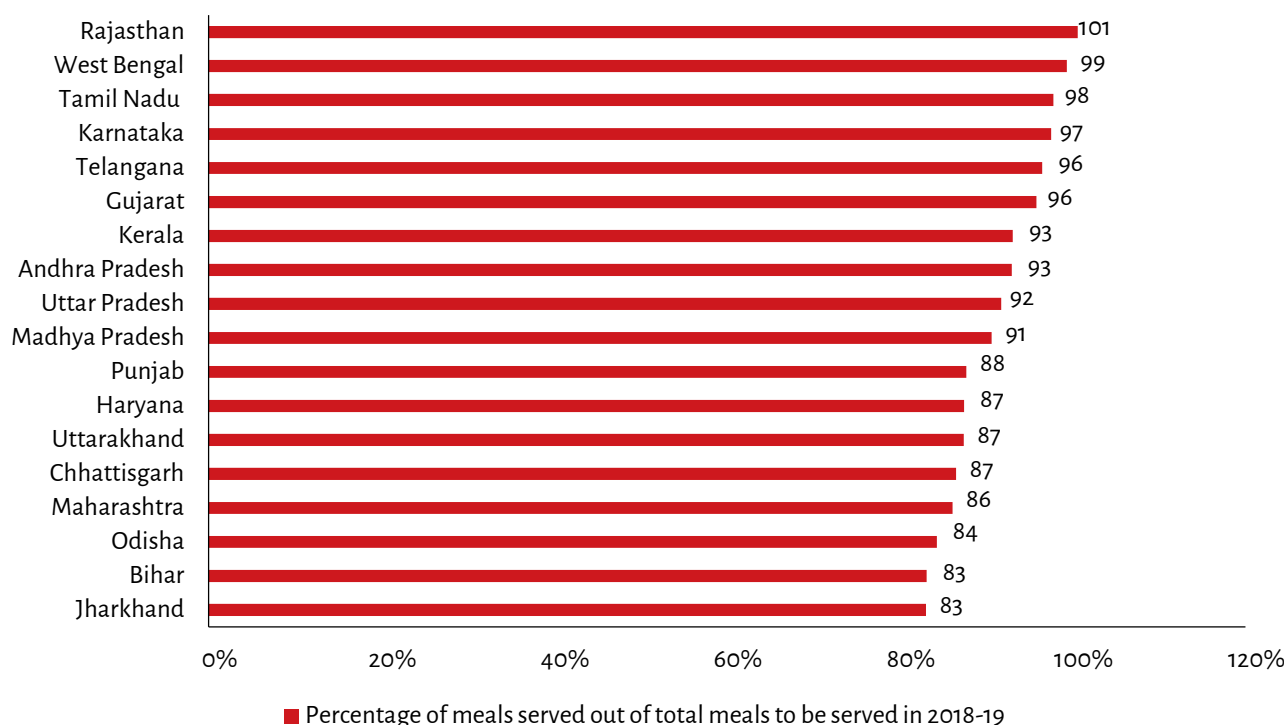
Coverage

- As per the data reported on the MDM portal, in the year 2018-19, 9.12 crore children benefited from the MDM scheme in 11.35 lakh schools across the country.
- State governments develop estimates on the number of meals to be served based on the number of children availing MDM in the previous year, which are approved by the PAB.
- Coverage can be measured in three ways:-
 - o First, by comparing the number of meals to be served with the number of meals actually served.
 - o Second, the proportion of enrolled children availing MDM out of the total number of children approved by the PAB, and
 - o Third, the proportion of children availing MDM out of total enrolled children.
- Analysis has been undertaken for all three metrics.

Number of Meals Served

- On average, across India, meals served as a proportion of those approved stood at 91 per cent in FY 2018-19.
- There are, however, state differences. In FY 2018-19, in Rajasthan, more meals were served than approved. The number of meals served was also high in West Bengal (99 per cent), Tamil Nadu (98 per cent), Karnataka (97 per cent), Telangana (96 per cent), and Gujarat (96 per cent).
- In contrast, the proportion of meals served out of approved was low in Odisha (84 per cent), Bihar (83 per cent), and Jharkhand (83 per cent).

91% OF APPROVED NUMBER OF MEALS SERVED IN 2018-19

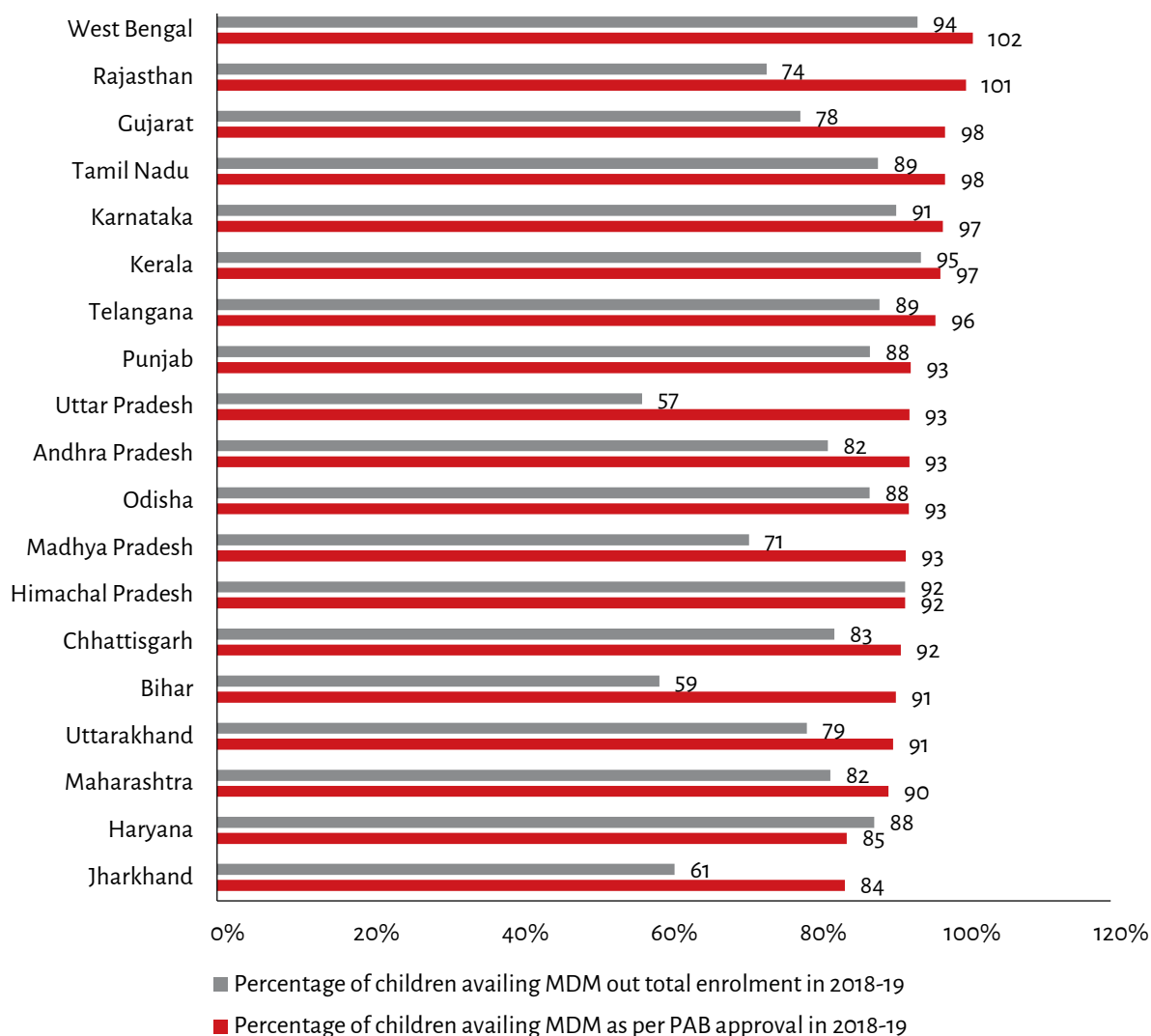


Source: Factsheet of PAB meetings, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 23 December 2019.

Children availing MDM out of those approved by PAB

- There are also differences in the proportion of children availing MDM out of those approved as per the PAB. For instance, in FY 2018-19, while proportions exceeded approvals in West Bengal and Rajasthan, it was low in Haryana (85 per cent) and Jharkhand (84 per cent).
- Differences increase when compared with the number of children enrolled as per PAB. Thus, while over 102 per cent of PAB approved children availed MDM in West Bengal, as a proportion of PAB enrolment it was 94 per cent. Similarly, while as a proportion of approvals, the children availing MDM in FY 2018-19 stood at 101 per cent, which decreased to 74 per cent when compared with MDM-PAB enrolment figures.
- Differences were amongst the highest in Bihar and Uttar Pradesh. Thus, in FY 2018-19, while over 90 per cent of approved children as per the PAB availed MDM in both states, as a proportion of enrolment, the figures stood at 59 per cent for Bihar and 57 per cent for Uttar Pradesh.

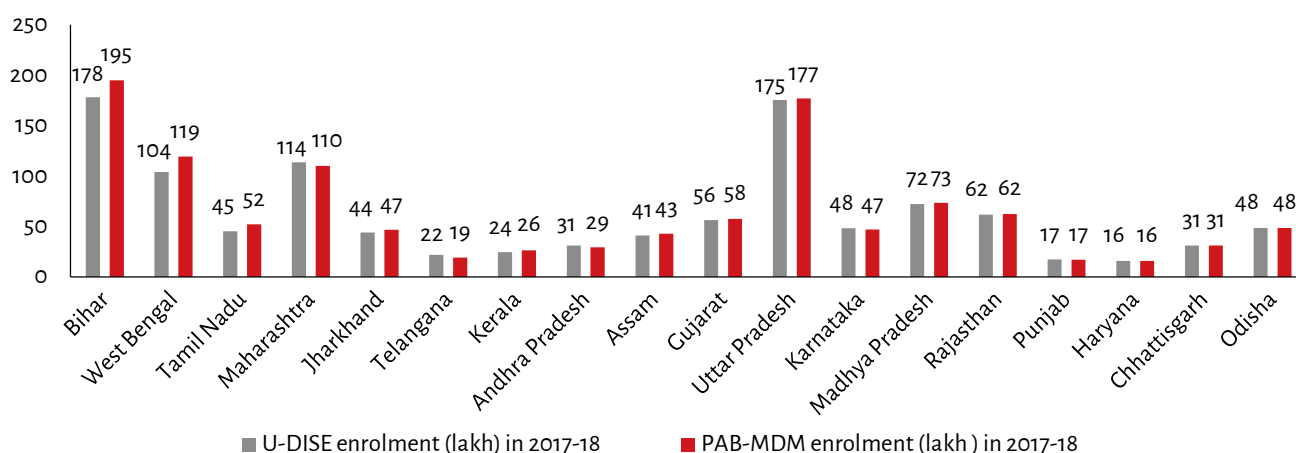
GAPS IN CHILDREN AVAILING MDM OUT OF THOSE APPROVED AND TOTAL ENROLMENT AS PER PAB



Source: Factsheet of PAB meetings, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 23 December 2019.

- There are also differences in enrolment figures as per Unified District Information System for Education (U-DISE) and those stated in the PABs. On average, enrolment in the MDM-PAB was higher than those reported in U-DISE for 2017-18. Thus, for Bihar enrolment as per PAB for 2017-18 stood at 178 lakh, it was 17 lakh higher in the enrolment figures as per the U-DISE. Similarly, there was a difference of 15 lakh in West Bengal and 7 lakh in Tamil Nadu.
- In a few states including Maharashtra, Telangana, Andhra Pradesh, and Karnataka enrolment figures reported in U-DISE were higher than those reported in the PAB.

ON AVERAGE, ENROLMENT IN THE MDM-PAB WAS HIGHER THAN THOSE REPORTED IN U-DISE

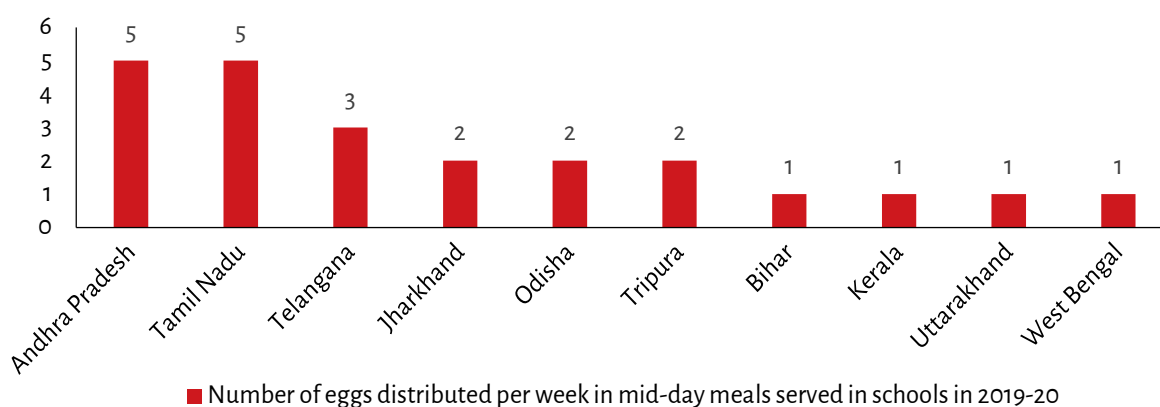


Source: (1) AWP&B of PAB meetings, Table AT-4 and 5, FY 2019-20. (2) Enrolment in FY 2017-18: Authors' calculation based on raw data accessed from U-DISE School Report Cards portal for the academic year 2017-18, National Institute of Educational Planning and Administration (NIEPA).

Provision for Additional Nutrition

- Boiled eggs were first introduced in Tamil Nadu in 1989. The supply of eggs has been reported to have had a positive impact on dropout rates for primary schools. Many other states have now included eggs in their menu.
- In FY 2018-19, 10 states provide eggs under the MDM. While states such as Andhra Pradesh and Tamil Nadu provide 5 eggs a week, others such as Bihar, Kerala, Uttarakhand, and West Bengal provide eggs once a week.

10 OUT OF 29 STATES PROVIDE EGGS UNDER MDM



Source: (1) Minutes of the meeting of Programme Approval Board – Mid Day Meal, Appendix II, FY 2019-20. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 3 January 2020.