A Review of Planning, Budgeting and Expenditure for Family Planning under National Health Mission

Investments by the government in family planning are critical for population stabilization, thereby improving maternal and child health, and fostering growth of the nation. A study commissioned by Population Foundation of India (PFI) - "**Planning, Budgeting and Expenditure for Family Planning under National Health Mission: A Review**" - analyses budget allocations for family planning activities under the National Health Mission in 18 High Focus States (HFS)[1], and its spending in Bihar and Uttar Pradesh. The study reveals that while allocations for family planning have increased over time with variations between states, its utilisation tends to be much slower paced. It lays forth the reasons behind inadequate allocations and expenditure, captures best practices, and suggests potential solutions in terms of policy and programme actions to augment spending and more efficient utilisation of family planning resources.

Background

The Family Planning (FP) Programme in India rests on a rights-based voluntary approach to meet the reproductive health needs of its people. At the global level, India has pledged to provide universal access to reproductive health services including FP services by 2030 as a signatory of the Sustainable Development Goals. It has also committed to investing $3 billion by 2020[2] at the FP2020 Summit. In 2016, the Government of India expanded the basket of choice for contraceptives in the public health system from five to eight, with the addition of Centchroman, Progestin Only Pills (POPs) and the injectable contraceptive Depot Medroxyprogesterone Acetate (DMPA).

47.8%
Modern contraceptive use

75.3%
Female sterilisation, of all modern contraceptive methods

13%
Unmet need for contraception (NFHS-4)

This translates to ***30 million women*** who wish to delay or avoid pregnancy but do not have access to contraceptives *(calculated from Census 2011 data)*

The study

The study "Planning, Budgeting and Expenditure for Family Planning under National Health Mission: A Review" examines trends in the proposed and approved budgets for FP activities. It covered three Financial Years – 2014-15, 2015-16 and 2016-17 and spanned 18 High Focus Large States, including the North Eastern states, together accounting for almost 60% of the total National Health Mission (NHM) allocations. The study reviewed the current allocation and spending for FP and analysed shortfalls in implementation. The districts of Gaya and Araria in Bihar and Faizabad and Barabanki in Uttar Pradesh were chosen for a deeper analysis to understand the reasons for low allocations and expenditure.

Findings

Trends in budget allocations for family planning – an analysis of 18 High Focus States

The trends in budget allocation for family planning reveal that on an average, the High Focus Large States (HFLS) allocate 4 % of their NHM budgets for family planning while the North Eastern states allocate 2%. The budgets for FP in the HFLS increased by 46% (Rs. 515 crores to Rs. 752 crores) between 2014-15 and 2016-17 in comparison to the High Focus North East (HFNE) states, where the increase has been marginal.

An inter-state analysis of trends in the share of proposed NHM budgets for family planning in the HFLS for the three Financial Years shows a wide variation that ranges between 1.0% and 5.5% (Fig.1). While there is an increase in most (seven out of ten) of the HFLS in 2015-16, these are inconsistent, except in Bihar and Madhya Pradesh, where the proposed FP budgets have increased steadily over the years. In Jharkhand and Himachal Pradesh, the budget proposals for FP declined. Lower budget proposals are also evident in Uttar Pradesh (3.4%), Odisha (2.5%) and Rajasthan (3.4%) in 2016-17.

Among the High Focus North East states (HFNE), Assam is the only one that has consistently proposed higher budgets for family planning since 2014-15. Declining trends for FP in budget proposals were observed in at least 50% of the HFNE states in 2016-17.

1 Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Rajasthan, Sikkim, Tripura, Uttarakhand, Uttar Pradesh
2 FP2020 London Summit, India Country Report, July 2017

Trends in approval of family planning budgets

The Centre's priority to family planning activities is reflected in the approval rates of the budgets proposed by the states. In 2016-17, more than 90% of the FP budgets proposed were approved by the Centre in 11 of the 18 High Focus States. Uttar Pradesh is the only HFLS that received a lower approval (76%). However, the North Eastern states, with the exception of Sikkim and Mizoram, have lower approvals.

Trends in composition of family planning budget

The HFLS allocated close to 70% of their family planning budgets for limiting methods of contraception, including female sterilisation and Non-Scalpel Vasectomy, compensation for female and male sterilisation and accreditation of private providers for sterilisation services (Fig. 2). 10% of the budget in these states is allocated for incentives to ASHAs and FP counsellors. Spacing methods received a low allocation of 3-4% of the total FP budget in the HFLS states, while in the HFNE states, the allocation for spacing ranges between 5-6% (Fig. 3). HFNE states prioritise provider incentives (16%), drugs and supplies (14%), training (9%) and IEC/BCC activities (10%).

Allocation of family planning budgets

An analysis of the FP budgets reveal the skew towards limiting methods i.e. female sterilisation. Budget allocations in the HFLS for spacing have fluctuated between 3% and 4% between 2014-15 and 2016 -17, and for limiting methods has increased from 62% to 68% between 2014 -15 and 2016 -17. Being a young country with 27.5% of its population in the 15-29 age group (Census 2011), India needs to focus on methods for delaying or spacing births, rather than permanent methods. The current funding of family planning activities may not fulfil the needs of over half our population in the reproductive age.

In addition, budget allocations towards training of health personnel and promoting social and individual behaviour change through communication in the HFLS have remained constant at 3% during the years under review. In fact, allocations for training have declined further in recent budgets, even though there is an evident need for capacity building of health workers on the new contraceptive methods.

Figure 1: FP Proposed Budget as a percent of Total NHM Proposed: High Focus Large States

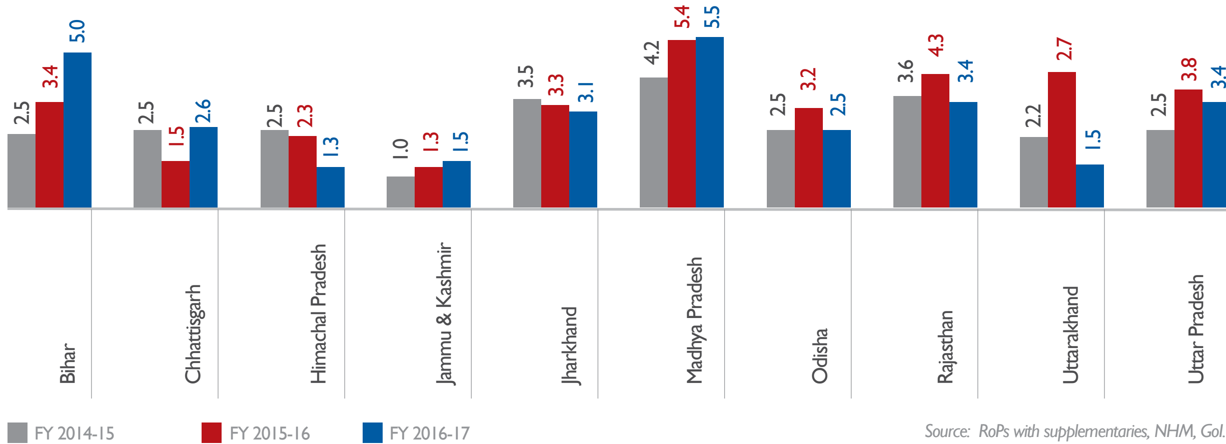
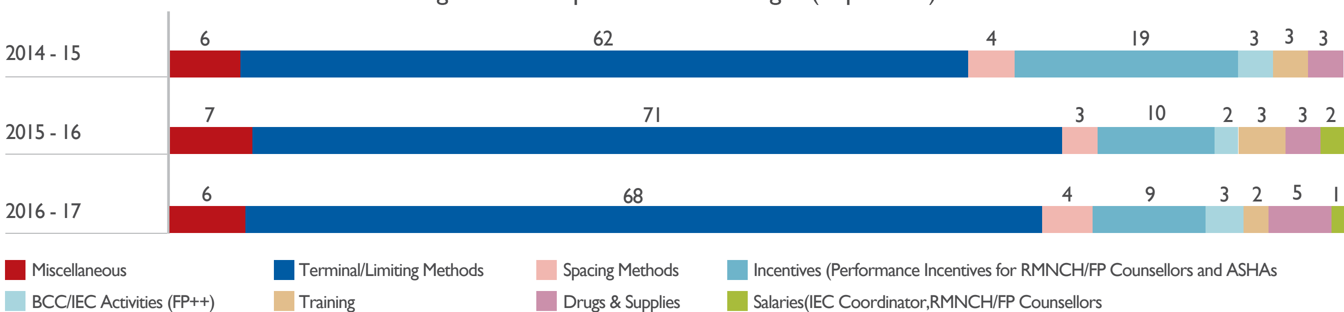
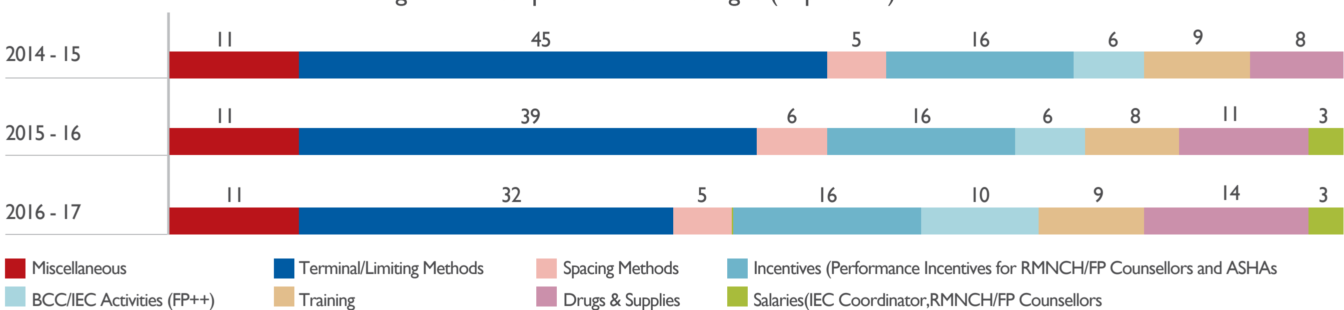


Figure 2: Composition of FP budget (in percent) - HFLS



Source: RoPs with supplementaries, NHM, GoI.

Figure 3: Composition of FP budget (in percent) - HFNE



Source: RoPs with supplementaries, NHM, GoI.

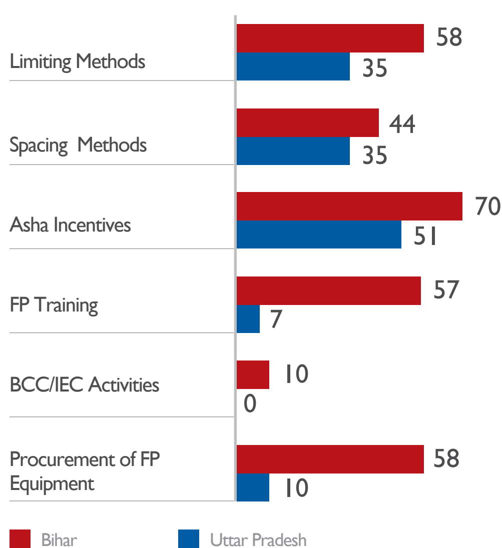
In comparison, the HFNE states seem to have shifted priorities in family planning resource allocation, with budgets for limiting methods declining from 45% in 2014-15 to 32% in 2016-17. Higher allocations are made for spacing methods, IEC/BCC activities, FP training and provision of drugs and supplies in HFNE states.

Spending of family planning budgets in Uttar Pradesh and Bihar

The spending of family planning budgets is sub-optimal in both Bihar and UP, which utilised 55% and 34% respectively of the allocated budgets in 2016-17.

Similar to allocations, the spending for family planning activities is also skewed towards limiting methods and incentives to frontline health workers. In Bihar, while 82% of the budgets are assigned to limiting methods, just 58% is utilised; in UP, of the 60% budget allocated for limiting methods (Fig. 4), only 35% is used. About 50-70% of the money available for incentives gets utilised. However, spending on spacing methods is very low. Just 35 to 44% of the allocated budgets are utilised in UP and Bihar respectively. Similarly, only 10% of allocations for IEC/BCC activities was spent in Bihar; in UP the funds for this activity remained unutilised in 2016-17. Utilisation of budgets for training also remains low, especially in UP where only 7% of the allocated budget was spent. These figures indicate a dissonance with current requirements based on India's demographic profile, and are likely to have an impact on the uptake of the new contraceptives introduced in public health facilities.

Figure 4: Utilisation of budgets for family planning activities in 2016-17 (in percent)



Common challenges in planning, allocation and spending family planning budgets

The study noted several constraints that hinder family planning budget allocations, resource availability and spending in Bihar and Uttar Pradesh:

→ **Limited decentralised planning:** The district level planning process which requires the consolidation of resource requirements at the village, block and district levels appears to be weak in these states. As a result, there is no analysis of expenditure on family planning activities. PIP budget proposals continue to be prepared at the state level using an incremental budgeting approach, with a 10% increase over the previous year's budget. Therefore, districts remain unaware of the money they are likely to receive and fail to strategise their spending.

→ **Delays in PIP approvals and release of funds:** Although the preparation of PIPs for the next Financial Year are initiated in the third quarter of the current year, they get approved during the second quarter of the next financial year, with a gap of six to nine months. About 53% of approved funds are released more than a year after the planning has taken place, leaving hardly any time for the districts to spend the money as per their needs.

→ **Inadequate data management systems:** Systematic processes to monitor and track progress in fund utilisation are not available at the state and district levels.

→ **Lack of integration in accounting systems:** Different accounting standards between the treasury and the Public Financial Management System result in transparency and accountability issues, thereby making it difficult to track disbursements and the use of funds.

→ **Low priority for family planning:** Districts are directed to concentrate spending on priority programmes such as the Janani Suraksha Yojana within the NHM, which does not have a ceiling on spending. As a result, family planning activities are often set aside and there is no clear strategy for focused spending of family planning budgets.

Recommended actions

Specific action points to strengthen activities related to the planning, allocation and utilisation of family planning budgets include:

1. ***Need-based budgets aligned with per capita eligible population:*** The current budgetary allocations for family planning need to be revisited and planned in accordance with the reproductive health and family planning needs of the districts' eligible couple population. Most importantly, states need to prioritise and devise mechanisms to plan and budget for unmet need for family planning.

2. ***Increase resource envelope for spacing methods:*** As against the current allocation trends, it is necessary to increase allocations for spacing methods and components such as IEC/BCC and training. These are critical to expanding the availability of the three new spacing methods introduced into the public health system in addition to those that already exist.

3. ***Separate training on PIP planning and budgeting at the decentralised level:*** State PIPs need to appropriately reflect the priorities and financial needs of family planning at the block and district levels. It is imperative to build the capacities of concerned officials at these levels in developing plans and preparing budgets for family planning activities that will eventually be reflected in the budget proposals of the state.

4. ***Strengthen capacity of districts to plan and operationalise family planning budgets:*** There is a time lag between the approval of budgets and their arrival at the districts. Hence, there is a window of at least three to four months with the district and this time should be used to prioritise and plan for family planning activities proposed in the PIP. This will ensure that the district is prepared to operationalise the planned activities immediately on receipt of funds from the State Health Society.

5. ***Integrate financial management systems into a single platform:*** Different financial management standards between the treasury and the PFMS result in poor transparency and accountability, thereby making it difficult to track disbursements and the use of funds. There is therefore a need to streamline the financial systems and integrate them with the PFMS at the district level, so that funds for family planning can be tracked right from the stage of disbursement to their last point of use.

6. ***Regular tracking of fund availability to facilitate optimal use:*** Poor quality of data and gaps in them results in lack of evidence for planning and monitoring. Differences in formats and repeated adjustments through the year make it difficult to track fund flows and ensure accountability. Institutionalising better data management systems and strengthening the existing ones will enable better decision-making and the optimal utilisation of available budgets.

Changes in spending family planning budgets after the study period

After the launch of Mission Parivar Vikas, that aims to increase access to contraceptive and family planning services in 146 High Focus Districts, there has been a change in spending patterns. The utilisation of family planning budgets in Uttar Pradesh have increased from 39% in 2016 -17 to 66% in 2017-18, and in Bihar from 57% to 62% during this period. Discussions with the Chief Medical Officers (CMOs) and District Programme Managers in Uttar Pradesh revealed a few positive steps taken to expedite utilisation of FP budgets in 2017-18.

The positive steps that have helped in improved utilisation in Uttar Pradesh are:

- Acceleration of PIP approval processes from the Centre, making funds for family planning available in the first quarter
- Clear communication from the state Mission Director, NHM to the CMOs of all districts directing them to ensure 100% utilisation of the approved family planning budgets
- Providing funds on a quarterly basis to the districts so that regular activities can continue
- Sustained monitoring leading to increased spending on several family planning activities
- Enhanced autonomy and flexibility in making approvals at the district level by CMOs

Best practices in planning, allocation and spending family planning budgets

It was observed that Tamil Nadu, Uttarakhand and Madhya Pradesh had better spending rates in the period from 2014-15 to 2017-18 as compared to Bihar and Uttar Pradesh. Some of the promising practices that emerged through discussions with state NHM officials in charge of family planning in these three states are detailed below:

Planning and budgeting process	Spending mechanisms	Review mechanism
→ Family planning budgets are prepared realistically in line with the eligible couple population distribution; budgets in the PIP are proposed on the basis of their spending capacities. → Focused training on planning and budgeting activities in the PIP, including budgeting for family planning activities, has been provided to block and district level officials. As the demand for family planning services increased, the states proposed higher amounts in their PIPs and got them approved from the Centre.	→ At the start of the Financial Year, letters and guidelines are issued from the State Health Society to the District Health Societies with intimation of funds approved to ensure seamless utilisation. → Direct financial powers with implementing units (Primary Health Centres, Community Health Centres, Sub-district hospital, District Hospital) through the District Health Society and Patient Welfare Societies have delinked the approval process from district authorities and enabled increased spending in accordance with local needs. → Decentralised delegation of financial powers has helped expedite spending and make timely payments. Direct Benefit Transfers through the PFMS at the block level have ensured that incentives reach beneficiaries and frontline health workers on time. → CMOs approve regular activities in concurrence with the District Health Society. This enables the districts to carry out the activities and book the expenditures simultaneously, thereby ensuring a balance between physical and financial outputs.	→ Periodic financial and physical review meetings at the district and state levels are conducted to simultaneously track the activities undertaken and their related expenditures. This includes comprehensive financial reviews of disbursements through the PFMS and FMRs on a monthly basis. The review process has enabled the states to spot gaps and address them in a time bound manner. → Block-wise reviews helped to identify the blocks that performed well and those that did not. The better performing blocks are incentivised through additional funds, while the least performing ones are penalised for under-spending by reducing their disbursements.