



BUDGET BRIEFS

Vol 13/Issue 10

Mid-Day Meal Scheme (MDM)

GoI, 2021-22

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

Against the backdrop of the COVID-19 pandemic, this brief uses government data to analyse:

- Past trends in allocations, releases, and expenditures;
- Provisioning of MDM during the pandemic including additional funding during the summer months;
- Timing of GoI releases, with a focus on key components; and
- Coverage.

Cost share and implementation:

Funds are shared between GoI and the state governments in a 60:40 ratio for cooking cost and honorariums. GoI bears the entire cost for other recurring components. For states from the North Eastern Region (NER) and Himalayan states, the sharing ratio is 90:10. Union Territories (UTs) without legislature are fully funded by GoI.

HIGHLIGHTS

₹ 93,224 cr

GoI allocations for Ministry of Education (MoE) (erstwhile Human Resource Development) for FY 2021-22

₹ 11,500 cr

GoI allocations for MDM in FY 2021-22

SUMMARY & ANALYSIS

- During Financial Year (FY) 2020-21, in order to ensure adequate provision during the COVID-19 pandemic, GoI had announced an increase in MDM allocations to ₹13,400 crore – up from ₹11,000 crore in the Budget Estimates (BEs). Revised Estimates (REs) for the year, however, stood at ₹12,900 crore or 4 per cent less than the announcement.
- For FY 2021-22, GoI has allocated ₹11,500 crore for MDM, an 11 per cent decline from previous year's REs but a 5 per cent increase from the BEs.
- Release of funds to states as a share of GoI approved budget declined marginally in FY 2020-21. In FY 2019-20, 77 per cent had been released till December (three-quarters into the fiscal year). In FY 2020-21, for the same period, 73 per cent of approved budgets had been released to states.
- In FY 2020-21, as a one-time measure due to school closure because of the COVID-19 pandemic, MoE announced an additional fund release of ₹1,600 crore to provide MDM or Food Security Allowance (FSA) during the summer vacation. The pace of release of funds has been slow. Six states and UTs did not receive any funds till 31 December 2020 and the rest received it between September and November 2020.
- Coverage of FSA has been high. Twenty-seven lakh more students were provided FSA than initially approved for FY 2020-21.

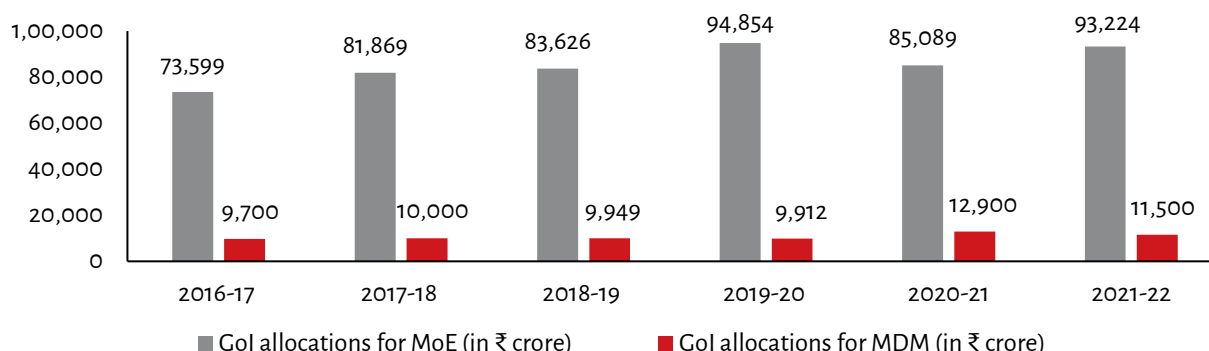
- The National Programme of Mid-Day Meals in School (MDM) is a Centrally Sponsored Scheme (CSS) of the Ministry of Education (MoE), erstwhile Ministry of Human Resource Development. It aims to provide school meals to students with a view to enhance enrolment, retention, and attendance while simultaneously improving nutritional levels. Since 2007, the scheme covers all government, local body, government-aided primary and upper primary schools, and the Education Guarantee Scheme/Alternate Inclusive Education centres (including Madaras and Maqtabs) across the country.

TRENDS IN GOI ALLOCATIONS, RELEASES AND EXPENDITURES

Allocations

- At the start of Financial Year (FY) 2021-22, Budget Estimates (BEs) for MoE stood at ₹93,224 crore. This was a 10 per cent increase from the previous year's Revised Estimates (REs) but a 6 per cent decrease from the BEs.
- MDM is the second largest scheme of MoE, accounting for 12 per cent of the Ministry's allocation in FY 2021-22.
- The COVID-19 pandemic has had a direct impact on the scheme's delivery. MDM is usually given to students during school hours. The closure of schools due to the pandemic and subsequent lockdown led to the non-supply of MDM in many states. In March 2020, the Supreme Court of India instructed states to provide Food Security Allowance (FSA) comprising foodgrains, pulses, oil, etc., equivalent to the cooking cost or hot-cooked meals to children's home.
- Consequently, GoI allocations were increased to ₹13,400 crore in FY 2020-21. This included an additional allocation of ₹1,600 crore for providing MDM during the summer months, and ₹800 crore to meet the enhanced expenses of cooking cost. Despite this announcement, REs for FY 2020-21 were actually 4 per cent lower and stood at ₹12,900 crore.
- Allocations for the scheme have remained relatively stagnant over the last five years. In Union Budget 2021, GoI has allocated ₹11,500 crore for MDM, an 11 per cent decline from the previous year's REs and 5 per cent increase from the BEs.

₹11,500 CRORE ALLOCATED FOR MDM IN 2021-22, 11% DECLINE FROM PREVIOUS YEAR'S RES



Source: Union Expenditure Budget, MoE, FY 2017-18 to FY 2021-22. Available online at: <https://www.indiabudget.gov.in>. Last accessed on 1 February 2021.

Note: Figures are in crores of Rupees and are Revised Estimates (REs), except for FY 2021-22, which are Budget Estimates (BEs).

- Allocations have also remained lower than those demanded by MoE even prior to the pandemic. In FY 2018-19, while MoE had requested ₹12,147 crore for MDM, revised allocations stood at ₹9,949 crore or ₹2,198 crore less than the demand. Similarly, in FY 2019-20, revised allocations were 18 per cent less than the Ministry's demand of ₹12,054 crore.

- For FY 2020-21, the Ministry had proposed allocations of ₹19,946 crore and requested expanding coverage to include pre-primary and Grades IX-XII, additional funds for providing breakfast, and a revision of honorarium to Cook-Cum-Helpers. Revised allocations, however, were below this demand by 35 per cent.

TRENDS IN STATE-WISE ALLOCATIONS AND EXPENDITURES

- Release of funds for MDM are based on plans submitted by states estimating the number of children likely to avail MDM and approved cost norms. Budgets proposed by states are approved by the Programme Approval Board (PAB) for MDM under MoE, 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 the unutilised amount from the previous year. Once approved, funds are released by both GoI and states as per their fund sharing ratio.

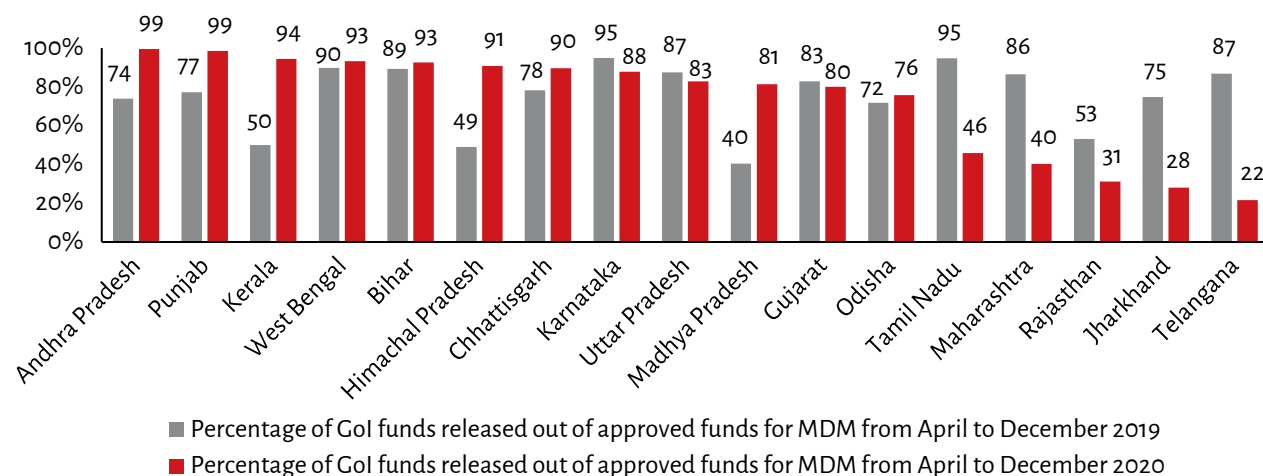
Approvals

- Even prior to the pandemic, not all states had received full approval of their plans. In FY 2020-21, 22 states had their entire proposed budgets approved by GoI. This was lower than in FY 2019-20, when 25 states had 100 per cent of their proposed budgets approved.

Releases

- The COVID-19 pandemic has resulted in a decrease in GoI releases across most ministries. Till December 2020, only 59 per cent of total BE for MoE had been released. The proportion for the same period in FY 2019-20 was 72 per cent.
- Despite some slowdown, the pace of fund release for MDM was relatively faster. In FY 2019-20, 86 per cent of the MDM approved budgets had been released by GoI, and 77 per cent had been released till December (three-quarters into the fiscal year). In FY 2020-21, till 31 December 2020, 73 per cent of approved budgets had been released.

IN 2020-21, 73% OF GOI APPROVALS WERE RELEASED FOR MDM TILL DECEMBER, COMPARED TO 77% IN 2019-20 TILL DECEMBER



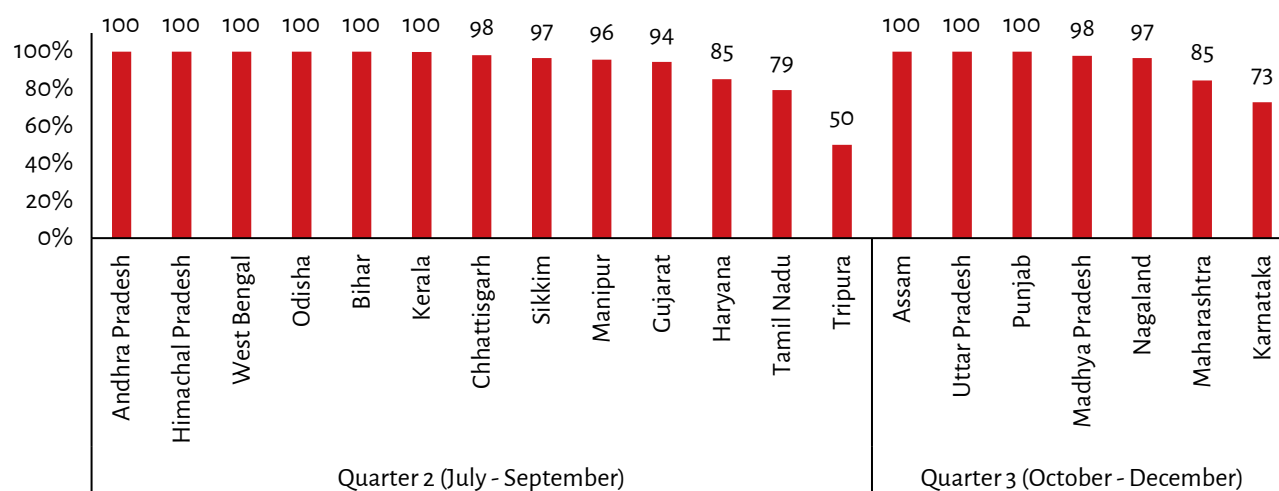
Source: (1) PAB Minutes, PAB Meeting for MDM, FY 2019-20 and FY 2020-21. (2) Central Assistance Released, FY 2019-20 and FY 2020-21. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 1 January 2021.

- There are, however, state-wise differences. Funds released out of approved budgets were lower for 18 states and UTs this year till December compared to the previous year. The difference was over 60 percentage points for Telangana, and over 40 percentage points for Tamil Nadu, Maharashtra, and Jharkhand.
- In contrast, Kerala, Andhra Pradesh, Himachal Pradesh, and Punjab released significantly more funds in FY 2020-21 till December than the same period in FY 2019-20.

MDM PROVISIONING DURING SUMMER VACATION

- In FY 2020-21, as a one-time measure due to the COVID-19 pandemic, MoE announced additional fund release of ₹1,600 crore to provide MDM or FSA during the summer vacation.
- The pace of fund release for this component has been slow. While summer vacations fall between May-June, no funds were released in the first quarter. Instead, states started receiving funds only towards the end of the second quarter, i.e. from September 2020. In fact, six states and UTs had not received any funds till 31 December 2020.
- Out of the 27 states and UTs that did receive any funds, 14 received them at the end of the second quarter, and 13 at the start of the third quarter, i.e. between October and November.
- Even in terms of the quantum of funds received, only 10 states and UTs got 100 per cent of their PAB approved amount. Others such as Tamil Nadu and Karnataka received less than 80 per cent of the approved amount, and Tripura received only 50 per cent.

AS ON 31 DECEMBER 2020, 6 STATES AND UTs DID NOT RECEIVE ANY FUNDS FROM GOI UNDER MDM, FOR THE SUMMER VACATION PROVISION



■ Percentage of GOI funds released out of total approved funds for the provision of MDM during summer vacation

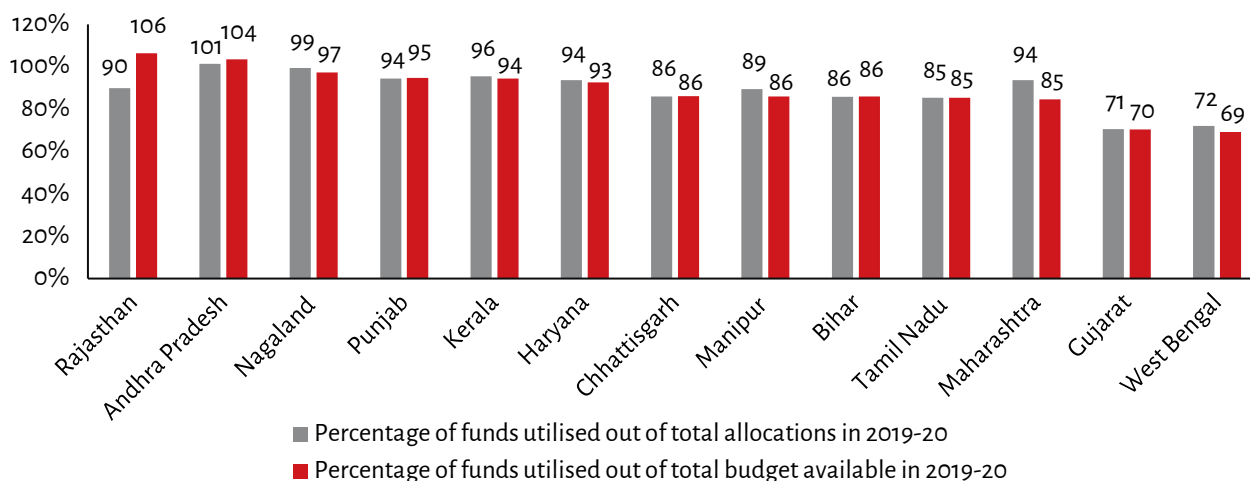
Source: (1) PAB Minutes, PAB Meeting for MDM, FY 2019-20 and FY 2020-21. (2) Central Assistance Released, FY 2019-20 and FY 2020-21. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 1 January 2021.

Expenditures

- Expenditures can be measured in two ways. First, as a proportion of the total allocation and second, as a share of total funds available. Fund availability each year includes opening balance (or unspent funds from the previous year) and releases by both GOI and states.

- FY 2019-20 is the latest year for which expenditure data are publicly accessible. In FY 2019-20, utilisation was amongst the highest in Rajasthan and Andhra Pradesh where more funds were utilised than available. In contrast, it was lowest in West Bengal (69 per cent).

ONLY 69% OF TOTAL AVAILABLE AMOUNT WAS UTILISED BY WEST BENGAL



Source: Allocation, Funds Available, and Utilisation from AWPBs of PAB meetings, FY 2020-21. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 23 December 2020.

Note: Only recurring costs have been considered and includes both state and Gol share.

COMPONENT-WISE TREND

Under MDM, funds are provided for the following activities:

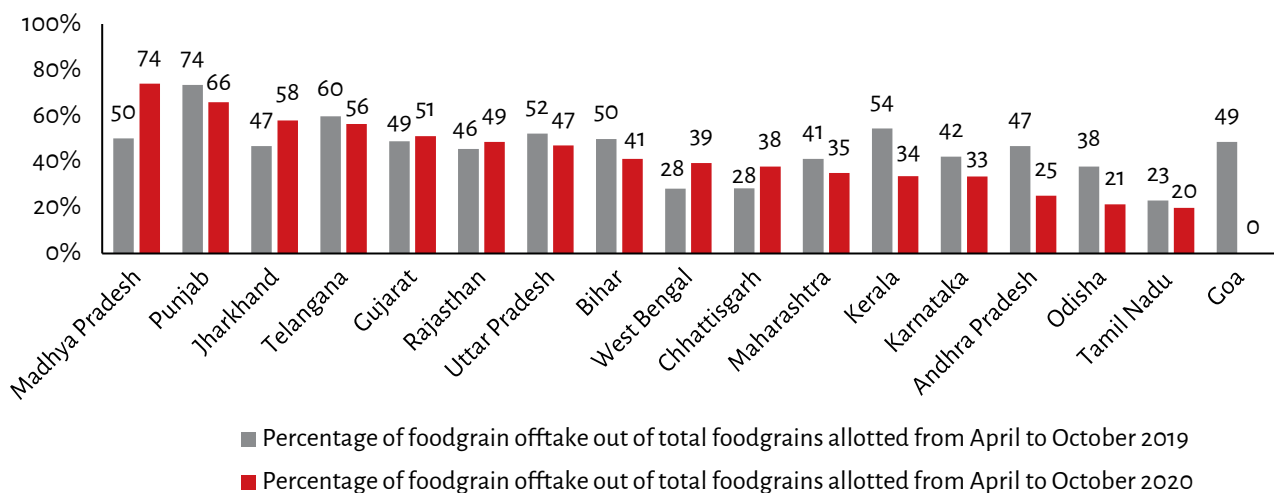
- **Foodgrains** – Gol norms stipulate that every child be allocated 100 grams of rice and wheat for primary schools (Grades I-V), and 150 grams for upper primary schools (Grades VI-VIII). Gol provides foodgrains free of cost through the Food Corporation of India (FCI).
- **Cooking Cost** – Costs of ingredients such as pulses, vegetables, cooking oil, salt, and condiments are provided on a per child, per day basis.
- **Honorarium to Cook-cum-Helper (CCH)** – Monthly honorarium for CCH is given at ₹1,000 for 10 months in a year based on the norm of one CCH per 25 students in a school.
- **Transportation Assistance (TA)** – TA is provided for carrying foodgrains from FCI depots to schools in all states/UTs at Public Distribution System (PDS) rates.
- **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.

Foodgrains

- 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 likely to avail MDM in the year.

- Wheat and rice grains are procured centrally by the FCI and sent to states. States and UTs further allocate foodgrains to their districts as per requirement. After receiving foodgrain allocations, the district administration schedules lifting from the local FCI depot. These may be lifted either monthly, bi-monthly, or on a quarterly basis. The cost of foodgrains supplied by the FCI is made available to district-level authorities in states/UTs directly by GoI as per the approved plan.
- In FY 2019-20, 82 per cent of the total amount of foodgrains allotted to states were lifted by them. In FY 2020-21, despite an increased dependence on foodgrains and an additional allocation for the summer months, offtake or lifting of grains by states from the FCI was slow. Till October 2020, only 42 per cent of the grains allotted to states was lifted by them. This was even marginally lower than the pace of offtake during the same period for FY 2019-20, which stood at 44 per cent.
- Of the total amount allotted, the amount lifted from the FCI was relatively higher for FY 2020-21 in Madhya Pradesh, Jharkhand, Gujarat, Rajasthan, West Bengal, and Chhattisgarh compared to the same period till October in FY 2019-20. For instance, Madhya Pradesh lifted more than 70 per cent of its allotted amounts by October 2020, as compared to 50 per cent by October 2019.
- On the other hand, for states such as Kerala, Karnataka, Andhra Pradesh, Odisha, and Tamil Nadu, offtake was much lower in FY 2020-21 till October 2020, compared to the same period in the previous year. In fact, Goa had not lifted any foodgrains till October 2020.

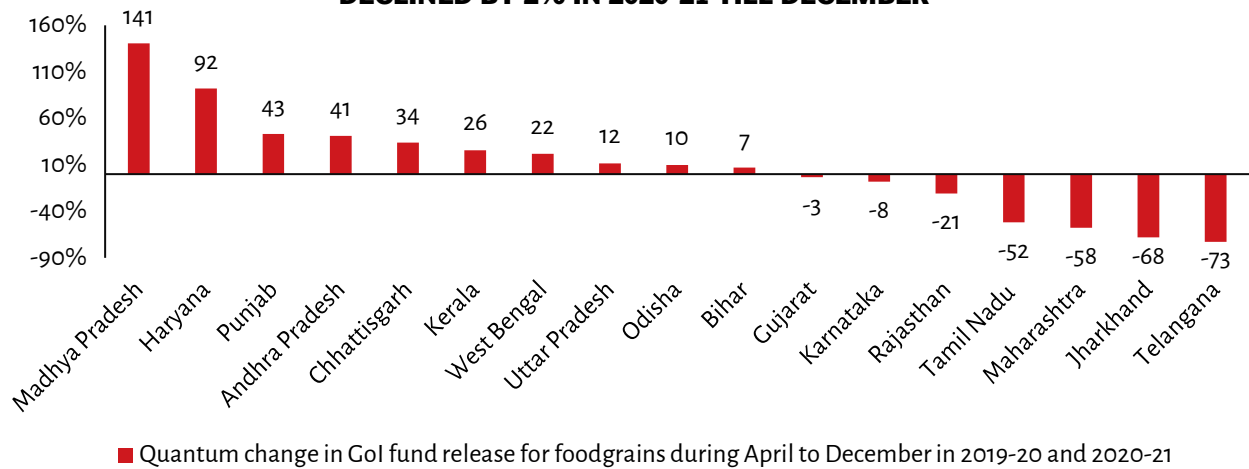
**42% OF ALLOTTED FOODGRAINS WERE LIFTED TILL OCTOBER 2020
COMPARED TO 44% TILL OCTOBER 2019**



Source: (1) Foodgrains allotted in FY 2019-20 and FY 2020-21. Available online at: <https://fci.gov.in/sales.php?view=36>. Last accessed on 24 December 2020. (2) Foodgrains offtake for FY 2019-20 and FY 2020-21. Available online at: <https://dfpd.gov.in/food-grain-bulletin.htm>. Last accessed on 24 December 2020.

- Apart from low lifting of foodgrains in FY 2020-21, GoI's release of funds for foodgrain procurement also declined by 2 per cent. In FY 2020-21, 15 states and UTs had spent less till December, compared to the previous year. Fund releases for foodgrains declined by more than 50 per cent for states such as Tamil Nadu, Maharashtra, Jharkhand, and Telangana.

TOTAL QUANTUM OF FUNDS RELEASED FOR FOODGRAIN PROCUREMENT DECLINED BY 2% IN 2020-21 TILL DECEMBER

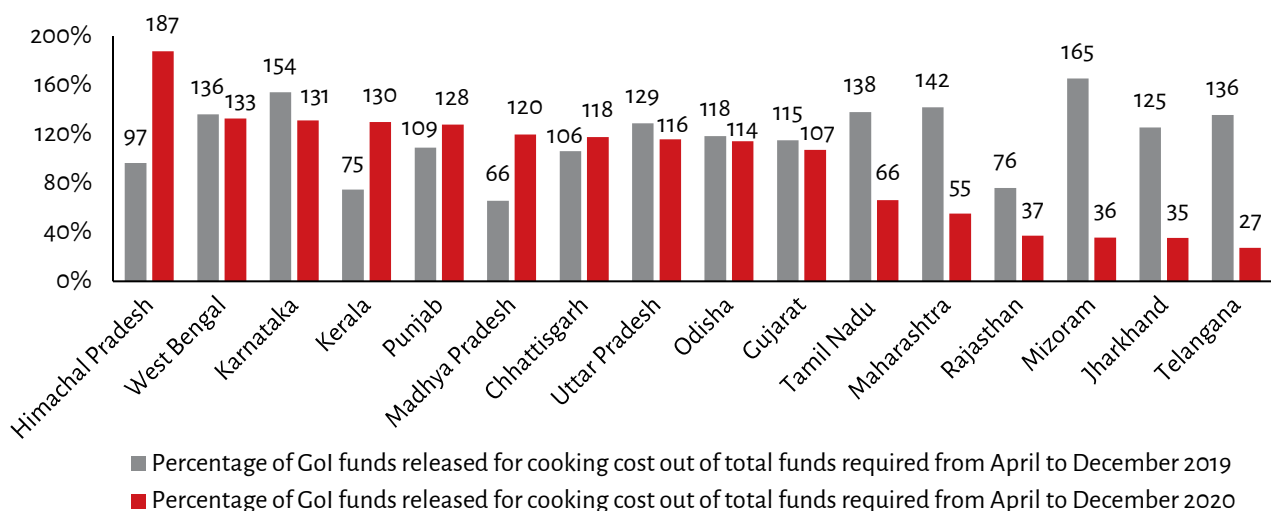


Source: Central Assistance Released, Cost of Foodgrains for FY 2019-20 and FY 2020-21. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 1 January 2021.

Cooking Cost

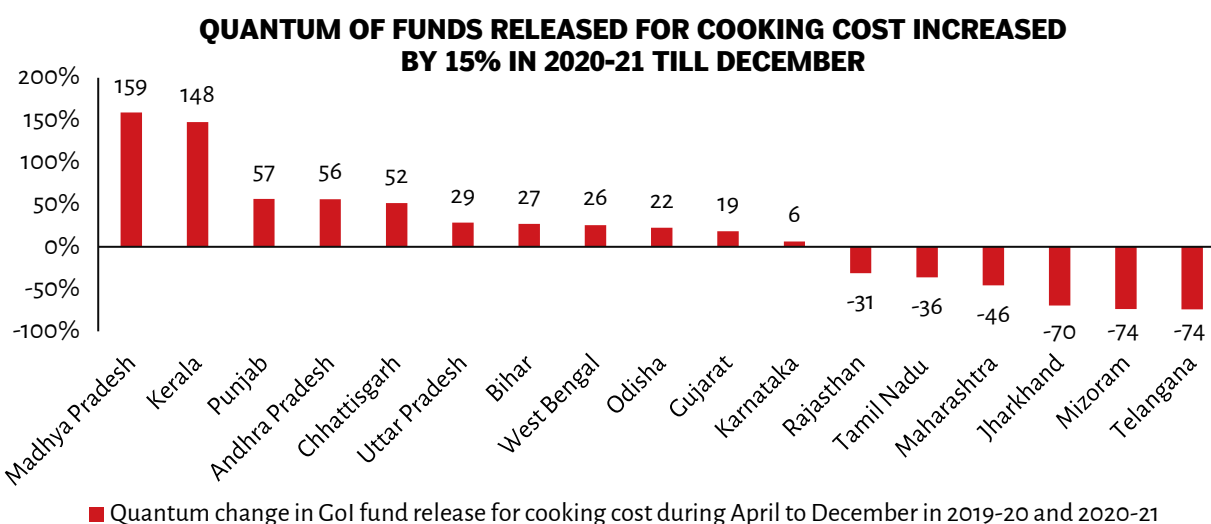
- Costs of ingredients such as pulses, vegetables, cooking oil, salt, and condiments, constituted the largest share of the MDM budget. As per the revised norms, in FY 2020-21, the minimum allocation for cooking cost per child, per day was increased from ₹4.48 in the previous year to ₹4.97 for primary school students (Grades I-V). It increased from ₹6.71 to ₹7.45 per child, per day for upper primary school students (Grades VI-VIII).
- A comparison of funds required for cooking costs (projected by multiplying the number of days with per-unit cooking costs) for the first three quarters of FY 2019-20 and FY 2020-21 with actual releases during the same period found that 105 per cent of funds required had been released in FY 2020-21 (till December) by Gol. The proportion for the same period in FY 2019-20 was 122 per cent.

MDM RELEASES FOR COOKING COST OUT OF FUNDS REQUIRED STOOD AT 105% IN 2020-21 TILL DECEMBER, AND 122% IN 2019-20 TILL DECEMBER



Source: (1) Central Assistance Released, Cooking Cost for FY 2019-20 and FY 2020-21. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 1 January 2021. (2) Funds required for Cooking Cost in FY 2020-21 from authors' calculation based on multiplying the number of days with per-unit cooking costs and PAB approved students.

- Higher release than the estimated requirement in both years is partly due to frontloading of releases in the first three quarters compared to the last quarter. For instance, in FY 2019-20, taking the entire financial year into account, release as a proportion of estimated requirements fell to 96 per cent.
- Despite the high releases, there are state-wide variations. In FY 2020-21, less than 50 per cent of the estimated funds required were released for Telangana, Jharkhand, Mizoram, and Rajasthan till December 2020.
- In FY 2020-21, in light of the COVID-19 pandemic, GoI allocations of cooking cost were enhanced from ₹7,300 crore to ₹8,100 crore. Till December, three-quarters into the financial year, 87 per cent of the allocations had been released.
- Release of funds in FY 2020-21 till December were on average 15 per cent higher than the same period in the previous year. There are, however, state differences. In FY 2020-21 till December, 13 states and UTs received less funds compared to the same period in the previous year. The decline was more than 60 per cent for states such as Jharkhand, Mizoram, and Telangana.
- On the other hand, states such as Kerala and Madhya Pradesh received more than double of what they had received in the previous year, till December.

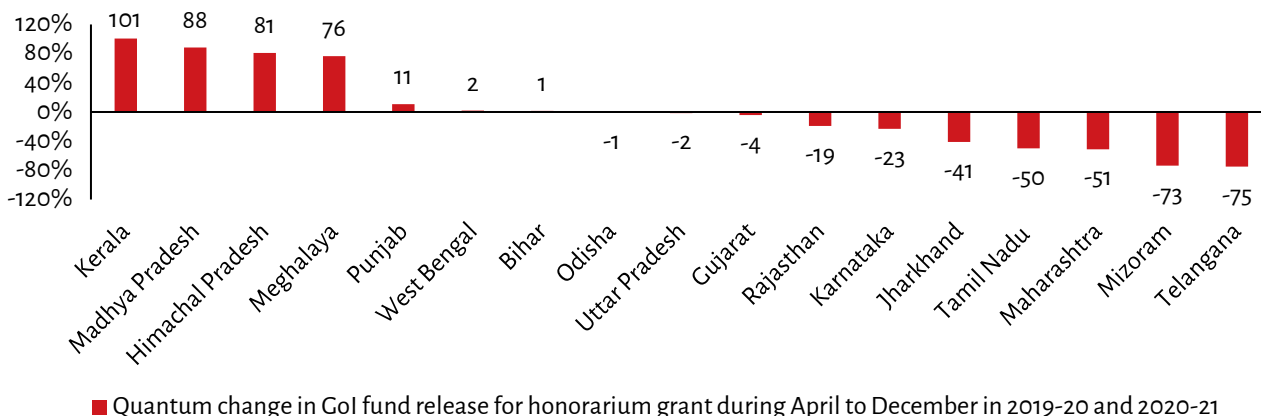


Source: Central Assistance Released, Cooking Cost for FY 2019-20 and FY 2020-21. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 1 January 2021.

Cooks-cum-Helpers (CCH)

- According to the norm, one CCH must be engaged in a school having up to 25 students, two CCHs for schools having 26 to 100 students and one CCH for every additional 100 students. An amount of ₹1,000 per month is provided as honorarium to a CCH for 10 months.
- Unlike cooking costs, on average, release of funds for CCHs declined by 6 per cent between April to December 2020 and the same period in FY 2019-20. State-wise releases show that 20 states and UTs received lower funds for honorarium till December 2020 compared to the same period in the previous year. The decline was more than 50 per cent for Telangana (75 per cent), Mizoram (73 per cent), and Maharashtra (51 per cent).

**FUNDS RELEASED FOR HONORARIUM DECLINED BY 6% IN 2020-21
TILL DECEMBER 2020 COMPARED TO SAME PERIOD FOR THE PREVIOUS YEAR**

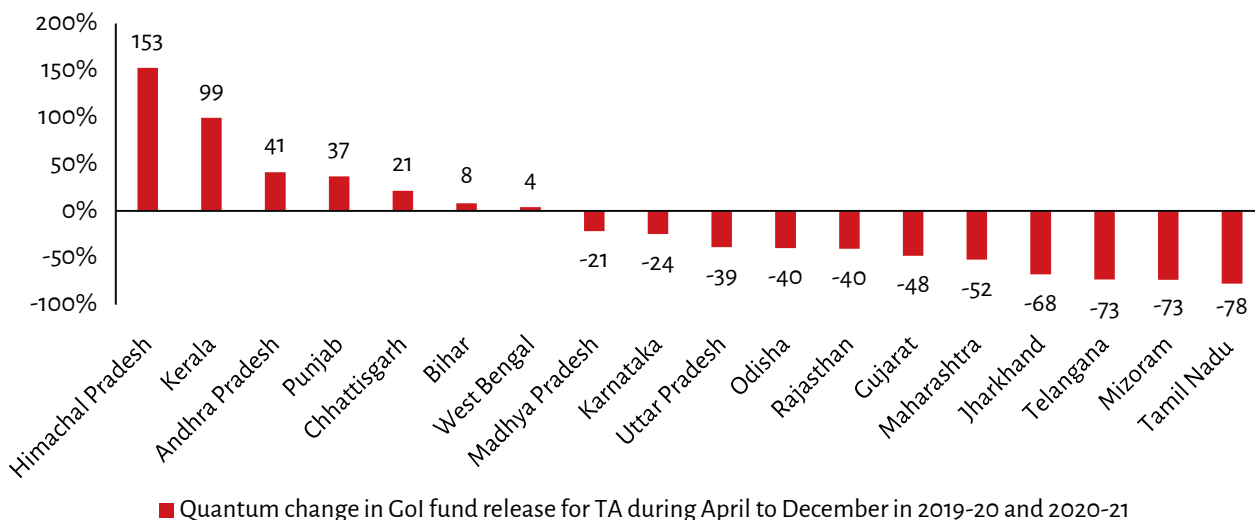


Source: Central Assistance Released, Honorarium to Cooks-cum-Helpers for FY 2019-20 and FY 2020-21. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 1 January 2021.

Transportation Assistance (TA)

- As per the norm, for transportation of foodgrains from the nearest FCI godown to the school, TA is provided based on the PDS rate prevalent in the states and UTs. As of April 2019, GoI revised the existing norms of TA at par with PDS rates in all states and UTs, subject to a maximum amount of ₹150 per quintal.
- Despite an increase in requirements for foodgrains due to the pandemic, the quantum of funds released for TA declined by 20 per cent between April to December in FY 2020-21 as compared to the same period in the previous year. Releases were lower in 22 out of 36 states and UTs. The decrease was more than 60 percentage points for Jharkhand, Telangana, Mizoram, and Tamil Nadu.

**20 STATES AND UTs SAW 20% DECREASE IN RELEASES FOR TA
TILL DECEMBER 2020 AS COMPARED TO DECEMBER 2019**



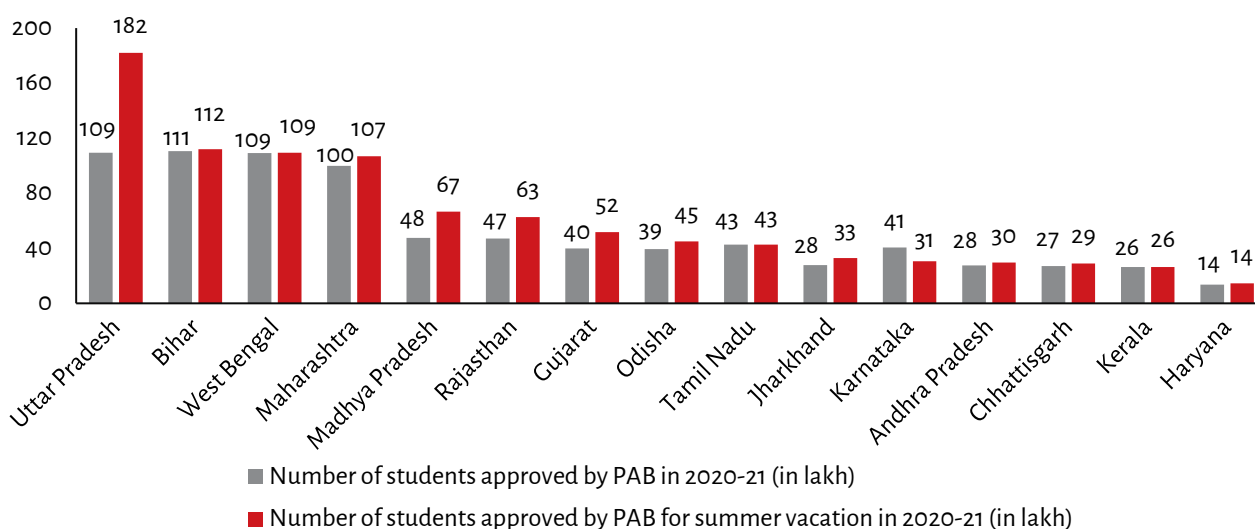
Source: Central Assistance Released, Transportation Assistance for FY 2019-20 and FY 2020-21. Available online at: http://mdm.nic.in/mdm_website/. Last accessed on 1 January 2021.

COVERAGE

Coverage During Summer Vacation

- The number of children approved to receive MDM for the summer vacation months was higher than those initially approved in the PAB at the start of FY 2020-21. For instance, while 9.25 crore students were approved by PAB at the start of FY 2020-21, the provision of MDM during the summer vacation was approved for 10.65 crore students. Part of this increase could be due to the return of migrant worker families following the nationwide lockdown announced due to the COVID-19 pandemic.
- For Uttar Pradesh, students for summer vacation as per the PAB stood at 182 lakh, 73 lakh higher than those previously approved for FY 2020-21. Similarly, there was a difference of 19 lakh in Madhya Pradesh and 16 lakh in Rajasthan. For Tamil Nadu and Kerala, on the other hand, there were no differences between the two figures.

140 LAKH MORE STUDENTS WERE APPROVED FOR SUMMER VACATION THAN THOSE APPROVED AT THE START OF 2020-21

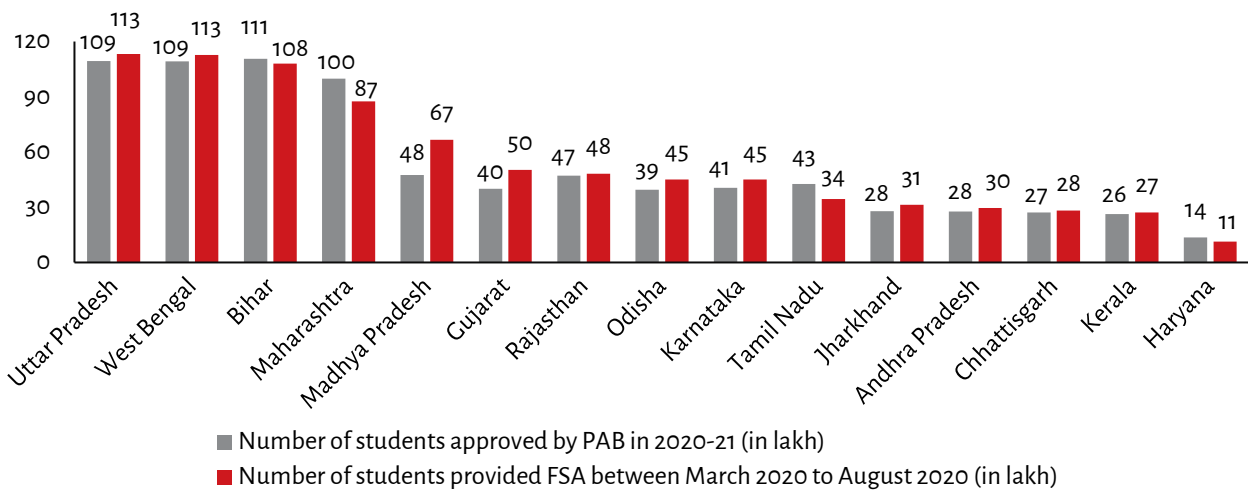


Source: Foodgrain Allocation for MDM, FY 2020-21. Available online at: http://mdm.nic.in/mdm_website/Files/Food%20Grain%20Allocation/2020-21/Food_Grains_Allocations_3rd_4th_Qtr_2020-21.pdf. Last accessed on 23 December 2020.

Food Security Allowance (FSA)

- Due to COVID-19, state governments and UTs were to provide FSA to all eligible children till such time their schools are closed due to the pandemic. The number of students provided FSA was marginally higher than those initially approved by the PAB but lower than the students approved for provision of MDM during the summer vacation. In FY 2020-21, 9.52 crore students were provided FSA between March to August as compared to the 9.25 crore students initially approved by PAB for MDM provision. This, however, was 1.13 crore lower than the number of students approved for the provision of MDM during the summer vacation.
- There were variations between states. In Bihar, Maharashtra, Tamil Nadu, and Haryana, fewer students were provided FSA than initially approved by the PAB.

27 LAKH MORE STUDENTS WERE PROVIDED FSA THAN APPROVED FOR 2020-21 AND 1.13 CRORE LESS STUDENTS WERE PROVIDED FSA THAN APPROVED FOR SUMMER VACATION



Source: (1) Foodgrain Allocation for MDM, FY 2020-21. Available online at: http://mdm.nic.in/mdm_website/Files/Food%20Grain%20Allocation/2020-21/Food_Grains_Allocations_3rd_4th_Qtr_2020-21.pdf. Last accessed on 23 December 2020. (2) FSA between March and August 2020 from Lok Sabha Unstarred Question No. 220 answered on 14 September 2020. Available online at: <http://164.100.24.220/loksabhaquestions/annex/174/AU220.pdf>. Last accessed on 23 December 2020.