

CHAPTER-I

Introduction

The National Programme of Nutritional Support to Primary Education (commonly known as the Mid Day Meal Scheme) was launched as a centrally sponsored scheme on 15 August 1995. The scheme was intended to boost the universalisation of primary education by increasing enrolment, retention and attendance and simultaneously impact on the nutrition of students in primary classes country wide in a phased manner by 1997-98. The programme initially focussed on children at the primary stage (class I to V) in government, local body and government aided schools. It was extended in October 2002 to cover children studying in the Education Guarantee Scheme (EGS) and Alternative and Innovative Education (AIE) Centres (now known as Special Training Centres). It was further extended (April 2008) to recognised Madarsas/Maktabas supported under Sarva Shiksha Abhiyan.

In December 2004, the Ministry of Human Resource Development issued revised guidelines for the Scheme. These guidelines laid emphasis on providing cooked meals with minimum 300 calories and 8-12 grams of protein content. There was a special focus on the enrolment, attendance and retention of children belonging to disadvantaged sections. Nutritional support to students at the primary stage was also to be provided during summer vacations in drought-affected areas. Assistance for management, monitoring and evaluation was also envisaged.

The scheme was further revised in September 2006. The revised objectives were:

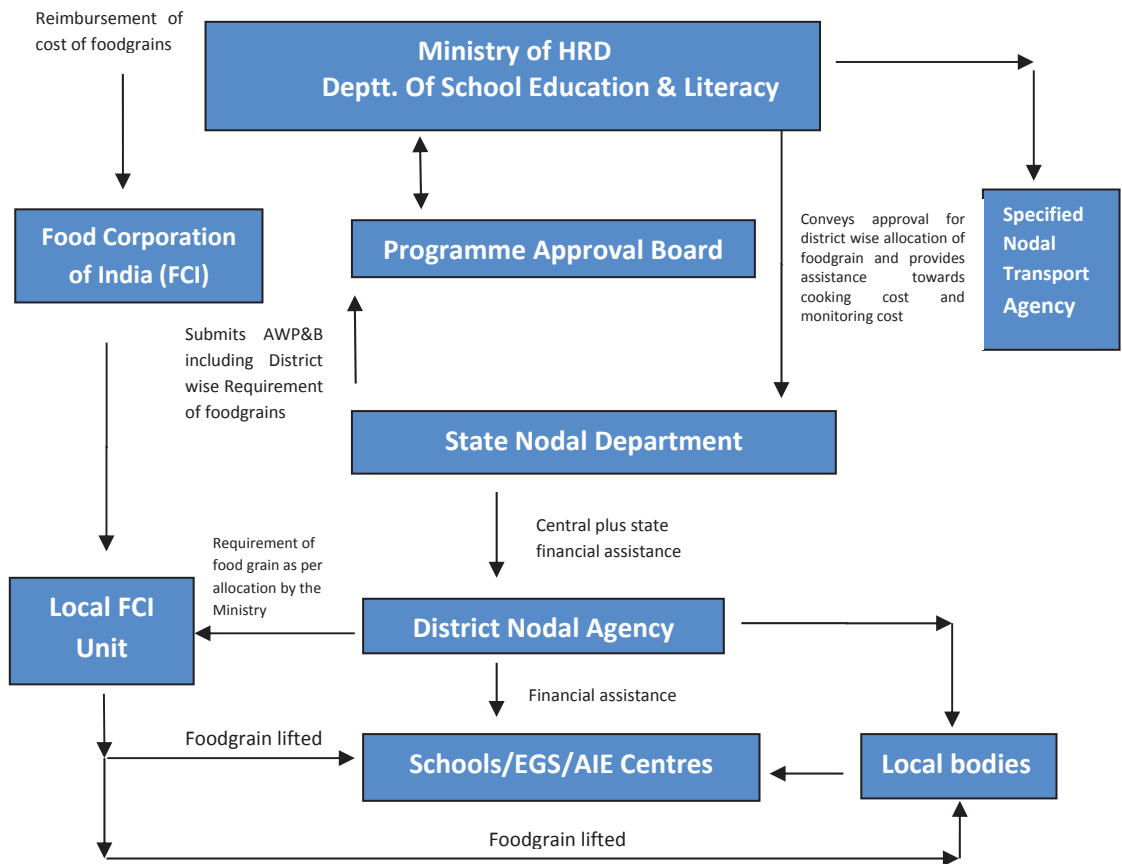
- i) Improving the nutritional status of children in classes I-V in government, local body and government aided schools, and EGS/AIE centres.
- ii) Encouraging poor children belonging to disadvantaged sections to attend school more regularly and helping them concentrate on classroom activities.

- iii) Providing nutritional support to children of primary stage in drought-affected areas during summer vacation.

In the revised guidelines of September 2006, the nutritional value of the cooked MDM was increased to 450 calories and the protein content to 12 grams, while simultaneously providing for essential micronutrients and de-worming medicines. The scheme was extended to Upper Primary Stage from 2008-09.

1.1 Organisational set up

The MDM scheme is being administered by the Ministry of Human Resource Development (Department of School Education and Literacy). The Joint Secretary (Elementary Education-I) is in-charge of the scheme under the overall supervision of the Secretary, Department of School Education and Literacy. Three Deputy Secretaries and a Director help the Joint Secretary in discharging his duties under the scheme. The overall responsibility for the implementation of the programme vests with the states/UT Governments. A flow chart of implementation of the MDM Scheme is given below:-



1.2 Budget and Expenditure

The details of budget allocations and expenditure are shown in **Table 1.1** below:

Table 1.1: Details of budget estimate and expenditure

Year	Budget Estimate	Revised Estimate	Released	Expenditure	(` in crore)
					Excess(+)/ Deficit(-)
2009-10	8000.00	7359.15	6937.26	5621.67	1315.59
2010-11	9440.00	9440.00	9124.52	7786.56	1337.96
2011-12	10380.00	10239.01	9890.72	9235.82	654.90
2012-13	11937.00	11500.00	10858.16	10196.98	661.18
2013-14	13215.00	12189.16	10910.35	10873.75	36.60
		Total	47721.01	43714.78	4006.23

1.3 Financial assistance

The MDM Scheme is mainly financed by the Ministry of HRD. Central assistance is provided to the states by way of:

- i) Supplying free foodgrains (wheat/rice) @ 100 grams/150 grams per child per school day in primary/upper primary from the nearest FCI godown;
- ii) Reimbursing the actual cost incurred in transportation of foodgrains from nearest FCI godown to the primary school subject to the following ceiling:
 - (a) ` 100 per quintal for 11 special category states viz. **Arunachal Pradesh, Assam, Meghalaya, Mizoram, Manipur, Nagaland, Tripura, Sikkim, J&K, Himachal Pradesh** and **Uttaranchal** (revised to ` 125 per quintal w.e.f. 1 December 2009) and
 - (b) ` 75 per quintal for all other states and UTs.

- iii) Providing assistance for cooking cost per child per school day at the rates given in **Table 1.2** below:

Table 1.2: Rates of Cooking Cost

(Amount in `)

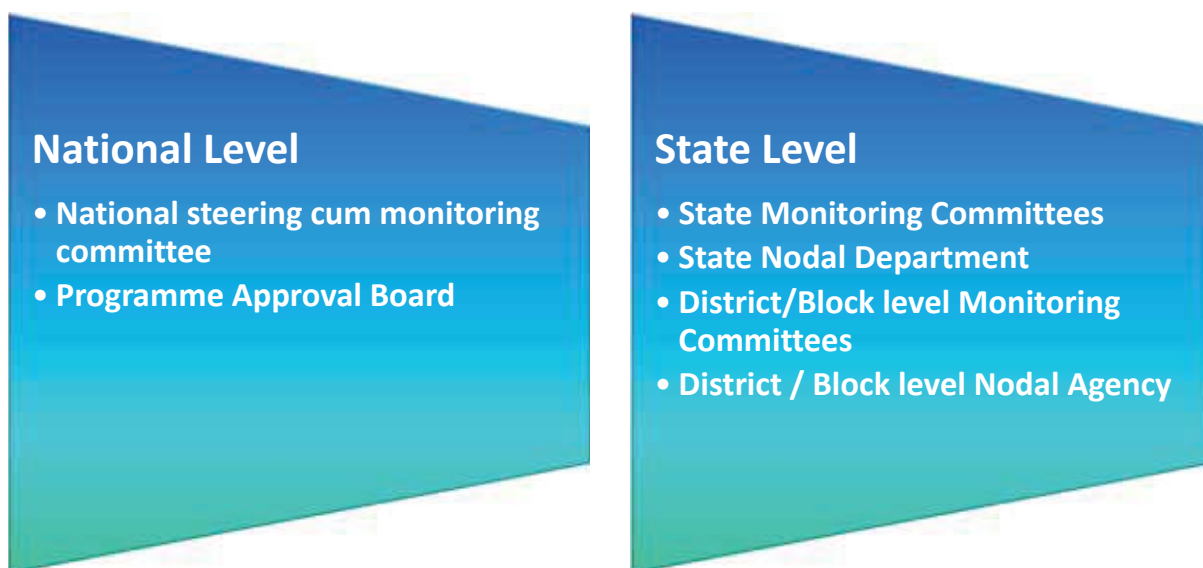
Period	Primary level				Upper primary level ¹			
	Non-NER states		NER states		Non-NER states		NER states	
	Centre	State	Centre	State	Centre	State	Centre	State
From September 2006	1.50	0.50	1.80	0.20	2.00	0.50	2.30	0.20
From December 2009	1.88	0.62	2.25	0.25	2.81	0.94	3.38	0.37
From April 2010	2.02	0.67	2.42	0.27	3.02	1.01	3.63	0.40
From April 2011	2.17	0.72	2.60	0.29	3.25	1.09	3.91	0.43
From July 2012	2.33	0.78	2.80	0.31	3.49	1.16	4.19	0.46
From July 2013	2.51	0.83	3.01	0.33	3.75	1.25	4.50	0.50

- a) In addition to cooking cost, assistance of ` 1000 per month for honorarium to cook-cum-helper is shared between the Centre and NER states on 90:10 basis and with other states/UTs on 75:25 basis. (One cook-cum-helper may be engaged in a school having upto 25 students, two for schools having 26 to 100 students and one additional cook-cum-helper for every addition of upto 100 students.)
- b) State Government/UT Administrations will be required to provide the above minimum contribution in order to be eligible for the enhanced rate of Central assistance.
- iv) Providing assistance for cooked Mid Day Meal during summer vacations to school children in areas declared by State Governments as “drought-affected”.

¹ Scheme extended to Upper primary level in Educationally Backward Blocks from 2007-08 and from 2008-09 across the country

- v) Providing assistance to construct kitchen cum store in a phased manner up to a maximum cost of ₹ 60000 per unit. States were expected to proactively pursue convergence with other development programmes.
- vi) Providing assistance in a phased manner for provisioning and replacement of kitchen devices at an average cost of ₹ 5000 per school. States/UTs administration will have the flexibility to incur expenditure on the items listed below on the basis of the actual requirements of the school (provided that the overall average for the State/UT administration remains ₹ 5000 per school):
 - a) Cooking devices (Stove, Chulha etc.)
 - b) Containers for storage of foodgrains and other ingredients
 - c) Utensils for cooking and serving.
- vii) Providing assistance to states/UTs for Management, Monitoring and Evaluation (MME) at the rate of 1.8 *per cent* of total assistance on (a) free foodgrains, (b) transport cost and (c) cooking cost. Another 0.2 *per cent* of the above amount will be utilized by the Central Government for management, monitoring and evaluation.

The MDM Scheme has a management structure at the National, State, District and Block level.



1.4 Implementation

As per the scheme guidelines 2006, the overall responsibility for providing nutritious, cooked MDM to every child in all government schools, EGS and AIE Centres lie with the State Governments and Union Territory Administrations. The responsibilities of the state/centre are given below:

- (i) Every State Government/UT administration will prescribe and notify its own norms (State Norms) of expenditure on the scheme, based on which it will allocate funds for the implementation of the Programme.
- (ii) The State Norms would spell out modalities for ensuring regular and uninterrupted provision of nutritious cooked meal. State Governments/UTs will develop and circulate detailed guidelines.
- (iii) Every State Government/UT administration would designate one of its Departments as the Nodal Department, which will take responsibility for the implementation of the Programme and also one nodal officer or agency at the district and block level (e.g. the District Collector, District/Intermediate Panchayat. etc.) who shall be assigned overall responsibility of effective implementation of the programme at the district/block level.
- (iv) The responsibility for cooking/supply of cooked mid day meal should be assigned to local women/mothers, local youth club affiliated to

the Nehru Yuva Kendras, voluntary organisations and personnel engaged directly by the Village Education Committee (VEC)/School Management cum Development Committee (SMDC)/Parent Teacher Association (PTA)/Gram Panchayats/Municipality. In urban areas where a centralised kitchen setup is possible for a cluster of schools, cooking may wherever appropriate, be undertaken in a centralised kitchen and cooked hot meal may, then be transported under hygienic conditions through a reliable transport to various schools.

- (v) Ministry will convey the district wise allocation of foodgrains, cooking costs, construction of kitchen-cum-store, cooking cum kitchen devices and MME allocations as approved by the Programme Approval Board to the State Nodal Department and the FCI. The State Nodal Department will convey district wise allocations for the next financial year to all District Nodal Agencies.
- (vi) Foodgrains will be provided by the Food Corporation of India (FCI). FCI will be responsible for continuous availability of foodgrains. State Government/UT Administration will make arrangements to ensure the supply of foodgrains to each school etc. in a timely manner.

1.5 Audit Approach and Methodology

The performance audit of MDM was conducted in MHRD and 27 states (except Mizoram) and seven UTs, where the scheme was under operation. The performance audit commenced with an entry conference with the Ministry on 20 August 2014 wherein the audit methodology, scope, objectives and criteria were discussed. The performance audit process consisted of examination of records related to the scheme at schools, blocks, districts, states and the Ministry level. After conclusion of audit and consolidation of audit findings an exit conference was held on 15 July 2015 with the Ministry. The Ministry did not furnish replies to the audit findings despite assurance given during the exit conference till now (September 2015).

1.6 Scope of audit

The performance audit covers the period of 2009-10 to 2013-14. Audit covered implementation of the scheme at the following levels:

Central Level	Ministry of Human Resource Development, Department of School Education and Literacy
State Level	State Nodal Department
District/Block Level	District Nodal Department
Grassroots Level	Primary/Upper primary school/centre

1.7 Audit sampling

The Scheme is implemented in all the districts of 28 states/7 UTs in 7.75 lakh primary schools/EGS/AIE Centres/Madarasas/Maktabs covering 9.12 crore children and 3.83 lakh upper primary schools/EGS/AIE Centre/Madarasas/Maktabs covering 4.76 crore children.

Following criteria for selection of different units was adopted.

A total of 113 districts and 3376 schools across 34 states/UTs were test checked in audit. The state-wise break up of districts and schools selected for audit is given at **Annex-I**.

1.	State	All states and UTs except Mizoram			
2.	Districts	15 per cent of the districts within a State, subject to a minimum of two to be selected by PPSWOR method in the district.			
3.	Schools	30 schools per district selected on SRSWOR method in each district.			
		Name of Area (Block)	Number of Area (Block)	Primary schools/ EGS/AIE centres/ Madarasas/Maktabs	Upper primary schools/ EGS/AIE centres/ Madarasas/Maktabs
		Rural	3	14	7
		Urban	1	6	3
		Total	4	20	10
Note : If number of schools in either of the rural/urban area were deficient, the same were compensated from each other thus ensuring that the total remains 20/10 in primary and upper primary levels respectively.					

1.8 Audit objectives

Performance audit of the scheme was carried out to verify whether:

- the scheme was being implemented in a planned manner so as to cover all the eligible primary and upper primary level school children
- the scheme achieved its objective of enhancing enrolment, retention and attendance in primary education
- the scheme achieved its objective of improving the nutritional status of children in the primary/upper primary classes
- the funds allocated were being utilised in an economic and efficient manner
- the implementation of the scheme was being effectively monitored.

1.9 Audit Criteria

Following sources for the criteria were adopted for the performance audit:

- Scheme guidelines on National Programme of Nutritional Support to Primary Education (MDM) 2006.
- Guidelines for decentralisation of payment of cost of foodgrains to FCI at District level under MDM (February 2010).
- Guidelines of July 2013 to ensure quality, safety and hygiene under MDM Scheme.
- Norms framed by respective states for incurring expenditure under MDM.
- Various orders, notifications, circulars, instructions issued by MHRD/State Governments/UTs Administration.
- Annual Work Plan and Budget prepared by various states.
- General Financial Rules.

- Data on enrolment, attendance, retention and nutritional status of the children.
- System of measurement for assessment of nutritional status of children and improvement in the nutritional status.
- Monitoring mechanism and evaluation/follow up at various levels and corrective action prescribed.
- Evaluation reports on the scheme.
- Internal control structure and its effectiveness.

1.10 Earlier Audits

Performance audit of the functioning of the MDM Scheme was also conducted earlier covering the period 2002-03 to 2006-07 and the results reported in Comptroller and Auditor General's Report No. 13 of 2008. The major shortcomings pointed out in the above-said report were:

- Non-assessment of the impact of the programme in terms of increase in enrolment, attendance and retention levels of children.
- Instances of weak internal control and monitoring.
- Shortfall in meetings of Steering and Monitoring Committees at Central and State Level
- Inadequate inspections of schools to ensure the overall quality of MDM.
- Instances of deficient infrastructure, delayed release of funds and inflated transportation costs etc.
- Instances of the teachers spending considerable teaching time in supervising the cooking and serving of meals resulting in loss of teaching hours.

Based on the audit findings audit had recommended the following:

- Establishing a reliable system of data capture of actual enrolment, attendance and retention from schools.
- Establishing a mechanism to assess the nutritional level of the children.
- Ensuring regular supply of foodgrains from FCI.

- Strengthening of inspection and monitoring mechanism at all levels.
- Providing essential infrastructure for implementation of MDM.

The Public Accounts Committee (15th Lok Sabha), in its Ninth Report (subsequently, 28th Report) on CAG's Report No. 13 of 2008 of MDM Scheme had made a number of Observations/Recommendations. The Ministry furnished (September 2010) the action taken on the Observations/Recommendations of PAC's Ninth Report.

Performance Audit of MDM Scheme for the period 2009-10 to 2013-14 revealed that most of the deficiencies as pointed out in earlier CAG's report were still persisting despite assurance rendered by the Ministry to the PAC as brought out in **Table-1.3** below:

Table 1.3 Status of the implementation of Observations/Recommendations of the Public Accounts Committee

Sl. No.	Observations/ Recommendations of the Public Accounts Committee (PAC)	Response of the Ministry (ATN)	Status as per the current audit report
1.	Analyse the reasons for under utilisation of funds during the years 2007-08 and 2008-09.	The Ministry stated that low utilisation of central assistance was due to delay in funds from state level to district/school level. Further states and UTs were advised to release the funds to schools within one month of release of central assistance by GOI.	Instances of under utilisation and delay in release of funds at various levels were noticed (Para No. 4.1 and Table 4.1).
2.	Exploring of Public Private Partnerships (PPPs) and associating voluntary organisations/NGOs for providing Mid Day Meal	Guidelines for engagement of NGOs/SHGs and involvement of mothers were circulated in September 2010.	Despite engagement of NGOs and SHGs in various states for providing MDM, audit noticed deficiencies in providing cooked meal (Para No. 3.5, case study no. 2 of Para No. 3.6.4 and Para No. 4.5). Moreover, instances of non-involvement of mothers in supervision of preparation of meals were noticed (Para No. 3.6.5).

3.	<p>Devise measures to allocate foodgrains based on actual enrolment and attendance.</p> <p>Monitor the utilisation of foodgrains by the states.</p>	<p>Ministry stated that the foodgrains was generally being allocated on the basis of approval accorded by the Programme Approval Board (PAB) keeping in view the actual performance in terms of number of children, who availed MDM and number of school days on which meal was served during the previous year.</p> <p>The progress of the MDM Scheme was monitored through the Quarterly Progress Report which has information on actual enrolment as well as the number of children approved by the PAB, opted for MDM and actually availed the MDM.</p>	<p>The stated monitoring mechanism notwithstanding, instances of excess/short lifting of foodgrains were still persisting. (Para No. 3.1)</p> <p>There were variations between the data of enrolment, coverage of children under MDM Scheme obtained from the Ministry and states. (Para No. 2.7)</p>
4.	<p>The Committee desired that the Ministry should continuously monitor the supply of the foodgrains and also give clear cut instructions to the States for maintaining buffer stock in the areas/districts having rough terrain and inclement weather.</p>	<p>The Ministry issued (February 2010) detailed guidelines for supply of foodgrains. As per guidelines, the Food Corporation of India (FCI) will ensure continuous availability of adequate quantity of good quality of foodgrains not less than Fair Average Quality. States/UTs were required to ensure that every consuming unit maintains a buffer stock of foodgrains required for a month to avoid disruption due to unforeseen exigencies.</p>	<p>Instances of non-supply of foodgrains of FAQ, non-maintaining of buffer stock etc. came to light. (Para Nos. 3.3 and 3.4)</p>
5.	<p>Fixation of accountability on diversion of funds and foodgrains.</p>	<p>Cases of diversion of foodgrains/funds had been taken up with the concerned state governments requesting them to initiate appropriate action immediately.</p>	<p>Instances of diversion of funds were noticed. (Para No. 4.2)</p>
6.	<p>The policy for construction of kitchen-cum-store should be re-visited and all out efforts should be made for construction of required kitchens without further loss of time.</p>	<p>The Ministry revised construction cost of kitchen-cum-store from flat rate of ₹ 60000 per unit to on the basis of plinth area norm and the schedule of rate prevalent in the state w.e.f. 1 December 2009. The funds were also released for construction of kitchen-cum-stores.</p>	<p>Instances of non-availability of cooking infrastructure i.e. kitchen-cum-store, non-utilisation of funds, injudicious sanction and release of funds, and blocking of funds for construction of KCS were noticed (Para Nos. 3.7 and 4.6)</p>
7.	<p>Ensuring adequate support mechanism to prevent loss of teaching time.</p>	<p>Instructions were issued by the Ministry to ensure non-involvement of teachers in the process of cooking and supervision.</p>	<p>No such cases of involvement of teachers were noticed.</p>

8.	Pro-active action by the Ministry to ensure regular holding of Steering cum Monitoring Committees (SMCs).	All the states/UTs had been reminded (August 2010) to hold the meetings of SMCs at all levels at regular intervals.	There were shortfalls in meetings at National, State, District and Block Level. (Para Nos. 5.2 and 5.3)
9	Ministry and state government conduct impact of the scheme to ensure its implementation with desire outcomes i.e. assessment of health and nutrition.	Ministry stated that evaluation of MDM scheme had been carried out by the Programme Evaluation Organisation of the Planning Commission. The Ministry had shared the findings with the States/UTs for necessary remedial actions.	Instances of non-conducting of regular health check-ups, non-providing of micro nutrients to children were observed. (Para Nos. 3.6.1 and 3.6.2)

As can be seen from the above table, the PAC's concerns largely remained unaddressed.