



# National Workshop on POSHAN Abhiyaan

## Understanding Disbursement Linked Indicators

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# Disbursement Linked Indicator (DLI): What does it mean

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- **A financing modality where disbursement (fund release) is made on the achievement of an agreed set of results, and not inputs (expenditures)**
- Results indicators (or DLIs) reflect programme priorities and are critical to the achievement of program objectives
- These indicators are generally placed in a logical sequence or chain and can include:
  - Intermediate or output level indicators
  - Outcome indicators
  - Implementation performance benchmarks, institutional change indicators etc.
- Each DLI/results indicator has a “value” assigned and this value or amount is released only when the result is achieved and verified as per an agreed DLI verification protocol
- The achievement of DLI is verified by a third party independent verification agency (either hired by the World Bank or the implementing agency)

# Snapshot of some DLIs under NNM

DLI	DLI Targets					
<b>DLI 1: ICT based management and monitoring system strengthened, contributing to improved service delivery</b>	1.1: MWCD has developed the ICDS-CAS guideline and issued it to all States.	1.2: MWCD has ensured the inclusion of monitoring indicators on community-based events, new ICDS-CAS videos and results framework indicators in the ICDS-CAS application and developed user and training manuals accordingly.	1.3: Each Priority State has signed the contracts for ICT hardware, growth monitoring devices and supporting consulting and non-consulting services in accordance with ICDS-CAS guidelines.	1.4: At least 60% of AWWs in the Participating Districts in each respective Priority State have been trained on the ICT based management, monitoring and communication system in accordance with the Training Plan.	1.5: At least 40% of AWCs in the Participating Districts in each respective Priority State have delivered a minimum set of services every month for a consecutive period of six months.	1.6: At least 50% of AWCs in the Participating Districts in each respective Priority State have delivered a minimum set of services every month for any consecutive period of twelve months after the period of achievement of DLI Target 1.5.
<b>DLI Value</b>	USD 5,230,000	USD 5,230,000	USD 2,107,000 for each Priority State that achieves the DLI Target	USD 702,000 for each Priority State that achieves the DLI Target	USD 469,000 for each Priority State that achieves the DLI Target	USD 469,000 for each Priority State that achieves the DLI Target

# Disbursement Linked Indicators: Operational in 8 States since 2015

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- **A positive experience:**
  - Ensured State focus on monitoring results and hence ensured effective implementation
  - Instilled a positive competitive spirit among states
  - Led to a complete turnaround of the project, which has now been transformed into the NNM
  - Did away with the need to follow World Bank procurement guidelines
- **Challenges:**
  - Understanding the DLI mechanism
  - Focus on results/targets at the cost of quality of implementation
  - Non-performance of states can affect the overall performance of the project

# Disbursement Linked Indicators: Eligible Expenditure Program (EEP)

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- In addition to the results report, to disburse under the DLI mechanism States are expected to report against the EEP
- EEP identifies “eligible” budget line items within a budgetary program supported by the World Bank
- The EEP under WB support comprises salaries and allowances of staff of the State Directorates of Integrated Child Development Services, as they are key to the implementation of the NNM
- **When a DLI is met, the value (of that indicator) can be disbursed provided that sufficient EEP expenditures have taken place**
- **Quarterly reporting on EEP expenditures is therefore critical**

# Disbursement Linked Indicators: Financial Reporting

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- **Quarterly Financial Monitoring Reports (FMRs):**
- Standard FMR format to be used to report expenditures along the EEP budget heads; and overall NNM expenditures to the MWCD
- EEP Budget heads from only 11 States – will be reported by the MWCD to the World Bank
  
- **Audit Requirements:**
- The overall audited state finance accounts provided by the AG (A&E), along with a certification of the AG (A&E) of details up to the object head, which indicates the EEP, will be considered as the audit report for the project.
- To be submitted within 9 months of the end of the FY.

***Thank You***

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